



Workforce/Compensation

SUMMARY OF FY25 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY25, as recommended by the Board of Education (BOE), is 24,764.5335 FTEs, or 268.6693 FTEs greater than the Board of Education adopted FY24 workforce of 24,495.8642 FTEs. In May 2023, MCPS completed negotiations with the public schools' bargaining units, the Service Employees International Union (SEIU), the Montgomery County Education Association (MCEA), the Montgomery County Association of Administrators and Personnel (MCAAP), and the Montgomery County Business and Operations Administrators (MCBOA). The two-year agreements, which were approved by the Board of Education in June 2023, addressed salary and wage increases for employees for FY24 and FY25. The FY25 cost of the agreements is \$79.5 million. For more information on compensation and workforce changes, please see the Board of Education's FY25 Operating Budget Tentatively Adopted.

Montgomery College (MC): The College and its Board of Trustees adopted a fiscally conservative maintenance-of-effort budget that provides reasonable and fair wage increases for the College's dedicated faculty and staff. The FY25 Current Fund increase in personnel costs is roughly \$4.2 million. Negotiations with the bargaining units are nearly complete. For more information on compensation and workforce changes, please consult the Adopted FY25 Montgomery College Operating Budget Request, available on the College's website.

Maryland-National Capital Park and Planning Commission (M-NCPPC): The net impact on the M-NCPPC workforce for FY25, as recommended by the Montgomery County Planning Board, is an increase of 21.62 FTEs. The Commission's requested budget includes an increase in personnel costs of \$10.5 million. The increase also includes retirement and group insurance adjustments, a compensation placeholder (to address collectively bargained compensation increases and pass-through costs), and a reclassification placeholder. For more information on compensation and workforce changes, please see the M-NCPPC FY25 Proposed Annual Budget.

Montgomery County Government (MCG): When looking at headcount, the net impact on the County government workforce for FY25, as recommended by the Executive, is an increase of 95 positions. This increase consists of 115 tax supported positions and a decrease of 20 non-tax supported positions. The tax supported total includes 32 new positions associated with the conversion of contractual services to permanent positions, the elimination of 60 positions, the repurposing of 40 positions, and the creation of 25 positions supported entirely through new or additional fees or revenues.

The recommended budget contains an increase in total personnel costs of \$141.0 million, or 10.2 percent. The increase in FY25 related only to FY25 compensation and benefits adjustments totaled \$70.8 million, or 5.1 percent. The primary factors in these changes are:

Factor	Millions
General Wage Adjustment (GWA)	\$35.9
Increase in required retirement contribution	\$10.7
Increase in group insurance	\$11.1
Service increments and longevity	\$9.4
Annualization of FY24 Compensation Adjustments	\$38.5
Other FY25 Compensation Adjustments	\$3.6
New positions in FY25	\$17.3

Position eliminations in FY25	-\$7.9
Other changes in personnel costs, including turnover savings and annualization of positions	\$22.4

The recommendations in the remainder of this section are for the County government and are based upon the bargained agreements with the United Food and Commercial Workers, Local 1994 (Municipal and County Government Employees Organization - MC GEO); the International Association of Fire Fighters (IAFF), Local 1664; the Fraternal Order of Police (FOP), Lodge 35; and the Montgomery County Volunteer Fire and Rescue Association (MCVFRA). Certain provisions of the agreements have been extended to unrepresented employees, as noted below.

B. COUNTY GOVERNMENT SALARY AND WAGES

General Wage Adjustment: The Executive recommends the following general wage adjustments (GWA) in FY25: 3.5 percent effective the first full pay period after July 1, 2024, for all employees in the Police bargaining unit and Police Leadership Service (PLS); 3.5 percent effective the first full pay period after July 14, 2024, for all employees in the Fire and Rescue bargaining unit and Fire and Rescue uniformed management; 4.5 percent effective the first full pay period after November 3, 2024 for all employees in the Office, Professional, and Technical (OPT), and Service, Labor, and Trades (SLT) units, as well as all employees on the Transit Bus Operators and Transit Coordinators Salary Schedules, Deputy Sheriffs and Correctional Officers Uniform Salary Schedules, and all non-represented employees, including Management Leadership Service (MLS).

FY25 salary schedules can be found on the County's website at:

<http://www.montgomerycountymd.gov/HR/compensation/Compensation.html>.

(Note: FY25 salary schedules will be available after Council approval of the FY25 budget)

Service Increments: The Executive recommends service increments of 3.5 percent for all eligible employees.

Longevity Increments: The Executive recommends longevity increments in FY25 for all eligible employees; adjustments to longevity steps to be awarded after 16, 20, and 25 years of service for all employees in the OPT and SLT units, as well as all employees on the Deputy Sheriff and Correctional Officers Uniform Salary Schedules; and adjustments to longevity steps to be awarded after 16, 20, and 25 years of service for all non-represented employees on the General Salary Schedule.

Performance-Based Pay: The Executive recommends \$2,500,000 in the Compensation Adjustment and Employee Benefits NDA to fund performance-based pay increases for MLS and PLS employees.

C. COUNTY GOVERNMENT: EMPLOYEE BENEFITS

The following employee benefits are funded in the Executive's recommended budget through a combination of lump-sum or payroll-based contributions.

- **FICA (Social Security & Medicare)**
- **Workers' Compensation**
- **Group Insurance**
- **Employees' Retirement System**
- **Retirement Savings Plan**

FICA (Social Security and Medicare): Contributions are collected from County departments and agencies each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the recommended fiscal year budget represent an average of the rates set for 2024 and projected changes for 2025. The employer rates of 6.2 percent for social security and 1.45 percent for Medicare are not expected to change.

Workers' Compensation: This is handled through the County's Risk Management program under the Department of Finance. Departments with significant non-tax revenues make annual contributions to the Liability and Property Coverage Self-Insurance Fund. A lump-sum contribution to the fund for insurance for the remaining County departments is made annually through the Risk Management (General Fund portion) Non-Departmental Account. Participating County agencies also make annual lump-sum contributions. Contributions for all members are set each year based on an actuarial valuation of exposures, and past and projected

claims experience along with administrative expenses.

Group Insurance Benefits: The contributions for health insurance are based on an actuarially determined Countywide average fixed rate of \$16,104 per position, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary.

It is projected for the long-term that the annual cost of group insurance for the County, including active employees and retirees, could increase an average of approximately nine percent annually between FY25 and FY30. Contribution rates during this period will be set based on various factors, including the fund balance in the Health Insurance Fund and claims cost experience.

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50-year-old practice of pre-funding for retiree pension benefits. Due to exponential growth in expected retiree health costs, the County had determined the cost of funding these benefits, which were being paid out as the bills came due, would become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, is a prudent and responsible approach that will result in significant savings over the long-term.

County agencies develop current estimates of the costs of health benefits for current and future retirees each year. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$1.9 billion - approximately 24.9 percent of the total FY25 budget for all agencies.

Proposed FY25 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	<u>FY25</u>
<u>General Fund:</u>	
Retiree Health Benefits Trust NDA	\$0
<u>Proprietary Funds:</u>	
Bethesda Parking District	\$0
Wheaton Parking District	0
Silver Spring Parking District	0
Solid Waste Collection	0
Solid Waste Disposal	0
Alcohol Beverage Services	0
Permitting Services	0
Community Use of Public Facilities	0
Motor Pool	0
Risk Management	0
Central Duplicating	0
<u>Participating Agency Contributions</u>	\$0
Total MCG Trust Contributions	\$0
Consolidated Trust: Montgomery County Public Schools	\$59,106,261
Consolidated Trust: Montgomery College	\$0
Park and Planning Commission Trust Fund*	\$3,497,584
Total Contributions/Assets Held in Trust	\$62,603,845
* MNCPPC's contribution from tax supported funds is \$3,653,294.	

The County's approach to address retiree health benefits funding has been to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Actuarially Determined Contribution or "ADC", is estimated at \$70.4 million. This amount normally consists of two pieces - the annual amount the County would usually pay out for health benefits for current retirees (the pay-as-you-go amount), plus the additional amount estimated to fund retirees' future health benefits (the pre-funding portion). The pay-as-you-go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County's policy has been to pay the full amount of ADC each year. In FY11, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The Bill amended existing law and provided a funding mechanism to pay for other post employment benefits (OPEB) for employees of MCPS and MC. In FY15, the County and all other agencies implemented the Medicare Part D

Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This has reduced retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council

resolution No. 16-555. In FY24, the County General Fund fully funded the pay-as-you-go amount, funding in excess of the ADC by \$17.4 million, as the pay-as-you-go amount was determined to be in excess of the ADC, and the prefunding contributions were budgeted at \$62.3 million for the MCPS Consolidated Trust. No prefunding amount was required for Montgomery County Government or the MC Consolidated Trust.

In December 2023, the County Council passed Resolution No. 20-337, establishing an updated OPEB funding policy. The actuarial valuation used for the FY25 budget resulted in an ADC that was \$8.9 million less than the pay-as-you-go amount, and the FY25 budget assumes the utilization of this \$8.9 million for payment of a portion of the County's retiree health insurance claims.

A detailed breakdown of FY25 recommended contributions to the Consolidated Retiree Health Benefit Trust for County government tax supported agencies, participating agencies, MCPS, and MC is displayed in the table above. The County Executive is recommending that the Retiree Health Benefits Trust provide \$27.2 million to MCPS for the payment of retiree health insurance claims in FY25.

Retirement Benefits: Montgomery County Government maintains a system of retirement pay and benefits for its employees which is intended to provide income during their retirement years. The Employees' Retirement System, which currently provides benefits to approximately 6,986 retirees and survivors, is administered by the Montgomery County Employee Retirement Plans (MCERP). MCERP oversees all facets of the retirement plans including investments, administration, and accounting. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated with MCERP in consultation with the Office of Human Resources, the County's actuaries, the Department of Finance, and the Office of Management and Budget.

Retirement Plans: Montgomery County Government maintains three retirement plans for its employees: a defined benefit pension plan, a defined contribution plan, and a deferred compensation plan for its employees and participating agencies.

1. The Employees' Retirement System (ERS), a defined benefit pension plan, was established through legislation in 1965 and is described in the Montgomery County Code, Section 33. As of June 30, 2023, there were 6,986 retirees and survivors and 6,229 active members, including 2,941 in the Guaranteed Retirement Income Plan (GRIP). Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the MCERP staff, in consultation with the County's actuaries, the Office of Human Resources, the Department of Finance, and the Office of Management and Budget.

The ERS consists of four plans including a Mandatory Integrated Retirement Plan, an Optional Non-Integrated Retirement Plan, an Optional Integrated Plan, and a Guaranteed Retirement Income Plan. The GRIP is a Cash Balance Plan that began in FY10 as a result of negotiations between Montgomery County and United Food and Commercial Workers Local 1994 MCGEO. Eligibility to participate has been passed through to non-represented employees and participants of participating agencies. All full-time and part-time non-public safety employees hired before January 1, 2009, enrolled in the RSP were eligible to make a one-time irrevocable election to transfer to the GRIP by June 1, 2009. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. As with the RSP, the County and employee each make contributions at a set percentage of pay. The salient feature of the GRIP is that the plan provides guaranteed annual earnings of 7.25%, credited monthly.

2. The Retirement Savings Plan (RSP), a defined contribution plan, was established for all new OPT/SLT (non-public safety) and non-represented employees hired on or after October 1, 1994. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. Eligible employees in the ERS are allowed to transfer to the Retirement Savings Plan. Both regular full-time and part-time employees can participate. Under this plan, the County and employee each make contributions at a set percentage of pay. These monies are deposited into employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees.
3. The Montgomery County Deferred Compensation Plan (DCP) was established by the County to make a deferred compensation plan available pursuant to Section 457 of the Internal Revenue Code. Employee contributions are made on a voluntary basis with the monies deposited into employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees. In FY05, the County established the Montgomery County Union Employees Deferred Compensation Plan for employees covered by a collective bargaining agreement. This Plan is administered by the three unions representing Montgomery County employees.

The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board's

asset allocation strategy. The Board also administers the investment program for the Retirement Savings Plan and the Montgomery County Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees. The Board currently consists of 13 trustees, including: the Chief Labor Relations Officer, Director of Finance, and Director of Management and Budget; the County Council Executive Director; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

Change in Retirement System Membership: The number of active non-public safety in the ERS decreased by 54 and the number of public safety employees increased by 12, for a combined total active enrollment of 3,288 in FY24. GRIP membership increased by 315 employees to 2,941 in FY24. The RSP saw a decrease of 13 active employees enrolled, for a total FY25 enrollment of 3,225.

Funds for the County's contribution to the ERS for each member employee are included in the appropriate Montgomery County Government departmental budget or agency budget. The County uses multiple contribution rates designating the percentage of payroll for the various employee groups to determine the retirement contribution.

County contributions are determined using actuarially sound assumptions to assure the financial health of the fund. Factors that affect the County's contributions include the impact of compensation adjustments, changes in the size of the workforce, investment returns, and collectively bargained benefit changes. The ERS contribution rates reflect projections of revenues and expenses to the fund. Revenues include County and member contributions which are set at fixed percentages of salaries and investment income, which is driven by both earnings in the various financial markets and the size of the fund balance invested.

Expenses of the fund include pension payments, which are affected by mandated cost-of-living increases and changes in the number of retirees and survivors; administrative and operational expenses of the fund managers and financial consultants, and charges for services provided by the MCERP staff as well as staff from Finance and Human Resources.

COLLECTIVE BARGAINING

Fire and Rescue Bargaining Unit: The current agreement became effective July 1, 2022, and expires on June 30, 2024. The negotiated agreement becomes effective July 1, 2024, and expires on June 30, 2026. The agreement's salient economic terms include:

- General Wage Adjustment. A 3.5 percent GWA will be paid in July 2024.
- Service Increments. A service increment of 3.5 percent will be paid in FY25 up to the maximum base salary for the grade for eligible unit members.
- Longevity step increases. Longevity step increases will be paid to eligible employees; effective July 2024.
- Fire Investigative Unit Bomb Technician Differential. An adjustment of 3.2% of the Fire Fighter III, Step H base pay for all bargaining unit members assigned to the Fire Investigative Unit who are also a Bomb Technician.
- Fire Captain Serving as Station Commander Differential. An adjustment of 3.2% of the Captain, Step J base pay for one Captain from the Fire Investigation Unit and One Captain from Technical Operations.
- Tactical Emergency Casual Care Certification Pay. A \$500 annual certification pay for Bargaining Unit Employees who complete the Tactical Emergency Casualty Care ("TECC") course and are assigned to Station 23.
- IAFF Peer Support. An increase in compensation for bargaining unit members on the IAFF Peer Support team authorized to attend 30 hours of initial training or quarterly team meetings at 1.5 times the regular rate of pay for all time spent in training courses on the member's day(s) off.
- Reimbursement for Cancer Screenings. A reimbursement for bargaining unit members of up to \$350 once every 36 months for ultrasound testing that includes, but is not limited to, echocardiogram, carotid doppler, abdominal aortic aneurysm, thyroid abdominal bladder, testicular, or pelvic screenings.
- Reimbursement for Multi Cancer Early Detection Blood Screening. A one-time reimbursement for bargaining unit members of up to \$800 for multi cancer early detection blood testing.
- Pro Board Certification. A reimbursement for each employee obtaining bargaining unit status upon the completion of probation for Pro Board certification - eligible courses obtained during Initial Recruit Training at the MCFRS PSTA.
- Pension Plan Adjustment. An adjustment to the Social Security integration age to the highest Social Security retirement

benefit age (currently age 70).

- **Tuition Assistance.** An increase of \$35,000 in the tuition assistance funds made available each fiscal year to bargaining unit members. If tuition assistance funds are exhausted in the first six months of the fiscal year, an additional \$35,000 will be made available to bargaining unit members.
- **Prevailing Rights.** If recommendations of the Joint Health and Safety Committee are not adopted by July 1, 2024, the County will provide individual plastic water bottles on each apparatus until the recommendations are adopted.

MC GEO Bargaining Unit: The current agreement became effective July 1, 2023, and expires on June 30, 2026. The agreement's salient economic terms for FY25 include:

- **General Wage Adjustment.** A 4.5 percent GWA will be paid in November.
- **Service Increments.** A service increment of 3.5 percent will be paid in FY25 up to the maximum base salary for the grade for eligible unit members.
- **Deferred Service Increment.** A service increment of 3.5 percent for any eligible bargaining unit member who was scheduled to receive a service increment in FY13, but which was not funded by the County Council, will be paid in FY25 to eligible unit members the first full pay period following July 1, 2024.
- **Longevity Step Increases.** Longevity step increases will be paid to eligible employees; effective July 2024.
- **Pension Plan Adjustment.** An adjustment to the Social Security integration age to the highest Social Security retirement benefit age (currently age 70).

Police Bargaining Unit: The current agreement became effective July 1, 2023, and expires on June 30, 2025. The agreement's salient economic terms for FY25 include:

- **General Wage Adjustment.** A 3.5 percent GWA will be paid in July 2024.
- **Service Increments.** A service increment of 3.5 percent will be paid in FY25 up to the maximum base salary for the grade for eligible unit members.
- **Longevity step increases.** Longevity step increases will be paid to eligible employees; effective July 2024.
- **Pension Plan Adjustment.** Effective January 1, 2025, a pension plan adjustment amending the amount of pension at normal retirement date or early retirement date of 2.6 percent of average final earnings for each of the first 25 years of credited service and 2.4 percent of average final earnings for each year from 25 years to a maximum of 34 years, including sick leave credits.

Volunteer Fire and Rescue Bargaining Unit: The current agreement became effective on July 1, 2023, and expires on June 30, 2026.

- **Nominal Fee.** A nominal fee increase will be paid in FY25. The nominal fee for eligible volunteers increases in July 2024 to \$625 and to \$1,300, depending on level of service.
- **Association Funding.** Funding for the Association will increase to \$23,619 on July 1, 2024.
- **Length of Service Award Program (LOSAP).** An increase in LOSAP of 2.5 percent will be made for certain active members, on July 1, 2024.

WORKFORCE ANALYSIS

Basis: Workforce analysis has been performed on changes to tax supported and non-tax supported full-time equivalent (FTE) positions in the Executive's Recommended FY25 Operating Budget for Montgomery County Government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY24, which began on July 1, 2023. Changes shown reflect the addition of grant-funded positions, abolishments and creations to implement approved job-sharing agreements, and other miscellaneous changes. Changes recommended by the County Executive for FY25 are in three categories: current year position changes due to supplemental appropriations or other actions, new fiscal year position changes scheduled to take effect July 1, 2024, and technical changes.

Summary: The recommended budget includes funding for 10,398 full-time positions, a net increase of 145 from the approved FY24 Personnel Complement of 10,253 full-time positions. Funding for 906 part-time positions is also included, a net decrease

of 50 positions from the approved FY24 Personnel Complement of 956 positions. The net impact on FTEs is an increase of 141.1 to 11,178.5.

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY COUNTY EXECUTIVE RECOMMENDED: FY25					
	POSITIONS		FULL-TIME EQUIVALENTS		
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	TOTAL
FY24 APPROVED COMPLEMENT	10,253	956	9,108.4	1,929.0	11,037.4
FY25 RECOMMENDED COMPLEMENT	10,398	906	9,264.1	1,914.4	11,178.5
CHANGE IN WORKFORCE (GROSS)	145	(50)	155.7	(14.6)	141.1
Percentage Change	1.4%	(5.2%)	1.7%	(0.8%)	1.3%

* NOTE: Non-Tax Supported WYs include Internal Service Funds.

Sources: Schedule D-3, Approved FY24 Operating Budget and County Executive Recommended FY25 Operating Budget.

Detailed below are the significant net changes in the number of positions in the FY25 Recommended Operating Budget.

Workforce Changes	Position Change
Health and Human Services - Change is related to staff added to support existing and new programs in Children, Youth, and Family Services; conversion of contractual staff to merit staff; additional administrative infrastructure positions to administer new programs and services; increased school health staff for new community schools; staff in Aging and Disability Services to meet demand and reduce waitlists; and additional staff to increase the number of Mobile Crisis Teams from five to seven.	80
Housing and Community Affairs - Change is related to staffing requirements to implement legislation on Short-Term Residential Rentals and Rent Stabilization; a portion of these are offset by additional revenue.	21
Police - Change is due to the elimination of long-term vacancies and technical adjustments related to the tracking of Cadets. All changes result in no change in service delivery.	-50

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES															
HEALTH PLAN	2023					2024					CHANGE				
	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% Dif
Carefirst POS	1,322	979	1,778	4,079	44.2%	1,418	1,033	1,864	4,315	47.4%	96	54	86	236	3.2%
Carefirst POS Std	549	255	450	1,254	13.6%	625	262	482	1,369	15.0%	76	7	32	115	1.4%
Kaiser	774	386	560	1,720	18.7%	769	394	536	1,699	18.7%	(5)	8	(24)	(21)	0.0%
United Healthcare	640	764	764	2,168	23.5%	646	378	699	1,723	18.9%	6	(386)	(65)	(445)	-4.6%
Grand Total				9,221					9,106					(115)	

Includes participating agency actives and COBRA, temps, and municipalities categories.

Idea is that the active rates are based on all 4 groups (including county actives, choice plan, and county active, select plan).

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES

Employee Retirement System Plans	Number <u>Employees</u> (7/1/22)	Fiscal 2024 Contribution <u>Rate</u> %	Number <u>Employees</u> (7/1/23)	Fiscal 2025 Contribution <u>Rate</u> %	Number <u>Employees</u> (7/22 v. 7/23)	Contribution <u>Rate</u> (7/22 v. 7/23)
Public Safety	2,729	16.54%	2,741	22.57%	12	6.03%
Non-Public Safety	601	0.71%	547	4.72%	(54)	4.01%
Guaranteed Retirement Income Plan	2,626	6.10%	2,941	5.94%	315	-0.16%
Total ERS System Plans	5,956		6,229		273	
Retirement Savings Plan	3,238	8.00%	3,225	8.00%	(13)	0.00%

Source: Montgomery County Employees' Retirement System, 2022 and 2022 Actuarial Valuation Reports for Plan Years Beginning July 1, 2022, and July 1, 2023, respectively. RSP data provided by the Montgomery County Employee Retirement Plans.

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT							
ITEM	FY23 APPR	FY23 ACT	FY24 APPR	FY24 EST	FY25 REC	\$	%
						FY25 Req vs FY24 Appr	
EXPENSES							
Salaries and Benefits	196,500	167,050	205,000	201,100	213,700	8,700	4.2%
Professional Services	53,000	36,803	56,100	49,000	70,000	13,900	24.8%
Due Diligence/Education	2,800	-	2,800	2,800	2,800	0	0.0%
Office Management	8,000	4,218	8,000	6,900	7,000	(1,000)	(12.5%)
Investment Management fees	9,800	10,419	12,000	12,200	12,200	200	1.7%
TOTAL EXPENSES	270,100	218,490	283,900	272,000	305,700	\$21,800	7.7%

Amounts shown above are not charged to the Deferred Compensation Plan Trust but are instead appropriated and charged to the General Fund Compensation and Employee Benefits Adjustments Non-Departmental Account.

PROPOSED OPERATING BUDGET RETIREE HEALTH BENEFIT TRUST							
ITEM	FY23 APPR	FY23 ACT	FY24 APPR	FY24 EST	FY25 REC	\$	%
						FY25 Req vs FY24 Appr	
EXPENSES							
Salaries and Benefits	565,000	520,779	591,000	600,000	749,000	158,000	26.7%
Professional Services	176,500	305,195	203,800	344,800	379,800	176,000	86.4%
Due Diligence/Education	26,000	23,729	50,000	50,000	94,500	44,500	89.0%
Office Management	14,000	10,318	14,600	14,200	15,800	1,200	8.2%
Investment Management fees	8,451,000	6,953,886	8,648,000	5,581,000	5,950,000	(2,698,000)	(31.2%)
TOTAL EXPENSES	9,232,500	7,813,907	9,507,400	6,590,000	7,189,100	(\$2,318,300)	(24.4%)

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM							
ITEM	FY23 APPR	FY23 ACT	FY24 APPR	FY24 EST	FY25 REC	\$	%
						FY25 Req vs FY24 Appr	
REVENUE							
Contributions	75,175,000	86,067,582	79,480,000	79,480,000	104,431,000	24,951,000	31.4%
Investment Income/(Loss)	395,000,000	206,192,312	360,357,000	341,703,000	352,565,000	(7,792,000)	(2.2%)
Miscellaneous Income	876,000	934,593	854,000	1,005,000	1,080,000	226,000	26.5%
TOTAL REVENUE	471,051,000	293,194,487	440,691,000	422,188,000	458,076,000	17,385,000	3.9%
EXPENSES							
OPERATING EXPENSES							
Retirement Benefits	312,458,000	322,749,223	336,141,000	336,579,000	353,741,500	17,600,500	5.2%
Investment Management fees	28,174,000	25,151,511	26,653,000	15,752,000	16,792,000	(9,861,000)	(37.0%)
SUBTOTAL	340,632,000	347,900,734	362,794,000	352,331,000	370,533,500	7,739,500	2.1%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	2,823,000	2,300,324	2,954,000	2,658,000	3,352,000	398,000	13.5%
Professional Services	1,024,200	826,159	1,115,800	1,110,600	1,259,000	143,200	12.8%
Benefit Processing	132,300	126,575	136,400	128,000	142,500	6,100	4.5%
Due Diligence/Education	33,700	23,505	57,700	57,700	133,800	76,100	131.9%
Office Management	88,300	64,235	90,700	88,000	109,800	19,100	21.1%
SUBTOTAL	4,101,500	3,340,798	4,354,600	4,042,300	4,997,100	642,500	14.8%
TOTAL EXPENSES	344,733,500	351,241,532	367,148,600	356,373,300	375,530,600	8,382,000	2.3%
NET REVENUE	126,317,500	(58,047,045)	73,542,400	65,814,700	82,545,400	9,003,000	12.2%

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN							
ITEM	FY23 APPR	FY23 ACT	FY24 APPR	FY24 EST	FY25 REC	Change: FY25 Req vs FY24 Appr \$	%
REVENUE							
Investment Income	1,600	14,602	600	5,000	7,000	6,400	1066.7%
Miscellaneous Income	312,000	366,746	313,000	321,900	331,600	18,600	5.9%
TOTAL REVENUE	313,600	381,348	313,600	326,900	338,600	25,000	8.0%
EXPENSES							
OPERATING EXPENSES							
Investment Management fees	9,800	10,419	12,000	12,200	12,200	200	1.7%
SUBTOTAL	9,800	10,419	12,000	12,200	12,200	200	1.7%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	224,500	210,343	234,800	231,100	245,700	10,900	4.6%
Professional Services	75,000	51,345	77,600	69,000	83,900	6,300	8.1%
Due Diligence/Education	2,800	-	2,800	2,800	2,800	0	0.0%
Office Management	7,300	4,418	7,300	6,900	7,000	(300)	(4.1%)
SUBTOTAL	309,600	266,106	322,500	309,800	339,400	16,900	5.2%
TOTAL EXPENSES	319,400	276,525	334,500	322,000	351,600	17,100	5.1%

Fraternal Order of Police County Lodge 35, Inc. Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected***</u>
28	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$942,777	\$1,453,192	422
28	Longevity	Longevity Step Increase of 3.5 Percent for Eligible Employees	\$58,546	\$150,123	33
36	Wages	3.5 Percent General Wage Adjustment in July 2024	\$4,168,463	\$4,335,203	1,024
57	Retirement	Adjustment to Pension Multiplier	\$3,313,593	\$3,313,593	1,024
Total			\$8,483,379	\$9,252,111	1,024

Police Uniformed Management Pass-Through Estimates**

<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected***</u>
Wages	3.5 Percent General Wage Adjustment in July 2024	\$349,672	\$363,659	55
Total		\$349,672	\$363,659	55

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** Police Management converted to a new Police Leadership Service (PLS) Schedule in FY19.

*** The estimated number of employees affected by the economic item is identified where known.

Montgomery County Career Fire Fighters Association, Inc
International Association of Fire Fighters, Local 1664
Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected**</u>
17	Special Duty Differentials	Fire Investigative Unit Bomb Tech Differential of 3.2% of the Fire Fighter III Step H base pay	\$44,707	\$46,160	
17	Special Duty Differentials	Fire Captain Serving as Station Commander Differential of 3.2% of the Captain, Step J base pay for one Captain from the Fire Investigation Unit and One Captain from Technical Operations	\$10,890	\$11,244	
17	Special Duty Differentials	Tactical Emergency Casual Care Certification Pay of \$500 annually	\$16,556	\$16,556	
19.1	Wages	3.5 Percent General Wage Adjustment in July 2024	\$4,300,125	\$4,472,131	1,122
19	Longevity	Longevity Step Increases of 3.5 Percent for Eligible Employees	\$256,247	\$636,247	145
22	Prevailing Rights	Individual Plastic Water Bottles on Each Apparatus	\$12,111	\$0	
35.8	CISM and Peer Support Teams	Overtime for Training to Participate on Peer Support Teams	\$31,711	\$0	30
35.11	Health and Safety	Reimbursement for Cancer Screenings of up to \$350 once every 36 months for ultrasound testing that includes, but is not limited to, echocardiogram, carotid doppler, abdominal aortic aneurysm, thyroid abdominal bladder, testicular, or pelvic screenings.	\$261,030	\$43,505	1,122
Side Letter	Health and Safety	One-time Reimbursement for Multi Cancer Early Detection Blood Screening of up to \$800	\$745,800	\$248,600	1,122
40.5	Employee Status	Reimbursement for Pro Board Certification eligible courses obtained during Initial Recruit Training at the MCFRS PSTA for employees obtaining bargaining unit status	\$3,675	\$3,675	
51	Pensions	Social Security Benefit Age Adjustment to Pension Calculation	\$618,937	\$1,237,873	
54.2	Tuition Assistance	An increase of \$35,000 in available tuition assistance funds. If funds exhausted in the first six months of the fiscal year an additional \$35,000 will be made available.	\$70,000	\$70,000	
55	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$851,721	\$1,531,239	500
Total			\$7,223,511	\$8,317,229	1,122

Fire and Rescue Uniformed Management Pass-Through Estimates

<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected**</u>
Wages	3.5 Percent General Wage Adjustment in July 2024	\$279,968	\$291,167	43
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$2,370	\$3,641	2
Health and Safety	Reimbursement for Cancer Screenings of up to \$350 once every 36 months for ultrasound testing that includes, but is not limited to, echocardiogram, carotid doppler, abdominal aortic aneurysm, thyroid abdominal bladder, testicular, or pelvic screenings.	\$9,030	\$1,505	
Health and Safety	One-time Reimbursement for Multi Cancer Early Detection Blood Screening of up to \$800	\$25,800	\$8,600	
Total		\$317,168	\$304,913	43

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

Municipal and County Government Employees Organization United Food and Commercial Workers, Local 1994 Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected**</u>
5	Wages	4.5 Percent General Wage Adjustment in November 2024	\$16,867,704	\$26,113,195	6,131
5.1	Longevity	Longevity Step Increase of 3.25 or 3.5 Percent for Eligible Employees, After Completion of 16, 20, and 25 Years of Service	\$398,900	\$895,602	271
6	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$4,077,130	\$8,840,507	2,812
6	Deferred Increment	Deferred Service Increment from FY13 for Eligible Employees, 3.5% Effective July 2024	\$179,603	\$179,603	91
	Pensions	Social Security Benefit Age Adjustment to Pension Calculation	\$539,612	\$539,612	
Total			\$22,062,950	\$36,568,519	6,131

Non-Represented Pass-Through Estimates*

<u>Item</u>	<u>Description</u>	<u>FY25</u>	<u>Annual Cost Beyond FY25</u>	<u>Estimated # affected**</u>
Wages	4.5 Percent General Wage Adjustment in November 2024	\$9,925,750	\$15,359,374	2,435
Longevity	Longevity Step Increase of 3.25 or 3.5 Percent for Eligible Employees, After Completion of 16, 20, and 25 Years of Service	\$1,086,225	\$1,341,154	327
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,600,049	\$3,006,556	828
Total		\$12,612,024	\$19,707,084	2,435

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

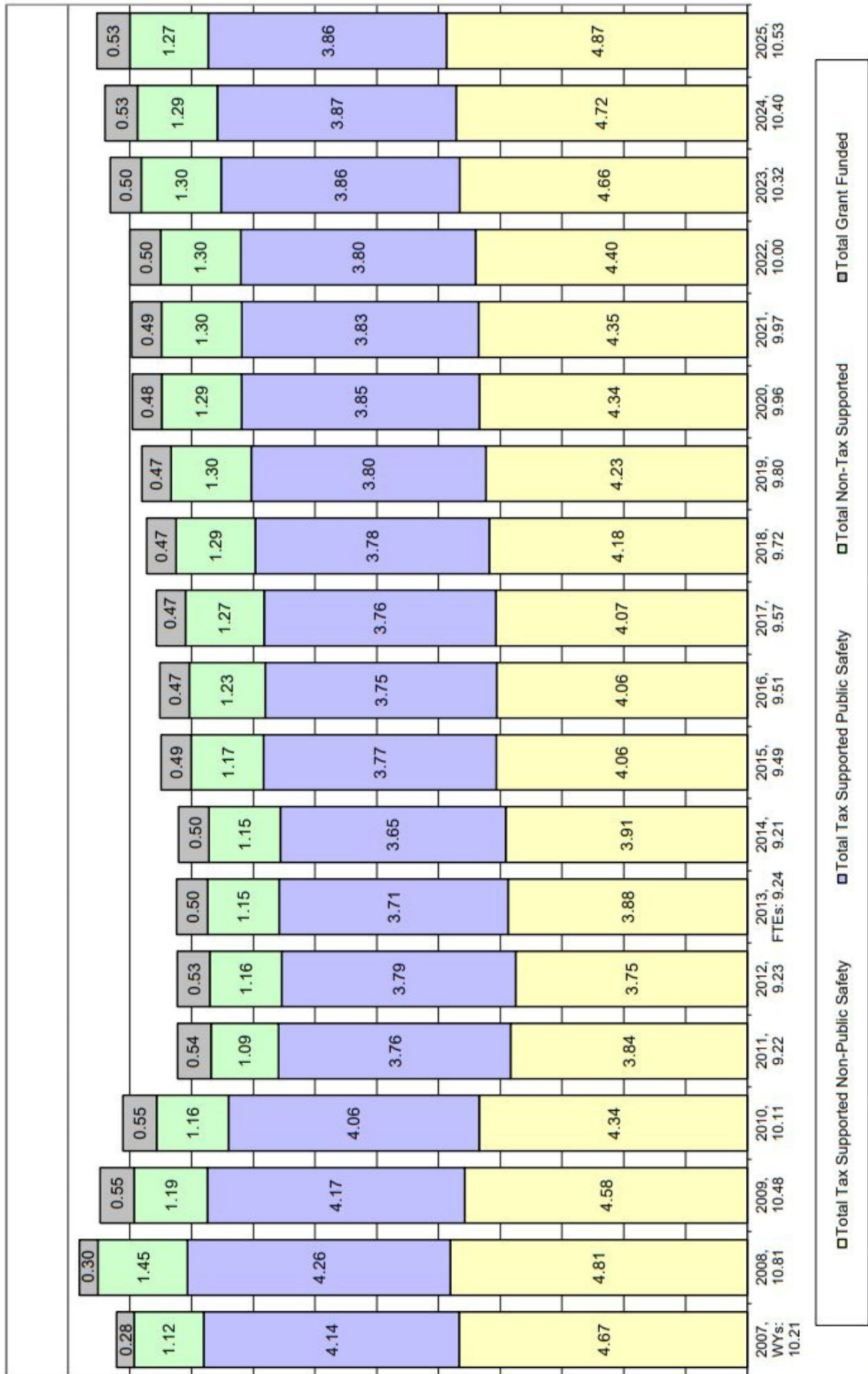
Montgomery County Volunteer Fire and Rescue Association Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>Annual Cost</u>	
			<u>FY25</u>	<u>Beyond FY25</u>
12	Nominal Fee	Nominal fee of \$625/1300 in FY25**	\$167,700	\$167,700
25	Length of Service Award Program	Provide 2.5 percent increase for certain active members, on July 1, 2024	\$144,869	\$144,869
Side Letter	Association Operating Funds	Association funding effective July 1 each year of the agreement	\$23,619	\$23,619
Total			\$336,188	\$336,188

* Estimates reflect the impact to all funds.

** Nominal fee paid to eligible volunteers on July 1 of the fiscal year.

HISTORY OF APPROVED COUNTY GOVERNMENT POSITIONS PER 1,000 POPULATION BY FUNDING CATEGORY FY07-FY24 Approved Workyears and FTEs, FY25 Recommended FTEs¹



¹ From FY07 through FY12, workyears are used; beginning in FY13, full-time equivalent (FTE) positions will be used.

MONTGOMERY COUNTY PRODUCTION REPORT

FY25 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
County General Fund				
General Government				
Board of Appeals	33,534	48,312	25,070	106,916
Board of Elections	356,919	510,222	188,696	1,055,837
Circuit Court	729,292	1,625,108	706,730	3,061,130
Community Engagement Cluster	395,841	901,017	315,752	1,612,610
County Attorney	540,503	804,821	455,325	1,800,649
County Council	997,266	1,807,674	852,508	3,657,448
County Executive	358,837	619,682	330,686	1,309,205
Ethics Commission	22,201	32,208	14,885	69,294
Finance	946,575	1,590,721	703,935	3,241,231
Food Systems Resilience	41,567	76,494	35,703	153,764
General Services	1,059,476	2,188,896	805,241	4,053,613
Grants Management	51,345	96,624	41,009	188,978
Human Resources	528,845	950,456	363,929	1,843,230
Human Rights	103,371	177,144	78,339	358,854
Inspector General	206,056	330,132	169,887	706,075
Intergovernmental Relations	49,023	80,520	34,766	164,309
Labor Relations	119,765	204,621	95,184	419,570
Legislative Oversight	154,162	235,118	118,630	507,910
Management and Budget	427,963	640,637	343,193	1,411,793
Merit System Protection Board	17,710	32,208	11,524	61,442
People's Counsel	13,850	24,156	7,242	45,248
Procurement	308,339	588,887	239,548	1,136,774
Public Information	164,066	286,425	143,506	593,997
Racial Equity and Social Justice	89,456	169,092	69,614	328,162
State's Attorney	1,355,838	2,537,252	1,278,369	5,171,459
Technology and Enterprise Business Solutions	2,177,792	3,455,892	1,634,595	7,268,279
Zoning and Administrative Hearings	42,097	64,416	40,577	147,090
Total General Government	11,291,689	20,078,735	9,104,443	40,474,867
Public Safety				
Animal Services	510,925	1,191,714	343,867	2,046,506

MONTGOMERY COUNTY PRODUCTION REPORT

FY25 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
Consumer Protection	162,250	283,333	115,160	560,743
Correction and Rehabilitation	4,394,627	8,281,676	4,154,807	16,831,110
Emergency Management and Homeland Security	119,411	208,986	86,277	414,674
Police	16,307,322	31,007,429	17,644,429	64,959,180
Sheriff	1,462,184	2,963,818	1,745,700	6,171,702
Total Public Safety	22,956,719	43,936,956	24,090,240	90,983,915
Transportation				
Transportation	1,647,373	3,634,991	1,021,092	6,303,456
Health and Human Services				
Health and Human Services	11,109,162	24,139,052	7,979,923	43,228,137
Culture and Recreation				
Public Libraries	2,414,249	6,766,697	1,686,494	10,867,440
Housing and Community Development				
Agriculture	54,698	95,014	42,542	192,254
Housing and Community Affairs	698,724	1,367,632	506,443	2,572,799
Total Housing and Community Developme	753,422	1,462,646	548,985	2,765,053
Environment				
Environmental Protection	242,068	422,288	161,346	825,702
Other County Functions				
NDA - Compensation and Employee Benefit Adjustments	10,822	14,655	7,471	32,948
NDA - Conference Center	8,938	16,104	9,348	34,390
NDA - Early Care and Education	151,959	362,340	85,522	599,821
NDA - Guaranteed Income	6,207	13,893	9,817	29,917
NDA - Incubator Programs	34,661	64,416	27,533	126,610
NDA - Independent Audit	1,969	2,416	1,332	5,717
NDA - Legislative Branch Communications Outreach	118,653	221,430	93,324	433,407
NDA - Police Accountability Board	31,892	32,208	19,066	83,166
NDA - Small Business Support Services	47,170	88,572	39,173	174,915
NDA - State Positions Supplement	4,318	0	0	4,318
NDA - Vision Zero	9,810	16,104	10,259	36,173
Total Other County Functions	426,399	832,138	302,845	1,561,382
Total County General Fund	50,841,081	101,273,503	44,895,368	197,009,952

MONTGOMERY COUNTY PRODUCTION REPORT

FY25 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
Special Funds - Tax Supported				
Bethesda Urban District	7,018	16,104	3,670	26,792
Economic Development Fund	11,980	16,104	12,527	40,611
Fire	13,376,001	21,992,405	35,950,766	71,319,172
Mass Transit	6,670,759	14,064,383	4,518,439	25,253,581
Recreation	2,452,697	2,988,000	997,183	6,437,880
Silver Spring Urban District	176,687	537,095	125,612	839,394
Wheaton Urban District	126,944	364,767	95,530	587,241
Total Special Funds - Tax Supported	22,822,086	39,978,858	41,703,727	104,504,671
Total Tax Supported Funds	73,663,167	141,252,361	86,599,095	301,514,623
Special Funds - NonTax Supported				
Grant Fund	4,238,050	9,818,733	3,313,188	17,369,971
Montgomery Housing Initiative	197,864	358,866	156,425	713,155
Opioid Abatement	28,293	60,390	14,793	103,476
Water Quality Protection	723,773	1,521,769	679,207	2,924,749
Total Special Funds - NonTax Supported	5,187,980	11,759,758	4,163,613	21,111,351
Enterprise Funds				
Bethesda Parking	163,101	319,742	118,600	601,443
Community Use of Public Facilities	237,461	490,660	182,536	910,657
Leaf Vacuuming	206,411	460,613	137,028	804,052
Liquor	2,678,995	7,440,816	1,866,196	11,986,007
Permitting Services	2,198,630	3,904,130	1,663,957	7,766,717
Silver Spring Parking	177,274	377,913	138,346	693,533
Solid Waste Collection	110,083	189,042	99,322	398,447
Solid Waste Disposal	842,555	1,652,189	679,857	3,174,601
Wheaton Parking	27,736	53,131	20,146	101,013
Total Enterprise Funds	6,642,246	14,888,236	4,905,988	26,436,470
Agency and Trust Funds				
Employees Retirement Savings Plan (RSP)	15,295	22,384	10,182	47,861
Retiree Health Benefits Trust Fund	44,241	62,012	35,198	141,451
Retirement Fund (ERS)	202,527	318,067	142,976	663,570
RSP-Disability Benefits (LTD2)	15,785	27,689	10,059	53,533
Capital Fund	1,952,328	3,738,385	1,506,997	7,197,710
Total Capital Fund	2,230,176	4,168,537	1,705,412	8,104,125
Total Non Tax Supported Funds	14,060,402	30,816,531	10,775,013	55,651,946
Internal Service Funds				
Central Duplicating (Printing & Mail)	219,823	551,824	157,724	929,371
Employee Health Self Insurance	217,380	378,679	198,249	794,308
Motor Pool	1,682,044	3,251,863	1,313,136	6,247,043
Risk Management (Self Insurance - ISF)	326,354	504,800	263,105	1,094,259
Total Internal Service Funds	2,445,601	4,687,166	1,932,214	9,064,981
Total Benefits	90,169,170	176,756,058	99,306,322	366,231,550

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