
Workforce/Compensation

SUMMARY OF FY13 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY13, as recommended by the Board of Education (BOE), is 20,841.7 FTEs, or 229.5 FTEs greater than the FY12 workforce of 20,612.2 FTEs. The BOE has negotiated agreements 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 contracts with these unions will expire on June 30, 2014. During FY2010, the bargaining groups agreed to participate in joint negotiations regarding benefits for the term of the agreements. MCPS is in negotiations with all groups regarding wages effective July 1, 2012, and the MCPS contributions for insurance plans. For more information on compensation and workforce changes, please see the Board of Education FY13 recommended budget document. MCPS' budget request contains funds for service increments or steps.

Montgomery College (MC): There is no increase in the size of the Montgomery College complement for FY13, as requested by the College and its Board of Trustees. This is accompanied by an increase in personnel costs of about \$0.7 million. The primary factors for these cost increases are reclassifications and promotions, offset by fringe benefit decreases. For more information on compensation and workforce changes, please consult the Adopted FY13 Montgomery College Operating Budget Request, available on the College's website. Montgomery College has not requested funding for a service increment or a general wage adjustment.

Maryland-National Capital Park & Planning Commission (M-NCPPC): The net impact on the M-NCPPC workforce for FY13, as recommended by the Planning Board, is an increase of 2.2 FTEs. The Commission's requested budget includes an increase in personnel costs of \$5.4 million. The increase includes retirement and group insurance adjustments, restoration of funding for furloughs imposed in FY12, post-employment benefits (OPEB) prefunding, and wage and benefit restructuring. For more information on compensation and workforce changes, please see the M-NCPPC FY13 requested budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY13, as recommended by the Executive, is a net increase of 92 positions.

The recommended budget contains an increase in total personnel costs of \$53.2 million, or 5.9 percent. The primary factors in these changes are:

	<u>Millions</u>
• Net increase in positions, and changes in turnover and lapse	\$24.9
• One-time lump-sum salary payment	\$16.4
• Net increase in benefit costs, including the restoration of employer contributions to RSP and GRIP participants, which were reduced by 2% on a one-time basis in FY12	\$10.5
• Restoration of movement into longevity	\$1.2
• Negotiated Advanced Life Support salary differential for IAFF members	\$0.3

B. COUNTY GOVERNMENT SALARY AND WAGES

GENERAL WAGE ADJUSTMENT: An increase in base wages for the employees of the County government and the independent agencies is not funded in the Executive's recommended budget, the fourth consecutive year in which no general wage increase has been funded. Instead, the recommended budget includes a lump-sum payment, discussed next.

LUMP-SUM PAYMENT: In FY13, for County employees not in Management Leadership Service (MLS), a \$2,000 lump-sum payment for each full-time (pro-rated for part-time) employee actively employed on July 1, 2012, is funded and will be

paid following the first full pay period of the fiscal year. MLS employees will receive the greater of \$2,000 or 2% of base salary as a lump sum. These payments will not be added to base salary.

FY13 salary schedules can be found on the County's website at <http://www.montgomerycountymd.gov/content/ohr/ResourceLibrary/SelectLibrary.cfm?m=1&c=5&p=11>.

SERVICE INCREMENTS: Service increments and/or merit increases for employees of the County government and the independent agencies are not funded in the Executive's recommended budget, the third consecutive fiscal year service increments have not been funded.

LONGEVITY INCREMENTS: Longevity increments are paid in FY13, the cost of which includes payment to employees who were initially eligible during FY11 and FY12 but, due to budget constraints, did not receive longevity in either of those years. The previously eligible employees will receive the increase at the beginning of the fiscal year. In addition, employees who become eligible in FY13 will receive it following their increment date.

PERFORMANCE-BASED PAY: Management Leadership Service employees are not eligible for service increments but are instead eligible for performance-based pay adjustments. Unrepresented employees on the general salary schedule are also eligible to receive lump sum performance bonuses or advancement to a longevity/performance increment based on certain criteria. For FY13, the Executive's recommended budget does not fund MLS performance-based pay, nor does it fund lump-sum performance bonuses.

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**

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 2012 and projected changes for 2013. The employer rates are not expected to change but the annual salary maximum on which to base FICA is projected to increase by about \$5,500, or 5.1 percent.

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 claims experience for Workers' Compensation.

Group Insurance Benefits: The contributions for health insurance are based on fixed rates per coverage level, 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 ten percent annually between FY14 and FY18. 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.

Retirement Benefits: Montgomery County government maintains a system of retirement pay and benefits for its employees which are intended to provide income during their retirement years. The Retirement Program, which currently provides benefits to approximately 5,712 retirees and survivors, is administered beginning in FY13 by a new organization called Montgomery County Employee Retirement Plans. This new organization will oversee 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 will be coordinated by this new organization in consultation with the Office of Human Resources, the County's actuaries, the Finance Department, and the Office of Management and Budget.

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 practice of prefunding for retiree pension benefits for more than 50 years. The reasons for doing this are simple: due to exponential growth in expected retiree health costs, the cost of funding these benefits, which are currently paid out as the bills come due, may soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which will be invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

As a first step in addressing the future costs of retiree health benefits, County agencies developed current estimates of the costs of health benefits for current and future retirees. 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 \$3.3 billion – approximately three quarters the total FY13 budget for all agencies.

One approach used to address retiree health benefits funding is 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. This amount, known as an Annual Required Contribution or “ARC”, is estimated at \$296.7 million. This amount 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 as needed 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 has committed to an approach of “ramping up” to the ARC amount over several years, with the amount set aside each year increasing steadily until the full ARC is reached. A total of \$31.9 million for all tax supported agencies was budgeted for this purpose in FY08. In May 2008, the County Council passed resolution No. 16-555 which confirmed an eight-year phase-in approach to the ARC. Consistent with this approach and based on the County’s economic situation, the County contributed \$14.0 million to the Trust in FY08, \$19.7 million in FY09, \$3.3 million in FY10, and \$7.3 million in FY11. Due to fiscal constraints, the County did not budget a contribution for the General Fund in FY10 and FY11, but did resume contributions in FY12. For FY12, the County contributed \$26.1 million from the General Fund to the Retiree Health Benefits Trust. In addition, on

Proposed FY13 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	FY13
<i>General Fund:</i>	
Retiree Health Benefits Trust NDA	\$43,551,010
<i>Proprietary Funds:</i>	
Bethesda Parking District	\$291,400
Wheaton Parking District	30,140
Silver Spring Parking District	200,960
Solid Waste Collection	50,240
Solid Waste Disposal	753,610
Liquor Control	3,074,750
Permitting Services	1,838,820
Community Use of Public Facilities	271,300
Motor Pool	1,999,590
Risk Management	110,530
Central Duplicating	301,450
<i>Participating Agency Contributions</i>	\$2,483,200
Total MCG Trust Contributions	\$54,957,000
Consolidated Trust: Montgomery County Public Schools	\$61,931,000
Consolidated Trust: Montgomery College	\$1,873,000
Park and Planning Commission Trust Fund¹	\$3,508,900
Total Contributions/Assets Held in Trust	\$122,269,900

¹ MNCPPC’s contribution from tax supported funds is \$3,364,500.

June 26, 2011, 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 for employees of Montgomery County Public Schools and Montgomery County College. In FY12, the County appropriated \$20 million and \$1 million for contributions on behalf of MCPS and the College, respectively. A detailed breakdown of FY13 recommended contributions to the Consolidated Retiree Health Benefit Trust for County Government tax supported agencies, participating agencies, Montgomery County Public Schools, and Montgomery College is displayed in the table above. The Council and the Executive have mutually committed to the County’s rating agencies to achieve full pre-funding by FY15.

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, 2011, there were 5,712 retirees and survivors and 5,516 active members. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the ERS' staff, in consultation with the County's actuaries, the Finance Department, 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 Guaranteed Retirement Income Plan (GRIP) is a Cash Balance Plan that began in FY10 as a result of negotiations between Montgomery County and UFCW Local 1994 MCGEO. Eligibility to participate has been passed through to non-represented employees and participants of participating agencies. All full 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 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 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 established by the Board of Investment Trustees. In FY 2005, 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.

Retirement Fund: 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 Directors of Human Resources, Finance, Management and Budget, and the Council Staff; 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.

In FY 13, the responsibility for the administration of the retirement plans will be centralized within one organization called Montgomery County Employee Retirement Plans. The new organization will oversee all facets of the retirement plans including investments, administration, and accounting.

Change In Retirement System Membership: The number of active non-public safety and public safety employees in the ERS declined by 199 and 66, respectively, for a combined total active enrollment of 4,513. GRIP membership has declined slightly as well (-6 employees, to 1,002 in FY13), as did the number of active employees in the RSP, which has 92 fewer enrolled in FY13 than in FY12, for a total FY13 enrollment of 3,747.

Funds for the County's contribution to the ERS for each member employee are included in the appropriate 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 market 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 County Employee Retirement Plans staff, Board of Investment Trustees, Finance, and Human Resources.

COLLECTIVE BARGAINING

Fire and Rescue Bargaining Unit:

The current agreement expires June 30, 2013. The negotiated amendments to the collective bargaining agreement become effective on July 1, 2012. The agreement's salient economic terms include:

- ❖ Special pay differentials. Paramedics certified after July 1, 2005, who are County-credentialed ALS Providers will receive a special pay differential equal to that paid to ALS providers certified prior to July 1, 2005 (0-4 years of service: \$5,830; 5-8 years of service: \$6,891; 8+ years of service: \$7,951). These ALS providers had been paid a \$3,000 differential plus an hourly differential when assigned to ALS transport units.
- ❖ Longevity step increases. A longevity step increase will be made to employees who were initially eligible for the premium during FY11 and FY12 but, due to budget constraints, did not receive longevity in either of those years. Employees who initially qualify during FY13 will also receive a longevity step.
- ❖ \$2,000 lump sum payment. A \$2,000 lump sum payment, pro-rated for part-time employees, will be paid to bargaining unit members actively employed by the County on July 1, 2012.

MCGEO Bargaining Unit:

The current agreements expire June 30, 2012. The negotiated agreement becomes effective on July 1, 2012, and expires on June 30, 2015. The agreement's salient economic terms include:

- ❖ A reopener for the second year (FY14) of the contract. Negotiations will be over the following topics: wages, benefits, unresolved issues on negotiability, shift differential, the Sheriff's salary schedule, Emergency Vehicle Technician or EVT certification, the health benefit premium split, tuition assistance proportional funding, number of accepted individual position classification studies, definition of five job class studies, and adjustable pension plans.
- ❖ A reopener for the third year (FY15) of the contract. Negotiations will be over wages, benefits, and the number of occupational class studies.
- ❖ Longevity step increases. A longevity step increase will be made to employees who were initially eligible for the premium during FY11 and FY12 but, due to budget constraints, did not receive longevity in either of those years. Employees who initially qualify during FY13 will also receive a longevity step.
- ❖ \$2,000 lump sum payment. A \$2,000 lump sum payment, pro-rated for part-time employees, will be paid to bargaining unit members actively employed by the County on July 1, 2012.
- ❖ Reimbursement for tools purchased by mechanics. Mechanics assigned to the Central Maintenance Garage will be provided a reimbursement for tools purchased between April 26, 2009 and April 26, 2010.
- ❖ Classification studies. In FY13, classification studies will be conducted on Automated Traffic Enforcement Field Technicians, Fire & Rescue Mechanic occupational series, and Public Service Craftworkers.

Police Bargaining Unit:

The current agreement expires on June 30, 2012. The negotiated agreement becomes effective on July 1, 2012, and expires on June 30, 2014. The agreement's salient economic terms include:

- ❖ A reopener for the second year (FY14) of the contract. Negotiations will be over cash compensation, duration relative to a possible third year for the contract, and health care issues, including a union administered health care plan.
- ❖ Clothing allowance. The contract establishes a policy for an allowance for running shoes for Training Academy staff, as well as for bike shoes for full-time and part-time bicycle duty officers.
- ❖ Uniforms and equipment. The contract establishes a policy for the issue and replacement of motor boots for traffic officers.
- ❖ Longevity step increases. A longevity step increase will be made to employees who were initially eligible for the premium during FY11 and FY12 but, due to budget constraints, did not receive longevity in either of those years. Employees who initially qualify during FY13 will also receive a longevity step.

- ❖ \$2,000 lump sum payment. A \$2,000 lump sum payment will be paid to bargaining unit members actively employed by the County on July 1, 2012.
- ❖ Vehicle policy. The County and FOP reached agreement allowing the Department of Police to manage its fleet of assigned vehicles more effectively and efficiently through “best efforts” in maintaining the number of assigned vehicles during FY13 and FY14. Among other changes is recognition of advancements to safety made through the work of the Joint Health and Safety Committee that has led to improvement in the design and installation of emergency equipment on Department of Police emergency vehicles. Certain previous allowances for officers to make customized changes to assigned vehicles are now restricted.

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 FY13 Operating Budget for the County government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY12, which began on July 1, 2011. Changes shown reflect such factors as the addition of grant-funded positions; abolishments and creations to implement approved job sharing agreements; technical adjustments to remove positions currently associated with “group positions” which can contain unlimited numbers of employees (temporary, seasonal, or contractual), but are defined by the amount of service in terms of full-time equivalent positions that they represent; and other miscellaneous changes. Changes recommended by the Executive for FY13 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, 2012; and technical changes, primarily due the one-time transition to a new budgeting system.

Summary: The recommended budget includes funding for 8,630 full-time positions, a net increase of 98 from the approved FY12 Personnel Complement of 8,532 full-time positions. Funding for 864 part-time positions is included, a net decrease of 6 positions from the approved FY12 Personnel Complement of 870 positions.

Detailed below are the significant net changes in the number of positions in the FY13 Recommended Budget.

<u>Workforce Changes</u>	<u>Position Change</u>
<ul style="list-style-type: none"> • Transit - change is due to new Ride On service in Germantown connecting Richter Farm, Dawson Farm and Soccerplex to Germantown Transit Center; in Potomac and PARC Potomac; and in the Gaithersburg - Watkins Mill extension. 	4.0
<ul style="list-style-type: none"> • Recreation - Change is due to a number of program additions and enhancements: Student/Teen Employment Program, weekend/evening teen programs, Excel Beyond the Bell, and White Oak Community Recreation Center Senior Programs; restoration of staffing for the Scotland Alternate Program (was closed for renovation). 	5.0
<ul style="list-style-type: none"> • Public Libraries - Changes include an increase in Sunday service hours from four to five and the number of open Sundays; and the addition of eight hours per week to Bethesda, Rockville, Germantown, Quince Orchard, and Wheaton branches. 	15.0
<ul style="list-style-type: none"> • Police - increased number of officers in the Office of the Chief, as well as in Field, Management, Investigative, and Animal Services. Increased number of employees to accommodate the unification of the 911 call taking function at the ECC. Elimination of overnight front desk positions at the 2nd and 6th Districts and reduction in the number of County building security personnel. 	58.0

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES

HEALTH PLAN	2011					2012					CHANGE				
	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% Dif
Carefirst POS	1,645	1,239	2,332	5,216	61.8%	1,466	1,103	2,101	4,670	58.4%	(179)	(136)	(231)	(546)	-3.4%
Carefirst POS Std	160	103	132	395	4.7%	156	113	156	425	5.3%	(4)	10	24	30	0.6%
Kaiser	474	264	435	1,173	13.9%	455	266	454	1,175	14.7%	(19)	2	19	2	0.8%
United Healthcare	475	394	786	1,655	19.6%	488	398	844	1,730	21.6%	13	4	58	75	2.0%
Grand Total				8,439					8,000					(439)	

**MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY
COUNTY EXECUTIVE RECOMMENDED: FY13**

	POSITIONS		WORKYEARS/FTEs ¹		
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	TOTAL
FY12 APPROVED COMPLEMENT	8,532	870	7,384.0	1,651.5	9,035.5
FY13 RECOMMENDED COMPLEMENT	8,630	864	7,549.3	1,654.0	9,203.3
CHANGE IN WORKFORCE (GROSS)	98	(6)	165.3	2.5	167.8
Percentage Change	1.1%	(0.7%)	2.2%	0.2%	1.9%

¹In FY12, workyears were used and in FY13, full-time equivalent (FTE) positions are used. The primary difference between the two is that WYs were indicated for overtime and lapse, but are not for FTEs.

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT						
ITEM	FY11 ACT	FY12 APPR	FY12 EST	FY13 REC	\$ Change	% Change
EXPENSES						
Salaries and Benefits	80,850	77,340	86,230	91,873	14,533	18.8%
Professional Services	2,670	5,500	5,400	5,500	0	0.0%
Due Diligence/Education	280	1,000	1,000	1,000	0	0.0%
Office Management	6,500	5,510	5,010	5,310	(200)	(3.6%)
Investment Management	8,810	10,000	8,500	9,000	(1,000)	(10.0%)
TOTAL EXPENSES	\$99,110	\$99,350	\$106,140	\$112,683	\$13,333	13.4%

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	FY11 ACT	FY12 APPR	FY12 EST	FY13 REC	\$ Change	% Change
EXPENSES						
Salaries and Benefits	73,010	66,960	83,720	89,470	22,510	33.6%
Professional Services	84,680	75,000	75,000	75,000	0	0.0%
Office Management	1,000	1,500	1,100	1,200	(300)	(20.0%)
Investment Management	86,980	70,000	109,000	308,000	238,000	340.0%
TOTAL EXPENSES	\$245,670	\$213,460	\$268,820	\$473,670	\$260,210	121.9%

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM						
ITEM	FY11 ACTUAL	FY12 APPR	FY12 EST	FY13 REC	FY13 vs. FY12 Appr.	
					\$	%
REVENUE						
Contributions	127,936,100	146,500,000	128,000,000	139,600,000	(6,900,000)	(4.7%)
Investment Income	530,237,242	212,000,000	36,000,000	227,000,000	15,000,000	7.1%
Miscellaneous Income	833,495	700,000	775,000	735,000	35,000	5.0%
TOTAL REVENUE	659,006,837	359,200,000	164,775,000	367,335,000	8,135,000	2.3%
EXPENSES						
OPERATING EXPENSES						
Retirement Benefits	180,359,488	204,500,000	210,000,000	226,000,000	21,500,000	10.5%
Investment Management	21,052,585	19,300,000	20,200,000	21,200,000	1,900,000	9.8%
SUBTOTAL	201,412,073	223,800,000	230,200,000	247,200,000	23,400,000	10.5%
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	1,621,180	1,775,920	1,719,530	1,654,200	(121,720)	(6.9%)
Professional Services	423,130	833,930	773,930	813,933	(19,997)	(2.4%)
Benefit Processing	942,395	375,000	375,000	375,000	0	0.0%
Due Diligence/Education	16,977	53,500	47,500	55,500	2,000	3.7%
Office Management	75,696	241,887	238,387	240,887	(1,000)	(0.4%)
SUBTOTAL	3,079,378	3,280,237	3,154,347	3,139,520	(140,717)	(4.3%)
TOTAL EXPENSES	\$204,491,451	\$227,080,237	\$233,354,347	\$250,339,520	\$23,259,283	10.2%
NET REVENUE	\$454,515,386	\$132,119,763	(\$68,579,347)	\$116,995,480	(\$15,124,283)	(11.4%)

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN						
ITEM	FY11 ACTUAL	FY12 APPR	FY12 EST	FY13 REC	Change: FY13 vs. FY12 Appr.	
					\$	%
REVENUE						
Investment Income	1,830	6,250	1,500	1,500	(4,750)	(76.0%)
Miscellaneous Income	425,002	500,000	280,000	240,000	(260,000)	(52.0%)
TOTAL REVENUE	426,832	506,250	281,500	241,500	(264,750)	(52.3%)
EXPENSES						
OPERATING EXPENSES						
Investment Management	8,810	10,000	8,500	9,000	(1,000)	(10.0%)
SUBTOTAL	8,810	10,000	8,500	9,000	(1,000)	(10.0%)
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	170,010	162,390	171,280	205,460	43,070	26.5%
Professional Services	47,850	73,500	87,500	89,500	16,000	21.8%
Due Diligence/Education	280	2,000	2,000	2,000	0	0.0%
Office Management	125,890	23,630	23,130	23,430	(200)	(0.8%)
SUBTOTAL	344,030	261,520	283,910	320,390	58,870	22.5%
TOTAL EXPENSES	\$352,840	\$271,520	\$292,410	\$329,390	\$57,870	21.3%

**Municipal & County Government Employees Organization,
United Food and Commercial Workers, Local 1994**

Fiscal Impact Summary

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
5	Wages	\$2,000 Across-the-Board Lump-Sum Payment	\$10,134,697	\$0	\$0
6	Service Increments	Longevity Step Increases - Already Qualified & Newly Qualified	\$355,534	\$431,309	\$431,309
Appendix XIV		Reimbursement for Tool Purchases by Mechanics ¹ up to	\$22,500	\$0	\$0
Total Fiscal Impact			\$10,512,731	\$431,309	\$431,309

¹ This is to provide a reimbursement for tools purchased between April 26, 2009, and April 26, 2010, by mechanics assigned to the Central Maintenance Garage.

**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>FY13</u>
17	Special Duty Differentials	Advanced Life Support (ALS) Differentials ¹	\$269,751
19	Wage Increase	LS1 Longevity Step Increases - Already Qualified & Newly Qualified	\$221,719
19	Wage Increase	LS2 Longevity Step Increases - Already Qualified & Newly Qualified	\$89,515
New		\$2,000 Across-the-Board Lump-Sum Payment	\$2,304,283
Total Fiscal Impact			\$2,885,268

¹ Paramedics hired after July 1, 2005, who are County-credentialed ALS Providers will receive a special pay differential equal to that paid to more senior ALS providers (0-4 years of service: \$5,830; 5-8 years of service: \$6,891; 8+ years of service: \$7,951). These ALS providers had been paid a \$3,000 differential plus an hourly differential when performing ALS work.

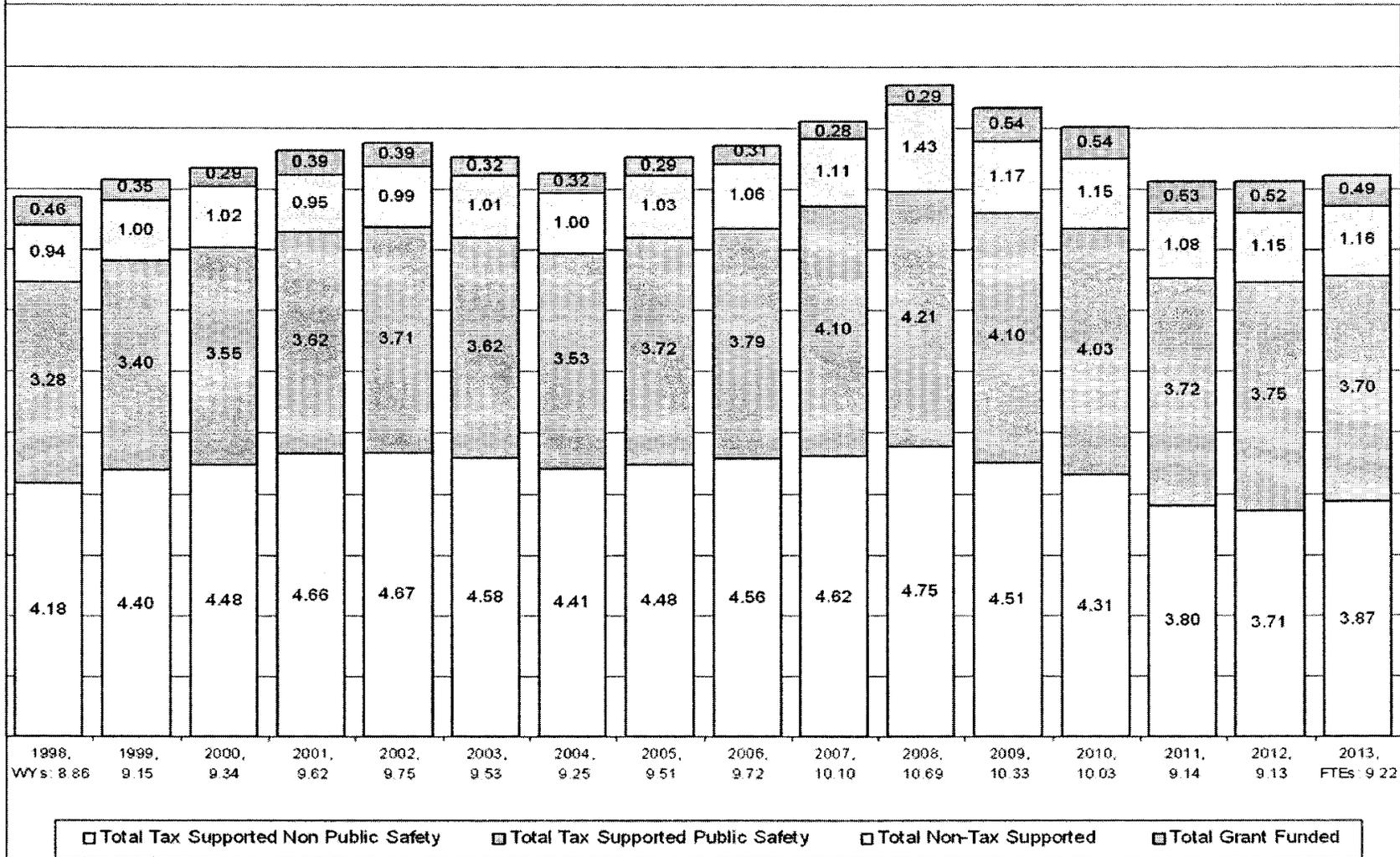
**Fraternal Order of Police Montgomery County Lodge 35, Inc.
Fiscal Impact Summary**

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY13</u>	<u>FY14</u>
6	Clothing Allowance	Running Shoes for Academy Staff ¹	\$1,425	\$1,425
6	Clothing Allowance	Bike Shoes for Bicycle Patrol Officers ¹	-\$7,130	-\$7,130
28	Service Increments	Longevity Step Increases - Already Qualified & Newly Qualified	\$182,258	\$251,876
30	Uniforms and Equipment	Motor Boots for Traffic Officers ²	-\$3,800	-\$3,800
35	Vehicles	Various Changes	\$10,048	\$0
36	Wages	\$2,000 Across-the-Board Lump-Sum Payment	\$2,399,626	\$0
Total Fiscal Impact			\$2,588,132	\$248,076

¹ An annual clothing allowance of \$95 will be made available to Academy staff for the purchase of athletic shoes. Officers working full-time on bicycle patrol will be provided with a clothing allowance of \$115 for the annual purchase of bicycle shoes; officers working part-time on bicycle patrol shall receive the same allowance every three years.

² Motorcycle officers will be provided two pairs of motorcycle boots upon assignment, then one new pair every three years.

HISTORY OF APPROVED COUNTY GOVERNMENT POSITIONS PER 1,000 POPULATION BY FUNDING CATEGORY FY98-FY12 Approved Workyears, FY13 Recommended FTEs¹



1998, WYs: 8 86 1999, 9 15 2000, 9 34 2001, 9 62 2002, 9 75 2003, 9 53 2004, 9 25 2005, 9 51 2006, 9 72 2007, 10 10 2008, 10 69 2009, 10 33 2010, 10 03 2011, 9 14 2012, 9 13 2013, FTEs 9 22

Total Tax Supported Non Public Safety
 Total Tax Supported Public Safety
 Total Non-Tax Supported
 Total Grant Funded

¹ From FY98 through FY12, workyears are used; beginning in FY13, full-time equivalent (FTE) positions will be used.

TOTAL COUNTY COST OF EMPLOYEE BENEFITS

DEPARTMENT	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
General Fund Tax Supported				
Legislative				
Board of Appeals	30,194	23,339	69,862	123,395
County Council	463,465	716,501	867,453	2,047,419
Inspector General	34,782	54,410	35,044	124,236
Legislative Oversight	60,004	149,148	194,330	403,482
Merit System Protection Board	8,092	11,398	14,049	33,539
Zoning & Administrative Hearings	26,585	33,231	24,162	83,978
Judicial				
Circuit Court	435,781	845,704	970,045	2,251,530
State's Attorney	672,708	1,060,052	1,289,290	3,022,050
General Government				
Board of Elections	165,455	217,036	197,886	580,377
Community Engagement Cluster	140,255	202,891	316,524	659,670
County Attorney	203,095	258,834	708,420	1,170,349
County Executive	180,745	278,911	392,763	852,419
Ethics Commission	11,773	12,395	11,128	35,296
Finance	494,711	1,231,504	1,155,856	2,882,071
General Services	667,592	1,693,349	1,509,944	3,870,885
Human Resources	255,535	423,285	411,571	1,090,391
Human Rights	48,522	77,016	69,655	195,193
Intergovernmental Relations	40,426	45,542	88,098	174,066
Management and Budget	190,546	270,114	482,060	942,720
Public Information	211,824	354,809	403,221	969,854
Technology Services	786,868	1,112,081	1,626,320	3,525,269
Public Safety				
Consumer Protection	93,821	183,543	317,043	594,407
Correction and Rehabilitation	2,937,474	5,871,621	9,363,978	18,173,073
Emergency Management and Homeland Security	59,207	83,889	111,679	254,775
Police	10,680,074	20,751,051	34,722,951	66,154,076
Sheriff	940,110	1,984,370	3,181,579	6,106,059
Transportation				
Transportation	969,595	2,559,640	2,490,433	6,019,668
Health and Human Services				
Health and Human Services	5,810,018	11,390,986	10,941,383	28,142,387
Libraries, Culture & Recreation				
Public Libraries	1,352,570	2,930,460	3,119,550	7,402,580
Community Development and Housing				
Economic Development	195,628	291,072	296,752	783,452
Housing and Community Affairs	200,012	391,349	569,455	1,160,816
Environment				
Environmental Protection	73,429	133,199	175,470	382,098
Other County Government Functions				
NDA - Compensation and Employee Benefits Adjustment	4,981	3,876	3,640	12,497
NDA - Conference Center	7,214	4,772	5,658	17,644
NDA - State Positions Supplement	2,598	12,763	17,118	32,479
Total General Fund Tax Supported	28,455,689	55,664,141	76,154,370	160,274,200

TOTAL COUNTY COST OF EMPLOYEE BENEFITS

FUND	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
Special Funds Tax Supported				
Economic Development	7,214	10,962	5,659	23,835
Fire	7,972,313	14,987,324	33,511,898	56,471,535
Mass Transit	3,442,729	7,835,023	5,324,794	16,602,546
Recreation	1,015,166	867,206	1,252,314	3,134,686
Urban District - Bethesda	6,244	6,201	26,353	38,798
Urban District - Silver Spring	105,317	195,984	113,686	414,987
Urban District - Wheaton	62,162	124,125	62,180	248,467
Total Special Funds Tax Supported	12,611,145	24,026,825	40,296,884	76,934,854
Total Tax Supported	41,066,834	79,690,966	116,451,254	237,209,054
Special Funds Non-Tax Supported				
Grant Fund - MCG	2,792,782	5,493,184	4,776,231	13,062,197
Cable Television	181,960	317,514	284,890	784,364
Montgomery Housing Initiative	82,853	141,520	176,092	400,465
Water Quality Protection Fund	398,041	640,975	594,509	1,633,525
Total Special Funds Non-Tax Supported	3,455,636	6,593,193	5,831,722	15,880,551
Enterprise Fund Non-Tax Supported				
Community Use of Public Facilities	140,343	293,914	259,827	694,084
Liquor Control	1,419,159	2,889,662	1,984,476	6,293,297
Parking District - Bethesda	106,527	206,633	206,495	519,655
Parking District - Montgomery Hills	2,227	4,430	3,500	10,157
Parking District - Silver Spring	116,140	219,908	211,564	547,612
Parking District - Wheaton	17,575	35,913	34,937	88,425
Permitting Services	1,164,680	2,040,489	2,709,152	5,914,321
Solid Waste Collection	68,950	129,600	119,753	318,303
Solid Waste Disposal	517,281	990,484	860,350	2,368,115
Vacuum Leaf Collection	214,645	379,853	287,208	881,706
Total Enterprise Fund Non-Tax Supported	3,767,527	7,190,886	6,677,262	17,635,675
Total Non-Tax Supported	7,223,163	13,784,079	12,508,984	33,516,226
Internal Service Funds				
Employee Health Benefit Self Insurance Fund	93,226	157,760	92,086	343,072
Motor Pool	1,116,226	2,421,289	1,718,877	5,256,392
Printing & Mail	135,702	261,953	304,990	702,645
Self Insurance	219,150	368,718	368,161	956,029
Total Internal Service Funds	1,564,304	3,209,720	2,484,114	7,258,138