



Finance

Recommended FY18 Budget

\$81,401,713

Full Time Equivalents

125.02

Mission Statement

The mission of the Department of Finance is to prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.

Budget Overview



The total recommended FY18 Operating Budget for the Department of Finance is \$81,401,713, an increase of \$3,644,428 or 4.69 percent from the FY17 Approved Budget of \$77,757,285. Personnel Costs comprise 20.63 percent of the budget for 131 full-time position(s) and no part-time position(s), and a total of 125.02 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 79.37 percent of the FY18 budget.

The Finance Operating Budget is comprised of a General Fund component (the Director's Office and the Divisions of Fiscal Management, Treasury and Controller) and the Division of Risk Management, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY18 Operating Budget for the General Fund component is \$14,446,096 an increase of \$380,277 or 2.70 percent over the FY17 approved budget of \$14,065,819. Personnel Costs comprise approximately 83.98 percent of the General Fund budget for 120 full-time positions. A total of 93.90 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 16.02 percent of the budget.

The total FY18 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$66,955,617, an increase of \$3,264,151 or 5.12 percent over the FY17 approved budget of \$63,691,466. Personnel Costs comprise approximately 6.96 percent of the Self-Insurance Fund budget for 11 full-time positions. A total of 31.12 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 93.04 percent of the budget. Included in the total FTEs are 19.75 FTEs charged to the Self-Insurance Fund by the Office of the County Attorney and 0.37 FTE charged by the General Fund component of Finance (Controller Division) for services provided in support of Risk Management.

Linkage to County Result Areas

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

-  **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 FY17 estimates reflect funding based on the FY17 approved budget. The FY18 and FY19 figures are performance targets based on the FY18 recommended budget and funding for comparable service levels in FY19.

Initiatives

- ★ Implement remediation items as outlined by the Payment Card Industry and National Automated Clearing House Association annual security assessment, with the assistance of contract resources.
- ★ Implement improvements to payroll processes and procedures due to the continuously increasing scope of payroll and administrative duties.
- ★ Develop an electronic contract tracking system to track contract review requirements and provide additional assistance and support to departments to expedite the process.
- ★ Develop electronic applications to emphasize occupational safety and health. Provide contractual resources to aid and enhance support to departments and member agencies of the Montgomery County Self Insurance Program to achieve improved safety and health in the workplace.

Accomplishments

- ✓ Successfully retained the County's AAA bond rating from all three major credit rating agencies in the Fall of 2016.
- ✓ Successfully issued \$300 million in GO Bonds in FY16 with an interest rate (True Interest Cost) of 2.803% which was 3.5 basis points below the benchmark rate according to the Municipal Market Data (MMD) Index.
- ✓ Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY15 Comprehensive Annual Financial Report (CAFR), the 46th year for this achievement.
- ✓ The County's Small Business Plus program, now in its fourth year, generated \$109 million in new small business loans, 352 new jobs, and \$160,000 in interest income in 2015 as a result of the County depositing up to \$50 million with participating local banks.
- ✓ Finance, in collaboration with the State Board of Elections, implemented the County's Public Election Fund providing matching County funds to eligible candidates running for an elected office of County Executive or County Council.
- ✓ Successfully recommended State legislation (that was adopted by the General Assembly in the 2016 legislative session) to modify the Wynne Case income tax refund repayment schedule to a greater number of quarterly periods and to delay the repayment schedule.
- ✓ Issued \$46.5 million in Water Quality Protection Charge (WQPC) Revenue Bonds to assist the Department of Environmental Protection in support of its stormwater management program in FY16. Standard & Poor's Rating Agency also raised its rating of the 2012A WQPC bonds to AA+ "based on a combination of an extremely strong enterprise profile and a very strong financial risk profile."
- ✓ Implemented the County's Commercial Property Assessed Clean Energy Program (C-PACE) with the first project completed in March 2017.
- ✓ Implemented two safety-related electronic applications: 1) Safety and Health Program (SHP) audit; and 2) Ergonomics application. The SHP application provides an efficient means of conducting and reviewing compliance programs; and the Ergonomics application speeds and consolidates communication with Occupational Medical Services regarding ergonomic reviews and allows analytical reporting.

Innovations and Productivity Improvements

- ★ Leveraged datasets from the Oracle ERP system for a technology solution that will perform analytics to determine duplicate and erroneous payments.
- ★ Implemented and trained employees on a major upgrade to the Municipal tax system, completed non-IT requirements for the Treasury Risk Assessment, fully implemented cross-training for select staff, re-engineered MC311 service request procedures, and implemented document tracking procedures for cashiering, transfer, and property tax sections.
- ★ Coordinated the on-line credit card payment systems for Health and Human Services, Police, Office of Emergency Management and Homeland Security, and Libraries.
- ★ Implemented a disaster recovery solution for the MUNIS property tax bill platform.
- ★ Improved the experience of vendors doing business with Montgomery County by sending electronic remittance advices to vendors who have requested electronic payments, reducing processing, printing, and postage costs.
- ★ Achieved greater efficiency in claim reporting by inputting telephonically reported claims directly into the claim management system.

Program Contacts

Contact Sarah Gomez of the Department of Finance at 240.777.8885 or Jane Mukira of the Office of Management and Budget at 240.777.2754 for more information regarding this department's operating budget.

Program Descriptions

★ Fiscal Management

This program provides effective management of County capital and operating funds and the fiscal analysis and issue management associated with master plan development, economic development, and legislative issues. It is also responsible for accurate revenue and economic forecasting and publishing reports on economic and revenue analysis on a monthly and quarterly basis for dissemination to the County Council and public. The program's primary goal is to maintain the County's AAA General Obligation Bond debt rating and to actively invest the County's working capital to minimize risk while generating maximum investment income. Program objectives related to debt and cash management include managing the timely and economic issuance of short- and long-term financial obligations; developing and maintaining strong rating agency and investor relations; preparing accurate and timely financing documents, including the County's Annual Information Statement; ensuring strict compliance with disclosure requirements; coordinating bond counsel review; providing high-quality consulting services for County agencies, managers, staff, elected officials, and residents on issues related to debt and cash management; and managing the County's relationship with the banking and investment community. Program objectives related to policy and fiscal projects include the proactive development of intergovernmental policy alternatives and recommendations, including necessary local and state legislation and regulations; fiscal and economic impact analysis for local and state legislation; fiscal impact analysis and effective management associated with the financing and implementation aspects of Master and Sector Plans; implementing and managing new County initiatives such as the Public Election Fund and Commercial Property Assessed Clean Energy (C-PACE) programs; managing several economic development initiatives that were transferred from the abolished Department of Economic Development; and high quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Bond Rating - Rating given to Montgomery County by Fitch, Moody's, and Standard and Poor's (Bond ratings are a measure of the quality and safety of a bond and are based on the issuer's financial condition)	AAA	AAA	AAA	AAA	AAA

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Interest Rate - True Interest Cost for Montgomery County General Obligation Bonds (the most common debt instrument used by the County)	2.7%	2.8%	3.0%	3.5%	4.0%
Interest Rate Benchmarking - County General Obligation (GO) vs. Municipal Market Data Index (basis point spread)	-3.0	-3.5	-5.0	-5.0	-5.0
Investment Return - Rate of return on Montgomery County's investments	0.18%	0.39%	0.50%	1.00%	1.50%
Investment Return Benchmarking - County Return vs. S&P Local Government Investment Pool Index (basis point spread)	13	19	15	15	15
Revenue forecasting - Percent variance between actual revenue and projected revenue	-1.48	-0.15	0.00	0.00	0.00

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	2,084,907	10.00
Shift: EMSI Annual Subscription from Finance to the Montgomery County Economic Development Corporation (MCEDC)	(12,000)	0.00
Shift: Bethesda Green Contract to the Montgomery County Economic Development Corporation (MCEDC)	(25,000)	0.00
Shift: Funding for Small Business Development to NDA-MEDCO	(30,000)	0.00
Shift: Rockville Economic Development Inc. (Maryland Women's Center) Contracts to the Montgomery County Economic Development Corporation (MCEDC)	(40,000)	0.00
Decrease Cost: Maker Programming and Grants	(50,000)	0.00
Shift: Funding for Maker Programming and Grants to Department of Recreation	(100,000)	0.00
Shift: Funding for Latino Economic Development Corporation to NDA-MEDCO	(125,000)	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.	187,402	1.00
FY18 Recommended	1,890,309	11.00

Information Technology

This program provides planning, direction, and support for finance and core business systems, technology, and business processes to support effective and efficient achievement of the Department's mission. Activities are proactively coordinated with the Department of Technology Services, other County departments, vendors, and Department staff to ensure consistency of Department systems and financial controls with countywide automation policies and standards and with appropriate financial control standards. The program oversees and coordinates business requirements analysis, development, selection, procurement, implementation, maintenance, administration, security, and training on and reporting from the Finance Department's automated systems and applications. This program is also responsible for managing data integrity associated with daily and year-end processing, providing timely response to customer questions and proactive troubleshooting of financial transaction issues, supporting continuity of Finance Department business operations, managing service contracts and vendor relationships, and providing responses to FOIA-related and auditor requests of Finance.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	957,546	2.00
Increase Cost: Contractor IT Resources	100,000	0.00
Increase Cost: Property Tax Billing IT Application - Maintenance	72,660	0.00
Increase Cost: Annual PCI and ACH Industry Compliance	5,550	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.	242,498	1.00

FY18 Recommended Changes	Expenditures	FTEs
FY18 Recommended	1,378,254	3.00

☀ Accounts Payable

This program is responsible for timely and accurate payments to vendors for goods and services provided to the County; complying with County policies and procedures; and carrying out State and Federal reporting requirements. Payments to vendors are initiated and approved by individual departments. The Accounts Payable program is responsible for review and final approval of payments of \$10,000 or more, as well as most refunds and other non-expenditure disbursements. Payments under \$10,000 are individually reviewed and approved by operating departments subject to post-payment audits by Accounts Payable.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Procurement Card rebate revenue generated	487,901	446,888	450,000	450,000	450,000

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	1,028,652	10.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(218,641)	(2.25)
FY18 Recommended	810,011	7.75

☀ Accounts Receivable

This program is responsible for the timely receipt and accounting for monies due to the County from residents, businesses, and government agencies. In conjunction with the implementation of the Enterprise Resource Planning (ERP) system and associated best practices, this program provides for development of standardized policies and procedures, and provision of services including invoicing/billing, collection, accounting, reconciliation, and reporting reconciliation of monies due. This program will provide greater accountability through improved reporting, enhanced tracking of payment trends, and increased opportunities for maximizing collectibility.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	655,240	6.00
Increase Cost: DLC Chargeback for Accounts Receivable Shared Services	58,180	0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(67,982)	(1.00)
FY18 Recommended	645,438	5.50

☀ General Accounting

This program is responsible for the analysis, interpretation, and presentation of the County's financial position and results of operations through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of County resources; adherence to budgetary policies established by management; and compliance with Federal, State, and County mandates. The program prepares the Comprehensive Annual Financial Report, Debt Service Booklet, as well as numerous other standardized and specialized reports. This program also provides high quality, timely service to County departments through analysis and technical assistance and through preparation, review, and approval of financial transactions.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting ¹	Received	Expected	Expected	Expected	Expected

¹ The County has been awarded this certificate more times than any other county in the nation (FY15 = 46 times)

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	1,766,373	14.65
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	243,841	2.00
FY18 Recommended	2,010,214	16.65

☀ Grants Accounting

This program is responsible for the analysis, interpretation, and presentation of the County's financial position relating to grants through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of Federal, State, and other outside resources; adherence to budgetary policies established by management; and compliance with Federal, State, and County mandates. The program prepares the Single Audit Report on expenditures of Federal awards, and the State Uniform Financial Report, as well as numerous other standardized and specialized reports. This program also provides high quality, timely service to County departments through analysis and technical assistance; and through preparation, review, and approval of grant financial transactions.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	599,716	5.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	37,448	0.00
FY18 Recommended	637,164	5.00

☀ Payroll

This program is responsible for managing and maintaining the County's payroll system and functions as prescribed by Federal, State, and County laws, and local regulations. The program provides timely and accurate payroll disbursements to County employees, accounts for payroll deductions, issues W-2 statements to account for pre-tax and post-tax benefits, maintains official payroll and leave records, and responds to internal and external inquiries. The program proactively operates in conjunction with other County departments to maintain and develop efficient and effective improvements to the personnel/payroll.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Pension and long-term disability (LTD2) payroll payments processed	74,621	60,148	63,000	63,000	63,000

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	1,141,021	9.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	68,408	1.00
FY18 Recommended	1,209,429	10.00

Tax Operations

This program is responsible for the timely and accurate collection and processing of all County administered taxes, including property taxes (which are the County's largest revenue source), transfer and recordation taxes (relating to real property transfers and recordation of instruments of writing), and several excise taxes (fuel/energy, telephone, hotel/motel, carryout bags, electronic cigarettes). The program is also responsible for the administration of the County's Working Families Income Supplement program, the Public Advocate for Assessments and Taxation (Public Advocate) program, and numerous tax credit, deferral, and assistance programs. The property tax portion of this program provides the calculation and distribution of tax bills; accounting and distribution of tax collections to the State of Maryland, municipalities, and other entities; collection of delinquent accounts through the tax lien sale process; and communication of and access to tax and account information by attorneys and title companies for preparation of property settlements; and customer service assistance to the public for complex tax-related matters and issues. The transfer and recordation tax portion of this program ensures that all other taxes, fees, and charges associated with the property tax account are paid in full prior to recording of the deed for that property by the State of Maryland. The Public Advocate program provides an independent review of State-determined property assessment valuations for fairness and accuracy and, therefore, protects the public interest by acting on behalf of the taxpayers and the County.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Property tax accounts billed	367,708	371,446	373,000	375,000	377,000

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	1,733,184	18.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	212,221	0.00
FY18 Recommended	1,945,405	18.10

Treasury Operations

This program is responsible for providing coordination and oversight of treasury operations and customer services through the cashiering function. All money received by the County, directly through the Treasury cashiering operation, from other County agencies, or through the internet and bank lockbox operation, is processed, administered, and recorded in a timely fashion in the County's accounting system. This program handles property, transfer and recordation, and excise taxes; fines and fees; and offers specific employee services, such as the fare media pass. Functioning as a banking operation, the tellers are a primary provider of person-to-person customer service to County residents.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Cashier transactions processed ¹	40,792	90,377	91,000	91,000	91,000

¹ FY15 and previous years were based on an Oracle report that did not provide full detail on the number of transactions processed by the Cashiers. Beginning in FY16 the Cashiering unit began tracking all transactions.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	435,870	4.90
Increase Cost: Billing and Collection Services - Parking Districts	20,066	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.	(8,268)	0.00
FY18 Recommended	447,668	4.90

Insurance

The Montgomery County Self-Insurance Program, established under County Code 20-37, provides comprehensive property and casualty insurance for the County and participating agencies. The program is funded through contributions from the agencies, which are based upon an annual actuarial analysis of their exposures and outstanding and projected future claims. The program provides accurate and timely insurance and risk management advice to County Departments and participating agencies and reduces County and participating agency exposure to risk by: comparing the cost of commercially available coverage to evaluate the best method of funding exposure to loss; transferring contractual risk under indemnification/hold harmless agreements; avoiding risk; and purchasing commercial insurance policies.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Number of contract review actions to ensure adequate insurance coverage and compliance ¹	11,613	10,905	10,000	10,000	10,000
Workers Compensation - Cost per \$100 of payroll	3.36	3.22	3.17	3.22	3.36
Workers Compensation - Number of Montgomery County Government cases resulting in lost work time	543	524	555	588	623

¹ Measurement of contract review actions consists of: Mandatory Insurance Requirements issued; Certificates of Insurance approved; and email responses requesting clarification, corrections or additional information. Contracts include Amendments, RFPs, IFBs, Leases, Right-of-Entry Agreements, MOUs, License Agreements, Bridge Contracts, DPOs, Business Associate.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	59,370,271	3.00
Increase Cost: Claims Expense	2,528,991	0.00
Increase Cost: Claims Service Contract Administrative Costs	218,930	0.00
Increase Cost: Insurance Analyst	115,170	1.00
Increase Cost: Commercially Purchased Property and Casualty Insurance	50,000	0.00
Increase Cost: Professional Services - Claims Audit Contract	40,000	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.	(51,222)	0.00
FY18 Recommended	62,272,140	4.00

Occupational Safety and Health

This program operates a pro-active safety program and coordinates reporting to Federal and State regulatory agencies on health and safety issues. The State-required injury reports and the mandated safety training and record keeping are completed by the section of Risk Management on schedule. The program responds promptly to inspections and queries from the Maryland Occupational Safety and Health Administration. Accident prevention programs are conducted, and training is provided continuously in loss prevention and loss control is provided continuously to promote a safe and healthy work environment for County employees. The program also employs computer-based training.

Program Performance Measures	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Training classes conducted by Safety and Health Specialists	155	1,350	1,500	1,650	1,800

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	610,529	3.00
Increase Cost: Safety Contractor/Data Analyst	120,000	0.00
Increase Cost: Safety Equipment Maintenance and Replacement	40,000	0.00

FY18 Recommended Changes	Expenditures	FTEs
Decrease Cost: Motor Pool Adjustment	(2,136)	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.	31,555	0.00
FY18 Recommended	799,948	3.00

☀ Legal Services

This program funds activities of the Office of the County Attorney, which provides legal services including investigation, negotiation, and litigation on behalf of the County and agencies that participate in the Self-Insurance Program.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	2,910,472	19.75
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(44,857)	0.00
FY18 Recommended	2,865,615	19.75

☀ Operations and Administration

This program includes operational support for the Department as well as the administrative portions of the Director's Office, the Division of the Controller, the Treasury Division, and the Division of Risk Management. The program provides support for efficient, effective, and timely accomplishment of the Department's mission, including budget development and oversight, personnel administration, strategic planning, and contract administration. The program provides high quality consulting services for County agencies, managers, staff, elected officials, and residents.

FY18 Recommended Changes	Expenditures	FTEs
FY17 Approved	4,463,504	16.37
Increase Cost: Kronos Annual Maintenance and Support	24,400	0.00
Decrease Cost: Printing and Mail	(483)	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	(1,320)	0.00
Decrease Cost: Contractual Resources for Indirect Cost Analysis and Services	(40,000)	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.	44,017	0.00
FY18 Recommended	4,490,118	16.37

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	8,123,384	8,945,564	8,220,526	9,527,125	6.5 %
Employee Benefits	2,855,928	2,543,561	2,863,974	2,604,361	2.4 %

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
County General Fund Personnel Costs	10,979,312	11,489,125	11,084,500	12,131,486	5.6 %
Operating Expenses	2,560,022	2,576,694	2,902,120	2,314,610	-10.2 %
County General Fund Expenditures	13,539,334	14,065,819	13,986,620	14,446,096	2.7 %
PERSONNEL					
Full-Time	106	111	111	120	8.1 %
Part-Time	0	0	0	0	—
FTEs	95.81	91.65	91.65	93.90	2.5 %
REVENUES					
Miscellaneous Revenues	445,213	475,000	450,000	450,000	-5.3 %
Other Charges/Fees	280,423	317,490	366,240	367,220	15.7 %
Other Fines/Forfeitures	19,657	10,000	10,000	10,000	—
Other Intergovernmental	170,579	238,420	238,420	373,810	56.8 %
County General Fund Revenues	915,872	1,040,910	1,064,660	1,201,030	15.4 %
SELF INSURANCE INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	3,118,963	3,395,696	3,428,689	3,586,713	5.6 %
Employee Benefits	994,557	995,580	1,000,764	1,074,732	8.0 %
Self Insurance Internal Service Fund Personnel Costs	4,113,520	4,391,276	4,429,453	4,661,445	6.2 %
Operating Expenses	54,364,915	59,300,190	59,365,787	62,294,172	5.1 %
Self Insurance Internal Service Fund Expenditures	58,478,435	63,691,466	63,795,240	66,955,617	5.1 %
PERSONNEL					
Full-Time	10	10	10	11	10.0 %
Part-Time	0	0	0	0	—
FTEs	30.12	30.12	30.12	31.12	3.3 %
REVENUES					
Investment Income	463,826	623,210	623,210	623,210	—
Miscellaneous Revenues	861,147	0	0	0	—
Self Insurance Revenues	65,334,302	63,301,393	63,301,393	67,554,102	6.7 %
Self Insurance Internal Service Fund Revenues	66,659,275	63,924,603	63,924,603	68,177,312	6.7 %
DEPARTMENT TOTALS					
Total Expenditures	72,017,769	77,757,285	77,781,860	81,401,713	4.7 %
Total Full-Time Positions	116	121	121	131	8.3 %
Total Part-Time Positions	0	0	0	0	—
Total FTEs	125.93	121.77	121.77	125.02	2.7 %
Total Revenues	67,575,147	64,965,513	64,989,263	69,378,342	6.8 %

FY18 RECOMMENDED CHANGES

COUNTY GENERAL FUND

	FY17 ORIGINAL APPROPRIATION	14,065,819	91.65
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Other Adjustments (with no service impacts)

Increase Cost: FY18 Compensation Adjustment		259,889	0.00
Increase Cost: Contractor IT Resources [Information Technology]		100,000	0.00
Increase Cost: Payroll Reorganization		100,000	2.00
Increase Cost: Annualization of FY17 Personnel Costs		97,897	(0.25)
Increase Cost: Property Tax Billing IT Application - Maintenance [Information Technology]		72,660	0.00
Increase Cost: Annualization of FY17 Compensation Increases		58,934	0.00
Increase Cost: DLC Chargeback for Accounts Receivable Shared Services [Accounts Receivable]		58,180	0.50
Increase Cost: Kronos Annual Maintenance and Support [Operations and Administration]		24,400	0.00
Increase Cost: Billing and Collection Services - Parking Districts [Treasury Operations]		20,066	0.00
Increase Cost: Retirement Adjustment		10,063	0.00
Increase Cost: Annual PCI and ACH Industry Compliance [Information Technology]		5,550	0.00
Decrease Cost: Printing and Mail		(5,362)	0.00
Shift: EMSI Annual Subscription from Finance to the Montgomery County Economic Development Corporation (MCEDC) [Fiscal Management]		(12,000)	0.00
Shift: Bethesda Green Contract to the Montgomery County Economic Development Corporation (MCEDC) [Fiscal Management]		(25,000)	0.00
Shift: Funding for Small Business Development to NDA-MEDCO [Fiscal Management]		(30,000)	0.00
Decrease Cost: Contractual Resources for Indirect Cost Analysis and Services [Operations and Administration]		(40,000)	0.00
Shift: Rockville Economic Development Inc. (Maryland Women's Center) Contracts to the Montgomery County Economic Development Corporation (MCEDC) [Fiscal Management]		(40,000)	0.00
Decrease Cost: Maker Programming and Grants [Fiscal Management]		(50,000)	0.00
Shift: Funding for Maker Programming and Grants to Department of Recreation [Fiscal Management]		(100,000)	0.00
Shift: Funding for Latino Economic Development Corporation to NDA-MEDCO [Fiscal Management]		(125,000)	0.00

	FY18 RECOMMENDED	14,446,096	93.90
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SELF INSURANCE INTERNAL SERVICE FUND

	FY17 ORIGINAL APPROPRIATION	63,691,466	30.12
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Other Adjustments (with no service impacts)

Increase Cost: Claims Expense [Insurance]		2,528,991	0.00
Increase Cost: Claims Service Contract Administrative Costs [Insurance]		218,930	0.00
Increase Cost: Safety Contractor/Data Analyst [Occupational Safety and Health]		120,000	0.00
Increase Cost: Insurance Analyst [Insurance]		115,170	1.00
Increase Cost: FY18 Compensation Adjustment		93,396	0.00
Increase Cost: Commercially Purchased Property and Casualty Insurance [Insurance]		50,000	0.00
Increase Cost: Professional Services - Claims Audit Contract [Insurance]		40,000	0.00
Increase Cost: Safety Equipment Maintenance and Replacement [Occupational Safety and Health]		40,000	0.00
Increase Cost: Annualization of FY17 Personnel Costs		35,669	0.00

Increase Cost: Retirement Adjustment	15,391	0.00
Increase Cost: Annualization of FY17 Compensation Increases	10,543	0.00
Decrease Cost: Printing and Mail [Operations and Administration]	(483)	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding [Operations and Administration]	(1,320)	0.00
Decrease Cost: Motor Pool Adjustment [Occupational Safety and Health]	(2,136)	0.00
FY18 RECOMMENDED	66,955,617	31.12

PROGRAM SUMMARY

Program Name	FY17 APPR Expenditures	FY17 APPR FTEs	FY18 REC Expenditures	FY18 REC FTEs
Fiscal Management	2,084,907	10.00	1,890,309	11.00
Information Technology	957,546	2.00	1,378,254	3.00
Accounts Payable	1,028,652	10.00	810,011	7.75
Accounts Receivable	655,240	6.00	645,438	5.50
General Accounting	1,766,373	14.65	2,010,214	16.65
Grants Accounting	599,716	5.00	637,164	5.00
Payroll	1,141,021	9.00	1,209,429	10.00
Tax Operations	1,733,184	18.10	1,945,405	18.10
Treasury Operations	435,870	4.90	447,668	4.90
Insurance	59,370,271	3.00	62,272,140	4.00
Occupational Safety and Health	610,529	3.00	799,948	3.00
Legal Services	2,910,472	19.75	2,865,615	19.75
Operations and Administration	4,463,504	16.37	4,490,118	16.37
Total	77,757,285	121.77	81,401,713	125.02

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY17 Total\$	FY17 FTEs	FY18 Total\$	FY18 FTEs
COUNTY GENERAL FUND					
Human Resources	Employee Health Self Insurance	122,320	0.75	122,000	0.75
Human Resources	Retiree Health Benefits Trust Fund	43,180	0.25	42,160	0.25
General Services	Central Duplicating (Printing & Mail)	6,320	0.05	6,570	0.05
Transportation	Leaf Vacuuming	214,571	0.43	216,542	0.43
Parking District Services	Bethesda Parking	40,043	0.24	31,640	0.24
Parking District Services	Silver Spring Parking	43,522	0.27	36,230	0.27
Parking District Services	Montgomery Hills Parking	267	0.00	0	0.00
Parking District Services	Wheaton Parking	13,744	0.09	12,390	0.09
Community Use of Public Facilities	Community Use of Public Facilities	48,920	0.37	51,010	0.37
Recreation	Recreation	42,010	0.33	44,270	0.33
Permitting Services	Permitting Services	11,470	0.10	12,210	0.10

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY17 Total\$	FY17 FTES	FY18 Total\$	FY18 FTES
Environmental Protection	Water Quality Protection	865,388	6.00	853,694	6.00
Solid Waste Services	Solid Waste Disposal	515,059	4.38	521,955	4.38
Solid Waste Services	Solid Waste Collection	237,178	0.64	239,456	0.64
Liquor Control	Liquor	315,990	2.50	1,003,926	9.00
CIP	Capital Fund	153,400	1.00	145,293	1.00
Non-Departmental Accounts	Employees Retirement Savings Plan (RSP)	12,090	0.07	14,164	0.10
Non-Departmental Accounts	Retirement Fund (ERS)	63,900	0.37	78,938	0.54
Non-Departmental Accounts	Retiree Health Benefits Trust Fund	0	0.00	2,364	0.02
Non-Departmental Accounts	BIT 457 Deferred Comp. Plan	5,180	0.03	7,424	0.06
Non-Departmental Accounts	RSP-Disability Benefits (LTD2)	27,630	0.16	26,980	0.16
NDA - Conference Center	General Fund	129,079	1.00	129,574	1.00
Economic Development Fund	Economic Development Fund	114,178	1.00	143,833	1.00
Total		3,025,439	20.03	3,742,623	26.78

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY18	FY19	FY20	FY21	FY22	FY23
COUNTY GENERAL FUND						
EXPENDITURES						
FY18 Recommended	14,446	14,446	14,446	14,446	14,446	14,446
No inflation or compensation change is included in outyear projections.						
Contractual Resources for Indirect Cost Analysis and Services	0	40	0	40	0	40
Indirect Cost Analysis through contract.						
Kronos Annual Maintenance and Support	0	7	24	41	60	78
Kronos annual maintenance and support is a contractual obligation with a 3% cap increase per year based on the current contract, expiring December 31, 2018.						
Labor Contracts	0	67	67	67	67	67
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	14,446	14,560	14,537	14,594	14,573	14,631
SELF INSURANCE INTERNAL SERVICE FUND						
EXPENDITURES						
FY18 Recommended	66,956	66,956	66,956	66,956	66,956	66,956
No inflation or compensation change is included in outyear projections.						
Professional Services - Claims Audit Contract	0	(40)	0	(40)	0	(40)
The Claims Audit is conducted every other year and is needed in even years.						

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY18	FY19	FY20	FY21	FY22	FY23
Retiree Health Insurance Pre-funding	0	0	1	1	1	1
Labor Contracts	0	33	33	33	33	33
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	66,956	66,949	66,990	66,950	66,990	66,950