



Workforce/Compensation

SUMMARY OF FY22 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY22, as recommended by the Board of Education (BOE), is 23,636.606 FTEs, or 240.116 FTEs greater than the Board of Education adopted FY21 workforce of 23,396.490 FTEs. MCPS has undertaken informal discussions with the public schools' bargaining units, the Service Employees International Union (SEIU), the Montgomery County Education Association (MCEA), the Montgomery County Association of Administrators and Personnel (MCAAP), and the Montgomery County Business and Operations Administrators (MCBOA). The potential impact on the FY22 budget is unknown. For more information on compensation and workforce changes, please see the Board of Education's FY22 requested budget document.

Montgomery College (MC): The College and its Board of Trustees has proposed a maintenance of effort budget that continues its current staff complement. The FY22 Current Fund decrease in personnel costs of roughly \$2.2 million maintains wages at a fair, reasonable, and sustainable level but achieves cost savings through cautionary hiring and compensation practices, employee retirements, and reductions in temporary student assistance. Negotiations with the bargaining units are ongoing, however, and merit and general wage adjustment increases are not known at the time of this publication. For more information on compensation and workforce changes, please consult the Adopted FY22 Montgomery College Operating Budget Request, available on the College's website.

Maryland-National Capital Park & Planning Commission (M-NCPPC): The net impact on the M-NCPPC workforce for FY22, as recommended by the Planning Board, is an increase of 18.01 FTEs. The Commission's requested budget includes an increase in personnel costs of \$5.1 million. The increase also includes retirement and group insurance adjustments, a compensation placeholder (to address collectively bargained compensation increases and pass-through costs) and a reclassification placeholder. For more information on compensation and workforce changes, please see the M-NCPPC FY22 requested budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY22, as recommended by the Executive, is an increase of 83 positions.

The recommended budget contains an increase in total personnel costs of \$36.6 million, or 3.2 percent. In March 2021, the County Council approved a supplemental appropriation to provide compensation adjustments in FY21 not included in the original FY21 approved budget; these increases accounted for \$28.1 million, or 2.4 percent, which is more than 75 percent of the total FY22 increase. The increase in FY22 related only to FY22 compensation adjustments totaled \$16.8 million, or 1.5 percent. The primary factors in these changes are:

Factor	Millions
General Wage Adjustment	\$2.0
Increase in required retirement contribution	\$0.8
Increase in group insurance	\$3.0
Service increments and longevity	\$8.0

FY21 Compensation Adjustments approved March 2021	\$28.1
Other FY22 Compensation Adjustments	\$6.8
New positions in FY22	\$8.1
Position eliminations in FY22	-\$4.9
Other changes in personnel costs, including turnover savings and annualization of positions	-\$15.2

The recommendations in the remainder of this section are for the County Government and are based upon the bargained agreements with the United Food and Commercial Workers, Local 1994 (Municipal and County Government Employees Organization - MCGEO); the International Association of Fire Fighters (IAFF); Local 1664, the Fraternal Order of Police (FOP), Lodge 35; and the Montgomery County Volunteer Fire and Rescue Association (MCVFRA). Certain provisions of the agreements have been extended to unrepresented employees, as noted below.

B. COUNTY GOVERNMENT SALARY AND WAGES

General Wage Adjustment: The Executive recommends the following general wage adjustments (GWA) in FY22: 2.5 percent effective the first full pay period after January 1, 2022 for all employees in the Police bargaining unit; 1.5 percent effective the first full pay period after June 19, 2022 for all employees in the Fire and Rescue bargaining unit and Fire and Rescue uniformed management; \$1,684 effective the first full pay period after June 19, 2022 for all employees in the Office, Professional, and Technical (OPT), and Service, Labor, and Trades (SLT) units, as well all employees on the Deputy Sheriffs and Correctional Officers Uniform Salary Schedules, and all non-represented employees, including Management Leadership Service (MLS) and Police Leadership Service (PLS) employees.

FY22 salary schedules can be found on the County's website at:

<http://www.montgomerycountymd.gov/HR/compensation/Compensation.html>.

Lump-Sum Payments: The Executive recommends a lump-sum bonus payment of \$600 for employees in the OPT and SLT units, as well as on the Deputy Sheriffs and Correctional Officers schedules, who are not eligible for a service increment in FY22.

Service Increments: The Executive recommends service increments of 3.5 percent for all eligible employees.

Longevity Increments: The Executive recommends longevity increments in FY22 for all eligible employees.

Performance-Based Pay: The Executive recommends \$3,000,000 in the Compensation Adjustment and Employee Benefits NDA to fund performance-based pay increases for MLS and PLS employees.

C. COUNTY GOVERNMENT: EMPLOYEE BENEFITS

The following employee benefits are funded in the Executive's recommended budget through a combination of lump sum or payroll-based contributions.

- **FICA (Social Security & Medicare)**
- **Workers' Compensation**
- **Group Insurance**
- **Employees' Retirement System**
- **Retirement Savings Plan**

Social Security and Medicare: Contributions are collected from County departments and agencies each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the recommended fiscal year budget represent an average of the rates set for 2021 and projected changes for 2022. The employer rates of 6.2 percent for social security and 1.45 percent for Medicare are not expected to change.

Workers' Compensation: This is handled through the County's Risk Management program under the Department of Finance. Departments with significant non-tax revenues make annual contributions to the Liability and Property Coverage Self-Insurance Fund. A lump sum contribution to the Fund for insurance for the remaining County departments is made annually through the Risk Management (General Fund portion) Non-Departmental Account. Participating County agencies also make annual lump sum contributions. Contributions for all members are set each year based on an actuarial valuation of exposures and past and projected claims experience along with administrative expenses.

Group Insurance Benefits : The contributions for health insurance are based on an actuarially determined Countywide average fixed rate of \$13,295 per position, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary.

It is projected for the long term that the annual cost of group insurance for the County, including active employees and retirees, could increase an average of approximately seven percent annually between FY22 and FY27. Contribution rates during this period will be set based on various factors, including the fund balance in the Health Insurance Fund and claims cost experience.

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50-year-old practice of pre-funding for retiree pension benefits. Due to exponential growth in expected retiree health costs, the County had determined the cost of funding these benefits, which were being paid out as the bills came due, would become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach but will result in significant savings over the long term.

County agencies develop current estimates of the costs of health benefits for current and future retirees. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$2.1 billion - approximately 32.8 percent of the total FY22 budget for all agencies.

Proposed FY22 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	<u>FY22</u>
<i>General Fund:</i>	
Retiree Health Benefits Trust NDA	\$10,829,980
<i>Proprietary Funds:</i>	
Bethesda Parking District	\$35,510
Wheaton Parking District	3,670
Silver Spring Parking District	25,720
Solid Waste Collection	4,900
Solid Waste Disposal	95,520
Alcohol Beverage Services	538,810
Permitting Services	295,120
Community Use of Public Facilities	37,960
Motor Pool	254,710
Risk Management	13,470
Central Duplicating	41,630
<i>Participating Agency Contributions</i>	\$346,000
Total MCG Trust Contributions	\$12,523,000
Consolidated Trust: Montgomery County Public Schools	\$73,048,269

The County's approach to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Actuarially Determined Contribution or "ADC", is estimated at \$79.7 million. This amount normally consists of two pieces - the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County's policy is to pay the full amount of

Consolidated Trust: Montgomery College	\$5,608,000	ADC each year. In FY11, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The Bill amended existing law and provided a funding mechanism to pay for other post employment benefits (OPEB) for employees of MCPS and MC. In FY15, the County and all other
Park and Planning Commission Trust Fund*	\$2,797,490	
Total Contributions/Assets Held in Trust	\$93,976,759	
* MNCPPC's contribution from tax supported funds is \$2,667,809.		

agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This has reduced retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY21, these contributions were budgeted at \$12.3 million (County General Fund), \$69.4 million (MCPS Consolidated Trust), and \$5.5 million (MC Consolidated Trust).

A detailed breakdown of FY22 recommended contributions to the Consolidated Retiree Health Benefit Trust for County government tax supported agencies, participating agencies, MCPS, and MC is displayed in the table above. The Executive is recommending that the Retiree Health Benefits Trust provide \$27.2 million to MCPS for the payment of retiree health insurance claims in FY22.

Retirement Benefits: Montgomery County Government maintains a system of retirement pay and benefits for its employees which are intended to provide income during their retirement years. The Employees' Retirement System, which currently provides benefits to approximately 6,783 retirees and survivors, is administered by Montgomery County Employee Retirement Plans (MCERP). MCERP oversees all facets of the retirement plans including investments, administration, and accounting. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated with MCERP in consultation with the Office of Human Resources, the County's actuaries, the Finance Department, and the Office of Management and Budget.

Retirement Plans: Montgomery County Government maintains three retirement plans for its employees: a defined benefit pension plan, a defined contribution plan, and a deferred compensation plan for its employees and participating agencies.

1. The Employees' Retirement System (ERS), a defined benefit pension plan, was established through legislation in 1965 and is described in the Montgomery County Code, Section 33. As of June 30, 2020, there were 6,783 retirees and survivors and 6,204 active members, including 2,521 in the Guaranteed Retirement Income Plan (GRIP). Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the MCERP staff, in consultation with the County's actuaries, the Office of Human Resources, the Finance Department, and the Office of Management and Budget.

The ERS consists of four plans including a Mandatory Integrated Retirement Plan, an Optional Non-Integrated Retirement Plan, an Optional Integrated Plan, and a Guaranteed Retirement Income Plan. The GRIP is a Cash Balance Plan that began in FY10 as a result of negotiations between Montgomery County and UFCW Local 1994 MCGEO. Eligibility to participate has been passed through to non-represented employees and participants of participating agencies. All full- and part-time non-public safety employees hired before January 1, 2009 enrolled in the RSP were eligible to make a one-time irrevocable election to transfer to the GRIP by June 1, 2009. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. As with the RSP, the County and employee each make contributions at a set percentage of pay. The salient feature of the GRIP is that the plan provides guaranteed annual earnings of 7.25%, credited monthly.

2. The Retirement Savings Plan (RSP), a defined contribution plan, was established for all new OPT/SLT (non-public safety) and non-represented employees hired on or after October 1, 1994. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. Eligible employees in the ERS are allowed to transfer to the Retirement Savings Plan. Both regular full-time and part-time employees can participate. Under this plan, the County and employee each make contributions at a set percentage of pay. These monies are deposited into

employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees.

3. The Montgomery County Deferred Compensation Plan (DCP) was established by the County to make a deferred compensation plan available pursuant to Section 457 of the Internal Revenue Code. Employee contributions are made on a voluntary basis with the monies deposited into employee accounts and invested based on each employee's selection of an investment vehicle(s) established by the Board of Investment Trustees. In FY 2005, the County established the Montgomery County Union Employees Deferred Compensation Plan for employees covered by a collective bargaining agreement. This Plan is administered by the three unions representing Montgomery County employees.

The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy. The Board also administers the investment program for the Retirement Savings Plan and the Montgomery County Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees. The Board currently consists of 13 trustees including: the Directors of Human Resources, Finance, and Management and Budget; the County Council Executive Director; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

Change in Retirement System Membership: The number of active non-public safety in the ERS decreased by 95 and the number of public safety employees increased by 29, for a combined total active enrollment of 3,683 in FY21. GRIP membership increased by 201 employees, to 2,521 in FY21. The RSP had 52 fewer active employees enrolled in FY21 than in FY20, for a total FY21 enrollment of 3,328.

Funds for the County's contribution to the ERS for each member employee are included in the appropriate County government departmental budget or agency budget. The County uses multiple contribution rates designating the percentage of payroll for the various employee groups to determine the retirement contribution.

County contributions are determined using actuarially sound assumptions to assure the financial health of the Fund. Factors that affect the County's contributions include the impact of compensation adjustments, changes in the size of the workforce, investment returns, and collectively bargained benefit changes. The ERS contribution rates reflect projections of revenues and expenses to the fund. Revenues include County and member contributions which are set at fixed percentages of salaries and investment income which is driven by both earnings in the various financial markets and the size of the Fund balance invested.

Expenses of the Fund include pension payments which are affected by mandated cost-of-living increases and changes in the number of retirees and survivors; administrative and operational expenses of the Fund managers and financial consultants; and charges for services provided by the MCERP staff, as well as staff from Finance and Human Resources.

COLLECTIVE BARGAINING

Fire and Rescue Bargaining Unit: The current agreement became effective July 1, 2020, and expires on June 30, 2022. A limited scope reopener agreement will become effective July 1, 2021 and expire on June 30, 2022. The agreement's salient economic terms include:

- General Wage Adjustment. A 1.5 percent GWA will be paid the pay period starting June 19, 2022.
- Service Increments. A service increment of 3.5 percent will be paid in FY22 up to the maximum base salary for the grade for eligible unit members.

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- Longevity step increases. Longevity step increases will be paid to eligible employees.
 - Sick Leave Crediting. An adjustment to allow accumulated sick leave to be credited to employee's deferred compensation account, up to 176 hours, upon exiting the Deferred Retirement Option Plan.

MCGEO Bargaining Unit: The current agreement became effective July 1, 2020, and expires on June 30, 2023. A limited scope reopener agreement will become effective July 1, 2021 and expire on June 30, 2023. The original agreement's salient economic terms include:

- Sick leave payout program. A sick leave payout program will be created in FY22 for eligible unit members leaving County service with at least 10 years of service.
- Resident Supervisors. Eligible unit members in the Resident Supervisors job classification in the Department of Correction and Rehabilitation will be moved from Group J retirement to Group E retirement.
- Holiday Pay. An adjustment of the requirements to receive holiday pay from "normal" day to "work" day.
- Shift Differential. An adjustment to the shift start time and amount of the shift differential from \$1.40 per hour for shift starts between 2:00PM and 10:59PM, and \$1.56 per hour for shift starts between 11:00PM and 5:00AM to \$1.42 per hour for shift starts between 12:00PM and 7:59PM, and \$1.87 per hour for shift starts between 8:00PM and 5:59AM.
- Field Training Pay Differential. An addition in the job classifications eligible for field training pay differential.
- Transit Subsidy. An increase in the Get-In Program transit subsidy from \$75 per month to up to \$265 per month.
- Crisis Center Stipend. A stipend of \$1,500 will be paid in FY22 to eligible unit members in the Health and Human Services Crisis Center.

The limited scope reopener agreement's salient economic terms include:

- General Wage Adjustment. A \$1,684 GWA will be paid the pay period starting June 19, 2022.
- Service Increments. A service increment of 3.5 percent will be paid in FY22 up to the maximum base salary for the grade for eligible unit members.
- Deferred Service Increment. A service increment of 3.5 percent for any eligible bargaining unit member who was scheduled to receive a service increment in FY11, but which was not funded by the County Council, was split into three phases; the second phase of 1.25 percent will be paid in FY22 to eligible unit members the first full pay period following July 1, 2021.
- Longevity step increases. Longevity step increases will be paid to eligible employees.
- Lump sum payment. A \$600 lump sum payment for eligible unit members who are not eligible for a service increment in FY22 will be paid the first full pay period following July 1, 2021.
- Seasonal Wage Adjustment. A \$0.50 an hour adjustment will be provided effective the first full pay period after July 1, 2021 for seasonal employees not affected by the County minimum wage increase.
- Stand By Pay. An increase in the stand by pay rate for Fire Marshals only from 15 percent of regular hourly salary to 30 percent, or 50 percent on Saturday through Sunday and holidays.

Police Bargaining Unit: The current agreement became effective July 1, 2020, and expires on June 30, 2023. A limited scope reopener agreement will become effective July 1, 2021 and expire on June 30, 2023. The agreement's salient economic terms include:

- General Wage Adjustment. A 2.5 percent GWA will be paid the first full pay period following January 1, 2022.
- Service Increments. A service increment of 3.5 percent will be paid in FY21 up to the maximum base salary for the grade for eligible unit members.
- Longevity step increases. A longevity step increase will be paid to eligible employees.

Volunteer Fire and Rescue Bargaining Unit: The current agreement became effective on July 1, 2020, and expires on June 30, 2023. The agreement's salient economic terms include:

- Nominal fee. A nominal fee increase will be paid in FY22. The nominal fee for eligible volunteers increases in July 2021 to \$525 and to \$900, depending on level of service.
- Association funding. Funding for the Association will increase to \$281,178 on July 1, 2021.
- Training. Funding in the amount of \$21,000 will be provided for Volunteer Basic Orientation Course training, and \$15,000 will be provided for training and Pro-Board certification.
- Length of Service Award Program (LOSAP). An increase in LOSAP of 2.5 percent will be made for certain active members, on July 1, 2021.

WORKFORCE ANALYSIS

Basis: Workforce analysis has been performed on changes to tax supported and non-tax supported full-time equivalent (FTE) positions in the Executive's Recommended FY22 Operating Budget for the County government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY21, which began on July 1, 2020. Changes shown reflect such factors as the addition of grant-funded positions; abolishments and creations to implement approved job sharing agreements; and other miscellaneous changes. Changes recommended by the Executive for FY22 are in three categories: current year position changes due to supplemental appropriations or other actions; new fiscal year position changes scheduled to take effect July 1, 2021; and technical changes.

Summary: The recommended budget includes funding for 9,829 full-time positions, a net increase of 96 from the approved FY21 Personnel Complement of 9,733 full-time positions. Funding for 986 part-time positions is also included, a net decrease of 13 positions from the approved FY21 Personnel Complement of 999 positions. FTEs increased by 79.2 to 10,598.1.

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY					
COUNTY EXECUTIVE RECOMMENDED: FY22					
	POSITIONS		FULL-TIME EQUIVALENTS		
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	TOTAL
FY21 APPROVED COMPLEMENT	9,733	999	8,632.7	1,886.2	10,518.9
FY22 RECOMMENDED COMPLEMENT	9,829	986	8,701.7	1,896.5	10,598.1
CHANGE IN WORKFORCE (GROSS)	96	(13)	68.9	10.3	79.2
Percentage Change	1.0%	(1.3%)	0.8%	0.5%	0.8%

Detailed below are the significant net changes in the number of positions in the FY22 Recommended Budget.

Workforce Changes	Position Change
Health and Human Services - Change is related to the conversion of contractual brokers to merit staff, additional therapist staff, staff to enhance support to several programs, staff to address the implementation of Kirwan, and staff to support the implementation of the Mobile Health Clinic.	61

Community Engagement Cluster - Change is due to the establishment of multicultural/multilingual communication efforts, and the conversion of temporary support to merit staff. 17

Fire and Rescue Service - Change is due to positions added to reduce the need for overtime while firefighter/rescuers are engaged in full-time paramedic training, and other operational improvements. 11

Police - Change is due to the reallocation of positions to better utilize available resources and improve service delivery. -29

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES															
HEALTH PLAN	2020					2021					CHANGE				
	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	%Dif
Carefirst POS	1,211	1,067	1,863	4,141	46.1%	1,296	1,011	1,847	4,154	46.2%	85	(56)	(16)	13	0.1%
Carefirst POS Std	421	210	361	992	11.0%	450	206	398	1,054	11.7%	29	(4)	37	62	0.7%
Kaiser	836	418	607	1,861	20.7%	841	410	605	1,856	20.6%	5	(8)	(2)	(5)	-0.1%
United Healthcare	693	434	865	1,992	22.2%	681	425	829	1,935	21.5%	(12)	(9)	(36)	(57)	-0.7%
Grand Total				8,986					8,999					13	

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES						
Employee Retirement System Plans	Number	Fiscal 2021	Number	Fiscal 2022	Number	Contribution
	Employees (7/1/19)	Contribution Rate %	Employees (7/1/20)	Contribution Rate %	Employees (7/19 v. 7/20)	Rate (7/19 v. 7/20)
Public Safety	2,840	18.17%	2,869	18.34%	29	0.17%
Non-Public Safety	909	21.28%	814	14.41%	(95)	-6.87%
Guaranteed Retirement Income Plan	2,254	6.10%	2,521	6.29%	267	0.19%
Total ERS System Plans	6,003		6,204		201	
Retirement Savings Plan	3,380	8.00%	3,328	8.00%	(52)	0.00%

Source: Montgomery County Employees' Retirement System, 2019 and 2020 Actuarial Valuation Reports for Plan Years Beginning July 1, 2019, and July 1, 2020, respectively. RSP data provided by the Montgomery County Employee Retirement Plans.
 Note: Group J participants (136 as of 7/1/20) identified in "Non-Public Safety" ERS totals beginning in FY21 data; these totals were previously in the "Public Safety" count.

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT							
ITEM	FY20 APPR	FY20 ACT	FY21 APPR	FY21 EST	FY22 REC	\$ Change	% Change
EXPENSES							
Salaries and Benefits	173,000	153,588	191,000	168,000	187,000	(4,000)	(2.1%)
Professional Services	6,200	9,178	63,700	37,200	52,300	(11,400)	(17.9%)
Due Diligence/Education	3,600	145	3,600	1,000	2,800	(800)	(22.2%)
Office Management	10,000	4,728	9,600	7,300	8,000	(1,600)	(16.7%)
Investment Management fees	5,000	8,279	5,800	5,800	6,000	200	3.4%
TOTAL EXPENSES	\$197,800	\$175,917	\$273,700	\$219,300	\$256,100	(\$17,600)	(6.4%)

Amounts shown above are not charged to the Deferred Compensation Plan Trust but are instead appropriated and charged to the General Fund Compensation and Employee Benefits Adjustments Non-Departmental Account.

PROPOSED OPERATING BUDGET RETIREE HEALTH BENEFIT TRUST							
ITEM	FY20 APPR	FY20 ACT	FY21 APPR	FY21 EST	FY22 REC	\$ Change	% Change
EXPENSES							
Salaries and Benefits	410,000	408,718	539,000	498,400	526,000	(13,000)	(2.4%)
Professional Services	136,000	207,677	209,200	88,100	174,042	(35,158)	(16.8%)
Due Diligence/Education	40,000	14,206	40,000	12,500	27,000	(13,000)	(32.5%)
Office Management	17,500	17,484	17,000	16,400	14,600	(2,400)	(14.1%)
Investment Management fees	5,864,000	4,845,772	5,627,000	6,635,000	7,088,250	1,461,250	26.0%
TOTAL EXPENSES	\$6,467,500	\$5,493,856	\$6,432,200	\$7,250,400	\$7,829,892	\$1,397,692	21.7%

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM							
ITEM	FY20 APPR	FY20 ACT	FY21 APPR	FY21 EST	FY22 REC	FY22 Req vs FY21 Appr	
						\$	%
REVENUE							
Contributions	108,200,000	117,979,768	91,900,000	91,900,000	91,500,000	(400,000)	(0.4%)
Investment Income	331,000,000	191,277,121	337,600,000	313,000,000	322,000,000	(15,600,000)	(4.6%)
Miscellaneous Income	1,470,000	1,321,533	1,058,000	1,000,000	1,050,000	(8,000)	(0.8%)
TOTAL REVENUE	\$ 440,670,000	\$ 310,578,422	\$ 430,558,000	\$ 405,900,000	\$ 414,550,000	(16,008,000)	(3.7%)
EXPENSES							
OPERATING EXPENSES							
Retirement Benefits	260,200,000	271,423,411	280,170,000	273,480,000	285,420,000	5,250,000	1.9%
Investment Management fees	25,200,000	19,230,564	22,200,000	23,330,000	24,582,000	2,382,000	10.7%
SUBTOTAL	285,400,000	290,653,975	302,370,000	296,810,000	310,002,000	7,632,000	2.5%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	2,424,000	2,054,294	2,584,000	2,166,300	2,550,000	(34,000)	(1.3%)
Professional Services	1,108,500	848,300	1,173,000	942,100	1,013,900	(159,100)	(13.6%)
Benefit Processing	125,000	125,384	128,000	128,800	129,800	1,800	1.4%
Due Diligence/Education	55,500	15,769	55,500	15,200	33,700	(21,800)	(39.3%)
Office Management	105,500	103,377	105,500	89,800	88,300	(17,200)	(16.3%)
SUBTOTAL	3,818,500	3,147,124	4,046,000	3,342,200	3,815,700	(230,300)	(5.7%)
TOTAL EXPENSES	\$289,218,500	\$293,801,099	\$306,416,000	\$300,152,200	\$313,817,700	7,401,700	2.4%
NET REVENUE	\$151,451,500	\$16,777,323	\$124,142,000	\$105,747,800	\$100,732,300	(23,409,700)	(18.9%)

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN							
ITEM	FY20 APPR	FY20 ACT	FY21 APPR	FY21 EST	FY22 REC	Change:	
						FY22 Req vs FY21 Appr	%
REVENUE							
Investment Income	11,200	4,815	3,100	3,000	5,000	1,900	61.3%
Miscellaneous Income	200,000	155,105	132,000	204,700	150,000	18,000	13.6%
TOTAL REVENUE	211,200	159,920	135,100	207,700	155,000	19,900	14.7%
EXPENSES							
OPERATING EXPENSES							
Investment Management fees	5,000	8,279	5,800	5,800	6,000	200	3.4%
SUBTOTAL	5,000	8,279	5,800	5,800	6,000	200	3.4%
ADMINISTRATIVE EXPENSES							
Salaries and Benefits	198,000	195,774	217,000	194,600	213,000	(4,000)	(1.8%)
Professional Services	89,700	56,928	85,700	51,300	66,700	(19,000)	(22.2%)
Due Diligence/Education	3,600	145	3,600	1,000	2,800	(800)	(22.2%)
Office Management	10,000	4,397	9,600	7,300	7,300	(2,300)	(24.0%)
SUBTOTAL	301,300	257,244	315,900	254,200	289,800	(26,100)	(8.3%)
TOTAL EXPENSES	\$306,300	\$265,523	\$321,700	\$260,000	\$295,800	(25,900)	(8.1%)

**Fraternal Order of Police County Lodge 35, Inc.
Fiscal Impact Summary***

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected***</u>
28	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,176,481	\$1,720,575	663
28	Longevity	Longevity Step Increase of 3.5 Percent for Eligible Employees	\$144,797	\$241,031	89
36	Wages	2.5 Percent General Wage Adjustment in January 2022	\$1,435,494	\$2,870,988	1,242
Total			\$2,756,772	\$4,832,594	1,242

Police Uniformed Management Pass-Through Estimates**

<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected***</u>
Wages	\$1,684 General Wage Adjustment in last pay period of June 2022	\$4,245	\$128,199	55
Total		\$4,245	\$128,199	

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month unless noted.

** Police Management converted to a new Police Leadership Service (PLS) Schedule in FY19.

***The estimated number of employees affected by the economic item is identified where known.

**Montgomery County Career Fire Fighters Association, Inc
International Association of Fire Fighters, Local 1664
Fiscal Impact Summary***

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected**</u>
19.1	Wages	1.5 Percent General Wage Adjustment in June 2022	\$51,147	\$1,534,410	1,184
19	Longevity	Longevity Step Increases of 3.5 Percent for Eligible Employees	\$128,513	\$238,108	81
51	Retirement	Unused Sick Leave to Deferred Compensation	\$239,146	\$239,146	
55	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$829,756	\$1,604,960	756
Total			\$1,248,562	\$3,616,624	1,184

Fire and Rescue Uniformed Management Pass-Through Estimates

<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected**</u>
Wages	1.5 Percent General Wage Adjustment in June 2022	\$2,869	\$86,644	39
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$598	\$857	2
Total		\$3,467	\$87,501	39

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

**Municipal and County Government Employees Organization
United Food and Commercial Workers, Local 1994
Fiscal Impact Summary***

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected**</u>
5	Wages	\$1,684 General Wage Adjustment in last pay period of June 2022	\$348,156	\$10,401,161	5,254
5	Wages	\$600 Lump Sum to Eligible Employees not Eligible to Receive a Full Service Increment in FY22	\$1,055,791	\$0	1,700
5.1	Longevity	Longevity Step Increase of 2.5, 3, or 3.5 Percent for Eligible Employees	\$160,963	\$333,099	174
5.3	Shift Differential	Increase Shift Differential from \$1.40 and \$1.56 per hour Based on Shift Start Time to \$1.42 and \$1.87 per hour	\$576,434	\$576,434	
5.7	Stand By Pay	Increase Stand By Pay Rate for Fire Marshals to 30 percent of Regular Hourly Salary, or 50 percent on Saturday through Sunday and holidays.	\$57,247	\$57,247	
5.22	FTO Pay	Increase Classifications Eligible for Field Training Officer Pay	\$19,522	\$19,522	31
5.24	Meal Allowance	Increase in the Meal Allowance to \$15	\$5,000	\$5,000	
5.31	Transit Subsidy	Increase the Get-In Program Transit Subsidy to up to \$265 per month	\$150,000	\$150,000	
6	Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$4,212,458	\$8,007,342	3,554
6	Deferred Increment	Deferred Service Increment from FY11 for Eligible Employees, Second Phase of 1.25% Effective July 2021	\$734,274	\$734,274	917
20.7	Holiday Leave	Adjustment to Requirements to Receive Holiday Pay	\$104,574	\$104,574	
44.11	Retirement	Sick Leave Payout Program for Eligible Employees for \$5,000 or \$10,000 Based on Sick Leave Balance	\$225,000	\$225,000	
Appendix IV	DOCR Appendix	Uniform Allowance and Issue Resident Supervisor Uniforms, and Facilities Improvements	\$49,363	\$37,679	
Appendix IV	DOCR Appendix	Resident Supervisors Moved to Group E Additional Half-Hour per Shift	\$171,634	\$171,634	29
Appendix II	HHS Appendix	Crisis Center Stipend of \$1,500	\$50,057	\$50,057	31
Appendix VI	DOT Appendix	Increase Boot Reimbursement from \$145 to \$200 for Highways Services Employees	\$13,750	\$13,750	
53	Seasonal Employees	Additional \$0.50 for Eligible Seasonal Employees	\$89,288	\$89,288	
Total			\$8,023,511	\$20,976,061	

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

Items in shaded rows are part of the original agreement for FY21-FY23

Non-Represented Pass-Through Estimates*

<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>	<u>Estimated # affected**</u>
Wages	\$1,684 General Wage Adjustment in last pay period of June 2022	\$128,672	\$3,885,894	1,837
Longevity	Longevity Step Increase of 2 Percent for Eligible Employees	\$39,841	\$71,990	
Service Increments	Service Increment of 3.5 Percent for Eligible Employees	\$1,468,174	\$2,823,363	665
Shift Differential	Increase Shift Differential from \$1.40 and \$1.56 per hour Based on Shift Start Time to \$1.42 and \$1.87 per hour	\$52,569	\$52,569	
Retirement	Sick Leave Payout Program for Eligible Employees for \$5,000 or \$10,000 Based on Sick Leave Balance	\$110,000	\$110,000	
Total		\$1,799,256	\$6,943,816	

* Estimates reflect the impact to all funds. Increases apply in the first full pay period during the month noted.

** The estimated number of employees affected by the economic item is identified where known.

Items in shaded rows are part of the original pass-through agreement for FY21-FY23

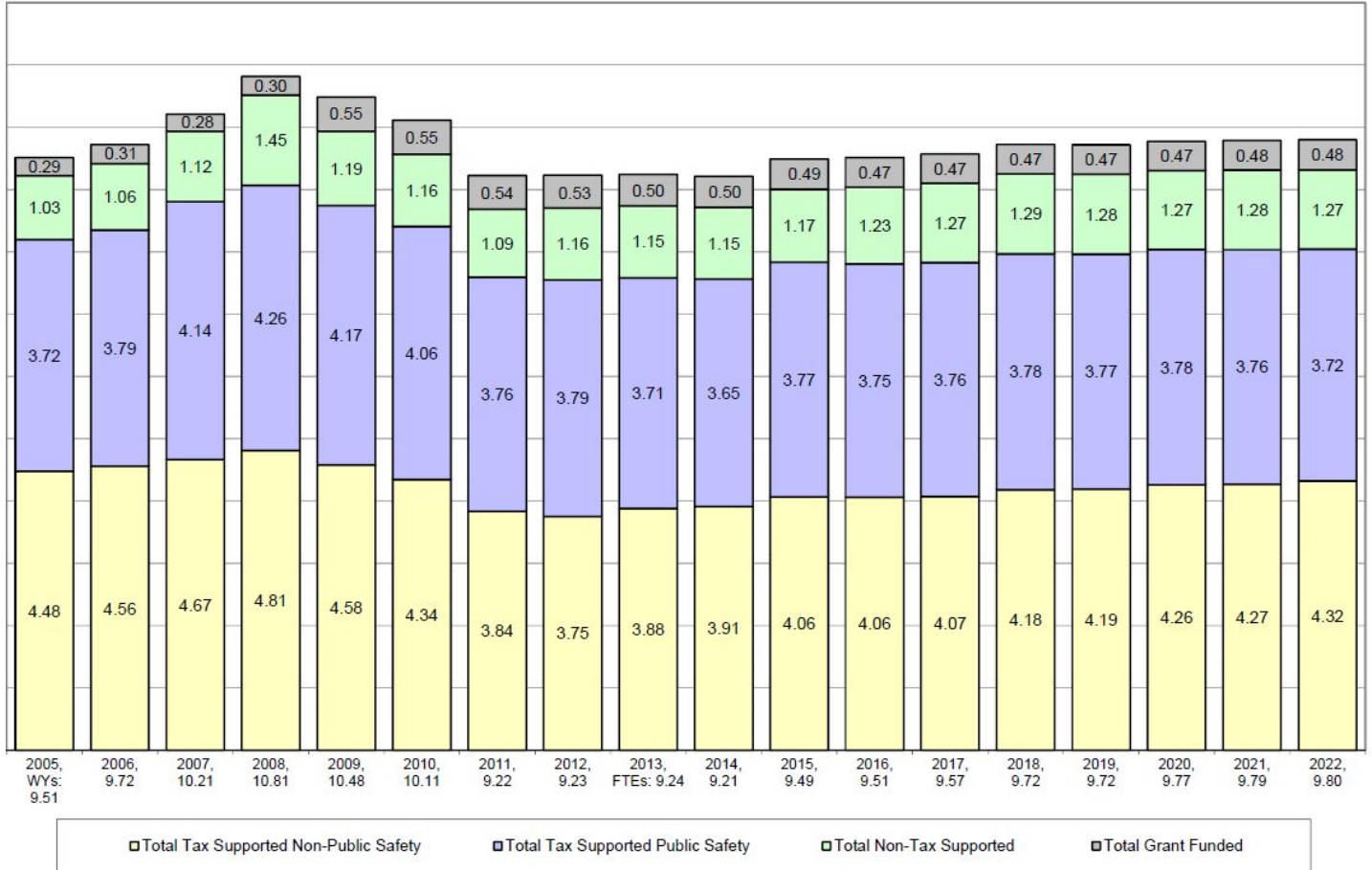
Montgomery County Volunteer Fire and Rescue Association Fiscal Impact Summary*

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY22</u>	<u>Annual Cost Beyond FY22</u>
12	Nominal Fee	Nominal fee of \$525/\$900 in FY22**	\$119,935	\$119,935
16	Training	Provide \$10,000 funding for training and \$5,000 for Pro-Board certification	\$15,000	\$15,000
22	Volunteer Basic Orientation	Training fee not to exceed \$21,000 each year of the agreement	\$21,000	\$21,000
25	Length of Service Award Program	Provide 2.5 percent increase for certain active members, on July 1, 2021	\$60,047	\$60,047
Side Letter	Association Operating Funds	Association funding effective July 1 each year of the agreement	\$26,141	\$26,141
Total			\$242,123	\$242,123

* Estimates reflect the impact to all funds.

** Nominal fee paid to eligible volunteers on July 1 of the fiscal year.

**HISTORY OF APPROVED COUNTY GOVERNMENT POSITIONS
PER 1,000 POPULATION BY FUNDING CATEGORY
FY05-FY21 Approved Workyears and FTEs, FY22 Recommended FTEs¹**



¹ From FY05 through FY12, workyears are used; beginning in FY13, full-time equivalent (FTE) positions will be used.

MONTGOMERY COUNTY PRODUCTION REPORT

FY22 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
County General Fund				
General Government				
Board of Appeals	33,003	46,533	25,362	104,898
Board of Elections	270,014	408,732	180,906	859,652
Circuit Court	602,640	1,331,804	596,527	2,530,971
Community Engagement Cluster	249,757	654,717	226,595	1,131,069
County Attorney	317,182	497,963	339,524	1,154,669
County Council	666,379	1,204,136	698,195	2,568,710
County Executive	254,518	429,675	257,276	941,469
Ethics Commission	19,015	26,590	16,435	62,040
Finance	765,600	1,298,402	660,449	2,724,451
General Services	834,249	1,747,453	891,022	3,472,724
Human Resources	330,812	544,897	315,718	1,191,427
Human Rights	85,415	142,922	74,231	302,568
Inspector General	116,636	166,188	96,098	378,922
Intergovernmental Relations	51,950	70,464	56,446	178,860
Labor Relations	72,285	101,629	57,913	231,827
Legislative Oversight	120,925	181,743	133,908	436,576
Management and Budget	344,308	513,995	316,171	1,174,474
Merit System Protection Board	15,180	26,590	10,196	51,966
Procurement	266,692	495,721	231,978	994,391
Public Information	312,604	701,458	300,313	1,314,375
Racial Equity and Social Justice	38,852	73,123	23,773	135,748
State's Attorney	1,025,507	1,973,051	1,103,036	4,101,594
Technology Services	1,380,190	1,977,631	1,408,763	4,766,584
Zoning and Administrative Hearings	34,826	53,180	35,586	123,592
Total General Government	8,208,539	14,668,597	8,056,421	30,933,557
Public Safety				
Animal Services	358,271	914,090	297,580	1,569,941
Consumer Protection	123,246	216,152	145,706	485,104
Correction and Rehabilitation	3,715,276	7,095,557	4,330,101	15,140,934
Emergency Management and Homeland Security	85,094	144,171	82,658	311,923

	Social Security	Group Insurance	Retirement	Total Benefits
Police	13,680,439	26,100,616	16,690,709	56,471,764
Sheriff	1,232,508	2,464,062	1,384,821	5,081,391
Total Public Safety	19,194,834	36,934,648	22,931,575	79,061,057
Transportation				
Transportation	1,336,091	3,312,950	1,255,594	5,904,635
Health and Human Services				
Health and Human Services	8,046,424	17,580,071	7,818,769	33,445,264
Culture and Recreation				
Public Libraries	1,872,676	5,411,201	1,683,117	8,966,994
Housing and Community Development				
Agriculture	38,297	58,499	49,333	146,129
Housing and Community Affairs	415,255	809,062	449,789	1,674,106
Total Housing and Community Developme	453,552	867,561	499,122	1,820,235
Environment				
Environmental Protection	127,620	208,556	129,576	465,752
Other County Functions				
NDA - Climate Change Planning	14,456	29,914	7,559	51,929
NDA - Compensation and Employee Benefit Adjustments	10,954	15,291	9,718	35,963
NDA - Conference Center	7,232	13,295	7,562	28,089
NDA - Early Care and Education	25,220	49,450	39,890	114,560
NDA - Incubator Programs - Economic Development Partnership	28,244	56,504	22,593	107,341
NDA - Independent Audit	3,625	4,387	2,983	10,995
NDA - Legislative Branch Communications Outreach	46,007	93,065	34,654	173,726
NDA - State Positions Supplement	4,318	0	0	4,318
NDA - Vision Zero	7,660	13,295	8,010	28,965
Total Other County Functions	147,716	275,201	132,969	555,886
Total County General Fund	39,387,452	79,258,785	42,507,143	161,153,380
Special Funds - Tax Supported				
Bethesda Urban District	6,531	13,295	6,830	26,656
Economic Development Fund	9,834	13,295	10,284	33,413
Fire	10,594,479	17,218,897	25,615,122	53,428,498
Mass Transit	4,708,175	11,458,965	4,051,540	20,218,680
Recreation	1,702,388	2,096,382	982,311	4,781,081

MONTGOMERY COUNTY PRODUCTION REPORT

FY22 Total Employee Benefits County Wide

	Social Security	Group Insurance	Retirement	Total Benefits
Silver Spring Urban District	146,074	486,817	138,192	771,083
Wheaton Urban District	87,486	284,477	83,615	455,578
Total Special Funds - Tax Supported	17,254,967	31,572,128	30,887,894	79,714,989
Total Tax Supported Funds	56,642,419	110,830,913	73,395,037	240,868,369
Special Funds - NonTax Supported				
Cable TV	260,335	408,822	286,465	955,622
Grant Fund	3,343,096	7,801,039	3,423,067	14,567,202
Montgomery Housing Initiative	135,739	234,182	147,907	517,828
Water Quality Protection	575,056	1,069,815	662,038	2,306,909
Total Special Funds - NonTax Supported	4,314,226	9,513,858	4,519,477	18,347,561
Enterprise Funds				
Bethesda Parking	133,585	269,535	144,351	547,471
Community Use of Public Facilities	181,425	367,679	165,236	714,340
Leaf Vacuuming	197,297	426,852	151,076	775,225
Liquor	2,123,637	5,997,981	1,805,104	9,926,722
Permitting Services	1,782,366	3,105,021	1,789,817	6,677,204
Silver Spring Parking	149,302	306,391	164,707	620,400
Solid Waste Collection	93,284	170,324	98,070	361,678
Solid Waste Disposal	658,855	1,263,273	689,060	2,611,188
Wheaton Parking	22,346	45,374	23,609	91,329
Total Enterprise Funds	5,342,097	11,952,430	5,031,030	22,325,557
Total Non Tax Supported Funds	9,656,323	21,466,288	9,550,507	40,673,118
Internal Service Funds				
Central Duplicating (Printing & Mail)	171,813	454,858	157,479	784,150
Employee Health Self Insurance	185,469	322,643	179,930	688,042
Motor Pool	1,464,244	2,732,156	1,346,486	5,542,886
Risk Management (Self Insurance - ISF)	261,213	424,144	282,656	968,013
Total Internal Service Funds	2,082,739	3,933,801	1,966,551	7,983,091
Total Benefits	68,381,481	136,231,002	84,912,095	289,524,578

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