
Finance

MISSION STATEMENT

The mission of the Department of Finance is to prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Department of Finance is \$69,142,455, an increase of \$7,894,713 or 12.9 percent from the FY13 Approved Budget of \$61,247,742. Personnel Costs comprise 20.8 percent of the budget for 123 full-time positions and one part-time position. A total of 124.68 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 79.2 percent of the FY14 budget.

The Finance Operating Budget is comprised of a General Fund component (the Director's Office and the Divisions of Treasury and Controller) and the Division of Risk Management, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY14 Operating Budget for the General Fund component is \$12,299,265 an increase of \$1,507,805 or 14.0 percent over the FY13 approved budget of \$10,791,460. Personnel Costs comprise approximately 85.0 percent of the General Fund budget for 113 full-time positions and one part-time position. A total of 94.31 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 15.0 percent of the budget.

The total FY14 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$56,843,190, an increase of \$6,386,908 or 12.7 percent over the FY13 approved budget of \$50,456,282. Personnel Costs comprise approximately 6.9 percent of the Self-Insurance Fund budget for 10 full-time positions. A total of 30.37 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 93.1 percent of the budget. Included in the total FTEs are 20.00 FTEs charged to the Self-Insurance Fund by the Office of the County Attorney and 0.37 FTEs charged by the General Fund component of Finance (Controller Division) for services provided in support of Risk Management.

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***
- ❖ ***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 FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Successfully retained the County's AAA bond rating from the three major credit rating agencies in the summer of 2012.***
- ❖ ***In July and August 2012, successfully implemented a new investment program with County community banks to support the growth of local jobs. Continually looking for ways to raise investment yields and reduce banking costs.***
- ❖ ***In FY13 implemented the Purchasing Card Single Use Application for our suppliers (vendors) which will streamline and reduce the cost of vendor payments and thereby generate additional revenue. P-Card revenue increased by nearly 62% in FY12.***
- ❖ ***Productivity Improvements***

- **Cost Savings:** In September 2012 saved the County \$2.5 million in real cash flow debt service costs by refunding \$23.4 million of general obligation and MEDCO parking bonds (over 10% savings). At the same time, Finance issued \$295 million in new GO bonds. One week later, in conjunction with Montgomery County Revenue Authority, refunded \$8.4 million in bonds and saved over \$1 million (or 13.6%). In May 2012 the Department of Finance issued \$24.1 million in new and \$13.8 million in refunding bonds for the Bethesda Parking Lot District. The savings on the refunding bonds was \$2.2 million, or 13.7%. At the end of June 2012 Finance issued \$37.8 million in Water Quality Protection Charge Bonds to help pay the capital costs related to the County's MS4 water quality permit. Overall, the Department is continually analyzing refunding opportunities to save County funds.
- **Cost Savings and Process Re-engineering Initiative:** In FY13 Finance implemented the Homestead Tax Credit Program which will verify and monitor resident compliance to ensure that only owner occupied residential dwellings receive the County's Homestead Credit and Property Tax Credit. Through October 2012 Finance has reviewed 1,956 accounts and identified over \$5.4 million potentially owed to the County.
- **Cost Savings and Process Re-engineering Initiative:** Implemented the Take Home Vehicle Tax Reporting system to automate and streamline the take home vehicle use tax reporting. The Department implemented the Bag Tax Registration and Payment system on time which is responsible for the collection of approximately \$1 million annually from nearly 1,000 vendors.

PROGRAM CONTACTS

Contact Nancy Moseley of the Department of Finance at 240.777.8886 or Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Debt, Cash, and Fiscal Projects

This program provides effective management of County capital and operating funds and the fiscal analysis and issue management associated with master plan development, economic development, and legislative issues. The program's primary goal is to maintain the County's AAA General Obligation Bond debt rating, and to actively invest the County's working capital to minimize risk while generating maximum investment income. Program objectives related to debt and cash management include managing the timely and economic issuance of short- and long-term financial obligations; developing and maintaining strong rating agency and investor relations; preparing accurate and timely financing documents, including the County's Annual Information Statement; ensuring strict compliance with disclosure requirements; coordinating bond counsel review; providing high-quality consulting services for County agencies, managers, staff, elected officials, and residents on issues related to debt and cash management; and managing the County's relationship with the banking and investment community. Program objectives related to policy and fiscal projects include the proactive development of intergovernmental policy alternatives and recommendations, including necessary local and state legislation and regulations; fiscal and economic impact analysis for local and state legislation; fiscal impact analysis and effective management associated with the financing and implementation aspects of Master and Sector Plans; and high quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Bond Rating - Rating given to Montgomery County by Fitch, Moody's, and Standard and Poor's (Bond ratings are a measure of the quality and safety of a bond and are based on the issuer's financial condition)	AAA	AAA	AAA	Expected	Expected
Investment Return Benchmarking – County Return vs. S&P Local Government Investment Pool Index (basis point spread)	10.0	4.0	10.0	20.0	20.0
Interest Rate - Montgomery County General Obligation Bond true interest cost (The interest rate of Montgomery County's most common type of bond)	2.26	3.23	2.30	5.0	5.0
Interest Rate Benchmarking – County GO vs. Municipal Market Data Index (basis point spread)	14.0	14.0	2	0	0
Investment Return - Rate of return on Montgomery County's investments	0.10%	0.2%	0.17%	0.19%	0.36%

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,008,361	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	5,981	0.00
FY14 CE Recommended	1,014,342	7.00

Information Technology

This program provides planning, direction, and support for finance and core business systems, technology, and business processes to support effective and efficient achievement of the Department's mission. Activities are proactively coordinated with the Department

of Technology Services, other County departments, vendors, and Department staff to ensure consistency of Department systems and financial controls with countywide automation policies and standards and with appropriate financial control standards. The program oversees and coordinates business requirements analysis, development, selection, procurement, implementation, maintenance, administration, security, and training on and reporting from, the Finance Department's automated systems and applications. This program is also responsible for managing data integrity associated with daily and year-end processing, providing timely response to customer questions and proactive trouble shooting of financial transaction issues, supporting continuity of Finance Department business operations, managing service contracts and vendor relationships, and providing responses to FOIA-related and auditor requests of Finance.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Requests for assistance with computer systems, i.e. Service Tickets (average number of days to close) ¹	4.0	4.0	4.0	4.0	4.0
Oracle: Enterprise Business Solutions (EBS): User service requests processed ²	1,476	1,402	1,600	1,800	2,000

¹ FY11 ERP implementation.

² FY11 ERP implementation - Service requests are received through help desk.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,410,382	6.00
Increase Cost: Audit of Automated Clearing House and Payment Card Industry Compliance	125,000	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.	-177,772	-2.00
FY14 CE Recommended	1,357,610	4.00

Notes: Beginning in FY12 and ending in FY14, Finance reorganized the Controller's Division which shifted staff among Information Technology, Accounts Payable, Accounts Receivable, Grants Accounting, and Tax Operations.

Accounts Payable

This program is responsible for timely and accurate payments to vendors for goods and services provided to the County; complying with County policies and procedures; and carrying out State and Federal reporting requirements. Payments to vendors are initiated and approved by individual departments. The Accounts Payable program is responsible for review and final approval of payments of \$10,000 or more, as well as most refunds and other non-expenditure disbursements. Payments under \$10,000 are individually reviewed and approved by operating departments subject to post-payment audit by Accounts Payable.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	624,951	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	153,842	2.00
FY14 CE Recommended	778,793	9.00

Notes: Beginning in FY12 and ending in FY14, Finance reorganized the Controller's Division which shifted staff among Information Technology, Accounts Payable, Accounts Receivable, Grants Accounting, and Tax Operations.

Accounts Receivable

This program is responsible for the timely receipt and accounting for monies due to the County from residents, businesses, and government agencies. In conjunction with the implementation of the Enterprise Resource Planning (ERP) system and associated best practices, this program provides for development of standardized policies and procedures, and provision of services including invoicing/billing, collection, accounting, reconciliation, and reporting reconciliation of monies due. This program will provide greater accountability through improved reporting, enhanced tracking of payment trends, and increased opportunities for maximizing collectibility.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	170,322	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.	474,422	5.00
FY14 CE Recommended	644,744	6.00

Notes: Beginning in FY12 and ending in FY14, Finance reorganized the Controller's Division which shifted staff among Information Technology, Accounts Payable, Accounts Receivable, Grants Accounting, and Tax Operations.

General Accounting

This program is responsible for the analysis, interpretation, and presentation of the County's financial position and results of operations through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of County resources; adherence to budgetary policies established by management; and

compliance with Federal, State, and County mandates. The program prepares the Comprehensive Annual Financial Report, Debt Service Booklet, as well as numerous other standardized and specialized reports. This program also provides high quality, timely service to County departments through analysis and technical assistance and through preparation, review, and approval of financial transactions.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting ¹	Received	Expected	Expected	Expected	Expected

¹ The County has been awarded this certificate more times than any other county in the nation (FY11 = 42 times).

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,516,800	14.81
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	423,065	4.00
FY14 CE Recommended	1,939,865	18.81

Notes: Beginning in FY12 and ending in FY14, Finance reorganized the Controller's Division which shifted staff among Information Technology, Accounts Payable, Accounts Receivable, Grants Accounting, and Tax Operations.

Grants Accounting

This program is responsible for the analysis, interpretation, and presentation of the County's financial position relating to grants through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of federal, state, and other outside resources; adherence to budgetary policies established by management; and compliance with Federal, State, and County mandates. The program prepares the Single Audit Report on expenditures of Federal awards, and State Uniform Financial Report, as well as numerous other standardized and specialized reports. This program also provides high quality, timely service to County departments through analysis and technical assistance; and through preparation, review, and approval of grant financial transactions.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	549,370	5.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-35,625	0.00
FY14 CE Recommended	513,745	5.00

Payroll

This program is responsible for managing and maintaining the County's payroll system and functions as prescribed by Federal, State, and County laws, and local regulations. The program provides timely and accurate payroll disbursements to County employees, accounts for payroll deductions, issues W-2 statements to account for pre-tax and post-tax benefits, maintains official payroll and leave records, and responds to internal and external inquiries. The program proactively operates in conjunction with other County departments to maintain and develop efficient and effective improvements to the personnel/payroll and electronic timekeeping systems.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	926,515	9.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-61,784	-1.00
FY14 CE Recommended	864,731	8.00

Tax Operations

This program is responsible for the timely and accurate collection and processing of all County administered taxes, including property taxes (which are the County's largest revenue source), transfer and recordation taxes (relating to real property transfers and recordation of instruments of writing), and several excise taxes (fuel/energy, telephone, hotel/motel). The program is also responsible for the administration of the County's Working Families Income Supplement program, the Public Advocate for Assessments and Taxation (Public Advocate) program, and numerous tax credit, deferral, and assistance programs. The property tax portion of this program provides the calculation and distribution of tax bills; accounting and distribution of tax collections to the State of Maryland, municipalities, and other entities; collection of delinquent accounts through the tax lien sale process; and communication of and access to tax and account information by attorneys and title companies for preparation of property settlements; and customer service assistance to the public for complex tax-related matters and issues. The transfer and recordation tax portion of this program ensures that all other taxes, fees, and charges associated with the property tax account are paid in full prior to recording of the deed for that property by the State of Maryland. The Public Advocate program provides an independent review of State-determined property

assessment valuations for fairness and accuracy and, therefore, protects the public interest by acting on behalf of the taxpayers and the County.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,960,887	18.50
Increase Cost: Overtime	14,820	0.00
Shift: Chargeback to Parking Districts, Solid Waste Services, Water Quality Protection and Leaf Vacuuming for Billing, Collection, and Processing Services	-14,820	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.	-198,423	-0.15
FY14 CE Recommended	1,762,464	18.35
Notes: Beginning in FY12 and ending in FY14, Finance reorganized the Controller's Division which shifted staff among Information Technology, Accounts Payable, Accounts Receivable, Grants Accounting, and Tax Operations.		

Treasury Operations

This program is responsible for providing coordination and oversight of treasury operations and customer services through the cashiering function. All money received by the County, directly through the Treasury cashiering operation, from other County agencies, or through the internet and bank lockbox operation, is processed, administered, and recorded in a timely fashion in the County's accounting system. This program handles property, transfer and recordation, and excise taxes; fines and fees; and offers specific employee services, such as the fare media pass. Functioning as a banking operation, the tellers are a primary provider of person-to-person customer service to County residents.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	339,130	5.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	31,671	0.15
FY14 CE Recommended	370,801	5.15

Insurance

The Montgomery County Self-Insurance Program, established under County Code 20-37, provides comprehensive property and casualty insurance for the County and participating agencies. The program is funded through contributions from the agencies, which are based upon an annual actuarial analysis of outstanding and projected future claims filed against the participants. The program provides accurate and timely insurance and risk management advice to participating agencies and reduces County and participating agency exposure to risk by: comparing the cost of commercially available coverage to evaluate the best method of funding exposure to loss; transferring contractual risk under indemnification/hold harmless agreements; avoiding risk; operating proactive safety programs; and purchasing commercial insurance policies.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Workers Compensation - Cost per \$100 of payroll	\$3.12	\$3.05	\$3.46	\$3.46	\$3.46
Workers Compensation - Number of cases resulting in lost work time	512	490	525	525	530

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	46,664,821	4.00
Increase Cost: Claims Expense	4,737,000	0.00
Increase Cost: Adjustment to Claims Reserves	900,000	0.00
Increase Cost: Commercial Insurance	316,365	0.00
Increase Cost: Contract for Claims Administration	298,010	0.00
Increase Cost: Workers Compensation Payroll Tax	79,860	0.00
Increase Cost: Biennial Claims Audit	40,000	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.	-52,393	0.00
FY14 CE Recommended	52,983,663	4.00

Occupational Safety and Health

This program coordinates reporting to Federal and State regulatory agencies on health and safety issues. The State-required injury reports and the mandated safety training and record keeping are completed on schedule. The program responds promptly to inspections and queries from the Maryland Occupational Safety and Health Administration. Accident prevention programs are conducted, and training is provided continuously in loss prevention and loss control to promote a safe and healthy work environment for County employees.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	591,439	3.00
Decrease Cost: Motor Pool Adjustment	-9,758	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.	-10,338	0.00
FY14 CE Recommended	571,343	3.00

Legal Services

This program funds activities of the Office of the County Attorney, which provides legal services including investigation, negotiation, and litigation on behalf of the County and agencies that participate in the Self-Insurance Program.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,513,071	19.00
Increase Cost: Additional Chargeback from the County Attorney	105,300	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.	12,918	0.00
FY14 CE Recommended	2,631,289	20.00

Operations and Administration

This program includes operational support for the Department as well as the administrative portions of the Director's Office, the Division of the Controller, the Treasury Division, and the Division of Risk Management. The program provides support for efficient, effective, and timely accomplishment of the Department's mission, including budget development and oversight, personnel administration, strategic planning, and contract administration. It is also responsible for accurate revenue and economic forecasting, and publishing reports on economic and revenue analysis on a monthly and quarterly basis for dissemination to the County Council and public. The program provides high quality consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Revenue forecasting - Percent variance between actual revenue and projected revenue	-2.3%	1.20%	0.0%	0.0%	0.0%

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,971,693	14.37
Increase Cost: Controller Contractual Resources to Support Finance Home Operation Mandates, and Responsibilities	518,000	0.00
Increase Cost: Contract Management and Special Projects	150,671	1.00
Increase Cost: Printing and Mail Adjustment (General Fund)	1,433	0.00
Increase Cost: Printing and Mail Adjustment (Self Insurance Fund)	489	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-24,910	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.	91,689	1.00
FY14 CE Recommended	3,709,065	16.37

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	5,334,144	6,682,843	6,497,981	8,046,189	20.4%
Employee Benefits	1,985,468	2,882,077	2,206,744	2,404,593	-16.6%
County General Fund Personnel Costs	7,319,612	9,564,920	8,704,725	10,450,782	9.3%
Operating Expenses	2,159,501	1,226,540	2,060,197	1,848,483	50.7%
Debt Service Other	173,020	0	0	0	—
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	9,652,133	10,791,460	10,764,922	12,299,265	14.0%
PERSONNEL					
Full-Time	104	106	106	113	6.6%
Part-Time	2	2	2	1	-50.0%
FTEs	78.70	84.31	84.31	94.31	11.9%
REVENUES					
Miscellaneous Revenues	162,140	120,000	134,000	134,000	11.7%
Other Charges/Fees	233,930	267,230	267,230	272,540	2.0%
Other Fines/Forfeitures	196,122	50,000	50,000	50,000	—
Other Intergovernmental	151,890	140,660	140,660	154,760	10.0%
County General Fund Revenues	744,082	577,890	591,890	611,300	5.8%
SELF INSURANCE INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	2,671,792	2,893,933	2,893,933	2,990,140	3.3%
Employee Benefits	788,304	956,029	956,029	941,539	-1.5%
Self Insurance Internal Service Fund Personnel Costs	3,460,096	3,849,962	3,849,962	3,931,679	2.1%
Operating Expenses	45,541,105	46,606,320	46,606,320	52,911,511	13.5%
Capital Outlay	0	0	0	0	—
Self Insurance Internal Service Fund Expenditures	49,001,201	50,456,282	50,456,282	56,843,190	12.7%
PERSONNEL					
Full-Time	10	10	10	10	—
Part-Time	0	0	0	0	—
FTEs	29.40	29.37	29.37	30.37	3.4%
REVENUES					
Investment Income	754	250,000	290	350	-99.9%
Miscellaneous Revenues	541,077	0	0	0	—
Self Insurance Employee Health Income	1,081,820	0	0	4,260	—
Self Insurance Revenues	55,363,687	56,672,810	56,672,810	66,204,845	16.8%
Other Charges/Fees	0	0	0	24,090	—
Self Insurance Internal Service Fund Revenues	56,987,338	56,922,810	56,673,100	66,233,545	16.4%
DEPARTMENT TOTALS					
Total Expenditures	58,653,334	61,247,742	61,221,204	69,142,455	12.9%
Total Full-Time Positions	114	116	116	123	6.0%
Total Part-Time Positions	2	2	2	1	-50.0%
Total FTEs	108.10	113.68	113.68	124.68	9.7%
Total Revenues	57,731,420	57,500,700	57,264,990	66,844,845	16.3%

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY13 ORIGINAL APPROPRIATION	10,791,460	84.31
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY13 Mid-Year Division of the Controller Reorganization	609,081	9.00
Increase Cost: Controller Contractual Resources to Support Finance Home Operation Mandates, and Responsibilities [Operations and Administration]	518,000	0.00
Increase Cost: FY14 Compensation Adjustment	307,576	0.00
Increase Cost: Contract Management and Special Projects [Operations and Administration]	150,671	1.00
Increase Cost: Audit of Automated Clearing House and Payment Card Industry Compliance [Information Technology]	125,000	0.00
Increase Cost: Retirement Adjustment	24,006	0.00
Increase Cost: Overtime [Tax Operations]	14,820	0.00
Increase Cost: Other Labor Contract Costs	8,792	0.00
Increase Cost: Printing and Mail Adjustment (General Fund) [Operations and Administration]	1,433	0.00
Shift: Chargeback to Parking Districts, Solid Waste Services, Water Quality Protection and Leaf Vacuuming for Billing, Collection, and Processing Services [Tax Operations]	-14,820	0.00
Decrease Cost: Group Insurance Adjustment	-48,797	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-187,957	0.00
FY14 RECOMMENDED:	12,299,265	94.31
SELF INSURANCE INTERNAL SERVICE FUND		
FY13 ORIGINAL APPROPRIATION	50,456,282	29.37
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Claims Expense [Insurance]	4,737,000	0.00
Increase Cost: Adjustment to Claims Reserves [Insurance]	900,000	0.00
Increase Cost: Commercial Insurance [Insurance]	316,365	0.00
Increase Cost: Contract for Claims Administration [Insurance]	298,010	0.00
Increase Cost: FY14 Compensation Adjustment	120,371	0.00
Increase Cost: Additional Chargeback from the County Attorney [Legal Services]	105,300	1.00
Increase Cost: Workers Compensation Payroll Tax [Insurance]	79,860	0.00
Increase Cost: Biennial Claims Audit [Insurance]	40,000	0.00
Increase Cost: Group Insurance Adjustment	19,443	0.00
Increase Cost: Retirement Adjustment	10,080	0.00
Increase Cost: Other Labor Contract Costs	2,960	0.00
Increase Cost: Printing and Mail Adjustment (Self Insurance Fund) [Operations and Administration]	489	0.00
Decrease Cost: Motor Pool Adjustment [Occupational Safety and Health]	-9,758	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-20,848	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding [Operations and Administration]	-24,910	0.00
Increase Cost: Annualization of FY13 Operating Expenses	-31,865	0.00
Increase Cost: Annualization of FY13 Personnel Costs	-155,589	0.00
FY14 RECOMMENDED:	56,843,190	30.37

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Debt, Cash, and Fiscal Projects	1,008,361	7.00	1,014,342	7.00
Information Technology	1,410,382	6.00	1,357,610	4.00
Accounts Payable	624,951	7.00	778,793	9.00
Accounts Receivable	170,322	1.00	644,744	6.00
General Accounting	1,516,800	14.81	1,939,865	18.81
Grants Accounting	549,370	5.00	513,745	5.00
Payroll	926,515	9.00	864,731	8.00
Tax Operations	1,960,887	18.50	1,762,464	18.35
Treasury Operations	339,130	5.00	370,801	5.15
Insurance	46,664,821	4.00	52,983,663	4.00
Occupational Safety and Health	591,439	3.00	571,343	3.00
Legal Services	2,513,071	19.00	2,631,289	20.00
Operations and Administration	2,971,693	14.37	3,709,065	16.37
Total	61,247,742	113.68	69,142,455	124.68

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY13		FY14	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	1,809,321	14.00	1,376,198	10.50
Community Use of Public Facilities	Community Use of Public Facilities	5,090	0.04	4,730	0.04
Environmental Protection	Water Quality Protection Fund	347,180	3.20	372,970	3.20
Finance	Self Insurance Internal Service Fund	50,620	0.37	44,120	0.37
General Services	Printing and Mail Internal Service Fund	6,430	0.05	6,640	0.05
Human Resources	Employee Health Benefit Self Insurance	104,800	0.75	94,850	0.75
NDA - Montgomery County Employee Retirement Plan	BIT 457 Deferred Comp. Plan	23,230	0.15	24,670	0.15
NDA - Montgomery County Employee Retirement Plan	Employee Retirement System	49,560	0.32	52,630	0.32
NDA - Montgomery County Employee Retirement Plan	Retiree Health Benefits	38,720	0.25	41,110	0.25
NDA - Montgomery County Employee Retirement Plan	Retirement Savings Plan	24,780	0.16	26,320	0.16
Parking District Services	Bethesda Parking District	57,940	0.68	59,828	0.70
Parking District Services	Montgomery Hills Parking District	5,780	0.05	5,707	0.05
Parking District Services	Silver Spring Parking District	54,300	0.54	52,258	0.52
Parking District Services	Wheaton Parking District	13,380	0.13	13,257	0.13
Permitting Services	Permitting Services	13,070	0.10	13,660	0.10
Solid Waste Services	Solid Waste Collection	90,280	0.34	90,670	0.34
Solid Waste Services	Solid Waste Disposal	217,320	2.38	219,270	2.38
Transportation	Vacuum Leaf Collection	80,830	0.23	81,320	0.23
Total		2,992,631	23.74	2,580,208	20.24

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY14	FY15	FY16	FY17	FY18	FY19
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY14 Recommended	12,299	12,299	12,299	12,299	12,299	12,299
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	404	501	501	501	501
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-12	-12	-12	-12
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	12,299	12,703	12,788	12,788	12,788	12,788
SELF INSURANCE INTERNAL SERVICE FUND						
Expenditures						
FY14 Recommended	56,843	56,843	56,843	56,843	56,843	56,843
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	169	218	218	218	218
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Retiree Health Insurance Pre-Funding	0	-2	-4	-6	-9	-13
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	56,843	57,010	57,057	57,054	57,052	57,048

