



Finance

RECOMMENDED FY19 BUDGET

\$83,942,265

FULL TIME EQUIVALENTS

126.77

 ALEXANDRE A. ESPINOSA, 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 FY19 Operating Budget for the Department of Finance is \$83,942,265, an increase of \$2,540,552 or 3.12 percent from the FY18 Approved Budget of \$81,401,713. Personnel Costs comprise 19.96 percent of the budget for 132 full-time position(s) and no part-time position(s), and a total of 126.77 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 80.04 percent of the FY19 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 FY19 Operating Budget for the General Fund component is \$14,498,017 an increase of \$51,921 or 0.4 percent over the FY18 approved budget of \$14,446,096. Personnel Costs comprise approximately 83.58 percent of the General Fund budget for 121 full-time positions. A total of 94.90 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 16.42 percent of the budget.

The total FY19 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$69,444,248, an increase of \$2,488,631 or 3.72 percent over the FY18 approved budget of \$66,955,617. Personnel Costs comprise approximately 6.68 percent of the Self-Insurance Fund budget for 11 full-time positions. A total of 31.87 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 93.32 percent of the budget. Included in the total FTEs are 20.50 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.

LINKAGE TO COUNTY RESULT AREAS

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


DEPARTMENT 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 FY18 estimates reflect funding based on the FY18 approved budget. The FY19 and FY20 figures are performance targets based on the FY19 recommended budget and funding for comparable service levels in FY20.


INITIATIVES

 Growth and Economic Development Initiatives include:


- A \$22 million conditional grant to facilitate the relocation of Marriott Headquarters and hotel to downtown Bethesda--a \$600 million project retaining 3,250 jobs,
- New Jobs Tax Credit Incentive to establish JBG Smith Properties headquarters in downtown Bethesda---creating 190 new jobs,
- Provide \$300,000 from the County in conjunction with \$600,000 from the State to assist relocation of Host Hotels & Resorts, Inc headquarters to downtown Bethesda-a \$30 million project retaining 189 jobs,
- MOVE program that continues to reduce commercial office vacancy, attracting new businesses (53) and new jobs (321) since inception, and
- \$100,000 conditional grant to assist Sanaria, Inc., a developer of anti-malarial vaccines, to expand in the county, creating 47 new jobs.


 Launch of the Montgomery County Small Business Assistance Program (SBAP) aimed at assisting certain small businesses located in the County that are adversely impacted by a County-funded redevelopment project or a redevelopment project located on County-owned property.

 The Impact Assistance Fund (IAF), created as a sub-program of the Economic Development Fund, provides financial and/or technical assistance to certain financially healthy small businesses in designated areas of the County adversely impacted by a redevelopment project initiated by the County, a redevelopment project located on County-owned property, or a redevelopment project constructed by a private entity for use in whole or in part by the County as a public facility. The goal to aid businesses' ongoing operations so they remain viable during and after completion of the redevelopment project. The maximum amount of assistance a business can receive under the program is \$25,000. Businesses receiving assistance from the Impact Assistance Fund are not eligible to receive assistance from the separate Small Business Assistance Program.

 Finance's Treasury division is working with IT staff on multiple initiatives including re-engineering procedures for tax refunds, testing and implementing new Munis modules for web display of property tax bills, and implementing a new property tax payment platform.

 Upgrading Kronos Workforce TimeKeeper (MCTIME) from 6.2 to 8.2.

 Upgrading the Tyler Technologies Munis property tax billing system from 9.4 to 11.3.

 Replacing the custom in-house real and personal property tax web billing applications with Citizens Self Service from Tyler Technologies.

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- ★ Risk Management is working on the launch of additional safety-related electronic applications for Montgomery County Self Insurance Program (MCSIP) agency members, refining the Contract Tracking System to automate functions and reports, and working with the State to develop studies designed to result in guidelines for vocational rehabilitation in order to ensure efficacy of approved vocational rehabilitation programs for injured workers.

ACCOMPLISHMENTS

- ✓ Retained the County's AAA bond rating from all three major credit rating agencies in the Fall of 2017. In March of 2017, Fitch upgraded the Water Quality Protection Charge Revenue Bond Series 2012A and 2016 to AAA from AA and the West Germantown Refunding Bond Series 2014 to AAA from A+.
- ✓ Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY16 CAFR.
- ✓ The County's Commercial Property-Assessed Clean Energy (C-PACE) Program completed its first project in December 2016, within the first year of the program's operation—a \$1.4 million project that was the first of its kind in Montgomery County and the State of Maryland. The Program has completed 2 additional projects to date with a combined project cost of \$1.1 million, and 8 more project applications have been approved totaling \$5.2 million and are expected to be complete by the end of FY18. The program was awarded a National Association of Counties (NACo) Achievement Award in FY17.
- ✓ Finance staff is working with the State Board of Elections, to implement the County's Public Election Fund. This Fund provides matching County funds to eligible candidates running for an elected office of County Executive or County Councilmember. The Fund is intended to incentivize greater participation of small money donors to eligible candidates through the Public Campaign Financing initiative. As of February 28, 2018, the Program has 33 active candidates who have filed an intent to participate, with fifteen of those candidates qualifying to receive matching funds worth \$1,837,779.
- ✓ Implemented Bill 42-16 Property Tax Credit for Elderly Individuals and Military Retirees: When the bill was being introduced, it was estimated that Finance would receive about 3,500 applications. Treasury has received 5,737 applications by the September 1, 2017 deadline and issued 4,718 credits for a total of \$3,199,448.
- ✓ Implemented the Income Tax Offset Credit module in the Tax Assessment System that removes the \$692 credit to non-eligible properties. As of March 1, 2018, 5,727 accounts have been removed, saving the County nearly \$4.0 million.
- ✓ Performed a security assessment of all operations in the County that accept credit cards payments to ensure that each organization is operating in a Payment Card Industry Data Security Standard (PCI-DSS) compliant manner.
- ✓ Finance staff served on the Product Development and Finance/Fundraising Committees of the Montgomery County Green Bank (MCGB) providing financial guidance and assistance to the Board of Directors. Significant accomplishments include, the hiring of the Executive Director, development of financial statements, budgetary tracking frameworks, standard operating procedures, purchasing procedures, hiring of a website development firm for branding and production of communications materials, hiring of an auditor, assisting the organization to acquire office space in the Rockville incubator, and assisting with the terms and conditions for the development of loan products.
- ✓ The County's "Small Business Plus!" program, now in its fifth year, generated \$128 million in new small business loans, 285 new jobs, and \$249,000 in interest income in 2016 as a result of the County depositing up to \$50 million with participating local banks. Since the program's inception in 2012, a total of 1,354 new jobs have been created and \$608,000 in interest income has been generated.
- ✓ The average daily investment portfolio in FY17 increased to \$845 million from \$730 million in FY16. More importantly, investment income jumped from \$2.8 million in FY16 to over \$6.0 million in FY17, with an average portfolio yield of 0.71% in FY17 (compared to 0.39% in FY16). This 0.71% average yield also compares favorably versus the benchmark yield of

0.59% (S&P Local Government Index) or the average 3 month US Treasury yield of 0.56%.

- ☑ Successfully issued \$340 million in GO Bonds in FY17 with an interest rate (True Interest Cost) of 3.281% and issued an equivalent amount of Commercial Paper.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ☀ Migrate MUNIS, one of the County's property tax billing systems, to a Cloud platform.
- ☀ Use of Robotic Processing Automation software to perform repetitive and manually intensive jobs on software platforms that do not allow automation. This reduces staffing costs and increases accuracy.
- ☀ MCPay - The Department of Finance will be implementing credit card and electronic payment solutions and re-engineering existing solutions that will decrease the total cost of ownership for the County. This will entail creating a centralized payment portal, process automation, reducing the level of effort for on-boarding departments that wish to process credit cards, and collaborating with the Merchant Service Provider to reduce transaction costs.

PROGRAM CONTACTS

Contact Jedediah Millard of the Department of Finance at 240.777.8855 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

☀ 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. 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; implementing and managing new County initiatives such as the Public Election Fund and Commercial Property Assessed Clean Energy (C-PACE) programs; managing several economic development initiatives that were transferred from the abolished Department of Economic Development; and high quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
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
Interest Rate - True Interest Cost for Montgomery County General Obligation Bonds (the most common debt instrument used by the County)	2.8%	3.5%	3.5%	3.5%	3.5%
Interest Rate Benchmarking - County General Obligation (GO) vs. Municipal Market Data Index (basis point spread) ¹	-3.5	30.0	0.0	0.0	0.0
Investment Return - Rate of return on Montgomery County's investments	0.39%	0.71%	1.20%	1.70%	2.20%
Investment Return Benchmarking - County Return vs. S&P Local Government Investment Pool Index (basis point spread)	19	12	12	12	12
Revenue forecasting - Percent variance between actual revenue and projected revenue	-0.15%	-0.67%	0.0%	0.0%	0.0%

¹ Due to the abnormally volatile rate environment after the presidential election 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 bps for 2017 and 2018 maturities but greater than 25 bps above in later years.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	1,890,309	11.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	57,062	0.00
FY19 Recommended	1,947,371	11.00

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 troubleshooting 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.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	1,378,254	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	21,649	0.00
FY19 Recommended	1,399,903	3.00

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 audits by Accounts Payable.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Procurement Card rebate revenue generated	446,888	607,388	507,000	507,000	507,000

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	810,011	7.75
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	14,953	0.00
FY19 Recommended	824,964	7.75

☀ 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 collectability.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	645,438	5.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(329,635)	0.00
FY19 Recommended	315,803	5.50

☀ 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
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 (FY16 = 47 times)

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	2,010,214	16.65

FY19 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	56,222	0.00
FY19 Recommended	2,066,436	16.65

☀ 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 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 grant financial transactions.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	637,164	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.	(12,637)	0.00
FY19 Recommended	624,527	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.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Pension and long-term disability (LTD2) payroll payments processed	60,148	61,119	63,000	63,000	63,000

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	1,209,429	10.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	64,848	0.00
FY19 Recommended	1,274,277	10.00

☀ 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, carryout bags, electronic cigarettes). 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Property tax accounts billed	371,446	375,187	378,000	380,000	382,000
FY19 Recommended Changes				Expenditures	FTEs
FY18 Approved				1,945,405	18.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.				(165,074)	0.00
FY19 Recommended				1,780,331	18.10

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.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Cashier transactions processed	90,377	107,921	99,000	99,000	99,000
FY19 Recommended Changes				Expenditures	FTEs
FY18 Approved				447,668	4.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.				6,548	0.00
FY19 Recommended				454,216	4.90

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 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; avoiding risk; and purchasing commercial insurance policies.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Workers Compensation - Cost per \$100 of payroll	3.50	2.57	2.88	2.91	3.37
Workers Compensation - Number of Montgomery County Government cases resulting in lost work time	524	485	504	525	525

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	62,272,140	4.00
Increase Cost: Claims Expense	2,337,748	0.00
Increase Cost: Claims Service Contract Administrative Costs	117,870	0.00
Increase Cost: Workers' Compensation Tax increase	3,368	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.	36,482	0.00
FY19 Recommended	64,767,608	4.00

Occupational Safety and Health

This program operates a pro-active safety program and 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 by the Safety Section of Risk Management on schedule. The program responds promptly to inspections and queries from the Maryland Occupational Safety and Health Administration. Accident prevention programs are conducted, and continuous training is provided in loss prevention and loss control to promote a safe and healthy work environment for County employees. The program also employs proactive computer-based training for personal and facility safety.

Program Performance Measures	Actual FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Training classes conducted by Safety and Health Specialists	1,350	2,120	2,226	2,337	2,337

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	799,948	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,381	0.00
FY19 Recommended	801,329	3.00

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.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	2,865,615	19.75
Increase Cost: County Attorney Charges for Electronically Stored Information System	100,241	0.75
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	31,260	0.00
FY19 Recommended	2,997,116	20.50

☀ 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.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	4,490,118	16.37
Increase Cost: Rent	51,930	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.	146,336	1.00
FY19 Recommended	4,688,384	17.37

BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	7,661,596	9,527,125	8,108,318	9,560,198	0.4 %
Employee Benefits	2,850,120	2,604,361	2,866,840	2,556,976	-1.8 %
County General Fund Personnel Costs	10,511,716	12,131,486	10,975,158	12,117,174	-0.1 %
Operating Expenses	3,433,091	2,314,610	3,196,100	2,380,843	2.9 %
County General Fund Expenditures	13,944,807	14,446,096	14,171,258	14,498,017	0.4 %
PERSONNEL					
Full-Time	111	121	121	121	—
Part-Time	0	0	0	0	—
FTEs	91.65	93.90	93.90	94.90	1.1 %
REVENUES					
Miscellaneous Revenues	607,468	450,000	507,000	507,000	12.7 %
Other Charges/Fees	492,038	367,220	367,220	366,300	-0.3 %
Other Fines/Forfeitures	13,861	10,000	10,000	5,000	-50.0 %
Other Intergovernmental	239,311	373,810	372,310	418,000	11.8 %
County General Fund Revenues	1,352,678	1,201,030	1,256,530	1,296,300	7.9 %
SELF INSURANCE INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	3,300,414	3,586,713	3,304,579	3,575,288	-0.3 %
Employee Benefits	977,239	1,074,732	1,031,132	1,065,787	-0.8 %
Self Insurance Internal Service Fund Personnel Costs	4,277,653	4,661,445	4,335,711	4,641,075	-0.4 %
Operating Expenses	56,440,431	62,294,172	62,615,267	64,803,173	4.0 %
Self Insurance Internal Service Fund Expenditures	60,718,084	66,955,617	66,950,978	69,444,248	3.7 %

BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
PERSONNEL					
Full-Time	10	11	11	11	—
Part-Time	0	0	0	0	—
FTEs	30.12	31.12	31.12	31.87	2.4 %
REVENUES					
Investment Income	1,020,399	623,210	623,210	850,000	36.4 %
Miscellaneous Revenues	574,405	0	0	0	—
Self Insurance Revenues	62,427,231	67,554,102	67,554,102	69,423,933	2.8 %
Self Insurance Internal Service Fund Revenues	64,022,035	68,177,312	68,177,312	70,273,933	3.1 %
DEPARTMENT TOTALS					
Total Expenditures	74,662,891	81,401,713	81,122,236	83,942,265	3.1 %
Total Full-Time Positions	121	132	132	132	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	121.77	125.02	125.02	126.77	1.4 %
Total Revenues	65,374,713	69,378,342	69,433,842	71,570,233	3.2 %

FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY18 ORIGINAL APPROPRIATION	14,446,096 93.90
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY19 Compensation Adjustment	290,124	0.00
Increase Cost: Annualization of FY18 Personnel Costs	167,136	1.00
Increase Cost: Annualization of FY18 Operating Expenses	57,490	0.00
Increase Cost: Contractual Resources for Indirect Cost Analysis and Services	40,000	0.00
Increase Cost: IT Financial Systems Applications - Ongoing Maintenance	34,550	0.00
Increase Cost: Annual PCI and ACH Industry Compliance	5,720	0.00
Increase Cost: Printing and Mail	855	0.00
Decrease Cost: Retirement Adjustment	(37,613)	0.00
Decrease Cost: Chargeback for Billing, Collection and Processing Services	(236,691)	0.00
Decrease Cost: Increase Lapse	(269,650)	0.00
	FY19 RECOMMENDED	14,498,017 94.90
SELF INSURANCE INTERNAL SERVICE FUND		
	FY18 ORIGINAL APPROPRIATION	66,955,617 31.12
<u>Other Adjustments (with no service impacts)</u>		

FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Claims Expense [Insurance]	2,337,748	0.00
Increase Cost: Claims Service Contract Administrative Costs [Insurance]	117,870	0.00
Increase Cost: County Attorney Charges for Electronically Stored Information System [Legal Services]	100,241	0.75
Increase Cost: FY19 Compensation Adjustment	95,410	0.00
Increase Cost: Rent [Operations and Administration]	51,930	0.00
Increase Cost: Workers' Compensation Tax increase [Insurance]	3,368	0.00
Increase Cost: OPEB Adjustment	190	0.00
Increase Cost: Printing and Mail	78	0.00
Decrease Cost: Motor Pool Adjustment	(2,183)	0.00
Decrease Cost: Retirement Adjustment	(29,516)	0.00
Decrease Cost: Annualization of FY18 Personnel Costs	(186,505)	0.00
FY19 RECOMMENDED	69,444,248	31.87

PROGRAM SUMMARY

Program Name	FY18 APPR Expenditures	FY18 APPR FTEs	FY19 REC Expenditures	FY19 REC FTEs
Fiscal Management	1,890,309	11.00	1,947,371	11.00
Information Technology	1,378,254	3.00	1,399,903	3.00
Accounts Payable	810,011	7.75	824,964	7.75
Accounts Receivable	645,438	5.50	315,803	5.50
General Accounting	2,010,214	16.65	2,066,436	16.65
Grants Accounting	637,164	5.00	624,527	5.00
Payroll	1,209,429	10.00	1,274,277	10.00
Tax Operations	1,945,405	18.10	1,780,331	18.10
Treasury Operations	447,668	4.90	454,216	4.90
Insurance	62,272,140	4.00	64,767,608	4.00
Occupational Safety and Health	799,948	3.00	801,329	3.00
Legal Services	2,865,615	19.75	2,997,116	20.50
Operations and Administration	4,490,118	16.37	4,688,384	17.37
Total	81,401,713	125.02	83,942,265	126.77

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY18 Total\$	FY18 FTES	FY19 Total\$	FY19 FTES
COUNTY GENERAL FUND					
Human Resources	Employee Health Self Insurance	122,000	0.75	122,040	0.75
Human Resources	Retiree Health Benefits Trust Fund	42,160	0.25	35,150	0.25

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY18 Total\$	FY18 FTES	FY19 Total\$	FY19 FTES
General Services	Central Duplicating (Printing & Mail)	6,570	0.05	6,430	0.05
Transportation	Leaf Vacuuming	216,542	0.43	244,750	0.43
Parking District Services	Bethesda Parking	31,640	0.24	30,870	0.24
Parking District Services	Silver Spring Parking	36,230	0.27	34,940	0.27
Parking District Services	Montgomery Hills Parking	0	0.00	0	0.00
Parking District Services	Wheaton Parking	12,390	0.09	11,750	0.09
Community Use of Public Facilities	Community Use of Public Facilities	51,010	0.37	47,460	0.37
Recreation	Recreation	44,270	0.33	41,840	0.33
Permitting Services	Permitting Services	12,210	0.10	12,550	0.10
Environmental Protection	Water Quality Protection	853,694	6.00	959,652	6.00
Solid Waste Services	Solid Waste Disposal	521,955	4.38	582,708	4.38
Solid Waste Services	Solid Waste Collection	239,456	0.64	270,550	0.64
Liquor Control	Liquor	1,003,926	9.00	1,026,081	8.00
CIP	Capital Fund	145,293	1.00	152,412	1.00
Non-Departmental Accounts	Employees Retirement Savings Plan (RSP)	14,164	0.10	12,246	0.10
Non-Departmental Accounts	Retirement Fund (ERS)	78,938	0.54	68,852	0.54
Non-Departmental Accounts	Retiree Health Benefits Trust Fund	2,364	0.02	2,406	0.02
Non-Departmental Accounts	BIT 457 Deferred Comp. Plan	7,424	0.06	6,626	0.06
Non-Departmental Accounts	RSP-Disability Benefits (LTD2)	26,980	0.16	22,480	0.16
NDA - Conference Center	General Fund	129,574	1.00	145,549	1.00
Economic Development Fund	Economic Development Fund	143,833	1.00	152,412	1.00
Total		3,742,623	26.78	3,989,754	25.78

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
COUNTY GENERAL FUND						
EXPENDITURES						
FY19 Recommended	14,498	14,498	14,498	14,498	14,498	14,498
No inflation or compensation change is included in outyear projections.						
Restore One-Time Lapse Increase	0	343	343	343	343	343
Restoration of one-time lapse adjustment in the budget development year						
Labor Contracts	0	135	135	135	135	135
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	14,498	14,976	14,976	14,976	14,976	14,976

SELF INSURANCE INTERNAL SERVICE FUND

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
EXPENDITURES						
FY19 Recommended	69,444	69,444	69,444	69,444	69,444	69,444
No inflation or compensation change is included in outyear projections.						
Retiree Health Insurance Pre-funding	0	1	1	1	1	1
Labor Contracts	0	50	50	50	50	50
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	69,444	69,495	69,495	69,495	69,495	69,495