



Finance

APPROVED FY20 BUDGET

\$89,545,281

FULL TIME EQUIVALENTS

130.79

 MICHAEL COVEYOU, ACTING DIRECTOR

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 approved FY20 Operating Budget for the Department of Finance is \$89,545,281, an increase of \$5,603,016 or 6.67 percent from the FY19 Approved Budget of \$83,942,265. Personnel Costs comprise 19.58 percent of the budget for 135 full-time position(s) and no part-time position(s), and a total of 130.79 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 80.42 percent of the FY20 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 approved FY20 Operating Budget for the General Fund component is \$15,525,952 an increase of \$1,027,935 or 7.09 percent over the FY19 approved budget of \$14,498,017. Personnel Costs comprise approximately 82.38 percent of the General Fund budget for 124 full-time positions. A total of 98.92 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 17.62 percent of the budget.

The total FY20 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$74,019,329, an increase of \$4,575,081 or 6.59 percent over the FY19 approved budget of \$69,444,248. Personnel Costs comprise approximately 6.41 percent of the Self-Insurance Fund budget for 11 full-time positions. A total of 31.87 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 93.59 percent of the budget. Included in the total FTEs are 20.50 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.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

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 FY19 estimates reflect funding based on the FY19 Approved Budget. The FY20 and FY21 figures are performance targets based on the FY20 Approved Budget and funding for comparable service levels in FY21.

INITIATIVES

- ★ Upgrading Kronos Workforce TimeKeeper (MCTIME) from Version 6.2 to Version 8.2.
- ★ Upgrading Kronos Telestaff scheduling system for Fire Rescue Service.
- ★ Replacing the custom in-house real and personal property tax web billing applications with Citizens Self Service from Tyler Technologies.
- ★ Implementing electronic timeclocks for the retail and warehouse division at the Department of Liquor Control.
- ★ Upgrading Accounts Payable forensics software to monitor and verify payments to vendors.
- ★ The Department of Finance will be implementing credit card and electronic payment solutions and re-engineering existing solutions that will decrease the total cost of ownership for the County. This will entail creating a centralized payment portal, automating processes, reducing the level of effort for on-boarding departments that wish to process credit cards, and collaborating with the merchant service provider to reduce transaction costs.
- ★ Risk Management is actively working with FM Global, the Montgomery County Self Insurance Program's property insurance carrier, to present training to program members' maintenance staff to decrease property losses due to human factors.
- ★ Risk Management is working with the Office of the County Attorney and the commercial excess insurance carrier to improve claim reporting and update claim handling guidelines.

ACCOMPLISHMENTS

- ☑ Retained the County's AAA bond rating from all three major credit rating agencies in the fall of 2018.
- ☑ Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the FY17 Comprehensive Annual Financial Report (CAFR).
- ☑ Received the GFOA award for Outstanding Achievement in Popular Annual Financial Reporting for producing the County's first Popular Annual Financial Report (PAFR) in FY17.
- ☑ Successfully issued \$330 million in General Obligation bonds in FY19 with an interest rate (True Interest Cost) of 3.28 percent.
- ☑ Received a perfect score across all six divisions for the Office of Emergency Management and Homeland Security end of year Continuity of Operations Planning (COOP) status for 2017.
- ☑ The average daily investment portfolio increased from \$845 million in FY17 to \$871 million in FY18. Investment income jumped from \$6.0 million in FY17 to over \$11.7 million in FY18, with an average portfolio yield of 1.34 percent in FY18

(compared to 0.71 percent in FY17). This 1.34 percent average yield also compares favorably versus the benchmark yield of 1.29 percent (S&P Local Government Index).

- ✔ The County's Commercial Property Assessed Clean Energy Program (C-PACE), completed its first project in December of 2016, which was also the first C-PACE Project to be completed in the State. The Program currently has 12 completed projects with a total of \$8.4 million in C-PACE financing. To date, the County has completed more projects, in both volume and total financed value, than all other Maryland counties combined.
- ✔ During the inaugural 2018 election cycle of the County's Public Election Fund Program, there were 68 candidates who appeared on the 2018 County Council and County Executive election ballots, 40 of those candidates filed an intent to participate in the program with 23 candidates qualifying for the Program and receiving approximately \$5.25 million in matching public funds. Of the 10 elected offices eligible to participate in the Program, 7 of those offices were attained by a candidate who participated in the PEF Program, including the highest elected office of County Executive.
- ✔ Performed a security assessment of all County operations that accept credit card payments to ensure that each organization is operating in a Payment Card Industry Data Security Standard (PCI-DSS) compliant manner.
- ✔ Risk Management staff issued a new insurance broker contract with minimal cost increases.
- ✔ Risk Management held the 4th Montgomery County Self Insurance Program Annual Meeting and celebrated the 40th anniversary of the founding of the Montgomery County Self Insurance Program and its years of service to the County and member agencies.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✦ MUNIS, the County's property tax billing system, was successfully upgraded from version 9.4 to 11.3 in mid-March 2018. Preparations are being made to migrate from the County's on-premise environment to the Cloud.
- ✦ A test instance of the MUNIS Citizen Self Service module (version 11.3) has been implemented and is in the process of being reviewed, tested, and validated.
- ✦ Implemented a document management system for streamlining property tax credit for military retirees and senior residents.
- ✦ Implemented a Kronos Telestaff scheduling system for the Department of Corrections and Rehabilitation.
- ✦ Continued exploration for the use of Robotic Processing Automation software to perform repetitive and manually intensive jobs on software platforms that do not allow automation. This reduces staffing costs and increases accuracy.

COLLABORATION AND PARTNERSHIPS

- ✦ Disaster Recovery and Continuity of Enterprise Financial Systems
Collaborated with the Department of Technology Services and the Office of Emergency Management and Homeland Security (OEMHS) to secure grant funding for OEMHS to assist in formulating a strategy to address disaster recovery and operational continuity of the County's critical enterprise financial systems in the event of a prolonged outage. \$300K of grant funding has already been secured. This grant will be used to develop a disaster recovery and continuity of operation solution for the County's ERP system.
Partners
Office of Emergency Management and Homeland Security, Department of Technology Services

* Implement Online Credit Card & E-check Payment Options

Assisted the following departments and programs with implementing an on-line credit card and e-check payment option: Health and Human Services (HHS) Short Term Rental and Child Care/Proclass, Department of Liquor Control (DLC) Solicitor, iStore Ads, and DLC Licensees.

Partners

Department of Health and Human Services, Department of Liquor Control

PROGRAM CONTACTS

Contact Jedediah Millard of the Department of Finance at 240.777.8855 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 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. One of the program's primary goals 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 a variety of economic development initiatives that support the growth and/or expansion of economic opportunities in the County; and high quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures

Actual	Actual	Estimated	Target	Target
FY17	FY18	FY19	FY20	FY21

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
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
Interest Rate - True Interest Cost for Montgomery County General Obligation Bonds (the most common debt instrument used by the County) ¹	3.5%	1.7%	3.3%	3.3%	3.3%
Interest Rate Benchmarking - County General Obligation (GO) vs. Municipal Market Data Index (basis point spread) ²	30.0	3.0	0	0	0
Investment Return - Rate of return on Montgomery County's investments	0.71%	1.34%	1.70%	2.20%	2.20%
Investment Return Benchmarking - County Return vs. S&P Local Government Investment Pool Index (basis point spread)	12	18	12	12	12
Revenue forecasting - Percent variance between actual revenue and projected revenue	-0.67%	-3.31%	0%	0%	0%

¹ Did not have a 20 year metric for FY18 as there was not a County issuance with this time horizon, 1.726% reflects true interest cost available for 10-year debt issuance.

² FY17 value abnormally larger due to the volatile rate environment after the presidential election in when rates went up 75 bps between the election (November 6) and Christmas. This disproportionately affected the longer maturities. The County was above MMD by 5 basis points (bps) for 2017 and 2018 maturities, but greater than 25 bps above in later years. FY18 is a return to a more stable interest rate environment.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	1,947,371	11.00
Add: Ten Year Fiscal Plan Consultant	100,000	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.	135,128	1.00
FY20 Approved	2,182,499	12.00

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, project management, 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.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	1,399,903	3.00
Increase Cost: IT Financial Systems Applications - Ongoing Maintenance	268,710	0.00
Increase Cost: Annual PCI and ACH Industry Compliance	5,890	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.	(27,320)	0.00
FY20 Approved	1,647,183	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 FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Procurement Card rebate revenue generated	607,388	724,221	750,000	775,000	800,000

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	824,964	7.75
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	148,655	1.13
FY20 Approved	973,619	8.88

☀ 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 collectability.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	315,803	5.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	208,660	0.50
FY20 Approved	524,463	6.00

☀ 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 FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Receive the Government Finance Officers Association (GFOA) Certificate of	Received	Expected	Expected	Expected	Expected

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
------------------------------	----------------	----------------	-------------------	----------------	----------------

Achievement for Excellence in Financial Reporting ¹

¹ The County has been awarded this certificate more times than any other county in the nation (FY17 = 48 times)

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	2,066,436	16.65
Decrease Cost: Eliminate Accountant Auditor Reclass	(81,304)	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.	(5,247)	(0.66)
FY20 Approved	1,979,885	15.99

☀ 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.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	624,527	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.	(66,535)	0.00
FY20 Approved	557,992	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 FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Pension and long-term disability (LTD2) payroll payments processed	61,119	63,064	65,000	65,000	65,000

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	1,274,277	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.	21,709	0.00
FY20 Approved	1,295,986	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 FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Property tax accounts billed	371,866	376,553	378,000	380,000	382,000
FY20 Approved Changes				Expenditures	FTEs
FY19 Approved				1,780,331	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.				213,084	0.05
FY20 Approved				1,993,415	18.15

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 FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Cashier transactions processed	107,921	116,916	110,000	110,000	110,000
FY20 Approved Changes				Expenditures	FTEs
FY19 Approved				454,216	4.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.				22,549	0.00
FY20 Approved				476,765	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; recommending and reviewing contractual insurance requirements for County vendors; avoiding risk; and purchasing commercial insurance policies.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Workers Compensation - Cost per \$100 of payroll	3.34	2.88	2.91	2.91	2.91
Workers Compensation - Number of Montgomery County Government cases resulting in lost work time	485	554	575	590	590

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	64,767,608	4.00
Increase Cost: Claims Expense Increase Estimated by Actuary	3,506,520	0.00
Increase Cost: Commercial Insurance Premiums Increase Provided by Insurance Broker	840,585	0.00
Increase Cost: Claims Service Contract Administrative Costs	180,296	0.00
Decrease Cost: New Broker Service Contract	(52,600)	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.	(348,764)	0.00
FY20 Approved	68,893,645	4.00

Occupational Safety and Health

This program operates a proactive 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 Safety 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 continuous training is provided in loss prevention and loss control to promote a safe and healthy work environment for County employees. The program also employs proactive computer-based training for personal and facility safety.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Training classes conducted by Safety and Health Specialists ¹	2,120	1,469	2,000	2,100	2,100

¹ Late in FY17, online training was initiated to complement in-person classes. The decrease in FY18 is related to the roll-out of the new online training program and the fact that DGS completed biennial OSHA training in FY17.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	801,329	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(37,315)	0.00
FY20 Approved	764,014	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.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	2,997,116	20.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	114,628	0.00
FY20 Approved	3,111,744	20.50

☀ 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. This program also includes the Financial Analysis, Audit, and Compliance (FAAC) section of the Controller's Division. This section is responsible for performing extensive financial analysis to improve financial reporting, advancing functions in Oracle EBS financial modules, posting audits of financial transactions, and ensuring compliance with Department and Countywide policies.

FY20 Approved Changes	Expenditures	FTEs
FY19 Approved	4,688,384	17.37
Increase Cost: Annualization of Audit and Compliance Resources	365,522	3.00
Decrease Cost: Abolish M1 (Deputy Director) position	(217,342)	(1.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	307,507	0.00
FY20 Approved	5,144,071	19.37

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Approved FY20	%Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	7,287,518	9,560,198	7,813,548	9,948,205	4.1 %
Employee Benefits	2,774,431	2,556,976	2,834,381	2,842,233	11.2 %
County General Fund Personnel Costs	10,061,949	12,117,174	10,647,929	12,790,438	5.6 %
Operating Expenses	4,032,409	2,380,843	3,711,456	2,735,514	14.9 %
County General Fund Expenditures	14,094,358	14,498,017	14,359,385	15,525,952	7.1 %
PERSONNEL					
Full-Time	121	121	121	124	2.5 %
Part-Time	0	0	0	0	—

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Approved FY20	%Chg Bud/App
FTEs	93.90	94.90	94.90	98.92	4.2 %
REVENUES					
Miscellaneous Revenues	737,340	507,000	730,000	700,000	38.1 %
Other Charges/Fees	385,121	366,300	522,500	514,500	40.5 %
Other Fines/Forfeitures	17,953	5,000	10,000	15,000	200.0 %
Other Intergovernmental	369,659	418,000	417,000	473,970	13.4 %
County General Fund Revenues	1,510,073	1,296,300	1,679,500	1,703,470	31.4 %

SELF INSURANCE INTERNAL SERVICE FUND

EXPENDITURES

Salaries and Wages	3,218,759	3,575,288	2,693,212	3,671,599	2.7 %
Employee Benefits	1,077,269	1,065,787	837,092	1,074,954	0.9 %
Self Insurance Internal Service Fund Personnel Costs	4,296,028	4,641,075	3,530,304	4,746,553	2.3 %
Operating Expenses	57,217,309	64,803,173	64,958,304	69,272,776	6.9 %
Self Insurance Internal Service Fund Expenditures	61,513,337	69,444,248	68,488,608	74,019,329	6.6 %

PERSONNEL

Full-Time	11	11	11	11	—
Part-Time	0	0	0	0	—
FTEs	31.12	31.87	31.87	31.87	—

REVENUES

Investment Income	2,065,271	850,000	850,000	1,000,000	17.6 %
Miscellaneous Revenues	4,017,631	0	1,000,000	1,000,000	—
Self Insurance Revenues	67,295,886	69,423,933	68,423,933	73,404,480	5.7 %
Self Insurance Internal Service Fund Revenues	73,378,788	70,273,933	70,273,933	75,404,480	7.3 %

DEPARTMENT TOTALS

Total Expenditures	75,607,695	83,942,265	82,847,993	89,545,281	6.7 %
Total Full-Time Positions	132	132	132	135	2.3 %
Total Part-Time Positions	0	0	0	0	—
Total FTEs	125.02	126.77	126.77	130.79	3.2 %
Total Revenues	74,888,861	71,570,233	71,953,433	77,107,950	7.7 %

FY20 APPROVED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY19 ORIGINAL APPROPRIATION	14,498,017 94.90
Changes (with service impacts)		
Add: Ten Year Fiscal Plan Consultant [Fiscal Management]	100,000	0.00

FY20 APPROVED CHANGES

	Expenditures	FTEs
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of Audit and Compliance Resources [Operations and Administration]	365,522	3.00
Increase Cost: FY20 Compensation Adjustment	351,057	0.00
Increase Cost: Restore One-Time Lapse Increase	342,963	0.00
Increase Cost: IT Financial Systems Applications - Ongoing Maintenance [Information Technology]	268,710	0.00
Increase Cost: Annualization of FY19 Personnel Costs	143,854	0.00
Increase Cost: Retirement Adjustment	28,091	0.00
Increase Cost: Annualization of FY19 Operating Expenses	17,481	0.00
Increase Cost: Annual PCI and ACH Industry Compliance [Information Technology]	5,890	0.00
Technical Adj: Realign Montgomery County Employee Retirement Plans (MCERP) and Department of Liquor Control (DLC) Chargebacks to Reflect Actual Service Levels.	0	2.02
Decrease Cost: Chargeback for Billing, Collection, and Processing Services for Non-Tax Funds	(1,712)	0.00
Decrease Cost: Contractual Resources for Indirect Cost Analysis and Services	(14,000)	0.00
Decrease Cost: Eliminate Accountant Auditor Reclas [General Accounting]	(81,304)	0.00
Decrease Cost: Abolish M1 (Deputy Director) position [Operations and Administration]	(217,342)	(1.00)
Decrease Cost: Lapse Adjusted to Reflect Actual Rate	(281,275)	0.00
FY20 APPROVED	15,525,952	98.92

SELF INSURANCE INTERNAL SERVICE FUND

	FY19 ORIGINAL APPROPRIATION	69,444,248	31.87
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Claims Expense Increase Estimated by Actuary [Insurance]	3,506,520	0.00	
Increase Cost: Commercial Insurance Premiums Increase Provided by Insurance Broker [Insurance]	840,585	0.00	
Increase Cost: Claims Service Contract Administrative Costs [Insurance]	180,296	0.00	
Increase Cost: FY20 Compensation Adjustment	110,905	0.00	
Increase Cost: Retirement Adjustment	5,986	0.00	
Increase Cost: Motor Pool Adjustment	2,049	0.00	
Increase Cost: Rent Costs for Move to New Offices	603	0.00	
Decrease Cost: OPEB Adjustment	(7,850)	0.00	
Decrease Cost: Annualization of FY19 Personnel Costs	(11,413)	0.00	
Decrease Cost: New Broker Service Contract [Insurance]	(52,600)	0.00	
FY20 APPROVED	74,019,329	31.87	

PROGRAM SUMMARY

Program Name	FY19 APPR Expenditures	FY19 APPR FTEs	FY20 APPR Expenditures	FY20 APPR FTEs
Fiscal Management	1,947,371	11.00	2,182,499	12.00
Information Technology	1,399,903	3.00	1,647,183	3.00

PROGRAM SUMMARY

Program Name	FY19 APPR Expenditures	FY19 APPR FTEs	FY20 APPR Expenditures	FY20 APPR FTEs
Accounts Payable	824,964	7.75	973,619	8.88
Accounts Receivable	315,803	5.50	524,463	6.00
General Accounting	2,066,436	16.65	1,979,885	15.99
Grants Accounting	624,527	5.00	557,992	5.00
Payroll	1,274,277	10.00	1,295,986	10.00
Tax Operations	1,780,331	18.10	1,993,415	18.15
Treasury Operations	454,216	4.90	476,765	4.90
Insurance	64,767,608	4.00	68,893,645	4.00
Occupational Safety and Health	801,329	3.00	764,014	3.00
Legal Services	2,997,116	20.50	3,111,744	20.50
Operations and Administration	4,688,384	17.37	5,144,071	19.37
Total	83,942,265	126.77	89,545,281	130.79

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTEs	FY20 Total\$	FY20 FTEs
COUNTY GENERAL FUND					
Human Resources	Employee Health Self Insurance	122,040	0.75	126,880	0.75
Human Resources	Retiree Health Benefits Trust Fund	35,150	0.25	37,110	0.25
General Services	Central Duplicating (Printing & Mail)	6,430	0.05	6,760	0.05
Transportation	Leaf Vacuuming	244,750	0.43	245,720	0.43
Parking District Services	Bethesda Parking	30,870	0.24	32,500	0.24
Parking District Services	Silver Spring Parking	34,940	0.27	36,800	0.27
Parking District Services	Wheaton Parking	11,750	0.09	12,370	0.09
Community Use of Public Facilities	Community Use of Public Facilities	47,460	0.37	49,950	0.37
Recreation	Recreation	41,840	0.33	44,010	0.33
Permitting Services	Permitting Services	12,550	0.10	13,200	0.10
Environmental Protection	Water Quality Protection	959,652	6.00	961,595	6.00
Solid Waste Services	Solid Waste Disposal	582,708	4.38	587,636	4.38
Solid Waste Services	Solid Waste Collection	270,550	0.64	271,466	0.64
Liquor Control	Liquor	1,026,081	8.00	815,361	6.50
CIP	Capital Fund	152,412	1.00	151,872	1.00
Non-Departmental Accounts	Employees Retirement Savings Plan (RSP)	12,246	0.10	0	0.00
Non-Departmental Accounts	Retirement Fund (ERS)	68,852	0.54	40,152	0.30
Non-Departmental Accounts	Retiree Health Benefits Trust Fund	2,406	0.02	4,708	0.05
Non-Departmental Accounts	BIT 457 Deferred Comp. Plan	6,626	0.06	0	0.00
Non-Departmental Accounts	RSP-Disability Benefits (LTD2)	22,480	0.16	1,480	0.01

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTES	FY20 Total\$	FY20 FTES
NDA - Conference Center	General Fund	145,549	1.00	156,599	1.00
NDA - Incubator Programs - Economic Development Partnership	General Fund	0	0.00	111,288	1.00
Economic Development Fund	Economic Development Fund	152,412	1.00	157,046	1.00
Total		3,989,754	25.78	3,864,503	24.76

FUTURE FISCAL IMPACTS

CC APPROVED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
COUNTY GENERAL FUND						
EXPENDITURES						
FY20 Approved	15,526	15,526	15,526	15,526	15,526	15,526
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Approved in FY20	0	(23)	(23)	(23)	(23)	(23)
Items recommended for one-time funding in FY20, including operating expenses for the Compliance Unit, will be eliminated from the base in the outyears.						
Restore One-Time Lapse Increase	0	281	281	281	281	281
Restoration of one-time lapse adjustment in the budget development year						
Labor Contracts	0	138	138	138	138	138
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	15,526	15,922	15,922	15,922	15,922	15,922
SELF INSURANCE INTERNAL SERVICE FUND						
EXPENDITURES						
FY20 Approved	74,019	74,019	74,019	74,019	74,019	74,019
No inflation or compensation change is included in outyear projections.						
Retiree Health Insurance Pre-funding	0	0	(1)	(4)	(6)	(8)
Labor Contracts	0	52	52	52	52	52
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	74,019	74,071	74,070	74,067	74,065	74,063