



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 12, 2020

MEMORANDUM

TO: Montgomery County Planning Board

FROM: John Kroll, Corporate Budget Director *JKK*

DATE: November 5, 2020

SUBJECT: FY 2022 CAS Budget Requests

Please find attached FY22 budget requests from the Department of Human Resources and Management (DHRM), the Merit System Board, the Finance Department, the Legal Department, the Office of Inspector General, and the Office of the CIO, as well as the proposed budgets for CAS Support Services, and the Internal Service Funds – Risk Management, Group Insurance, Executive Office Building, Capital Equipment, and Wheaton Headquarters.

Attachments:

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 29, 2020

ACS 20-23

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

From: Asuntha Chiang-Smith, Executive Director *ACS*
Anju Bennett, Corporate Policy and Management Operations Director *AMB*
Katie Knaupe, Budget and Management Operations Chief *KLK*

Subject: FY22 Proposed Budget – Administration Fund

- Department of Human Resources and Management
- Central Administrative Services Support Services
- Merit System Board

Requested Action

We are requesting approval of the FY22 proposed Department of Human Resources and Management (DHRM), Central Administrative Services (CAS) Support Services and Merit System Board Administration Fund budgets.

These proposed budgets were presented to and supported by both Planning Boards in October. Since then, a 0.1% adjustment has been made to the Commission-wide Information Technology allocation in the proposed DHRM budget. The CAS Support Services and Merit System Board proposed budgets remain the same. Additionally, agency-wide pension figures are still being finalized.

I. DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT

The total proposed budget to \$5,810,345, which is a 2.1% increase of \$120,823 compared to FY21 budget levels. The proposed budget total will be adjusted slightly when the agency-wide pension numbers are finalized by the Corporate Budget Office.

The funding allocation for FY22 is 40.9% Montgomery and 59.1% Prince George's, which is a shift of 0.70% from Montgomery to Prince George's compared to the FY21 allocation. The total budget is allocated as follows:

- Montgomery: \$2,517,594, an increase of 2.5% from FY21.
- Prince George's: \$3,292,751, an increase of 1.9% from FY21.

Proposed New Initiatives

DHRM is proposing 2 changes to support current operations:

ERP Upgrade: The Department's portion of the CWIT initiative to upgrade the agency's Enterprise Resource Planning (ERP) system is \$27,600.

HR Specialist Position: The Department's request to add a position to the Labor and Relations team is \$108,234.

DEPARTMENT OF HUMAN RESOURCES & MANAGEMENT

PRELIMINARY FY22 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY21 Adopted Budget	\$ 2,457,267	\$ 3,232,265	\$ 5,689,532		
FY22 BASE BUDGET INCREASES					
Salaries	66,507	166,977	233,484		
Benefits	(923)	21,924	21,001		
Other Operating Changes	(93,842)	(259,503)	(353,345)		
Chargebacks	30,517	53,322	83,839		
FY21 One-time Expenses	-	-	-		
Subtotal Increase - Base Budget Request	\$ 2,259	\$ (17,280)	\$ (15,021)	-0.3%	
Change to Base Between Counties from Labor Cost Allocation Change					
PROPOSED CHANGES					
CWIT REQUEST: ERP Upgrade	13,800	13,800	27,600		
NEW POSITION: HR Specialist	44,268	63,966	108,234		
Subtotal Proposed Changes	\$ 58,068	\$ 77,766	\$ 135,834	2.4%	1.00
Total Increase FY22 Proposed Budget Request	\$ 2,517,594	\$ 3,292,751	\$ 5,810,345	2.1%	1.00

II. CENTRAL ADMINISTRATIVE SUPPORT SERVICES

The FY22 proposed budget is \$1,558,075 which reflects a 6.1% increase of \$88,963. This budget accounts for non-discretionary shared operating expenses attributable to bi-county operations, including occupancy.

The funding allocation for FY22 is 44.4% Montgomery and 55.6% Prince George’s, which remains the same compared to the FY21 allocation. The total budget is allocated as follows:

- Montgomery: \$693,073, an increase of 6.1% from FY21.
- Prince George’s: \$865,002, an increase of 6.0% from FY21.

Proposed New Initiatives

There are no new requests or positions assigned to this budget for FY22.

CAS SUPPORT SERVICES
PRELIMINARY FY22 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY21 Adopted Budget	\$ 653,092	\$ 816,020	\$ 1,469,112	
FY22 BASE BUDGET INCREASES				
Salaries	-	-	-	
Benefits	-	-	-	
Other Operating Changes	39,981	48,982	88,963	
Chargebacks	-	-	-	
FY21 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 39,981	\$ 48,982	\$ 88,963	6.1%
Change to Base Between Counties from Labor Cost Allocation Change				
PROPOSED CHANGES				
	No new initiatives proposed			
Total Increase FY22 Proposed Budget Request	\$ 693,073	\$ 865,002	\$ 1,558,075	6.1%

III. MERIT SYSTEM BOARD

The FY22 proposed budget is \$164,610 and reflects a 5.6% decrease of \$9,790 due to adjustments in the compensation calculation. This budget supports the Merit System Board in making recommendations and decisions regarding the agency’s Merit System.

Both counties fund the Merit System Board’s budget equally. The total budget is allocated as follows:

- Montgomery: \$82,305, a decrease of 5.6% from FY21.
- Prince George’s: \$82,305, a decrease of 5.6% from FY21.

Proposed New Initiatives

There are no new requests for FY22.

**MERIT SYSTEM BOARD
PRELIMINARY FY22 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY21 Adopted Budget	\$ 87,200	\$ 87,200	\$ 174,400	
FY22 BASE BUDGET INCREASES				
Salaries	(4,073)	(4,073)	(8,146)	
Benefits	(827)	(827)	(1,654)	
Other Operating Changes	-	-	-	
Chargebacks	5	5	10	
FY21 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ (4,895)	\$ (4,895)	\$ (9,790)	-5.6%
Change to Base Between Counties from Labor Cost Allocation Change				
PROPOSED CHANGES				
No new requests				
Total Increase FY22 Proposed Budget Request	\$ 82,305	\$ 82,305	\$ 164,610	-5.6%



MEMORANDUM

DATE: October 28, 2020

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

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Finance Department FY22 budget submission

In developing this updated estimate of the FY 22 budget request, the Finance The Department has carefully considered the service needs of the operating departments. The request is still considered preliminary, as it does not include the revised amount for pension funding which is not available as this is written.

I am pleased to report that the base budget request, including major known commitments will only increase a modest 0.8%. Much of that is attributable to funding the Supplier Diversity position for a full year. There is, however, a shift in funding away from the Prince George's Admin Fund to the Montgomery Admin Fund. This is reflective of the cost allocations the Commission has adopted for FY 22.

After careful consideration and input from the operating departments, there are two proposed funding requests for fiscal 2022:

- Funding is requested for Employee Recognition Awards as a separate item, as opposed to using lapsed salary.
- Funding for Finance's share of Commission Wide IT initiatives (primarily next version of ERP) which are presented as part of the Office of the CIO's budget request and I support them.

Should the request be funded in its current form, an additional \$75,370 or 1.5% of additional funds will be required in FY 22 vs FY 21, per the attached schedule.

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

PRELIMINARY FY22 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY21 Adopted Budget	\$ 2,226,035	\$ 2,807,999	\$ 5,034,034	

FY22 BASE BUDGET INCREASES

Salaries	52,650	19,340	71,990	
Benefits	50,979	51,315	102,294	
Other Operating Changes	(4,052)	(9,162)	(13,214)	
Chargebacks	(48,300)	(71,800)	(120,100)	
FY21 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 51,277	\$ (10,307)	\$ 40,970	0.8%

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Employee Recognition Awards (1st time budgeting this)	4,280	5,720	10,000	
Dept Share of CIO/CWIT Initiatives	12,200	12,200	24,400	
			-	
Subtotal Proposed Changes	\$ 16,480	\$ 17,920	\$ 34,400	0.7%
Total Increase FY22 Proposed Budget Request	\$ 67,757	\$ 7,613	\$ 75,370	1.5%




Office of the General Counsel
Maryland-National Capital Park and Planning Commission

Reply To

Adrian R. Gardner
 General Counsel
 6611 Kenilworth Avenue, Suite 200
 Riverdale, Maryland 20737
 (301) 454-1670 • (301) 454-1674 fax

MEMORANDUM

TO: Montgomery County Planning Board
 Prince George’s County Planning Board

FROM: Debra S Borden 
 Deputy General Counsel

Adrian R. Gardner
 General Counsel

DATE: October 9, 2020

SUBJECT: **Legal Department Preliminary Budget Estimate – FY2022**

This memorandum presents a preliminary estimate to guide development of a FY22 budget proposal for the Office of General Counsel (“OGC” or “Legal Department”). We submit the following budget framework for discussion:

LEGAL DEPARTMENT						
PRELIMINARY FY22 OPERATING BUDGET REQUEST						
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
	FY21 Adopted Budget	\$ 1,578,654	\$ 1,355,744	\$ 2,934,398		
FY22 BASE BUDGET INCREASES						
	Salaries	25,040	10,899	35,939		
	Benefits	3,678	14,634	18,312		
	Other Operating Changes	5,483	(6,732)	(1,249)		
	Chargebacks	(18,840)	(24,078)	(42,918)		
	FY21 One-time Expenses					
	Subtotal Increase - Base Budget Request	\$ 15,361	\$ (5,277)	\$ 10,084	0.3%	
	Change to Base Between Counties from Labor Cost Allocation Change	\$ 1,594,015	\$ 1,350,467	\$ 2,944,482		
PROPOSED CHANGES						
	Department Share of CIO/CWIT Initiatives	5,731	5,831	11,562		
	Department Share of CWIT ERP Upgrade	5,100	5,100	10,200		
	Subtotal Proposed Changes	\$ 10,831	\$ 10,931	\$ 21,762	0.7%	
	Total Increase FY22 Proposed Budget Request	\$ 1,604,846	\$ 1,361,398	\$ 2,966,244	1.1%	

Base Budget Overview

We are proposing a maintenance-level budget, one that accounts for the reduced service level at MRO that was required to meet the FY 19, FY 20 and FY 21 funding cuts in the Montgomery County Administrative Fund. After providing for the combined fiscal impact of personnel turnover, including expected increases in fringe benefit costs, the fiscal impact of our personnel budget results in a net increase of \$21,762 resulting in a budget for personnel services allocated to the respective administrative funds as follows:

- Montgomery County Administration Fund: \$1,604,846 (0.9% increase)
- Prince George’s County Administration Fund: \$1,361,398 (0.4% decrease)

These figures reflect the updated labor allocation formula or split between Montgomery and Prince George’s Counties respectively, 50.5% to 49.5%, as well as any changes in non-departmental charges passed through for capital equipment, the CIO allocation, CWIT charges, etc. Please refer to those non-departmental CAS budget estimates for specific details and amounts.

Additionally, our proposed estimate is based on a modest pass through of interdepartmental chargebacks that remain under discussion with our client departments. The proposed estimates will be subject to change to reflect final pension and/or OPEB numbers.

Conclusion

We hope the approach discussed above reflects an appropriate level of prudence and we look forward to further discussion.

* * *

cc: Melva Brown, Legal Department Program Manager



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 Office of the Inspector General • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

November 12, 2020

To: Montgomery County Planning Board

From: Renee Kenney, CIG, CPA, CIA, CISA
 Inspector General

Renee Kenney

Re: FY22 Budget Request/Justification

The Office of Inspector General (OIG) submits the following FY22 budget proposal for your consideration and approval. The numbers reflect an increase of \$803 over the October 15, 2020 submission. The slight increase can be attributed to adjustments to the CWIT program.

Office of the Inspector General						
PRELIMINARY FY22 OPERATING BUDGET REQUEST						
			MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
		FY21 Adopted Budget	\$ 327,545	\$ 392,896	\$ 720,441	
FY22 BASE BUDGET INCREASES						
		Salaries	27,812	(20,907)	6,905	
		Benefits	(1,475)	(19,793)	(21,268)	
		Other Operating Changes	2,387	171	2,558	
		Chargebacks		1,195	1,195	
		Subtotal Increase - Base Budget Request	\$ 28,724	\$ (39,334)	\$ (10,610)	-1.5%
		Change to Base Between Counties from Labor Cost Allocation Change				
PROPOSED CHANGES						
		CWIT Initiative - ERP Update	1,300	1,300	2,600	
		Analytical Software	1,053	1,467	2,520	
		Subtotal Proposed Changes	\$ 2,353	\$ 2,767	\$ 5,120	0.7%
		Total Increase FY22 Proposed Budget Request	\$ 358,622	\$ 356,329	\$ 714,951	-0.8%

The OIG’s overall FY22 budget of \$714,951 is slightly under (-0.8%) the prior year’s approved budget. The OIG is requesting one modest increase (\$2,520) to cover software acquisition costs.

The fluctuation between counties is primarily due to a 4.0%¹ adjustment to the labor cost allocations. Labor cost allocations are based on a three-year running average of OIG personnel’s actual labor charges as reported in the Commission’s time keeping application (Kronos).

The OIG is not requesting any new positions in FY22. The increase (\$6,905) in salary costs can be attributed to contracted increases. The decrease (\$21,268) in benefits costs can be attributed to overall decreases in Commission benefit rates. The proposed budget does not reflect final pension and/or OPED numbers.

Proposed Changes

The FY22 budget includes an additional \$2,520 to cover the costs of analytical software. This software is necessary to complete performance audits and fraud investigations that require detailed analysis and reporting of large datasets. In FY20 we were able to secure a free trial of the software, and in FY21 we were able to utilize salary savings to cover the cost. The OIG does not anticipate any salary savings in FY22.

The table also reflects and additional \$2,600 in funding for an ERP upgrade proposed by the Office of the Chief Information Officer.

Thank you for your consideration.

¹ FY21 (62.2%/37.8%); FY22 (58.2%/41.8%)



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 29, 2020

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

FROM: Mazen Chilet, Chief Information Officer *Chilet*

SUBJECT: FY22 Proposed Budget for the Office of the Chief Information Officer (CIO)

Staff Recommendation

Approval of the FY22 Office of the Chief Information Officer (CIO) operating and project budgets at the Base Budget plus New Initiatives level.

Background

The CIO's budget consists of three parts:

1. **Corporate IT (CIT)** - funded by the two Administration Funds and chargebacks. Increased costs of software maintenance contracts, and a CIT share of CWIT, and offset by the decreased departmental chargebacks, resulting from moving the cost of software licenses to CWIT. The proposed budget for Corporate IT is \$2,794,570, a decrease of 3.8%.
2. **Office of the CIO (OCIO)** - an internal service fund (ISF), funded by direct charges to using departments. No new initiatives are proposed for FY22, other than the share of new initiatives proposed in CWIT. The base budget would decrease by 0.24% for the CIO ISF. The total budget would decrease by .19% with the shared portion of the CWIT initiatives.
3. **Commission-Wide IT Initiatives (CWIT)** - also an ISF, funded by direct charges to using departments. Growth in software license cost, new acquired license subscriptions, the license movement from CIT, and funding request for an ERP upgrade would increase the CWIT budget by \$1.2 million.

The IT Council, consisting of representatives of each major department, reviews the budgets for the Office of the CIO and for CWIT.

Corporate IT FY22 Budget

Corporate IT Base Budget

The Base Budget includes reduced salaries and reduced health insurance due to decision to freeze positions to meet Montgomery County budget reductions. After chargebacks, the base budget for Corporate IT is proposed to decrease by 4.1%.

Chargebacks have decreased due to the shifting Licenses that were allocated in Corporate IT to the Commission Wide IT (CWIT) and CIO ISF budget. The reason of the shift is due to the Commission Wide nature of the licenses. Those licenses are:

Infor ERP SaaS	\$ 458,016
ServiceNow Agency-Wide Functional Help Desk	\$ 125,000
NeoGov – FY21 cost was split between HR and EIT	\$ 42,000
Total Software Subscriptions/Licenses	\$ 625,016

Corporate IT New Initiatives

The CIO is not proposing new initiative in the requested FY22 Corporate IT Budget.

The net proposed budget for Corporate IT is \$2,794,570, a decrease of 3.8%.

Corporate IT						
PRELIMINARY FY22 OPERATING BUDGET REQUEST						
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
	FY21 Adopted Budget	\$ 1,684,700	\$ 1,220,730	\$ 2,905,430		
FY22 BASE BUDGET INCREASES						
	Salaries	(51,925)	(72,969)	(124,894)		
	Benefits	(8,859)	(16,095)	(24,954)		
	Other Operating Changes	(264,271)	(286,911)	(551,182)		
	Chargebacks	220,156	361,614	581,770		
	FY21 One-time Expenses	-	-	-		
	Subtotal Increase - Base Budget Request	\$ (104,899)	\$ (14,361)	\$ (119,260)	-4.1%	
	Change to Base Between Counties from Labor Cost Allocation Change					
PROPOSED CHANGES						
	CWIT Initiative - ERP Upgrade	4,200	4,200	8,400		
	Subtotal Proposed Changes	\$ 4,200	\$ 4,200	\$ 8,400	0.3%	
		\$ (100,699)	\$ (10,161)	\$ (110,860)		
	Total Increase FY22 Proposed Budget Request	\$ 1,584,001	\$ 1,210,569	\$ 2,794,570	-3.8%	

OFFICE OF THE CIO ISF FY22 Budget

The Office of the CIO ISF is an internal service fund (ISF) funded by direct charges to using departments.

CIO ISF Base Budget

The CIO base budget reflects a decrease of \$2,455 or -0.19% due to a decrease in benefits cost:

CIO ISF New Initiatives

The CIO is not proposing new initiative in the requested FY22 Corporate IT Budget.

Office of the CIO ISF Preliminary FY22 Operating Budget Request					
	FY21 Adopted	FY22 Proposed	Variance	% Change	
FY22 BASE BUDGET INCREASES					
Salaries	890,741	905,278	14,537	2%	
Benefits	380,600	363,008	(17,592)	-5%	
Chargebacks	0	0			
Subtotal Increase - Base Budget Request	1,271,341	1,268,286	(3,055)	-0.24%	
PROPOSED CHANGES					
CWIT Initiative - ERP Upgrade		600			
Subtotal Proposed Changes		600			
Total Increase FY22 Proposed Budget Request	1,271,341	1,268,886	(2,455)	-0.19%	

COMMISSION-WIDE IT (CWIT) ISF FY22 Budget

The proposed budget for the CWIT ISF is presented in four sections:

- 1) Base budget, consisting of on-going software licenses
- 2) Software licenses moved from Corporate IT budget and new software licenses
- 3) Continuing projects at level funding; and
- 4) New project initiatives.

The CIO prepared and presented the annual Enterprise Project Plan (EPP) and present full details of all ongoing and new Commission-Wide software licenses and IT Projects and initiatives. The CIO also provided detailed information to assist each IT Council member to form an opinion and be able to develop

a position on every current and newly developed initiative. IT Council members agreed to support the initiatives based on the merit of the proposed projects while being thoughtful of the current budget uncertainties.

Breakout of the CWIT ISF Budget Request by Department

The CWIT ISF is funded by charges to the supported departments; if the proposed requests are approved, the budgetary impact on each department is as follows:

Base budget, consisting of ongoing software licenses

CWIT Funding Allocation						
Ongoing License/Subscription						
	Microsoft Licenses	Kronos	Adobe Cloud	Website	ADA Monitoring	Security Mentor
Prince George's						
Planning	90,480	9,340	71,610	29,770	5,470	1,250
Parks	178,530	28,480	74,870	31,190	9,770	2,500
Recreation	565,180	28,480	71,610	31,190	9,770	8,750
Enterprise	-	-	-	-	-	-
DHRM	-	1,660	-	2,980	500	-
Finance	-	1,460	-	2,980	500	-
Corporate IT	98,690	610	-	2,980	250	630
Legal	-	160	-	2,840	20	-
Inspector General	-	500	-	2,980	-	-
CIO	-	40	-	2,980	250	-
	932,880	70,730	218,090	109,890	26,530	13,130
Montgomery:						
Planning	279,390	7,140	52,080	7,090	5,470	2,500
Parks	419,000	37,720	55,340	7,090	16,500	8,750
Enterprise	-	-	-	-	-	-
DHRM	-	1,660	-	2,980	500	-
Finance	-	1,460	-	2,980	500	-
Corporate IT	98,690	610	-	2,980	250	630
Legal	-	160	-	2,840	20	-
Inspector General	-	500	-	2,980	-	-
CIO	-	40	-	2,980	250	-
	797,080	49,290	107,420	31,920	23,490	11,880
	1,729,960	120,020	325,510	141,810	50,020	25,010
	1,729,960	120,000	325,500	141,750	50,000	25,000

Software licenses moved from Corporate IT budget and New Software license Subscriptions

CWIT Funding Allocation							
CIT- Moved and New License/Subscription							
	Infor SaaS	NeoGov	ServiceNow	Data Loss Preventio	Microsoft Azure	O365 Backup	ERP Managed
Prince George's							
Planning	35,630	2,500	3,690	5,230	2,090	5,230	8,170
Parks	108,690	7,870	17,630	10,320	4,130	10,320	24,920
Recreation	108,690	12,070	17,630	32,670	13,070	32,670	24,920
Enterprise	-	-	-	-	-	-	-
DHRM	6,320	680	9,380	-	-	-	1,560
Finance	5,590	420	9,380	-	-	-	2,310
Corporate IT	2,790	210	1,250	5,710	-	5,710	-
Legal	140	10	1,250	-	-	-	-
Internal Audit	1,920	210	6,250	-	-	-	-
CIO	140	10	-	-	-	-	-
	269,910	23,980	66,460	53,930	19,290	53,930	61,880
Montgomery							
Planning	27,250	2,500	3,690	16,150	6,460	16,150	6,250
Parks	143,950	13,970	27,380	24,220	9,690	24,220	33,000
Enterprise	-	-	-	-	490	-	1,560
DHRM	6,320	680	9,380	-	580	-	2,310
Finance	5,590	420	9,380	-	200	-	-
Corporate IT	2,790	210	1,250	5,710	200	5,710	-
Legal	140	10	1,250	-	320	-	-
Internal Audit	1,920	210	6,250	-	200	-	-
CIO	140	10	-	-	200	-	-
	188,100	18,010	58,580	46,080	18,340	46,080	43,120
	188,101	18,011	58,581	46,081	18,340	46,081	105,000
	458,016	42,000	125,000	100,000	40,000	100,000	105,000

Continuing projects at level funding

Project list:

- ERP Enhancements
- Time and Attendance Management (Kronos)
- Active Directory Phase V
- Budget Software Replacement
- Enterprise Content Management (ECM)
- Commission Intranet upgrade

New Project Initiatives

The CIO prepares and present to IT Council an annual Enterprise Project Plan (EPP) and present full details of all ongoing and new Commission Wide IT Projects and initiatives. The EPP includes all available information pertaining to the business case, resource needs, each project’s name, project manager, project team, total budget, date of initiation, project milestones and estimated completion date.

CWIT Funding Allocation	
New Projects	
	ERP Upgrade
Prince George's	
Planning	77,800
Parks	237,300
Recreation	237,300
Enterprise	-
DHRM	13,800
Finance	12,200
Corporate IT	4,200
Legal	5,100
Internal Audit	1,300
CIO	300
	589,300
Montgomery	
Planning	59,500
Parks	314,300
Enterprise	-
DHRM	13,800
Finance	12,200
Corporate IT	4,200
Legal	5,100
Internal Audit	1,300
CIO	300
	410,700
	1,000,000
	1,000,000

New FY22 ERP Upgrade

2023 is end of life for the current ERP (V10). By the end FY21 the requirements study to assess our current V10 deployment and its ability to meet our business needs will be completed. What we will learn is: has the current version been able to meet our needs, if not, the study will identify where the deficiencies exist. We will also learn if other ERP providers can meet our functional needs better than our Current ERP

and at what cost. A complete analysis will be conducted with Finance, HR and representatives from the operating departments.

Return on Investment (ROI)

The Returns on Investment from implementing a new ERP solution will address four business needs based on the study findings. Areas of consideration are: Evolving business needs, desired service levels, and cost associated to business processes. Building on the first ERP implementation and the upgrade project we need to realize the Return on Investment from ERP implementation in a direct manner:

1. Addressing the current needs and plan to address unmet needs as enhancements
2. Improving service levels
3. Reducing business cost
4. Efficiencies from digitizing
5. Workflows and interactive reports

Lack of automation efficiencies

- New business needs will not be met, and makeshift work arounds will become normal business practice
- New business initiatives will be harder to achieve due to a lack of ERP system and organization agility
- Lack of system enhancements contributes to stagnate user skills and creative thinking



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 29, 2020

ACS 20-24

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

From: Asuntha Chiang-Smith, Executive Director
Anju Bennett, Corporate Policy and Management Operations Director
Katie Knaupe, Budget and Management Operations Chief

AC-S
AKB
KLK

Subject: FY22 Proposed Budget – Internal Service Funds
- Executive Office Building
- Risk Management
- Group Health Insurance

Requested Action

We request approval of the FY22 proposed budgets for the Executive Office Building (EOB), Risk Management, and agency-wide Group Health Insurance Internal Service Funds (ISF).

The FY22 budgets incorporate the Commission's direction on compensation and benefits and utilize projections provided by the Corporate Budget Office. These budget projections do not include the agency-wide finalized pension numbers.

I. EXECUTIVE OFFICE BUILDING FUND

The EOB Internal Service Fund accounts for expenses related to housing the bi-county operations of the Departments of Finance, Legal, and Human Resources and Management, as well as the Office of the Chief Information Officer, Merit System Board and Employees' Retirement System. The Prince George's Parks and Recreation Information Technology and Communication Division is currently a tenant but will be moving out of the building in FY21, however, bi-county operations will be absorbing this costs for this space, so there will be no reduction in rental income.

FY22 Priorities

Maintain Operations: Continue to optimize facility maintenance and repairs to ensure the effective operations of systems, address necessary building repairs or renovations, manage janitorial services, security and electronic access systems, and maintenance of grounds.

COVID-19 Response: Cover necessary expenses for cleaning, personal protective equipment, supplies, building system maintenance, and updates to the building to address the ongoing COVID-19 response.

Proposed Budget Overview

The FY22 proposed EOB budget is \$1,498,850 which includes a 1.6% increase of \$24,278. This increase is due to the following factors:

Revenue: EOB operations are funded through rent charges to tenants, interest income and the use of fund balance. Occupancy rates have remained the same over the past four years. However, in order to

address the steady increase of operating costs, including additional expenses to ensure compliance with COVID-19 protocols, a 4% increase in occupancy charges is proposed.

Personnel Services: Salaries to support the two positions needed to manage the daily operations of the building are proposed to increase by 4% based on salary projections prepared by the Corporate Budget Office.

Supplies and Materials: The cost of supplies and materials required to operate the facility have been steadily increasing in recent years due to infrastructure needs and COVID-19 changes. These unexpected expenditures have caused actual expenses to exceed budgeted funds in this category. This overage has been covered by funds from the Other Services and Charges in prior fiscal years. The FY22 proposed budget includes a budget transfer from the Other Services and Charges to Supplies and Materials to more accurately budget. This transfer does not result in an increase to the overall budget.

Other Services and Charges: Operational costs including utilities, janitorial services, maintenance contracts and repair funds are paid out of this category, which is decreasing by 1.5% due to the budget transfer to Supplies and Materials.

Capital Projects: Budgeted expenses for structural building improvements, machinery, and equipment will remain flat in FY22.

Chargebacks: Salary allocations of DHRM staff time have been adjusted to more accurately reflect the time dedicated to facility operations.

Proposed New Initiatives

No new initiatives or staffing changes are proposed.

**EXECUTIVE OFFICE BUILDING INTERNAL SERVICE FUND
KENILWORTH OFFICE BUILDING**

	ADOPTED FY20	ADOPTED FY21	PROPOSED FY22	% CHANGE
REVENUES				
Rental Income - Office Space				
PGC Parks and Recreation	126,178	126,178	0	-100.0%
Retirement System	108,680	108,680	113,027	4.0%
Chief Information Office	59,644	59,644	62,030	4.0%
Risk Management	54,808	54,808	57,000	4.0%
Group Insurance	65,338	65,338	67,952	4.0%
CAS Departments	937,352	937,352	1,106,071	18.0%
Interest Income (Non-operating)	25,000	50,000	50,000	0.0%
Total Revenues	1,377,000	1,402,000	1,456,080	3.9%
EXPENDITURES				
Personnel Services	237,965	243,910	253,780	4.0%
Supplies and Materials	42,500	43,400	61,000	40.6%
Other Services and Charges	977,530	1,003,490	988,644	-1.5%
Capital Outlay	85,000	85,000	85,000	0.0%
Chargebacks	94,708	98,772	110,426	11.8%
Total Expenditures	1,437,703	1,474,572	1,498,850	1.6%
Operating Income (Loss) to be covered by fund balance	(60,703)	(72,572)	(42,770)	

II. RISK MANAGEMENT FUND

This Fund supports a vigorous Commission-wide risk management program that provides safe facilities and programs for employees and patrons, protects agency assets, and ensures compliance with federal/State regulations. Program goals are met through proactive risk assessments, development and delivery of comprehensive safety training program, coordination of COOP plans and public health concerns, compliance reviews for adherence to federal and state safety regulations, administration of liability and workers' compensation programs, and management of agency wide safety programs such as the drug and alcohol education and testing program, driver safety, and emergency response programs.

The Fund also covers participation in the Montgomery County Self Insurance Program (MCSIP), which is open to the Commission as a bi-county organization. The MCSIP provides independent claims adjudication services, group coverage for commercial insurance policies for general liability, real and personal property, police professional liability, automobile liability, and public official liability. Participation in MCSIP is reflected in the budget through external administration fees. Separate from MCSIP, the agency also purchases insurance for various surety bonds, police horses, catastrophes, and blanket coverage for other specialized programs.

FY22 Program Priorities

COVID-19 Response and Other Public Health Concerns: Continue to actively manage public health issues such as the COVID-19 pandemic response, including implementation of federal, state and local guidance, and developing agency-wide safety protocols and Continuity of Operations Plans.

Training: Conduct specialized training ensure compliance with workplace safety regulations, prevent accidents and injuries, and reduce costs to the Departments.

Compliance Reviews: Continue comprehensive facility inspections to provide safe spaces for employees and visitors. Conduct regular audits of losses and accidents to identify areas of focus, coordinated return to work strategies, and proper case reserves.

Emergency Preparedness: Perform comprehensive assessments of departmental COOP Plans and continue regular review of site-specific emergency action protocols for agency facilities.

Loss Monitoring: Conduct regular assessments of worker's compensation and liability claims, property losses, and recommend strategies for containing costs, improving safety, and reducing liability to the agency.

Proposed Budget Overview

The main cost driver for the Risk Management budget are the workers' compensation and liability claims that occur in the Departments. Therefore, fluctuations in the Risk Management budget are largely driven by changes in these areas. Other components of the budget include necessary funding levels to cover insurance costs, personnel costs, and external administration fees.

The total FY22 Proposed Budget is \$7,507,400 and includes an 3.3% overall increase from FY21 budget levels. This is due to an increase in workers' compensation claims in the departments and external administrative expenses which are paid to MCSIP to administer the agency's claims adjudication, commercial insurance, and actuarial services. To offset the total expense to each county, unrestricted fund balance and interest income have been applied against the expenses. After application of fund balance, the proposed funding levels for Montgomery County departments have decreased 1.8% from FY21 levels and the expenses to Prince George's County have are adjusted to a 7.3% from FY21 levels. The total expense to each county is:

	Montgomery	Prince George's	Total
FY21 Adopted Budget:	3,211,900	4,056,100	7,268,000
FY22 Proposed Budget:	3,493,865	4,354,100	8,565,381
Fund Balance Applied:	(140,565)	(317,566)	(458,381)
Interest Applied:	(200,000)	(400,000)	(600,000)
Total Proposed Expense:	3,153,300	4,354,100	7,507,400
Variance	(58,600)	298,000	239,400
% Change	(1.8%)	7.3%	3.3%

Workers' Compensation and Liability Claims Expenses: This is the largest component of the Risk Management budget with claim costs being \$5,239,200, or 61.2% of the FY22 Proposed Budget.

Workers' Compensation: Workers' compensation claims generally make up 80% of all claims expenses. Expenses in this area cover workplace claims which are compensable under Maryland State law. These costs cover medical and wage reimbursements for employees with work related injuries and illnesses. By nature, this expense can vary significantly year-to-year, based on the number, severity, and complexity of claims filed. As the agency participates in the MCSIP for claim management services, we employ an actuarial consultant to review historical losses and determine our projected costs.

Costs for workers' compensation and liability claims include the following three components:

- **Paid Claims:** Actual payments for compensable open claims, whether they originated in the most recent fiscal year or prior periods.
- **Claim Reserves:** Total expected expenses (present and future) for all open claims.
- **Incurred But Not Reported Claims (IBNR):** The actuarial-based estimate of claims that have occurred but may be delayed in getting reported.

Although the agency's claims numbers decreased by approximately 16% from FY21, the funding of FY22 expenses utilize actuarial projections based on analysis of the last full cycle of claims from FY20, historical claims, expected future losses, and other variables such as expected industry adjustments for medical costs and replacement values to help determine necessary funding levels to protect the agency against expected and unforeseen losses in future years.

Liability: The remaining projected claim expenses are related to property damage, general liability, and auto claims.

The total workers' compensation and liability claims for each county are:

	Claims filed in FY19	Claims filed in FY20	Change	% Decrease
Montgomery	151	150	(1)	(0.7%)
Prince George's	214	157	(57)	(26.6%)
Total	365	307	(58)	(15.9%)

Internal Administrative Expenses: This category supports the agency's internal Risk Management Unit in administering the agency's robust Risk and Safety program. These costs are 22.7% (or \$1,946,731) of the FY22 Proposed Budget.

External Administrative Expenses: These expenses are paid to MCSIP for claims adjudication, commercial insurance, and actuarial services and make up 16.1% (or \$1,379,600) of the FY22 Proposed Budget.

Proposed New Initiatives

No new initiatives or staffing changes are proposed.

**MONTGOMERY COUNTY RISK MANAGEMENT INTERNAL SERVICE FUND
SUMMARY OF ANNUAL COMPARISONS**

	ADOPTED FY20	ADOPTED FY21	PROPOSED FY22	% CHANGE
REVENUES				
Charges for Services				
Parks	2,465,900	3,156,300	3,104,700	-1.6%
Planning	24,400	35,100	27,300	-22.2%
CAS	7,800	7,200	11,400	58.3%
Enterprise	11,800	13,300	9,900	-25.6%
Interest Income (Non-operating)	140,000	200,000	200,000	0.0%
Total Revenues	2,649,900	3,411,900	3,353,300	-1.7%
EXPENDITURES				
Personnel Services	499,400	515,642	470,727	-8.7%
Supplies and Materials	34,750	34,750	35,000	0.7%
Insurance Claims				
Parks	1,556,500	2,099,600	1,938,600	-7.7%
Planning	33,100	22,000	16,300	-25.9%
CAS	4,300	4,500	7,900	75.6%
Enterprise	6,600	8,300	5,900	-28.9%
Administrative Expenses*	491,100	520,600	551,800	6.0%
Other Services & Charges	116,574	116,694	117,240	0.5%
Chargebacks	255,378	281,238	350,398	24.6%
Total Expenditures	2,997,702	3,603,324	3,493,865	-3.0%
 Operating Income (Loss) to be covered by fund balance	 (347,802)	 (191,424)	 (140,565)	 -26.6%
 Total Funding Needs	 2,509,900	 3,211,900	 3,153,300	 -1.8%

*Self-Insurance Program expenses for claims adjudication, commercial insurance and actuarial fees.

**PRINCE GEORGE'S COUNTY RISK MANAGEMENT INTERNAL SERVICE FUND
SUMMARY OF ANNUAL COMPARISONS**

	ADOPTED FY20	ADOPTED FY21	PROPOSED FY22	% CHANGE
REVENUES				
Charges for Services				
Parks	2,215,700	3,022,100	3,318,400	9.8%
Recreation	530,100	614,400	667,300	8.6%
Planning	25,300	8,900	36,000	304.5%
CAS	7,800	7,200	11,400	58.3%
Enterprise	362,900	403,500	321,000	-20.4%
Interest Income (Non-operating)	250,000	400,000	400,000	0.0%
Total Revenues	3,391,800	4,456,100	4,754,100	6.7%
EXPENDITURES				
Personnel Services	499,400	515,642	470,727	-8.7%
Supplies and Materials	34,750	34,750	35,000	0.7%
Insurance Claims				
Parks	1,944,600	2,534,700	2,450,900	-3.3%
Recreation	481,500	593,400	574,000	-3.3%
Planning	16,300	6,400	25,200	293.8%
CAS	6,600	7,000	13,100	87.1%
Enterprise	186,600	201,600	207,300	2.8%
Administrative Expenses*	736,700	780,900	827,800	6.0%
Other Services & Charges	116,574	116,694	117,240	0.5%
Chargebacks	292,045	281,238	350,399	24.6%
Total Expenditures	4,315,069	5,072,324	5,071,666	-0.01%
 Operating Income (Loss) to be covered by fund balance	 (923,269)	 (616,224)	 (317,566)	 -48.5%
 Total Funding Needs	 3,141,800	 4,056,100	 4,354,100	 7.3%

*Self-Insurance Program expenses for claims adjudication, commercial insurance and actuarial fees.

III. Commission-Wide Group Insurance Internal Service Fund

The Commission-wide Group Insurance Fund accounts for the costs associated with providing health insurance benefits to active and retired employees. Revenues include the employer, employee and retiree share of insurance premiums.

The fund covers all employees with health and other insurance coverage and retirees eligible for health benefits. The operating department's contribution toward employee insurance costs are 76% of the revenue, employee and retiree shares of the premiums are 21% of the revenue, and the Employer Group Waiver Plan (EGWP) subsidy and interest income are 3%. The fund is treated as an agency-wide fund because its costs are not specifically generated by either county and represent the total health insurance pool cost. In addition, OPEB Pay-go costs are paid through the fund.

The Group Insurance program is part of DHRM and is staffed by 6 full-time positions.

Highlights and Major Changes in the FY22 Proposed Budget

The proposed FY22 expenditure budget is \$72.4 million, which includes a 1.6% increase from FY21 budget levels. This increase results from higher claims experience which resulted in a higher rate forecast for FY22.

The FY22 Proposed Budget reflects the Commission-adopted employee health insurance cost share. The administrative expenses are factored into the health insurance rates and paid through the employer and employee contributions for health care premiums. The Flexible Spending Program, which is fully employee funded, is also accounted for in this fund.

The FY22 Proposed Budget contains a designated reserve of \$7.24 million, which is enough to meet the 10.0% of total operating expenses reserve policy. A summary of the proposed budget follows.

Proposed New Initiatives

No new initiatives or staffing changes are proposed.

COMMISSION-WIDE GROUP HEALTH INSURANCE INTERNAL SERVICE FUND
Summary of Revenues, Expenses, and Changes in Fund Net Position
PROPOSED BUDGET FISCAL YEAR 2022

	FY 21 Adopted	FY 21 Estimate	FY 22 Proposed	% Change
Operating Revenues:				
Intergovernmental:				
EGWP Subsidy	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000	5.0%
Charges for Services:				
Employer Contributions, Other	-	-	-	-
Employee/Retiree Contributions	14,618,370	14,618,370	15,000,000	2.6%
Employer Contributions/Premiums	54,271,479	54,271,479	55,000,000	1.3%
Miscellaneous (Claim Recoveries, etc.)	-	-	-	-
Total Operating Revenues	<u>70,889,849</u>	<u>70,889,849</u>	<u>72,100,000</u>	<u>1.7%</u>
Operating Expenses:				
Personnel Services	811,371	811,371	780,685	-3.8%
Supplies and Materials	50,000	50,000	50,000	0.0%
Other Services and Charges:				
Professional Services	504,018	504,018	531,552	5.5%
Insurance Claims and Fees	60,507,264	60,507,264	61,549,705	1.7%
Insurance Premiums	9,066,340	9,066,340	9,100,000	0.4%
Change in IBNR	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	343,049	343,049	402,939	17.5%
Total Operating Expenses	<u>71,282,042</u>	<u>71,282,042</u>	<u>72,414,881</u>	<u>1.6%</u>
Operating Income (Loss)	<u>(392,193)</u>	<u>(392,193)</u>	<u>(314,881)</u>	<u>-19.7%</u>
Non-operating Revenue (Expenses):				
Interest Income	300,000	300,000	200,000	-33.3%
Total Non-operating Revenue (Expenses)	<u>300,000</u>	<u>300,000</u>	<u>200,000</u>	<u>-33.3%</u>
Income (Loss) Before Operating Transfers	<u>(92,193)</u>	<u>(92,193)</u>	<u>(114,881)</u>	<u>24.6%</u>
Operating Transfers In (Out):				
Transfer In	-	-	-	-
Transfer (Out)	(562,194)	(562,194)	-	-100.0%
Net Operating Transfer	<u>(562,194)</u>	<u>(562,194)</u>	<u>-</u>	<u>-100.0%</u>
Change in Net Position	(654,387)	(654,387)	(114,881)	-82.4%
Total Net Position, Beginning	<u>11,946,434</u>	<u>11,292,047</u>	<u>10,637,660</u>	<u>-11.0%</u>
Total Net Position, Ending	<u>11,292,047</u>	<u>10,637,660</u>	<u>10,522,779</u>	<u>-6.8%</u>
Designated Position	7,128,204	7,128,204	7,241,488	1.6%
Unrestricted Position	4,163,843	3,509,456	3,281,291	-21.2%
Total Net Position, June 30	<u>\$ 11,292,047</u>	<u>\$ 10,637,660</u>	<u>\$ 10,522,779</u>	<u>-6.8%</u>

Montgomery County Capital Equipment Internal Service Fund

EXECUTIVE OVERVIEW

The Commission's Capital Equipment Internal Service Fund (CEISF) was set up to establish an economical method of handling large equipment purchases. The fund spreads the cost of an asset over its useful life instead of burdening any one fiscal year with the expense. Considerable savings are realized over the life of the equipment through the use of the CEISF.

Departments use the CEISF to finance the purchase of equipment having a useful life of at least six (6) years. All revenue and costs associated with the financing of such equipment are recorded in the Internal Service Fund. All equipment is financed on a tax exempt basis, resulting in considerable interest savings. The participating departments are charged an annual rental payment based on the life of the equipment.

HIGHLIGHTS AND MAJOR CHANGES IN FY22 PROPOSED BUDGET

The financing authority of the CEISF may be carried over from year to year. This means that if the total authorized amount of financing is not utilized during a particular fiscal year any remaining funding may be carried over to succeeding fiscal years. Approval of the budget gives the Commission's Secretary-Treasurer and other officers authority to carry out financing for this fund at such time and on such terms as is believed to be advantageous to the Commission without additional action by the Commission or a Planning Board.

For FY22, the Commission is not proposing any new purchases for the Montgomery Department of Planning.

For FY22, the Commission is proposing new purchases of \$1,800,000 for the Montgomery Department of Parks, consisting of:

- \$90,000 for Information Technology upgrades including enhancements to several conference rooms to add TEAMS video conferencing capabilities.
- \$95,000 for equipment for the Athletic Field team for the Nutrient Management and Turf Improvement Initiative and the Pesticide-free Maintenance and NNI Meadow Management initiative included in the Program Enhancements.
- \$1,615,000 for replacement of older vehicles and equipment that have exceeded their useful life cycle.

For FY22, the Corporate IT Division of the Office of the CIO is proposing \$250,000 of new capital purchases, split 50/50 between Montgomery and Prince George's, consisting of:

- Replacement primary storage servers/high performance disks
- Replacement tape backup storage
- Replacement servers for the virtualized environment

Montgomery County Capital Equipment Internal Service Fund

MONTGOMERY COUNTY CAPITAL EQUIPMENT INTERNAL SERVICE FUND Summary of Revenues, Expenses, and Changes in Fund Net Position PROPOSED BUDGET FISCAL YEAR 2022

	FY 21 Adopted	FY 21 Estimate	FY 22 Proposed	% Change
Operating Revenues:				
Charges to Departments	\$	\$	\$	
Planning	144,400	144,400	-	-100.0%
Parks	988,743	988,743	2,043,100	106.6%
Corporate IT	161,500	161,500	166,250	2.9%
Miscellaneous (Sale of Equipment, etc.)	-	-	-	-
Total Operating Revenues	<u>1,294,643</u>	<u>1,294,643</u>	<u>2,209,350</u>	<u>70.7%</u>
Operating Expenses:				
Personnel Services	-	-	-	-
Supplies and Materials	-	-	-	-
Other Services and Charges:	-	-	-	-
Debt Service:				
Debt Service Principal	600,000	600,000	925,100	54.2%
Debt Service Interest	105,000	105,000	159,000	51.4%
Depreciation & Amortization Expense	-	-	-	-
Capital Outlay	2,896,941	2,896,941	1,925,000	-33.6%
Other Classifications	-	-	-	-
Chargebacks	54,472	54,472	50,186	-7.9%
Total Operating Expenses	<u>3,656,413</u>	<u>3,656,413</u>	<u>3,059,286</u>	<u>-16.3%</u>
Operating Income (Loss)	<u>(2,361,770)</u>	<u>(2,361,770)</u>	<u>(849,936)</u>	<u>-64.0%</u>
Nonoperating Revenue (Expenses):				
Debt Proceeds	1,800,000	1,800,000	-	-100.0%
Interest Income	10,000	10,000	20,000	100.0%
Interest Expense, Net of Amortization	-	-	-	-
Loss on Sale/Disposal Assets	-	-	-	-
Total Nonoperating Revenue (Expenses):	<u>1,810,000</u>	<u>1,810,000</u>	<u>20,000</u>	<u>-98.9%</u>
Income (Loss) Before Operating Transfers	<u>(551,770)</u>	<u>(551,770)</u>	<u>(829,936)</u>	<u>50.4%</u>
Operating Transfers In (Out):				
Transfer in	562,194	562,194	-	-100.0%
Transfer (Out)	-	-	-	-
Net Operating Transfer	<u>562,194</u>	<u>562,194</u>	<u>-</u>	<u>-100.0%</u>
Change in Net Position	10,424	10,424	(829,936)	-8061.8%
Total Net Position - Beginning	<u>9,888,324</u>	<u>9,898,748</u>	<u>9,909,172</u>	<u>0.2%</u>
Total Net Position - Ending	<u>\$ 9,898,748</u>	<u>\$ 9,909,172</u>	<u>\$ 9,079,236</u>	<u>-8.3%</u>
Note: Future Financing Plans				
Capital equipment financed for Planning	\$ -	\$ -	\$ -	
Capital equipment financed for Parks	1,800,000	1,800,000	1,800,000	
Capital equipment financed for Corporate IT	-	-	125,000	

Prince George's County Capital Equipment Internal Service Fund

EXECUTIVE OVERVIEW

The Commission's Capital Equipment Internal Service Fund (CEISF) was set up to establish an economical method of handling large equipment purchases. The fund spreads the cost of an asset over its useful life instead of burdening any one fiscal year with the expense. Considerable savings are realized over the life of the equipment through the use of the CEISF.

Departments use the CEISF to finance the purchase of equipment having a useful life of at least six (6) years. All revenue and costs associated with the financing of such equipment are recorded in the Internal Service Fund. All equipment is financed on a tax exempt basis, resulting in considerable interest savings. The participating departments are charged an annual rental payment based on the life of the equipment.

HIGHLIGHTS AND MAJOR CHANGES IN FY22 PROPOSED BUDGET

The financing authority of the CEISF may be carried over from year to year. This means that if the total authorized amount of financing is not utilized during a particular fiscal year any remaining funding may be carried over to succeeding fiscal years. Approval of the budget gives the Commission's Secretary-Treasurer and other officers authority to carry out financing for this fund at such time and on such terms as is believed to be advantageous to the Commission without additional action by the Commission or a Planning Board.

For FY22, the Commission is not proposing any new purchases for either the Prince George's Department of Planning or the Department of Parks and Recreation.

For FY22, the Corporate IT Division of the Office of the CIO is proposing \$250,000 of new capital purchases, split 50/50 between Montgomery and Prince George's, consisting of:

- Replacement primary storage servers/high performance disks
- Replacement tape backup storage
- Replacement servers for the virtualized environment

Prince George's County Capital Equipment Internal Service Fund

PRINCE GEORGE'S COUNTY CAPITAL EQUIPMENT INTERNAL SERVICE FUND Summary of Revenues, Expenses, and Changes in Fund Net Position PROPOSED BUDGET FISCAL YEAR 2022

	FY 21 Adopted	FY 21 Estimate	FY 22 Proposed	% Change
Operating Revenues:				
Charges to Departments	\$	\$	\$	
Parks & Recreation - Park Fund	627,627	627,627	-	-100.0%
Corporate IT	161,500	161,500	166,250	2.9%
Miscellaneous (Sale of Equipment, etc.)	-	-	-	-
Total Operating Revenues	<u>789,127</u>	<u>789,127</u>	<u>166,250</u>	<u>-78.9%</u>
Operating Expenses:				
Personnel Services	-	-	-	-
Supplies and Materials	-	-	-	-
Other Services and Charges:	-	-	-	-
Debt Service:				
Debt Service Principal	-	-	-	-
Debt Service Interest	-	-	-	-
Depreciation & Amortization Expense	-	-	-	-
Other Financing Uses	-	-	-	-
Capital Outlay	-	-	125,000	-
Other Classifications	-	-	-	-
Chargebacks	-	-	28,804	-
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>153,804</u>	<u>-</u>
Operating Income (Loss)	<u>789,127</u>	<u>789,127</u>	<u>12,446</u>	<u>-98.4%</u>
Nonoperating Revenue (Expenses):				
Debt Proceeds	-	-	-	-
Interest Income	-	-	-	-
Interest Expense, Net of Amortization	-	-	-	-
Loss on Sale/Disposal Assets	-	-	-	-
Total Nonoperating Revenue (Expenses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Operating Transfers	<u>789,127</u>	<u>789,127</u>	<u>12,446</u>	<u>-98.4%</u>
Operating Transfers In (Out):				
Transfer In	-	-	-	-
Transfer (Out)	-	-	-	-
Net Operating Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>789,127</u>	<u>789,127</u>	<u>12,446</u>	<u>-98.4%</u>
Total Net Position - Beginning	<u>6,173,253</u>	<u>6,962,380</u>	<u>7,751,507</u>	<u>25.6%</u>
Total Net Position - Ending	<u>\$ 6,962,380</u>	<u>\$ 7,751,507</u>	<u>\$ 7,763,953</u>	<u>11.5%</u>
Note: Future Financing Plans				
Capital equipment financed for Planning	\$ -	\$ -	\$ -	
Capital equipment financed for Parks and Rec	-	-	-	
Capital equipment financed for Corporate IT	-	-	125,000	

Montgomery County

Wheaton Headquarters Building Internal Service Fund

OVERVIEW

Construction of the Wheaton Headquarters Building (Wheaton HQ) was completed in August 2020. This Commission-owned facility consolidated the headquarters of both the Montgomery Parks and Montgomery Planning Departments from three office facilities into one new joint headquarters. In this fourteen-floor, 308,000 square foot building, the Commission utilizes 133,000 sq. ft. or 43% of the building. The remainder of the building houses several Montgomery County departments and agencies plus some retail space on the first floor and a proposed childcare facility on the 3rd floor. This building accommodates nearly 1,000 staff, including approximately 360 Commission employees.

To account for this Commission-owned facility that is being utilized by both the Commission and the County, an internal service fund was created. The Wheaton Headquarters Building Internal Service Fund accounts for all building related expenses and will be funded by “rental” charges to the Planning Department, the Parks Department, and to Montgomery County.

HIGHLIGHTS OF THE FY22 PROPOSED BUDGET

For FY22, the Wheaton HQ ISF budget is \$2,902,595.

- **Expenditures in the Fund:**

- Personnel Services: No personnel services are proposed here. Two Park Police officer positions included in the Park Fund budget are assigned to provide security at Wheaton HQ and are funded by chargebacks (see below).
- Supplies and Materials: The total proposed supplies budget for FY22 is \$70,000. This cost is for miscellaneous supplies needed for maintenance of the building that are not included in the contracted services for building management and custodial support.
- Other Services and Charges: The total proposed supplies budget for FY22 is \$2,640,595. Included in this cost is contractual services for a management services company that will handle daily building support including project management, building engineering, maintenance and repair services, and guest services. In addition, costs for services will include building costs for utilities, telecommunications, and refuse and recycling.
- Capital Outlay: No capital outlay is proposed here.
- Chargebacks: The chargeback cost of \$192,000 is for salaries, uniform allowance, and equipment for two Park Police positions.

Montgomery County

Wheaton Headquarters Building Internal Service Fund

SUMMARY OF FY22 PROPOSED BUDGET

WHEATON HEADQUARTERS BUILDING INTERNAL SERVICE FUND Summary of Revenues, Expenses, and Changes in Fund Net Position PROPOSED BUDGET FISCAL YEAR 2022

	FY 21 Adopted	FY 21 Estimate	FY 22 Proposed	% Change
Operating Revenues:				
Intergovernmental	\$	\$	\$	
Montgomery County	1,592,808	1,592,808	1,654,477	3.9%
Charges for Services (Office Space Rental):				
MC Planning	600,796	600,796	624,059	3.9%
MC Parks	600,796	600,796	624,059	3.9%
Rental Revenues	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Revenues	<u>2,794,400</u>	<u>2,794,400</u>	<u>2,902,595</u>	<u>3.9%</u>
Operating Expenses:				
Personnel Services	-	-	-	-
Supplies and Materials	-	-	70,000	-
Other Services and Charges	2,602,400	2,602,400	2,640,595	1.5%
Capital Outlay	-	-	-	-
Chargebacks	192,000	192,000	192,000	0.0%
Total Operating Expenses	<u>2,794,400</u>	<u>2,794,400</u>	<u>2,902,595</u>	<u>3.9%</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating Revenue (Expenses):				
Interest Income	-	-	-	-
Total Nonoperating Revenue (Expenses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Transfers In (Out):				
Transfer In	-	-	-	-
Transfer (Out)	-	-	-	-
Net Operating Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	-	-	-	-
Total Net Position - Beginning	116,191	116,191	116,191	0.0%
Total Net Position - Ending	<u>\$ 116,191</u>	<u>\$ 116,191</u>	<u>\$ 116,191</u>	<u>0.0%</u>