
Finance

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 FY13 Operating Budget for the Department of Finance is \$61,255,578, an increase of \$2,289,688 or 3.9 percent from the FY12 Approved Budget of \$58,965,890. Personnel Costs comprise 21.9 percent of the budget for 116 full-time positions and two part-time positions for 113.68 FTEs. Operating Expenses account for the remaining 78.1 percent of the FY13 budget.

The Finance Operating Budget is comprised of a General Fund component (the Director's Office and the Divisions of Treasury and Controller) and the Division of Risk Management, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY13 Operating Budget for the General Fund component is \$10,797,865 an increase of \$1,096,655 or 11.3 percent from the FY12 approved budget of \$9,701,210. Personnel Costs comprise approximately 88.6 percent of the General Fund budget for 106 full-time and 2 part-time positions for 84.31 FTEs. Operating Expenses account for the remaining 11.4 percent of the budget.

The total FY12 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$50,457,713, an increase of \$1,193,033 or 2.4 percent from the FY12 approved budget of \$49,264,680. Personnel Costs comprise approximately 7.6 percent of the Self-Insurance Fund budget for 10 full-time positions for 29.37 FTEs. Operating Expenses account for the remaining 92.4 percent of the budget. Included in the total FTEs are 19.00 FTEs charged to the Self-Insurance Fund by the Office of the County Attorney and 0.37 FTEs charged by the General Fund component of Finance (Controller Division) for services provided in support of Risk Management.

LINKAGE TO COUNTY RESULT AREAS

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

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Strong and Vibrant Economy***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Successfully retained the County's AAA bond rating from the three major credit rating agencies in the summer of 2011. In conjunction with this effort and in coordination with the County Council and Office of Management and Budget, strengthened the County's fiscal reserve policies and implemented changes to the Revenue Stabilization Fund law.***
- ❖ ***Saved the County \$26.3 million in real cash flow debt service costs by refunding \$237.7 million of general obligation bonds in August 2011. At the same time issued \$320 million in new GO bonds. One week later issued \$28.8 taxable bonds to fund \$25 million in affordable housing projects and \$3.8 million for the Fillmore Project in Silver Spring. The following month saved \$4 million in Metrorail lease revenue debt service upon the issuance of \$28 million in refunding bonds to pay off the 2002 and 2004 Metrorail Garage bonds and issued \$7.5 million in new Metrorail Garage bonds to finish funding the new Glenmont Garage (total issue: \$35.5 million).***
- ❖ ***Successfully managed and completed fiscal and economic impact analyses of the Wheaton CBD Master Plan and the revision of the Clarksburg Master Plan. Began implementation of the White Flint Sector Plan by successfully billing \$976,000 in Special Taxes.***

- ❖ **Continue Business Process Re-engineering and Enterprise Resource Planning (ERP) Implementation. July 1, 2010 implemented ERP core financial (general ledger, accounts payable, accounts receivable, projects and grants, and fixed assets) and purchasing functionality. January 1, 2011 implemented core payroll, human resource, and employee self service functionality. In FY12, 11 separate new ERP modules will be implemented. In FY13, work will start on a new Tax Assessment and Billing module.**
- ❖ **In FY13, funding is provided to enhance the Homestead Property Tax Credit Compliance program by adding a Program Manager II position. This will potentially save the County in excess of position costs by enforcing eligibility restrictions for this tax credit program.**
- ❖ **Occupational Safety and Health staff provided training for over 732 County employees, who attended 59 classes scheduled through the Safety Academy, and 70 department specific classes.**
- ❖ **Productivity Improvements**
 - **Cost Savings and Process Re-engineering Initiative: Re-engineer County government business processes to fully integrate financial, purchasing, budget, and human resource applications, avoid duplication of data, meet internal and external information needs, and replace outdated legacy systems with enterprise wide solutions such as Enterprise Resource Planning (ERP) and MTime systems. The end result of this initiative directly or indirectly impacts all eight results areas, as improved access to more accurate data will enable managers to make better program decisions, and the continuing transformation of business processes will provide for more productive program management and execution.**

PROGRAM CONTACTS

Contact Nancy Moseley of the Department of Finance at 240.777.8886 or Bryan Hunt of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Debt, Cash, and Fiscal Projects

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. The program's primary goal is to maintain the County's AAA General Obligation Bond debt rating, and to actively invest the County's working capital to minimize risk while generating maximum investment income. Program objectives related to debt and cash management include managing the timely and economic issuance of short- and long-term financial obligations; developing and maintaining strong rating agency and investor relations; preparing accurate and timely financing documents, including the County's Annual Information Statement; ensuring strict compliance with disclosure requirements; coordinating bond counsel review; providing high-quality consulting services for County agencies, managers, staff, elected officials, and residents on issues related to debt and cash management; and managing the County's relationship with the banking and investment community. Program objectives related to policy and fiscal projects include the proactive development of intergovernmental policy alternatives and recommendations, including necessary local and state legislation and regulations; fiscal and economic impact analysis for local and state legislation; fiscal impact analysis and effective management associated with the financing and implementation aspects of Master and Sector Plans; and high quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
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	Expected	Expected
Investment Return Benchmarking – County Return vs. S&P Local Government Investment Pool Index (basis point spread)	20.0	10.0	20.0	20.0	20.0
Interest Rate - Montgomery County General Obligation Bond true interest cost (The interest rate of Montgomery County's most common type of bond)	2.86	2.81	2.81	5.0	5.0
Interest Rate Benchmarking – County GO vs. Municipal Market Data Index (basis point spread)	(17.0)	14.0	36.0	25.0	25.0
Investment Return - Rate of return on Montgomery County's investments	0.22%	0.10%	0.10%	0.50%	2.00%

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	907,870	6.80
Shift: CIP White Flint Development Staff Costs to Assume Home Operations Responsibilities	27,000	0.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	73,491	0.00
FY13 CE Recommended	1,008,361	7.00

Information Technology

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

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Requests for assistance with computer systems, i.e. Service Tickets (average number of days to close) ¹	1.9	4.0	4.0	4.0	4.0
Oracle: Enterprise Business Solutions (EBS): User service requests processed ²	638	1,476	1,402	1,402	1,402

¹ FY11 ERP implementation.

² FY11 ERP implementation - Service requests are received through help desk.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,301,010	6.00
Increase Cost: Maintenance Cost for Tyler Application Support Provider (ASP) Cloud Computing - Property Tax System	200,000	0.00
Decrease Cost: Contractual Resources for Licenses, Maintenance and Professional Contracts	-31,240	0.00
Decrease Cost: MCTime Master Lease Payments for Loans	-82,780	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	23,392	0.00
FY13 CE Recommended	1,410,382	6.00

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 audit by Accounts Payable.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	581,710	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	43,241	0.00
FY13 CE Recommended	624,951	7.00

Accounts Receivable

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

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	157,970	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	12,352	0.00
FY13 CE Recommended	170,322	1.00

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 FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting ¹	Received	Expected	Expected	Expected	Expected

¹ The County has been awarded this certificate more times than any other county in the nation (FY10 = 41 times).

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,379,090	13.60
Increase Cost: Overtime	40,000	0.00
Technical Adj: Controller's Proprietary Fund Chargeback - FTE Adjustment	0	0.11
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	97,710	1.10
FY13 CE Recommended	1,516,800	14.81

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 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.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	518,350	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	31,020	0.00
FY13 CE Recommended	549,370	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 and electronic timekeeping systems.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	657,470	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	269,045	2.00
FY13 CE Recommended	926,515	9.00

Notes: Multi-program adjustments include a shift of CIP Tech Modernization positions to assume Home Operation Responsibilities.

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). 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 FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Average number of seconds to answer customer calls to the Treasury Call Center ¹	130	NA	NA	NA	NA

¹ FY11 - function was transferred to the MC311 Call Center in FY10.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,675,010	16.80
Enhance: Homestead Property Tax Credit - Resident Compliance - Add Program Manager II	105,020	1.00
Shift: Chargeback to Parking Districts, Solid Waste Services, Water Quality Protection and Leaf Vacuuming for Billing, Collection and Processing Services	13,700	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	167,157	0.70
FY13 CE Recommended	1,960,887	18.50

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.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	304,240	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	34,890	0.00
FY13 CE Recommended	339,130	5.00

Notes: Multi-program adjustments include actual Personnel Costs required to fill vacancies that were budgeted at entry level.

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 outstanding and projected future claims filed against the participants. The program provides accurate and timely insurance and risk management advice to participating agencies and reduces County and participating agency exposure to risk by: comparing the cost of commercially available coverage to evaluate the best method of funding exposure

to loss; transferring contractual risk under indemnification/hold harmless agreements; avoiding risk; operating proactive safety programs; and purchasing commercial insurance policies.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of Workers' Compensation claims resulting in lost work time	579	550	550	550	550
Workers' Compensation Cost per \$100 of Payroll	\$2.87	\$2.95	\$3.07	\$3.07	\$3.07

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	45,488,590	4.00
Increase Cost: Adjustment to Claims Reserves	1,110,000	0.00
Increase Cost: Claims Expense	369,000	0.00
Increase Cost: Contract for Claims Administration	166,000	0.00
Increase Cost: Commercial Insurance	16,570	0.00
Decrease Cost: Biennial Claims Audit	-30,000	0.00
Decrease Cost: Adjustments due to Agency Allocation for Rate Setting Purposes	-481,110	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	25,771	0.00
FY13 CE Recommended	46,664,821	4.00

Occupational Safety and Health

This program 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 on schedule. The program responds promptly to inspections and queries from the Maryland Occupational Safety and Health Administration. Accident prevention programs are conducted, and training is provided continuously in loss prevention and loss control to promote a safe and healthy work environment for County employees.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Workers Compensation - Cost per \$100 of payroll	\$2.87	\$2.95	\$3.07	\$3.07	\$3.07
Workers Compensation - Number of cases resulting in lost work time	622	480	550	550	550

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	604,630	4.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	42,419	0.00
FY13 CE Recommended	647,049	4.00

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.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	2,513,070	19.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	1	0.00
FY13 CE Recommended	2,513,071	19.00

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. It is also responsible for accurate revenue and economic forecasting, and publishing reports on economic and revenue analysis on a monthly and quarterly basis for dissemination to the County Council and public. The program provides high quality consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Revenue forecasting - Percent variance between actual revenue and projected revenue	-5.4%	-2.2%	0.0%	0.0%	0.0%

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	2,876,880	12.90
Increase Cost: Chargeback from County Attorney	8,850	0.00
Decrease Cost: Printing and Mail Adjustment (Self-Insurance)	-980	0.00
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-1,370	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-5,430	0.00
Decrease Cost: Printing and Mail	-13,030	0.00
Decrease Cost: OE Adjustment to Offset Change in Chargebacks	-22,550	0.00
Decrease Cost: OE Adjustment to Offset Increase in Overtime Costs	-40,000	0.00
Reduce: Contractual Resources for Indirect Cost Analysis and Services	-40,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	161,549	0.47
FY13 CE Recommended	2,923,919	13.37

BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	5,629,572	6,119,460	6,116,463	6,689,254	9.3%
Employee Benefits	2,213,053	2,328,350	1,938,710	2,882,071	23.8%
County General Fund Personnel Costs	7,842,625	8,447,810	8,055,173	9,571,325	13.3%
Operating Expenses	991,856	1,253,400	1,814,664	1,226,540	-2.1%
Debt Service Other	140,469	0	0	0	—
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	8,974,950	9,701,210	9,869,837	10,797,865	11.3%
PERSONNEL					
Full-Time	101	104	104	106	1.9%
Part-Time	2	2	2	2	—
FTEs	73.70	78.70	78.70	84.31	7.1%
REVENUES					
Miscellaneous Revenues	45,614	207,000	120,000	120,000	-42.0%
Other Charges/Fees	359,990	367,510	271,430	267,230	-27.3%
Other Fines/Forfeitures	208,784	50,000	50,000	50,000	—
Other Intergovernmental	156,971	146,890	146,890	140,660	-4.2%
County General Fund Revenues	771,359	771,400	588,320	577,890	-25.1%
SELF INSURANCE INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	2,715,636	2,867,750	2,720,988	2,895,364	1.0%
Employee Benefits	812,397	942,200	818,493	956,029	1.5%
Self Insurance Internal Service Fund Personnel Costs	3,528,033	3,809,950	3,539,481	3,851,393	1.1%
Operating Expenses	48,690,951	45,454,730	45,454,735	46,606,320	2.5%
Capital Outlay	0	0	0	0	—
Self Insurance Internal Service Fund Expenditures	52,218,984	49,264,680	48,994,216	50,457,713	2.4%
PERSONNEL					
Full-Time	11	10	10	10	—
Part-Time	0	0	0	0	—
FTEs	29.20	29.40	29.40	29.37	-0.1%
REVENUES					
Investment Income	28,748	250,000	250,000	250,000	—
Miscellaneous Revenues	475,040	0	0	0	—
Self Insurance Employee Health Income	676,400	4,240	0	0	—
Self Insurance Revenues	51,614,617	56,656,320	56,672,810	56,147,810	-0.9%
Other Charges/Fees	0	12,250	0	0	—
Self Insurance Internal Service Fund Revenues	52,794,805	56,922,810	56,922,810	56,397,810	-0.9%
DEPARTMENT TOTALS					
Total Expenditures	61,193,934	58,965,890	58,864,053	61,255,578	3.9%
Total Full-Time Positions	112	114	114	116	1.8%
Total Part-Time Positions	2	2	2	2	—
Total FTEs	102.90	108.10	108.10	113.68	5.2%
Total Revenues	53,566,164	57,694,210	57,511,130	56,975,700	-1.2%

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY12 ORIGINAL APPROPRIATION	9,701,210	78.70
<u>Changes (with service impacts)</u>		
Enhance: Homestead Property Tax Credit - Resident Compliance - Add Program Manager II [Tax Operations]	105,020	1.00
Reduce: Contractual Resources for Indirect Cost Analysis and Services [Operations and Administration]	-40,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Shift: ERP Positions to Operating Budget to Assume Home Operation Responsibilities	274,670	2.20
Increase Cost: Retirement Adjustment	229,069	0.00
Increase Cost: Group Insurance Adjustment	226,820	0.00
Increase Cost: Maintenance Cost for Tyler Application Support Provider (ASP) Cloud Computing - Property Tax System [Information Technology]	200,000	0.00
Increase Cost: Lump Sum Wage Adjustment	194,362	0.00
Increase Cost: Overtime [General Accounting]	40,000	0.00
Shift: CIP White Flint Development Staff Costs to Assume Home Operations Responsibilities [Debt, Cash, and Fiscal Projects]	27,000	0.20
Shift: Chargeback to Parking Districts, Solid Waste Services, Water Quality Protection and Leaf Vacuuming for Billing, Collection and Processing Services [Tax Operations]	13,700	0.00
Increase Cost: Chargeback from County Attorney [Operations and Administration]	8,850	0.00
Increase Cost: Longevity Adjustment	8,134	0.00
Technical Adj: Controller's Proprietary Fund Chargeback - FTE Adjustment [General Accounting]	0	0.11
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	2.10
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA [Operations and Administration]	-1,370	0.00
Decrease Cost: Printing and Mail [Operations and Administration]	-13,030	0.00
Decrease Cost: OE Adjustment to Offset Change in Chargebacks [Operations and Administration]	-22,550	0.00
Decrease Cost: Contractual Resources for Licenses, Maintenance and Professional Contracts [Information Technology]	-31,240	0.00
Decrease Cost: OE Adjustment to Offset Increase in Overtime Costs [Operations and Administration]	-40,000	0.00
Decrease Cost: MCtime Master Lease Payments for Loans [Information Technology]	-82,780	0.00
FY13 RECOMMENDED:	10,797,865	84.31
SELF INSURANCE INTERNAL SERVICE FUND		
FY12 ORIGINAL APPROPRIATION	49,264,680	29.40
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Adjustment to Claims Reserves [Insurance]	1,110,000	0.00
Increase Cost: Claims Expense [Insurance]	369,000	0.00
Increase Cost: Contract for Claims Administration [Insurance]	166,000	0.00
Increase Cost: Retirement Adjustment	41,417	0.00
Increase Cost: Lump Sum Wage Adjustment	22,279	0.00
Increase Cost: Commercial Insurance [Insurance]	16,570	0.00
Increase Cost: Motor Pool Rate Adjustment	7,540	0.00
Increase Cost: Longevity Adjustment	6,768	0.00
Technical Adj: FTE rounding	0	-0.03
Decrease Cost: Printing and Mail Adjustment (Self-Insurance) [Operations and Administration]	-980	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding [Operations and Administration]	-5,430	0.00
Decrease Cost: Group Insurance Adjustment	-29,021	0.00
Decrease Cost: Biennial Claims Audit [Insurance]	-30,000	0.00
Decrease Cost: Adjustments due to Agency Allocation for Rate Setting Purposes [Insurance]	-481,110	0.00
FY13 RECOMMENDED:	50,457,713	29.37

PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Debt, Cash, and Fiscal Projects	907,870	6.80	1,008,361	7.00
Information Technology	1,301,010	6.00	1,410,382	6.00
Accounts Payable	581,710	7.00	624,951	7.00
Accounts Receivable	157,970	1.00	170,322	1.00
General Accounting	1,379,090	13.60	1,516,800	14.81
Grants Accounting	518,350	5.00	549,370	5.00
Payroll	657,470	7.00	926,515	9.00
Tax Operations	1,675,010	16.80	1,960,887	18.50
Treasury Operations	304,240	5.00	339,130	5.00
Insurance	45,488,590	4.00	46,664,821	4.00
Occupational Safety and Health	604,630	4.00	647,049	4.00
Legal Services	2,513,070	19.00	2,513,071	19.00
Operations and Administration	2,876,880	12.90	2,923,919	13.37
Total	58,965,890	108.10	61,255,578	113.68

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
Board of Investment Trustees	BIT 457 Deferred Comp. Plan	23,230	0.10	23,230	0.15
Board of Investment Trustees	Employee Retirement System	173,800	1.32	49,560	0.32
Board of Investment Trustees	Retiree Health Benefits	38,720	0.30	38,720	0.25
Board of Investment Trustees	Retirement Savings Plan	24,780	0.16	24,780	0.16
CIP	CIP	1,820,620	14.40	1,809,321	14.00
Community Use of Public Facilities	Community Use of Public Facilities	5,090	0.10	5,090	0.04
Environmental Protection	Water Quality Protection Fund	512,490	2.70	347,180	3.20
Finance	CIP	294,670	2.40	0	0.00
Finance	Self Insurance Internal Service Fund	50,620	0.37	50,620	0.37
General Services	Printing and Mail Internal Service Fund	6,430	0.05	6,430	0.05
Human Resources	Employee Health Benefit Self Insurance Fund	104,800	0.75	104,800	0.75
Parking District Services	Bethesda Parking District	57,997	0.64	57,940	0.68
Parking District Services	Montgomery Hills Parking District	5,777	0.10	5,780	0.05
Parking District Services	Silver Spring Parking District	54,338	0.52	54,300	0.54
Parking District Services	Wheaton Parking District	13,399	0.10	13,380	0.13
Permitting Services	Permitting Services	13,070	0.10	13,070	0.10
Solid Waste Services	Solid Waste Collection	89,860	0.36	90,280	0.34
Solid Waste Services	Solid Waste Disposal	216,380	2.33	217,320	2.38
Transportation	Vacuum Leaf Collection	80,530	0.25	80,830	0.23
Total		3,586,601	27.05	2,992,631	23.74

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)			
	FY13	FY14	FY15	FY16	FY17	FY18	
This table is intended to present significant future fiscal impacts of the department's programs.							
COUNTY GENERAL FUND							
Expenditures							
FY13 Recommended	10,798	10,798	10,798	10,798	10,798	10,798	
No inflation or compensation change is included in outyear projections.							
Elimination of One-Time Lump Sum Wage Adjustment	0	-194	-194	-194	-194	-194	
This represents the elimination of the one-time lump sum wage increases paid in FY13.							
Subtotal Expenditures	10,798	10,604	10,604	10,604	10,604	10,604	
SELF INSURANCE INTERNAL SERVICE FUND							
Expenditures							
FY13 Recommended	50,458	50,458	50,458	50,458	50,458	50,458	
No inflation or compensation change is included in outyear projections.							
Elimination of One-Time Lump Sum Wage Adjustment	0	-22	-22	-22	-22	-22	
This represents the elimination of the one-time lump sum wage increases paid in FY13.							

Title	CE REC.			(\$000's)		
	FY13	FY14	FY15	FY16	FY17	FY18
Retiree Health Insurance Pre-Funding	0	-11	-28	-29	-29	-29
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	50,458	50,425	50,407	50,406	50,406	50,406

