

Council Worksession

MEMORANDUM

May 1, 2009

TO: County Council  
FROM: Justina J. Ferber, Legislative Analyst  
SUBJECT: Worksession - Executive's Recommended FY10 Operating Budget  
**Ethics Commission**

- **The Management and Fiscal Policy Committee unanimously recommends the Council approve the Ethics Commission budget as submitted for \$272,390.**
- **The Committee will discuss fees and fines with Ethics Commission staff at a later date.**

The following persons will be present for the worksession:

Barbara McNally, Executive Secretary, Ethics Commission  
Phil Weeda, Budget Analyst, OMB

The Ethics Commission Budget is on pages 29-1 to 29-2 of the FY10 Recommended Operating Budget. A copy is attached at ©1.

**OVERVIEW**

The County Executive's recommended budget for the Ethics Commission for FY10 is \$272,390, an increase of \$8,080 or 3.1% over FY09. Personnel costs comprise 98.7% of the budget.

(in \$000's)	FY08 Actual	FY09 Approved	FY10 CE Recommended	% Change FY09-FY10
<b>Expenditures:</b>				
General Fund	276,480	264,310	272,390	3.1%
Grant Fund	-	-	-	
<b>TOTAL Expenditures</b>	<b>276,480</b>	<b>264,310</b>	<b>272,390</b>	<b>3.1%</b>
<b>Positions:</b>				
Full-time	1	3	3	0.0%
Part-time	2	-	-	
<b>TOTAL Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0.0%</b>
<b>WORKYEARS</b>	<b>2.6</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0%</b>

<b>Identified Same Services Adjustments:</b>	
Service Increment Adjustments	\$ 1,840
Group Insurance Adjustments	\$ (210)
Retirement Adjustment	\$ 6,450
<b>NET SAME SERVICES ADJUSTMENT TOTAL</b>	<b>\$ 8,080</b>

### **FY10 EXPENDITURE ISSUES**

There are no major changes in the Ethics Commission budget. In FY09 an Administrative Procedure was adopted enabling the Commission to charge lobbyists a registration fee. Revenues from these fees are budgeted at \$25,500.

This is a small, static budget. Operating expenses decreased substantially in FY09 and are minimal at \$3,470.

#### **MFP Committee Discussion**

The Committee discussed the new lobbyists' registration fee of \$125 that began in December 2008. Committee members felt that the fee could be increased, possibly doubled to \$250 and agreed the Committee should discuss fees comprehensively. Ethics Commission staff also suggested the County charge fines for delinquent financial disclosures. The Committee asked Ethics Commission staff for a memo discussing fees and fines to be reviewed by the MFP Committee at a later date.

#### **Recommendation**

- **The Management and Fiscal Policy Committee unanimously recommends the Council approve the Ethics Commission budget as submitted for \$272,390.**
- **The Committee will discuss fees and fines with Ethics Commission staff at a later date.**

Attachment: Ethics Commission Budget ©1

# Ethics Commission

## MISSION STATEMENT

The mission of the Ethics Commission is to enforce the Montgomery County Code of Ethics by ensuring the ethical conduct of individuals who serve the County government.

## BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Ethics Commission is \$272,390, an increase of \$8,080 or 3.1 percent from the FY09 Approved Budget of \$264,310. Personnel Costs comprise 98.7 percent of the budget for three full-time positions for three workyears. Operating Expenses account for the remaining 1.3 percent of the FY10 budget.

## 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*

## DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
<b>Program Measures</b>					
Average turnaround time for processing routine requests (days)	10	13	15	15	15
Citations issued to delinquent financial disclosure filers	11	50	20	20	20
Complaints received and investigated	3	3	5	7	7
Financial disclosure statements processed	1,929	2,020	2,050	2,060	2,060
Lobbyist activity report filed	216	275	300	350	350
Lobbyists registrations processed	207	275	300	350	350
Outside employment requests received and granted	1,052	1,080	1,100	1,150	1,150
Training sessions conducted	32	55	65	70	70
Waiver requests reviewed and approved	2	5	5	8	8

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ *The Commission established a lobbying fee of \$125 per client for each lobbyist and began collecting fees from all registered lobbyists.*
- ❖ *The Commission staff has worked with the Office of Human Resources and the Department of Technology Services to create an electronic reporting system to ensure employees file financial disclosure forms on a timely basis.*

## PROGRAM CONTACTS

Contact Barbara McNally of the Ethics Commission at 240.777.6670 or Phil Weeda of the Office of Management and Budget at 240.777.2780 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### **Ethics Program Compliance**

The Ethics Commission administers the County's Code of Ethics by encouraging and enforcing compliance and ensuring the ethical conduct of employees of the Executive Branch, County Council, selected Boards and Commissions, the Revenue Authority, Housing Opportunities Commission, Fire Corporations, and Rescue Squads. The Commission also serves in an advisory capacity to the Washington Suburban Transit Commission. The compliance goal is achieved through the following activities:

Education – the Ethics Commission provides ethics education and training for County officials and employees and provides computer access to all reporting forms required under the Ethics law.

Financial Disclosure – the Ethics law requires specific public officials and employees to disclose financial information to avoid potential conflicts of interest.

Lobbying Registration – requires lobbyists to register and report lobbying activities involving the County government when income or expenditures exceed \$500.

Outside Employment – requires employees and officials to obtain approval from the Commission to be engaged in outside employment.

## BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	190,938	183,660	192,550	184,990	0.7%
Employee Benefits	73,565	77,180	78,320	83,930	8.7%
<b>County General Fund Personnel Costs</b>	<b>264,503</b>	<b>260,840</b>	<b>270,870</b>	<b>268,920</b>	<b>3.1%</b>
Operating Expenses	11,977	3,470	7,910	3,470	—
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>276,480</b>	<b>264,310</b>	<b>278,780</b>	<b>272,390</b>	<b>3.1%</b>
<b>PERSONNEL</b>					
Full-Time	1	3	3	3	—
Part-Time	2	0	0	0	—
Workyears	2.6	3.0	3.0	3.0	—
<b>REVENUES</b>					
Lobbying Registration Fees As Permitted By Law	0	25,500	25,500	25,500	—
<b>County General Fund Revenues</b>	<b>0</b>	<b>25,500</b>	<b>25,500</b>	<b>25,500</b>	<b>—</b>

## FY10 RECOMMENDED CHANGES

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY09 ORIGINAL APPROPRIATION</b>	<b>264,310</b>	<b>3.0</b>
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Retirement Adjustment [Ethics Program Compliance]	6,450	0.0
Increase Cost: Service Increment [Ethics Program Compliance]	1,840	0.0
Decrease Cost: Group Insurance Adjustment [Ethics Program Compliance]	-210	0.0
<b>FY10 RECOMMENDED:</b>	<b>272,390</b>	<b>3.0</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY10	FY11	FY12	(\$000's) FY13	FY14	FY15
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY10 Recommended</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
These figures represent the estimated cost of service increments and associated benefits.						
<b>Subtotal Expenditures</b>	<b>272</b>	<b>273</b>	<b>273</b>	<b>273</b>	<b>273</b>	<b>273</b>