AGENDA ITEM #41
May 5, 2009

Worksession

MEMORANDUM

May 1, 2009

TO: County Council

FROM: Stephen B. Farber, Council Staff Director SBF

SUBJECT: FY10 Operating Budget: **Council Office**

The MFP Committee recommends approval of the FY10 recommended budget for the Council Office. The recommended budget is attached on ©1-4.

Overview

For FY10, the recommended total expenditures are $9,101,660, a 5.0% **decrease** from the FY09 approved budget. Personnel costs are 92.0% of the total; operating expenses are 8.0%. Workyears decline by 1.8, or 2.3%.

	FY08 Actual	FY09 Approved	FY10 Recommended	% Change FY09-FY10
Expenditures:				
General Fund	8,642,801	9,580,700	9,101,660	-5.0%
TOTAL Expenditures	**8,642,801**	**9,580,700**	**9,101,660**	**-5.0%**
Positions:				
Full-time	66	66	65	-1.5%
Part-time	13	19	20	5.3%
TOTAL Positions	**79**	**85**	**85**	**0.0%**
WORKYEARS	**73.1**	**76.8**	**75.0**	**-2.3%**

The recommended decrease is $479,040. This decrease comes from the following adjustments:

Service Increment Adjustments	$	26,030
Annualization of FY09 Personnel Costs	$	18,700
Group Insurance Adjustments	$	8,420
Retirement Adjustment	$	21,740
Printing and Mail Cost Adjustments	$	17,840
Public Administration Intern	$	53,860
Miscellaneous Personnel Adjustments	$	5,490
Increase Charges to Cable	$	(9,850)
Decrease Legislative Analyst Position	$	(107,850)
Decrease Legislative Attorney Position	$	(131,140)
Retirement Incentive Program	$	(135,180)
Reduce Professional Services	$	(247,120)
TOTAL	**$**	**(479,040)**

The Council Office has consistently set the standard for cost-effective operation. Restructuring, re-engineering, and new technology, combined with the hard work of our talented staff, have enabled us to sharply improve our productivity and reduce our administrative staff workyears as positions have become vacant. Meanwhile, we have strengthened our legal and analytical staff resources and buttressed them with expert contractual support on specialized legal, actuarial, fiscal, engineering, transportation, and technology issues.

Compared with FY91, central staff workyears in FY10 are actually **down** 19.9%. A good example of productivity improvement is the introduction of the Pictron system. The Pictron system places the videotapes and word-searchable transcripts of Council sessions, by agenda item, on our web site. The system has enabled us to provide the community with a complete (rather than partial) record of Council proceedings, accessible 24/7, while eliminating one workyear from our complement.

FY10 Expenditure Issues

The Council Office budget for FY10 will not only continue this disciplined approach but expand it. As the County's fiscal condition weakened last summer, we refrained from filling two important positions – one attorney and one analyst – in our approved FY09 central staff complement. These vacancies helped us meet our FY09 Budget Savings Plan target. Now, to help address the County's fiscal challenge in FY10 by **reducing** our budget by 5.0% compared to FY09, we have reluctantly eliminated these positions. Other savings come from a reduction in contractual services and abolishment of a position included in the FY09 Retirement Incentive Program.

For Councilmember offices, the transition to a revised staffing structure is now complete. The old structure, established in 1983, was based on a model of three workyears (or the equivalent in part-time employees and/or contractors) for each office. Changes since then – a large increase in County population, higher public expectations, and the creation of a nine-member Council with five District Councilmembers – led the Council in 2005, at Mrs. Praisner's suggestion, to start a three-year transition to a new structure based on four workyears (or equivalent) for each office. The creation in 2005 of the Legislative Senior Aide series in Councilmember offices, at Mr. Knapp's suggestion, has also strengthened this structure.

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County Council

MISSION STATEMENT

The mission of the County Council is to legislate for the peace, good government, health, safety, and welfare of Montgomery County and establish policies under which a system of public administration and finance provides services effectively, efficiently, and equitably.

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the County Council is $9,101,660, a decrease of $479,040 or 5.0 percent from the FY09 Approved Budget of $9,580,700. Personnel Costs comprise 92.0 percent of the budget for 65 full-time positions and 20 part-time positions for 75.0 workyears. Operating Expenses account for the remaining 8.0 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***

ACCOMPLISHMENTS AND INITIATIVES

- ***The Council continued to promote open, transparent, and user-friendly government by expanding the extensive information resources available to County residents via the Council web site and County Cable Montgomery.***

- ***The Council further refined its open and standardized process for awarding grants to non-profit community organizations.***

- ***The Council adopted a range of measures to strengthen fiscal oversight, including:***
  - ***revisions to the Spending Affordability process for the Operating Budget to make it more effective;***
  - ***expansion of the Council's audit function;***
  - ***enactment of legislation to require disclosure, in a searchable data base to be posted on the County's web site, of all County Government payments of $25,000 or more for grants, contracts, and loans, effective September 1, 2010 to coincide with the inception of the new Enterprise Resource Planning system; and adoption of a $33 million Savings Plan in FY09 to help address the County's serious fiscal challenges.***

PROGRAM CONTACTS

Contact Mary Jane Berry of the County Council at 240.777.7930 or Helen Vallone of the Office of Management and Budget at 240.777.2755 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Councilmember Offices

The nine elected County Councilmembers enact all local laws, oversee zoning and planning, appropriate funding for the budgets of public agencies, establish spending affordability guidelines, set property tax rates, and meet as the County Board of Health. The Council holds regular weekly sessions and conducts public hearings and worksessions throughout the year. Each Councilmember serves on two of the following six Council Committees: Education; Health and Human Services; Management and Fiscal Policy; Planning, Housing, and Economic Development; Public Safety; and Transportation, Infrastructure, Energy and Environment. Five Councilmembers are elected by district, and four are elected countywide.

Councilmembers have staffs which are responsible for carrying out their work programs. The County Charter provides for a Confidential Aide for each Councilmember. Staff may consist of interns, analysts, legislative service coordinators, legislative senior aides, and other administrative personnel.

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FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**4,609,850**	**42.0**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-173,580	0.3
FY10 CE Recommended	**4,436,270**	**42.3**

Council Staff Operations

Council Staff Operations is responsible for four activities in support of the Council: Legislative Program, Planning, and Budget; Legislative Information Services; Office of the Clerk of the Council; and Administration.

Legislative Program, Planning, and Budget staff perform research and analysis on issues before the Council and prepare written reports and recommendations for all agenda items at Council sessions and Committee meetings. Staff also respond to requests from individual Councilmembers for research, legal advice, and data relevant to their work program. Staff draft legislation and resolutions for Council action; analyze reports, bills, plans, and budgets forwarded to the Council by the County Executive and County agencies; and advise Councilmembers on issues related to the Council work program. Personnel in this unit provide staffing for the Charter Review Commission and other groups created by the Council, and represent the Council at meetings held on issues before the Council.

Legislative Information Services performs the public relations function of the Council. In order to facilitate two-way communication between the Council and County residents, staff prepare informational materials, serve as first-line telephone contact with the public, provide information about the legislative process, update the Council's website, and produce programs for the County's cable channel. Staff inform Councilmembers of the views of citizens through a correspondence control system, telephone tabulation system, and documentation of petitions. Legislative Information Services arranges for and provides notice of public hearings and assembles packets of background material for Councilmembers, the press, and the public.

The Office of the Clerk of the Council prepares and maintains all official records of the Council; attends meetings of the Council and its six committees; writes minutes; processes resolutions and legislation; prepares Council and Committee agendas; arranges for both regular and special meetings; and tracks sunset, expiration, and deadline dates of legislation and regulations.

Administration performs the Council's personnel, procurement, payroll, and budgetary functions; provides supervision; manages the automation system for the legislative branch; monitors inventory and office space; coordinates program issues; and serves as liaison between Councilmembers and program staff. The staff in this unit contribute to the Legislative Program, Planning, and Budget work program. The administrative staff also provide staff orientation, training for the automation and telephone systems, backup support for all programs, volunteer coordination, and receptionist coverage for Councilmember offices.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**4,970,850**	**34.8**
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-305,460	-2.1
FY10 CE Recommended	**4,665,390**	**32.7**

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	6,146,681	6,633,730	6,334,690	6,453,930	-2.7%
Employee Benefits	1,743,570	1,985,820	1,721,560	1,915,860	-3.5%
County General Fund Personnel Costs	***7,890,251***	***8,619,550***	***8,056,250***	***8,369,790***	***-2.9%***
Operating Expenses	752,550	961,150	911,150	731,870	-23.9%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	***8,642,801***	***9,580,700***	***8,967,400***	***9,101,660***	***-5.0%***
PERSONNEL					
Full-Time	66	66	66	65	-1.5%
Part-Time	13	19	19	20	5.3%
Workyears	73.1	76.8	76.8	75.0	-2.3%

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY09 ORIGINAL APPROPRIATION	**9,580,700**	**76.8**
Other Adjustments (with no service impacts)		
Increase Cost: Public Administration Intern in Legislative Information Services	53,880	1.0
Increase Cost: Service Increment	26,030	0.0
Increase Cost: Retirement Adjustment	21,740	0.0
Increase Cost: Annualization of FY09 Personnel Costs	18,700	0.0
Increase Cost: Printing and Mail Adjustments	17,840	0.0
Increase Cost: Group Insurance Adjustment	8,420	0.0
Increase Cost: Miscellaneous Personnel Adjustments	5,490	0.2
Decrease Cost: Increase charges to Cable	-9,850	0.0
Decrease Cost: Legislative Analyst Position	-107,850	-1.0
Decrease Cost: Legislative Attorney Position	-131,140	-1.0
Decrease Cost: Retirement Incentive Program (RIP) Savings	-135,180	-1.0
Decrease Cost: Reduce Professional Services	-247,120	0.0
FY10 RECOMMENDED:	**9,101,660**	**75.0**

PROGRAM SUMMARY

Program Name	FY09 Approved Expenditures	FY09 Approved WYs	FY10 Recommended Expenditures	FY10 Recommended WYs
Councilmember Offices	4,609,850	42.0	4,436,270	42.3
Council Staff Operations	4,970,850	34.8	4,665,390	32.7
Total	**9,580,700**	**76.8**	**9,101,660**	**75.0**

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY09 TotalS	FY09 WYs	FY10 TotalS	FY10 WYs
COUNTY GENERAL FUND					
Cable Television	Cable Television	55,650	0.6	74,330	0.6

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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.						
COUNTY GENERAL FUND						
Expenditures						
FY10 Recommended	9,102	9,102	9,102	9,102	9,102	9,102
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	13	13	13	13	13
These figures represent the estimated cost of service increments and associated benefits.						
Subtotal Expenditures	***9,102***	***9,114***	***9,114***	***9,114***	***9,114***	***9,114***