



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

**October 18, 2018**

**MEMORANDUM**

**TO:** Montgomery County Planning Board  
**FROM:** John Kroll, Corporate Budget Manager  
**DATE:** October 12, 2018  
**SUBJECT:** FY 2020 CAS Budget Requests

In the interest of distributing these requests to you in as timely a manner as possible, I will be forwarding the CAS budget requests as they are completed.

Please find attached FY20 preliminary budget requests from the Department of Human Resources and Management (DHRM), the Merit System Board, the Office of the Inspector General, and the Finance Department.

The request from Legal will be distributed as it is completed.

Each attached memo details the base budget and additional requests for each department.

The staff recommendation is for Planning Board approval to prepare the FY20 operating budget at the base budget plus proposed changes level.

**NOTE:** On Thursday, October 11, the CIO budget was presented, which noted that some chargebacks moved from Finance to the Corporate IT. This week's presentation includes Finance, showing the other side of this move. Hopefully the following table provides a helpful comparison between years for the base budget (doesn't include new initiatives).

	FY19 Budget	FY20 Base Budget	
Finance - Operating	5,909,383	6,038,494	
- Chargebacks	(1,820,600)	(1,322,396)	
Total	4,088,783	4,716,098	15.34%
Corporate IT - Operating	4,272,803	4,598,421	
- Chargebacks	(980,715)	(1,596,056)	
Total	3,292,088	3,002,365	-8.80%
Combined - Operating	10,182,186	10,636,915	
- Chargebacks	(2,801,315)	(2,918,452)	
Total	7,380,871	7,718,463	4.57%

Attachments:

- DHRM pages 3-5
- Merit System Board pages 6-7
- Inspector General pages 8-9
- Finance pages 10-13




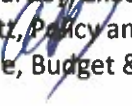

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

6611 Kenilworth Avenue • Riverdale, Maryland 20737

PCB 18-17

October 10, 2018

To: Montgomery County Planning Board  
Prince George's County Planning Board

From: Patricia C. Barney, Executive Director   
Anju Bennett, Policy and Management Operations Director   
Katie Knaupe, Budget & Management Services Manager 

Subject: FY20 Proposed Budget – Administration Fund  
- Department of Human Resources and Management  
- Merit System Board

**Requested Action**

Provide direction to prepare the FY20 Proposed Budget for the Administration Fund covering the Department of Human Resources and Management (DHRM), and the Merit System Board (MSB) at the base budget.

- DHRM has not proposed any new initiatives, other than the share of new initiatives being proposed by the CIO and CWIT Programs. The base budget increase is 3% for DHRM. The total budget is adjusted to 3.9% with the shared portion of the CIO and CWIT initiatives.
- The Merit System Board has not proposed any new initiatives. The base budget increase is 1.3%.

Please note, the FY20 salary marker is budgeted in non-departmental and not reflected in the DHRM or the Merit System Board budgets. As the Corporate Budget Office will continue to refine salary and benefit projections, the budget proposals we have developed are preliminary.

The Internal Service Funds' proposed FY20 budgets for Risk Management, Group Insurance, and the Executive Office Building (EOB) will be presented in November. The CAS Support Services budget, which is in the Administration Fund, will be presented with the Executive Office Building Budget. The CAS Support Services budget includes funding of the occupancy costs for the CAS operations housed in the EOB.

**Budget Preparation and Background**

**I. Department of Human Resources and Management (DHRM) Budget**

Under the leadership of the Executive Director, DHRM includes four divisions:

- Office of the Executive Director
- Corporate Budget
- Corporate Policy and Management Operations
- Corporate Human Resources

These areas collectively provide corporate governance and administer agency-wide initiatives to ensure fair and equitable practices/programs, competitive and cost-effective employment compensation and benefits, prudent fiscal planning, and sound workplace and liability protections.

**Discussion of DHRM Proposed Budget for FY20**

The Proposed Base Budget incorporates direction from the Corporate Budget Office, including compensation projections and the updated county budget allocations for FY20 of 42.7% Montgomery and 57.3% Prince George’s, which represents a slight shift of 0.4% from the FY19 allocation of 43.1% Montgomery and 56.9% Prince George’s. It also includes the DHRM share of several new initiatives being proposed for the CIO and CWIT programs which are described below under the relevant section.

The FY20 total budget is \$5,396,305 and is allocated as follows:

- Montgomery: \$2,380,194 (adjusted from \$2,313,987 in FY19).
- Prince George’s: \$3,016,111 (adjusted from \$2,879,139 in FY19).

**Explanation of Base Budget Adjustments and Major Known Operating Commitments for DHRM**

The proposed FY20 base budget for DHRM reflects a 3% increase of \$157,980. The adjustment is detailed in the chart on the following page.

**Additional Essential Needs/Requests:**

The Department has not proposed any new initiatives or changes in positions for FY20.

**DHRM Portion of New Initiatives Proposed for the CIO and CWIT Programs:**

The Corporate Budget Office has advised that several new initiatives are being proposed for the CIO and CWIT programs. DHRM’s share of those new initiatives are reflected in the table below.

	<b>MC Admin Fund</b>	<b>PGC Admin Fund</b>	<b>DHRM Total</b>
<b>Initiatives proposed by CIO/CWIT:</b>			
Share of CWIT Initiatives	18,207	24,433	42,640
Share of CIO Initiatives	1,093	1,466	2,559
<b>Subtotal Proposed Changes</b>	<b>\$ 19,300</b>	<b>\$ 25,899</b>	<b>\$ 45,199</b>

**FY20 DHRM Work Program Priorities**

- Continue implementing management-supported recommendations from Classification and Compensation study, including job class series reviews prioritized by operating departments and allocation of staff to the new classification specifications.
- Conduct collective bargaining negotiations to include a full labor agreement with the FOP and a wage reopener with MCGEO.
- Continue analysis and critical updates of agency standards/policies, encompassing nearly 200 areas covering organizational functions, employment, procurement, financial systems, and risk/liability and safety regulations. Many operational standards are more than 20-30 years old due to lack of staff resources. The current team has been diligent in its review; however, significant and ongoing work is needed to ensure policies remain current in the future. The need to maintain these policies is critical to ensure regulatory compliance, fair practices, and accountability. This is a high priority supported by operating departments, internal audit, and the findings of the external accreditation process of the Commission for Accreditation of Park and Recreation Agencies (CAPRA).
- Conduct succession planning in collaboration with operating departments to address critical staffing and operational needs.

- Manage the intake, tracking and response of Public Information Act program. The Executive Director is the designated Public Information Representative for the agency. With changes in State law, the requirements for tracking, monitoring and compliance have grown extensively.
- Complete work with State on public records compliance for agency wide archives program. Move records to digital platform for corporate records/archives program to ensure continued compliance with changes in public records laws and revised State of Maryland protocols.

<b>DEPARTMENT OF HUMAN RESOURCES &amp; MANAGEMENT</b>				
<b>PRELIMINARY FY20 OPERATING BUDGET REQUEST</b>				
	<b>MC Admin Fund</b>	<b>PGC Admin Fund</b>	<b>DHRM Total</b>	<b>% Change</b>
<b>FY19 Adopted Budget (43.1% MC &amp; 56.9% PGC)</b>	<b>\$ 2,313,987</b>	<b>\$ 2,879,139</b>	<b>\$ 5,193,126</b>	
<b>FY20 BASE BUDGET INCREASES</b>				
Salaries	27,683	73,318	101,001	
Benefits	4,724	18,876	23,600	
Other Operating Charges/Supplies	23,966	55,566	79,532	
Chargebacks	(9,466)	(36,687)	(46,153)	
<b>Subtotal Increase - Base Budget Request for DHRM</b>	<b>\$ 46,907</b>	<b>\$ 111,073</b>	<b>\$ 157,980</b>	<b>3.0%</b>
<b>PROPOSED CHANGES/NEW INITIATIVES</b>				
<b>No new initiatives being proposed by DHRM</b>	0	0	0	
<b>Initiatives proposed by CIO/CWIT:</b>				
Share of CWIT Initiatives	18,207	24,433	42,640	
Share of CIO Initiatives	1,093	1,466	2,559	
<b>Subtotal Proposed Changes</b>	<b>\$ 19,300</b>	<b>\$ 25,899</b>	<b>\$ 45,199</b>	<b>0.9%</b>
<b>Total FY20 Proposed Budget Request with new CIO/CWIT Initiatives</b>	<b>\$ 2,380,194</b>	<b>\$ 3,016,111</b>	<b>\$ 5,396,305</b>	<b>3.9%</b>
<small>*DHRM Proposed Base Budget is based on the FY20 allocation of 42.7% MC and 57.3 PGC, which reflects a .4% shift to PGC from FY19 allocation.</small>				

**Authorized Positions and Funded Workyears for DHRM**

DHRM is not requesting any change in positions.

## II. **FY19 Merit System Board Administration Budget**

The Merit System Board (MSB) is authorized by the Commission's enabling legislation (Division II of the Land Use Article of the Code of Maryland, Title 16, Subtitle 1, "Merit System", Sections 16-101—108). It is an impartial Board composed of three members: the Chair, appointed to a four-year term; the Vice Chair, appointed to a three-year term; and a Board Member, appointed to a two-year term. They are responsible for making recommendations and decisions regarding the Commission's Merit System. Board members are experienced in personnel and employment issues and committed to fair and impartial investigations and decisions on the application of Commission policy to non-represented Merit System employees.

The duties of the Merit System Board are to:

- Review, hear, and make decisions on appeals of adverse actions (e.g., termination, demotion, loss of pay, etc.).
- Review, hear, and make decisions on appeals of concerns that have not been resolved through the M-NCPPC administrative grievance process.
- Consider input from employees and management on issues pertaining to the Merit System.
- With support of the agency's Corporate Policy Office, and with input from employees and management, recommend changes to the Merit System Rules and Regulations Manual (which addresses employment rights and responsibilities, compensation and benefit policies). Recommendations are submitted to the Commission for adoption.
- With support of the Classification/Compensation Office, review proposed changes to compensation and classification plans and submit recommendations to the Commission.
- Report periodically, or as requested, to the Commission on matters relating to the Merit System.

### **Discussion of Proposed Merit System Board Budget**

Both counties fund the Merit System Board's budget equally. The Board is comprised of three members whose salaries are set by contract. The Commission has discretionary powers to set the rate of pay for each of the Merit System Board members. At the present time, no salary increase has been approved for the Board members.

The Board is supported by one part-time Merit System position. For FY20, the part-time hours of the Merit System position are not expected to change.

### **FY20 Budget Priorities and Strategies**

Continue to provide:

- Timely review of cases.
- Objective review of matters and policy recommendations before the Board.
- Quality services to the agency and employees.

### **Adjustment to Base Budget and Known Operating Commitments**

The proposed FY20 budget level is \$165,757, and remains relatively flat, with a small increase of 1.3% (or \$2,051). This increase is primarily from the projected benefits costs provided by the Corporate Budget Office. The FY20 proposed budget increase of 1.3% is reflected in the table below.

The FY20 total budget of \$165,757 is allocated as follows:

- \$82,879 for Montgomery (adjusted from \$ 81,853 in FY19).
- \$82,879 for Prince George's (adjusted from \$81,853 in FY19).

**Additional Essential Needs/Requests:** The Board has not proposed any new initiatives for FY20.

**MERIT SYSTEM BOARD  
PRELIMINARY FY20 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	Total	% Change
<b>FY19 Adopted Budget</b>	<b>\$ 81,853</b>	<b>\$ 81,853</b>	<b>\$ 163,706</b>	
<b>FY20 BASE BUDGET INCREASES</b>				
Salaries	86	86	172	
Benefits	1,028.50	1,028.50	2,057	
Other Operating Changes	(89)	(89)	(178)	
Chargebacks	-	-	-	
FY19 One-time Expenses	-	-	-	
<b>Subtotal Increase - Base Budget Request</b>	<b>\$ 1,025.50</b>	<b>\$ 1,025.50</b>	<b>\$ 2,051</b>	<b>1.3%</b>
<b>PROPOSED CHANGES (No proposed changes)</b>				
No new initiatives being proposed by Merit System Board	0	0	0	
<b>Subtotal Proposed Changes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Increase FY20 Proposed Budget Request</b>	<b>\$ 82,879</b>	<b>\$ 82,879</b>	<b>\$ 165,757</b>	<b>1.3%</b>



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Office of the Inspector General • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

October 18, 2018

To: Montgomery County Planning Board

From: Renee Kenney, Inspector General

Re: FY20 Budget Request/Justification

The Office of Inspector General (OIG) submits the following FY20 budget proposal for your consideration and approval:

Office of the Inspector General						
PRELIMINARY FY20 OPERATING BUDGET REQUEST						
			MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
		<b>FY19 Adopted Budget</b>	<b>\$ 271,736</b>	<b>\$ 381,910</b>	<b>\$ 653,646</b>	
<b>FY20 BASE BUDGET INCREASES</b>						
		Salaries	13,849	21,023	34,872	
		Benefits	1,519	1,457	2,976	
		Other Operating Charges	(2,525)	694	(1,831)	
		Chargebacks		(11,183)	(11,183)	
		FY20 One-time Expenses				
		<b>Subtotal Increase - Base Budget Request</b>	<b>\$ 12,843</b>	<b>\$ 11,991</b>	<b>\$ 24,834</b>	<b>3.8%</b>
		Change to Base Between Counties from Labor Cost Allocation Change				
<b>NO PROPOSED CHANGES</b>						
		<b>Total Increase FY20 Proposed Budget Request</b>	<b>\$ 284,579</b>	<b>\$ 393,901</b>	<b>\$ 678,480</b>	<b>3.8%</b>



The OIG is not requesting any special/additional funding in FY20.

The OIG proposed FY20 budget reflects an overall increase of \$24,834 or 3.8% over FY19, resulting in a total FY20 budget of \$678,480. If approved, Montgomery County's budget will increase \$12,843 (4.7%).

The increases in salary and benefit charges can be attributed to approved salary and benefit costs. The totals do not include FY20 compensation markers.

Thank you for your consideration.



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

6611 Kenilworth Avenue Riverdale, Maryland 20730

**MEMORANDUM**

**DATE:** October 9, 2018

**TO:** Montgomery County Planning Board  
Prince George's County Planning Board

**FROM:** Joseph C. Zimmerman, Secretary-Treasurer

**SUBJECT:** Finance Department FY20 budget submission

In developing this preliminary estimate of the FY 20 budget request, the Finance Department has carefully considered how to meet the service needs of the operating departments.

There are several factors driving what would appear at first glance to be a very large request for funding.

The most impactful item, generating a 12.2% increase in funding from the Administration Funds, is a realignment of chargebacks from Finance to Corporate Information Technology (CIT).

As you know, chargebacks are used to allocate various costs to self-supporting funds and other costs driven by demands from non-Administration funds. These allocations are calculated with standard formulas, approved by the Commission, and use prior year actual results. For FY 18, the Finance and CIT function actual results have been reported separately per the decision of the Commission Chairs to realign CIT under the Office of the Chief Information Officer.

The FY 20 budget effect of the separation of CIT from Finance is to increase charge backs for CIT and reduce them in Finance. While there is some overall change in chargeback amounts, the increase/decrease has no effect on the combined request for

Administration Funds. This is the final budgetary step in implementing the Chairs direction in January 2017.

In addition to the changes in chargebacks, increases in benefits and the annualization of personnel decisions made in the FY 19 budget will cause an increase in costs of \$154,495 for FY 20. This amount is partially offset by a reduction in Commission Wide IT projects of \$25,384.

It is important to note that the increase in major known commitments, net of the change in chargebacks, is \$129,111 or 3.2 % of the FY 19 budget.

After careful consideration and input from the operating departments, there are two proposed funding requests for fiscal 2020:

- The addition of a new position in the Accounting Division at the Accountant III level is requested. Additional staff is necessary to maintain a high level of quality service to the operating departments.

This position would handle the general and special revenue funds for both counties. This will allow the two CIP accountants to focus on CIP which has become very complicated and requires additional time to manage and provide the information needed by the operating departments. This position would also be responsible for reconciling general ledger accounts which includes coordinating with the payroll accountant, as well recurring journal entries and year-end allocations.

If approved, this will be the second position added to the Accounting Division since fiscal 2009.

- Finance also requests a new position for payroll processing to strengthen the current staff of three (a 4<sup>th</sup> tax accountant position is dedicated to regulatory compliance and reconciliations and does not process payroll) that are responsible for processing the two alternating pay cycles each week.

Payroll processed 130,000 paychecks in FY18, for 8,044 employees. It has been necessary to hire and retain 4 part-time (30hr/wk) seasonal staff for five months each year to keep up with the volume of the summer programs. The current staff struggles keep up with the normal volume of work during the rest of the year.

Additional support for the payroll process is provided by a contractor. The contractor, originally brought on to assist in resolving various issues in Finance, has become a key to ongoing payroll operations. Increased payroll effort will be

required to support employee self service and the automation of seasonal payrolls. Given this, it is time to transition contractor support to full time staff.

There have been no additions to payroll processing staff in many years.

In addition to the above requests, I have included cost allocations from the OCIO and Commission Wide IT Initiatives funds in their entirety. Some of these costs are already included in the Corporate IT budget managed by the CIO. Further refinement of the request will allow more accurate assignment of these costs. For the moment, they are included here to ensure they are addressed.

Thank you for your consideration and review of this preliminary request. I look forward to discussing it with you.

FINANCE

PRELIMINARY FY20 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY19 Adopted Budget	\$ 1,946,530	\$ 2,142,253	\$ 4,088,783		

FY20 BASE BUDGET INCREASES

Salaries	76,007	17,734	93,741		
Benefits	37,587	23,167	60,754		
Other Operating Changes	(15,704)	(9,680)	(25,384)		
Chargebacks	190,121	308,083	498,204	12.2%	
FY19 One-time Expenses					
<b>Subtotal Increase - Base Budget Request</b>	<b>\$ 288,011</b>	<b>\$ 339,304</b>	<b>\$ 627,315</b>	<b>15.4%</b>	
					3.2%

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Payroll Specialist Position	25,401	76,204	101,605		1.0
Accounting III Position	55,646	69,401	125,047		1.0
OCIO New Initiatives	1,335	1,077	2,412		
OCIO CWIT New Initiatives	24,920	24,920	49,840		
<b>Subtotal Proposed Changes</b>	<b>\$ 107,302</b>	<b>\$ 171,602</b>	<b>\$ 278,904</b>	<b>6.8%</b>	
<b>Total Increase FY20 Proposed Budget Request</b>	<b>\$ 2,341,843</b>	<b>\$ 2,653,159</b>	<b>\$ 4,995,002</b>	<b>22.2%</b>	
					10.0%