




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

February 21, 2011

TO: Valerie Ervin, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Organizational Reform Commission Recommendations

This memorandum provides the County Council with my recommendations regarding the final report of the Organizational Reform Commission (ORC) which was released on January 31, 2011. I am deeply grateful to all of the ORC members, who were very generous in volunteering their time and expertise and spent hundreds of hours in developing the report. As the attached materials indicate, I am supportive of most of the ORC recommendations and urge the Council to approve the recommendations as outlined in my attached response.

The Commission has acknowledged that implementing its recommendations will be difficult, time consuming and complex. However, this is not a sufficient justification for failing to undertake the implementation effort. In addition, the controversy and opposition that some of these recommendations have engendered are also not alone a basis for rejecting the recommendations. Challenging the status quo will always provoke opposition from entrenched interests and those not willing to undertake necessary changes. At a time when we have requested that our residents shoulder increases in taxes (i.e. the energy, telephone and property taxes) and we have reduced several important public safety and safety net services, and reduced funding for education, we owe it to the taxpayers of this County to undertake the arduous task of further restructuring our government in order to achieve every possible efficiency and savings. Furthermore, my Fiscal Year 2012 Recommended Operating Budget is very likely to include additional reductions to many vital programs and services. To ignore possible long-term savings at this critical time would be a disservice to our taxpayers.

I realize that a majority of the County Council has already indicated that at this time they do not support State legislation that would enable the Council to merge Park Police and County Police if it later chose to do so. This legislation is a necessary first step in implementing one of the most prominent recommendations of the ORC -- i.e.,

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a merger of the Maryland-National Capital Park and Planning Commission (M-NCPPC) Park Police with the County Police Department.¹ The Council's recent action was not taken in the context of the broader ORC report, this recommendation and the upcoming March 15th budget recommendations. Unfortunately, the Council will have to make extremely difficult decisions in the FY12 budget deliberations, including reductions to services and programs, cuts in staffing levels, and possibly significant changes to pay and benefits for County employees. As I stated at the time that the Council discussed the proposed State legislation, I do not believe it was prudent for the Council to reject that potential merger, and the savings and efficiencies that would arise from that merger, before it fully evaluates all of the implications of that decision in the context of all of the issues that relate to the FY12 operating budget.

I respectfully urge you to comprehensively evaluate the ORC recommendations along with my recommendations and the implications for the FY 12 budget and beyond. My staff and I stand ready to work with you to ensure that the efficiency and effectiveness of County Government is maximized.

Attachments

copies:

Organizational Reform Commission Members

Stephen B. Farber, County Council Staff Director

Christopher S. Barclay, President, Board of Education

Dr. Jerry D. Weast, Superintendent, Montgomery County Public School

Jerry Robinson, Acting Executive Director, Housing Opportunities Commission

Francoise Carrier, Chair, Montgomery County Planning Board

DeRionne P. Pollard, Ph.D., President, Montgomery College

Jerry N. Johnson, General Manager/CEO, Washington Suburban Sanitary Commission

Executive Branch Department and Office Directors

Fariba Kassiri, Assistant Chief Administrative Officer

Jennifer Hughes, Special Assistant to the County Executive

¹ MC/PG 112-11 - Maryland-National Capital Park and Planning Commission-County Police Authority, Metropolitan District Tax, and Transfer of Property

County Executive's Response to the Organizational Reform Commission's Recommendations

Changes in Structure and Organization

1. Accelerate the citizen review process for evaluation of County boards, committees and commissions.

County Executive's Position: **Support**

The next Committee Evaluation and Review Board (CERB) is currently scheduled to begin in 2012, ten months from now. In response to the ORC recommendation, I will begin the selection process for CERB members and initiate the review process for existing Boards, Committees, and Commissions (BCCs) during FY11.

The new CERB will develop a methodology to amass and analyze data. This will include collecting data from numerous sources including the BCCs and the County Executive's Office. The BCCs and my office will be an integral part of this process.

At this time many departments have been impacted by budgetary reductions. As a result, many of the BCC Liaisons have changed and are new to the BCCs. The staff is learning the demands of their new roles. Their understanding of the BCCs will improve with time, and the value of their assistance to the board and the CERB will increase. The staff that manages the BCCs has also been reduced and is developing new procedures to accomplish the workload. They are currently striving to maintain the quality of service they have been providing the BCCs for the past four years. Both of these entities will be better prepared to assist with the report in the future.

I am committed to improving the efficiency of the BCCs. However, a great deal of information must be objectively reviewed before the work of the CERB is completed. As mentioned previously, although the new CERB is scheduled to begin in 2012, I will implement the ORC recommendation by beginning the process for selecting new CERB members and initiating the review process of existing BCCs during FY11.

2. Increase use of Regional Services Centers and Office of Community Partnerships.

County Executive's Position: **Support**

I support the ORC recommendations regarding the increased use of Regional Services Centers and the Office of Community Partnerships. My FY12 Recommended Operating Budget will include a detailed plan to maximize the use of current resources of these two offices and create a model that is more focused on engaging the community to work collaboratively with each other and with

County Government to address important community needs and ultimately to build stronger, more inclusive, and self sufficient communities.

3. Reorganize the Commission for Women and eliminate the office.

County Executive's Position: **Support with Conditions**

I support the ORC recommendation regarding the reorganization of the Commission for Women. My FY12 Recommended Operating Budget will address the reorganization of this Commission, but in order to maintain the excellent work of the Commission for Women I will recommend a reduction, but not the elimination of all staff support. This recommendation requires implementing legislation which I will forward to the Council.

4. Reorganize the Human Rights Commission and eliminate the office.

County Executive's Position: **Support with Conditions**

I support the ORC recommendations regarding the reorganization of the Human Rights Commission. My FY12 Recommended Operating Budget will address this reorganization, but in order to retain the unique and vital work that this Commission provides, it will be necessary to retain some staffing for the Commission. This recommendation requires implementing legislation which I will forward to the Council.

5. Modernize Community Use of Public Facilities by moving it to the Department of General Services.

County Executive's Position: **Oppose with Explanation**

ORC recommends "a major modernization of the property management system" for Community Use of Public Facilities (CUPF), implying a significant deficiency in its technology background to efficiently perform its function. As addressed in greater detail below, CUPF is in fact heavily invested in technology and is deploying new web-based tools now and more in the near future.

ORC also recommends that CUPF is better situated as a function of the Department of General Services (DGS). While it is possible that integration with DGS' property management responsibilities may create certain synergies, it would not provide any cost savings or measurable efficiencies. Therefore, I do not believe the expense in time and effort to implement a consolidation of these functions would be justified. In addition, there is little overlap in the missions of these two functions, or opportunity to combine staff activities around scheduling operations or the planning, evaluation or supervision of such activities.

CUPF and technology: CUPF allocates and manages the use of more than 550 public facilities by approximately 6,000 individuals and groups scheduling more than 750,000 hours in and around normal school or government business

operations. To do so in the most efficient way, CUPF has automated a significant part of the scheduling process and continually seeks to expand its use of technology.

CUPF is heavily invested in the use of technology for scheduling and managing financial transactions, using the CLASS software also used by the Department of Recreation for its very significant registration and financial accounting operation in recreation program enrollment. CLASS is the overwhelmingly preferred software for private and public recreation operations nationally. CUPF uses this software in conjunction with online application/permit tracking, credit card payments, and reports.

The system also interfaces with the new ERP system to manage revenue and other financial transactions. Through integration with ICBweb (a custom application that provides real-time information on what is scheduled, where and when), customer reports are generated and used extensively by Montgomery County Public Schools (MCPS) and the County for assignment of staff support, management of utility and overtime costs, and are also used by County Security.

During the past year, CUPF created a paperless Request for Proposal process on its website for the selection of child care providers, which created efficiencies and customer service improvements that were recognized by MCPS, as well as the County Department of Health and Human Services and DGS' Office of Real Estate. Similarly, its paperless MCPS staff overtime approval process has been well received. Beyond the potential technology enhancements as a result of the Recreation and Parks permitting consolidation, CUPF is working toward the creation a hosted check payment server option for online customers and implementation of an imaging system to replace the current paper forms, and also employ check tracking and filing systems. Plans also include an online space availability checking feature. All of these indicate a function that is fully intent on exploiting technology to improve its service delivery.

Property management: CUPF does not manage property; this is General Services' function. However, CUPF must perform its work in coordination with DGS as well as MCPS facility management. The CUPF's greatest challenge is in negotiating and managing relationships, since it was created to prevent inequities that can result from an unmanaged "first-come, first-served" approach. In fact, CUPF was created over 30 years ago in response to county residents' concerns about fair and equal access to use of schools after hours because each school was making independent, often biased, decisions about who had access and what rate was to be charged.

Under the purview of the policy-making Interagency Coordinating Board (ICB), comprised of top-level decision makers from all major County agencies (Board of Education, MCPS, M-NCPPC, County Government, Montgomery College, and County Council), CUPF is able to respond quickly across agency lines to meet the needs of the school system, the County and its residents. This includes 24/7 on-call coverage and inclement weather closings. As the only independent office of its kind in the nation, CUPF is truly a model of effective cross-agency

collaboration. The operation of CUPF is intertwined closely with MCPS, and its success today is the result of many years of relationship building.

Financial impact: As noted above, no savings would be generated by moving CUPF, an Enterprise Fund, under DGS. It should also be noted that Section 44-5A of the County Charter requires reimbursing MCPS for the costs of supporting community use, which mean more than 70% of CUPF's budget is returned to MCPS to cover staff, utility, custodial, and maintenance costs, with the remaining 30% covering operations to include funds returned to the General Fund.

Another observation made by ORC was that with efficiencies, perhaps fees could be reduced. The ICB has continually worked to keep rates affordable to ensure access to public space by community groups (98% of which are non-profits) while at the same time meeting its own financial obligations. Without any tax dollar support, CUPF's fees remain among the most competitive in the area.

6. Reorganize the Criminal Justice Coordinating Commission and eliminate the Executive Director position.

County Executive Position: **Oppose with Explanation**

The Executive Director is part of the County Executive's Office and staff. I have already reduced my Office's direct support over the past few years with a 25% reduction in FY 2011 and an additional 15% recommended in my FY 2012 budget. The additional loss of another position would further compromise my staff's ability to fulfill the mission of the County Executive's Office. Placement of the Executive Director position as a collateral duty for an individual in another agency would compromise the ability to implement the work of the Commission. The Executive Director position must be a high-level, appointed position, directly representing the County Executive in order to integrate the Executive's priorities and work with the other high-level appointees on the Commission. In addition, placing the position or duties of the Executive Director in one department would create the appearance of either favoritism or a particular direction which would undermine the rationale of the Commission. Further, adding the duties to an already existing position would minimize the ability to coordinate inter-agency activities.

The Executive Director, as either a representative of me or as an ex-officio attends the following Board, Committee or Commission or agency meetings: the Disproportionate Minority Contact Committee of the Collaboration Council, the Juvenile Justice Commission, the Domestic Violence Coordinating Council, the Domestic Violence Fatality Review Team, the Commission on Veterans Affairs, the Criminal Justice Behavioral Health Initiative, and the Department of Correction and Rehabilitation's Re-Entry Program. Time constraints and the need for overall coordination would not permit that to continue if the Executive Director position were eliminated, regardless of whether those memberships are distributed among several individuals or one person.

While the full Criminal Justice Coordinating Commission (CJCC) meets quarterly, the Steering Committee meets during the intervening months (8 meetings per year) to discuss Commission policies, identify macro criminal justice issues, resolve conflicting inter-agency issues, discuss participation in agency proposals and discuss possible CJCC studies; addresses budget issues facing either individual agencies or the entire Public Safety Clusters (the Steering Committee had already been examining budget reductions and their ripple effects prior to the OMB generated cluster budget meetings); discuss participation in agency initiatives to address problems in other CJCC participating agencies (i.e. the HHS initiative to establish a diversion program to address the pressures on the District Court and the Department of Corrections and Rehabilitation); and, identify issues of macro concern for presentation to the full Commission. The Steering Committee also identifies areas where studies are required to mitigate problems being faced by one or more of the component agencies.

The public safety/criminal justice field is unique in that almost all of the participating agency criminal justice related programs are inextricably linked to the point that the elimination of a program in one agency will affect several other agencies.

As to the comment about CJCC responsibilities having been modified in recent years, if anything, those modifications have increased, rather than decreased, the responsibilities of the CJCC.

Finally, the law does not require the CJCC to write an annual report because all of its activities are part of its constituent agencies. Any additional report would be duplicative of the other submissions.

7. Enable the Workforce Investment Board and the Division of Workforce Services to coordinate oversight of the workforce grants awarded by the Executive and the Council.

County Executive's Position: **Support with Conditions**

The County Executive generally supports the ORC recommendations regarding Workforce Training with the following exceptions:

- The Division of Workforce Services (DWS) contractors should only work with the grantees to increase their knowledge and skills.
- The DWS should oversee grants and develop the network among the grantees.
- Checks are issued by the Department of Finance. Therefore, there would be no assumption about lower costs due to oversight of grants by the one-stop operator.
- Assigning DWS contractors to oversee other contractors would be problematic.

8. Increase efforts to substitute costly contracted legal services with in-house expertise.

County Executive's Position: **Support**

The ORC report includes a recommendation that the chief legal officers of County-funded agencies develop in-house legal expertise to replace contract attorneys who have been used extensively to date.

I fully support the Commission's recommendation in this regard. County agencies should explore greater use of in-house attorneys when, as the Commission noted, "it makes good business sense."

I recognize that government agencies need outside counsel to handle cases imposing unusual workload requirements; matters that involve specialized knowledge not normally contained in an in-house law department; cases that present an appearance of a conflict; and matters where the Government finds it prudent to be able to rely on outside counsel's malpractice insurance.

9. Establish a task force to create a consolidated Montgomery County Law Office to provide legal services for multiple agencies.

County Executive's Position: **Support**

I support the creation of a task force to explore the advantages and obstacles to creating a centralized law office for County-funded agencies. I agree with the Commission that there may be potential savings realized by combining administrative staffs and certain legal practice areas such as contracting and real property transactions.

It should be noted, however, that significant consolidation already exists. The Montgomery County Public Schools, Montgomery College, and the Housing Opportunities Commission are members of the County's Self-Insurance Fund. As a result, the lawyers from the County Attorney's Office provide legal representation to these agencies (and their employees) in legal actions seeking monetary damages for actions in tort and for alleged violations of constitutional rights. This arrangement has been very successful. The average hourly rate for the lawyers in the County Attorney's Office assigned to the Self-Insurance Litigation Division is \$75.22 per hour – an exceptional value.

As the ORC report acknowledged, I recognize that there would be significant obstacles to creating a combined law office. These include dealing with potential conflicts of interest that may arise among the various County-funded agencies, as well as the potential need to change State laws.

10. Establish a Task Force on a Montgomery Housing and Redevelopment Department to begin the process of blending HOC and DHCA.

County Executive's Position: **Support**

I support immediate action to begin the process of consolidating the non-federally supported functions of HOC with corresponding or related functions of DHCA. This action should produce more effective coordination and an enhanced impact on the County's efforts to provide and preserve affordable housing for the residents of the County. I believe this action will also realize mid-to long-range savings and operational efficiencies.

It is anticipated that the resulting organizational structure will be designed in a fashion to: (1) maintain within the corporate organization of HOC, administration of the federal programs (public housing and voucher program); (2) retain, without modification, the existing bond and other indebtedness of HOC; and (3) retain local housing finance agency functions.

My staff and I have begun conversations with HOC relating to implementation of this ORC recommendation.

Action Steps:

- Pursue agreement from HOC to a single leadership structure, i.e. Executive Director.
- Development and execution of a Memorandum of Understanding between the County and HOC agreeing to the above steps and a plan and process for moving forward.
- Establishment of a joint task force to develop a complete reorganization plan and timetable for same. The reorganization plan will address the specific areas identified in the ORC report in addition to other areas deemed appropriate. The plan should be completed within six months.
- Immediate and ongoing identification and assessment of legal issues, e.g.: determining what can be accomplished administratively and what requires legislative change at the local or state level.
- Clarify roles and responsibilities of the Executive Director relative to the County Executive and the governing board of HOC (which is appointed by County Executive and confirmed by County Council.)
- While it is not anticipated that these changes will result in major changes to the workforce, I recognize the potential anxiety of the 475 person workforce of the two agencies, and that it is important to address the concerns of that workforce quickly.
- Since HOC is currently overcrowded and located in a county owned facility and the county does not have available facilities for this size workforce, plans must be developed that recognize that there will be no co-location in the near future.
- An immediate assessment by both organizations of overlapping, closely related, or complementary functions.
- Conduct an in depth analysis of the potential savings associated with suggested changes.

11. Transfer all parks user services to County government and retain at MNCPPC park planning and environmental stewardship and ownership of park property.

County Executive's Position: **Support with Conditions**

I fully support this recommendation and believe that it will lead to greater efficiencies, improved customer service and eventual savings. The largest share of savings would likely come from the consolidation of parks maintenance functions. I am also in full agreement with the commission that the environmental stewardship and ownership of Park property must remain with MNCPPC. The issue of consolidation of Parks and Recreation functions has been discussed actively since the release of a report by the Office of Legislative Oversight two years ago.

Every county and larger city in Maryland has some form of Parks and Recreation entity; most often a single department with two bureaus or divisions. In each case the Parks and Recreation functions are further broken down into sub-groups of Recreation and Parks as two partnered, integrally linked units.

In the organization of departments throughout the State, and the nation, parks departments have typically held the physical environment that is the land and other physical assets including improvements. Their responsibilities include the care and maintenance as well as operations of assets. Typically this includes the functional tasks necessary for the agency to offer the facility to the public for use in a safe and useable condition.

Conversely, Recreation has traditionally provided the user with programs, activities, and services for utilization in their leisure time. Recreation activities enable the customer to enjoy the fullest use of the physical asset by the provision of functions that go beyond simple access.

Normally, both Recreation and Parks function under a single administrator and are responsible to the same mission and policy direction. In Montgomery County that is not the case. It would seem even more important to have these very clear and concise roles described in detail to eliminate any confusion, duplication, or conflict.

It is important to note that all Park fields are now being scheduled by CUPF. In fact, there are currently two MNCPPC Park staff members working in the CUPF office on field permitting of County and Park fields. This has been a very favorable arrangement for both the Parks Department and CUPF. As directed by the County Council, CUPF will be adding other Park facilities and the County's Recreation centers to its inventory of space for use by the public, creating a one-stop permitting service under one entity. There should be some savings in that once all, or most, of Park facilities are under CUPF.

I recommend that a joint committee of County and Parks staff be formed for a 6-12 month period to develop a transition plan that assumes the consolidation is phased in beginning in FY12 and carry through to FY13, with a full integration to

be completed by FY14. This committee would need to be led by a neutral party and have active participation by Council staff.

12. Incorporate the Park Police into the Montgomery County Police Department.

County Executive's Position: **Support**

Despite the Council's majority position on the State enabling legislation, I continue to believe that merging the Park Police into the Montgomery County Police Department would provide our residents and visitors with a more effective and efficient police system. The parks would see an improvement in police service, as would the rest of the County. While it is unfortunate that the enabling legislation was not possible this year, I will continue to work with the Council to bring this important recommendation from the ORC to fruition.

Integration of the Park Police with the Montgomery County Police (MCP) Department will provide the following benefits:

- Enhance and Improve Communications
 - Increased efficiency and safety due to units operating on common radio dispatch channels and a common Computer Aided Dispatch (CAD) system.
 - Anyone requesting public safety calls for service would be handled within the Emergency Communications Center with no need to transfer to another communications center.
 - A single dispatcher would be responsible for all county and municipal police units operating within a geographic area (The six MCP districts and Takoma Park).
 - All officers assigned to patrol functions and their supervisors would be operating on the same radio channel. These officers would be tasked with responding to calls for service in all non-regional parks as part of their overall patrol responsibilities.
 - Officers assigned to a newly created Parks Division would be responsible for the patrol of and calls for service within the six Regional Parks.
- Improve Response Time in County Parks
 - The majority of parks in Montgomery County are local or neighborhood parks. These parks are small in size and are often located a block or two off of major roadways. With over 500 MCP officers assigned to patrol duties, adding county parks to their patrol area will reduce response time for emergency calls to these parks.
 - On average, for FY10, MCP officers responded within four minutes of being dispatched to an emergency call. The time for an

emergency call to be received, entered, dispatched, and responded to on-scene by a MCP officer is seven minutes.

- The availability of County Police officers to respond to calls for service in the Parks could only improve the response time for incidents in Parks.
- Improve Level of Service and Reduce Cost to Taxpayers in Montgomery County
 - Unlike federal, state, and municipal police forces that are operating in the county, both Park Police and County Police are largely supported by the same tax money from the same tax payers in Montgomery County.
 - Consolidation will produce recurring savings of \$2 million from reductions in duplicate administrative and upper management staffing. The estimated savings assumes that there will be no reductions in the number of park police patrol officers.
- Incorporation of the Park Police into the County Police department will allow MNCPPC a more focused and much stronger planning and land use stewardship role in our region, without the responsibility of overseeing a police force.

13. Create a procurement Shared Service Center with a centralized procurement schedule and catalog.

County Executive's Position: **Support**

ORC suggests its recommendation can be achieved in the short term within the Executive Branch. However, to be fully effective all county agencies should be involved to ensure coordination and employ tactics to address differing enabling laws that form the basis for the various agencies' procurement authority. The two areas for savings possibilities are:

- Combined purchasing power and potential elimination of positions due to fewer procurement activities.
- Combined purchasing power and shared services on goods and services across agencies to leverage the County's combined buying power, provide efficiencies and maximize the resources of the limited staff in each agency.

Action Steps:

- Bring together the key players from each agency to agree on the implementation method. I recommend, through the Cross Agency Resource Sharing (CARS) Procurement Subcommittee, utilizing the existing Interagency Procurement Coordinating Committee (IPCC) for implementation, thereby minimizing delay and upfront costs that would diminish savings.

- The CARS Procurement Subcommittee will identify a position from existing resources to appoint, for twelve months, as the County’s temporary Shared Service Center coordinator. To underscore the mutual investment in this outcome, the cost of this position should be shared among the participating agencies. This way, partisanship is avoided and the position can be jointly but independently directed by all the involved agencies. The Subcommittee within thirty days will report, in writing, to the CARS Executive Committee identifying a Coordinator and providing a detailed timeline and critical steps of the implementation plan.
- The Coordinator will work with the CARS Procurement Subcommittee to develop the task priorities with the goal of full implementation within twelve month. In some cases shared contracts may begin immediately with any savings being realized in FY12.

14. Centralize County real estate and facilities functions now handled separately by County agencies.

County Executive’s Position: **Support**

The ORC report correctly observed that inefficiencies exist across agencies in the sharing and coordination of real estate and property management. This is primarily due to a lack of communication and shared data between county agencies. There may be some element of competition among agencies for the same available properties, as ORC also states, but I do not believe this is a common occurrence. The ORC report also correctly observed that the CARS strategy to improve communication through quarterly meetings falls short of the goal to aggressively identify shared leasing opportunities, create standards and maximize space utilization to obtain lower cost leases and/or reduce the amount of leased space, and explore opportunities to share owned and leased space among agencies, thereby lowering costs.

It is assumed that what ORC terms “facilities management” is intended to address “property management,” meaning the efficient use and occupancy of owned space to maximize its use, thereby reducing the need for additional space, or allowing for the shared use of space among agencies resulting in greater efficiencies, lowered costs, or cost avoidance.

Greater efficiencies and, more than likely, measurable savings can be achieved through a consolidation of the leasing and property management function. There are also challenges to achieving this, as outlined below. However, these challenges can be met through: (1) a web-accessible common shared database, and (2) Memorandum of Understanding (MOUs) or Service Level Agreements (SLAs) between agencies addressing governance and consolidated function:

- Authority –With the exception of the County Government, the agency real estate officers receive their authority directly from State statutes that would have to be amended with regard to how real property is acquired, managed and disposed of.

- Leasing Function - In all agencies but the County Government's Office of Real Estate, leasing and property management is only a part of a larger portfolio of diverse duties.
- Space Management - Each agency has a different inventory system for its leased and owned properties. Building a mutual database will require 12-18 months to create and organize.
- Funding/Budgeting - At least two of the participating agencies' real estate offices operate as self sustaining functions similar to enterprise funds.

15. Consolidate information distribution and call center activities by expanding 311 functionality to other agencies.

County Executive's Position: **Support with Conditions**

I agree with the ORC recommendations. The County's MC311 program has the technical capability to support other agencies. However, incorporation of the other agencies call-taking and service response needs would require significant shifts of resources to appropriately plan and implement such integration as well as increase in call center staffing to respond to the needs of all County agencies. Additional work would have to be undertaken with each agency to understand its customer service methodology, document call intake procedures and use of existing resources for this function, and identify areas for increased efficiency. In addition, it would be necessary to develop a knowledge base of information for each agency so that call-takers could readily and appropriately respond to calls for service and information.

16. Consolidate County information technology leadership into a single, independent Chief Information Officer.

County Executive's Position: **Support with Further Review**

The proposal of a single, independent Chief Information Officer (CIO) concept has merit and should be explored to determine what this leadership restructuring would entail and validate the benefits articulated in the ORC report.

I believe that to fully explore this recommendation, the CARS Information Technology Subcommittee that consists of the current agency CIOs, along with an outside subject matter expert, conduct a full assessment. I suggest that the CARS IT Subcommittee complete its assessment of this recommendation and report back to the CARS Executive Committee within the next six months. Immediately after the Subcommittee report, the CARS Executive Committee will make its final recommendation to the County Council regarding the next steps.

17. Pursue options for the Department of Liquor Control to become an independent "revenue authority."

County Executive's Position: **Support with Explanation**

The Department of Liquor Control (DLC) is a unique County agency with a specialized mission, and could benefit from potential efficiencies if it is recognized as an independent enterprise agency. The analogy with the County Revenue Authority used in the Commission report is instructive. DLC is different from most County government departments in several ways. DLC was created under Maryland state law in 1934, and pre-dates "Charter" government. The authority and oversight, organizational structure, financial management and revenue disposition of DLC and its operations are all mandated under Article 2B of the Maryland Code. Liquor Control is specifically treated differently than other County departments in the operating budget process due to its status under State law. DLC is also a non-tax-supported, self-sustaining enterprise agency whose net profit proceeds must be deposited as revenue into the County General Fund. For these reasons, acknowledging its unique status and granting DLC some degree of management flexibility in pursuit of its operational goals is warranted. Some of the potential efficiencies identified by the ORC report include improved responsiveness in facility management, procurement protocols, and human resource recruitment/hiring procedures.

However, formally designating DLC as a "Revenue Authority" would also constitute a significant time-consuming and potentially costly legislative undertaking. State law would have to be modified in a variety of ways by the Maryland General Assembly, and major revisions to the County Code would be required. Many of the potential operational efficiencies identified by the Commission would be more effectively achieved administratively through signed "Memorandum of Understanding" agreements between County departments. For example, the County Office of Human Resources has an MOU with the Office of the County Attorney (OCA) outlining the process for the recruitment and hiring of OCA personnel. The MC311 Office has Service Level Agreements with many different County departments regarding call taking and service response standards. The Office of the County Executive will form an interdepartmental taskforce to review the development of streamlined business practices for DLC to provide needed operational flexibility, with appropriate oversight mechanisms.

Changes in Process and Operations

18. Make the collective bargaining process more transparent and increase opportunities for public input on

- (a) initial proposals; and**
- (b) the end of the process.**

The ORC report included several recommendations concerning the collective bargaining process. Since we are in the midst of bargaining with all three of our employee unions, I do not think it is appropriate to comment on the Commission's recommendations at this time.

19. Modify the criteria for arbitrators to use in addressing a collective bargaining impasse.

The ORC report includes several recommendations concerning the collective bargaining process. Since we are in the midst of bargaining with all three of our employee unions, I do not think it is appropriate to comment on the Commission's recommendations at this time.

20. Change the method for selecting the arbitrator for collective bargaining.

The ORC report includes several recommendations concerning the collective bargaining process. Since we are in the midst of bargaining with all three of our employee unions, I do not think it is appropriate to comment on the Commission's recommendations at this time.

21. Make the scope of bargaining consistent for all County agencies.

The ORC report includes several recommendations concerning the collective bargaining process. Since we are in the midst of bargaining with all three of our employee unions, I do not think it is appropriate to comment on the Commission's recommendations at this time.

22. Seek changes in the State's Maintenance of Effort Law.

County Executive's Position: **Support**

I have been a chief supporter of this idea and I am currently aggressively pursuing the passage of pending emergency legislation that would modify the maintenance of effort (MOE) waiver process. We are also pursuing several revisions not included in the bills as introduced, relating to the calculation of required local appropriations, the need to include in the waiver process the use of a panel of public finance experts, mediation plans if waivers are granted, and penalty provisions.

23. Seek changes in the State Education Article to authorize the Council to approve or reject the economic provisions of a collective bargaining agreement.

County Executive's Position: **Support**

Should the Council decide to pursue such an enabling legislation, I would certainly support the bill that would provide the County Council this authority.

24. Embolden all County departments and agencies to move in the direction of Cloud and Thin Client computing.

County Executive's Position: **Support with Further Review**

I agree with the part of the ORC report which states that governments need to embrace the innovations that allow for efficient and lowest cost operational capabilities.

As already implemented in the Executive Branch, cloud computing compatibility should become an integral part of the delivery solution alternatives. We must ensure that it is included in all of the County's new or upgraded systems. With regard to thin client computing, to implement this recommendation it will be necessary to develop a project plan and identify a funding model that will support the assembly of the appropriate architecture (or outsourced solution identification) that provides for the foundation of the technology to begin a transition to a thin client, totally web based delivery model for current and future applications.

I believe that to fully explore this recommendation, the CARS Information Technology Subcommittee that consists of the current agency CIOs, along with an outside subject matter expert, conduct a full assessment. I suggest that the CARS IT Subcommittee complete its assessment of this recommendation and report back to the CARS Executive Committee within the next six months. Immediately after the Subcommittee report, the CARS Executive Committee will make its final recommendation to the County Council regarding the next steps.

25. Expand outsourcing of "seat management" to MCPS and Montgomery College.

County Executive's Position: **Support with Further Review**

I agree that outsourced services can provide fiscal benefits to organizations that effectively implement these models. The Executive Branch's decision and business processes have benefited from this decision.

I agree with the recommendation of the ORC, and suggest that the CARS IT Subcommittee conducts a full assessment and report back to the CARS Executive Committee within six months. Immediately after the Subcommittee report, the CARS Executive Committee will make their final recommendation, regarding the next step, to County Council.

26. Consolidate major IT platforms and provide for a migration path.

County Executive's Position: **Support with Further Review**

I agree that as a unified government, we should advocate the use of common platform, support and implementation services which can provide long-term fiscal benefits.

The agency CIOs need complete support of the agency principals and County Council to develop a business requirements process and long-term strategy for this convergence. The agency principals will need to drive the requirements for centralization.

I believe that to fully explore this recommendation, the CARS Information Technology Subcommittee that consists of the current agency CIOs, along with an outside subject matter expert, conduct a full assessment. I suggest that the CARS IT Subcommittee complete its assessment of the recommendation and report back to the CARS Executive Committee within the next six months. Immediately after the Subcommittee report, the CARS Executive Committee will make its final recommendation to the County Council regarding the next steps.

27. Expand contracting of warehouse night loading operations at the Department of Liquor Control to all warehouse operations and improve retail services.

County Executive's Position: **No Position at This Time**

I am not making a recommendation on this particular ORC proposal because there is not a sufficient basis of data and analysis to support such a significant departure from current practice.

Replacing County employees with contract employees may provide short-term and long-term workforce cost savings. It also introduces potential risks in terms of service delivery and successful integration with other related County-controlled operations.

At this time, the potential amount of cost savings that might be realized is an order of magnitude estimate and would require additional research and analysis to develop a more comprehensive assessment of the likely costs and benefits of contracting out DLC wholesale operations. The County could engage the services of a qualified, independent consultant to provide validated estimates of potential personnel cost savings and risks associated with contracted service delivery. The consultant should possess expertise in warehouse operations, distribution, and management.

28. Contract out for a financial and performance audit of the Department of Liquor Control.

County Executive's Position: **Support**

This recommendation resulted from questions posed by some Commission members regarding the format used by the County to report "enterprise agency" expenditures and revenues, including from DLC operations. The Commission wanted assurances that the accounting practices used by the County are accurate and consistent with other appropriate enterprise funds, and can be accurately compared with similar private sector accounting reports. The specific areas in

question were County accounting practices relating to “debt service, Cash flow representations, other County-agency charge-backs, etc.”

The County already has a contract for regular, independent audits and reviews of financial processes and reporting practices by qualified outside professionals. DLC does not perform any financial or accounting functions or processes inconsistent with established County procedures. DLC does not maintain any separate funds or accounts outside of the County financial network, including debt service payments. All fiscal processes and functions are coordinated with the Department of Finance and the Office of Management and Budget. The County currently follows all approved and recognized accounting practices. Any outside audit should be comprehensive and encompass all County financial practices. Audits and reviews including DLC and other County agencies will be coordinated through the Department of Finance.