

**MEMORANDUM**

April 25, 2016

TO: Transportation, Infrastructure, Energy and Environment  
FROM: Linda Price, Legislative Analyst  
SUBJECT: FY17 Operating Budget: Department of General Services

Those expected to attend this worksession include:

David Dise, Director  
Beryl L. Feinberg, Deputy Director  
Angela Dizelos, Central Services Division Chief  
Eric Coffman, Energy Sustainability Division Chief  
Isami Ayala, Facilities Management Division Chief  
Richard Taylor, Print and Mail Services  
Jedediah Millard, OMB Analyst  
Amy Wilson, OMB Manager

Relevant pages from the FY17 Recommended Operating Budget are attached on © 1-7.

**Budget Summary:**

- The total recommended FY17 Operating Budget for the Department of General Services (DGS) is \$36,899,444, an increase of \$2,050,826 or 5.88 percent from the FY16 Approved Budget of \$34,848,618.

**Council Staff Recommendation:**

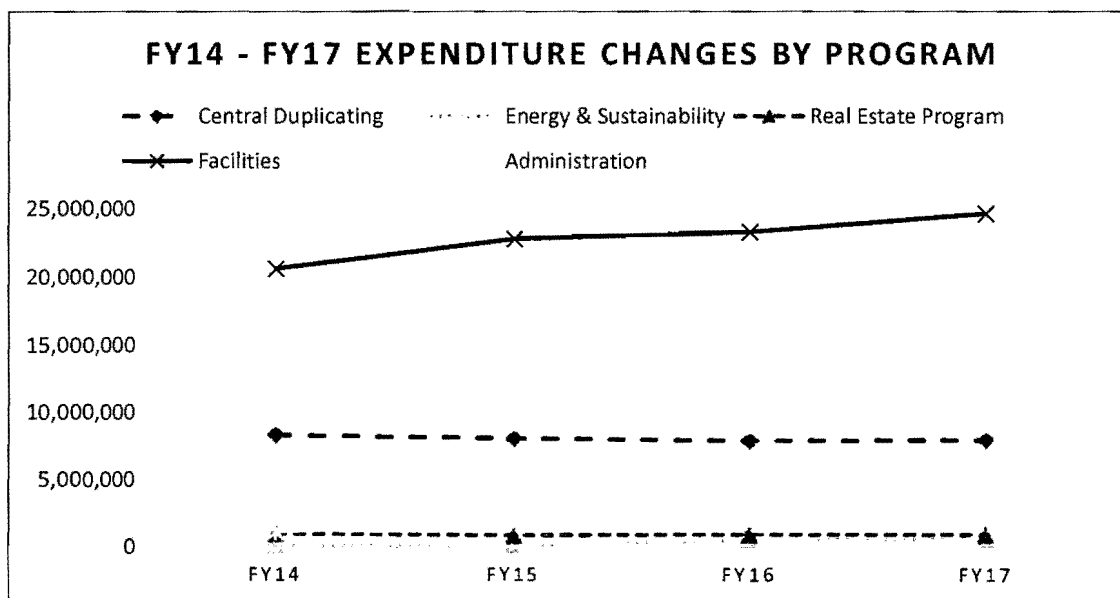
- Council staff recommends approval of the Executive's FY17 Recommended Operating Budget for DGS with \$298,585 in additional funding for the American Film Institute added to the Reconciliation List.
- The Committee may wish to add funds to restore Facility Maintenance activities.

## Overview

The following table shows the FY15-FY17 funding levels for the Department.

	<i>FY15 Actual</i>	<i>FY16 Approved</i>	<i>FY16 Estimated</i>	<i>FY17 Recommended</i>	<i>% Change FY16 - FY17</i>
<b>Expenditures by fund</b>					
General Fund	\$39,156,421	\$26,939,015	\$27,512,310	\$28,932,619	7.4%
Printing and Mail	\$7,683,748	\$7,909,603	\$7,656,286	\$7,966,825	0.7%
<b>Expenditures by type</b>					
Personnel Cost	19,186,423	14,745,038	15,317,389	15,074,230	2.2%
Operating Expenses	27,994,991	19,971,580	19,851,207	21,465,804	7.5%
Capital Outlay	0	132,000	0	359,410	172.3%
<b>Total Expenditures</b>	<b>\$47,181,414</b>	<b>\$34,848,618</b>	<b>\$35,168,596</b>	<b>\$36,899,444</b>	<b>5.9%</b>
<b>Positions</b>					
Full-Time	252	223	223	223	0.0%
Part-Time	4	2	2	2	0.0%
<b>FTEs</b>	<b>190.75</b>	<b>161.65</b>	<b>161.65</b>	<b>163.00</b>	<b>0.8%</b>

The Following chart and accompanying table illustrate the growth for each DGS program, Office or Division from FY14-FY17.



	<b>FY14 Appr.</b>	<b>FY15 Appr.</b>	<b>FY16 Appr.</b>	<b>FY17 Rec.</b>	<b>\$</b>	<b>%</b>
<b>Administration</b>	\$1,163,838	\$1,980,378	\$2,080,965	\$2,719,550	\$638,585	30.7%
<b>Facilities Management</b>	\$20,618,427	\$22,812,792	\$23,333,232	\$24,660,112	\$1,326,880	5.7%
<b>Energy and Sustainability</b>	\$101,441	\$101,570	\$575,118	\$605,397	\$30,279	5.3%
<b>Real Estate</b>	\$991,975	\$900,523	\$949,700	\$947,561	-\$2,139	-0.2%
<b>Central Duplicating</b>	\$8,340,516	\$8,070,305	\$7,909,603	\$7,966,824	\$57,221	0.7%

## **FY17 Expenditure Issues**

The Executive is recommending a number of changes to the FY17 Recommended Operating Budget from the Approved FY16 Operating Budget. These are general fund only changes, which result in an increase of \$1,993,604 and include a number of multi-program adjustments as well as specific changes within the various DGS General Fund programs.

### **1. General Fund Multi-program Adjustments**

<b>Item</b>	<b>Amount</b>	<b>FTEs</b>
FY17 Compensation Adjustment	\$207,208	0.0
Annualization of FY16 Personnel Costs	\$207,022	1.35
Group Insurance Adjustment	\$85,438	0.0
Motor Pool Adjustment	\$43,241	0.0
Annualization of FY16 Lapsed Positions	\$39,423	0.0
Printing and Mail	\$3,120	0.0
Telecommunications cost shift	-\$108,000	0.0
Retirement Adjustment	-\$174,817	0.0

### **2. Administration**

The Administration program includes the Director's Office and the Division of Central Services, which handles oversight activities as well as preparation and monitoring of Capital and Operating Budget activities. The Smart Growth Initiative and other planning and development activities are also included in the program. The Administration budget accounts for 7.4 percent of the total Department budget. The Executive's FY17 Recommended Budget for Administration is \$2,719,550, a \$638,585 or 30.7 percent increase over the approved FY16 Operating Budget. The Executive's recommendation includes \$41,581 in multi-program adjustments and an increase of \$597,004 resulting from shifting the American Film Institute (AFI) contract from the Department of Economic Development.

The AFI contract provides funding to cover operating shortfalls for the organization. Each year the AFI has a special purpose statement of revenues and expenses audit prepared. This statement includes reconciliation of the cumulative amount due from Montgomery County. The AFI also prepares an annual budget plan with projected operating shortfalls. The total projected shortfall in FY17 totals \$895,589. The Executive's FY17 recommendation of \$597,004 is funded at the same support level from FY16. Total support for the AFI contract would require an additional \$298,585 to cover the projected shortfalls.

On April 7, 2016, AFI Director Ray Barry testified to urge the Council to continue to support the AFI Silver Theatre and Cultural Center (see © 8-9). United Therapeutics, the Greater Silver Spring Chamber of Commerce, and Lee Development Group have also submitted letters to the Council to request full support of the AFI FY17 budget request (see © 10-12).

**Council Staff recommends approval of the Administration budget with \$298,585 in additional funding for the American Film Institute added to the Reconciliation List.**

### 3. Facilities Management

The Division of Facilities Management is charged with providing comprehensive planning and delivery of maintenance services and oversight of building-related operations and County facilities used by County staff and residents. Facilities Management is the largest program within the DGS budget, representing 66.8 percent of the total budget. The Executive's FY17 Recommended Operating Budget for Facilities Management is \$24,660,112, an increase of \$1,326,880 or 5.7 percent over the approved FY16 Operating Budget. The Executive's recommendation includes multi-program adjustments totaling \$232,915 and four additional items:

- Contract inflation adjustment of \$236,360;
- Project Search increase of \$34,264;
- Annualization of maintenance costs for buildings opening in FY16 totaling \$125,387; and
- Maintenance costs for buildings opening in FY17 increase of \$697,957.

#### A. Personnel Cost Changes

There are an additional 3.0 FTEs in the FY17 recommendation. One FTE is an increase of \$34,264 for the Project Search intern. According to Executive Branch staff, "DGS has identified on-going needs in Facilities supply management and operations which should accommodate the strength of a Project Search (PS) graduate. The PS employee will be fully integrated into carrying out the division's mission. In addition, the employee may assist with work order closures." The Office of Human Resources will place an intern with DGS based on the graduates knowledge, skills and abilities.

The other two FTEs are included in multi-program adjustments. Additionally, DGS converted a vacant Building Services Worker to create a locksmith position. A contractor had been providing these services. By filling this position, DGS will "assure that critical life/safety and security keying functions are controlled in-house." The Department is also in the process of filling a Plumber I and Energy Management Systems Technician.

#### B. New Buildings

The Executive's recommendation included funding for the annualization of maintenance costs for buildings opening in FY16 and maintenance costs for buildings opening in FY17. The FY16 building openings include the Colesville Depot, Dennis Avenue Health Center and Kensington Park Library Refresh. The following table provides information on buildings expected to open in FY17.

Facilities Opening in FY17	Expected	New Facility	Estimated
North Potomac Community Recreation Center, Gaithersburg	7/1/2016	48,084	\$202,914
Multi-Agency Service Park at PSHQ, Gaithersburg	8/20/2016	114,984	\$485,258
Ross Boddy Recreation Center, Sandy Spring	8/30/2016	27,436	\$87,166
Glenmont FS #18 Replacement, Wheaton	10/1/2016	22,564	\$88,620
Progress Place Relocation, Silver Spring	4/3/2017	40,500	\$132,860
<b>Total</b>		<b>253,568</b>	<b>\$996,818</b>

#### C. Savings Plan Reductions and Housekeeping

In FY16, the Council approved funding to increase deferred maintenance and cleaning activities. A total of \$150,000 was approved in the Department of Public Libraries and \$100,000 in the Department

of Recreation. These activities were cut during the Council's review of the FY16 Savings Plan. However, the Executive's recommendation would restore these cuts in FY17.

The Recommended FY17 Operating Budget for housekeeping and janitorial services is \$5,520,056. This funding provides for basic services, which include emptying trash containers, cleaning bathrooms, filling soap, paper towels and tissue dispensers, vacuuming designated areas, and cleaning building entryways. The budget does not include funding for high dusting, deep cleaning, window washing, emergency cleaning, power washing of surfaces, floor waxing/stripping, supplies beyond those allotted for the square footage of the facility, and power washing of concrete surfaces.

The following table provides information on the funds budgeted to housekeeping from FY09-FY17. The FY17 Recommended budget for custodial services has decreased by \$472,255 from FY16.

Appr. FY09	Appr. FY10	Appr. FY11	Appr. FY12	Appr. FY13	Appr. FY14	Appr. FY15	Appr. FY16	Rec. FY17
\$4,361,288	\$3,618,508	\$2,917,278	\$2,843,508	\$3,663,959	\$4,605,401	\$5,742,311	\$5,992,311	\$5,520,056

#### D. IMTF Report

The March 2016 Infrastructure Maintenance Task Force (IMTF) Report identified six elements for funding and annual requirements. The Department plans to make adjustments during the fiscal year if needed to accommodate any shifting priorities.

Infrastructure Element	Component	Maintenance Activity	Annual Requirement	Approved FY16 Budget	FY17 Recommended Budget
HVAC	Heating, ventilation, air conditioning systems and components of facilities	Preventative maintenance of HVAC systems and components	\$1,993,050	\$814,475	\$1,634,003
Electrical	Electrical Systems and components of facilities	Preventative maintenance of electrical systems and components	\$1,494,787	\$457,000	\$980,402
Structural	Structural systems and components of facilities	Preventative maintenance of structural systems and components	\$1,494,787	\$1,202,657	\$1,634,003
Roofing	Roofing systems and components of facilities	Preventative maintenance of roofing systems and components	\$250,000	\$60,000	\$80,000
Exterior Painting	Facilities maintained by Division of Facilities Management	Painting	\$498,262	\$20,000	\$15,000
Grounds	Grounds areas adjacent to facilities	Preventative maintenance of grounds areas adjacent to facilities	\$2,400,000	\$1,889,564	\$1,095,635

The FY17 recommendation for the IMTF elements equal \$2,691,843 less than the annual requirement, but \$5,439,043 more than the FY16 Approved Operating Budget. According to Executive Branch staff, approximately 66 percent in additional appropriation since FY13 resulted from operating budget impacts for new building openings and not additional funding for the base. **Approximately \$2.44 million would be needed to restore the operating maintenance budget reductions since FY09.** This

would provide additional funding for not only HVAC, electrical, structural, roofing, grounds, and miscellaneous maintenance expenses, but also the housekeeping budget which has decreased. **The Committee may wish to consider placing a portion of these funds on the Reconciliation List.**

#### **4. Energy and Sustainability**

The Office of Energy and Sustainability (OES) is responsible for facilitating comprehensive energy and sustainability strategies across County facilities. The Executive's FY17 Recommended Operating Budget for OES is \$605,397, a \$30,279 or 5.3 percent increase over the approved FY16 Operating Budget. Energy and Sustainability represents 1.64 percent of the total Department budget. The total increase is due to multi-program adjustments.

The T&E Committee received the Office of Energy and Sustainability's annual report and update on February 4.<sup>1</sup> The Office has completed their recruitment and implementation of positions and activities that were added in the FY16 Approved Operating Budget.

**Council Staff concurs with the Executive's recommendation.**

#### **5. Real Estate**

This program provides for leasing, site acquisition/disposition, space management and site evaluation. The Executive's FY17 Recommended Operating Budget for the Real Estate Program is \$947,561, a \$2,139 or 0.2 percent decrease over the Approved FY16 Operating Budget. Real Estate Services represents 2.57 percent of the DGS budget. The decrease is due to multi-program adjustments.

**Council Staff concurs with the Executive's recommendation.**

#### **6. Central Duplicating, Imaging, and Archives**

The Central Duplicating, Imaging, Archiving, and Mail services program is supported by the Printing and Mail Internal Service Fund. The Executive's FY17 Recommended Operating Budget for the program is \$7,966,825, a \$57,221 or 0.7 percent increase over the Approved FY16 Operating Budget. Central Duplicating, Imaging and Archives represents 21.6 percent of the total department budget.

The Executive recommends abolishing one Printing Technician III position, a decrease of \$106,717 and one FTE. According to Executive Branch staff, the Printing Tech III position was assigned to the Montgomery County Public Schools (MCPS) Print Shop by a 1999 MOU with MCPS. Once the position became vacant, it was to revert back to MCPS. The position is now vacant, and has reverted to MCPS and they will decide if the position needs to be filled. The Executive has also recommended an increase of \$11,383 for equipment and supplies, and an increase for the copier contract for multi-function printers of \$106,717.

**Council Staff concurs with the Executive's recommendation.**

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<sup>1</sup> See [http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160204/20160204\\_TE1.pdf](http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160204/20160204_TE1.pdf).



# General Services

## Mission Statement

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

## Budget Overview

The total recommended FY17 Operating Budget for the Department of General Services is \$36,899,444, an increase of \$2,050,826 or 5.88 percent from the FY16 Approved Budget of \$34,848,618. Personnel Costs comprise 40.85 percent of the budget for 223 full-time position(s) and two part-time position(s), and a total of 163.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 59.15 percent of the FY17 budget.

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

## Linkage to County Result Areas

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

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

## Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 recommended budget and funding for comparable service levels in FY18.

Measure	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
<b>Multi-Program Measures</b>					
Building Design and Construction: Percent of projects meeting initial design timeline	83	100	88	88	88
Building Design and Construction: Percent of projects meeting initial construction timeline	86	92	88	88	88
Building Design and Construction: Percent of projects meeting initial design costs	83	100	88	88	88
Building Design and Construction: Percent of projects meeting initial construction costs	93	92	88	88	88

## Accomplishments

- ✓ In support of the ADA Compliance Program, began a pilot project using a new technology, video remote interpreting, to expand the County government's capacity to provide effective communication in emergency or other situations where traditional in-person Sign Language interpreters are unavailable.
- ✓ Improved customer satisfaction by replacing coin-operated copiers with smart technology library card readers at multiple Library locations.
- ✓ During 2016, will complete the construction of solar photovoltaic arrays at 14 locations.

- ☑ Led a cooperative clean energy purchase of 430,000 kilowatt hours of electricity, offsetting 290,000 metric tons of greenhouse gas emissions annually with ten other County agencies and municipalities.
- ☑ Completed installation of a state of the art humidification system and temperature control improvements at the Strathmore Arts Center. This project has received a National Association of Counties (NACo) award.
- ☑ Upgraded and replaced mechanical and electrical systems at 401 Hungerford Health and Human Services office building to increase comfort and reliability and reduce energy costs.
- ☑ Provide "green" facility and maintenance services on LEED facilities including 3rd District Police Station, Animal Services and Adoption Center, and Scotland Neighborhood Recreation Center.
- ☑ Responded to 27 snow and ice events with total accumulation of approximately 46.6 inches during the winter of 2014-2015.
- ☑ Completed construction of a new modular structure on Crabbs Branch Way to serve as a new men's overflow shelter. The Department of Health and Human Services assumed operation in November 2015.
- ☑ Commenced construction of public infrastructure improvements at County Service Park.
- ☑ Updated and redesigned the Smart Growth Initiative website.

## Productivity Improvements

- ✱ Implemented advanced utility bill management software package, improving the accuracy and usability of data.
- ✱ Implemented Phase 2 of the Oracle Property Manager module to streamline lease payments.

## Program Contacts

Contact Angela Dizelos of the Department of General Services at 240.777.6028 or Jedediah Millard of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

## Program Descriptions

### Central Duplicating, Imaging, Archiving, & Mail Services

This program provides timely and efficient document management to County Government through: high-speed digital printing services; desktop and electronic publishing; high-speed color digital printing; full service bindery; large format and banner printing, digital imaging; and electronic and physical archiving of County records. The program administers and manages the countywide paper and copier contracts. A full service mail operation processes all classes of incoming, interoffice, and outgoing mail to the U.S. Postal Service and County departments and agencies.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>7,909,603</b>	<b>29.75</b>
Increase Cost: Copier contract for multi-functional printers	106,717	0.00
Increase Cost: Equipment and Supplies	11,383	0.00
Decrease Cost: Printing Technician III Position	(106,717)	(1.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	45,838	0.00
<b>FY17 Recommended</b>	<b>7,966,824</b>	<b>28.75</b>

### Energy and Sustainability

The Office of Energy and Sustainability (ES) is responsible for facilitating comprehensive energy and sustainability strategies across County



facilities. ES specifically will reduce the environmental impacts of government operations through collaboration, leadership, special projects, innovative partnerships, and performance measurement. Areas of engagement include building energy performance; planning; water; biodiversity; clean energy; fleet and transit; purchasing; materials and resource recovery; and culture and innovation. Specific core functions include executing the County's utility purchasing strategy, monitoring day-to-day utility activities, managing data related to the environmental impacts of operations (e.g., greenhouse gas emissions), deploying renewable energy initiatives, and implementing energy efficiency projects.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Environmental Stewardship: Carbon footprint from facilities and fleet operations (in metric ton carbon dioxide equivalents) <sup>1</sup>	164,894	128,714	34,318	34,318	34,318

<sup>1</sup> Beginning in FY15, the County significantly expanded its investment in the reduction of its greenhouse gas emissions.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>575,118</b>	<b>4.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	30,279	0.00
<b>FY17 Recommended</b>	<b>605,397</b>	<b>4.00</b>

## Real Estate Program

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Real Estate: Average amount Montgomery County pays in rent (in dollars per square foot)	22.74	22.27	23.04	23.85	24.69

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>949,700</b>	<b>7.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(2,139)	0.00
<b>FY17 Recommended</b>	<b>947,561</b>	<b>7.00</b>

## Facilities Management

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Facilities Maintenance: Number of hours offline for power systems	89.0	170.5	170.5	170.5	170.5
Facilities Maintenance: Number of hours offline for elevator systems	324	921	921	921	921
Facilities Maintenance: Number of hours offline for heating / cooling systems	24	347	347	347	347
Facilities Maintenance: Number of hours offline for water sewage systems <sup>1</sup>	30	102	102	102	102

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Condition of non-critical building systems and aesthetics: Dollars of custodial and ground maintenance on all County properties <sup>2</sup>	6,335,328	7,537,923	7,881,875	8,984,499	8,984,499
Facilities: Customer rating of the aesthetics and comfort of County-maintained buildings	3.80	3.62	3.70	3.80	3.80

<sup>1</sup> In the Facilities Maintenance measures shown above, increases in FY15 & beyond are related to improved internal monitoring systems and reflect more accurate measures.

<sup>2</sup> Dollars reflect budget numbers.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>23,333,232</b>	<b>104.90</b>
Increase Cost: Maintenance Costs for Buildings Opening in FY17	697,954	0.00
Increase Cost: Contract Inflation	236,360	0.00
Increase Cost: Annualization of Maintenance Costs for Buildings Opening in FY16	125,387	0.00
Increase Cost: Project Search Intern	34,264	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	232,915	2.00
<b>FY17 Recommended</b>	<b>24,660,112</b>	<b>107.90</b>

## Administration

Administration services in the Department are provided in three key areas: 1) The Director's Office provides overall leadership for the Department, including policy development, strategic planning, accountability, service integration, performance measures, and customer service. 2) The County Executive's Strategic Growth Initiative and other key strategic capital initiatives are also directed through the Office of Planning and Development in the Director's office. 3) The Division of Central Services provides oversight and direction of the preparation and monitoring of the Operating and Capital Improvements Program (CIP) budgets for the department; payment processing; the management and administration of information technology; oversight of all personnel activities of the Department of General Services; and oversight and management for increasing access to County facilities for residents and employees with disabilities. The Division of Central Services also handles administration of the day-to-day operations of the Department, including direct service delivery, training, contract management logistics, and facilities support.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Internal customer satisfaction: Average score given to all DGS operations in a survey across Montgomery County Government	2.90	2.83	2.85	2.88	2.91

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>2,080,965</b>	<b>16.00</b>
Shift: American Film Institute Contract from Department of Economic Development	597,004	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	41,581	(0.65)
<b>FY17 Recommended</b>	<b>2,719,550</b>	<b>15.35</b>

## Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	12,330,394	8,744,628	9,295,741	9,159,599	4.7 %
Employee Benefits	4,602,536	3,559,347	3,831,529	3,542,914	-0.5 %
<b>County General Fund Personnel Costs</b>	<b>16,932,930</b>	<b>12,303,975</b>	<b>13,127,270</b>	<b>12,702,513</b>	<b>3.2 %</b>
Operating Expenses	22,223,491	14,635,040	14,385,040	16,230,106	10.9 %
<b>County General Fund Expenditures</b>	<b>39,156,421</b>	<b>26,939,015</b>	<b>27,512,310</b>	<b>28,932,619</b>	<b>7.4 %</b>

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
<b>PERSONNEL</b>					
Full-Time	222	194	194	195	0.5 %
Part-Time	3	1	1	1	—
FTEs	160.00	131.90	131.90	134.25	1.8 %
<b>REVENUES</b>					
Miscellaneous Revenues	91,760	120,000	100,000	120,000	—
Other Charges/Fees	(525)	0	0	0	—
<b>County General Fund Revenues</b>	<b>91,235</b>	<b>120,000</b>	<b>100,000</b>	<b>120,000</b>	<b>—</b>
<b>PRINTING &amp; MAIL INTERNAL SERVICE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,558,176	1,716,797	1,554,858	1,688,282	-1.7 %
Employee Benefits	683,608	724,266	635,261	683,435	-5.6 %
<b>Printing &amp; Mail Internal Service Fund Personnel Costs</b>	<b>2,241,784</b>	<b>2,441,063</b>	<b>2,190,119</b>	<b>2,371,717</b>	<b>-2.8 %</b>
Operating Expenses	5,441,964	5,336,540	5,466,167	5,235,698	-1.9 %
Capital Outlay	0	132,000	0	359,410	172.3 %
<b>Printing &amp; Mail Internal Service Fund Expenditures</b>	<b>7,683,748</b>	<b>7,909,603</b>	<b>7,656,286</b>	<b>7,966,825</b>	<b>0.7 %</b>
<b>PERSONNEL</b>					
Full-Time	30	29	29	28	-3.4 %
Part-Time	1	1	1	1	—
FTEs	30.75	29.75	29.75	28.75	-3.4 %
<b>REVENUES</b>					
Imaging/Archiving Revenues	1,746,600	1,300,249	1,300,249	1,342,906	3.3 %
Investment Income	223	0	500	710	—
Mail Revenues	2,150,350	2,328,351	2,328,351	2,366,078	1.6 %
Other Charges/Fees	1,609,574	1,500,000	1,500,000	1,618,080	7.9 %
Print Revenues	2,954,888	2,851,559	2,851,559	2,918,115	2.3 %
<b>Printing &amp; Mail Internal Service Fund Revenues</b>	<b>8,461,635</b>	<b>7,980,159</b>	<b>7,980,659</b>	<b>8,245,889</b>	<b>3.3 %</b>
<b>GRANT FUND - MCG</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	8,951	0	0	0	—
Employee Benefits	2,758	0	0	0	—
<b>Grant Fund - MCG Personnel Costs</b>	<b>11,709</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	329,536	0	0	0	—
<b>Grant Fund - MCG Expenditures</b>	<b>341,245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
<b>REVENUES</b>					
Federal Grants	513,530	0	0	0	—
<b>Grant Fund - MCG Revenues</b>	<b>513,530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>47,181,414</b>	<b>34,848,618</b>	<b>35,168,596</b>	<b>36,899,444</b>	<b>5.9 %</b>
<b>Total Full-Time Positions</b>	<b>252</b>	<b>223</b>	<b>223</b>	<b>223</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>—</b>
<b>Total FTEs</b>	<b>190.75</b>	<b>161.65</b>	<b>161.65</b>	<b>163.00</b>	<b>0.8 %</b>
<b>Total Revenues</b>	<b>9,066,400</b>	<b>8,100,159</b>	<b>8,080,659</b>	<b>8,365,889</b>	<b>3.3 %</b>

## FY17 Recommended Changes

	Expenditures	FTEs
--	--------------	------

	Expenditures	FTEs
--	--------------	------

## COUNTY GENERAL FUND

**FY16 ORIGINAL APPROPRIATION** **26,939,015 131.90**

### Other Adjustments (with no service impacts)

Increase Cost: Maintenance Costs for Buildings Opening in FY17 [Facilities Management]	697,954	0.00
Shift: American Film Institute Contract from Department of Economic Development [Administration]	597,004	0.00
Increase Cost: Contract Inflation [Facilities Management]	236,360	0.00
Increase Cost: FY17 Compensation Adjustment	207,208	0.00
Increase Cost: Annualization of FY16 Personnel Costs	207,022	1.35
Increase Cost: Annualization of Maintenance Costs for Buildings Opening in FY16 [Facilities Management]	125,387	0.00
Increase Cost: Group Insurance Adjustment	85,438	0.00
Increase Cost: Motor Pool Adjustment	43,241	0.00
Increase Cost: Annualization of FY16 Lapsed Positions	39,423	0.00
Increase Cost: Project Search Intern [Facilities Management]	34,264	1.00
Increase Cost: Printing and Mail	3,120	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(108,000)	0.00
Decrease Cost: Retirement Adjustment	(174,817)	0.00

**FY17 RECOMMENDED** **28,932,619 134.25**

## PRINTING & MAIL INTERNAL SERVICE FUND

**FY16 ORIGINAL APPROPRIATION** **7,909,603 29.75**

### Other Adjustments (with no service impacts)

Increase Cost: Copier contract for multi-functional printers [Central Duplicating, Imaging, Archiving, & Mail Services]	106,717	0.00
Increase Cost: FY17 Compensation Adjustment	38,680	0.00
Increase Cost: Group Insurance Adjustment	17,625	0.00
Increase Cost: Equipment and Supplies [Central Duplicating, Imaging, Archiving, & Mail Services]	11,383	0.00
Increase Cost: Motor Pool Adjustment	8,862	0.00
Increase Cost: Annualization of FY16 Personnel Costs	2,646	0.00
Increase Cost: Printing and Mail	466	0.00
Decrease Cost: Retiree Health Insurance Pre-funding	(20)	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(840)	0.00
Decrease Cost: Retirement Adjustment	(21,580)	0.00
Decrease Cost: Printing Technician III Position [Central Duplicating, Imaging, Archiving, & Mail Services]	(106,717)	(1.00)

**FY17 RECOMMENDED** **7,966,825 28.75**

## Program Summary

Program Name	FY16 APPR		FY17 REC	
	Expenditures	FTEs	Expenditures	FTEs
Central Duplicating, Imaging, Archiving, & Mail Services	7,909,603	29.75	7,966,824	28.75
Energy and Sustainability	575,118	4.00	605,397	4.00
Real Estate Program	949,700	7.00	947,561	7.00
Facilities Management	23,333,232	104.90	24,660,112	107.90
Administration	2,080,965	16.00	2,719,550	15.35
<b>Total</b>	<b>34,848,618</b>	<b>161.65</b>	<b>36,899,444</b>	<b>163.00</b>

## Charges to Other Departments

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs

## COUNTY GENERAL FUND

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs
Fleet Management Services	Motor Pool	553,836	2.80	557,381	2.80
Solid Waste Services	Solid Waste Disposal	48,223	0.10	48,223	0.10
Liquor Control	Liquor	359,565	1.20	359,565	1.20
CIP	Capital Fund	7,872,539	55.80	7,676,651	54.45
Not Defined	Not Defined	749,029	3.50	749,029	3.50
<b>Total</b>		<b>9,583,192</b>	<b>63.40</b>	<b>9,390,849</b>	<b>62.05</b>

## Future Fiscal Impacts

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY17 Recommended</b>	<b>28,933</b>	<b>28,933</b>	<b>28,933</b>	<b>28,933</b>	<b>28,933</b>	<b>28,933</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>28,933</b>	<b>28,985</b>	<b>28,985</b>	<b>28,985</b>	<b>28,985</b>	<b>28,985</b>

## PRINTING & MAIL INTERNAL SERVICE FUND

<b>EXPENDITURES</b>						
<b>FY17 Recommended</b>	<b>7,967</b>	<b>7,967</b>	<b>7,967</b>	<b>7,967</b>	<b>7,967</b>	<b>7,967</b>
No inflation or compensation change is included in outyear projections.						
<b>Replacement of Printing, Mail, and Imaging Equipment per Schedule</b>	<b>0</b>	<b>137</b>	<b>160</b>	<b>81</b>	<b>81</b>	<b>81</b>
Reflects projected need for capital outlay replacement on an annual basis.						
<b>Retiree Health Insurance Pre-funding</b>	<b>0</b>	<b>(6)</b>	<b>(12)</b>	<b>(15)</b>	<b>(18)</b>	<b>(18)</b>
These figures represent the estimated cost of pre-funding retiree health insurance costs for the County's workforce.						
<b>Labor Contracts</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>7,967</b>	<b>8,128</b>	<b>8,145</b>	<b>8,063</b>	<b>8,060</b>	<b>8,060</b>

**Testimony of  
Ray Barry  
Director, AFI Silver Theatre and Cultural Center  
Public Hearing – FY17 Operating Budget  
Montgomery County Council  
Thursday, April 7, 2016**

Council President Floreen, members of the Council, good afternoon. My name is Ray Barry and I am the Director the AFI Silver Theatre and Cultural Center. I am here today to urge your continued support for the AFI Silver Theatre and Cultural Center and its work in this community.

The AFI Silver opened in 2003 as a linchpin in the public private partnership to revitalize and spur economic development in downtown Silver Spring.

Since that time more than ~~1.0~~ million people have attended events at the AFI Silver, and it has established itself as a major cultural asset, bringing community-based programming of national stature to Montgomery County, and serving as an engine for community revitalization and economic development. The AFI Silver annually brings to Montgomery County a rich diversity of programming, including major Latin American, African, Caribbean, and European film festivals and filmmakers; it provides free educational programs to the county's K-12 students; and it generates more than 30,000 overnight stays in our community.

During the past fiscal year at the AFI Silver Theatre:

- Over 700 different films were exhibited
- More than 200 filmmakers, writers, scholars, performers and subject experts appeared at AFI Silver programs
- More than 200,000 people attended events
- As already noted, more than 30,000 overnight stays in Montgomery County were generated by our activities
- And, more than 8,000 students from 75 schools participated in our educational programs

Submitted with my written testimony is a comprehensive report on AFI Silver's programs and activities during the last fiscal year, along with testimonials and several letters of support.

With my remaining time, I would like to speak a bit more about our educational programs. The core of our educational activity is our Educational Screenings Program (or ESP). Since 2003, more than 100,000 students have benefitted from the program, in which feature film presentations are coordinated with school curricula to stimulate critical analysis by students.



The Educational Screenings Program is free to all students. Teachers and students come to AFI Silver Theatre and Cultural Center to view films related to their curriculum, engaging with academic subject matter while learning critical viewing skills. Each screening includes a reading and lesson with discussion questions, a glossary of film terms and an assignment customized to the needs of the teachers' objectives. AFI Silver's educational staff conducts a pre- and post-film discussion, as well as a tour of the historic theater.

For the past two years the AFI Silver's Educational Screenings Program has piloted a sub-program with the County school system's Learning For Independence program (or LFI), which serves students with complex learning and cognitive needs, and mild to moderate intellectual disabilities

Our LFI program:

- Selects films in concert with teachers that are appropriate for the age and comprehension levels of the students, and that are focused on themes of overcoming difficulties, challenges, bullying and other topics studied in classes.
- Provides students and teachers with an authentic movie-going experience with appropriate accommodations, such as lowered volume for students who are sensitive to loud noises, and brighter theater lighting for students who are sensitive to darkened rooms and to permit teachers to tend to students' needs.
- Offers brief introductions to the films targeted to special themes and basic visual literacy.
- And provides LFI teachers with the opportunity to interact and confer on best practices during the screening

Overall the program is intended to target life skills that will lead the students to more independent future living situations. This year, more than 1,000 students have attended our LFI screenings, and teachers have commented that the experience has improved students' behavior and social skills and given them a better sense of well being. For example, one teacher wrote that, after attending AFI Silver screenings twice, one of her students could now go to the movies with his family without their worrying about his behavior. The impact of this program on affected families is real and meaningful.

Thank you for the opportunity to speak and for your support.



1110 Spring Street  
Silver Spring, MD 20910  
tel 301.608.9292  
fax 301.608.9291

6 April 2016

Honorable Isiah Leggett and members of the Montgomery County Council,

The American Film Institute Silver is an important community asset with whom United Therapeutics Corporation is proud to call a neighbor and a friend. We strongly urge you to continue the financial support for AFI Silver.

Since the AFI Silver opened in 2003 they have continually enriched the Silver Spring community by bringing film festivals, first run features and educational outreach to the area. Public access to this classic theater attracts families to Silver Spring and contributes to growth. Additionally, this amenity is one of the many cultural assets of Silver Spring and is a venue frequented by United Therapeutics staff.

United Therapeutics Corporation (NASDAQ:UTHR) is a publicly traded Biotechnology and Pharmaceutical company which employs hundreds of local tax payers. For twenty years, since its founding by, local resident Dr. Martine Rothblatt, United Therapeutics has maintained a headquarter campus in downtown Silver Spring. Dr. Rothblatt is a frequent patron to the AFI Silver and proudly promotes the theater as an area attraction.

Over these twenty years, United Therapeutics has committed significant resources to beautify and modernize downtown Silver Spring, including the donation of materials and services to AFI Silver. We see AFI Silver as a vital partner in the development of a vibrant community where the ideas that drive culture and business, live, work and play together.

On behalf of the friends and families at United Therapeutics, please support the AFI Silver and continue funding.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Halpert".

Avi Halpert  
Corporate Real Estate  
United Therapeutics Corporation





April 19, 2016

The Honorable Nancy Floreen  
and Members of the Montgomery County Council  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Council President Floreen and Members of the Council:

On behalf of the Greater Silver Spring Chamber of Commerce, I am writing in support of the AFI Silver Theatre and Cultural Center's FY17 budget request. We strongly urge the Council to continue the County's investment in this important community asset that contributes so much to the vibrancy of Silver Spring and the region.

We in Silver Spring take great pride in the AFI. The AFI Silver Theatre was the centerpiece of the downtown revitalization, an anchor for the original Silver Spring Arts & Entertainment District, and it continues to contribute to the vibrancy of our region by stimulating economic activity. The local business community is proud to support this world-class facility that is open 365 days a year, from early morning until midnight, with public programming, educational screenings, and rental activities drawing people not only from across the region, but from around the world. They stay in our hotels, generating more than 30,000 room nights each year, and patronize our businesses and restaurants, boosting the economic vitality of Silver Spring. Not only does this cultural asset bring to Montgomery County a rich diversity of programming – including major Latin American, African, Caribbean, and European film festivals, it also supports our youth by providing free educational programs for more than 8,000 K-12 students each year.

For all these reasons, we urge the Council to provide AFI's full FY17 budget request and assure that this Silver Spring treasure receives the level of support that will allow it to continue as one of our community's star attractions.

We thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane Redicker". The signature is fluid and cursive.

Jane Redicker  
President

# LDG

LEE DEVELOPMENT GROUP

April 22, 2016

Dear Council President Nancy Floreen and Members of the County Council,

I am writing to you concerning The American Film Institute Silver (AFI) which is an important neighbor of Lee Development Group in Downtown Silver Spring. I am so proud of all that AFI contributes to our community, that my company is currently, and has been, a corporate sponsor for many years. My corporate headquarters is directly across the street from the AFI Silver Theatre and every evening, as the sun sets in Downtown Silver Spring, I can watch out of my office window all the people attending the many movies shown at AFI. It is especially fun watching the red carpet being rolled out on to the sidewalk for special events and film festivals. It wasn't that long ago that there were forty-four 100% vacant buildings in Downtown Silver Spring and today we are a vibrant and trendy destination, as has been cited in many 'Top Destination' lists in the nation.

The AFI Silver Theatre played a major role in the revitalization of Downtown Silver Spring and they continue to be a major draw for many people of all generations. All day long I see activity at AFI. It is common to see school busses lined up on Colesville Road in the mornings or early afternoons bringing the school children attending the educational screenings and public programs hosted by AFI. I also hear from my tenants that many of their clients and customers go to the AFI Silver Theatre, and then dine out at the Silver Spring restaurants, and many are even staying in local hotels for the film festivals. AFI is a fantastic contributor to our community, as well as being an excellent economic contributor to our County.

It is imperative that you please provide the full funding that AFI is requesting in the FY 2017 budget. We must protect our investment in Silver Spring and the ongoing great economic development initiative AFI has proven to be. Well done, and thank you for the continued full support of the AFI Silver Theatre.

Yours truly,



Bruce H. Lee  
President & CEO  
Lee Development Group