

**MEMORANDUM**

April 24, 2012

TO: Transportation, Infrastructure, Energy and Environment Committee  
FROM: Jacob Sesker, Senior Legislative Analyst *JS*  
SUBJECT: FY13 Operating Budget: Department of General Services

The following individuals are expected to attend this worksession: David Dise, Director, Richard Jackson, Cyndi Brenneman, and Rick Taylor (DGS); Alex Espinosa, Manager, and Bruce Meier (OMB).

Relevant pages from the FY13 Recommended Operating Budget are attached on © 1-9.

**Overview**

Relevant pages from the operating budget are attached starting at © 1. This review does not cover the Office of Procurement or Fleet Management Services. This memorandum will include several programs funded by the General Fund and that portion of DGS' budget that is funded by the Printing and Mail Internal Service Fund.

***General Fund***

The following tables summarize the budget for the programs being reviewed in this memorandum, showing the budget for the current year, the Executive's recommended budget for next year, and the year-over-year change:

<b>Program</b>	<b>FY12 Approved</b>	<b>FY13 CE Recommended</b>	<b>\$ change</b>	<b>% change</b>
Automation	511,800	511,270	0	0.0%
Facilities Management	15,885,600	19,036,848	3,151,248	19.8%
Environmental Stewardship	8,960	8,960	0	0%
Real Estate Program	910,570	931,728	21,158	2.3%
Administration	1,402,800	1,511,526	108,726	7.75%
<b>Total</b>	<b>18,719,730</b>	<b>22,000,332</b>	<b>3,280,602</b>	<b>17.5%</b>

The Executive requests a 17.5% increase to these 5 portions of the DGS budget.

<b>Program</b>	<b>FY12 Approved</b>	<b>FY13 CE Recommended</b>	<b>FTE change</b>	<b>% change</b>
Automation	5.0	5.0	0.0	0.0%
Facilities Management	92.0	95.48	3.48	3.8%
Environmental Stewardship	0.3	0.3	0.0	0.0%
Real Estate Program	7.1	7.0	(0.1)	(1.4%)
Administration	14.4	14.4	0.0	0.0%
<b>Total</b>	<b>118.8</b>	<b>122.18</b>	<b>3.38</b>	<b>2.8%</b>

The Executive's request would add 3.38 FTEs to these 5 (General Fund) portions of the DGS budget.

The following changes are designated as changes to the General Fund portion of the DGS budget.

<b><i>Change</i></b>	<b><i>Expenditure</i></b>	<b><i>FTEs</i></b>
<b>FY12 Original Appropriation (General Fund)</b>	<b>18,719,730</b>	<b>118.8</b>
Enhance: Cleaning & Maintenance	1,000,000	3.00
Increase cost: Operating Budget Impact of Public Safety HQ at Edison Park	696,670	0.00
Increase cost: Operating budget impact of Grey Courthouse	350,000	0.00
Increase cost: Contract inflation:	236,480	0.00
Shift Manager III Position in Facilities to CIP funds	(45,000)	(0.50)
Multi-program adjustments (Facilities)	913,098	0.98
Multi-program adjustments (Real Estate)	21,158	(0.10)
Increase cost: Restore Redevelopment Deputy Director	150,000	0.00
Multi-program adjustments (Administration)	(41,274)	0.00
<b>FY 13 Request</b>	<b>22,000,332</b>	<b>122.18</b>

The most significant drivers of the Executive's requested increase are the increase in cleaning and maintenance of County facilities and the Operating Budget Impact of increased costs at the Public Safety Headquarters and the Grey Courthouse. DGS will be prepared to explain those increases to the Committee during the worksession.

DGS' responses to initial questions were provided too late for follow-up on significant issues. Their answers to initial questions are provided, in their entirety, on © 10-12.

***Printing and Mail Internal Service Fund***

The Central Duplicating, Imaging, Archiving and Mail Services are funded through the Printing and Mail Internal Service Fund.

<b>Program</b>	<b>FY12 Approved</b>	<b>FY13 CE Recommended</b>	<b>\$ change</b>	<b>% change</b>
Central Duplicating	8,184,150	8,503,416	319,266	3.9%

<b>Program</b>	<b>FY12 Approved</b>	<b>FY13 CE Recommended</b>	<b>FTE change</b>	<b>% change</b>
Central Duplicating	29.80	30.90	1.10	3.7%

The Executive request includes the following changes for this Internal Service Fund.

<b><i>Change</i></b>	<b><i>Expenditure</i></b>	<b><i>FTEs</i></b>
<b>FY12 Original Appropriation (General Fund)</b>	<b>8,184,150</b>	<b>29.80</b>
Increase cost: Additional scanners	194,000	0.00
Increase cost: Record management contractor	120,000	0.00
Increase cost: Lump sum wage adjustment	56,193	0.00
Increase cost: Server and storage	50,000	0.00
Increase cost: Warehouse worker to do reporting to State of Maryland Records Management	50,000	1.00
Increase cost: Group insurance adjustment	43,412	0.00
Increase cost: Annualization of Edison Park Mail Room	26,310	0.00
Increase cost: Retirement adjustment	26,041	0.00
Increase cost: Replacement of equipment	4,000	0.00
Increase cost: Motor pool rate adjustment	2,710	0.00
Increase cost: Longevity adjustment	1,720	0.00
Decrease cost: Retiree health insurance pre-funding	(14,800)	0.00
Decrease cost: Elimination of master lease payments	(240,320)	0.00
Multi-program adjustments	0	0.10
<b>FY 13 Request</b>	<b>8,503,416</b>	<b>30.90</b>

**Council Staff Recommendations**

Approve the Executive's request.

Attachments:  
 Budget © 1-9  
 DGS Responses to Council staff questions © 10-12

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# General Services

## MISSION STATEMENT

The Department of General Services proactively serves the diverse business and service requirements of all County departments, providing a single point of government-to-government service, enabling departments to successfully complete their respective missions and, thereby, adding value to the services performed by Montgomery County to county residents. In so doing, the Department of General Services contributes directly towards the County Executive's objectives of "A Responsive and Accountable County Government", "Healthy and Sustainable Neighborhoods", and "A Strong and Vibrant Economy."

## BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Department of General Services is \$33,232,539, an increase of \$3,694,239 or 12.5 percent from the FY12 Approved Budget of \$29,538,300. Personnel Costs comprise 48.5 percent of the budget for 246 full-time positions and seven part-time positions for 183.58 FTEs. Operating Expenses and Capital Outlay account for the remaining 51.5 percent of the FY13 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

## LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Healthy and Sustainable Neighborhoods***
- ❖ ***Strong and Vibrant Economy***

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Increased cleaning of County facilities.***
- ❖ ***Increased customer service satisfaction based on survey in FY11. Additionally, Procurement is reaching out to departments in holding contract training sessions.***
- ❖ ***Increased percent of contract dollars awarded to Minority/Female/Disabled (MFD) and Local Small Business Reserve Programs (LBSRP), even though the total value of contracts declined.***
- ❖ ***Productivity Improvements***
  - ***Renegotiated several leases, lowering both total and square footage cost.***
  - ***Improved communication between CIP managers and project managers by holding bi-weekly meetings, resulting in better adherence to project time lines.***
  - ***Better internal communication within the Divisions. As a result, 90 percent of DGS contracts are being renewed in a timely manner.***
  - ***We are continuing to digitize the work processes saving paper, filing space and staff time.***

## PROGRAM CONTACTS

Contact Annette Cheng of the Department of General Services at 240.777.6121 or Bruce R. Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Office of Procurement

The mission of the Office of Procurement is to preserve the public trust and ensure the integrity of the public procurement process through the efficient, effective, and economical procurement of goods, services, and construction in accordance with nationally recognized best practices; resulting in the highest value for County government and its residents.

The core components of this program are to purchase goods, services, and construction required by County departments in the most timely and cost-effective manner possible. Program staff assists departments in the development of procurement strategies and documents to ensure a competitive and fair procurement process in accordance with the County Code and the Procurement Regulations. Program staff also helps vendors understand the County's procurement process and procedures.

Procurement staff also provides County departments with training, assistance and guidance of department contract administrators. Further, Procurement works collaboratively with the Office of Business Relations and Compliance, the Office of Partnerships and other departments to build relationships with and provide training to businesses and non-profits interested in doing business with Montgomery County. Procurement Specialists develop contract administration procedures and research, review, and recommend revisions to County procurement policies and regulations to streamline the procurement process. In addition, testimony and other evidence regarding claims and contract disputes with contractors are reviewed to resolve issues.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Procurements Completed in Agreed Upon Time <sup>1</sup>	75	78.3	78.3	78.3	78.3

<sup>1</sup> These figures represent the average for the following: Invitation For Bid - 73%; Request For Proposals - 72%; and Construction: 90% for FY11, FY12 and FY13.

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>2,232,280</b>	<b>26.30</b>
Shift: Restoration of One-Time Reduction Approved in FY12 (Enterprise Resource Planning Detail Return)	103,280	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-12,578	0.00
<b>FY13 CE Recommended</b>	<b>2,322,982</b>	<b>27.30</b>

### Office of Business Relations and Compliance

The mission of the Office of Business Relations and Compliance (OBRC) is to plan and implement programmatic strategies to expand business opportunities for Minority, Female and Disabled Persons business owners and small businesses in Montgomery County. The office administers the County's Living and Prevailing Wage programs for service and construction contracts. The OBRC is solely responsible for ensuring the socio-economic programs of the County are compliant with applicable laws.

#### Minority, Female and Disadvantage Persons (MFD)

The MFD program objectives focus on annual goals of awarding a designated percentage of the total dollar value of negotiated contracts over \$50,000 to certified minority, female, or disabled-owned businesses by procurement source. In addition, the program identifies MFD firms; encourages and coordinates their participation in the procurement process through community outreach and internal seminars; and monitors contracts subject to MFD participation to ensure compliance.

#### Local Small Business Reserve Program (LSBRP)

The mission of the Local Small Business Reserve Program is to ensure that County departments award a minimum of 10 percent of total contract dollars issued for goods, services or construction to registered local small businesses. The program assists County departments to identify contracting opportunities and solicitations appropriate for LSBRP competition. The program provides training and networking to help local small businesses compete with businesses of similar size and resources for County contracts strengthening in the local small business sector.

#### Living Wage

The mission of the Living Wage program is to ensure that County contractors and subcontractors pay employees, at a minimum, a "living wage" in compliance with the annually adjusted rate established by the Montgomery County Wage Requirements Law on qualifying contracts.

## Prevailing Wage

The mission of the Prevailing Wage program is to ensure that contractors and subcontractors pay prevailing wages, as established by the Maryland State Commissioner of Labor and Industry for the Montgomery County region, to workers on certain construction projects awarded by the County.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Contract Dollars Awarded to Minority/Female/Disabled owned businesses	15.6	19.0	18.0	18.0	18.0
Value of County contracts awarded to local small businesses (\$000)	13,021,570	47,000,000	47,000,000	47,000,000	47,000,000

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>402,670</b>	<b>3.20</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	3,139	0.00
<b>FY13 CE Recommended</b>	<b>405,809</b>	<b>3.20</b>

## Automation

The Automation Program provides staffing, material, and support to develop and maintain information systems in support of the Department's business operations. This includes purchase and maintenance of Information Technology (IT) equipment, service and support for major end use systems on a County-wide basis. IT management of system and website design and maintenance is included in this program as well as coordination with the County Department of Technology Services.

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>511,270</b>	<b>5.00</b>
<b>FY13 CE Recommended</b>	<b>511,270</b>	<b>5.00</b>

## Division of Facilities Management

The Division of Facilities Management's mission is to provide for the comprehensive planning and delivery of maintenance services and oversight of building-related operations at County facilities used by County staff and residents. Components of these programs are routine, preventive, correctional and conditional maintenance; housekeeping; grounds maintenance; recycling; building structure and envelope maintenance; electrical/mechanical systems operations and maintenance; small to mid-sized remodeling projects; snow removal, and damage repair from snow, wind, rain, and storm events; and customer service. The energy management program provides technicians to monitor and maintain heating and cooling systems to ensure the most efficient use of these services. In addition, Facilities Management manages several comprehensive Capital Improvements Program (CIP) projects aimed at sustaining efficient and reliable facility operation to protect and extend the life of the County's investment in facilities and equipment.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Condition of Non-critical Building Systems and Aesthetics <sup>1</sup>	3,500,000	3,700,000	3,000,000	3,000,000	3,000,000
Hours Offline for Critical Building Systems <sup>2</sup>	78	169	194	194	194

<sup>1</sup> This dollar figure represents custodial and grounds maintenance on all County properties. No cosmetic upgrades (painting, carpet replacement, furniture/equipment replacement) were completed for FY11 and FY12.

<sup>2</sup> In FY10, 78 hours were recorded for utility (PEPCO) electrical outages on various properties. There were no outages reported that were caused by in-house utility failure. To date, 194 hours of PEPCO power outages have been reported, none is caused by in-house power failure.

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>15,885,600</b>	<b>92.00</b>
Enhance: Cleaning & Maintenance	1,000,000	3.00
Increase Cost: Operating Budget Impact of the Public Safety Headquarters Building at Edison Park	696,670	0.00
Increase Cost: Operating Budget Impact of Grey Courthouse	350,000	0.00
Increase Cost: Contract Inflation	236,480	0.00
Shift: Manager III Position in Facilities to CIP funds	-45,000	-0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	913,098	0.98
<b>FY13 CE Recommended</b>	<b>19,036,848</b>	<b>95.48</b>

## Environmental Stewardship

This newly developed program focuses on maintaining Montgomery County's leadership in environmentally sensitive maintenance, construction, and operation of County facilities. In this role, the program will develop and oversee the energy and facility environmental programs; monitor new and renovated building systems to ensure proper functioning; obtain necessary permits where applicable and ensure compliance with the terms of the permits; perform building systems diagnostics to analyze failures and recommend and coordinate corrective measures implementation; conduct facility assessments of building conditions and retrofit buildings where appropriate, evaluate maintenance standards; and investigate indoor air quality complaints. This program also oversees the utilities management function and implements strategies to maximize cost savings and reduce energy use from utility deregulation throughout the County. In addition this program provides and coordinates the required maintenance of the County's Stormwater Management facilities.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Environmental Stewardship: Carbon Footprint of Montgomery County Government (in metric ton carbon dioxide equivalents)	140,658	139,689	139,587	139,525	138,425

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>8,960</b>	<b>0.30</b>
<b>FY13 CE Recommended</b>	<b>8,960</b>	<b>0.30</b>

## Central Duplicating, Imaging, Archiving & Mail Svcs.

This program provides timely and efficient document management through: high-speed photocopying service to all County agencies; desktop and electronic publishing; high-speed color copying; bindery; digital imaging; and electronic and physical archiving of County records. This program also serves as point of contact for County printing material produced and completed by Montgomery County Public Schools (MCPS). A print shop consolidation took effect in FY00 in which all County offset printing is provided by MCPS. This program also provides for the daily receipt, sorting, and distribution of mail deliveries from the U.S. Postal Service and inter-office mail to County agencies.

FY13 Recommended Changes	Expenditures	FTEs
<b>FY12 Approved</b>	<b>8,184,150</b>	<b>29.80</b>
Increase Cost: Additional Scanners	194,000	0.00
Increase Cost: Record Management Contractor	120,000	0.00
Increase Cost: Lump Sum Wage Adjustment	56,193	0.00
Increase Cost: Server and Storage	50,000	0.00
Increase Cost: Warehouse Worker to do reporting to State of Records Management	50,000	1.00
Increase Cost: Group Insurance Adjustment	43,412	0.00
Increase Cost: Annualization of Edison Park Mail Room	26,310	0.00
Increase Cost: Retirement Adjustment	26,041	0.00
Increase Cost: Replacement of Printing, Mail and Imaging Equipment per Schedule	4,000	0.00
Increase Cost: Motor Pool Rate Adjustment	2,710	0.00
Increase Cost: Longevity Adjustment	1,720	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-14,800	0.00
Decrease Cost: Elimination of Master Lease Payments	-240,320	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	0	0.10
<b>FY13 CE Recommended</b>	<b>8,503,416</b>	<b>30.90</b>

## Real Estate Program

This program provides for leasing, site acquisition/disposition, space management and site evaluation. The leasing function recommends, plans, coordinates, implements, and administers the leasing of real property for both revenue and expense leases, including closed school facilities at the best economic and operational value to the County. Site acquisition/disposition is the purchase of property for County use and disposition is the sale or lease of surplus property. The space management function provides for the efficient and aesthetic utilization of space in County-owned and leased facilities. The site evaluation function provides technical support to site evaluation committees for Capital Improvements Program (CIP) projects.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
County Rent vs. Average Market Rent for Leased Space <sup>1</sup>	29.26	22.18	22.93	23.71	24.52

<sup>1</sup> In FY11 the Market Rent for space was \$29.26, per square foot. The savings on the rent paid by the County versus the Average Market Rent for leased space is \$7.08, per square foot.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>910,570</b>	<b>7.10</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	21,158	-0.10
<b>FY13 CE Recommended</b>	<b>931,728</b>	<b>7.00</b>

### **Building Design and Construction**

This program provides for the overall management of the Department's facility Capital Improvements Program (CIP). This program includes the comprehensive, timely, economic and environmentally efficient planning, designing and construction of buildings for County use as well as public venues owned by the County. This program also provides comprehensive architectural and engineering services from planning through design. Functional elements include programming, contract administration, planning management, design management, and project management. The planning, design, and construction of facilities is accomplished in accordance with LEED Silver standards as required by County regulation, and following best practices in project design and construction estimating, and the timely delivery of facilities based on project schedules developed for and published in the County CIP. This program is fully charged to the CIP.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Percent of Projects Meeting Initial Design and Construction Costs	98	90	90	90	90
Percent of Projects Meeting Initial Design and Construction Timeline	57	53	55	55	55

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>0</b>	<b>0.00</b>
<b>FY13 CE Recommended</b>	<b>0</b>	<b>0.00</b>

### **Administration**

Administration services in the Department are provided in three key areas:

- The Director's Office provides overall leadership for the Department, including policy development, planning, accountability, service integration, customer service, the formation of partnerships and the oversight of socio-economic programs which include the Business Relations and Compliance Program. The Director's Office also handles administration of the day-to-day operations of the Department, including direct service delivery, operating and capital budget preparation and administration, training, contract management logistics, and facilities support and human resources.
- The County Executive's Strategic Growth Initiative and other key strategic capital initiatives are also directed through the Office of Planning and Development in the Director's office.
- The Division of Real Estate and Management Services provides oversight and direction of the preparation and monitoring of the Operating and Capital Improvements Program (CIP) budgets for the department; fuel management; payment processing; Invitations for Bid (IFB), Requests for Proposal (RFP) and contracts; inventory and facility management; the management and administration of computer and office automation activities; oversight of all personnel activities of the Department of General Services; Strategic Planning for the Director; and oversight and management for increasing access to County facilities for residents and employees with disabilities.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Customer Service: DGS Function Average <sup>1</sup>	3.14	2.78	3.00	3.00	3.00

<sup>1</sup> Represents an average of Building Services, Capital Development Needs, Fleet Services, Leased Space Needs, Print/Mail/Archives Services, and Procurement Services average ratings. (Scale: 1 to 4, 1 = poor, 4 = good).

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,402,800</b>	<b>14.40</b>
Increase Cast: Restore Redevelopment Deputy Director Position	150,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-41,274	0.00
<b>FY13 CE Recommended</b>	<b>1,511,526</b>	<b>14.40</b>

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# BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	10,653,410	9,199,490	8,860,996	9,750,358	6.0%
Employee Benefits	3,964,995	3,150,110	3,781,173	3,870,885	22.9%
<b>County General Fund Personnel Costs</b>	<b>14,618,405</b>	<b>12,349,600</b>	<b>12,642,169</b>	<b>13,621,243</b>	<b>10.3%</b>
Operating Expenses	13,314,648	9,004,550	8,958,324	11,107,880	23.4%
Debt Service Other	25	0	0	0	---
Capital Outlay	0	0	0	0	---
<b>County General Fund Expenditures</b>	<b>27,933,078</b>	<b>21,354,150</b>	<b>21,600,493</b>	<b>24,729,123</b>	<b>15.8%</b>
<b>PERSONNEL</b>					
Full-Time	213	211	211	216	2.4%
Part-Time	6	6	6	6	---
FTEs	150.40	148.30	148.30	152.68	3.0%
<b>REVENUES</b>					
Miscellaneous Revenues	100,418	0	99,430	100,420	---
Other Charges/Fees	6,293	13,040	13,040	13,040	---
<b>County General Fund Revenues</b>	<b>106,711</b>	<b>13,040</b>	<b>112,470</b>	<b>113,460</b>	<b>770.1%</b>
<b>PRINTING AND MAIL INTERNAL SERVICE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,608,550	1,698,220	1,697,173	1,791,211	5.5%
Employee Benefits	617,330	618,270	651,856	702,645	13.6%
<b>Printing and Mail Internal Service Fund Personnel Costs</b>	<b>2,225,880</b>	<b>2,316,490</b>	<b>2,349,029</b>	<b>2,493,856</b>	<b>7.7%</b>
Operating Expenses	4,738,265	5,549,820	5,866,016	5,691,720	2.6%
Debt Service Other	158,815	0	0	0	---
Capital Outlay	0	317,840	0	317,840	---
<b>Printing and Mail Internal Service Fund Expenditures</b>	<b>7,122,960</b>	<b>8,184,150</b>	<b>8,215,045</b>	<b>8,503,416</b>	<b>3.9%</b>
<b>PERSONNEL</b>					
Full-Time	30	29	29	30	3.4%
Part-Time	0	1	1	1	---
FTEs	29.30	29.80	29.80	30.90	3.7%
<b>REVENUES</b>					
Imaging/Archiving Revenues	1,079,710	0	0	0	---
Investment Income	0	0	0	2,490	---
Mail Revenues	1,564,116	2,345,690	2,345,690	2,345,690	---
Print Revenues	4,913,579	3,438,840	3,438,840	3,187,805	-7.3%
Other Charges/Fees	0	2,683,080	2,683,080	2,683,080	---
<b>Printing and Mail Internal Service Fund Revenues</b>	<b>7,557,405</b>	<b>8,467,610</b>	<b>8,467,610</b>	<b>8,219,065</b>	<b>-2.9%</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>35,056,038</b>	<b>29,538,300</b>	<b>29,815,538</b>	<b>33,232,539</b>	<b>12.5%</b>
<b>Total Full-Time Positions</b>	<b>243</b>	<b>240</b>	<b>240</b>	<b>246</b>	<b>2.5%</b>
<b>Total Part-Time Positions</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>---</b>
<b>Total FTEs</b>	<b>179.70</b>	<b>178.10</b>	<b>178.10</b>	<b>183.58</b>	<b>3.1%</b>
<b>Total Revenues</b>	<b>7,664,116</b>	<b>8,480,650</b>	<b>8,580,080</b>	<b>8,332,525</b>	<b>-1.7%</b>

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# FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>21,354,150</b>	<b>148.30</b>
<b>Changes (with service impacts)</b>		
Enhance: Cleaning & Maintenance [Division of Facilities Management]	1,000,000	3.00
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Operating Budget Impact of the Public Safety Headquarters Building at Edison Park [Division of Facilities Management]	696,670	0.00
Increase Cost: Operating Budget Impact of Grey Courthouse [Division of Facilities Management]	350,000	0.00
Increase Cost: Group Insurance Adjustment	313,322	0.00
Increase Cost: Lump Sum Wage Adjustment	309,729	0.00
Increase Cost: Contract Inflation [Division of Facilities Management]	236,480	0.00
Increase Cost: Retirement Adjustment	186,338	0.00
Increase Cost: Restore Redevelopment Deputy Director Position [Administration]	150,000	0.00
Shift: Restoration of One-Time Reduction Approved in FY12 (Enterprise Resource Planning Detail Return) [Office of Procurement]	103,280	1.00
Increase Cost: Motor Pool Rate Adjustment	68,510	0.00
Increase Cost: Longevity Adjustment	10,844	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	0.88
Decrease Cost: Printing and Mail Adjustment	-2,070	0.00
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-3,130	0.00
Shift: Manager III Position in Facilities to CIP funds [Division of Facilities Management]	-45,000	-0.50
<b>FY13 RECOMMENDED:</b>	<b>24,729,123</b>	<b>152.68</b>
<b>PRINTING AND MAIL INTERNAL SERVICE FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>8,184,150</b>	<b>29.80</b>
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Additional Scanners [Central Duplicating, Imaging, Archiving & Mail Svcs.]	194,000	0.00
Increase Cost: Record Management Contractor [Central Duplicating, Imaging, Archiving & Mail Svcs.]	120,000	0.00
Increase Cost: Lump Sum Wage Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	56,193	0.00
Increase Cost: Server and Storage [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,000	0.00
Increase Cost: Warehouse Worker to do reporting to State of Records Management [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,000	1.00
Increase Cost: Group Insurance Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	43,412	0.00
Increase Cost: Annualization of Edison Park Mail Room [Central Duplicating, Imaging, Archiving & Mail Svcs.]	26,310	0.00
Increase Cost: Retirement Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	26,041	0.00
Increase Cost: Replacement of Printing, Mail and Imaging Equipment per Schedule [Central Duplicating, Imaging, Archiving & Mail Svcs.]	4,000	0.00
Increase Cost: Motor Pool Rate Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	2,710	0.00
Increase Cost: Longevity Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	1,720	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	0.10
Decrease Cost: Retiree Health Insurance Pre-Funding [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-14,800	0.00
Decrease Cost: Elimination of Master Lease Payments [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-240,320	0.00
<b>FY13 RECOMMENDED:</b>	<b>8,503,416</b>	<b>30.90</b>

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## PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Office of Procurement	2,232,280	26.30	2,322,982	27.30
Office of Business Relations and Compliance	402,670	3.20	405,809	3.20
Automation	511,270	5.00	511,270	5.00
Division of Facilities Management	15,885,600	92.00	19,036,848	95.48
Environmental Stewardship	8,960	0.30	8,960	0.30
Central Duplicating, Imaging, Archiving & Mail Svcs.	8,184,150	29.80	8,503,416	30.90
Real Estate Program	910,570	7.10	931,728	7.00
Building Design and Construction	0	0.00	0	0.00
Administration	1,402,800	14.40	1,511,526	14.40
<b>Total</b>	<b>29,538,300</b>	<b>178.10</b>	<b>33,232,539</b>	<b>183.58</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
<b>COUNTY GENERAL FUND</b>					
CIP	CIP	7,324,310	54.00	7,325,175	57.92
Fleet Management Services	Motor Pool Internal Service Fund	625,496	3.80	625,496	3.80
Liquor Control	Liquor Control	344,032	0.50	344,032	0.50
Parking District Services	Bethesda Parking District	5,010	0.10	5,010	0.10
Parking District Services	Silver Spring Parking District	5,010	0.10	5,010	0.10
Transit Services	Mass Transit	10,020	0.10	10,020	0.10
Utilities	County General Fund	195,060	0.00	195,060	0.00
<b>Total</b>		<b>8,508,938</b>	<b>58.60</b>	<b>8,509,803</b>	<b>62.52</b>

## FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY13	FY14	FY15	FY16	FY17	FY18
(5000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY13 Recommended</b>	<b>24,729</b>	<b>24,729</b>	<b>24,729</b>	<b>24,729</b>	<b>24,729</b>	<b>24,729</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-310</b>	<b>-310</b>	<b>-310</b>	<b>-310</b>	<b>-310</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Colesville Depot</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>93</b>	<b>93</b>	<b>93</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>Elevator Modernization</b>	<b>0</b>	<b>-2</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>Fuel Management</b>	<b>0</b>	<b>-55</b>	<b>-55</b>	<b>-55</b>	<b>-55</b>	<b>-55</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>Germantown Transit Center Improvements</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>HVAC/Elec Replacement: MCG</b>	<b>0</b>	<b>-52</b>	<b>-52</b>	<b>-52</b>	<b>-52</b>	<b>-52</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>Life Safety Systems: MCG</b>	<b>0</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>	<b>-15</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>Longevity Adjustment</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
This represents the annualization of longevity wage increments paid during FY13.						
<b>MCPS &amp; M-NCPPC Maintenance Facilities Relocation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,633</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						
<b>MCPS Food Distribution Facility Relocation</b>	<b>0</b>	<b>695</b>	<b>927</b>	<b>927</b>	<b>927</b>	<b>927</b>
These figures represent the impacts on the Operating Budget of projects included in the FY13-18 Recommended Capital Improvements Program.						

Title	(5000's)					
	CE REC. FY13	FY14	FY15	FY16	FY17	FY18
Program.						
<b>Subtotal Expenditures</b>	<b>24,729</b>	<b>24,995</b>	<b>25,277</b>	<b>25,316</b>	<b>25,316</b>	<b>26,949</b>

### PRINTING AND MAIL INTERNAL SERVICE FUND

Expenditures						
<b>FY13 Recommended</b>	<b>8,503</b>	<b>8,503</b>	<b>8,503</b>	<b>8,503</b>	<b>8,503</b>	<b>8,503</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-56</b>	<b>-56</b>	<b>-56</b>	<b>-56</b>	<b>-56</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Retiree Health Insurance Pre-Funding</b>	<b>0</b>	<b>-30</b>	<b>-76</b>	<b>-79</b>	<b>-80</b>	<b>-80</b>
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
<b>Subtotal Expenditures</b>	<b>8,503</b>	<b>8,418</b>	<b>8,371</b>	<b>8,368</b>	<b>8,367</b>	<b>8,367</b>

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**Division of Facilities Management**

**Enhance: Cleaning and Maintenance—explain, describe changes in service, in terms of services provided, frequency of service, level of service, etc.**

The only change contemplated by increased Facility Management funding is the most County facilities will see an increase in basic cleaning services. This includes increased frequency of restroom cleaning, waste removal, recycling removal, mopping and vacuum cleaning. In FY13 frequency of cleaning will increase between 40-60% depending on the facility.

**Increase cost: OBI of PSHQ at Edison Park—this is a substantial increase, please explain**

Currently, DOT is the only department housed in the PSHQ, residing on the 4<sup>th</sup> floor. Beginning in May 2012 public safety departments will be relocating to the PSHQ. By mid-year the building will be fully operational, with almost 900 occupants during business hours, the First District Police Station operating on 24/7 schedule and others working extended hours based on weather or other events throughout the year. This results in a marked increased in maintenance and cleaning needing to be performed.

While some operations are moving from locations where maintenance services are performed that may now be allocated to PSHQ costs, this is not true of all locations. Also, in most instances moves are from constricted space to better planned, larger space. For example; Police HQ is relocating from 48,000sf, together with other operations in 21,000sf leased space to over 200,000sf of office space, a greatly expanded crime laboratory, the 1<sup>st</sup> District Police Station, and expanded evidence and records storage. Fire & Rescue is moving from 10,000sf of EOB space and 20,000 in leased space to occupy nearly 45,000 sf at PSHQ. While all the owned space is maintained by the County not all leased space is. OEMHS is relocating from the ECC in Gaithersburg, which will continue to be cleaned, to occupy 15,000sf in PSHQ. The PSHQ also contains additional common space on the Terrace and First Floor of over 100,000sf.

**Increase cost: OBI for Grey Courthouse—explain**

The State Court moved from the Grey Courthouse in FY12 to its new offices in the State Courthouse building across from the Council building. The County is now assuming responsibility for full and preventive maintenance, paid by the state in prior years, and will be locating offices into this facility as space needs priorities are aligned throughout FY13.

**Increase cost: Contract inflation—which contracts?**

Service contracts include a CPI escalating clause. The assumption used for FY13 is 2.7%.

**Shift: Manager III position in facilities to CIP—which CIP project or projects, specifically**

The Manager III position in Facilities oversees both the general funds and CIP budget. The six CIP projects include: HVAC/Electrical Replacement; Roof Replacement; Elevator Modernization; Life Safety; Planned Lifecycle Asset Replacement; and Resurfacing Parking Lots

**Environmental stewardship**

None

## **Real estate program**

**Do you have a list of projects/studies/analyses undertaken in FY12? Staff time allocated by function? By project? Please attach.**

The Office of Real Estate provides for leasing, space management, site evaluation, acquisition and disposition of real property. Real Estate Management has a staff complement of seven. Details requested in terms of allotted staff time by function and project is not available.

The majority of staff time is spent on the leasing function which recommends, plans, coordinates, implements, and administers the leasing of County real property for both revenue and expense leases.

- We have approximately 85 revenue producing leases and 83 expense leases.
- We also have approximately 275 additional leases and licenses that have no money connected to them that we handle.
- We have a subset of revenue leases which involves over 50 closed schools, some of which have been converted to County uses and 23 of which we lease to others. Their management is the most time consuming.

Expense leasing involves verification that a lease is needed, identifying possible lease locations, showing the using agency the possibilities and helping them reach a recommendation to lease the most suitable, negotiating a lease, coordinating the build-out, helping the agency get access to support services such as phone/cabling and moving. Then we administer the leases; paying rent, acting as property management liaisons and terminating or renewing the leases when necessary. Revenue leases involve coordinating with “sponsoring” agency, negotiating and drafting documents, collecting rent, if applicable, dunning tenants and coordinating termination “move outs.”

We also provide technical support to site evaluation committees for Capital Improvements Program (CIP). This involves providing real estate information, including valuations, maps and other items needed for evaluation committees to complete their work.

The space management function provides for the efficient utilization of space in County-owned and leased facilities. We handle requests for space. If a department can't make their current space work for their needs, we determine if other County-owned space is available. If not, we identify leased space for their needs. We have one staff person who is familiar with the space standards utilized by the County as well as with building construction. He advises departments on small reconfigurations to meet the space needs of their current complements.

The property acquisition and disposition functions cover the acquisition of land for capital projects and the disposition of surplus public properties. Acquisition involves negotiation of contracts, conducting due diligence investigations (including title search and clearing title), getting appraisals, making recommendations to purchase and arranging settlements. Disposition involves determining government need, recommending whether to surplus or not and then following through with a disposition method if surplus action is recommended. Contracts, appraisals, settlements, transfer of deed follow.

## **Administration**

**Restore Redevelopment Deputy Director position — please explain**

This position was lapsed in prior years to meet budget targets. However, increasing requirement to manage redevelopment and planning initiatives necessitated filling this position in FY12 with funding made available

by other vacancies occurring throughout the year. The position was not eliminated in prior years but full funding is included in FY13. This position is essential in coordinating and evaluating land use, growth policies, redevelopment programs and the acquisition and disposition of properties.

**Central duplication**

**Increase cost: additional scanners**

There are currently over 30,000 boxes of paper records being stored at the County's Record Center. The additional scanners are needed to increase scanning production and digitize paper records to move them into the Electronic Records Management System. This will eventually reduce the need for physical storage space.

**Increase cost: Record Manager Contractor explain**

This 1 FTE contracted position supports the County-wide records management initiative. The contractor is currently working on a County-wide records policy, disaster recovery plan, record inventory, retention schedules and bringing the County into compliance with state and Federal regulations. FY12 funding for this position was covered under prior encumbrances thereby making FY13 appear as an increase request instead of a continuation of this essential service.

**Increase cost: Server and storage—explain**

Due to the volume of records scanned and stored on County servers, DTS recommends a new server to promote the efficiency in the Imaging Operations. The more records imaged the more server space is needed.

**Increase cost: warehouse worker to report to state records management—explain**

Before any record can be shredded or deleted, it must be reviewed and approved for destruction. To bring the County into compliance with State law 10-639 governing the archiving and destruction of records this position will review each record and certify it for destruction and report to the State on the status of documents in the County's records warehouse.

**Decrease cost: elimination of master lease payments—explain**

This was a five year master lease and all equipment is paid in full.