



Workforce/Compensation

SUMMARY OF FY21 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY21, as recommended by the Board of Education (BOE), is 23,489.840 FTEs, or 582.467 FTEs greater than the approved FY20 workforce of 22,907.373 FTEs. 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) are ongoing. MCPS' budget request contains funding for the anticipated agreements. For more information on compensation and workforce changes, please see the Board of Education's FY21 requested budget document.

Montgomery College (MC): The College and its Board of Trustees has proposed a maintenance of effort budget that continues its current staff complement. The FY21 Current Fund increase in personnel costs of about \$2.2 million to adjust FY21 wages to a fair, reasonable, and sustainable level. Negotiations with the bargaining units are ongoing, however, and merit and general wage adjustment increases are not known at the time of this publication. For more information on compensation and workforce changes, please consult the Adopted FY21 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 FY21, as recommended by the Planning Board, is an increase of 26.43 FTEs. The Commission's requested budget includes an increase in personnel costs of \$6.0 million. The increase also includes retirement and group insurance adjustments, a compensation placeholder (to address collectively bargained compensation increases and pass-through costs) and a reclassification placeholder. For more information on compensation and workforce changes, please see the M-NCPPC FY21 requested budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY21, as recommended by the Executive, is an increase of 189 positions.

The recommended budget contains an increase in total personnel costs of \$21.1 million, or 1.7 percent. The primary factors in these changes are:

Factor	Millions
General Wage Adjustment	\$9.7
Decrease in required retirement contribution	-\$12.6
Decrease in group insurance	-\$3.1
Service increments and longevity	\$8.1
Other changes in personnel costs, including annualization of positions, turnover, and lapse	\$18.9

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 the 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 FY21: 1.0 percent effective the first full pay period after July 1, 2020 for all employees in the Police bargaining unit; 2.25 percent effective the first full pay period after August 1, 2020 for all employees in the Fire and Rescue bargaining unit and Fire and Rescue uniformed management; 1.25 percent effective the first full pay period after October 1, 2020 for all employees in the Office, Professional, and Technical (OPT), and Service, Labor, and Trades (SLT) units, as well all employees on the Deputy Sheriffs and Correctional Officers Uniform Salary Schedules, and all non-represented employees, including Management Leadership Service (MLS) and Police Leadership Service (PLS) employees.

FY21 salary schedules can be found on the County's website at:

<http://www.montgomerycountymd.gov/HR/compensation/Compensation.html>.

Lump-Sum Payments: The Executive recommends a lump-sum bonus payment of \$1,000 for employees in the OPT and SLT units, as well as on the Deputy Sheriffs and Correctional Officers schedules, who are not eligible for a service increment in FY21.

Service Increments: The Executive recommends service increments of 3.5 percent for all eligible employees.

Longevity Increments: The Executive recommends longevity increments in FY21 for all eligible employees.

Performance-Based Pay: The Executive recommends \$1,984,118 in the Compensation Adjustment and Employee Benefits NDA to fund performance-based pay increases for MLS and PLS employees, as well as General Salary Schedule 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 2020 and projected changes for 2021. The employer rates of 6.2 percent for social security and 1.45 percent for Medicare are not expected to change.

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 an actuarially determined Countywide average fixed rate of \$13,006 per position, 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 seven percent annually between FY21 and FY26. 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.

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 pre-funding for retiree pension benefits. Due to exponential growth in expected retiree health costs, the County had determined the cost of funding these benefits, which were being paid out as the bills came due, would 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.

County agencies develop 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 \$1.9 billion - approximately 29.2 percent of the total FY21 budget for all agencies.

Proposed FY21 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	<u>FY21</u>
<u>General Fund:</u>	
Retiree Health Benefits Trust NDA	\$12,255,660
<u>Proprietary Funds:</u>	
Bethesda Parking District	\$40,190
Wheaton Parking District	4,160
Silver Spring Parking District	29,100
Solid Waste Collection	5,540
Solid Waste Disposal	108,090
Alcohol Beverage Services	609,730
Permitting Services	333,970
Community Use of Public Facilities	42,960
Motor Pool	288,240
Risk Management	15,240
Central Duplicating	47,120
<u>Participating Agency Contributions</u>	\$391,000
Total MCG Trust Contributions	\$14,171,000
Consolidated Trust: Montgomery County Public Schools	\$69,358,879
Consolidated Trust: Montgomery College	\$5,523,000
Park and Planning Commission Trust Fund*	\$3,134,362
Total Contributions/Assets Held in Trust	\$92,187,241
* MNCPPC's contribution from tax supported funds is \$2,992,393.	

The County's approach 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 Actuarially Determined Contribution or "ADC", is estimated at \$76.0 million. This amount normally 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 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's policy is to pay the full amount of ADC each year. In FY11, 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 (OPEB) for employees of MCPS and MC. In FY15, the County and all other

agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This has reduced retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY20, these contributions were budgeted at \$34.7 million (County General Fund), \$78.5 million (MCPS Consolidated Trust), and \$5.4 million (MC

A detailed breakdown of FY21 recommended contributions to the Consolidated Retiree Health Benefit Trust for County government tax supported agencies, participating agencies, MCPS, and MC is displayed in the table above. The Executive is recommending that the Retiree Health Benefits Trust provide \$27.2 million to MCPS for the payment of retiree health insurance claims in FY21.

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 6,731 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.

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, 2019, there were 6,731 retirees and survivors and 6,003 active members, including 2,254 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 County Council Executive Director; 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 increased by 12 and the number of public safety employees decreased by 141, for a combined total active enrollment of 3,749 in FY20. The decrease for active public safety numbers is the result of identifying Group J participants in non-public safety as of the July 1, 2019 valuation; this group had inadvertently been listed in the public safety count. GRIP membership increased by 128 employees, to 2,254 in FY20. The RSP had 136 fewer active employees enrolled in FY20 than in FY19, for a total FY20 enrollment of 3,380.

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 expires on June 30, 2020. The negotiated agreement becomes effective July 1, 2020, and expires on June 30, 2022. The agreement's salient economic terms include:

- **Assignment Pay Differentials.** An assignment pay differential was added for two new groups within the Fire and Rescue bargaining unit.
- **Special Duty Differentials.** An increase was added to special duty differentials for unit members assigned to the Emergency Communications Center.
- **General Wage Adjustment.** A 2.25 percent GWA will be paid the first full pay period following August 1, 2020.
- **Service Increments.** A service increment of 3.5 percent will be paid in FY21 up to the maximum base salary for the grade for eligible unit members.
- **Longevity step increases.** Longevity step increases will be paid to eligible employees.
- **Tuition Assistance.** A dedicated amount of funding for use by bargaining unit members was added for tuition assistance.

MCGEO Bargaining Unit: The current agreement expires on June 30, 2020. The negotiated agreement becomes effective July 1, 2020, and expires on June 30, 2023. The agreement's salient economic terms include:

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- General Wage Adjustment. A 1.25 percent GWA will be paid the first full pay period following October 1, 2020.
 - Service Increments. A service increment of 3.5 percent will be paid in FY21 up to the maximum base salary for the grade for eligible unit members.
 - Deferred Service Increment. A service increment of 3.5 percent for any eligible bargaining unit member who was scheduled to receive a service increment in FY11, but which was not funded by the County Council, was split into three phases; the second phase of 1.25 percent will be paid in FY21 to eligible unit members the first full pay period following July 1, 2020.
 - Longevity step increases. Longevity step increases will be paid to eligible employees.
 - Lump sum payment. A \$1,000 lump sum payment for eligible unit members who are not eligible for a service increment in FY21 will be paid the first full pay period following July 1, 2020. Unit members eligible for less than a full 3.5 percent service increment, with a value less than \$1,000, will receive a lump sum payment, the combined amount of which will be \$1,000, paid the pay period following their increment date.
 - Retirement contribution ratio shift. The employer contribution rate will increase by 1 percent, and the employee contribution rate will decrease by 1 percent, for all eligible unit members the first full pay period following July 1, 2020.
 - Military Service Credit. A credit for up to two years of service for eligible unit members in Group E retirement plans for military service will be applied to eligible retirement accounts.
 - Additional Retirement Group. A new retirement group will be created in the ERS for eligible unit members in the Emergency Communications Center.
 - Sick leave payout program. A sick leave payout program will be created in FY21 for eligible unit members leaving County service with at least 10 years of service.
 - Resident Supervisors. Eligible unit members in the Resident Supervisors job classification in the Department of Correction and Rehabilitation will be moved from Group J retirement to Group E retirement.
 - Holiday Pay. An adjustment of the requirements to receive holiday pay from "normal" day to "work" day.
 - Shift Differential. An adjustment to the shift start time and amount of the shift differential from \$1.40 per hour for shift starts between 2:00PM and 10:59PM, and \$1.56 per hour for shift starts between 11:00PM and 5:00AM to \$1.42 per hour for shift starts between 12:00PM and 7:59PM, and \$1.87 per hour for shift starts between 8:00PM and 5:59AM.
 - Field Training Pay Differential. An addition in the job classifications eligible for field training pay differential.
 - Transit Subsidy. An increase in the Get-In Program transit subsidy from \$75 per month to up to \$265 per month.
 - Seasonal Wage Adjustment. A \$0.50 an hour adjustment will be provided effective the first full pay period after July 1, 2020 for seasonal employees not affected by the County minimum wage increase.
 - Crisis Center Stipend. A stipend of \$1,500 will be paid in FY21 to eligible unit members in the Health and Human Services Crisis Center.
 - Labor Management Relations Committee (LMRC) Funding. Increase in LMRC funding by \$50,000 in FY21.

Police Bargaining Unit: The current agreement expires on June 30, 2020. The negotiated agreement becomes effective July 1, 2020, and expires on June 30, 2023. The agreement's salient economic terms include:

- General Wage Adjustment. A 1 percent GWA will be paid the first full pay period following July 1, 2020.
- Service Increments. A service increment of 3.5 percent will be paid in FY21 up to the maximum base salary for the grade for eligible unit members.
- Salary Schedule Adjustment. A salary schedule adjustment of 3.5 percent for all eligible unit members receiving less than the maximum base salary will be paid the first full pay period following July 1, 2020
- Longevity step increases. A longevity step increase will be paid to eligible employees.

Volunteer Fire and Rescue Bargaining Unit: The current agreement expires on June 30, 2020. The negotiated agreement becomes effective on July 1, 2020, and expires on June 30, 2023. The agreement's salient economic terms include:

- Nominal fee. A nominal fee increase will be paid in FY21. The nominal fee for eligible volunteers increases in July 2019 by \$45 to \$500 and by \$100 to \$800, depending on level of service.
- Association funding. Funding for the Association will increase to \$312,789 on July 1, 2020. This includes funding in FY21 for the purchase of a new vehicle.
- Uniforms and equipment. Funding in the amount of \$135,000 will be provided in FY20 to purchase 50 gear sets.
- Training. Funding in the amount of \$21,000 will be provided for Volunteer Basic Orientation Course training, and \$15,000 will be provided for training and Pro-Board certification.
- Length of Service Award Program (LOSAP). An increase in LOSAP of 3 percent will be provided to all members, and an additional 2.5 percent increase will be made for certain active members, on July 1, 2020.

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 FY21 Operating Budget for the County government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY20, which began on July 1, 2019. 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 FY21 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, 2020; and technical changes.

Summary: The recommended budget includes funding for 9,829 full-time positions, a net increase of 162 from the approved FY20 Personnel Complement of 9,667 full-time positions. Funding for 1,002 part-time positions is also included, a net increase of 27 positions from the approved FY20 Personnel Complement of 975 positions. FTEs increased by 184.0 to 10,617.2.

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY COUNTY EXECUTIVE RECOMMENDED: FY21					
	POSITIONS		FULL-TIME EQUIVALENTS		
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	TOTAL
FY20 APPROVED COMPLEMENT	9,667	975	8,579.7	1,853.6	10,433.2
FY21 RECOMMENDED COMPLEMENT	9,829	1,002	8,727.2	1,890.0	10,617.2
CHANGE IN WORKFORCE (GROSS)	162	27	147.5	36.4	184.0
Percentage Change	1.7%	2.8%	1.7%	2.0%	1.8%

Detailed below are the significant net changes in the number of positions in the FY21 Recommended Budget.

Workforce Changes

Position
Change

Health and Human Services - Change is related to school health room staffing for County schools, the conversion of contractual brokers to merit staff, staff to support both Adult and Early Childhood care programs, and staff to open a new Wellness Center at Seneca Valley High School.	67
Fire and Rescue Service - Change is due to positions added to eliminate the need for overtime while firefighter/rescuers are engaged in full-time paramedic training, and other operational improvements.	24
Alcohol Beverage Services - Change is due to the opening of two retail stores in FY21 and recommended changes to the personnel complement to achieve operational improvements.	16
Police - Change is due to the implementation of Police Activities League and crossing guards for new schools.	12
Public Libraries - Change is due to the addition of public service hours to Long Branch, White Oak, and Twinbrook libraries, as well as additions for early literacy outreach.	10

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES															
HEALTH PLAN	2019					2020					CHANGE				
	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	%Dif
Carefirst POS	1,242	968	1,864	4,074	48.1%	1,211	1,067	1,863	4,141	46.1%	(31)	99	(1)	67	-2.0%
Carefirst POS Std	322	163	306	791	9.3%	421	210	361	992	11.0%	99	47	55	201	1.7%
Kaiser	781	382	571	1,734	20.5%	836	418	607	1,861	20.7%	55	36	36	127	0.2%
United Healthcare	639	403	831	1,873	22.1%	693	434	865	1,992	22.2%	54	31	34	119	0.1%
Grand Total				8,472					8,986					514	

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES						
Employee Retirement System Plans	Number	Fiscal 2020	Number	Fiscal 2021	Number	Contribution
	Employees (7/1/18)	Rate %	Employees (7/1/19)	Rate %	Employees (7/18 v. 7/19)	Rate (7/18 v. 7/19)
Public Safety	2,981	19.88%	2,840	18.17%	(141)	-1.71%
Non-Public Safety	897	43.38%	909	21.28%	12	-22.10%
Guaranteed Retirement Income Plan	2,126	5.93%	2,254	6.10%	128	0.17%
Total ERS System Plans	6,004		6,003		(1)	
Retirement Savings Plan	3,516	8.00%	3,380	8.00%	(136)	0.00%

Source: Montgomery County Employees' Retirement System, 2018 and 2019 Actuarial Valuation Reports for Plan Years Beginning July 1, 2018, and July 1, 2019, respectively. RSP data provided by the Montgomery County Employee Retirement Plans.

Note: Group J participants (129 as of 7/1/19) identified in "Non-Public Safety" ERS totals beginning in FY21 data; these totals were previously in the "Public Safety" count.

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT							
ITEM	FY19 APPR	FY19 ACT	FY20 APPR	FY20 EST	FY21 REC	\$ Change	% Change
EXPENSES							
Salaries and Benefits	197,000	173,310	173,000	157,000	191,000	18,000	10.4%
Professional Services	6,200	19,488	6,200	6,200	63,700	57,500	927.4%
Due Diligence/Education	3,600	2,025	3,600	3,600	3,600	0	0.0%
Office Management	10,560	8,436	10,000	9,700	9,600	(400)	(4.0%)
Investment Management fees	5,500	4,690	5,000	5,300	5,800	800	16.0%
TOTAL EXPENSES	\$222,860	\$207,949	\$197,800	\$181,800	\$273,700	\$75,900	38.4%

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	FY19 APPR	FY19 ACT	FY20 APPR	FY20 EST	FY21 REC	\$ Change	% Change
EXPENSES							
Salaries and Benefits	355,500	371,905	410,000	459,000	539,000	129,000	31.5%
Professional Services	146,000	237,796	136,000	210,000	209,200	73,200	53.8%
Due Diligence/Education	50,000	26,926	40,000	30,000	40,000	0	0.0%
Office Management	21,000	19,616	17,000	18,300	17,300	300	1.8%
Investment Management fees	4,233,000	5,401,649	5,864,000	5,236,000	5,627,000	(237,000)	(4.0%)
TOTAL EXPENSES	\$4,805,500	\$6,057,892	\$6,467,000	\$5,953,300	\$6,432,500	(\$34,500)	(0.5%)

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM							
ITEM	FY19 APPR	FY19 ACT	FY20 APPR	FY20 EST	FY21 REC	FY21 Req vs FY20 Appr \$	%
REVENUE							
Contributions	108,000,000	116,213,301	108,200,000	108,200,000	91,900,000	(16,300,000)	(15.1%)
Investment Income	330,000,000	338,831,643	331,000,000	326,500,000	337,600,000	6,600,000	2.0%
Miscellaneous Income	1,600,000	1,316,323	1,470,000	1,170,000	1,058,000	(412,000)	(28.0%)
TOTAL REVENUE	\$ 439,600,000	\$ 456,361,267	\$ 440,670,000	\$ 435,870,000	\$ 430,558,000	(10,112,000)	(2.3%)
EXPENSES							
OPERATING EXPENSES							
Retirement Benefits	246,800,000	263,710,559	260,200,000	271,060,000	280,170,000	19,970,000	7.7%
Investment Management fees	21,600,000	22,257,612	25,200,000	20,300,000	22,200,000	(3,000,000)	(11.9%)
SUBTOTAL	268,400,000	285,968,171	285,400,000	291,360,000	302,370,000	16,970,000	5.9%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	2,070,000	1,792,764	2,424,000	2,220,000	2,584,000	160,000	6.6%
Professional Services	1,205,000	1,011,035	1,108,500	1,185,000	1,173,000	64,500	5.8%
Benefit Processing	125,000	124,111	125,000	128,000	128,000	3,000	2.4%
Due Diligence/Education	65,500	27,709	55,500	42,000	55,500	0	0.0%
Office Management	109,000	108,631	105,500	106,000	105,500	0	0.0%
SUBTOTAL	3,574,500	3,064,250	3,818,500	3,681,000	4,046,000	227,500	6.0%
TOTAL EXPENSES	\$271,974,500	\$289,032,421	\$289,218,500	\$295,041,000	\$306,416,000	17,197,500	5.9%
NET REVENUE	\$167,625,500	\$167,328,846	\$151,451,500	\$140,829,000	\$124,142,000	(27,309,500)	(18.0%)

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN							
ITEM	FY19 APPR	FY19 ACT	FY20 APPR	FY20 EST	FY21 REC	Change: FY21 Req vs FY20 Appr \$	%
REVENUE							
Investment Income	4,000	15,899	11,200	3,500	3,100	(8,100)	(72.3%)
Miscellaneous Income	490,000	169,697	200,000	160,000	132,000	(68,000)	(34.0%)
TOTAL REVENUE	494,000	185,596	211,200	163,500	135,100	(76,100)	(36.0%)
EXPENSES							
OPERATING EXPENSES							
Investment Management fees	5,500	4,690	5,000	5,300	5,800	800	16.0%
SUBTOTAL	5,500	4,690	5,000	5,300	5,800	800	16.0%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	226,000	214,416	198,000	182,000	217,000	19,000	9.6%
Professional Services	95,700	97,088	89,700	70,200	85,700	(4,000)	(4.5%)
Due Diligence/Education	3,600	2,874	3,600	3,600	3,600	0	0.0%
Office Management	10,560	10,478	10,000	9,700	9,600	(400)	(4.0%)
SUBTOTAL	335,860	324,856	301,300	265,500	315,900	14,600	4.8%
TOTAL EXPENSES	\$341,360	\$329,546	\$306,300	\$270,800	\$321,700	15,400	5.0%

**Fraternal Order of Police County Lodge 35, Inc.
Fiscal Impact Summary***

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY21</u>	<u>Annual Cost Beyond FY21</u>	<u>Estimated # affected***</u>
28	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,139,939	\$1,637,536	569
28	Longevity	Longevity Step Increase of 3.5 Percent for Eligible Employees	\$98,414	\$144,760	70
36	Wages	Salary Schedule Adjustment of 3.5 Percent for Eligible Employees	\$1,959,436	\$1,959,436	569
36	Wages	1 Percent General Wage Adjustment in July 2020	\$1,166,707	\$1,166,707	1,164
Total			\$4,364,496	\$4,908,439	1,164

Police Uniformed Management Pass-Through Estimates**

<u>Item</u>	<u>Description</u>	<u>FY21</u>	<u>Annual Cost Beyond FY21</u>	<u>Estimated # affected***</u>
Wages	1.25 Percent General Wage Adjustment in October 2020	\$79,735	\$109,526	57
Total		\$79,735	\$109,526	

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** Police Management converted to a new Police Leadership Service (PLS) Schedule in FY19.

***The estimated number of employees affected by the economic item is identified where known.

Montgomery County Career Fire Fighters Association, Inc
International Association of Fire Fighters, Local 1664
Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>Annual Cost</u>		<u>Estimated # affected**</u>
			<u>FY21</u>	<u>Beyond FY21</u>	
17.1	Assignment Pay Differential	Addition of two Assignments to Assignment Pay Differential	\$31,561	\$31,561	11
19.1	Wages	2.25 Percent General Wage Adjustment in August 2020	\$2,106,304	\$2,289,461	1,114
19	Longevity	Longevity Step Increases of 3.5 Percent for Eligible Employees	\$117,417	\$199,613	49
54	Tuition Assistance	Dedicated Funding for Tuition Assistance	\$65,000	\$65,000	
55	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$810,408	\$1,546,588	696
57.2	Special Duty Differential	Increase in the Special Duty Differential for Members Assigned to ECC	\$9,870	\$9,870	3
Total			\$3,140,560	\$4,142,093	1,114

Fire and Rescue Uniformed Management Pass-Through Estimates

<u>Item</u>	<u>Description</u>	<u>Annual Cost</u>		<u>Estimated # affected**</u>
		<u>FY21</u>	<u>Beyond FY21</u>	
Wages	2.25 Percent General Wage Adjustment in August 2020	\$121,011	\$131,534	41
Longevity	Longevity Step Increases of 3.5 Percent for Eligible Employees	\$3,676	\$10,001	2
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,868	\$2,619	3
Total		\$126,555	\$144,154	41

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

**Municipal and County Government Employees Organization
United Food and Commercial Workers, Local 1994
Fiscal Impact Summary***

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY21</u>	<u>Annual Cost Beyond FY21</u>	<u>Estimated # affected**</u>
5	Wages	1.25 Percent General Wage Adjustment in October 2020	\$3,935,929	\$5,406,496	4,835
5	Wages	\$1,000 Lump Sum to Eligible Employees not Eligible to Receive a Full Service Increment in FY21	\$1,923,238	\$0	1,800
5.1	Longevity	Longevity Step Increase of 2.5, 3, or 3.5 Percent for Eligible Employees	\$258,430	\$546,327	180
5.3	Shift Differential	Increase Shift Differential from \$1.40 and \$1.56 per hour Based on Shift Start Time to \$1.42 and \$1.87 per hour	\$576,434	\$576,434	
5.22	FTO Pay	Increase Classifications Eligible for Field Training Officer Pay	\$19,522	\$19,522	31
5.24	Meal Allowance	Increase in the Meal Allowance to \$15	\$5,000	\$5,000	
5.31	Transit Subsidy	Increase the Get-In Program Transit Subsidy to up to \$265 per month	\$150,000	\$150,000	
6	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$4,163,636	\$7,869,507	3,317
6	Deferred Increment	Deferred Service Increment from FY11 for Eligible Employees, Second Phase of 1.25% Effective July 2020	\$904,049	\$904,049	979
20.7	Holiday Leave	Adjustment to Requirements to Receive Holiday Pay	\$104,574	\$104,574	
29.4	LMRC	Additional Funding for LMRC	\$50,000	\$25,000	
41.7	Retirement	Military Credit of up to 2 Years for Eligible Group E Members	\$121,961	\$121,961	
41	Retirement	Additional Cost for Retirement for Emergency Communications Center Eligible Employees	\$200,000	\$200,000	
43	Retirement Plan Contributions	Increase by 1 Percent in the Employer Contribution, with a 1 Percent Decrease in Employee Contribution	\$1,389,781	\$3,364,607	4,835
44.11	Retirement	Sick Leave Payout Program for Eligible Employees for \$5,000 or \$10,000 Based on Sick Leave Balance	\$225,000	\$225,000	
Appendix IV	DOCR Appendix	Uniform Allowance and Issue Resident Supervisor Uniforms, and Facilities Improvements	\$49,363	\$37,679	
Appendix IV	DOCR Appendix	Resident Supervisors Moved to Group E Additional Half-Hour per Shift	\$171,634	\$171,634	29
Appendix II	HHS Appendix	Crisis Center Stipend of \$1,500	\$50,057	\$50,057	31
Appendix VI	DOT Appendix	Increase Boot Reimbursement from \$145 to \$200 for Highways Services Employees	\$13,750	\$13,750	
53	Seasonal Employees	Additional \$0.50 for Eligible Seasonal Employees	\$89,288	\$89,288	
Total			\$14,401,646	\$19,880,885	4,835

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

Non-Represented Pass-Through Estimates*

<u>Item</u>	<u>Description</u>	<u>FY21</u>	<u>Annual Cost Beyond FY21</u>	<u>Estimated # affected**</u>
Wages	1.25 Percent General Wage Adjustment in October 2020	\$2,339,519	\$3,213,625	2,268
Retirement Plan Contributions	Increase by 1 Percent in the Employer Contribution, with a 1 Percent Decrease in Employee Contribution	\$1,129,504	\$2,053,339	2,268
Longevity	Longevity Step Increase of 2 Percent for Eligible Employees	\$66,851	\$144,402	
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,407,032	\$2,662,151	1,462
Shift Differential	Increase Shift Differential from \$1.40 and \$1.56 per hour Based on Shift Start Time to \$1.42 and \$1.87 per hour	\$52,569	\$52,569	
Retirement	Sick Leave Payout Program for Eligible Employees for \$5,000 or \$10,000 Based on Sick Leave Balance	\$110,000	\$110,000	
Total		\$5,105,475	\$8,236,086	2,268

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

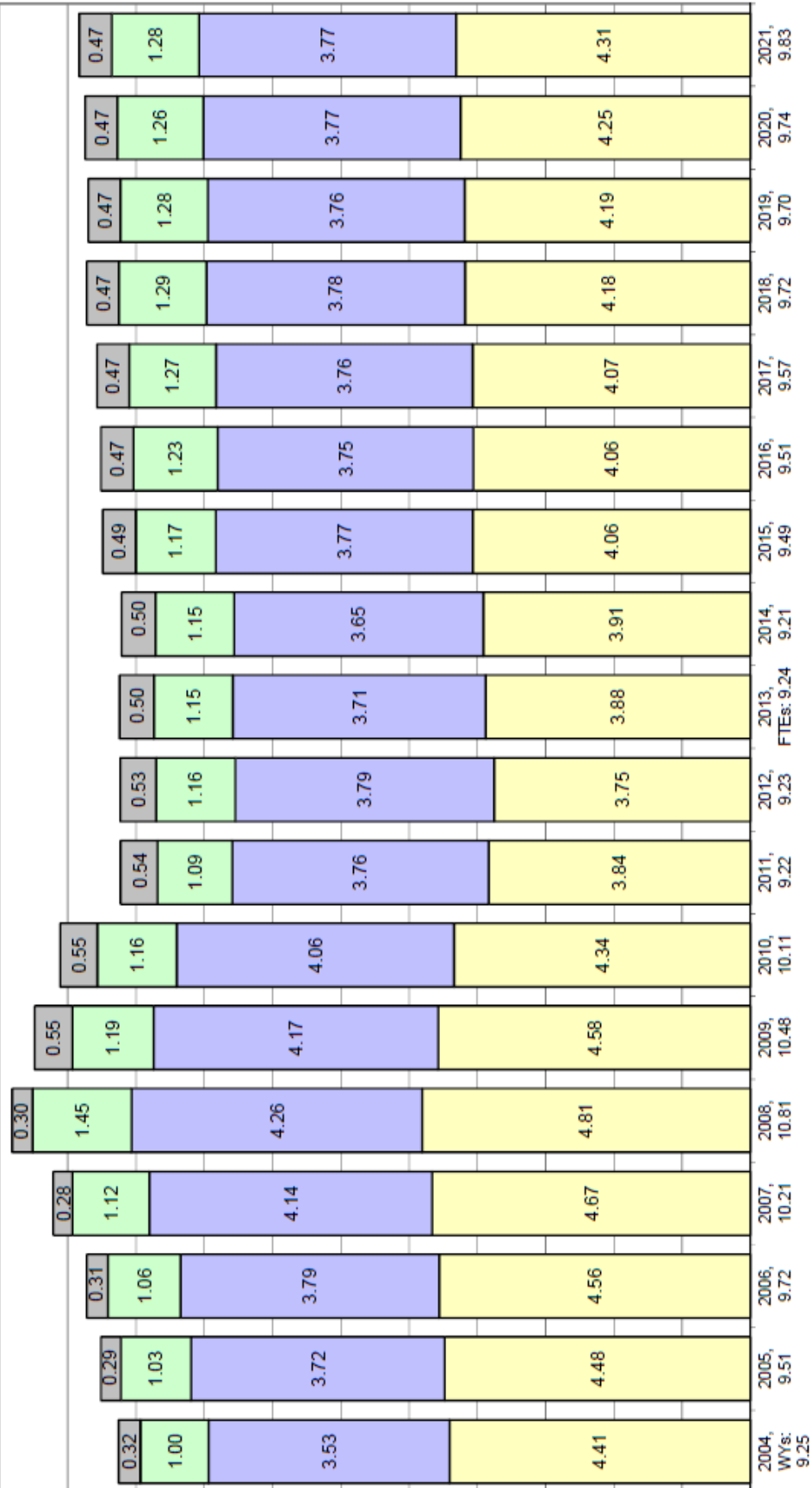
Montgomery County Volunteer Fire and Rescue Association Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY21</u>	<u>Annual Cost Beyond FY21</u>
12	Nominal Fee	Nominal fee of \$500/\$800 in FY21**	\$45,685	\$119,935
16	Training	Provide \$10,000 funding for training and \$5,000 for Pro-Board certification	\$15,000	\$15,000
22	Volunteer Basic Orientation	Training fee not to exceed \$21,000 each year of the agreement	\$21,000	\$21,000
25	Length of Service Award Program	Provide 3 percent increase for all members, and an additional 2.5 percent increase for certain active members, on July 1, 2020	\$55,822	\$60,047
Side Letter	Association Operating Funds	Association funding effective July 1 each year of the agreement, including a new vehicle in FY21	\$57,752	\$26,141
Total			\$195,259	\$242,123

* 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
FY04-FY20 Approved Workyears and FTEs, FY21 Recommended FTEs¹**



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

¹ From FY04 through FY12, workyears are used; beginning in FY13, full-time equivalent (FTE) positions will be used.

MONTGOMERY COUNTY PRODUCTION REPORT

FY21 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
County General Fund				
General Government				
Board of Appeals	32,699	45,521	26,490	104,710
Board of Elections	271,404	399,773	203,517	874,694
Circuit Court	600,490	1,277,184	689,842	2,567,516
Community Engagement Cluster	204,512	419,353	239,431	863,296
County Attorney	324,227	513,352	403,030	1,240,609
County Council	669,558	1,184,799	783,513	2,637,870
County Executive	277,858	455,731	323,385	1,056,974
Ethics Commission	18,635	26,012	14,706	59,353
Finance	747,116	1,229,902	691,137	2,668,155
General Services	826,548	1,706,961	1,047,868	3,581,377
Human Resources	320,615	509,883	339,974	1,170,472
Human Rights	73,113	113,803	85,083	271,999
Inspector General	105,492	156,072	71,148	332,712
Intergovernmental Relations	50,940	68,932	56,017	175,889
Labor Relations	73,132	109,072	63,887	246,091
Legislative Oversight	112,975	164,786	146,677	424,438
Management and Budget	341,077	505,177	326,558	1,172,812
Merit System Protection Board	15,067	26,012	11,399	52,478
Procurement	258,813	484,478	253,457	996,748
Public Information	307,274	674,812	318,653	1,300,739
Racial Equity and Social Justice	18,441	26,012	11,595	56,048
State's Attorney	1,067,001	2,001,489	1,321,219	4,389,709
Technology Services	1,420,652	2,028,938	1,632,846	5,082,436
Zoning and Administrative Hearings	34,576	52,024	34,218	120,818
Total General Government	8,172,215	14,180,078	9,095,650	31,447,943
Public Safety				
Animal Services	361,692	917,294	273,363	1,552,349
Consumer Protection	122,690	198,306	188,886	509,882
Correction and Rehabilitation	3,700,575	6,933,935	4,061,552	14,696,062
Emergency Management and Homeland Security	78,166	124,026	89,407	291,599

MONTGOMERY COUNTY PRODUCTION REPORT

FY21 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
Police	13,702,804	25,942,453	16,791,313	56,436,570
Sheriff	1,224,703	2,403,312	1,352,895	4,980,910
Total Public Safety	19,190,630	36,519,326	22,757,416	78,467,372
Transportation				
Transportation	1,321,662	3,125,820	1,563,213	6,010,695
Health and Human Services				
Health and Human Services	7,987,025	17,161,839	9,131,110	34,279,974
Culture and Recreation				
Public Libraries	1,902,224	5,353,190	2,127,514	9,382,928
Housing and Community Development				
Agriculture	38,174	57,226	61,323	156,723
Housing and Community Affairs	424,625	832,354	531,390	1,788,369
Total Housing and Community Developme	462,799	889,580	592,713	1,945,092
Environment				
Environmental Protection	121,496	203,875	142,101	467,472
Other County Functions				
NDA - Compensation and Employee Benefit Adjustments	71,813	15,608	10,165	97,586
NDA - Conference Center	7,186	13,006	8,454	28,646
NDA - Early Care and Education	8,376	17,267	8,450	34,093
NDA - Incubator Programs - Economic Development Partnership	16,292	26,012	10,523	52,827
NDA - Independent Audit	3,516	4,292	2,669	10,477
NDA - Legislative Branch Communications Outreach	40,130	81,288	32,182	153,600
NDA - State Positions Supplement	4,318	0	0	4,318
NDA - Vision Zero	6,384	13,006	3,338	22,728
Total Other County Functions	158,015	170,479	75,781	404,275
Total County General Fund	39,316,066	77,604,187	45,485,498	162,405,751
Special Funds - Tax Supported				
Bethesda Urban District	6,393	13,006	7,522	26,921
Economic Development Fund	9,859	13,006	11,598	34,463
Fire	10,693,847	16,751,561	23,889,845	51,335,253
Mass Transit	4,819,238	11,507,909	4,665,032	20,992,179
Recreation	1,724,084	1,999,636	1,145,876	4,869,596
Silver Spring Urban District	145,966	475,828	164,579	786,373

MONTGOMERY COUNTY PRODUCTION REPORT

FY21 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
Wheaton Urban District	85,864	277,829	92,525	456,218
Total Special Funds - Tax Supported	17,485,251	31,038,775	29,976,977	78,501,003
Total Tax Supported Funds	56,801,317	108,642,962	75,462,475	240,906,754
Special Funds - NonTax Supported				
Cable TV	253,703	401,236	328,128	983,067
Grant Fund	3,272,488	7,572,584	3,746,184	14,591,256
Montgomery Housing Initiative	137,858	248,762	176,971	563,591
Water Quality Protection	564,653	1,033,823	717,943	2,316,419
Total Special Funds - NonTax Supported	4,228,702	9,256,405	4,969,226	18,454,333
Enterprise Funds				
Bethesda Parking	133,170	263,826	167,780	564,776
Community Use of Public Facilities	205,159	409,554	223,950	838,663
Leaf Vacuuming	190,836	391,814	174,481	757,131
Liquor	2,080,075	5,823,670	1,979,234	9,882,979
Permitting Services	1,799,003	3,056,783	2,253,806	7,109,592
Silver Spring Parking	148,773	300,333	188,285	637,391
Solid Waste Collection	95,345	168,044	126,812	390,201
Solid Waste Disposal	664,207	1,263,325	804,269	2,731,801
Wheaton Parking	21,926	44,459	26,096	92,481
Total Enterprise Funds	5,338,494	11,721,808	5,944,713	23,005,015
Total Non Tax Supported Funds	9,567,196	20,978,213	10,913,939	41,459,348
Internal Service Funds				
Central Duplicating (Printing & Mail)	166,867	444,905	168,549	780,321
Employee Health Self Insurance	181,784	316,629	180,740	679,153
Motor Pool	1,460,273	2,709,417	1,530,985	5,700,675
Risk Management (Self Insurance - ISF)	270,812	421,792	311,061	1,003,665
Total Internal Service Funds	2,079,736	3,892,743	2,191,335	8,163,814
Total Benefits	68,448,249	133,513,918	88,567,749	290,529,916

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