



Finance

RECOMMENDED FY21 BUDGET

\$93,963,467

FULL TIME EQUIVALENTS

130.04

 MICHAEL COVEYOU, 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 recommended FY21 Operating Budget for the Department of Finance is \$93,963,467, an increase of \$4,418,186 or 4.93 percent from the FY20 Approved Budget of \$89,545,281. Personnel Costs comprise 18.88 percent of the budget for 130 full-time position(s) and no part-time position(s), and a total of 130.04 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 81.12 percent of the FY21 budget.

The Finance Operating Budget is comprised of a General Fund component (the Director's Office and the Divisions of Fiscal Management, Treasury, Information Technology, and Controller) and the Division of Risk Management, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY21 Operating Budget for the General Fund component is \$15,541,685 an increase of \$15,733 or 0.1 percent over the FY20 approved budget of \$15,525,952. Personnel Costs comprise approximately 83.06 percent of the General Fund budget for 119 full-time positions. A total of 97.67 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 16.94 percent of the budget.

The total FY21 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$78,421,782 an increase of \$4,402,453 or 5.95 percent over the FY20 approved budget of \$74,019,329. Personnel Costs comprise approximately 6.16 percent of the Self-Insurance Fund budget for 11 full-time positions. A total of 32.37 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 93.84 percent of the budget. Included in the total FTEs are 21 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:

INITIATIVES

- ★ Develop a Ten-Year Financial Plan for Montgomery County
- ★ Partnering Community Banks with the Small Business Plus! Program to boost lending to local small businesses and spur job creation in Montgomery County. The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2018 with the program generating over \$1.8 million in interest income and creating an estimated 2,132 jobs.
- ★ Establishing Bank On Program in Montgomery County. Bank On is a national program and movement developed to assist people in establishing a low-cost/free bank account with functionality primarily for safely depositing checks, money orders services, cash withdrawals, and electronic bill payment.
- ★ The Department of Finance has been working with multiple financial advisors including Municap and PFM Financial Advisors LLC on a comprehensive portfolio of options to ensure the financial sustainability of the White Flint Special Taxing Districts over the next 12 years.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Established a new Financial Analysis, Audit, and Compliance (FAAC) section in the Division of the Controller which is responsible for performing extensive financial analysis to improve financial reporting, advancing functions in Oracle eBusiness financial modules, posting audits of financial transactions, and ensures compliance with Department and Countywide policies.
- ★ The County will migrate its online tax billing system, MUNIS on- premise to the vendor's Cloud Software-as-a-Service solution.
- ★ Developed a disaster recovery and continuity of operations solution for the County's Enterprise Resource Planning (ERP) System in collaboration with the Office of Emergency Management and Homeland Security and the Department of Technology Services.
- ★ Implemented an online credit card and e-check payment option for the Department of Health and Human Services and Alcohol Beverage Services (formerly, Department of Liquor Control).

PROGRAM CONTACTS

Contact Jedediah Millard of the Department of Finance at 240.777.8855 or Estela Boronat de Gomes of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

PROGRAM 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 FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

PROGRAM DESCRIPTIONS

Controller

This program provides effective management and support to the operations of accounts payable and receivable; general and grants accounting; financial analysis, audit and compliance; and payroll. This program through its operations is responsible for overseeing expenditures and cash flow management, preparing timely and accurate annual financial statements and other standardized reports; complying with Federal, State, and County mandates; and developing standardized County policies and procedures.

The Accounts Payable operations 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.

The Accounts Receivable operations 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, it also provides services including invoicing/billing, collection, accounting, reconciliation, and reporting reconciliation of monies due.

General and Grant Accounting operations 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 Federal, State, County, and other outside 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, 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 financial transactions including grants.

The Financial Analysis, Audit, and Compliance (FAAC) 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.

Payroll operations is responsible for managing and maintaining the County's payroll system and functions as prescribed by Federal, State, and County laws, and local regulations. It 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. Payroll proactively operates in conjunction with other County departments to maintain and develop efficient and effective improvements to the personnel/payroll.

| Program Performance Measures | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Procurement Card rebate revenue generated | \$724,221 | \$770,260 | \$775,000 | \$800,000 | \$825,000 |
| Procurement Card transactions processed | 41,902 | 43,321 | 43,500 | 43,500 | 43,750 |
| Vendor payments issued ¹ | 128,866 | 118,086 | 120,000 | 120,000 | 120,000 |
| Journal entries prepared by Finance | 1,548 | 1,550 | 2,000 | 2,000 | 2,000 |
| Journal entries reviewed and posted | 3,046 | 3,600 | 3,650 | 3,650 | 3,650 |
| Grant reports produced | 575 | 552 | 552 | 552 | 552 |

| Program Performance Measures | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Paychecks and payroll advices issued for employees ² | 297,715 | 298,471 | 300,000 | 300,000 | 300,000 |
| Pension and long-term disability (LTD2) payroll payments processed | 63,064 | 75,254 | 80,000 | 80,000 | 80,000 |
| Percent of non-compliant payments "Direct purchase orders created the same day as invoice date and duplicate dollars per total invoices" | 0.292% | 0.293% | 0.289% | 0.269% | 0.267% |
| Percent of payroll errors per sum of dollars under and overpaid | 0.301% | 0.299% | 0.297% | 0.233% | 0.230% |

¹ Vendor payments (checks, ACH's, wires, SUA) represent checks disbursed; each check may represent multiple invoice vouchers.

² Number of employees varies by month due to seasonal and temporary staff. Count reflects number of employees, not number of transactions (a person can have multiple transactions with one check).

| FY21 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY20 Approved | 973,619 | 8.88 |
| Realignment of Programs | 4,358,326 | 36.99 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 890,853 | 4.00 |
| FY21 Recommended | 6,222,798 | 49.87 |

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 investors 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 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 FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Make Office Vacancies Extinct (MOVE) Program: Square feet of office space leased | 126,408 | 122,316 | 130,000 | 140,000 | 150,000 |

| Program Performance Measures | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|---|-------------|-------------|----------------|-------------|-------------|
| Interest Rate - True Interest Cost for Montgomery County General Obligation Bonds (the most common debt instrument used by the County) ¹ | 1.7% | 3.3% | 3.3% | 3.8% | 3.8% |
| Interest Rate Benchmarking - County General Obligation (GO) vs. Municipal Market Data Index (basis point spread) ² | 3.0 | 7.0 | 0.0 | 0.0 | 0.0 |
| Investment Return Benchmarking - County Return vs. S&P Local Government Investment Pool Index (basis point spread) | 18 | 22 | 12 | 12 | 12 |
| Revenue forecasting - Percent variance between actual revenue and projected revenue | -3.31% | -1.80% | 0.00% | 0.00% | 0.00% |
| Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting ³ | Received | Expected | Expected | Expected | Expected |
| Investment Return - Rate of return on Montgomery County's investments | 1.34% | 2.33% | 1.65% | 1.15% | 1.15% |
| 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 |

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. FY19 actual resorts back to 30 years estimate for final TIC.

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 was a return to a more stable interest rate environment with FY19 experiencing greater volatility.

³ The County has been awarded this certificate more times than any other county in the nation (FY18 = 49 times)

| FY21 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY20 Approved | 2,182,499 | 12.00 |
| Increase Cost: Reduce Chargeback to Capital Project-White Flint | 116,557 | 0.75 |
| Shift: Finance Staff Reassigned to the Office of Business Advancement Team in the Office of County Executive | (296,289) | (2.00) |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 39,799 | 0.00 |
| FY21 Recommended | 2,042,566 | 10.75 |

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 policies and standards and with appropriate financial control standards. Major programs that are supported include Property Tax Billing and Collection, Time and Attendance, Electronic Payment implementation and Compliance, joint ownership of the County's Enterprise Resource Planning system, software development of customized applications, robotic process automation, business process re-engineering, Disaster Recovery and Continuity of Operations planning and special projects.

| Program Performance Measures | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|---|-------------|-------------|----------------|-------------|-------------|
| Electronic payments (credit card and ACH) transactions processed by the County's credit card processor and bank | N/A | 4,331,646 | 4,500,000 | 4,700,000 | 4,900,000 |
| Average number of days to close payroll service requests | 4.9 | 3.1 | 2.8 | 2.5 | 2.3 |
| Workflows, tasks, and processes streamlined utilizing existing or new technologies | N/A | 23 | 25 | 27 | 30 |

| FY21 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY20 Approved | 1,647,183 | 3.00 |
| Increase Cost: Annual Payment Card Industry (PCI) and Automated Clearing House (ACH) Compliance | 6,060 | 0.00 |
| Shift: Chargeback for Billing, Collection and Processing Services | 5,028 | 0.00 |
| Decrease Cost: IT Financial Systems Applications - Ongoing Maintenance | (133,130) | 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. | 73,923 | 1.00 |
| FY21 Recommended | 1,599,064 | 4.00 |

☀ 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.

| FY21 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY20 Approved | 5,144,071 | 19.37 |
| Shift: Chargeback for Billing, Collection and Processing Services | 32,237 | 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. | (1,112,917) | (5.00) |
| FY21 Recommended | 4,063,391 | 14.37 |

☀ Risk Management

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 pays all claims for Self Insured Workers' Compensation, General and Auto Liability, Auto Physical Damage and Property matters. 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 agreements. The Program also purchases commercial insurance policies. The Program maintains a contract agreement with a Third Party Claims administrator to handle all claims submitted to the County and agencies - including Workers' Compensation, General Liability, Automobile Liability, Auto Physical Damage and Property damage.

| Program Performance Measures | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|---|-------------|-------------|----------------|-------------|-------------|
| Training classes conducted by Safety and Health Specialists ¹ | 1,469 | 462 | 2,000 | 2,000 | 2,000 |
| Workers Compensation - Cost per \$100 of payroll | \$2.88 | \$2.84 | \$2.84 | \$2.84 | \$2.84 |
| Workers Compensation - Number of Montgomery County Government cases resulting in lost work time | 554 | 528 | 517 | 508 | 498 |

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.

| FY21 Recommended Changes | Expenditures | FTEs |
|---|-------------------|--------------|
| FY20 Approved | 0 | 0.00 |
| Realignment of Programs | 72,769,403 | 27.50 |
| Increase Cost: Claims Expense | 2,650,125 | 0.00 |
| Increase Cost: Commercial Insurance Premiums | 1,695,878 | 0.00 |
| Increase Cost: Building Space Lease | 3,621 | 0.00 |
| Increase Cost: Insurance Broker Services | 2,333 | 0.00 |
| Shift: Chargeback from County Attorney to Self-Insurance Fund (SIF) | (8,857) | 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. | 438,751 | 0.00 |
| FY21 Recommended | 77,551,254 | 28.00 |

Treasury

This program is responsible for providing coordination and oversight of treasury operations and customer services through the cashing function. All money received by the County, directly through the Treasury cashing 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 FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|--|-------------|-------------|----------------|-------------|-------------|
| Tax related number of service request tickets transferred from MC311 Call Center to Treasury | 4,267 | 3,220 | 3,500 | 3,750 | 3,750 |
| Property tax accounts billed | 376,553 | 376,259 | 376,300 | 377,000 | 379,000 |
| Transfer tax transactions processed ¹ | 20,857 | 21,048 | 23,000 | 23,000 | 23,000 |
| Cashier transactions processed | 116,916 | 91,977 | 93,000 | 93,000 | 93,000 |

¹ Transfer Tax transactions includes taxable and non-taxable transactions

| FY21 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY20 Approved | 476,765 | 4.90 |
| Realignment of Programs | 1,993,415 | 18.15 |
| Shift: Chargeback for Billing, Collection and Processing Services | (10,745) | 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. | 24,959 | 0.00 |
| FY21 Recommended | 2,484,394 | 23.05 |

REALIGNED PROGRAMS

Funding in the following programs has been realigned to other programs within this department.

Accounts Receivable

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|----------------|-------------|
| FY20 Approved | 524,463 | 6.00 |

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|--------------|-------------|
| Realignment of Programs | (524,463) | (6.00) |
| FY21 Recommended | 0 | 0.00 |

General Accounting

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|------------------|--------------|
| FY20 Approved | 1,979,885 | 15.99 |
| Realignment of Programs | (1,979,885) | (15.99) |
| FY21 Recommended | 0 | 0.00 |

Grants Accounting

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|----------------|-------------|
| FY20 Approved | 557,992 | 5.00 |
| Realignment of Programs | (557,992) | (5.00) |
| FY21 Recommended | 0 | 0.00 |

Insurance

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|-------------------|-------------|
| FY20 Approved | 68,893,645 | 4.00 |
| Realignment of Programs | (68,893,645) | (4.00) |
| FY21 Recommended | 0 | 0.00 |

Legal Services

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|------------------|--------------|
| FY20 Approved | 3,111,744 | 20.50 |
| Realignment of Programs | (3,111,744) | (20.50) |
| FY21 Recommended | 0 | 0.00 |

Occupational Safety and Health

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|----------------|-------------|
| FY20 Approved | 764,014 | 3.00 |
| Realignment of Programs | (764,014) | (3.00) |
| FY21 Recommended | 0 | 0.00 |

Payroll

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|--------------|------|
|--------------------------|--------------|------|

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|------------------|--------------|
| FY20 Approved | 1,295,986 | 10.00 |
| Realignment of Programs | (1,295,986) | (10.00) |
| FY21 Recommended | 0 | 0.00 |

Tax Operations

| FY21 Recommended Changes | Expenditures | FTEs |
|--------------------------|------------------|--------------|
| FY20 Approved | 1,993,415 | 18.15 |
| Realignment of Programs | (1,993,415) | (18.15) |
| FY21 Recommended | 0 | 0.00 |

BUDGET SUMMARY

| | Actual FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %Chg Bud/Rec |
|---|-------------------|-------------------|-------------------|---------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 7,739,974 | 9,948,205 | 8,425,747 | 10,240,860 | 2.9 % |
| Employee Benefits | 2,793,109 | 2,842,233 | 3,053,376 | 2,668,155 | -6.1 % |
| County General Fund Personnel Costs | 10,533,083 | 12,790,438 | 11,479,123 | 12,909,015 | 0.9 % |
| Operating Expenses | 3,541,509 | 2,735,514 | 4,014,557 | 2,632,670 | -3.8 % |
| County General Fund Expenditures | 14,074,592 | 15,525,952 | 15,493,680 | 15,541,685 | 0.1 % |
| PERSONNEL | | | | | |
| Full-Time | 121 | 124 | 124 | 119 | -4.0 % |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 94.90 | 98.92 | 98.92 | 97.67 | -1.3 % |
| REVENUES | | | | | |
| Miscellaneous Revenues | 559,993 | 700,000 | 700,000 | 700,000 | — |
| Other Charges/Fees | 513,978 | 514,500 | 498,500 | 505,200 | -1.8 % |
| Other Fines/Forfeitures | 17,243 | 15,000 | 15,000 | 15,000 | — |
| Other Intergovernmental | 433,953 | 473,970 | 510,920 | 514,230 | 8.5 % |
| County General Fund Revenues | 1,525,167 | 1,703,470 | 1,724,420 | 1,734,430 | 1.8 % |
| SELF INSURANCE INTERNAL SERVICE FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 2,597,186 | 3,671,599 | 3,244,950 | 3,826,719 | 4.2 % |
| Employee Benefits | 822,177 | 1,074,954 | 979,647 | 1,003,665 | -6.6 % |
| Self Insurance Internal Service Fund Personnel Costs | 3,419,363 | 4,746,553 | 4,224,597 | 4,830,384 | 1.8 % |
| Operating Expenses | 63,938,020 | 69,272,776 | 69,783,921 | 73,591,398 | 6.2 % |
| Self Insurance Internal Service Fund Expenditures | 67,357,383 | 74,019,329 | 74,008,518 | 78,421,782 | 5.9 % |
| PERSONNEL | | | | | |
| Full-Time | 11 | 11 | 11 | 11 | — |

BUDGET SUMMARY

| | Actual FY19 | Budget FY20 | Estimate FY20 | Recommended FY21 | %Chg Bud/Rec |
|--|-------------------|-------------------|-------------------|---------------------|-----------------|
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 31.87 | 31.87 | 31.87 | 32.37 | 1.6 % |
| REVENUES | | | | | |
| Investment Income | 4,556,909 | 1,000,000 | 1,000,000 | 1,628,727 | 62.9 % |
| Miscellaneous Revenues | 578,956 | 1,000,000 | 1,000,000 | 1,000,000 | — |
| Self Insurance Revenues | 68,944,588 | 73,404,480 | 73,404,480 | 77,514,144 | 5.6 % |
| Self Insurance Internal Service Fund Revenues | 74,080,453 | 75,404,480 | 75,404,480 | 80,142,871 | 6.3 % |
| DEPARTMENT TOTALS | | | | | |
| Total Expenditures | 81,431,975 | 89,545,281 | 89,502,198 | 93,963,467 | 4.9 % |
| Total Full-Time Positions | 132 | 135 | 135 | 130 | -3.7 % |
| Total Part-Time Positions | 0 | 0 | 0 | 0 | — |
| Total FTEs | 126.77 | 130.79 | 130.79 | 130.04 | -0.6 % |
| Total Revenues | 75,605,620 | 77,107,950 | 77,128,900 | 81,877,301 | 6.2 % |

FY21 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------------------------|-------------------------|
| COUNTY GENERAL FUND | | |
| | FY20 ORIGINAL APPROPRIATION | 15,525,952 98.92 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: FY21 Compensation Adjustment | 214,503 | 0.00 |
| Increase Cost: Annualization of FY20 Compensation Increases | 137,761 | 0.00 |
| Increase Cost: Reduce Chargeback to Capital Project-White Flint [Fiscal Management] | 116,557 | 0.75 |
| Shift: Chargeback for Billing, Collection and Processing Services [Operations and Administration] | 32,237 | 0.00 |
| Increase Cost: MLS Pay for Performance (Increase to Base Pay) | 13,288 | 0.00 |
| Increase Cost: Annual Payment Card Industry (PCI) and Automated Clearing House (ACH) Compliance [Information Technology] | 6,060 | 0.00 |
| Shift: Chargeback for Billing, Collection and Processing Services [Information Technology] | 5,028 | 0.00 |
| Increase Cost: Print and Mail Adjustment | 2,961 | 0.00 |
| Decrease Cost: Annualization of FY20 Operating Expenses | (3,618) | 0.00 |
| Shift: Chargeback for Billing, Collection and Processing Services [Treasury] | (10,745) | 0.00 |
| Decrease Cost: Elimination of One-Time Items Approved in FY20 | (22,557) | 0.00 |
| Decrease Cost: Annualization of FY20 Personnel Costs | (22,564) | 0.00 |
| Decrease Cost: Retirement Adjustment | (23,759) | 0.00 |
| Decrease Cost: IT Financial Systems Applications - Ongoing Maintenance [Information Technology] | (133,130) | 0.00 |
| Shift: Finance Staff Reassigned to the Office of Business Advancement Team in the Office of County Executive [Fiscal Management] | (296,289) | (2.00) |
| | FY21 RECOMMENDED | 15,541,685 97.67 |

FY21 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------------------------|-------------------------|
| SELF INSURANCE INTERNAL SERVICE FUND | | |
| | FY20 ORIGINAL APPROPRIATION | 74,019,329 31.87 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: Claims Expense [Risk Management] | 2,650,125 | 0.00 |
| Increase Cost: Commercial Insurance Premiums [Risk Management] | 1,695,878 | 0.00 |
| Increase Cost: FY21 Compensation Adjustment | 73,032 | 0.00 |
| Increase Cost: Annualization of FY20 Compensation Increases | 51,946 | 0.00 |
| Increase Cost: MLS Pay for Performance (Increase to Base Pay) | 10,475 | 0.00 |
| Increase Cost: Building Space Lease [Risk Management] | 3,621 | 0.00 |
| Increase Cost: Insurance Broker Services [Risk Management] | 2,333 | 0.00 |
| Increase Cost: Print and Mail Adjustment | 87 | 0.00 |
| Decrease Cost: Motor Pool Adjustment | (5,022) | 0.00 |
| Shift: Chargeback from County Attorney to Self-Insurance Fund (SIF) [Risk Management] | (8,857) | 0.50 |
| Decrease Cost: OPEB Adjustment | (28,400) | 0.00 |
| Decrease Cost: Retirement Adjustment | (42,765) | 0.00 |
| | FY21 RECOMMENDED | 78,421,782 32.37 |

PROGRAM SUMMARY

| Program Name | FY20 APPR Expenditures | FY20 APPR FTEs | FY21 REC Expenditures | FY21 REC FTEs |
|--------------------------------|---------------------------|-------------------|--------------------------|------------------|
| Accounts Receivable | 524,463 | 6.00 | 0 | 0.00 |
| Controller | 973,619 | 8.88 | 6,222,798 | 49.87 |
| Fiscal Management | 2,182,499 | 12.00 | 2,042,566 | 10.75 |
| General Accounting | 1,979,885 | 15.99 | 0 | 0.00 |
| Grants Accounting | 557,992 | 5.00 | 0 | 0.00 |
| Information Technology | 1,647,183 | 3.00 | 1,599,064 | 4.00 |
| Insurance | 68,893,645 | 4.00 | 0 | 0.00 |
| Legal Services | 3,111,744 | 20.50 | 0 | 0.00 |
| Occupational Safety and Health | 764,014 | 3.00 | 0 | 0.00 |
| Operations and Administration | 5,144,071 | 19.37 | 4,063,391 | 14.37 |
| Payroll | 1,295,986 | 10.00 | 0 | 0.00 |
| Risk Management | 0 | 0.00 | 77,551,254 | 28.00 |
| Tax Operations | 1,993,415 | 18.15 | 0 | 0.00 |
| Treasury | 476,765 | 4.90 | 2,484,394 | 23.05 |
| Total | 89,545,281 | 130.79 | 93,963,467 | 130.04 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY20 Total\$ | FY20 FTEs | FY21 Total\$ | FY21 FTEs |
|---|---------------------------------------|------------------|--------------|------------------|--------------|
| COUNTY GENERAL FUND | | | | | |
| Human Resources | Employee Health Self Insurance | 126,880 | 0.75 | 104,170 | 0.75 |
| Human Resources | Retiree Health Benefits Trust Fund | 37,110 | 0.25 | 38,650 | 0.25 |
| General Services | Central Duplicating (Printing & Mail) | 6,760 | 0.05 | 6,980 | 0.05 |
| Transportation | Leaf Vacuuming | 245,720 | 0.43 | 241,830 | 0.43 |
| Parking District Services | Bethesda Parking | 32,500 | 0.24 | 33,560 | 0.24 |
| Parking District Services | Silver Spring Parking | 36,800 | 0.27 | 38,000 | 0.27 |
| Parking District Services | Wheaton Parking | 12,370 | 0.09 | 12,790 | 0.09 |
| Community Use of Public Facilities | Community Use of Public Facilities | 49,950 | 0.37 | 51,480 | 0.37 |
| Recreation | Recreation | 44,010 | 0.33 | 45,300 | 0.33 |
| Permitting Services | Permitting Services | 13,200 | 0.10 | 13,590 | 0.10 |
| Environmental Protection | Water Quality Protection | 961,595 | 6.00 | 939,867 | 6.00 |
| Recycling and Resource Management | Solid Waste Disposal | 587,636 | 4.38 | 581,270 | 4.38 |
| Recycling and Resource Management | Solid Waste Collection | 271,466 | 0.64 | 266,990 | 0.64 |
| Alcohol Beverage Services | Liquor | 815,361 | 6.50 | 821,265 | 6.50 |
| CIP | Capital Fund | 151,872 | 1.00 | 39,397 | 0.25 |
| Non-Departmental Accounts | Retirement Fund (ERS) | 40,152 | 0.30 | 41,366 | 0.30 |
| Non-Departmental Accounts | Retiree Health Benefits Trust Fund | 4,708 | 0.05 | 4,884 | 0.05 |
| Non-Departmental Accounts | RSP-Disability Benefits (LTD2) | 1,480 | 0.01 | 1,550 | 0.01 |
| NDA - Conference Center | General Fund | 156,599 | 1.00 | 0 | 0.00 |
| NDA - Incubator Programs - Economic Development Partnership | General Fund | 111,288 | 1.00 | 0 | 0.00 |
| Economic Development Fund | Economic Development Fund | 157,046 | 1.00 | 163,335 | 1.00 |
| Total | | 3,864,503 | 24.76 | 3,446,274 | 22.01 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY21 Recommended | 15,542 | 15,542 | 15,542 | 15,542 | 15,542 | 15,542 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 58 | 58 | 58 | 58 | 58 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 15,542 | 15,600 | 15,600 | 15,600 | 15,600 | 15,600 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| SELF INSURANCE INTERNAL SERVICE FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY21 Recommended | 78,422 | 78,422 | 78,422 | 78,422 | 78,422 | 78,422 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Retiree Health Insurance Pre-funding | 0 | (2) | (4) | (4) | (4) | (1) |
| Labor Contracts | 0 | 31 | 31 | 31 | 31 | 31 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 78,422 | 78,451 | 78,449 | 78,449 | 78,449 | 78,452 |

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