

## BUDGET MESSAGE – FINAL

Mr. Chairman  
Members of the County Council  
Cabinet Members  
Elected Officials  
Honored Guests  
Fellow County Employees  
and all Citizens of Anne Arundel County

Good Morning!

Just two short months into my administration, it is my pleasure to present to you the Fiscal Year 2014 Operating and Capital Budgets.

The operating budget totals \$1.3 billion and the capital budget totals \$230.2 million. This budget represents a new chapter and a fresh start for Anne Arundel County.

Since this is our first time together since my appointment as county executive, please allow me a moment to say thank you.

Thank you to Chairman Walker and all the members of the County Council for the faith you have demonstrated in me by appointing me to run our great county. And thank you to the many citizens who have reached out directly and offered your support and congratulations!

As I enter my third month on the job, I am so proud of what we have accomplished in such a short period of time. But before we look to the future, I think it's important to understand where we were just 2 short months ago. After my swearing-in, I walked into an office that was sullen and silent, overshadowed by fear.

I witnessed the paralyzing atmosphere myself and I heard many stories that were alarming. One employee shared how, once when she was on the elevator she pushed the wrong button. She pushed 4, rather than 3. She went back to her desk, sitting in fear the remainder of the day. Afraid that she would lose her job for being on the 4<sup>th</sup> floor, when she wasn't authorized to be there. At some point after that, the

4<sup>th</sup> floor was locked out by the elevator system. It now required special access.

The atmosphere was not productive. In fact, I felt as if I had stepped back 20 years in time. In addition to the dark mood, there were basic requests that could not be met. We could not locate furniture for my office and, as has been widely reported, my office didn't even have a computer.

I could barely understand the caller on the other end of my first phone call because there was so much static on the phone line. After I hung up from the call, buttons started falling off my phone. All of our furniture is very old and much of it is falling apart. In one instance, we were trying to relocate furniture from one building to another and couldn't for fear it would fall apart during the move. This is in stark contrast to the vast resources and great pride we all have in our county.

Over the last few years, I have had the good fortune to travel all over the state of Maryland and to interact with many local governments. I quickly realized that our county government was way behind: in culture, attitude and investment – investment both in people and in the resources necessary to run an effective government. We have a lot of work to do!

I quickly met with employees, our local delegation, leaders in our community, citizens from all over our county....and with each of you. In every case, I heard the same refrain – “we didn't have a relationship with the county executive. In fact, we weren't even allowed on the fourth floor”.

Unfortunately, there are many such stories. Maybe they're true, maybe they're not. Either way, the tone needed to change. It is our job to be open and accessible....and to work together.

I am happy to say that this has started to change. Open communication and collaboration are essential to the success of the county. We might not always agree but we must work together for the future of our county.

I am optimistic about what we will achieve in the coming months and years. This county has a dedicated workforce delivering valuable services to our citizens every day. I cannot say enough about how impressive many of our public servants are and what tremendous assets they are to our community.

I've enjoyed meeting much of the staff but my greatest joy in this whole experience has been meeting with the citizens of our county who, like our employees, know that we can do better. They want us to work together and think ahead so that prized resources, like the Chesapeake Bay, our strong defense sector, our farms and our history, can be maximized to take our rightful leadership position in the State of Maryland. We can be a model of excellence in the state, and that is my goal.

We have all been through a tough period that has included both economic hardship and political scandal, but we have turned that page. The troubles of our past need to stay in the past, and we must now set out upon a new course. That new path starts with my Administration, which you can see already looks different.

Today we have a dozen new faces since the last budget presentation. These are people who share my vision of putting our citizens first and setting a path to prosperity. Our top priority is to serve the public, and to do so with transparency, ethics and efficiency.

Please also notice that, in addition to my management team, present today are union representatives, school board members and elected officials. I am joined by Dr. Kevin Maxwell, our Superintendent of Schools as a show of support in working together. Everyone here today recognizes that we begin a fresh start as an interconnected team. I am honored to lead this county but I recognize that success comes from working together, as a team, for the betterment of our county and for all of the citizens who choose to make their home here.

---

It is rare for me to look back or to comment negatively but the truth is that leadership in county government was lacking for the last several years and it is apparent that very little was done to recover from a struggling economy.

We have a saying around the office that the county was kept together with paper clips and bubble gum. Well, there is a long-time county servant and leader who deserves much credit for keeping us in sound financial shape during a tumultuous time.

His name is John Hammond and I'd like to take a moment to recognize him.

John is our Budget Officer and has done an amazing job holding what limited resources the county had together over the past several years and ensured that our Bond rating was not negatively impacted.

Trust me when I tell you that it was no small feat. A healthy balance in the Rainy Day Fund strengthens our credibility with bond rating agencies. In fiscal year 2008, the county's fund balance was \$48 million. By fiscal year 2011 \$33 million had been depleted from the fund and reallocated to other areas of the budget. My budget proposal returns \$16 million to the Rainy Day Fund bringing the balance up to \$40 million and ensures our bond rating stays strong.... and hopefully keeps John from holding his breath for this year's rating.

---

Now we begin the process of moving the county forward and that requires a well-thought out recovery plan that is practical and builds resources so we can use them in the most efficient ways possible. This budget is a roadmap for our path to a better future. It contains the allocation of resources necessary to fulfill three major goals:

strengthen and expand our delivery of services  
modernize our infrastructure  
and grow our economy.

You will hear a recurring theme in my message today and that is the necessity to invest in our greatest assets as well as in basic fundamentals:  
people and infrastructure.

For too long our County has not made investing in people or infrastructure a priority and that has resulted in a deteriorating organization. My priorities for this budget are to reward hard work by providing incremental salary increases for all county employees and to provide some of the basic equipment for the 21<sup>st</sup> century.

### **Information Technology:**

Within a couple weeks of taking office it became clear to me that the county's technological resources are outdated and inadequate. There has been a severe lack of investment in our government and most notable is our 1980's era technology. This budget allocates \$5.2 million to begin the road to recovery and rebuild information systems by purchasing basic equipment.

This will include more efficient computer, network and communications hardware and software.

We will begin eliminating IBM mainframes purchased in the late 70's which still require technical support from COBOL programmers (COBOL hasn't been taught as a programming language for 20 years).

and to provide training in the advanced systems and technologies that will be introduced.

I want to leverage web and cloud-based technologies to improve efficiency and reduce cost to the county while providing systems that will better support our employees' ability to work smart and better serve our citizens.

I have also included three new positions as part of the funding for technology; two of which will be dedicated to project management and planning. Had the County had professional technology project managers in past years to manage and execute systems efficiently

and effectively, the Tiburon debacle in 2011 may have been avoided. Efficiencies start with a well-thought out plan and effective project management.

The positions I have proposed will begin our ability to effectively develop and execute large complex technology projects while also identifying and eliminating other resource and process deficiencies that exist within the County Information Technology infrastructure.

Again, rebuilding our information and communications systems supports our employees' ability to work smart and improve service delivery. County employees have been working hard with too little for far too long. We stand to lose a valuable resource if we continue to not invest in basic tools for our employees.

### **Pay Increases:**

We also need to invest in our employees...

Frankly, we can no longer ask our non-represented employees to go without pay increase when we are negotiating increases for our union represented employees. Our limited resources must be fairly applied to all. And you should know that in each union negotiation I found complete and universal support for this level of fairness.

If we fail to invest and reward hard work and talent, we will lose a valuable resource. We cannot afford to allow that to happen.

The county has operated under a hiring freeze for several years. When positions were vacated, they were eliminated, without thought to the overall delivery of service.

In almost every department presentation I received requests for increased staffing. Before adding additional staff, we must first ensure that we have maximized the resources we have. With a few exceptions, I have asked each department head to restructure and reorganize their departments before we begin adding positions.

As we begin to rebuild our departments, we must reward hard work, investing in people and having equity for all employees. I do not

support providing pay increases for some sectors of our workforce and not others. Non-represented employees have not had pay increases for 4 years and most of our employees were furloughed for 12 days in 2 of those 4 years. The represented employees have not seen a pay increase in 3 years. This budget includes a net 3% pay increase across the board for all employees.

Unions = 3% merit + 3% COLA effective January 1, 2014  
Non-Represented = 3% merit + 2% COLA January 1, 2014 + 2% COLA April 1, 2014

When I walked into my office two months ago, just an hour into the job, I was greeted by 13 open union negotiations. We have 13 unions and every one had an open and unresolved contract. Today, twelve contracts have been resolved amicably and one is in arbitration. Of the 12 finalized contracts, 9 are 2 year terms. This is the first time this has happened since 2008.

## **Libraries**

Our library system enriches the quality of life in our community by supporting:  
early literacy,  
providing educational resources,  
and inspiring continued learning for all citizens of this county.

Funding cuts over the past several years have resulted in our library system falling behind other counties in Maryland. Libraries are a learning resource that benefits our entire community and we must support and invest in them.

I have included money in the budget to begin to right the course of our library system. This will allow us to restore library hours of operation back to a full schedule – these expanded hours will include weekend and evening hours.

Further, there is money planned to begin a phased-in approach to upgrade public computers at all library branches and to complete the network infrastructure initiatives that began in 2010. Library employees, like other county employees have not received pay

increase since 2009 and were also subjected to two years of furloughs. Again, I believe in equity across all levels of county government. This budget provides a net 3% pay increase for library staff.

## **Public Safety**

This budget begins funding replacement of an aging fleet of equipment and vehicles for our public safety departments. We must ensure that our police officers are in reliable, safe cars so that they can properly protect the public. Our police department has 555 vehicles for 656 sworn officers. Thirty-seven percent of their vehicle fleet has in excess of 100,000 miles and within the year they will have an additional 25% of their vehicles reaching that milestone.

62% of our first response police cars will have over 100,000 miles on them.

I can tell you personally that I was in a police car on the way up route 97 when a rear-view mirror just fell off the car. The police cars I have seen do not have back-up cameras, GPS or even automatic lights that turn on when it gets dark. This is basic equipment!

Repairs and maintenance of an aging vehicle fleet creates down-time and, frankly, a safety issue for our public safety personnel. Based on the mileage, historic repair costs, and age of vehicles, it has been recommended that 273 of the 555 vehicles be replaced.

However, I cannot undo the lack of investment that has occurred over the last several years with this budget. I am proposing that funds be planned to purchase 79 new squad cars for the police department, and black will be the color of choice – saving us \$3,000 per car!

I have also provided funding for six additional full-time police officers to be stationed at Arundel Mills and provide 24 hour security at the Maryland Live! Casino.

Hopefully, in coming years, we can build a new police academy. We welcome new recruits to the police department with a crumbling and aging facility. It is an embarrassment! We conducted a study for a

new facility years ago but have not budgeted for this very important need. This year, there was a plan to use \$100,000 to conduct a new study for a facility. I said “NO”. We’ve already studied it. Saying we will study it again doesn’t take away the need for a new facility. In future years, we need to budget and plan for a new police academy.

We need to invest in basic infrastructure.

In FY2014, I have included another \$5.4 million that will go to relocation and construction of a new Lake Shore Fire Station to provide better response coverage to the communities they serve.

In public safety, our basic communications support for all first response agencies is outdated. There is also \$3.3 million included to modernize the radio system infrastructure used by our public safety sectors. Their current communications system will be at the end of its service life within the next two years. The original system was installed in 2001.

To put this into perspective, our current 800MHz radio is not as advanced as neighboring jurisdictions...and our mobile fire radios do not have the capability to communicate with important neighboring jurisdictions such as Prince Georges County, Baltimore City and Baltimore County, BWI Airport or the State of Maryland.

This is unacceptable, especially in light of recent events throughout our country which require cross-jurisdictional coordination. Therefore, I have allocated \$500,000 in the FY2014 capital budget to begin the upgrade. The total cost to upgrade our communications system over the next 4 years is estimated at \$20 million. Anne Arundel County citizens deserve no less when it comes to public safety.

The upgrade will increase interoperability with our surrounding state and local jurisdictions and ensure that our Fire Department is P25 compliant, meaning it meets the FCC standard for Public Safety voice communications.

### **Economic Growth:**

This is the good news...

I believe we are entering a period of economic recovery – and we are ready for it! Much of our recovery is tied to the very strong defense presence in our county.

We are fortunate to be home to the nation's largest intelligence center, Fort Meade, which also houses the National Security Agency. Extensive growth is projected to continue at Fort Meade in support of Cyber Command, which includes construction of the new NSA East Campus, expansion of adjacent National Business Park, and the planned construction of the Enhanced Use Lease project on the northern edge of the installation.

A significant portion of that growth is likely to occur between 2015 and 2020. As Fort Meade, the nation's epicenter of cyber security and information assurance, continues to grow, communities continue to be favorably impacted by Department of Defense (DoD) actions. Fort Meade is the operational headquarters for both defensive and offensive cyber warfare of the 21<sup>st</sup> century.

The collective mission of the federal agencies on Fort Meade puts the installation at the forefront of the worldwide struggle for cyber security and information assurance. In response to continued growth, federal, state, local and private entities are investing nearly \$8 billion and 9.2 million square feet of new construction in and around Fort Meade. This explosion of growth will be instrumental in our economic recovery. Fort Meade and the Department of Defense is a source for high quality jobs for our citizens....and provides a career path for our students.

### **Education:**

We have a strong public school system with premier programs that are a model for the entire state. Anne Arundel County is proud to have 12 nationally recognized Blue Ribbon schools. This budget includes \$596 million for the public school system which represents about 51% of our total budget and adds \$16.9 million dollars over last year's school budget as part of the Maintenance of Effort and Pension Shift mandated by the State in 2012.

This budget provides continuing funding of numerous Board of Education capital projects including:

Severna Park High School

Annapolis Elementary School

Crofton Elementary School

Mills-Parole Elementary School

Rolling Knolls Elementary School

Open space classroom enclosures and

All day kindergarten and pre-kindergarten additions

My budget proposal recommends the allocation of funds to continue to support innovative education programs such as our STEM (Science, Technology, Engineering and Mathematics) and International Baccalaureate programs.

We have an obligation to educate and prepare our students for expanding industries that are creating thousands of jobs right here in our county in the science, technology, engineering and math disciplines.

This year, 25 percent of Anne Arundel Public School secondary students are enrolled in a magnet program, and in almost all programs, applications exceeded available seats.

Later this year, we will open the first middle school STEM program that will complement the magnet programs at North County and South River High Schools resulting in 8 magnet programs at 16 of our public schools throughout the county.

We are investing in our students and they are succeeding. We are proud of their accomplishments!

Just this week 3 county high school students won the prestigious Gates Millennium Scholarships, which will pay for the bulk of undergraduate, graduate and post-graduate expenses.

The Gates Millennium Scholars Program selects 1,000 talented minority students each year to receive a good-through-graduation scholarship to use at any college or university of their choice.

All three students have plans to attend college in the fall with double majors. One in molecular biology and biochemistry. The second in journalism and global studies. And the third in political science and Spanish.

### **Anne Arundel Community College**

We are fortunate to be home to Anne Arundel Community College. As one of the finest community colleges in the nation, Anne Arundel Community College responds to the needs of a diverse community by offering high quality, affordable and accessible learning opportunities.

They have been a leader in developing innovative STEM and Cyber programs to train and educate our students in this growing sector. We have an enormous advantage to be home to a unique partnership between our defense industry, our public school system and our community college. We must continue to support this strong business and public partnership.

Therefore, this budget includes a total of \$35.5 million to fully fund the continuation of STEM and Cyber programs at the community college and also restores historical funding levels for the college that had been cut in recent years.

Like other employees in the county, Anne Arundel Community College employees have not received any type of pay increase for several years. Their faculty salaries rank at the bottom of comparable peer colleges. It is challenging to attract and retain quality personnel if we do not pay them for their talent and hard work. This budget will fund a net 3% pay increase for Anne Arundel Community College employees.

## **Recreation and Parks**

Our award winning park system adds to our well-being and quality of life in our community. Recreation and park facilities enrich our lives and preserve our natural, cultural and historic resources.

The Department of Recreation and Parks is responsible for

170 parks and sanctuaries,

32 - before and after - school child care centers,

three hiking/biking trails,

two swim centers,

two recreation centers,

two golf courses and

two ice rinks!

Federal, state and local funding has been made available to invest in a hiking/biking trail for the western portion of the county. Construction of the South Shores Trail will connect with the Colonial Annapolis Maritime Trail and the WB&A Trail.

We will also be adding a turf field in Kinder Farm Park, upgrading the Annapolis Swim Center and beginning construction on the first county public boat ramp - at Fort Smallwood Park. If we want our community to appreciate the bay, then we must make it easier for all of our citizens to get onto the bay.

## **Planning and Zoning**

I have heard a number of comments (okay, we'll call them complaints) about the Office of Planning & Zoning and the Department of Inspections & Permits. We have not done a good job of communicating to the public the process for getting permits in an efficient and straightforward manner.

I have developed a Commission on Excellence that will be looking at every department in the county for ways to improve our service delivery and efficiency. The goal of the Commission on Excellence will be to evaluate our delivery of service to the community and to provide a set of best practices on how we could improve our service to the community. We have a great county and I want our county to be known for excellence. I will bring pride back to our county!!

The Commission's first order of business will be to evaluate the processes and operations in the Office of Planning and Zoning and the Department of Inspections and Permits.

Years of reduced spending have resulted in a number of positions being eliminated in both departments. And in INP, constant leadership turnover has resulted in a lack of focus on delivery of service to the community.

For my part, I have dedicated funds in this budget to add three positions to the Department of Inspections and Permits and one position for the Office of Planning and Zoning. This is a first step in the process to prepare the departments for the growing demands of a recovering economy.

I have also asked the respective Directors to revisit how they conduct business and find ways to improve response time, streamline the permit intake process and utilize better technology opportunities. Both departments are hampered by the 1980's era technology they are using. The computer system for processing permits has a DOS operating system that is outdated by 20 years and we have almost no electronic records storage.

The Commission on Excellence will be instrumental in making recommendations for these departments. I am asking the Commission to develop a list of best practices for these departments.

## **State Funding**

Over sixty percent of the county's budget is mandated by the state and is supporting many areas of the budget.

The Anne Arundel county delegation has worked to increase state funding and protect the interests and priorities of our county. During the 2013 legislative session, their hard work resulted in a 7% increase in state assistance this year.

This funding provides assistance directly to our public school system, our department of health, Anne Arundel Community College as well as other areas of our budget.

## **Closing**

My proposed spending plan for Fiscal Year 2014 makes significant investments in people and infrastructure and puts us on the path to moving our County forward with a fresh start. It is a new beginning.

We will not be defined by a past of scandal and mediocrity. We have turned a page and begin a new chapter in the history of this great county...and we will restore pride in our county!

We have a lot of hard work ahead of us and we are ready for the challenge. Our citizens expect a government that works hard to provide vital services and they deserve to have that expectation met.

I am excited to lead our county into a brighter future – a future of recovery. We will achieve excellence by working together....

investing in our people and our infrastructure,  
building our resources,  
and streamlining our services to best serve our citizens.

My proposed Fiscal Year 2014 Operating and Capital Budgets will accomplish those goals.

Thank you.