



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 16, 2023

MEMORANDUM

TO: Montgomery County Planning Board

FROM: Katie Knaupe, Acting Corporate Budget Director

DATE: November 9, 2023

SUBJECT: FY 2025 CAS Budget Requests

Please find attached FY25 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.

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 9, 2023

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

From: Asuntha Chiang-Smith, Executive Director *AC-S*
Katie Knaupe, Acting Corporate Budget Director *KK*

Subject: FY25 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 FY25 proposed Department of Human Resources and Management (DHRM), Central Administrative Services (CAS) Support Services and Merit System Board Administration Fund budgets.

I. DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT

Base Budget Request

The DHRM Proposed Base Budget request is \$9,547,276, which is an increase of 15.8% due to the following factors:

- **Personnel Services:** The cost for personnel is rising due to significant increases in pension and benefits costs, as well as annualization of increases for employee compensation in FY24, which includes new positions brought in with hiring delays that were required as part of cuts during last year's budget process.
- **Service Level Budget Cost Pressures:** Costs for ongoing Department programs, including the outside labor counsel for union negotiations; agency-wide training/succession planning, including Learning Management System (LMS) administration; and park police promotional testing continue to increase. To help reduce this increase, funding to implement the new Maryland law 'Time to Care Act' has been moved to the Group Insurance Fund.
- **Prior Fiscal Year Budget Cuts:** Funding for the Performance Metrics program and temporary services were reduced after budget cuts in FY24 and have been restored to normal levels.

New Initiatives Request

The Department is requesting four new positions totaling \$559,030.

- **Supplier Diversity and Inclusion Chief (\$178,940):** The new position would lead the Commission's Supplier Diversity Program that is mandated by state law. The Chief would be primarily responsible for expanding the base of small, local, and minority vendors who are capable and available to participate in agency contracting opportunities. This includes conducting outreach, developing policies, consulting with minority, female, and disabled-owned (MBE) vendors, encouraging eligible business to obtain relevant certifications, and ensuring maximum participation of MBE and small-local-owned business (SLBE) business in the agency's competitive solicitations. The position would also be responsible for the preparing reports and conducting special analyses.
- **ADA Coordinator (\$144,351):** A knowledgeable, central ADA Coordinator is mandated in Title II of the Americans with Disabilities Act (ADA) and was identified as a best practice by the Inspector General. Currently, several employees within various Departments across the Commission are performing these functions; however, a single coordinator is paramount to our efforts in reaching a unified and consistent approach to reporting processes, to guide ADA compliance activities, and to mitigate increasing ADA access concerns. This new position would serve both counties by developing an organizational response to ADA-related complaints, investigations, public information inquiries, transition plans, and compliance. In addition, the position would be responsible for compiling agency-wide reports and documentation of efforts, and ensuring that best practices, procedures and administrative processes are uniform across all departments. This position would also act as the subject matter expert on all issues regarding Employment (Title I), Public Services (Title II), Public Accommodations (Title III), Telecommunications (Title IV), and Miscellaneous (Title IV) of the ADA. DHRM requested this position last year, but it was cut out of the budget request late in the process.
- **Learning & Organizational Development Coordinator (\$109,763):** Currently, CAS has only one trainer, the Corporate Training Director. There is a need for more in-person training and more support for administration of the Learning Management System (LMS) system, which is not possible without the addition of a Coordinator. As our new LMS becomes fully implemented across the Commission, a Coordinator will be needed to: keep content compliant, relevant and up to date; track employee participation; set up new training opportunities; support departments with LMS troubleshooting; respond to general questions related to the system; analyze training data; and make recommendations for new training programs. The coordinator will also provide in-person training as needed and requested by departments. This will include supporting the skill development programs. Additionally, the LMS is a central component to the Commission's succession planning and retention activities.
- **Apprenticeship Specialist (\$125,975):** This position is needed to aid in the expansion of the traditional trades Apprenticeship Program and to develop a Youth Apprenticeship Program specifically targeted to high school students that may not be on a 4-year college track. In addition to expanding the Internship Program for college students, this position would partner with local workforce development agencies to identify potential applicants and funding sources for apprentices. These efforts would help create a pipeline for employment with M-NCPPC.

The Department is also requesting funding for three program enhancements totaling \$235,000.

- **Supplier Diversity and Inclusion Program Outreach (\$170,000):** In conjunction with the Maryland Department of Transportation, a disparity study is being conducted which will coordinate with state efforts and inform the development of the Commission's certified, Minority Business Enterprise (MBE) Program, as required by state law. Once the study is completed during FY25, the Commission will implement the long-awaited MBE component of its Supplier Diversity and Inclusion Program,

along with expanding efforts focused on certified, local/small businesses. Such efforts will include sponsoring outreach events to acquaint these businesses with the Program, conducting educational and training seminars to assist vendors with the registration and contracting process, and obtaining the materials needed for Program promotion. In FY25, the Program will continue to increase the participation of these vendors in our procurement processes and move us toward full compliance with existing state legislation and enable us to effectively analyze its progress in meeting benchmarks and requirements for reporting.

- **Recruitment Refresh (\$50,000):** This funding request would update our recruitment tools to be more visually and culturally appealing to today’s jobseekers through the use of marketing consultants and content development focused towards target audiences. This recruitment refresh would serve to reduce the need to hire executive recruitment firms for certain jobs and bring in more applicants that are qualified for job openings.
- **Diversity Council Funding for Pride Collaborative (\$15,000):** Funding will be used to establish a core Pride Committee to organize LGBTQ+ awareness and inclusivity workshops/trainings for all Commission employees, support individual Departmental needs for Pride programming, assist with recruitment initiatives, and further collaborate with local LGBTQ+ organizations for event partnerships and support. The World Pride international event will be held in Washington, DC in 2025, with an anticipated 5 million attendees. Funding will be utilized for recruitment and marketing efforts at this event.

Total Budget Request

The total proposed budget request is \$10,041,305, which is an increase of 25.8%. The funding allocation for FY25 is 42.1% Montgomery and 57.9% Prince George’s, which is a shift of 1.4% from Prince George’s to Montgomery.

**DEPARTMENT OF HUMAN RESOURCES & MANAGEMENT
FY25 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY24 Adopted Budget	\$ 3,390,032	\$ 4,594,349	\$ 7,984,381		53.00
FY25 BASE BUDGET INCREASES					
Salaries	413,917	355,703	769,620		
Benefits	177,471	180,887	358,357		
Other Operating Changes	71,115	67,997	139,112		
Chargebacks	(4,861)	667	(4,194)		
FY24 One-time Expenses	-	-	-		
Subtotal Increase - Base Budget Request	\$ 657,641	\$ 605,254	\$ 1,262,895	15.8%	
PROPOSED CHANGES					
	MC	PGC	Total		
ADA Coordinator (E28)	60,734	83,617	144,351		1.00
Supplier Diversity Chief (E34)	75,285	103,655	178,940		1.00
Learning & Org Dev Coordinator (E18)	46,183	63,580	109,763		1.00
Apprenticeship Specialist (E24)	53,003	72,972	125,975		1.00
Supplier Diversity Program	71,570	98,430	170,000		
Recruitment Refresh	21,050	28,950	50,000		
Diversity Council Pride Collaborative	6,315	8,685	15,000		
Subtotal Proposed Changes	\$ 334,140	\$ 459,889	\$ 794,029	9.9%	4.0
Total FY25 Proposed Budget Request	\$ 4,381,813	\$ 5,659,492	\$ 10,041,305	25.8%	57.0

II. CENTRAL ADMINISTRATIVE SERVICES (CAS) SUPPORT SERVICES

The FY25 proposed budget is \$1,646,710, which is a 2.4% increase.

The FY25 funding allocation is 44.9% to Montgomery and 55.1% to Prince George’s, which shifts 0.9% from Prince George’s to Montgomery.

Proposed New Initiatives

There are no new requests for FY25.

**CAS SUPPORT SERVICES
FY25 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY24 Adopted Budget	\$ 710,446	\$ 897,825	\$ 1,608,271	
FY25 BASE BUDGET INCREASES				
Salaries	-	-	-	
Benefits	(2,186)	(3,064)	(5,250)	
Other Operating Changes	36,223	7,466	43,689	
Chargebacks	-	-	-	
FY24 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 34,037	\$ 4,402	\$ 38,439	2.4%
PROPOSED CHANGES				
No New Requests	-	-	-	
Specific Request	-	-	-	
Specific Request	-	-	-	
Specific Request	-	-	-	
Specific Request	-	-	-	
No Proposed Changes	\$ -	\$ -	\$ -	0.0%
Total FY25 Proposed Budget Request	\$ 744,483	\$ 902,227	\$ 1,646,710	2.4%

III. MERIT SYSTEM BOARD

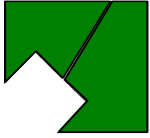
The FY25 proposed budget is \$176,822, which is a 1.1% increase. Both counties fund the Merit System Board’s budget equally. The total expense to each county is \$88,411.

Proposed New Initiatives

There are no new requests for FY25.

**MERIT SYSTEM BOARD
FY25 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY24 Adopted Budget	\$ 87,454	\$ 87,454	\$ 174,908		
FY25 BASE BUDGET INCREASES					
Salaries	(2,003)	(2,003)	(4,006)		
Benefits	1,710	1,710	3,420		
Other Operating Changes	1,250	1,250	2,500		
Chargebacks	-	-	-		
FY24 One-time Expenses	-	-	-		
Subtotal Increase - Base Budget Request	\$ 957	\$ 957	\$ 1,914	1.1%	
PROPOSED CHANGES					
No Proposed Changes	-	-	-	0.0%	
Total FY25 Proposed Budget Request	\$ 88,411	\$ 88,411	\$ 176,822	1.1%	



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Secretary-Treasurer

6611 Kenilworth Avenue, Suite 204 • Riverdale, Maryland 20737

MEMORANDUM

DATE: November 9, 2023
TO: Montgomery County Planning Board
Prince George's County Planning Board
FROM: Gavin Cohen, Secretary-Treasurer
SUBJECT: Finance Department FY2025 proposed budget submission

The Finance Department respectfully submits its FY2025 proposed budget which reflects an increase of \$694,656 or 10.9% as can be seen in the chart below. Of this, \$541,660 (8.5%) is for baseline increases, which includes the annualization of prior year merit and COLA, full year funding for positions approved in FY24, adjustments for reclassifications and an increase benefit expenses (pension) of \$153,594 (22%). An additional \$152,996 (2.4%) is requested for one new position described below.

Table with columns: MC Admin Fund, PGC Admin Fund, DEPARTMENT TOTAL, % Change, Positions. Rows include: DEPARTMENT OF FINANCE PRELIMINARY FY25 OPERATING BUDGET REQUEST, FY24 Adopted Budget, FY25 BASE BUDGET INCREASES (Salaries, Benefits, Other Operating Changes, Chargebacks), PROPOSED CHANGES (Corporate Assistant Treasury & Investment Manager), Total Proposed Increase, Total Increase FY25 Proposed Budget Request.

Finance is seeking to add a new position in Treasury Operations. For over a quarter of a century, the staffing in this department has largely remained unchanged, with just one addition, who was reallocated from general accounting and still manages tasks from their prior role. As a result, with the surge in projects, changes in banking, and roll-out of new programs, we're experiencing hurdles in delivering our usual standard of service. New or revamped programs elevate the workload, causing some areas to receive less attention than needed. To ensure consistent service quality, innovate our processes, and prepare for upcoming demands, it's crucial to bolster our team in Treasury Operations. We look forward to participating in the FY 2025 budget process.



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

Reply To

Debra Borden
 General Counsel
 6611 Kenilworth Avenue, Ste 200/201
 Riverdale, Maryland 20737
 (301) 454-1670 • (301) 454-1674 fax

MEMORANDUM

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

FROM: Debra Borden, General Counsel 

DATE: November 7, 2023

SUBJECT: **Legal Department Preliminary Budget Estimate – FY2025**

This memorandum presents a preliminary estimate to guide development of a FY25 budget proposal for the Office of General Counsel (“OGC” or “Legal Department”). We submit the following budget framework for discussion:

LEGAL DEPARTMENT						
PRELIMINARY FY25 OPERATING BUDGET REQUEST						
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
	FY24 Adopted Budget	\$ 1,756,493	\$ 1,778,243	\$ 3,534,736		
FY25 BASE BUDGET INCREASES						
	Salaries	160,699	75,964	236,663		
	Benefits	67,348	38,801	106,149		
	Other Operating Changes	4,729	3,945	8,674		
	Chargebacks	(76,325)	(77,137)	(153,462)		
	Subtotal Increase - Base Budget Request	\$ 156,451	\$ 41,573	\$ 198,024	5.6%	
PROPOSED CHANGES						
	Specific Request					
	Specific Request					
	Specific Request					
	Specific Request					
	Subtotal Proposed Changes	\$ -	\$ -	\$ -	0.0%	
	Total Increase FY25 Proposed Budget Request	\$ 1,912,944	\$ 1,819,816	\$ 3,732,760	5.6%	

Base Budget Overview

The Office of the General Counsel (OGC) is proposing a maintenance budget in FY25 with no new positions requested and nearly all increases accounted for in personnel and pension costs. The fiscal impact of our personnel budget is a net increase of \$198,024 resulting in personnel services allocated to the respective administrative funds as follows:

- Montgomery County Administration Fund: \$1,912,944 (8.2% increase)
- Prince George's County Administration Fund: \$1,819,816 (2.3% increase)

These figures reflect the updated labor allocation formula between Montgomery and Prince George's Counties respectively, 50.7% to 49.3%, 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.

Conclusion

We hope the approach discussed above reflects an appropriate level of prudence and we look forward to additional discussion of our budget priorities.

cc: Melva Brown, Legal Department Program Manager



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General • 6611 Kenilworth Avenue, Suite 106 • Riverdale, Maryland 20737
(301) 454-1446

November 16, 2023

To: Montgomery County Planning Board

Prince George's County Planning Board

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

Modupe Ogunduyile, CIG
Deputy Inspector General

Modupe Ogunduyile

Re: Finalized FY25 Budget Request

The Office of the Inspector General (OIG) submits the following FY25 budget proposal for your consideration and approval. The proposed changes are the same as presented in October 2023.

Office of the Inspector General					
PRELIMINARY FY25 OPERATING BUDGET REQUEST					
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
	FY24 Adopted Budget	\$ 557,332	\$ 747,513	\$ 1,304,845	
FY25 BASE BUDGET INCREASES					
	Salaries	1,335	2,764	4,099	
	Benefits	2,898	25,729	28,627	
	Other Operating Changes	(5,513)	(4,960)	(10,473)	
	Chargebacks	-	29,175	29,175	
	FY24 One-time Expenses	-	-	-	
	Subtotal Increase - Base Budget Request	\$ (1,280)	\$ 52,708	\$ 51,428	3.9%
PROPOSED CHANGES					
	Professional Training	5,644	8,106	13,750	
	Specific Request				
	Specific Request				
	Specific Request				
	Specific Request				
	Subtotal Proposed Changes	\$ 5,644	\$ 8,106	\$ 13,750	1.1%
	Total Increase FY25 Proposed Budget Request	\$ 561,696	\$ 808,327	\$ 1,370,023	5.0%

The OIG's total proposed budget of \$1.37M includes \$65,178 (5.0%) in increased funding requests when compared to FY24. The OIG's FY25 budget is split between Montgomery County and Prince George's County 41/59% respectively.

The OIG is not requesting any new positions in FY25. The \$32,726 increase in salaries and benefits is attributed to approved salary and benefit costs for the OIG's current 7.5 positions. FY25 salary markers are not reflected in the above numbers.

Other operating costs are expected to decrease \$10,473 in FY25. The decrease can be attributed to a decrease of \$12,750 in OCIO/CWIT costs, offset with \$2,277 of known increases to maintain the Commission's independent Ethics and Employee Hotline application and the OIG's internal workpaper application.

Most of the OIG's base budget increase can be attributed to a \$29,175 decrease in chargebacks from Prince George's County. Prince George's County covers the salary and benefit costs for one position within the OIG. Due to staffing changes within the OIG, the salary and benefit costs for the position identified for chargebacks in FY25 are less than the previously assigned position.

Per Government Auditing Standards, OIG personnel are required to develop and maintain their professional competence by completing at least 80 hours of continuing professional education (CPE) in every two year period. In addition, staff with professional licenses (e.g., CPA, CIG, CISA, CFE) must also obtain relevant CPE's to maintain their professional licenses. The OIG's current training budget of \$6,200 is not sufficient. The OIG is requesting an increase of \$13,750 for a total training budget of \$19,950 or \$2,850 per professional employee.

Thank you for your consideration.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 9, 2023

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

FROM: Mazen Chilet, Chief Information Officer *Chilet*
Katie Knaupe, Acting Corporate Budget Director *KK*

SUBJECT: FY25 Proposed Corporate IT Budget

We are requesting approval of the FY25 Proposed Corporate IT budget.

CORPORATE INFORMATION TECHNOLOGY (CIT)

Base Budget Request

The CIT Proposed Base Budget request is \$3,832,870, which is an increase of 16.3%. This increase is due to the following factors:

- **Personnel Services:** Increases in pension, changes in employee benefit elections, and annualization of new positions with hiring delays in the current fiscal year are the main drivers of the increase in this category.
- **Equipment Needs:** Network switches and a replacement firewall are increasing the Department's contribution to the Capital Equipment Fund.
- **Contractual Increases:** IT services integral to our operations acquired through contracts include escalation for annual renewals, which can increase up to 10% each year.
- **Market Rate Changes for Services:** Ongoing IT services that are bid out annually are subject to current market costs, which have been steadily increasing over the past several years.
- **Chargebacks** – FY25 Chargebacks are reduced by 7.1% due to the transfer of a Kronos/UKG license from this budget to the CIO License budget.

New Initiatives Request

The Department is requesting \$50,000 to acquire the Cisco ThousandEyes platform. This network monitoring tool can monitor connectivity for cloud (SaaS) and hybrid (on-premise and cloud) systems. It is designed to quickly detect network issues and provide comprehensive visibility into the user experience on the network, internal apps, and SaaS applications. With its advanced features, IT support teams can identify and troubleshoot problems proactively and more efficiently.

Total Budget Request

The total Proposed Budget Request for FY25 is \$3,882,870, an increase of 17.8%. The FY25 Corporate IT allocation is 50% to Montgomery and 50% to Prince George’s, which is unchanged from FY24.

This split is applicable to most of the budget; however, certain expenses are calculated at a different allocation percentage and chargebacks to Prince George’s are higher than Montgomery because of allocations to the Recreation Fund. This results in different total amounts for each county.

**CORPORATE IT
FY25 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY24 Adopted Budget	\$ 1,876,390	\$ 1,420,261	\$ 3,296,651	
FY25 BASE BUDGET INCREASES				
Salaries	120,552	106,040	226,592	
Benefits	75,998	75,999	151,996	
Other Operating Changes	19,544	15,744	35,288	
Chargebacks	29,951	92,393	122,343	
FY24 One-time Expenses	-	-	-	
Subtotal Increase - Base Budget Request	\$ 246,044	\$ 290,175	\$ 536,219	16.3%
PROPOSED CHANGES				
Cisco ThousandEyes network monitoring	25,000	25,000	50,000	
Subtotal Proposed Changes	\$ 25,000	\$ 25,000	\$ 50,000	1.5%
Total FY25 Proposed Budget Request	\$ 2,147,434	\$ 1,735,436	\$ 3,882,870	17.8%



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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November 9, 2023

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

FROM: Mazen Chilet, Chief Information Officer *Chilet*
Katie Knaupe, Acting Corporate Budget Director *KK*

SUBJECT: FY25 Proposed Office of the Chief Information Officer Internal Service Fund Budgets

We are requesting approval of the FY25 Proposed Office of the CIO (CIO) and Commission-Wide IT Initiatives (CWIT) budgets.

The Office of the Chief Information Officer manages two Internal Service Funds:

- The **Office of the CIO Fund** supports the Program Management Office (PMO) as they execute Commission-wide IT projects. Commission-wide IT licenses and subscriptions are also budgeted in this fund.
- The **CWIT Fund** supports all Commission-wide IT projects.

Combined, these two funds represent a \$447,281, or 5.6% increase over FY24 Adopted levels.

	FY24 Adopted	FY25 Proposed	\$ Change	% Change*
CIO and Licenses	6,536,526	7,244,624	708,098	10.8%
Commission-wide IT	1,453,804	1,192,987	(260,817)	-17.9%
Total	7,990,330	8,437,611	447,281	5.6%

Each Department contributes to both funds.

*The percentage change amounts for each fund do not add up to the total percentage change of both because the dollar amounts are much higher in the CIO/Licenses compared to CWIT

OFFICE OF THE CHIEF INFORMATION OFFICER (CIO) INTERNAL SERVICE FUND

The CIO Proposed Budget request is \$7,224,624, an increase of 10.8% over the FY24 Adopted Budget. Details for each component of the budget, the CIO operations and Commission-wide licenses and subscriptions, are below.

Operating Budget Request

The CIO Proposed Budget request is \$1,998,624, an increase of 6.7% over the FY24 Adopted Budget. The adjustment up is due to:

- **Personnel Services** – Compensation is projected to increase by \$114,494 from increased pension, salary markers and OPEB. FY24 fund balance from personnel savings has been applied to reduce departmental contributions.
- **Other Services and Charges** – The increase in consulting fees is driven by inflationary escalation of expert consulting costs in areas of cybersecurity, digitization, and an overall increase in consulting costs motivated by increased demand for such expertise.

The FY24 CIO budget allocation is 44.2% to Montgomery and 55.8% to Prince George’s, which remains unchanged from FY24.

New Initiatives Request

No new initiatives are proposed for FY25.

Commission-wide Licenses and Subscriptions

Ongoing licenses and subscriptions total \$4,936,000, which is an increase of 5.9% over FY24. This increase includes the transfer of the Kronos/UKG license that was previously paid from the Corporate IT budget and funded through an Administration Fund chargeback.

New licenses requests increase the budget by 6.3%, or \$310,000 bringing the total request to \$5,246,000. The new licenses include:

- **Microsoft Unified Support (\$290,000)** – This service provides support coverage for every Microsoft product and strengthens the Commission's IT framework to better serve business needs. The Commission switched from using Microsoft Premier Support to the new Unified Support structure in July 2022. Prior to this switch, each Department purchased support through their own budgets. We are proposing to consolidate these expenses in the CIO License budget moving forward.
- **Lenel Security System (\$20,000)** – This annual software license cost has been covered by the Commission-Wide IT (CWIT) Alliance project during its multiyear rollout. At the close of the project, the license expense will move over to the CIO License budget.

CONSOLIDATED CHIEF INFORMATION OFFICER INTERNAL SERVICE FUND

	FY23 ADOPTED	FY24 ADOPTED	FY25 PROPOSED	% CHANGE
EXPENDITURES				
Personnel Services	1,380,185	1,529,259	1,643,753	7.5%
Supplies and Materials	48,500	49,000	50,000	2.0%
Other Services & Charges				
CIO	232,213	295,267	304,871	3.3%
Licenses/Subscriptions	4,231,376	4,663,000	5,246,000	12.5%
TOTAL EXPENDITURES	5,892,274	6,536,526	7,244,624	10.8%

COMMISSION-WIDE IT (CWIT) INTERNAL SERVICE FUND

The CWIT Internal Service Fund (ISF) budget is developed in coordination with the Information Technology (IT) Council to properly advance agency-wide programs and systems. Continual evaluation of and updates to these systems are critical to ensure the security of the agency’s assets, greater efficiency of systems which enhance employee productivity, and effective continuation of operations for the agency to continue function during times of crisis. This budget is funded through direct contributions from the departments based on usage allocations.

The FY25 request to fund ongoing and financed projects is \$1,192,987, a 17.9% decrease from FY24 Adopted levels. This decrease is due to three projects, the External Website Redesign, Learning Management System (LMS) content, and Kronos Management from FY24 that are not included in the FY25 request. An existing project, Security Remediation, requires additional funding, while the ERP Enhancements project remains the same.

Base Continuing Projects Budget Request

These projects total \$450,000 and include:

- **ERP Enhancements (\$200,000)** – The agency is required to comply with various regulations (PII, HIPPA, COBRA, etc.), which are always evolving. These funds will address any changing mandates, critical operational needs, and other updates needed to meet requirements identified by our departments.
- **Security Remediation (\$200,000)** – Annual assessments of the agency’s security profile by external security experts are essential in ensuring adequate processes are in place to protect our assets. The additional funding will be used to expand the assessments and implement any corrective action recommended by the findings.
- **External Website (\$50,000)** – The agency's primary webpage has been completely redesigned following modern web design standards to provide comprehensive information about our programs and services in a user-friendly and straightforward format. The website for Prince George's DPR was launched in May, and the websites for Prince George's Planning and CAS Departments will be completed in FY24. The additional funding will ensure that the website functions as intended and allow for any necessary technical refinements to address issues that typically arise after the site's launch.

Financed Continuing Project Budget Requests

The only financed project is the ERP Upgrade. The cost is projected to increase from \$4M to \$7.57M. **CAS Departments have contributed \$2.4M of prior year salary savings to mitigate this increase.** Factoring these additional funds in, the amount requested in FY25 is \$742,987, representing the third year of six for financing.

Department	Total Project Cost	Total Contributed through FY24	CAS Contribution	Amount Remaining	Amount Per FY (FY25-27)
Prince George's Planning	588,946	(196,056)	(200,310)	192,580	64,193
Prince George's Parks	1,796,361	(597,996)	(610,972)	587,393	195,798
Prince George's Recreation	1,796,361	(597,996)	(610,972)	587,393	195,798
Montgomery Planning	450,415	(271,320)	(153,194)	25,901	8,634
Montgomery Parks	2,379,251	(734,336)	(809,222)	835,693	278,564
CAS	558,666	(558,666)	-	-	-
	7,570,000	(2,956,370)	(2,384,670)	2,228,960	742,987

New Project Budget Requests

No new requests.

CONSOLIDATED COMMISION-WIDE IT INTERNAL SERVICE FUND				
	FY23	FY24	FY25	%
	ADOPTED	ADOPTED	PROPOSED	CHANGE
PROJECTS				
Ongoing				
Security Remediation	100,000	150,000	200,000	33.3%
ERP Enhancements	200,000	200,000	200,000	0.0%
Kronos Management	60,000	60,000	-	-100.0%
External Website	-	250,000	50,000	-80.0%
New Projects				
LMS	150,000	100,000	-	-100.0%
COOP	200,000	-	-	0.0%
Financed Projects				
Alliance (Security System)	123,266	-	-	0.0%
ERP Upgrade	760,000	693,804	742,987	7.1%
TOTAL EXPENDITURES	1,593,266	1,453,804	1,192,987	-17.9%



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 9, 2023

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

From: Asuntha Chiang-Smith, Executive Director
Katie Knaupe, Acting Corporate Budget Director

AC-S
KLK

Subject: FY25 Proposed Budget – Internal Service Funds
- Risk Management
- Group Health Insurance

Requested Action

We request approval of the FY25 proposed budgets for the Risk Management and agency-wide Group Health Insurance Internal Service Funds (ISF).

I. RISK MANAGEMENT FUND

The Risk Management and Workplace Safety Office develops and implements programs that protect employees and patrons, protect and secure the agency's assets, and mitigate losses. The Office:

- Conducts training on workplace safety, regulatory compliance, and accident prevention;
- Develops and administers safety and loss control programs;
- Ensures compliance with federal and state safety regulations;
- Manages the workers' compensation claims program and the liability program;
- Performs risk analysis, inspections, and accident investigations;
- Manages agency-wide insurance portfolio (self-insurance and commercial policies).

FY25 Program Priorities

- **Emergency Preparedness:** Implement an agency-wide emergency notification system to communicate weather emergencies, closings, threats, and alerts. Perform regular review of site-specific emergency action protocols for agency facilities.
- **Implement Continuity of Operations Plans (COOP):** Continue implementation of agency-wide web-based COOP template, coordinate COOP activities with county COOP functions and conduct regular desktop training exercises. Monitor annual reviews for necessary updates.
- **Training:** Conduct specialized agency-wide Controlled Substance training to incorporate changes in laws and relevant policies.
- **Risk and Safety Policies:** Complete comprehensive review of the Risk Management and Safety Manual to ensure related policies are current and updated as necessary to maintain compliance with federal, state, and local laws.

- **Regulatory Compliance:** Continue comprehensive compliance training and facility inspections to provide safe spaces for employees and patrons. Conduct regular audits of losses and accidents to identify areas of focus, coordinated return to work strategies, and proper case reserves.
- **Loss Monitoring:** Conduct regular assessments of workers’ compensation and liability claims, property losses, and recommend strategies for containing costs, improving safety, and reducing liability to the agency.

Budget Overview

The Risk Management budget is made up of three components:

- **Insurance Claims:** Workers’ compensation claims are compensable under state law and include medical and wage reimbursements for employees with work-related injuries and illnesses. Fluctuations in the overall budget are largely driven by the quantity, severity, and complexity of these claims. Proposed budget figures are based on actual payments and projected expenses for open claims and an actuarial estimate for claims incurred but not yet reported. The remaining projected claim expenses are liability claims related to property damage, general liability, and auto claims. While the Risk and Safety Office manages the program, these expenses are funded directly by the Department that incurs the expense.
- **Risk and Safety Office Program Expenses:** These expenses include personnel services, insurance policies, staff training resources, accident prevention costs, and chargebacks to fund the Risk and Safety Office programs that protect employees and patrons, secure the agency’s assets, and mitigate losses.
- **Administrative Expenses:** The agency participates in the Montgomery County Self Insurance Program (MCSIP). MCSIP provides claims adjudication services, group coverage for commercial insurance, and actuarial services which are utilized to develop the workers’ compensation and liability claims budget.

Proposed Budget Request

The total FY25 Proposed Budget is \$7,279,300, which is a 16.9% increase over FY24 due to a rise in workers’ compensation claims. To offset the total expense to each county, unrestricted fund balance totaling \$2,155,578 has been applied against the expenses. The total expense to each county is:

	FY24 Adopted	FY25 Proposed	Variance	% Change
Montgomery	2,925,900	3,583,000	657,100	22.5%
Prince George's	3,298,800	3,696,300	397,500	12.0%

Workers’ Compensation and Liability Claims Expenses: This is the largest component of the Risk Management budget with claim costs totaling \$5,224,500, or 55.2% of the Proposed Budget.

Workers’ compensation claims are initiated within the Departments and are compensable under state law. These costs cover medical and wage reimbursements for employees with work-related injuries and illnesses. By nature, this expense can vary significantly from year-to-year based on the number, severity, and complexity of claims filed. The agency participates in the MCSIP for claim management services and relies on the services of an actuarial consultant to review historical losses and determine our projected

costs. While the number of claims for each county has decreased, the cost of healthcare has skyrocketed resulting in higher required funding amounts.

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.

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

The total workers' compensation claims for each county:

Workers' Compensation Claims Filed				
	FY22	FY23	Change	% Decrease
Montgomery	148	80	(68)	-45.9%
Prince George's	136	122	(14)	-10.3%
Total	284	202	(82)	-28.9%

The total general liability claims for each county:

General Liability Claims Filed				
	FY22	FY23	Change	% Decrease
Montgomery	55	57	2	3.6%
Prince George's	89	80	(9)	-10.1%
Total	144	137	(7)	-4.9%

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 27.4% (or \$2,595,178) of the Proposed Budget.

External Administrative Expenses: These expenses are paid to MCSIP for claims adjudication, commercial insurance, and actuarial services and make up 17.4% (or \$1,643,200) of the Proposed Budget.

MONTGOMERY RISK MANAGEMENT INTERNAL SERVICE FUND

	FY23	FY24	FY25	% CHANGE
	ADOPTED	ADOPTED	PROPOSED	
REVENUES				
Charges for Services				
Planning	15,700	34,100	61,300	79.8%
Parks	2,919,200	2,867,800	3,471,600	21.1%
Recreation	-	-	-	0.0%
Enterprise	3,100	-	-	0.0%
CAS	13,400	24,000	50,100	108.8%
Interest Income	8,000	8,000	8,000	0.0%
TOTAL REVENUES	2,959,400	2,933,900	3,591,000	22.4%
EXPENDITURES				
Personnel Services	566,324	702,433	731,707	4.2%
Supplies and Materials	35,250	36,000	36,000	0.0%
Insurance Claims				
Planning	28,400	28,900	43,500	50.5%
Parks	1,711,800	1,671,800	2,000,200	19.6%
Recreation	-	-	-	0.0%
Enterprise	1,600	300	200	-33.3%
CAS	8,400	11,500	16,500	43.5%
Administrative Expenses	584,900	620,000	657,200	6.0%
Other Services & Charges	119,040	122,984	123,821	0.7%
Chargebacks	378,252	374,503	387,217	3.4%
TOTAL EXPENDITURES	3,433,966	3,568,420	3,996,345	12.0%
Application of Fund Balance	(474,566)	(634,520)	(405,345)	
TOTAL FUNDING NEEDS	2,951,400	2,925,900	3,583,000	22.5%

PRINCE GEORGE'S RISK MANAGEMENT INTERNAL SERVICE FUND

	FY23 ADOPTED	FY24 ADOPTED	FY25 PROPOSED	% CHANGE
REVENUES				
Charges for Services				
Planning	38,600	-	-	0.0%
Parks	3,063,100	2,773,100	2,739,900	-1.2%
Recreation	588,900	439,500	726,200	65.2%
Enterprise	267,500	62,200	180,100	189.5%
CAS	13,400	24,000	50,100	108.8%
Interest Income	20,000	20,000	20,000	0.0%
TOTAL REVENUES	3,991,500	3,318,800	3,716,300	12.0%
EXPENDITURES				
Personnel Services	566,324	702,433	731,707	4.2%
Supplies and Materials	35,250	36,000	36,000	0.0%
Insurance Claims				
Planning	23,500	27,800	46,200	66.2%
Parks	2,287,500	2,042,000	2,380,400	16.6%
Recreation	535,700	419,800	574,600	36.9%
Enterprise	193,500	100,100	137,600	37.5%
CAS	12,200	11,500	25,300	120.0%
Administrative Expenses	877,500	930,200	986,000	6.0%
Other Services & Charges	119,040	122,984	123,821	0.7%
Chargebacks	378,253	374,503	424,905	13.5%
TOTAL EXPENDITURES	5,028,767	4,767,320	5,466,533	14.7%
Application of Fund Balance	(1,037,267)	(1,448,520)	(1,750,233)	
TOTAL FUNDING NEEDS	3,971,500	3,298,800	3,696,300	12.0%

II. 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. The fund covers all employees with health and other insurance coverage and retirees eligible for health benefits.

Highlights and Major Changes in the FY24 Proposed Budget

The proposed expenditure budget is \$85.0 million, which is a 7.6% increase from FY24 budget levels.

The FY25 Proposed Budget includes the Commission-adopted employee health insurance cost share, administrative expenses, employer contributions, and OPEB Pay-go.

The FY25 Proposed Budget contains a designated reserve of \$8.5 million, which is enough to meet the 10.0% of total operating expenses reserve policy.

Proposed New Initiatives

The Health and Benefits office manages the development, implementation, administration, and maintenance of the agency's benefit plans for 3,700 employees, retirees, and their eligible dependents. The small team of five processed 20,991 enrollments and 14,157 requests for information in FY23. These numbers continue to grow each year, while the staff complement remains at five positions. From FY13 to FY23, the number of retirees alone increased by 50%. This leaves very little time for the team to review and analyze dependent status, send proactive notifications to retirees turning 65, formally document administrative procedures, create reports to identify incorrect premium deductions, or participate in requirements gathering for the anticipated ERP Upgrade.

Further, the new state law known as the 'Time to Care Act' must be implemented in the coming year and the Health and Benefits staff will require additional assistance in this process. Montgomery County already has a position for this purpose and Prince George's County will be requesting resources in FY25.

To address the disproportion between workload and resources, the team is requesting a new **Corporate Human Resources Specialist II (\$126,384)** position to provide additional support to meet increasing demands in the number of retirees and expand services.

This budget also includes **\$25,000** for professional and actuarial services necessary to implement the 'Time to Care Act' administration, which has been transferred from the Department of Human Resources and Management Administration Fund budget.

COMMISSION-WIDE GROUP HEALTH INSURANCE INTERNAL SERVICE FUND
Summary of Revenues, Expenses, and Changes in Fund Net Position
PROPOSED BUDGET FISCAL YEAR 2025

	FY 24 Adjusted Adopted	FY 24 Estimate	FY 25 Proposed	%
				Change
Operating Revenues:				
Intergovernmental:				
Grant-Medicare Part D Subsidy	-	-	-	-
EGWP Subsidy	3,000,000	3,000,000	3,500,000	16.7%
Charges for Services:				
Employer Contributions, Other	-	-	-	-
Employee/Retiree Contributions	16,000,000	16,000,000	16,600,000	3.8%
Employer Contributions/Premiums	60,000,000	60,000,000	64,928,236	8.2%
Total Operating Revenues	<u>79,000,000</u>	<u>79,000,000</u>	<u>85,028,236</u>	<u>7.6%</u>
Operating Expenses:				
Personnel Services	909,621	909,621	1,196,129	31.5%
Supplies and Materials	62,500	62,500	51,200	-18.1%
Other Services and Charges:				
Professional Services	967,328	967,328	1,000,738	3.5%
Insurance Claims and Fees	68,528,863	68,528,863	73,404,144	7.1%
Insurance Premiums	8,200,000	8,200,000	8,900,000	8.5%
Change in IBNR	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	357,688	357,688	500,025	39.8%
Total Operating Expenses	<u>79,026,000</u>	<u>79,026,000</u>	<u>85,052,236</u>	<u>7.6%</u>
Operating Income (Loss)	<u>(26,000)</u>	<u>(26,000)</u>	<u>(24,000)</u>	<u>-7.7%</u>
Non-operating Revenue (Expenses):				
Interest Income	10,000	10,000	8,000	-20.0%
Total Non-operating Revenue (Expenses)	<u>10,000</u>	<u>10,000</u>	<u>8,000</u>	<u>-20.0%</u>
Income (Loss) Before Operating Transfers	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>0.0%</u>
Operating Transfers In (Out):				
Transfer In	-	-	-	-
Transfer (Out)	-	-	-	-
Net Operating Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(16,000)	(16,000)	(16,000)	0.0%
Total Net Position, Beginning	<u>13,899,040</u>	<u>13,899,040</u>	<u>13,883,040</u>	<u>-0.1%</u>
Total Net Position, Ending	<u>13,883,040</u>	<u>13,883,040</u>	<u>13,867,040</u>	<u>-0.1%</u>
Designated Position	7,902,600	7,902,600	8,505,224	7.6%
Unrestricted Position	5,980,440	5,980,440	5,361,816	-10.3%
Total Net Position, June 30	<u>\$ 13,883,040</u>	<u>\$ 13,883,040</u>	<u>\$ 13,867,040</u>	<u>-0.1%</u>



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 16, 2023

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

From: Asuntha Chiang-Smith, Executive Director
Tracey Harvin, Corporate Policy and Management Operations Director
Brian Coburn, Corporate Administrative Services and Performance Management Chief

Subject: FY25 Proposed Budget – Internal Service Funds - Executive Office Building

REQUESTED ACTION

We request approval of the FY25 proposed budget for the Executive Office Building (EOB).

EXECUTIVE OFFICE BUILDING FUND

The EOB Internal Service Fund accounts for expenses related to housing the bi-county operations of the Commission. These operations, collectively known as Central Administrative Services (CAS), include the departments of Finance, Legal, and Human Resources and Management; the Office of the Inspector General; the Office of the Chief Information Officer; and the Merit System Board. The offices of the Commission's Employees' Retirement System are also located at the EOB.

Two CAS divisions are located offsite: (1) Recruitment and Selection Services is located at an offsite leased space in Greenbelt due to space shortages within the EOB building, and (2) the Commission-wide Archives program is located within the Saddlebrook facility in Wheaton.

FY25 Priorities

Maintain Operations: Continue to ensure the facility is clean and fully functioning through maintenance and repair of systems and equipment, implementing necessary improvements, and addressing any concerns of employees, tenants, and visitors.

Address Building Infrastructure Issues: Make upgrades to building infrastructure to ensure adequate building operations and employee safety. This would include:

- Address water intrusion issues around the exterior of the building.
- Upgrade the accessible restrooms with high-efficiency fixtures and lighting.
- Make incremental and needed upgrades to HVAC systems to provide improved airflow and heating/cooling.

Proposed Budget Overview

The FY25 proposed EOB budget is \$1,667,510 which includes a 3.3% increase of \$53,387. 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. A 2.0% increase in occupancy charges is proposed for FY25.

Personnel Services: Compensation to support two full-time career positions and one seasonal position necessary to manage the daily operations of the building is proposed to have an increase of 21.7%. The large increase is due to this being the first fiscal year of the new seasonal position which serves as the main lobby attendant for the building. We have budgeted the amount of \$38,625 for this seasonal position.

Supplies and Materials: The cost of supplies and materials required to operate the facility despite the rising cost of materials due to continued inflation, we will make efforts to find savings. Thus, the proposed increase is only 3.0%.

Other Services and Charges: Operational costs including utilities, janitorial services, maintenance, and repairs are paid out of this category, that is proposed to remain flat.

Capital Projects: Budgeted expenses for structural building improvements, machinery, and equipment that are proposed to remain flat.

Chargebacks: Salary allocations of DHRM staff time that can be directly attributed to the management of the facility are charged back to this budget, that includes a 5.1% decrease.

Proposed New Initiatives

No new initiatives or staffing changes are proposed.

EXECUTIVE OFFICE BUILDING INTERNAL SERVICE FUND

	ADOPTED FY23	ADOPTED FY24	PROPOSED FY25	% CHANGE
REVENUES				
Rental Income - Office Space				
Retirement System	117,548	123,917	126,396	2.0%
Chief Information Office	64,511	37,143	44,807	20.6%
Risk Management	59,280	65,717	66,792	1.6%
Group Insurance	70,670	80,428	81,738	1.6%
CAS Departments	1,150,314	1,213,611	1,231,500	1.5%
Interest Income (Non-operating)	4,000	4,000	4,000	0.0%
Total Revenues	<u>1,466,323</u>	<u>1,524,816</u>	<u>1,555,232</u>	2.0%
EXPENDITURES				
Personnel Services	258,176	266,683	324,612	21.7%
Supplies and Materials	64,000	66,500	68,500	3.0%
Other Services and Charges	1,044,300	1,071,120	1,070,720	0.0%
Capital Outlay	90,000	90,000	90,000	0.0%
Chargebacks	113,783	119,820	113,678	-5.1%
Total Expenditures	<u>1,570,259</u>	<u>1,614,123</u>	<u>1,654,375</u>	2.5%
Operating Income (Loss) to be covered by fund balance	(103,936)	(89,307)	(112,278)	

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 FY25 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 FY25, the Commission is not proposing any new purchases for the Montgomery Department of Planning.

For FY25, the Commission is proposing new purchases of \$2,000,000 for the Montgomery Department of Parks, consisting of:

- \$160,000 for Information Technology (IT) cabling and infrastructure improvements and networking and communication switch replacements. The total cost will be split 50/50 with Planning.
- \$152,000 for vehicles for new positions and a required electric Z-turn mower associated with OBI for the FY25 budget.
- \$1,688,000 for replacement of older vehicles and equipment that have exceeded their useful life cycle.

For FY25, the Corporate IT Division of the Office of the CIO is proposing \$350,000 of new capital purchases, split 50/50 between Montgomery and Prince George's, for a firewall and network switches replacements.

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 2025

	FY 23 Actual	FY 24 Adjusted Adopted	FY 24 Estimate	FY 25 Proposed	% Change
Operating Revenues:					
Intergovernmental - Federal	\$ -	\$ -	\$ -	\$ -	-
Charges to Departments					
Planning	-	-	-	-	-
Parks	1,122,300	1,299,380	1,299,380	865,000	-33.4%
Corporate IT	142,500	95,000	95,000	128,250	35.0%
Miscellaneous (Sale of Equipment, etc.)	-	-	-	-	-
Total Operating Revenues	<u>1,264,800</u>	<u>1,394,380</u>	<u>1,394,380</u>	<u>993,250</u>	<u>-28.8%</u>
Operating Expenses:					
Personnel Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Services and Charges:	-	-	-	-	-
Debt Service:					
Debt Service Principal	1,321,000	1,020,000	1,020,000	420,000	-58.8%
Debt Service Interest	210,400	155,583	155,583	84,000	-46.0%
Depreciation & Amortization Expense	-	-	-	-	-
Capital Outlay	2,225,000	2,832,000	2,832,000	2,175,000	-23.2%
Other Classifications	-	-	-	-	-
Chargebacks	56,714	66,502	66,502	65,309	-1.8%
Total Operating Expenses	<u>3,813,114</u>	<u>4,074,085</u>	<u>4,074,085</u>	<u>2,744,309</u>	<u>-32.6%</u>
Operating Income (Loss)	<u>(2,548,314)</u>	<u>(2,679,705)</u>	<u>(2,679,705)</u>	<u>(1,751,059)</u>	<u>-34.7%</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>	<u>-</u>
Income (Loss) Before Operating Transfers	<u>(2,548,314)</u>	<u>(2,679,705)</u>	<u>(2,679,705)</u>	<u>(1,751,059)</u>	<u>-34.7%</u>
Operating Transfers In (Out):					
Transfer in	-	-	-	-	-
Transfer (Out)	-	-	-	-	-
Net Operating Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(2,548,314)	(2,679,705)	(2,679,705)	(1,751,059)	-34.7%
Total Net Position - Beginning	11,314,324	8,766,010	8,766,010	6,086,305	-30.6%
Total Net Position - Ending	<u>\$ 8,766,010</u>	<u>\$ 6,086,305</u>	<u>\$ 6,086,305</u>	<u>\$ 4,335,246</u>	<u>-28.8%</u>
Note: Future Financing Plans					
Capital equipment financed for Planning	\$ -	\$ -	\$ -	\$ -	
Capital equipment financed for Parks	2,100,000	2,832,000	2,832,000	2,000,000	
Capital equipment financed for Corporate IT	125,000	-	-	175,000	

Note: Internal Service Funds' actuals reflect the appropriate accounting treatment of debt principal, capital outlay and depreciation as reported in the ACFR; however, the budget for these funds is prepared on a cash requirements basis.

Montgomery County

Wheaton Headquarters Building Enterprise 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 Department of Parks and Montgomery Planning Departments from three office facilities into one new joint headquarters. In this fourteen-floor, 308,020 square foot building, the Commission utilizes 133,969 sq. ft. or 42.5% of the building. The remainder of the building houses several Montgomery County departments and agencies plus some planned 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 Enterprise Fund accounts for all building related expenses and will be funded by “rental” charges of the building’s shared cost to the Planning Department, the Parks Department, and to Montgomery County.

The “rental” charges for the respective organizations are based on the budgeted or estimated costs at the beginning of each fiscal year. These charges are then reconciled at the end of each fiscal year against the actual incurred expenses. If there is a deficiency, that balance is then paid by the Commission and the County in the next fiscal year or as a one-time payment. If there is a surplus amount, then the excess funds are added to a Capital Reserve Fund for the building. That annual reserve amount is capped at \$50,000 for the County and at \$37,000 per year for the Commission. Surplus funds exceeding this designated reserve amount are then refunded to the respective organizations at year-end or applied to the next fiscal year’s “rental” payment.

HIGHLIGHTS OF THE FY25 PROPOSED BUDGET

For FY25, the Wheaton HQ budget remains at the same level as the FY24 budget of \$2,937,103.

- **Expenditures in the Fund:**

- Personnel Services: The total proposed budget for personnel services is \$45,000. This cost is for seasonal staff to assist with building management duties and with building security card access updates. 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 FY25 remains at \$100,000. 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 FY25 is \$2,569,503, a decrease of \$55,600. Included in this cost is contractual services for a management services company that handles daily building support including project management, building engineering, custodial, maintenance and repair services, and guest services. In addition, costs for services include building costs for utilities, telecommunications, and refuse and recycling.
- Capital Outlay: No capital outlay is proposed here.

Montgomery County

Wheaton Headquarters Building Enterprise Fund

- **Chargebacks:** The chargeback cost of \$222,600 is for salaries, uniform allowance, and equipment for two Park Police positions.

SUMMARY OF FY25 PROPOSED BUDGET

WHEATON HEADQUARTERS BUILDING INTERNAL SERVICE FUND Summary of Revenues, Expenses, and Changes in Fund Net Position PROPOSED BUDGET FISCAL YEAR 2025

	FY 23 Actual	FY 24 Adjusted Adopted	FY 24 Estimate	FY 25 Proposed	% Change
Operating Revenues:					
Intergovernmental					
Montgomery County	\$ 1,688,425	\$ 1,688,833	\$ 1,688,833	\$ 1,688,833	0.0%
Charges for Services (Office Space Rent)					
MC Planning	454,646	624,135	624,135	624,135	0.0%
MC Parks	457,401	624,135	624,135	624,135	0.0%
Rental Revenues	-	-	-	-	-
Miscellaneous	236,903	-	-	-	-
Total Operating Revenues	<u>2,837,375</u>	<u>2,937,103</u>	<u>2,937,103</u>	<u>2,937,103</u>	<u>0.0%</u>
Operating Expenses:					
Personnel Services	21,850	-	48,183	45,000	-
Supplies and Materials	37,223	100,000	66,393	100,000	0.0%
Other Services and Charges	2,080,705	2,625,103	2,610,527	2,569,503	-2.1%
Depreciation & Amortization Expense	4,454,248	-	-	-	-
Capital Outlay	-	-	-	-	-
Chargebacks	200,000	212,000	212,000	222,600	5.0%
Total Operating Expenses	<u>6,794,026</u>	<u>2,937,103</u>	<u>2,937,103</u>	<u>2,937,103</u>	<u>0.0%</u>
Operating Income (Loss)	<u>(3,956,651)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating Revenue (Expenses):					
Interest Income	22,443	-	-	-	-
Total Nonoperating Revenue (Expenses):	<u>22,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) Before Operating Transfer	<u>(3,934,208)</u>	<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>	<u>-</u>
Income (Loss) Before Capital Contributor	<u>(3,934,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Contributions	-	-	-	-	-
Change in Net Position	(3,934,208)	-	-	-	-
Total Net Position - Beginning	127,114,507	123,180,299	123,180,299	123,180,299	0.0%
Total Net Position - Ending	<u>\$ 123,180,299</u>	<u>\$ 123,180,299</u>	<u>\$ 123,180,299</u>	<u>\$ 123,180,299</u>	<u>0.0%</u>