

M E M O R A N D U M

March 17, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst *JS*
Vivian Yao, Legislative Analyst *VY*
Jeff Zyontz, Senior Legislative Analyst *JZ*

SUBJECT: Review – County Government FY15 year-end transfers and FY16 2nd quarterly analysis

At this meeting, the Committee will review year-end transfer and quarterly analysis information for a number of offices and departments. The offices and departments included in today's meeting include: the Department of Economic Development, the Department of Recreation, and the Department of Permitting Services.

Those expected to attend this session include:

- Peter Bang, Department of Economic Development
- Gabe Alborno, Robin Riley, Department of Recreation
- Hadi Mansouri, Department of Permitting Services
- Dennis Hetman, Helen Vallone, Office of Management and Budget

Background

On November 30, 2015, the Government Operations and Fiscal Policy (GO) Committee reviewed issues related to the Executive branch's implementation of the Council's FY16 approved budget for County Government.¹ The GO Committee recommended that Council Committees follow up with the offices and departments within their jurisdiction for which they feel that further review of budget shortfalls and surpluses is necessary. **For the purpose of this memo, staff is highlighting the departments and offices that have either overspent their budget appropriation in three out of the last five fiscal years or have budgets larger than \$9 million.**

An office or department that is on pace to overspend its budget can choose from a number of available approaches to reduce operating expenditures and reduce the need for year-end transfers. These

¹ See http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2015/151130/20151130_GO3.pdf for the November 30, 2015 GO Committee packet on Implementation of the FY16 Operating and Capital Budgets.

options were provided in a June 4, 2010 OMB memo (see © 6). Fewer options are available for offices and departments that end the year with a budget shortfall as a result of personnel costs in excess of the approved budget.

This meeting will enable the Committee to more closely examine the budgets of departments that routinely over- or under-spend their budgets. The Committee may decide to request additional budget information, request the Executive to submit a supplemental appropriation, or consider the spending history when reviewing the Executive’s FY17 Recommended Operating Budget request for the office or department.

Budget Review

I. Department of Economic Development

The following table includes totals for the FY16 original budget appropriation, latest budget² totals, and expenditures and encumbrances. The table also includes year-end transfer information and second and third quarterly analysis projections provided by the Executive Branch. FY16 totals reflect budget data as of February 26, 2016.

Department of Economic Development									
<i>Fiscal Year</i>	<i>Original Budget</i>	<i>Latest Budget</i>	<i>Expen. + Encum.</i>	<i>Variance</i>	<i>Variance As % of Latest</i>	<i>Year-End Transfer</i>	<i>Transfer As % of Latest</i>	<i>Second Quarter Projection</i>	<i>Third Quarter Projection</i>
FY11	\$6,285,150	\$6,285,150	\$6,226,747	\$58,403	0.9%	\$14,510	0.2%	Surplus	Surplus
FY12	\$5,990,310	\$6,298,850	\$6,776,080	-\$477,229	-7.6%	\$477,240	7.6%	Surplus	Shortfall
FY13	\$9,197,933	\$9,547,814	\$9,683,299	-\$135,485	-1.4%	\$149,040	1.6%	Shortfall	Shortfall
FY14	\$8,769,515	\$9,043,506	\$9,857,374	-\$813,868	-9.0%	\$813,880	9.0%	Shortfall	Shortfall
FY15	\$10,663,357	\$11,492,591	\$12,188,920	-\$696,328	-6.1%	\$696,330	6.1%	Shortfall	Shortfall
FY16	\$11,288,011	\$11,735,928*	\$9,063,632	\$2,672,296	22.8%	TBD	TBD	Shortfall	TBD

*Includes prior year carryforward of \$447,917 in operating expenses.

The following table provides greater detail on personnel costs and operating expenses for the Department prior to the year-end transfer. FY16 totals reflects budget data as of February 26, 2016.

² Latest budget includes the original budget appropriation, Management Leadership Services distributions from the Compensation and Employee Benefits Adjustments Non-departmental Account, and approved and anticipated supplemental appropriations.

Department of Economic Development								
	Latest Budget Total	Personnel Cost Budget	Personnel Cost Expenditures	Personnel Cost Variance	Operating Expense Budget	Operating Expenditures	Operating Expense Variance	Variance from Latest Budget Total
FY11	\$6,285,150	\$3,719,200	\$3,733,709	-\$14,509	\$2,565,950	\$2,493,037	\$72,913	\$58,403
FY12	\$6,298,850	\$3,238,259	\$3,238,258	\$1	\$3,060,591	\$3,537,821	-\$477,230	-\$477,229
FY13	\$9,547,814	\$3,483,517	\$3,486,777	-\$3,260	\$6,064,297	\$6,196,523	-\$132,226	-\$135,485
FY14	\$9,043,506	\$3,686,749	\$3,686,741	\$8	\$5,356,757	\$6,170,633	-\$813,876	-\$813,868
FY15	\$11,492,591	\$4,152,994	\$4,152,994	\$0	\$7,339,597	\$8,035,926	-\$696,329	-\$696,328
FY16	\$11,735,928*	\$3,793,478	\$2,278,087	\$1,515,391	\$7,942,450	\$6,785,545	\$1,156,905	\$2,672,296

*Includes prior year carryforward of \$447,917 in operating expenses.

Year-end transfer and quarterly analysis details

The Executive branch provided the following details in the year-end transfer and quarterly analysis memorandums.

- FY11 year-end transfer - Personnel costs exceeded the budget due to leave payouts for separating employees. Total department spending was less than budget.
- FY12 year-end transfer - Operating expenses exceeded the budget due to the federal lobbyist contract, marketing for the AT&T golf tournament, and consultant studies of the County incubator network and regional economic development agencies.
- FY13 year-end transfer - Personnel costs exceeded the appropriation because of retirement costs. Operating expenses exceeded the budget due to federal lobbyist contracts, marketing initiatives, and consultant studies of the County incubator network and cyber security.
- FY14 year-end transfer - Operating expenses exceeded the budget due to marketing initiatives, consultant studies of cyber security, strategic plan development, and federal and state lobbying contracts.
- FY15 year-end transfer - Operating expenses exceeded the budget due to marketing initiatives, consultant studies of the Purple Line, conversion of the William Hanna Innovations Center to the National Cyber Security Center for Excellence, and federal lobbying contracts.
- FY16 second quarterly analysis - The Department projects a shortfall of \$94,087 at the end of the year. *The projected shortfall reflects start-up funding for Montgomery County Economic Development Corporation and higher than budgeted costs related to federal and state lobbying contracts, sponsorships, consultant work, and other expenses.*

FY16 Operating Budget Reconciliation List Items

The following items were added to FY16 Operating Budget during reconciliation and were not cut during the Council's review and approval of the FY16 Savings Plan.³

³ See http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=6&clip_id=9877&meta_id=87054 for the July 28, 2015 packet to approve the FY16 Savings Plan.

Mobile Ag Lab	\$61,000
Montgomery Business Development Corporation (implement FY16-FY18 marketing strategy)	\$50,000
Workforce Training Scholarships for Montgomery College	\$300,000

Council staff comments

- The Mobile Ag Lab is being implemented by the Office of Agriculture, the Maryland Agricultural Education Foundation, and Montgomery County Public Schools. OAG worked with MCPS to identify 27 elementary schools for the Maryland Agricultural Education Foundation’s (MAEF) Mobile Science Lab visits in FY16. The MAEF started the school visits in September 2015. As of the end of February 2016, 14 schools have been visited based on the MCPS completed renovation schedules and easy accommodation of the Lab. The responses and evaluations received from both teachers and students on the Mobile Science Lab program have been very positive.
- Additional marketing dollars appropriated for MBDC will not be spent because MBDC is currently winding down its operations. The excess appropriation will offset unbudgeted expenditures.
- Funding for the Workforce Training Scholarships was expended by the County in August 2015. A report summarizing the results and outputs should be transmitted back to the County in June 2016.
- Projected overspending in the 2nd quarterly analysis is driven by an assumed \$500,000 for Montgomery County Economic Development Corporation (MCEDC). To date, Montgomery County has expended \$99,335 on behalf of MCEDC. Resolution 18-343 added MCEDC to the list of non-competitive contract awards in the amount of \$250,000.
- Also contributing to the projected overspending was \$175,000 for federal lobbying contracts that had not been budgeted in FY16. (Note: In FY17, these expenditures are added to the operating budget of the Office of Intergovernmental Relations.)
- Actual year-end overspending will likely be greater than the projected \$94,087. This is because the 2nd quarterly analysis did not assume FY16 funding for Worksource Montgomery.

II. Department of Recreation

The following table includes totals for the FY16 original budget appropriation, latest budget totals, and expenditures and encumbrances. The table also includes year-end transfer information and second and third quarterly analysis projections provided by the Executive Branch. FY16 totals reflect budget data as of February 26, 2016.

Department of Recreation									
<i>Fiscal Year</i>	<i>Original Budget</i>	<i>Latest Budget</i>	<i>Expen. + Encum.</i>	<i>Variance</i>	<i>Variance As % of Latest</i>	<i>Year-End Transfer</i>	<i>Transfer As % of Latest</i>	<i>Second Quarter Projection</i>	<i>Third Quarter Projection</i>
FY11	\$25,896,670	\$25,896,670	\$24,014,523	\$1,882,147	7.3%		0.0%	Surplus	Surplus
FY12	\$24,829,990	\$25,207,917	\$24,214,449	\$993,468	3.9%		0.0%	Shortfall	Shortfall
FY13	\$25,979,636	\$26,442,918	\$25,285,832	\$1,157,085	4.4%		0.0%	Surplus	Surplus
FY14	\$28,008,455	\$28,354,071	\$29,169,950	-\$815,878	-2.9%	\$815,890	2.9%	Surplus	Surplus
FY15	\$30,305,126	\$30,379,832	\$29,844,535	\$535,297	1.8%		0.0%	Shortfall	Shortfall
FY16	\$32,339,234	\$32,339,234*	\$32,630,588	\$20,151,017	\$12,479,570	TBD	TBD	Surplus	TBD

*Includes prior year carryforward of \$291,354 in operating expenses.

The following table provides greater detail on personnel costs and operating expenses for the Department prior to the year-end transfer. FY16 totals reflect budget data as of February 26, 2016.

Department of Recreation								
	<i>Latest Budget Total</i>	<i>Personnel Cost Budget</i>	<i>Personnel Cost Expenditures</i>	<i>Personnel Cost Variance</i>	<i>Operating Expense Budget</i>	<i>Operating Expenditures</i>	<i>Operating Expense Variance</i>	<i>Variance from Latest Budget Total</i>
FY11	\$25,896,670	\$15,987,020	\$15,529,810	\$457,210	\$9,909,650	\$8,484,712	\$1,424,938	\$1,882,147
FY12	\$25,207,917	\$15,699,585	\$15,557,917	\$141,668	\$9,508,332	\$8,656,531	\$851,800	\$993,468
FY13	\$26,442,918	\$16,824,157	\$16,775,521	\$48,636	\$9,618,761	\$8,510,311	\$1,108,449	\$1,157,085
FY14	\$28,354,071	\$18,063,281	\$18,601,163	-\$537,882	\$10,290,790	\$10,568,787	-\$277,997	-\$815,878
FY15	\$30,379,832	\$19,361,418	\$19,248,878	\$112,540	\$11,018,414	\$10,595,656	\$422,757	\$535,297
FY16	\$32,630,588*	\$20,134,087	\$11,748,478	\$8,385,609	\$12,496,501	\$8,402,539	\$4,093,962	\$12,479,570

*Includes prior year carryforward of \$291,354 in operating expenses.

Year-end transfer and quarterly analysis details

The Executive branch provided the following details in the year-end transfer and quarterly analysis memorandums.

- FY14 year-end transfer - Personnel costs exceeded the appropriation due to higher part-time staffing costs. Operating expenses exceeded the appropriation due to higher than expected utilities costs.
- FY16 second quarterly analysis - The Department projects a surplus of \$496,394 at the end of the year.

FY16 Operating Budget Reconciliation List Items

The following items were added to the FY16 Operating Budget during reconciliation and were not cut during the Council's review and approval of the FY16 Savings Plan.

Expand hours at Wheaton, Mid-County and White Oak Recreation Centers	\$53,826
Funding for Adventist Community Services to support Piney Branch ES Pool Operations	\$145,000
Piney Branch ES Pool Maintenance	\$15,000

Council staff questions and responses

- Council staff does not raise any issues of concern for the Committee to consider. The Department is not projecting a deficit, and the surplus projected in the FY16 second quarterly analysis is at a reasonable level, 1.5% of the Department's FY16 Operating Budget. Moreover, the Department has implemented the items that the Council added to its FY16 Operating Budget and subsequently approved in the FY16 Savings Plan.
- The Department implemented additional hours at the Wheaton, Mid-County, and White Oak Recreation Centers in July 2015. See © 7 for more detail about the specific schedule changes. The Piney Branch Elementary School Pool is in operation, and year-to-date expenditures for pool maintenance at \$49,559 have exceeded the budgeted amount. In addition, the Department has filled the multi-lingual Recreation Specialist position for Senior Program, which the Council added in the Department's FY15 Operating Budget.

III. Department of Permitting Services

The following table includes totals for the FY16 original budget appropriation, latest budget totals, and expenditures and encumbrances. The table also includes year-end transfer information and second and third quarterly analysis projections provided by the Executive Branch. FY16 totals reflect budget data as of February 26, 2016.

Permitting Services									
<i>Fiscal Year</i>	<i>Original Budget</i>	<i>Latest Budget</i>	<i>Expen. + Encum.</i>	<i>Variance</i>	<i>Variance As % of Latest</i>	<i>Year-End Transfer</i>	<i>Transfer As % of Latest</i>	<i>Second Quarter Projection</i>	<i>Third Quarter Projection</i>
FY11	\$24,151,420	\$24,151,420	\$25,171,575	-\$1,020,155	-4.2%	\$1,020,160	4.2%	Shortfall	Shortfall
FY12	\$25,028,630	\$25,299,057	\$25,112,256	\$186,801	0.7%	\$0	0.0%	Surplus	Surplus
FY13	\$27,619,194	\$27,743,353	\$27,818,184	-\$74,831	-0.3%	\$82,320	0.3%	Shortfall	Surplus
FY14	\$29,642,071	\$30,117,584	\$30,314,745	-\$197,161	-0.7%	\$215,300	0.7%	Surplus	Surplus
FY15	\$32,007,836	\$32,895,508	\$31,974,193	\$921,315	2.8%	\$0	0.0%	Surplus	Surplus
FY16	\$33,893,405	\$34,611,778*	\$21,542,010	\$13,069,768	37.8%	TBD	TBD	Surplus	Surplus

*Includes prior year carryforward of \$718,373 in operating expenses.

The following table provides greater detail on personnel costs and operating expenses for the Department prior to the year-end transfer. FY16 totals reflect budget data as of February 26, 2016.

Permitting Services								
	Latest Budget Total	Personnel Cost Budget	Personnel Cost Expenditures	Personnel Cost Variance	Operating Expense Budget	Operating Expenditures	Operating Expense Variance	Variance from Latest Budget Total
FY11	\$24,151,420	\$19,306,190	\$20,096,429	-\$790,239	\$4,845,230	\$5,075,146	-\$229,916	-\$1,020,155
FY12	\$25,299,057	\$19,191,013	\$19,024,213	\$166,800	\$6,108,044	\$6,088,043	\$20,001	\$186,801
FY13	\$27,743,353	\$20,863,764	\$20,863,760	\$4	\$6,879,589	\$6,954,224	-\$74,635	-\$74,631
FY14	\$30,117,584	\$21,821,589	\$22,036,882	-\$215,293	\$8,295,995	\$8,277,863	\$18,132	-\$197,161
FY15	\$32,895,508	\$23,778,816	\$23,778,809	\$7	\$9,116,692	\$8,195,385	\$921,308	\$921,315
FY16	\$34,611,778*	\$25,015,060	\$14,905,076	\$10,109,984	\$9,596,718	\$6,636,935	\$2,959,783	\$13,069,768

*Includes prior year carryforward of \$718,373 in operating expenses.

Year-end transfer and quarterly analysis details

The Executive branch provided the following details in the year-end transfer and quarterly analysis memorandums.

- FY11 year-end transfer - Personnel costs exceeded the budget because expected lapse was not achieved and because of higher than budgeted overtime expenses, which are recovered through additional permit review fees. Operating expenses exceeded the budget due to higher than expected lease costs resulting from a delay in the larger County reallocation of lease space and increased motor pool costs.
- FY13 year-end transfer - Operating expenses exceeded the appropriation due to higher than budgeted temporary office staff and computer software for an electronic plan filing system.
- FY14 year-end transfer - Personnel costs exceeded the appropriation due to overtime for plan reviewers.
- FY16 second quarterly analysis - The Department projects a surplus of \$562,979 at the end of the year.

Council staff questions and responses

- When can the Council expect a regulation concerning the Green Building Code (IgCC)?

The Department published a draft regulation and conducted a public hearing. A proposed regulation with the Department's recommended changes was prepared for the Executive. The regulation should be forwarded to the Council shortly. It will require changes to Chapter 8 to remove or amend the requirements for LEED certification for large buildings.

Attachments:

- © 1 Council President Floreen Memorandum
- © 2 FY15 Year-End Transfer Transmittal Memorandum
- © 4 FY16 Second Quarterly Analysis Transmittal Memorandum
- © 6 FY11 Budget Controls Implemented in ERP Memorandum
- © 7 Recreation – Hours of Operation



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

MEMORANDUM

January 14, 2016

TO: Councilmembers
FROM: Nancy Floreen, Council President
SUBJECT: FY16 Budget Implementation

On November 30, 2015 the Government Operations and Fiscal Policy Committee reviewed issues related to the Executive branch's implementation of the Council's FY16 approved budget for County Government, including items on the reconciliation list. The Committee recommended close monitoring of all reporting and notification requirements included in the operating budget resolution.

The Committee also recommended that each Committee, as necessary, should review budget information for the County Government departments and offices under its jurisdiction that appears in two documents: the FY15 year-end transfer resolution, which the Council approved in December, and the FY16 2nd quarterly analysis, which OMB will transmit in mid-February. (The Education Committee would not participate because the only County Government budget it oversees, CUPF, is an enterprise fund.)

I want to thank the GO Committee for its work on this important issue. Linda Lauer has tentatively scheduled time for these reviews on Committee agendas in the February 22-29 period. See the attached draft Committee schedule for this period; please let Linda know if any adjustments are needed. Council analysts will discuss with Committee Chairs which County Government department and office budgets should be reviewed – based on the budget information noted above – and whether a different time for the review would better fit Committee schedules.

Attachment

cc: Budget Staff Members
Confidential Aides



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

November 23, 2015

TO: George Leventhal, Council President

FROM: Isiah Leggett, County Executive 

SUBJECT: Year-End Transfers for the FY15 Operating Budget

The Department of Finance and the Office of Management and Budget have completed an analysis of expenditures by County Departments for FY15. The purpose of this memorandum is to transmit to Council the year-end transfers for the FY15 Operating Budget. Transfers of appropriation totaling \$12,615,300 are required for several departments to cover actual FY15 expenditures.

Some departments ended FY15 with higher spending than appropriated, consistent with our year-end projections at the end of last fiscal year. Other departments are included in this year-end transfer to reconcile over-spending in a category (i.e., personnel costs or operating expenditures) even though total department appropriations were not over-spent. This is because the County Council appropriates by category rather than at the total department level.

These transfers represent the following percentages of the FY15 appropriations for their respective funds and functions:

	<u>FY15</u> <u>Appropriation</u>	<u>Total</u> <u>Transfers</u>	<u>% of Total Fund</u> <u>Appropriation</u>
General Fund: Legislative	\$ 13,886,857	\$ 332,470	2.39%
General Fund: Judicial (incl. Sheriff)	49,444,525	568,000	1.15%
General Fund: Executive	770,760,903	3,216,960	0.42%
General Fund: Non-Departmental	295,579,702	808,850	0.27%
Special Funds: Tax Supported	386,371,569	3,050,050	0.79%
Special Funds: Non-Tax Supported	421,798,387	660,570	0.16%
Special Funds: Internal Service Funds	263,122,536	3,978,400	1.51%

Attached is a recommended resolution for transfers of appropriation to implement these changes. Justifications for the recommended budgetary actions are attached to the resolution.

George Leventhal, President, County Council

November 23, 2015

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Staff from the Office of Management and Budget and the appropriate departments will be present to provide additional information that may be requested when the Council considers these transfers. The Department of Finance is still in the process of completing its work on the year-end financial statements. Staff will provide additional information if changes to this transfer resolution are necessary prior to Council action. If you have any questions, please contact Alex Espinosa at (240) 777-2800.

IL:aae

Attachment: Transfers of Appropriation for the Year-End Close Out of the FY15 Operating Budget
Justifications for Recommended Transfers of Appropriation



ROCKVILLE, MARYLAND

MEMORANDUM

February 19, 2016

TO: Nancy Floreen, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
for Joseph F. Beach, Director, Department of Finance

SUBJECT: FY16 Second Quarterly Analysis

Attached please find the Second Quarterly Analysis for Montgomery County Government. As detailed in the attached report, expenditure variances are relatively small across most departments, and the County Executive's recommended operating budget will incorporate the results of this analysis. We will continue to monitor department spending and may make revisions to this estimate to reflect more up-to-date information in the County Executive's recommended operating budget. Significant expenditure variances are described below.

Second Quarter Expenditure Results

The Board of Elections anticipates higher than budgeted costs due to implementation of the State's new voting system and other related costs. The estimate reflects the most recent information and invoices from the State Board of Elections. The estimate will be updated at the end of the third quarter.

The County Attorney's Office expects to exceed its lapse assumption and anticipates higher than budgeted child welfare contract attorney costs.

The Department of Economic Development's expenditure estimate reflects start-up funding for Montgomery County Economic Development Corporation and higher than budgeted costs related to Federal and State lobbying contracts, sponsorships, consultant work, and other expenses.

The Department of General Services' projected overspending results from staffing costs higher than the budgeted lapse rate. At this time, the department is not estimating higher than budgeted contract and other operating expenses for emergency maintenance services and repair of critical equipment and systems.

The Office of Human Resources' projected overage is due to unbudgeted employee separation and leave payouts. The department is controlling these cost overruns by holding several positions vacant for the remainder of the fiscal year.

The Office of Intergovernmental Relations' original budget did not include funding for a position that was transferred to its complement. The projected expenditure overage is due to the additional costs of that position.

Nancy Floreen, President, County Council
February 19, 2016
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The State's Attorney Office does not anticipate meeting its lapse target because of increased workload demands and increased personnel costs due to a grant shortfall. The projected overage also reflects higher than budgeted office operating expenses.

Fire and Rescue Service is estimated to be overspent because of delays in civilianizing uniformed ECC dispatchers, unbudgeted snow removal costs, and higher than anticipated overtime costs.

The Department of Liquor Control has incurred additional staffing costs and overtime expenses to improve warehouse operations. In addition, the department has incurred additional contractor costs to support the Oracle ERP system.

Fleet Management Services is projecting an overage due to increased vehicle maintenance costs, parts, and supplies.

The following non-departmental accounts are projected to be overspent: Municipal Tax Duplication due to additional speed camera payments to municipalities, Rockville Parking District because of a parking rate increase for employee parking, State Property Tax Services due to higher reimbursement costs to the State Department of Assessment and Taxation, and Working Families Income Supplement because of increased formula payments. In addition, Snow Removal and Storm Cleanup expenditures have exceeded the budget of \$9.2 million by \$26 million through January. The projection assumes an additional contingency of \$16 million for additional winter weather mobilizations and potential storm cleanup costs through the rest of the fiscal year. This estimate will be reassessed and may be revised at the end of the third quarter.

Based on analysis by the County's actuary, health insurance claims costs per covered member are higher than estimated in the original budget. The second quarter estimate includes an updated group insurance cost projection. We will continue to monitor these expenses and will update the Council at the end of the third quarter.

Second Quarter Revenue Update

Attached is an update on tax revenue collections through the end of the second quarter.

Reserves

The County's FY16 total ending reserves are estimated to be \$389.5 million, or 8.3 percent of adjusted governmental revenues. As noted in the December Fiscal Plan Update, the initial estimate of reserves was preliminary and subject to change based on updated information. Additional details on the County's reserves will be included in the Executive's recommended budget on March 16.

JAH/JFB:ae

Attachments: Second Quarterly Analysis of Expenditures
Tax Revenue Collections: Through 12/31/15

c: Isiah Leggett, County Executive
Timothy L. Firestine, Chief Administrative Officer
Bonnie Kirkland, Assistant Chief Administrative Officer
All County Government Department Heads and Merit Directors

5



OFFICES OF THE COUNTY EXECUTIVE

Islah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

June 4, 2010

To: Executive Branch Department and Office Directors
From: Timothy L. Firestine, Chief Administrative Officer
Subject: FY11 Budget Controls Implemented in ERP

As you know, Phase I of the ERP system (Financials and Purchasing) go live on July 6, 2010. Therefore, beginning in FY11, you will be unable to expend operating dollars if you have insufficient operating appropriation. Hard stops on expenditures are going into effect on total Department/NDA appropriated Operating Expenses (OE) by fund. This budget control provides a tool to assist in managing the budget. If your department staff submit a direct payment or create a requisition in the ERP system that will exceed the budgeted OE, the ERP system will give an error message stating that they have exceeded the department's fund balance and the transaction will not post.

We are aware of specific department situations that might cause difficulty in staying within the OE limit (e.g., purchase of supplies for snow removal by Department of Transportation (DOT) and Department of General Services (DGS) during winter months). Any other overspending OE during the fiscal year, will be addressed on a case-by-case basis.

Below is a series of alternatives that departments must take into account/enact before consideration will be granted to remove budget controls from your department.

1. Submit an Executive Transfer budget change request to Office of Management and Budget (OMB) to move Personnel Costs (PC) to Operating Expenses (OE) within the County Charter's 10% transferability limit. Please note that your department will need to show that savings are available in PC before OMB will approve this transaction.
2. Liquidate current year encumbrances to generate additional current year OE appropriation.
3. Discuss with OMB a request for a Council Supplemental Appropriation. This needs to be done early in the fiscal year because it can take up to two months to administer a Council Supplemental Appropriation.
4. If all the above have been exhausted or is temporarily impractical, and the department can adequately document the need to over-spend your budget, then a request to remove the control for your department should be submitted to the Director of OMB.

TLF:jb

c: Department Administrative Service Coordinators
Karen Hawkins, Department of Finance
Lenny Moore, Department of Finance
Don Innes, Department of General Services

6

FY15 Recreation Department
 Cost Analysis to Increase Hours of Operations

EXISTING FACILITY HOURS OF OPERATION

Mid-County Community Recreation Center	
<i>Hours of Operation:</i>	
Monday	10:00am-9:00pm
Tuesday	10:00am-9:00pm
Wednesday	10:00am-9:00pm
Thursday	10:00am-9:00pm
Friday	10:00am-6:00pm
Saturday	10:00am-3:00pm
Sunday	CLOSED

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Wheaton Neighborhood Recreation Center	
<i>Hours of Operation:</i>	
Monday	9:00am-10:00pm
Tuesday	9:00am-10:00pm
Wednesday	9:00am-9:00pm
Thursday	9:00am-10:00pm
Friday	CLOSED
Saturday	9:00am-1:00pm
Sunday	CLOSED

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White Oak Community Recreation Center	
<i>Hours of Operation:</i>	
Monday	10:00 am-9:00 pm
Tuesday	10:00 am-9:00 pm
Wednesday	10:00 am-9:00 pm
Thursday	10:00 am-9:00 pm
Friday	10:00 am-6:00 pm
Saturday	10:00 am-3:00 pm
Sunday	12 noon – 4:00 pm

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PROPOSED FACILITY UPDATED HOURS OF OPERATION

Mid-County Community Recreation Center	
<i>Hours of Operation:</i>	
Monday	9:00am-9:00pm
Tuesday	9:00am-9:00pm
Wednesday	9:00am-9:00pm
Thursday	9:00am-9:00pm
Friday	9:00am-7:00pm
Saturday	9:00am-7:00pm
Sunday	CLOSED

68

Wheaton Neighborhood Recreation Center	
<i>Hours of Operation:</i>	
Monday	8:00am-10:00pm
Tuesday	9:00am-10:00pm
Wednesday	8:00am-10:00pm
Thursday	9:00am-10:00pm
Friday	9:00am-6:00pm
Saturday	9:00am-1:00pm
Sunday	CLOSED

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White Oak Community Recreation Center	
<i>Hours of Operation:</i>	
Monday	9:00am-9:00pm
Tuesday	9:00am-9:00pm
Wednesday	9:00am-9:00pm
Thursday	9:00am-9:00pm
Friday	9:00 am-9:00 pm
Saturday	9:00 am-6:00 pm
Sunday	12 noon – 4:00 pm

73

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