



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

MCPB Agenda Item #8
October 23, 2014

MEMORANDUM

TO: Montgomery County Planning Board
FROM: John Kroll, Corporate Budget Manager *JKK*
DATE: October 23, 2014
SUBJECT: FY 2016 CAS Budget Requests

In the interest of distributing these requests to you in a timely manner, I have not summarized them in this transmittal.

Please find attached FY16 preliminary budget requests from the Department of Human Resources and Management (DHRM), CAS Support Services, the Merit System Board, the Finance Department, Office of Internal Audit, and the Legal Department.

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

The staff recommendation is for Planning Board approval to prepare the FY16 operating budget at the base budget plus proposed changes level.

Attachments:

DHRM	pages 1-7
CAS Support Services	pages 8-9
Merit System Board	pages 10-11
Finance	pages 12-15
Internal Audit	pages 16-17
Legal	pages 18-19



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 16, 2014

PCB14-27

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

From: Patricia C. Barney, Executive Director

Subject: FY16 Budget – Administration Fund

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

Requested Action

Provide direction to prepare the FY16 Proposed Budget for the Administration Fund covering the Department of Human Resources and Management (DHRM), Central Administrative Services Support Services (CAS SS), and the Merit System Board (MSB) at the base budget, plus restorations/initiatives, as applicable.

Budget Preparation and Background

The proposed restorations and initiatives are necessary to deliver critical services to operating departments. These services were determined through management retreats on workforce development/succession planning, consideration of Enterprise Resource Planning (ERP) System operational requirements, and other program and service demands. Justification for each item is provided within the relevant budget sections. Please note that the salary marker is budgeted in non-departmental and not reflected in the DHRM budget; personnel costs are being refined due to ERP data conversion issues; and the CAS allocation by County is under review. Revisions will be incorporated prior to budget adoption. DHRM will present the Internal Service Funds' proposed FY16 budgets for Risk Management, Group Insurance and the Executive Office Building in November.

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

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

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

These areas collectively provide corporate governance and administer agency-wide initiatives to ensure fair and equitable practices/programs, competitive and cost-effective employment compensation and benefits, prudent fiscal planning, and sound workplace and liability protections. Programs administered by the Department are presented on the attached organization chart, along with the proposed positions/workyears (WYs). They include Corporate Budget, Classification and Compensation, Corporate Policy, Employee/Labor Relations, Human Resources Information Systems (HRIS)/Employee Records, Health and Benefits, Management Operations and Internal Services, Records Management, Recruitment, Risk Management, and Employee/Workplace Safety.

Discussion of DHRM Proposed Budget

The Proposed Base Budget incorporates direction from the Corporate Budget Office. Areas of emphasis include Enterprise Resource Planning (ERP) System administration/maintenance, regulatory compliance/updated organizational standards, and recruitment services. Priorities also address operating department support for more proactive and consistent platforms for training and workforce development.

FY16 Work Program Priorities

- Effectively operate and maintain the new ERP Human Resources module. Continue implementation of features such as employee self-serve for benefits to streamline processes.
- Respond to a 75% increase in recruitment activities.
- Accelerate extensive review and revision of outdated agency standards/policies.
- Update corporate records program with the State of Maryland to ensure appropriate record retention/access.
- Implement agency-wide Leadership Development program to address deficit in workforce training and critical succession planning concerns.
- Continue implementing management-supported recommendations from Classification and Compensation study, including job class series reviews prioritized by operating departments.

DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT					
PRELIMINARY FY16 OPERATING BUDGET REQUEST					
	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	
FY15 Adopted Budget	\$ 2,030,073	\$ 2,403,884	\$ 4,433,957		
FY16 BASE BUDGET INCREASES (with Major Known Commitments)					
Salaries	\$ (11,413)	\$ (16,822)	\$ (28,235)		
Benefits	\$ 12,133	\$ 18,049	\$ 30,182		
Other Operating Charges and Supplies*	\$ (73,651)	\$ (92,876)	\$ (166,527)		
Chargebacks	\$ (7,670)	\$ (20,341)	\$ (28,011)		
Subtotal Increase - Base Budget Request	\$ (80,601)	\$ (111,990)	\$ (192,591)		-4.3%
<i>* Please note, that Other Operating Charges include a \$120,000 (-2.7%) reallocation of Xerox Maintenance Agreements to CAS SS budget</i>					
Proposed Changes (Essential Needs)					
Tier 1: Costs (Implement w/ 6 month delay)	\$ 76,537	\$ 98,605	\$ 175,142		4.0%
Subtotal Increase - Base Budget Request Plus Tier 1 Initiatives	\$ (4,064)	\$ (13,385)	\$ (17,449)		-0.4%
Tier 2: Additional Cost to Implement w/ 3 month delay)	\$ 33,666	\$ 43,373	\$ 77,040		1.7%
Subtotal Cost of Tier 1 and 2 Needs	\$ 110,203	\$ 141,978	\$ 252,182		5.7%
Total Increase to Base Budget with Tier 1 and 2	\$ 29,602	\$ 29,988	\$ 59,591		1.3%

Base Budget and Major Known Operating Commitments

The preliminary base budget reflects 4.3% decrease (\$192,591) based on standard assumptions issued by the Corporate Budget Office. The decrease is \$80,601 for Montgomery and \$111,990 for Prince George's.

The total combined base budget includes the following:

- 0.9% (-\$28,235) decrease in total Salaries based on current wage assumptions. This decrease is partially due to filling vacancies at lower salaries. Salary marker is not included in Department Budget.
- 2.9% (\$30,182) increase in Benefits (health and pension) based on adjustments indicated by Corporate Budget.
- 20.9% (-\$166,527) decrease in Other Operating Charges and Supplies. This decrease includes a reallocation of \$120,000 for Copier Maintenance Agreements as follows: \$90,000 to the CAS Support Services Budget; \$15,000 to the Risk Management and Safety Budget; and \$15,000 to Group Insurance Budget. Other notable reductions include decreases in Internal Capital Equipment expenditures.
- Chargebacks are budgeted with a 5% increase (\$28,011) as identified by the Corporate Budget Office.

Proposed Essential Restorations/Initiatives

The essential needs are presented in two tiers as follows:

- Tier 1 proposes 3 work years with a hiring delay of 6 months. The proposal results in a 4% increase (or \$175,142) to the FY15 base budget.
- Tier 2 assumes only a 3 month delay with an additional 1.7% increase of \$77,040.
- The total of Tier 1 and Tier 2 essential needs is \$252,182. Due to savings in FY16 base budget commitments and reallocation of the copier costs to other budgets, the addition of Tier 1 and 2 results in a 1.3% increase (or \$59,591) to the FY15 total budget.

	Tier 1 Funding Request to Implement Essential Needs at 1/1/ 2015 (6-month delay)	Tier 2 Additional Funding to Implement Essential Needs at 10/1/ 2015 (3-month delay)	Total Cost to Fund Tier 1 and 2
Add one new HR position to administer new ERP/HCM System	51,790	25,895	77,684
Restore one frozen HR position to address increased Recruitment activities	51,790	25,895	77,684
Convert existing long term temporary staff person to part-time Merit to support records program*	14,063	0	14,063
Move half of existing administrative support position in Budget Office to Risk Management*	(53,000)	0	(53,000)
Restore agency-wide Leadership Training Program*	60,000	0	60,000
Add one Term Contract position as Management Analyst to address extensive policy work; (While eliminating one frozen Merit position)	50,500	25,250	75,750
	Total Increase to FY15 Base Budget		\$59,591

* These items are time sensitive and cannot be reduced through delayed implementation.

The FY16 authorized merit position count is proposed to remain at 37 with 2 additional work years funded. The proposal also includes one term contract position/work year. The changes are presented in the following table.

	Authorized Positions	Funded WYs	MC WYs	PGC WYs
FY15 Position/WY Total	37	33.0	14.5	18.50
Requested FY16 Program Support				
Add one HR position to address ER/HRIS administration (Grade I)	1	1	.5	.5
Restore one HR position to address increased recruitment activities	Already in FY15 count	1	.5	.5
Convert one existing budgeted seasonal/intermittent staff	.5	.5	.25	.25
Move ½ of workyear of an existing administrative position (Grade G) to Risk Management	(.5)	(.5)	(.25)	(.25)
Eliminate one existing frozen Management Analyst position as it is only a Prince George's County authorized position	(1)	Presently frozen	0	0
FY16 Proposed Merit Position Count	37	35	15.5	19.5
Add one Term Contract position for Policy Standards/Regulatory Compliance Work	1	1	.5	.5

Explanation of FY16 Proposed Restorations/Initiatives for DHRM

- 1. Add One New HR Position to support administration of the New Enterprise Resource Planning (ERP) System**
 The HR module is more complex and requires more support to operate and maintain. It is critical that the agency has sufficient resources for this corporate system.

 - While the new ERP system offers a number of efficiencies, it must be managed for accurate reporting, maintenance, and support to departments.
 - When ERP is live, continuing support will be required to: retrieve information from the converted HRIS system; train managers on new HRIS/ERP system; develop management reports; and implement system upgrades.
 - The ERP system capabilities are broader, thereby allowing additional personnel and compliance information, but requiring additional, regular updates to be carried out.

- 2. Restore One Frozen HR Position to Address Increased Recruitment Activities**
 In FY11, DHRM eliminated a number of positions and froze others. The Recruitment Office froze one position due to departmental budget reductions and a decline in overall hiring in the agency. Consequently, the Office has been staffed by a manager and two specialists to address agency-wide recruitment activities. Over the last three fiscal cycles, there has been a steady and notable increase in hiring activities and support requested by operating departments.

 - In calendar year 2011, 35,640 applicants were screened; in 2012, 47,438 applicants were screened; and in 2013, 61,968 applicants were screened. This equates to a 74% increase in workload (applicants screened) over the past two years.
 - In the first six months of 2014, the Recruitment Office has already reviewed 33,216 applications-demonstrating continued growth in activity.
 - In addition to recruitment activities, the Office is responsible for all oversight of the Criminal Justice Information System (CJIS), fingerprinting and background checks, assisting with Return to Work placements, Park Police promotional testing administration, American with Disabilities Act (ADA) Title I training for field staff, conducting Critical Testing, representing the agency at job fairs, etc. All of these programs are necessary and/or mandated.

The increased activity is related to more robust recruitment outreach implemented with departments and increased hiring activities. The current staff compliment cannot adequately meet the increased workload without adverse effects on quality and responsiveness to departments.

3. Convert existing seasonal/intermittent staff to Part-time Merit (Records Program—Management Aide)

We are requesting that the existing long-term seasonal support for this program be converted to part time Merit employment. The position has been funded through unbudgeted salary lapse. With the inclusion of a reasonable salary lapse in the budget, the shift to Merit will not result in a significant funding increase.

- The Records/Archives Office provides a critical agency-wide function as it is the official office of the record for the agency as defined by the State of Maryland.
 - The State of Maryland requires all public agencies to secure, catalogue, and make available for appropriate public requests, the official records of the agency including corporate decisions, public actions, maps/zoning documents, policies, standards, financial and employment records.
- The agency plans to move its extensive system of records into a digital platform. This change places a greater emphasis on the need for accurate record conversions. The program has suffered significantly due to budget constraints and loss of staffing. Over the past few years, it was staffed with only one dedicated Merit employee, resulting in significant challenges in maintaining compliance with State mandates.
- The seasonal employee provides essential historical information. His experience has been helpful in retrieval of records and in the significant streamlining of operations that has taken place over the last two years.

4. Move .5 work year of existing administrative position (Grade G) to Risk Management

We are requesting to repurpose ½ work year of an existing funded administrative position in the Corporate Budget Office. Due to realignment of the Corporate Budget's work program among budget analysts, the administrative position has capacity to support other work programs. With a transfer of .5 authorized position/work year, it will allow us to shift resources to the Risk Management/Workplace Safety program which has significant need for administrative support.

- The Risk Management/Workplace Safety Office develops and implements programs to protect employees and patrons, secure agency assets, and mitigate losses through inspections, administer workers' compensation, training, and liability programs. These programs require extensive reporting and compliance record keeping.
- The transfer of a .5 workyear will provide administrative support, so Risk and Safety Specialists can address more critical technical evaluations for the agency.

5. Restore Agency-Wide Leadership Training Program (Supported by Departments)

The agency does not have a formal training program for its workforce to address significant succession planning issues and workforce competency.

- The M-NPPC FY2014 annual Performance Management Review reveals that 683 (or 34% of current employees will be eligible to retire between FY14 and FY18 (collectively)¹. 71% of the agency's Officials/Administrators will be eligible to retire during this same period. Department Directors have been working together to identify needed solutions to provide consistent training on mandatory standards and succession planning.
- This funding will be used to reinstitute an agency-wide leadership development program. The program, which was previously administered through CAS, was eliminated in 2009 due to budget cuts.
- Operating departments requested this program be housed in CAS to provide greater cost efficiency, a consistent training platform, and broader access to all departments. The Leadership Program will focus on core, concrete business skills, such as project management, ethical decision making, and performance

¹ Personnel Management Review, Employee Demographic Profile, Fiscal Year 2014.

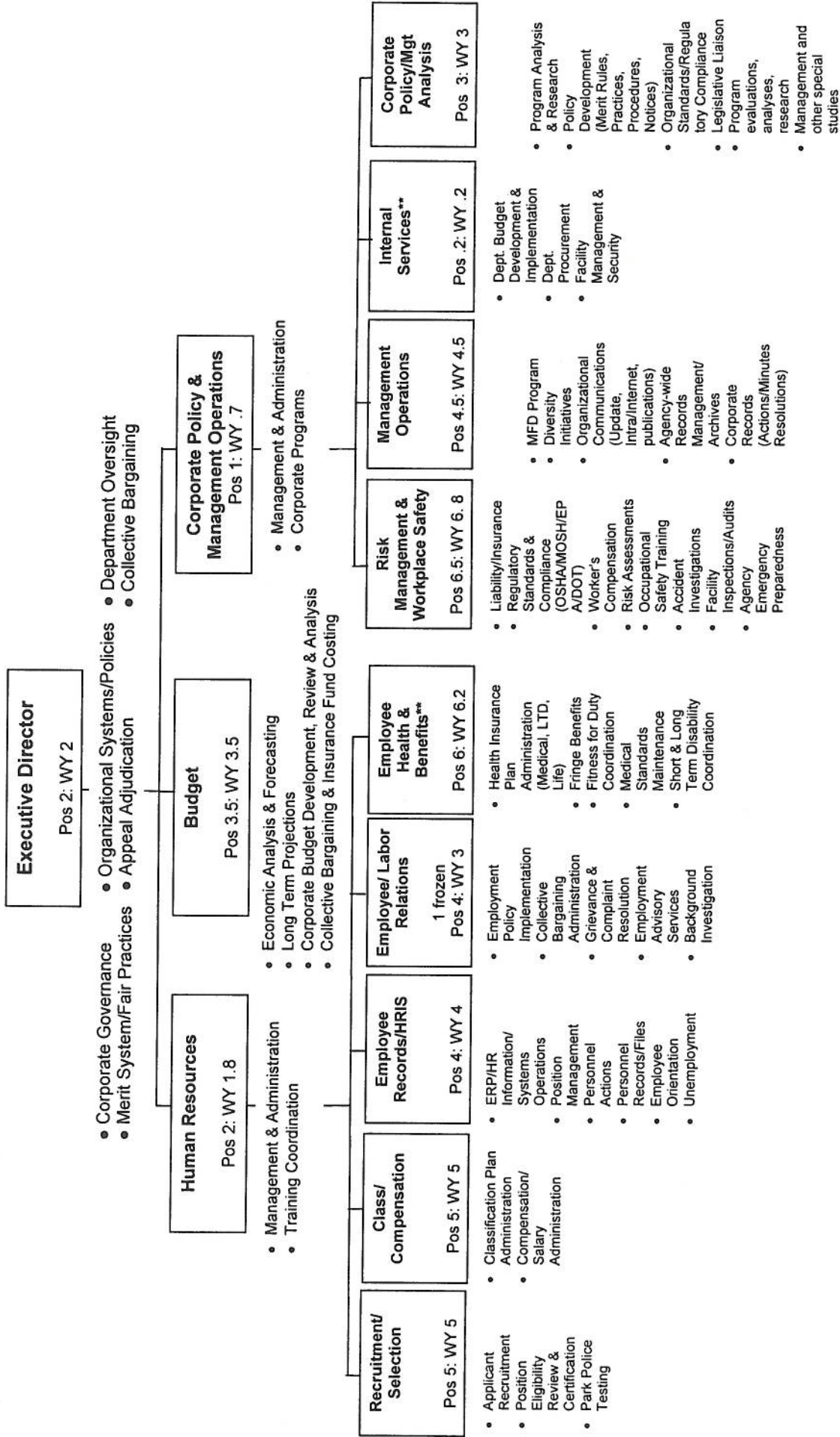
accountability. This training would not replace training efforts that may be offered in some departments, as those efforts are specific to service operations (e.g., parks management, planning, legal etc.)

6. Add one Term Contract Position as Management Analyst to Address Extensive Policy Work/Eliminate Frozen Merit Management Analyst Position

As is typical for an agency of this size and diversity, organizational standards must address federal/state mandates, public accountability, and provide clear and current operating/code of conduct guidance. The current staffing level (two dedicated management analysts) is insufficient to address this extensive workload which comprises nearly 200 policy areas covering all areas of organizational functions, employment, procurement, finance systems, and risk/liability and safety regulations. Through reorganizations which occurred over five years ago, the function has been considerably downsized, causing a considerable backlog of work and a large number of critical policies that require attention (e.g., ethics, ADA compliance, financial procedures, etc.). Competent policy work entails strong research, analysis, and vetting with stakeholders. While notable progress is being made to clarify/update/streamline policies, the current staffing level cannot get to critical work identified by operating departments or required to ensure compliance with federal/state laws and best practices.

- Outdated standards create liability for the agency, lack of understanding of program requirements, and inconsistent application by management.
- Need to update policies is regularly stressed by our by operating departments, internal audit, and the findings of the external accreditation process of CAPRA.
- Presently the frozen position is designated as a Prince George's funded position. As the position would serve agency-wide efforts, we are requesting that it be designated as a bi-county funded term contract position.

FY2016 Proposed
Department of Human Resources and Management
Organizational Chart



Notes: The Administrative Fund positions are reflected as identified in the proposed FY16 budget. There are 37 authorized Merit positions with 35 WYs. Programs funded by tax and non-tax supported funds.

II. FY 16 CAS Support Services Budget

The Central Administrative Service (CAS) consists of the following departments and units that provide corporate administrative governance and support to the Commission as a whole:

- Department of Human Resources and Management
- Finance Department
- Legal Department
- Internal Audit Division
- Office of the Chief Information Officer
- Merit System Board

CAS Support Services accounts for non-discretionary shared operating expenses attributable to these bi-county operations. Expenses covered by the CAS Support Services budget include:

- Operating costs for housing CAS operations (office space and building operations).
- Personnel Services costs for reimbursement of unemployment insurance for the State of Maryland. There are no staff positions/work years assigned to this budget.
- Supplies and Materials category covers small office fixtures, communication equipment and other office supplies shared by departments/units in the building.
- Other Services and Charges (OS&C) category includes expenses for technology, utilities, postage, document production, lease of copiers, and equipment repair/maintenance. OS&C provides funds for CAS share of risk management and partial funds for the contract of equipment and services for the Document Production Services Center.

Discussion of Proposed Budget

The FY16 proposed budget presents adjustments to the FY15 base budget without a request for new initiatives. All line items were reviewed for appropriate allocation and wherever possible reductions were made to further contain costs. The CAS Support Services budget is presented using the FY 15 allocation of 45% Montgomery/55% Prince George's. This allocation may be revised based upon completion of the current CAS cost driver/labor distribution analysis.

Base Budget and Major Known Operating Commitments

The total CAS Support Service budget for FY 16 is \$1,395,652 which represents a 17.2% (or \$205,061) increase from FY 15 levels. The FY16 total budget is allocated as follows:

- \$629,439 for Montgomery (adjusted from \$536,957 in FY15).
- \$766,213 for Prince George's (adjusted from \$653,634 in FY15).

The FY16 Proposed Budget adjustments are due to the following known commitments:

1. An 11% increase of \$2.32/sq ft to cover occupancy costs for CAS units housed at the Executive Office Building (EOB). In FY15, the current rate of \$20.65 was supplemented by use of \$120,839 in fund balance. During the FY15 budget review, it was indicated that use of fund balance would be phased out in FY16. Therefore, the rate is being adjusted to \$22.97/sq ft. to cover identified operating costs without use of fund balance which is needed to cover unforeseen costs associated with an aging infrastructure and systems.
2. \$75,000 for external lease/rent to address the housing of staff that cannot be accommodated within the existing EOB facility. The current building layout provides inadequate workspaces to house the authorized staff positions. While we have reworked existing office/storage spaces to house staff, the structural design of the building poses a number of challenges. In FY15, there is a shortage of at least 6 workspaces. In FY16, the problem will worsen as 4 additional workspaces will be needed.
3. \$90,000 in reallocated budgeted costs for Xerox/Copier Maintenance/Lease Agreements. This item was previously included under the DHRM budget and was shifted to the CAS Support Services as it represents charges for shared printing/publication among CAS departments.
4. Prior to the adjustment identified in items 1-3 above, the base budget for CAS Support Services decreased by 4% (or \$49,424), due to cost containment in areas related to telephone, postage and supply charges.

Additional Essential Needs/Requests

There are no requests for additional funding.

**CAS SUPPORT SERVICES
PRELIMINARY FY16 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	Total	% Change
FY15 Adopted Budget	\$ 536,957	\$ 653,634	\$ 1,190,591	
 FY16 BASE BUDGET INCREASES				
Personnel Costs	216	264	480	
Benefits	0	0	0	
Operating Charges*	92,266	112,315	204,581	
Chargebacks	0	0	0	
Subtotal Increase - Base Budget Request	\$ 92,482	\$ 112,579	\$ 205,061	17.2%
 <i>*Other operating charges include a reallocation of 90K for Xerox Maintenance Agreement Charges from DHRM Admin Fund.</i>				
 FY16 PROPOSED CHANGES/NEW INITIATIVES				
Specific Request	\$ -	\$ -	\$ -	0.0%
Subtotal Increase - New Initiatives	\$ -	\$ -	\$ -	
 Total Increase for FY16 (Base plus new initiatives)	 \$ 92,482	 \$ 112,579	 \$ 205,061	
 Total FY16 Proposed Budget Request	 \$ 629,439	 \$ 766,213	 \$ 1,395,652	 17.2%

III. FY 16 Merit System Board Administration Budget

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

The duties of the Merit System Board are to:

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

Discussion of Proposed Budget

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

The Board is supported by one part-time Merit System position. For FY16, the part-time hours of the Merit System position are not expected to change.

FY16 Budget Priorities and Strategies

Continue to provide:

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

Base Budget and Known Operating Commitments

The proposed FY16 budget is reduced by 3.64% of (\$6,025) from FY15 levels. This reduction is primarily attributed to a \$4,633 decrease in medical, retirement, and other benefits costs.

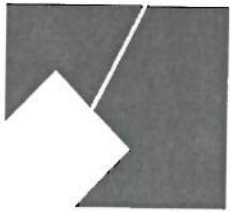
Additional Essential Needs/Requests

The Board has not proposed any new essential needs/initiatives for FY16.

**MERIT SYSTEM BOARD
FY15 OPERATING BUDGET REQUEST**

	MC	PGC	Department Total	% Change
FY15 Adopted Budget	<u>\$ 82,810</u>	<u>\$ 82,810</u>	<u>\$ 165,620</u>	
FY16 BASE BUDGET INCREASES				
Salaries	(1,104)	(1,104)	(2,208)	
Benefits	(2,316)	(2,316)	(4,633)	
Chargebacks	-	-	-	
Other Operating Charges	408	408	816	
Subtotal Base Budget FY16	<u>\$ 79,798</u>	<u>\$ 79,798</u>	<u>\$ 159,595</u>	-3.64%
FY16 PROPOSED CHANGES/ESSENTIAL NEEDS				
Specific Request	\$ -	\$ -	\$ -	
Subtotal Proposed Changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total FY16 Proposed Budget Request	<u>\$ 79,798</u>	<u>\$ 79,798</u>	<u>\$ 159,595</u>	-3.64%

Notes: Merit Board allocation is 50% for each county.



MEMO

THE MARYLAND-NATIONAL CAPITAL PARK & PLANNING
COMMISSION

Department of Finance, Office of the Secretary-Treasurer

MEMORANDUM

DATE: October 17, 2014

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

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Finance Department FY16 preliminary budget submission

The Planning Boards have provided general guidance for developing the FY 2016 budget. This guidance is to prepare a base budget for 2016 including major known commitments required to maintain services, and an essential needs request that will be considered for inclusion in the budget.

I am pleased to submit the attachment in response to your guidance. Comments on specific items are as follows:

- Personal services: Increase of \$35,150 in salaries, decrease of \$72,960 in benefits. Recalculation of salaries to reflect current assignments along with projected decreases in pension costs are included. This amount does not include any anticipated amounts for merit or COLA increases, which are addressed separately by the Budget Office. These preliminary amounts are subject to final review and verification but are believed to be accurate at this time.
- Other operating charges: Various contracts for software and IT hardware support will increase in cost for fiscal 2016 in the amount of \$18,700.

Changes to chargebacks are not determined as of this writing. Based on the above amounts, the base budget would decrease by .3% or \$19,110.

After careful consideration, there are several essential needs that should be addressed in the fiscal 2016 budget. Details are as follows:

Tier 1:

- The current audit contract calls for a fee of \$110,000 in FY 2016, which is \$29,200 more than the line item in the current budget. This increase did not occur all in one year, but is the sum of increases over several years, none of which have been included in the budget. This has required us to reduce spending in other professional services to offset the amount. Funds are requested to budget the entire amount of the audit contract.

Tier 2:

- Training. Funds are requested to restore the Department training budget to FY 2011 levels. With the installation of the ERP solution, training is a critical need for new and existing staff. Additionally, we need to prepare for the upgrade to version 10 of the system in FY 2017. The importance of providing quality training opportunities cannot be stated strongly enough.
- Add staffing in the Purchasing Division- \$139,000 including benefits. The Purchasing Division is currently below its fiscal 2010 staffing levels. In addition to the increasing work volume experienced in recent years, the ERP system will provide significant new functionality to serve the Departments. We have repurposed a vacant IT position to serve as the ERP support expert for this Division and are currently searching for the right candidate.

An area of deficit in Purchasing is expertise in Construction. While we have staff with experience in this area, it is believed that better service can be provided to the Departments by adding a senior level person with specific training and expertise in this area. This position would also serve as acting Purchasing Manager in the absence of the manager.

- Enterprise Financial System support. Permission is sought to hire an Accountant III level position in the Accounting Division that is currently approved, but not funded. This position would be tasked with being the ERP financial module expert, providing customer service to the operating Departments, training of new and existing users in the Departments, and report development and maintenance. This position would also be responsible for coordinating the

upgrade to version 10 of the financial module. Projected cost for this position is \$118,000 including benefits.

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

Finance Department

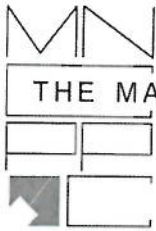
PRELIMINARY FY16 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY15 Adopted Budget	\$ 3,075,515	\$ 3,650,093	\$ 6,725,608		
Salaries	\$ 15,010	\$ 20,140	\$ 35,150		
Benefits	\$ (31,150)	\$ (41,810)	\$ (72,960)		
Other Operating Changes	\$ 7,985	\$ 10,715	\$ 18,700		
Chargebacks			\$ -		
FY15 One-time Expenses					
Subtotal Increase - Base Budget Request	\$ (8,155)	\$ (10,955)	\$ (19,110)	-0.3%	

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Tier 1	Audit Services	\$ 12,470	\$ 16,730	\$ 29,200	
	Total Tier 1	\$ 12,470	\$ 16,730	\$ 29,200	0.4%
	Subtotal Increase - Base Budget Request Plus Tier 1 Initiatives	\$ 4,315	\$ 5,775	\$ 10,090	
Tier 2	Training	\$ 13,600	\$ 18,250	\$ 31,850	
	Fund (2) frozen positions	\$ 109,740	\$ 147,260	\$ 257,000	
	Total Tier 2	\$ 123,340	\$ 165,510	\$ 288,850	4.3%
	Subtotal Increase - Proposed Changes Request - Tier 1 plus Tier 2	\$ 135,810	\$ 182,240	\$ 318,050	4.7%
	Total Increase FY16 Proposed Budget Request - Base plus Tier 1 and Tier 2	\$ 127,655	\$ 171,285	\$ 298,940	4.4%



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 23, 2014

To: Montgomery County Planning Board

From: Renee Kenney, Chief Internal Auditor

Re: FY16 Budget Request/Justification

Staff Recommendation

Approval to prepare the FY16 Office of Internal Audit (OIA) operating budget at the base budget plus proposed changes.

PRELIMINARY FY16 OPERATING BUDGET REQUEST				
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL
	FY15 Adopted Budget	199,278	346,447	545,725
FY16 BASE BUDGET				
	Salaries	7,464	6,942	14,406
	Benefits	(1,296)	1,929	633
	Other Operating Changes			0
	Chargebacks		(25,000)	(25,000)
	FY15 One-time Expenses			
	Subtotal Increase - Base Budget Request	6,168	(16,129)	(9,961)
Change to Base Between Counties from Labor Cost Allocation Change				
PROPOSED CHANGES				
	Professional Development	1,825	3,175	5,000
	Subtotal Proposed Changes	1,825	3,175	5,000
	Total FY16 Proposed Budget Request	207,271	333,493	540,764
		4.0%	-3.7%	-0.9%

The OIA has a FY15 adopted budget of \$545,725, split between Montgomery County and Prince George's County, 37/63% respectively.

FY16 salaries and benefits reflect an increase of \$6,168¹ over FY15 for Montgomery County. The increase is primarily attributed to salary equity and COLA adjustments.

The OIA is requesting a \$5,000 increase in their general operating budget for FY16. The additional funds to be split between Montgomery County (\$1,825) and Prince George's County (\$3,175). If approved, the OIA's total general operating budget will be \$31,300. This small increase is required to support the additional professional development costs of adding an Information Technology Auditor to the office in FY15. All five employees within the OIA maintain professional certifications and require continued education to stay current in their field and to satisfy *Government Auditing Standards*.

Thank you for your consideration.

¹ Salary amounts do not include any compensation markers for FY16. Salary and benefit adjustments to the base budget were obtained from the Budget Office and should be considered preliminary.



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

Reply To

October 16, 2014

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: Adrian R. Gardner
General Counsel

RE: Legal Department – FY 16 Administration Fund

This memorandum is to solicit Planning Board input in crafting the FY 2016 budget for the Commission's Office of General Counsel (OGC or Legal Department).

A. Recommendation

I recommend a maintenance-of-effort budget with one modest enhancement.

B. Budget Proposal

The Legal Department's FY 2016 proposed budget after chargebacks is \$2,421,607, allocated as follows:

- Montgomery County Administration Fund: \$1,528,536
- Prince George's County Administration Fund: \$893,071

This proposal represents a very small net decrease (-0.4%) below our FY 2015 approval. That net decrease actually includes three components: (a) a reduction in projected employee benefit costs, (b) enhancing one term contract work year to a career/merit position to service the planning functions in Montgomery County, and (c) updating estimates for adjustments to attorney grade levels. All non-personnel items are retained at levels that are flat.

C. Conclusion

I respectfully request Planning Board support this approach and will be prepared for our discussion next week.

c: Tonya Miles, Chief Departmental Administrator

LEGAL DEPARTMENT
PRELIMINARY FY16 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	Positions
FY15 Adopted Budget	\$ 1,508,966	\$ 923,261	\$ 2,432,227	
Salaries	\$ 28,393	\$ (16,258)	\$ 12,135	
Benefits	\$ (72,722)	\$ (20,231)	\$ (92,953)	(80,818)
Other Operating Changes	-	-	-	
Chargebacks	\$ 3,899	\$ (23,701)	\$ (19,802)	
FY15 One-time Expenses				
Subtotal Increase - Base Budget Request	\$ (40,430)	\$ (60,190)	\$ (100,620)	-4.1%

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Tier 1

Enhance one term contract to career/merit position	\$ 30,000	\$ 30,000	\$ 30,000	
Updating estimates for adjustments to attorney grade levels	\$ 30,000	\$ 30,000	\$ 60,000	
Total	\$ 60,000	\$ 30,000	\$ 90,000	3.7%
Subtotal Increase - Base Budget Request Plus Tier 1 Initiatives	\$ 19,570	\$ (30,190)	\$ (10,620)	
Subtotal Increase - Proposed Changes Request - Tier 1 plus Tier 2	\$ 60,000	\$ 30,000	\$ 90,000	3.7%
Total Increase FY16 Proposed Budget Request - Base plus Tier 1 and Tier 2	\$ 19,570	\$ (30,190)	\$ (10,620)	-0.4%