
Workforce/Compensation

SUMMARY OF FY15 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY15, as recommended by the Board of Education (BOE), is 21,580.9 FTEs, or 337.2 FTEs greater than the approved FY14 workforce of 21,243.7 FTEs. The BOE completed labor negotiations with the public schools' bargaining units, the Service Employees International Union (SEIU), the Montgomery County Education Association (MCEA), the Montgomery County Association of Administrators and Personnel (MCAAP), and the Montgomery County Business and Operations Administrators (MCBOA). MCPS' budget request contains \$35.8 million, net of other savings in employee benefits, for a cost of living increase of 1.5 percent and step increases for eligible employees in FY15. For more information on compensation and workforce changes, please see the Board of Education FY15 recommended budget document.

Montgomery College (MC): There is an increase of 83.0 FTEs in the size of the Montgomery College complement for FY15, as requested by the College and its Board of Trustees. This is accompanied by an increase in personnel costs of about \$14.4 million. The primary factors for these cost increases are compensation enhancements, including service increments and general wage adjustments, reclassifications, promotions, and benefit changes. For more information on compensation and workforce changes, please consult the Adopted FY15 Montgomery College Operating Budget Request, available on the College's website.

Maryland-National Capital Park & Planning Commission (M-NCPPC): The net impact on the M-NCPPC workforce for FY15, as recommended by the Planning Board, is an increase of 20.3 FTEs. The Commission's requested budget includes an increase in personnel costs of \$5.7 million. The increase includes retirement and group insurance adjustments, post-employment benefits (OPEB) prefunding, and compensation place holder (to address collectively bargained compensation increases and pass through costs). For more information on compensation and workforce changes, please see the M-NCPPC FY15 requested budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY15, as recommended by the Executive, is an increase of 183.5 FTEs.

The recommended budget contains an increase in total personnel costs of \$59.6 million, or 6.3 percent. The primary factors in these changes are:

	<u>Millions</u>
• General Wage Adjustment	\$19.1
• Increase in group insurance and retirement	\$10.7
• Service increments and longevity	\$7.4
• Net increase in positions and other changes in personnel costs, including annualization of positions, turnover, and lapse	\$22.4

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

B. COUNTY GOVERNMENT SALARY AND WAGES

GENERAL WAGE ADJUSTMENT: The Executive recommends the following general wage adjustments (GWA) in FY15: 3.25 percent for all employees in the Office, Professional, and Technical (OPT) and Service, Labor, and Trades (SLT) units, effective in the first full pay period in September 2014; 2.1 percent for all employees in the Police bargaining unit and Police uniformed managers, effective the first full pay period after July 1, 2014; 2.75 percent for employees in the Fire and Rescue bargaining unit and Fire and Rescue uniformed managers, effective the first full pay period after July 1, 2014; and 3.25 percent for all non-represented employees, including Management Leadership Service (MLS) employees, effective in the first full pay period in September 2014.

LUMP-SUM PAYMENT: The Executive recommends a bonus payment equal to 0.5 percent of salary for employees who are not moving into a longevity step but are at the maximum salary for their grade. This bonus will be paid to County employees represented by MCGEO and non-represented employees not in MLS. These payments will not be added to base salary.

FY15 salary schedules can be found on the County's website at <http://www.montgomerycountymd.gov/ohr/classification/classcomp.html>.

SERVICE INCREMENTS: The Executive recommends service increments of 3.5 percent for all eligible employees. The Executive also recommends service increments for certain groups of employees who were eligible but did not receive increments in FY11 and FY12. Police bargaining unit and Police uniformed managers receive a 1.75 percent increment starting the first full pay period of February 2015. Fire and Rescue bargaining unit and Fire and Rescue uniformed managers receive a 3.5 percent increment the first full pay period in June 2015.

LONGEVITY INCREMENTS: The Executive recommends longevity increments in FY15 for all eligible employees.

PERFORMANCE-BASED PAY: The Executive recommends \$1,675,169 in the Compensation Adjustment and Employee Benefits NDA to fund performance-based pay increases for MLS employees.

C. COUNTY GOVERNMENT: EMPLOYEE BENEFITS

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

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

Social Security and Medicare: Contributions are collected from County departments and agencies each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the recommended fiscal year budget represent an average of the rates set for 2014 and projected changes for 2015. The employer rates are not expected to change but the annual salary maximum on which to base FICA is projected to increase by about \$3,400 or 2.8 percent.

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

Group Insurance Benefits: The contributions for health insurance are based on a countywide average fixed rate, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary.

It is projected for the long term that the annual cost of group insurance for the County, including active employees and retirees, could increase an average of approximately nine percent annually between FY16 and FY20. Contribution rates during this period will be set based on various factors, including the fund balance in the Health Insurance Fund and claims cost experience.

Retirement Benefits: Montgomery County government maintains a system of retirement pay and benefits for its employees which are intended to provide income during their retirement years. The Employees' Retirement System, which currently provides benefits to approximately 5,961 retirees and survivors, is administered by Montgomery County Employee Retirement Plans (MCERP). MCERP oversees all facets of the retirement plans including investments, administration, and accounting. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated with MCERP in consultation with the Office of Human Resources, the County's actuaries, the Finance Department, and the Office of Management and Budget.

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. The reasons for doing this are simple: Due to exponential growth in expected retiree health costs, the cost of funding these benefits, which were being paid out as the bills came due, would soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

As a first step in addressing the future costs of retiree health benefits, County agencies developed current estimates of the costs of health benefits for current and future retirees. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$1.5 billion – approximately twenty-nine percent of the total FY15 budget for all agencies.

Proposed FY15 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	FY15
<i>General Fund:</i>	
Retiree Health Benefits Trust NDA	\$38,577,480
<i>Proprietary Funds:</i>	
Bethesda Parking District	\$139,100
Wheaton Parking District	14,390
Silver Spring Parking District	95,930
Solid Waste Collection	19,190
Solid Waste Disposal	359,730
Liquor Control	1,520,450
Permitting Services	940,100
Community Use of Public Facilities	129,500
Motor Pool	964,080
Risk Management	47,960
Central Duplicating	143,890
<i>Participating Agency Contributions</i>	\$1,682,200
Total MCG Trust Contributions	\$44,634,000
Consolidated Trust: Montgomery County Public Schools	\$58,307,000
Consolidated Trust: Montgomery College	\$1,974,000
Park and Planning Commission Trust Fund*	\$1,861,962
Total Contributions/Assets Held in Trust	\$106,776,962
* MNCPPC's contribution from tax supported funds is \$1,789,414.	

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Annual OPEB Cost or "AOC", is estimated at \$104.9 million. This amount consists of two pieces – the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County has committed to an approach of "ramping up" to the AOC amount over several years, with the amount set aside each year increasing steadily until the full AOC is reached. A total of \$31.9 million for all tax supported agencies was budgeted for this purpose in FY08. In May 2008, the County Council passed resolution No. 16-555 which confirmed an eight-year phase-in approach to the AOC. Consistent with this approach and based on the County's economic situation, the County contributed \$14.0 million to the Trust in FY08, \$19.7 million in FY09, \$3.3

million in FY10, and \$7.3 million in FY11. Due to fiscal constraints, the County did not budget a contribution for the General Fund in FY10 and FY11, but did resume contributions in FY12. For FY12, the County contributed \$26.1 million from the General Fund to the Retiree Health Benefits Trust. In addition, on June 26, 2011, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The bill amended existing law and provided a funding mechanism to pay for other post employment benefits for employees of Montgomery County Public Schools and Montgomery County College. In FY12, the County appropriated \$20 million and \$1 million for contributions on behalf of MCPS and the College, respectively. In FY13, these contributions were \$41.4 million (County General Fund), \$58.9 million (MCPS Consolidated Trust), and \$1.8 million (Montgomery College Consolidated Trust). In FY14, these contributions were \$51.3 million (County General Fund), \$87.8 million (MCPS Consolidated Trust), and \$2.5 million (Montgomery College Consolidated Trust). A detailed breakdown of FY15 recommended contributions to the Consolidated Retiree Health Benefit Trust for County Government tax supported agencies, participating agencies, Montgomery County Public Schools, and Montgomery College is displayed in the table above. The Council and the Executive have mutually committed to the County's rating agencies to

achieve full pre-funding by FY15. These contributions satisfy that commitment. In FY15, the County and all other agencies will implement the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This will reduce retiree drug insurance costs and the County's OPEB liability.

Retirement Plans:

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

1) The Employees' Retirement System (ERS), a defined benefit pension plan, was established through legislation in 1965 and is described in the Montgomery County Code, Section 33. As of June 30, 2013, there were 5,961 retirees and survivors and 5,606 active members, including 1,202 in the Guaranteed Retirement Income Plan (GRIP). Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the MCERP staff, in consultation with the County's actuaries, the Office of Human Resources, the Finance Department, and the Office of Management and Budget.

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

2) The Retirement Savings Plan (RSP), a defined contribution plan, was established for all new OPT/SLT (non-public safety) and non-represented employees hired on or after October 1, 1994. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. Eligible employees in the ERS are allowed to transfer to the Retirement Savings Plan. Both regular full-time and part-time employees can participate. Under this plan, the County and employee each make contributions at a set percentage of pay. These monies are deposited into employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees.

3) The Montgomery County Deferred Compensation Plan (DCP) was established by the County to make a deferred compensation plan available pursuant to Section 457 of the Internal Revenue Code. Employee contributions are made on a voluntary basis with the monies deposited into employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees. In FY 2005, the County established the Montgomery County Union Employees Deferred Compensation Plan for employees covered by a collective bargaining agreement. This Plan is administered by the three unions representing Montgomery County employees.

The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy. The Board also administers the investment program for the Retirement Savings Plan and the Montgomery County Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees. The Board currently consists of 13 trustees including: the Directors of Human Resources, Finance, and Management and Budget; the Council Administrator; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

Change in Retirement System Membership: The number of active non-public safety in the ERS declined by 112 and the number of public safety employees increased by 64, for a combined total active enrollment of 4,404. GRIP membership increased by 100 employees, to 1,202 in FY14. The RSP had 94 fewer active employees enrolled in FY14 than in FY13, for a total FY14 enrollment of 3,470.

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

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

and investment income which is driven by both earnings in the various financial markets and the size of the Fund balance invested.

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

COLLECTIVE BARGAINING

Fire and Rescue Bargaining Unit:

The current agreement became effective on July 1, 2013, and expires on June 30, 2016. The agreement's salient economic terms include:

- ❖ Reopener for the third year (FY16) of the contract. Negotiations will be over the following topics: wages, service increments, longevity, special duty differentials, casual leave, and Workers' Compensation and disability leave. Random drug testing will also be discussed but the issue will not be subject to impasse.
- ❖ Assignment pay differentials. The following differentials will be increased by \$200 to \$2,037 in FY15: Hazardous Materials, Self Contained Breathing Apparatus Technician, Fire Code Compliance Section, Fire Investigations Unit, Urban Search and Rescue Team, Swift Water Rescue Team, and Scheduler. The differential paid to a Fire Captain serving as Station Commander increased by \$200 to \$3,087. All Response Team certifications increased from \$407 to \$500.
- ❖ Longevity step increases. A longevity step increase will be paid to eligible employees.
- ❖ General Wage Adjustment. A 2.75 percent GWA was paid the first full pay period following July 1, 2013, and will be paid the first full pay period following July 1, 2014.
- ❖ Prescription Drug Plan. Beginning January 1, 2014, the Prescription Drug Plan no longer offered the 90-day post formulary change grace period granted upon formulary changes.
- ❖ Workplace renovations. Employees working at stations where workplace kitchen appliances are unavailable due to renovation will receive a per diem payment.
- ❖ Employees who were eligible but who missed a FY11 or FY12 service increment. Eligible unit members who were eligible but who did not receive a service increment in FY11 will receive it during the pay period beginning April 6, 2014. Eligible unit members who were eligible but who did not receive a service increment in FY12 will receive it during the pay period beginning June 14, 2015.
- ❖ Service Increments. A service increment of 3.5 percent will be paid in FY14 and in FY15 for eligible unit members.

MCGEO Bargaining Unit:

The current agreement expires on June 30, 2016. The parties agreed to an early termination of the July 1, 2012 through June 30, 2015 agreement, which included a reopener for FY14. The new agreement's salient economic terms include:

- ❖ A reopener for the third year (FY16) of the contract. Negotiations will be over the following topics: wages, service increments, longevity, any Workers' Compensation and disability leave issues not resolved within the Labor Management Wellness Committee, and the inclusion of a DROP program in the Public Safety Retirement Plan.
- ❖ General Wage Adjustment. A 3.25 percent GWA was paid the first full pay period following September 1 in FY14 and will be paid the first pay period following September 1 in FY15.
- ❖ Longevity step increases. A longevity step increase will be paid to eligible employees.
- ❖ Lump sum payment. A 0.5 percent lump sum payment was paid in FY14 and will be paid in FY15 to bargaining unit members who are at the top of their pay grade and actively employed by the County on July 1 of each fiscal year. Employees who are scheduled to receive a longevity step during FY14 or during FY15 are not eligible in the fiscal year they receive the longevity step. This lump-sum payment is not added to the employees' base salary.
- ❖ Shift differential. For shifts beginning between the hours of 2:00 p.m. and 10:59 p.m., the hourly rate increased by \$0.15 to \$1.40; for shifts beginning between 11:00 p.m. and 5:00 a.m., the hourly rate increased by \$0.16 to \$1.56.
- ❖ Multilingual Pay Differential. Unit members who utilize multilingual skills during the performance of their routine duties and on a recurring basis may submit a departmental request for certification. The pay differential will be paid after testing.
- ❖ Emergency Vehicle Technician (EVT) certification for eligible employees assigned to Central Maintenance of Montgomery County Fire and Rescue Service. Eligible employees shall receive a \$1,000 incentive for obtaining a valid EVT master certification, for a maximum of two (\$2,000) EVT certifications.
- ❖ Service Increments. A service increment of 3.5 percent will be paid in FY14 and in FY15 for eligible unit members.

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- ❖ Individual classification studies. A total of 50 individual studies were accepted in June 2013 for FY14 study and will be accepted in June 2014 for FY15 study.
 - ❖ Prescription Drug Plan. Beginning January 1, 2014, the Prescription Drug Plan no longer offered the 90-day post formulary change grace period granted upon formulary changes.
 - ❖ Seasonal Salary Schedule. Seasonal employees who do not encumber OPT/SLT unit positions received a \$0.50 per hour increase the first full pay period in July 2013 and shall receive a \$0.50 per hour increase the first full pay period in July 2014.
 - ❖ Clothing allowance. Sheriff's unit members' clothing allowance increased by \$163 to \$1,338.

Police Bargaining Unit:

The parties agreed to extend the duration of the July 1, 2012, through June 30, 2014, agreement. The current agreement expires on June 30, 2015. The agreement's salient economic terms include:

- ❖ Clothing allowance. The contract increased the clothing allowance in the following categories: formal and variety by \$87 to \$1,338; SAT (Special Assignment Team) by \$56 to \$862; casual by \$37 to \$569; and partial by \$26 to \$391.
- ❖ Shift differential. For shifts beginning on or after noon and prior to 7:59, the hourly rate increased by \$0.09 to \$1.42; for shifts beginning on or after 8:00 p.m. and before 5:59 a.m., the hourly rate increased by \$0.12 to \$1.87.
- ❖ Employees who were eligible but who missed at least one service increment since FY11. Eligible unit members received a 1.75 percent service increment starting the first full pay period of February 2014 and will receive a 1.75 percent service increment the first full pay period of February 2015.
- ❖ Service Increments. A service increment of 3.5 percent will be paid in FY14 and in FY15 for eligible unit members.
- ❖ Longevity step increases. A longevity step increase will be paid to eligible employees.
- ❖ General Wage Adjustment. A 2.1 percent GWA was paid the first full pay period following July 1, 2013, and will be paid the first full pay period following July 1, 2014.
- ❖ Prescription Drug Plan. Beginning January 1, 2014, the Prescription Drug Plan no longer offered the 90-day post formulary change grace period granted upon formulary changes.

Volunteer Fire and Rescue Bargaining Unit:

The current agreement expires June 30, 2014. The negotiated agreement becomes effective on July 1, 2014, and expires on June 30, 2017. The agreement's salient economic terms include:

- ❖ A reopener from June 1, 2015 to July 31, 2015. Negotiations will be over length of service modifications.
- ❖ Printed contracts. The contract increases the number of printed contracts provided by the County in FY15 from 50 to 75.
- ❖ Uniforms and equipment. Beginning in FY15, leather boots, jackets, and gear bags will be provided to new volunteer recruits.
- ❖ Nominal fee. A nominal fee increase will be paid in FY15, FY16, and FY17. The nominal fee for eligible volunteers will increase in July 2014 by \$60 to \$300 and by \$100 to \$500, depending on level of service.
- ❖ Training. Volunteer Basic Orientation Course funding will increase, a portion of which will be dedicated Pro-Board certification for eligible volunteers.
- ❖ Association funding. Funding for the Association will increase by 5.3% on July 1, 2014, and will increase by 1.5% on July 1, 2015 and on July 1, 2016.

WORKFORCE ANALYSIS

Basis: Workforce analysis has been performed on changes to tax supported and non-tax supported full-time equivalent (FTE) positions in the Executive's Recommended FY15 Operating Budget for the County government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY14, which began on July 1, 2013. Changes shown reflect such factors as the addition of grant-funded positions; abolishments and creations to implement approved job sharing agreements; and other miscellaneous changes. Changes recommended by the Executive for FY15 are in three categories: current year position changes due to supplemental appropriations or other actions; new fiscal year position changes scheduled to take effect July 1, 2014; and technical changes.

Summary: The recommended budget includes funding for 8,994 full-time positions, a net increase of 197 from the approved FY14 Personnel Complement of 8,797 full-time positions. Funding for 959 part-time positions is also included, a net increase of 83 positions from the approved FY14 Personnel Complement of 876 positions. A significant portion of the increase in positions

(127 out of 280) results from a technical change in the status of these positions from temporary to permanent. FTEs increased by 183.5 to 9,628.7.

Detailed below are the significant net changes in the number of positions in the FY15 Recommended Budget.

<u>Workforce Changes</u>	<u>Position Change (FTEs)</u>
<ul style="list-style-type: none">• Police – Change is due the third year of the data-driven Staffing Initiative. It includes resources for improved patrol service in Wheaton and Germantown and two forensic scientists to improve case closures. The department also opened the new Animal Services and Adoption Center, which the County brought the operation in-house to provide better service.	69
<ul style="list-style-type: none">• Public Libraries – Increase is due to the opening of the new Silver Spring Library and enhanced public service hours at 11 branches.	21.3
<ul style="list-style-type: none">• Health and Human Services – Increase is attributable to the addition of one position to reach more long-term care facility residents with ombudsman services, one position to add capacity to the Adult Protective Services/ Social Services to Adults Program, and one Senior Fellow to increase community awareness of caregiver support resources. Other increases are needed to support the expansion of the Kennedy Cluster Project to the Watkins Mill Cluster. Additional positions are required to implement the state mandate for the Affordable Care Act in order to provide education, outreach, eligibility, and enrollment services for uninsured County residents.	17.6
<ul style="list-style-type: none">• Mass Transit – Change is due to enhanced safety program to provide focused approach on reducing accidents and injuries, safe work methods, proactive safety awareness, and compliance training in defensive driving and safe work methods.	8

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES															
HEALTH PLAN	2013					2014					CHANGE				
	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	%Dif
Carefirst POS	1,448	1,079	2,073	4,600	56.6%	1,421	1,041	2,032	4,494	54.3%	(27)	(38)	(41)	(106)	-2.3%
Carefirst POS Std	189	139	166	494	6.1%	228	140	193	561	6.8%	39	1	27	67	0.7%
Kaiser	532	277	457	1,266	15.6%	604	318	488	1,410	17.0%	72	41	31	144	1.5%
United Healthcare	542	391	835	1,768	21.8%	562	401	843	1,806	21.8%	20	10	8	38	0.1%
Grand Total				8,128					8,271					143	

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY					
COUNTY EXECUTIVE RECOMMENDED: FY15					
	POSITIONS		FULL-TIME EQUIVALENTS		
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	TOTAL
FY14 APPROVED COMPLEMENT	8,797	876	7,756.9	1,688.4	9,445.3
FY15 RECOMMENDED COMPLEMENT	8,994	959	7,942.7	1,686.1	9,628.7
CHANGE IN WORKFORCE (GROSS)	197	83	185.8	(2.3)	183.5
Percentage Change	2.2%	9.5%	2.4%	(0.1%)	1.9%

In December 2013, the Executive and MCGEO came to an agreement concerning the use of temporary employees by the County. This agreement resolves a prohibitive practice charge filed by the union. It results in the conversion of 95 temporary positions in the Department of Liquor Control into 95 permanent positions, 6 temporary positions in the Department of Transportation into 6 permanent positions, and 26 temporary positions in the Urban Districts into 26 permanent positions for a total of 127 new permanent positions for FY15.

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES

Employee Retirement System Plans	Number	Fiscal 2014	Number	Fiscal 2015	Number	Contribution
	<u>Employees</u>	<u>Rate</u>	<u>Employees</u>	<u>Rate</u>	<u>Employees</u>	<u>Rate</u>
	(7/1/12)	%	(7/1/13)	%	(7/12 v. 7/13)	(7/12 v. 7/13)
Public Safety						
Optional, Nonintegrated ¹	2	1684.75%	1	1712.49%	(1)	27.74%
Optional, Integrated	3	1609.69%	1	0.00%	(2)	-1609.69%
Mandatory Integrated	2,875	46.08%	2,942	44.65%	67	-1.43%
Subtotal Public Safety	2,880	45.84%	2,944	45.17%	64	
Non-Public Safety						
Optional, Nonintegrated	25	109.77%	20	137.47%	(5)	27.70%
Optional, Integrated	44	129.55%	37	157.58%	(7)	28.03%
Mandatory Integrated	1,503	35.51%	1,403	36.89%	(100)	1.38%
Subtotal Non-Public Safety	1,572	39.17%	1,460	41.04%	(112)	
Guaranteed Retirement Income Plan	1,102	6.45%	1,202	6.72%	100	0.27%
Total ERS System Plans	5,554		5,606		52	
Retirement Savings Plan	3,564	8.00%	3,470	8.00%	(94)	0.00%

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT							
ITEM	FY13 APPR	FY13 ACT	FY14 APPR	FY 14 EST	FY15 REC	FY15 vs. FY14 Appr.	
						\$ Change	% Change
EXPENSES							
Salaries and Benefits	91,873	115,224	125,700	128,000	102,390	(23,310)	(18.5%)
Professional Services	5,500	20,944	5,000	12,200	3,085	(1,915)	(38.3%)
Due Diligence/Education	1,000	1,029	2,000	2,100	2,000	0	0.0%
Office Management	5,310	3,988	6,700	6,550	6,650	(50)	(0.7%)
Investment Management	9,000	7,780	9,000	9,000	9,000	0	0.0%
TOTAL EXPENSES	\$112,683	\$148,965	\$148,400	\$157,850	\$123,125	(\$25,275)	(17.0%)

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

PROPOSED OPERATING BUDGET RETIREE HEALTH BENEFIT TRUST							
ITEM	FY13 APPR	FY13 ACT	FY14 APPR	FY 14 EST	FY15 REC	FY15 vs. FY14 Appr.	
						\$ Change	% Change
EXPENSES							
Salaries and Benefits	89,470	116,400	211,110	241,110	269,920	58,810	27.9%
Professional Services	75,000	34,593	75,000	76,000	152,500	77,500	103.3%
Due Diligence/Education	6,000	14,247	48,000	48,000	48,000	0	0.0%
Office Management	1,200	3,347	9,400	9,400	15,000	5,600	59.6%
Investment Management	308,000	388,744	1,500,000	1,500,000	2,710,000	1,210,000	80.7%
TOTAL EXPENSES	\$479,670	\$557,331	\$1,843,510	\$1,874,510	\$3,195,420	\$1,351,910	73.3%

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM							
ITEM	FY13 APPR	FY13 ACT	FY14 APPR	FY 14 EST	FY15 REC	FY15 vs. FY14 Appr.	
						\$ Change	% Change
REVENUE							
Contributions	139,600,000	152,741,951	146,400,000	154,800,000	143,900,000	(2,500,000)	(1.7%)
Investment Income	227,000,000	324,135,736	241,000,000	324,000,000	261,000,000	20,000,000	8.3%
Miscellaneous Income	735,000	1,472,011	950,000	1,000,000	950,000	0	0.0%
TOTAL REVENUE	367,335,000	478,349,698	388,350,000	479,800,000	405,850,000	17,500,000	4.5%
EXPENSES							
OPERATING EXPENSES							
Retirement Benefits	226,000,000	210,728,841	245,000,000	245,000,000	254,500,000	9,500,000	3.9%
Investment Management	21,200,000	17,748,344	23,000,000	23,000,000	25,000,000	2,000,000	8.7%
SUBTOTAL	247,200,000	228,477,185	268,000,000	268,000,000	279,500,000	11,500,000	4.3%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	1,654,200	1,501,163	1,582,700	1,595,000	1,785,000	202,300	12.8%
Professional Services	813,933	648,599	895,900	909,050	942,400	46,500	5.2%
Benefit Processing	375,000	122,241	130,000	130,000	140,000	10,000	7.7%
Due Diligence/Education	55,500	28,695	64,700	62,700	63,700	(1,000)	(1.5%)
Office Management	240,887	100,298	99,300	98,700	103,000	3,700	3.7%
SUBTOTAL	3,139,520	2,400,996	2,772,600	2,795,450	3,034,100	261,500	9.4%
TOTAL EXPENSES	\$250,339,520	\$230,878,181	\$270,772,600	\$270,795,450	\$282,534,100	11,761,500	4.3%
NET REVENUE	\$116,995,480	\$247,471,517	\$117,577,400	\$209,004,550	\$123,315,900	5,738,500	4.9%

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN							
ITEM	FY13 APPR	FY13 ACT	FY14 APPR	FY 14 EST	FY15 REC	FY15 vs. FY14 Appr.	
						\$ Change	% Change
REVENUE							
Investment Income	1,500	0	20	600	600	580	2900.0%
Miscellaneous Income	240,000	353,400	90,000	235,000	235,000	145,000	161.1%
TOTAL REVENUE	241,500	353,400	90,020	235,600	235,600	145,580	161.7%
EXPENSES							
OPERATING EXPENSES							
Investment Management	9,000	7,780	9,000	9,000	9,000	0	0.0%
SUBTOTAL	9,000	7,780	9,000	9,000	9,000	0	0.0%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	205,460	136,663	157,400	166,000	200,000	42,600	27.1%
Professional Services	89,500	61,477	89,200	87,200	79,700	(9,500)	(10.7%)
Due Diligence/Education	2,000	1,029	2,000	2,100	2,000	0	0.0%
Office Management	23,430	1,883	6,700	6,550	6,650	(50)	(0.7%)
SUBTOTAL	320,390	201,052	255,300	261,850	288,350	33,050	12.9%
TOTAL EXPENSES	\$329,390	\$208,832	\$264,300	\$270,850	\$297,350	33,050	12.5%

Source: Montgomery County Employee Retirement Plans.

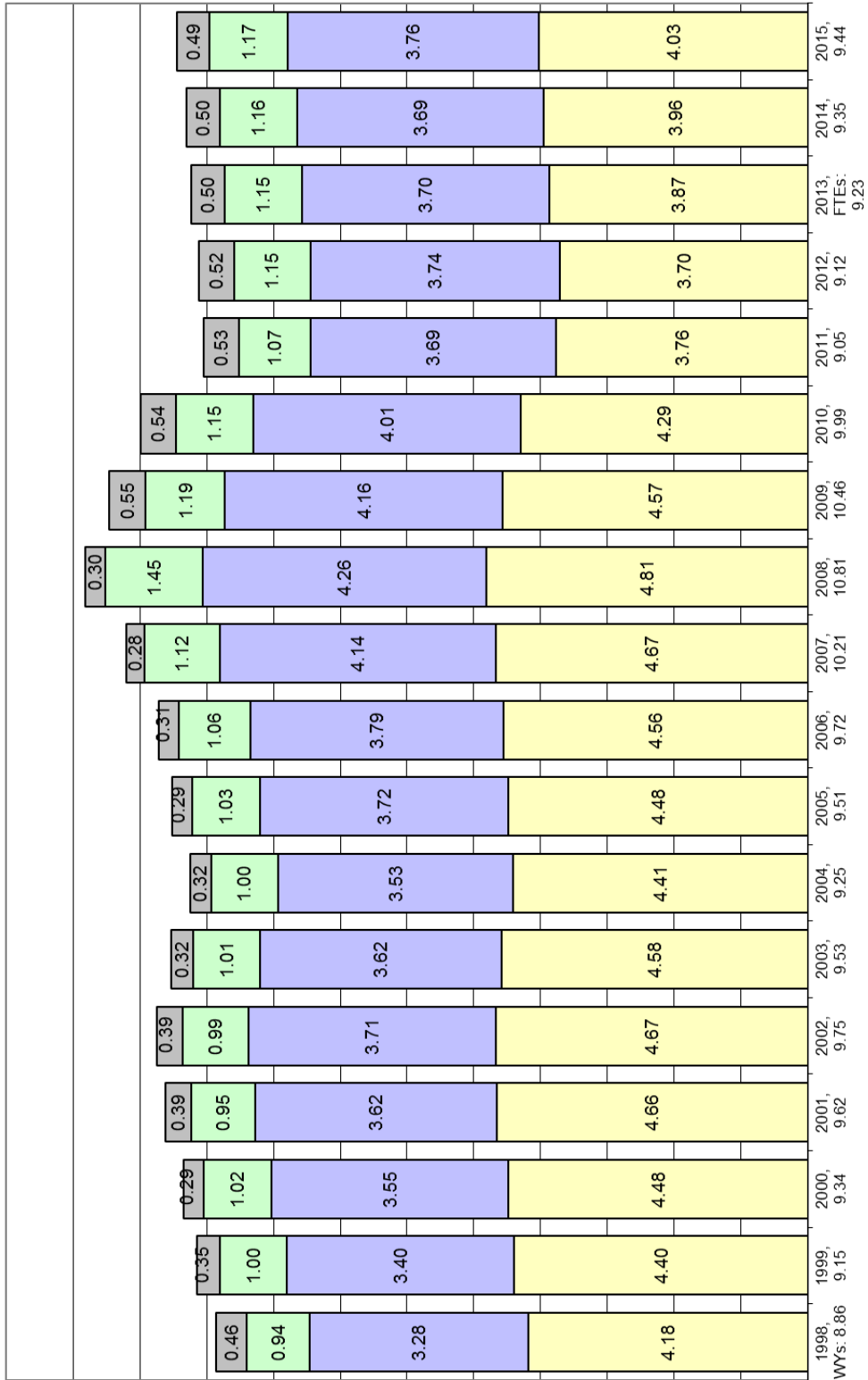
Montgomery County Volunteer Fire and Rescue Association Fiscal Impact Summary*

Article	Item	Description	FY15	FY16	Annual Cost Beyond FY16
5	Printed Contracts	75 printed contracts in FY15	\$300	\$0	\$0
11	Uniforms & Equipment	Include leather boots and jacket as new gear, provide gear bags in FY15	\$93,100	\$69,000	\$69,000
12	Nominal Fee	Nominal fee of \$300/\$500 in FY 15, \$350/\$600 in FY16, and \$425/\$625 in FY17**	\$114,544	\$201,740	\$249,241
16	Training	Provide \$10,000 funding for training and \$5,000 for Pro-Board certification	\$15,000	\$15,000	\$15,000
22	Volunteer Basic Orientation Course	Training fee not to exceed \$18,000 each year of the agreement	\$2,000	\$2,000	\$2,000
Side Letter	Association Operating Funds	Association funding effective July 1 each year of the agreement	\$11,750	\$15,275	\$18,853
Total			\$236,694	\$303,015	\$354,094

* Estimates reflect the impact to all funds.

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

**HISTORY OF APPROVED COUNTY GOVERNMENT POSITIONS
PER 1,000 POPULATION BY FUNDING CATEGORY
FY98-FY14 Approved Workyears and FTEs, FY15 Recommended FTEs¹**



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

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



**MONTGOMERY COUNTY PRODUCTION REPORT
FY15 CE OMB Recommended
TOTAL COUNTY COST OF EMPLOYEE BENEFITS**

	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
General Fund				
General Government				
Board of Appeals (02D)	28,720	42,940	55,801	127,462
Board of Elections (24D)	209,979	286,432	184,455	680,865
Circuit Court (10D)	466,293	952,459	866,180	2,284,932
Community Engagement Cluster (16D)	152,504	226,727	286,455	665,686
County Attorney (30D)	254,198	373,485	655,784	1,283,466
County Council (01D)	520,822	884,038	1,019,223	2,424,083
County Executive (15D)	217,503	321,389	452,241	991,133
Ethics Commission (19D)	19,968	32,205	15,749	67,922
Finance (32D)	595,110	990,262	944,240	2,529,612
General Services (36D)	801,788	1,582,004	1,707,458	4,091,250
Human Resources (33D)	297,630	458,692	480,469	1,236,791
Human Rights (46D)	54,358	85,880	72,601	212,839
Inspector General (06D)	40,167	42,940	36,413	119,520
Intergovernmental Relations (20D)	40,028	56,896	58,726	155,650
Legislative Oversight (03D)	72,375	112,466	151,357	336,199
Management and Budget (31D)	193,226	289,843	327,890	810,958
Merit System Protection Board (04D)	8,321	21,470	4,222	34,013
Public Information (23D)	217,653	411,484	405,497	1,034,634
State's Attorney (11D)	791,843	1,327,570	1,258,421	3,377,834
Technology Services (34D)	888,135	1,142,757	1,890,851	3,921,743
Zoning and Administrative Hearings (05D)	28,250	42,940	28,453	99,643
Total General Government	5,898,872	9,684,877	10,902,486	26,486,235
Public Safety				
Consumer Protection (39D)	107,692	175,959	386,277	669,927
Correction and Rehabilitation (42D)	3,188,524	5,492,795	12,806,265	21,487,584
Emergency Management and Homeland Security (49D)	60,003	96,615	106,817	263,435
Police (47D)	11,203,354	20,809,049	44,970,997	76,983,401
Sheriff (48D)	1,019,828	1,853,792	4,468,076	7,341,697
Total Public Safety	15,579,401	28,428,211	62,738,432	106,746,044
Transportation				
Transportation (50D)	1,041,930	2,353,585	2,564,909	5,960,424
Health and Human Services				
Health and Human Services (60D)	6,207,641	12,585,274	11,848,960	30,641,875
Libraries, Culture, and Recreation				
Public Libraries (71D)	1,601,993	4,202,955	3,627,798	9,432,746
Community Development and Housing				
Economic Development (78D)	226,849	341,373	340,773	908,995
Housing and Community Affairs (76D)	230,899	400,345	546,415	1,177,659
Total Community Development and Housing	457,747	741,718	887,188	2,086,653



MONTGOMERY COUNTY PRODUCTION REPORT
FY15 CE OMB Recommended
TOTAL COUNTY COST OF EMPLOYEE BENEFITS

	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
Environment				
Environmental Protection (80D)	77,685	119,659	184,671	382,016
Other County Government Functions				
NDA - Compensation and Employee Benefit Adjustments (99V05)	7,720	12,363	8,203	28,286
NDA - Conference Center (99V19)	6,783	10,735	7,093	24,611
NDA - Legislative Branch Communications Outreach (99V44)	9,879	21,470	9,331	40,679
NDA - State Positions Supplement (99V03)	4,318	0	0	4,318
Total Other County Government Functions	28,699	44,568	24,627	97,894
Total General Fund	30,893,969	58,160,848	92,779,070	181,833,887
Special Funds - Tax Supported				
Fire (C01)	8,914,902	13,291,222	42,016,420	64,222,544
Recreation (C02)	1,157,592	1,122,620	1,505,474	3,785,686
Bethesda Urban District (C03)	6,430	10,735	29,981	47,146
Silver Spring Urban District (C04)	114,594	191,218	145,418	451,230
Wheaton Urban District (C05)	65,800	135,580	66,990	268,369
Mass Transit (C06)	3,716,562	8,586,341	5,374,684	17,677,586
Economic Development Fund (C09)	7,616	10,735	7,965	26,316
Total Special Funds - Tax Supported	13,983,496	23,348,451	49,146,931	86,478,878
Total Tax Supported Funds	44,877,464	81,509,299	141,926,001	268,312,764
Special Funds - NonTax Supported				
Montgomery Housing Initiative (C10)	95,429	162,246	214,012	471,687
Cable TV (C11)	202,702	327,418	430,001	960,120
Water Quality Protection (C12)	426,191	761,446	772,596	1,960,234
Grant Fund (C90)	2,810,130	6,253,266	5,102,943	14,166,339
Total Special Funds - NonTax Supported	3,534,453	7,504,375	6,519,552	17,558,380
Enterprise Funds				
Liquor (C30)	1,462,410	3,353,303	2,290,230	7,105,943
Solid Waste Disposal (C31)	530,213	969,438	1,036,703	2,536,354
Solid Waste Collection (C32)	69,683	119,316	135,446	324,445
Leaf Vacuuming (C33)	169,922	336,744	233,537	740,203
Community Use of Public Facilities (C34)	145,435	289,543	276,517	711,495
Bethesda Parking (C35)	117,474	224,557	227,282	569,313
Silver Spring Parking (C36)	125,537	244,666	247,035	617,237
Montgomery Hills Parking (C37)	2,672	5,282	4,478	12,432
Wheaton Parking (C38)	19,621	37,880	42,207	99,708
Permitting (C39)	1,274,880	2,057,638	2,981,684	6,314,201
Total Enterprise Funds	3,917,847	7,638,367	7,475,118	19,031,332
Total Non-Tax Supported	7,452,300	15,142,743	13,994,670	36,589,712



MONTGOMERY COUNTY PRODUCTION REPORT
FY15 CE OMB Recommended
TOTAL COUNTY COST OF EMPLOYEE BENEFITS

	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
Internal Service Funds				
Motor Pool (C50)	1,145,667	2,191,014	1,494,013	4,830,694
Central Duplicating (C51)	128,717	328,080	260,311	717,108
Risk Management (C52)	214,521	325,592	441,386	981,499
Employee Health Self Insurance (C53)	125,021	238,480	128,371	491,873
Total Internal Service Funds	1,613,926	3,083,165	2,324,082	7,021,173

