



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

**MCPB Agenda Item #3
October 20, 2016**

MEMORANDUM

TO: Montgomery County Planning Board
FROM: John Kroll, Corporate Budget Manager
DATE: October 13, 2016
SUBJECT: FY 2017 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 FY18 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, the Legal Department, and the Office of the CIO.

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

The staff recommendation is for Planning Board approval to prepare the FY18 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
Internal Audit	pages 12-13
Finance	pages 14-16
Legal	pages 17-19
CIO	pages 20-22



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 4, 2016

PCB 16-42

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

From: Patricia C. Barney, Executive Director

Subject: FY18 Budget – Administration Fund

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

Requested Action

Provide direction to prepare the FY18 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 requested positions to address critical needs expressed by operating departments and the joint County Council's CAS Study on service delivery recommendations.

Please note, the FY18 salary marker is budgeted in non-departmental and not reflected in the DHRM or the MSB budget. As the Corporate Budget Office is still working on the salary and benefit projections, the figures are preliminary. The Internal Service Fund's proposed FY18 budgets for Risk Management, Group Insurance, and the Executive Office Building will be presented in November.

Budget Preparation and Background

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

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

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

These areas collectively provide corporate governance and administer agency-wide initiatives to ensure fair and equitable practices/programs, regulatory compliance, competitive and cost-effective employment compensation and benefits, prudent fiscal planning, and sound workplace and liability protections. Programs administered by the Department are presented in the organizational chart, along with the proposed positions/workyears (WYs).

Discussion of DHRM Proposed Budget

The Proposed Base Budget incorporates direction from the Corporate Budget Office, including compensation projections and updated county budget allocations for FY18 of 43.6% Montgomery and 56.4% Prince George's. This represents a slight shift from the FY17 allocation of 42.4 % Montgomery and 57.6 % Prince George's.

The FY18 total budget, including requests to meet critical work program demands, is \$5,195,517 and is allocated as follows:

- \$2,315,671 for Montgomery (adjusted from \$2,069,303 in FY17).
- \$2,879,846 for Prince George's (adjusted from \$2,596,087 in FY17).

FY18 Work Program Priorities

- Effectively operate and maintain the new Enterprise Resources Planning system (ERP) for Human Resources components including compensation, position, recruitment, benefits, and self-service modules for improved data consistency and to streamline processes.
- Continue comprehensive review of policy system and significant update of agency standards/policies. The policy system encompasses nearly 200 policy areas covering areas of organizational functions, employment, procurement, financial systems, and risk/liability and safety regulations.
- Implement agency-wide employee training and leadership development program to address critical succession planning and lack of workforce training, and to address recommendations stemming from operating departments/CAS Study. Department Heads recommended that CAS develop a central platform for agency-wide training requiring subject matter experts for core areas such as: legal issues, financial systems, employment, organizational policy/regulatory compliance, and workplace safety, delivered by CAS. Feedback from management supported training that provides consistent access and content to employees across the agency.
- Implement a digital platform for the Corporate Records/Archives program to ensure continued compliance with changes in public records laws and revised State of Maryland protocols.
- Continue implementing management-supported recommendations from the Classification and Compensation study, such as Job Class Series Reviews prioritized by operating departments, including position management needs.
- Upgrade Recruitment and Selection's online application "NEOGOV" to include more efficient document management and screening.

**DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT
PROPOSED FY18 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	Department Total	% Change
FY17 Adopted Budget	\$ 2,069,303	\$ 2,596,087	\$ 4,665,390	
FY17 BASE BUDGET INCREASES (with Major Known Commitments)				
Salaries	25,377	5,900	31,277	
Benefits	50,614	49,337	99,951	
Other Operating Charges and Supplies	25,808	7,813	33,621	
Chargebacks	19,995	64,995	84,990	
Subtotal Increase - Base Budget Request	\$ 121,794	\$ 128,045	\$ 249,839	5.4%
<u>FY18 Proposed Critical Needs</u>				
Training Program Manager (3 month delay): \$70,099 salary & \$17,099 benefits.	38,018	49,179	87,197	
Training Program Specialist (6 month delay): \$39,738 salary & \$10,779 benefits.	22,025	28,491	50,517	
Unfreeze existing HR position to provide admin support to HR Director: \$54,593 salary + \$26,722 benefits.	38,607	49,941	88,548	
Convert Term Contract Management Analyst to Merit position: \$17,055 for benefits; no change in salary.	7,435	9,617	17,055	
Class/Comp HR Technician: \$54,593 salary + \$19,351 benefits= \$73,944 split .25 to MC and .75 to PGC;	18,486	55,458	73,944	
Class/Comp Admin - Chargeback 50% to PGC Recreation		(36,972)	(36,972)	
Embedded Labor Relations Specialists: \$79,475 salary+ \$21,557 benefits.	101,029		101,029	
Labor Relations Specialist - Chargeback 100% to MC Parks.	(101,029)		(101,029)	
Total Increase to Base Budget	\$ 246,365	\$ 283,759	\$ 530,127	
FY18 Total Proposed Budget	\$ 2,315,671	\$ 2,879,846	\$ 5,195,517	11.4%

FY18 proposed budget is based on revised funding allocation of 43.6% MC and 56.4% PGC.

Total of Proposed Essential Needs is \$280,289 after chargebacks.

FY18 Base Budget and Major Known Operating Commitments

The preliminary base budget reflects a 5.4% increase (\$249,839) which is apportioned \$121,794 Montgomery and \$128,045 for Prince George's based on the FY18 allocation of 43.6% Montgomery and 56.4% Prince George's. The total combined base budget includes the following:

- Salaries: Less than a 1% increase (or \$31,277).
- Benefits: Increased 9% (or \$99,951) primarily due to adjustments in pension costs.
- Other Operating Charges and Supplies: Increased 4% (or \$33,621).
- Chargebacks are adjusted for wage and benefit allocation; and reflect recent deductions based on new model.

FY18 Proposed Essential Needs/Restorations to Address Critical Needs

Five critical needs have been identified totaling \$418,290. The overall cost impact of essential needs is reduced by chargebacks of \$138,001, thus the net impact to the Administration Fund is \$280,289.

Critical needs are planned with an implementation date of July 1, 2018 unless otherwise indicated.

1. Support Critical Training Needs Identified by Operating Departments: (\$137,714)

In 2010, severe budget cuts resulted in the elimination of the Training and Development Unit, which was staffed by three individuals. In 2014-2015, Department Heads met on the effect of this action and the impact on their operations. Department Heads expressed strong criticism on the lack of centralized training on fundamental organizational standards/policies, workplace conduct, and succession planning. Some departments attempted to fill the void, but it has become apparent that certain training cannot be decentralized as attempts have resulted in inconsistent efforts and often times, mixed messaging of agency standards. Training retreats with departments revealed:

- External consulting costs are too prohibitive to provide necessary training to Merit and Contract workforce. Additionally, the use of external consulting undermines the consistent training delivery of many training areas. Training should not be a one-time event.
- Overwhelming need for training on standards in areas covering ethics and public accountability, workplace conduct, performance management, non-discrimination, supervisory competencies, etc.
- Critical need for succession planning, especially in light of the communicated concerns that more than 34% of the workforce will be eligible to retire between FY16 and FY20. Furthermore, 75% (53/71 employees) of the agency's Officials/Administrators will be eligible to retire during this same period.
- Need for subject matter experts to develop, deliver, track, and monitor mandatory training. This requires dedicated resources that are focused on the identified service need.

While DHRM has attempted to implement training, the already lean staff complement has made it extremely challenging to meet needs expressed by Department Heads. Dedicated staff is needed to make this sustained priority. We are requesting two positions, to develop, implement, and sustain the agency wide training:

- Add one Training Program Lead - funding delay of 3 months: \$87,197
- Add one Training Specialist - funding delay of 3 months: \$50,517

2. Unfreeze Administrative Specialist Position to Assist the Human Resources Director: (\$88,548)

The Human Resources Director has an essential need for administrative support. The administrative support position was frozen some years ago, leaving the Human Resources Director without any support. The administrative support is needed to assist with project tracking, scheduling, data entry, answering phones, and general administrative duties.

These duties must be absorbed by the Human Resources Director. It is more cost effective for this work to be performed by the administrative support position, thus freeing up the Human Resources Director to address more mission-critical priorities.

3. Convert Existing Contract Management Analyst Position to Merit: (\$17,055)

As is typical for an agency of this size, organizational standards must regularly be reviewed and updated to address federal/state mandates, public accountability, and provide clear and current operating/code of conduct guidance. The current staff complement consists of two dedicated Merit Management Analysts and a Term contract analyst. The team has an extensive workload, which is comprised of nearly 200 policy areas covering all areas of organizational functions, employment, ethics, public accountability, procurement, financial systems, liability and safety regulations. The team also is responsible for conducting specialized studies for agency-wide initiatives.

Through reorganization and budget constraints, the function has been considerably downsized. Additionally, the smaller team inherited a consolidated policy system which includes a significant number (more than 50%) of policies which have not been reviewed/updated in more than 20 years. There is a considerable backlog of work and a large number of critical policies that require attention. The heavy workload in bringing and keeping policies up to date is continuous and the existing staff is regularly relied upon to work extended hours to accomplish the most critical work identified by operating departments, or required to ensure compliance with federal/state laws and best practices. Furthermore, the need to update policies is regularly stressed by our operating departments, the Office of Internal Audit, and during the last external re-accreditation process of the Commission for Accreditation of Park and Recreation Agencies (CAPRA).

Policy work requires competent research, analysis, and management briefings by technically qualified specialists. While we have attempted to fill the void with Term employees, the Contract employment limitations result in frequent turnover. Temporary positions also make it very difficult to recruit seasoned professionals. Outdated standards create liability for the agency, lack of understanding of program requirements, and inconsistent application by management.

4. Add Human Resources Technician to Support Classification Program: (\$36,972 after chargeback)

The new ERP system has resulted in a substantial increase in the workload in position management. The position will also be used to provide support required to report employment demographics (personnel management review, union negotiation studies, compensation studies, etc.). This increase in work is related to greater administration of position transactions, specifically as they relate to the seasonal workforce. This was not required prior to implementation of the ERP system. In 2014, Human Resources was responsible for assigning position numbers to 768 staff. In 2015, this number was 18,747. Although the 2015 number included a one-time, system cleanup of converted data, the 2016 numbers through June reflected 5,568 position transactions.

The majority of the seasonal workforce is in Prince George's Parks and Recreation; however, all departments require position management support. Prince George's Parks and Recreation supports covering 50% of the cost of this position through chargeback to the Recreation Fund.

- HR Technician \$73,944 - less \$36,972 chargeback to Prince George's Recreation Fund.

5. Add Employee Labor Relations/Recruitment Specialist Position: (\$101,029 chargeback to Montgomery County Park Fund)

The 2009 Joint County Council CAS Study recommended that CAS expand the use of embedded staff in the field. A recent follow-up presentation to the Montgomery County PHED Committee again focused on this recommendation. After discussion with the Montgomery Parks Director, DHRM has included one new position to embed in the field for greater Employee/Labor Relations, and Recruitment and Selection support.

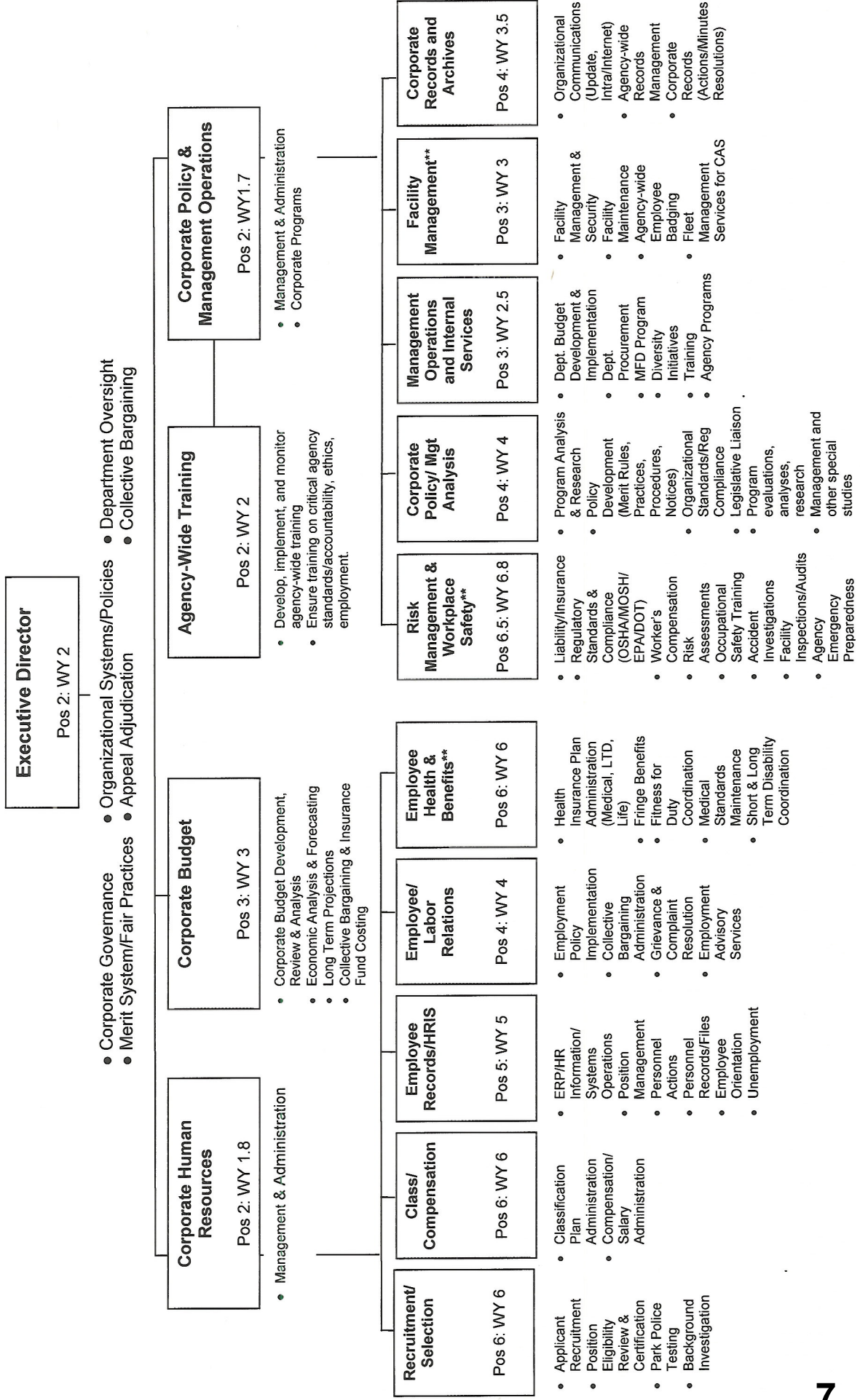
The position will address specific demand for assistance on investigations, consultations, and guidance and assisting in recruiting hard to fill positions and positions with high turnover. Our goal is to gain a better understanding of the Montgomery Parks Department's priorities and challenges, leading to enhanced service delivery. Funding for this position would be charged back 100% to Montgomery Parks.

Authorized Positions and Funded Workyears for DHRM –Table 1

The following table presents the FY18 authorized Merit position count additional position and workyears to fund critical needs. Salary lapse is reflected in the workyear counts.

	Authorized Positions	Funded WYs	MC WYs	PGC WYs
FY17 Term Contract Positions	1	1	.5	.5
FY17 Merit Position/WY Total	38	35	14.5	20.5
Total FY17 Position Count	39	36	15	21
Change Proposed in FY18				
Training Manager	1	1	.4	.6
Training Specialist	1	1	.4	.6
Unfreeze Existing HR Position to Provide Needed Administrative Support for HR Director		1	.4	.6
Convert Existing Term Policy Analyst to Merit	1	1	.4	.6
Eliminate Term Contract Policy Analyst	(-1)	(-1)	(.5)	(.5)
Embed HR/Labor Relations Specialist (100% Chargeback to MC Parks)	1	1	1	0
HR Tech for Classification Position Management Support (50% Chargeback to PGC Recreation Fund)	1	1	.25	.75
FY18 Proposed Merit Position Count	43	41	17.35	23.65
FY18 Proposed Term Contract Position Count	0	0	0	0
Total FY18 Position Count	43	41	17.35	23.65

FY18 Proposed
Department of Human Resources and Management
Organizational Chart (Merit Positions)



II. FY18 CAS Support Services Budget

The Central Administrative Services (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
- Office of Internal Audit
- 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. Operating costs for housing CAS operations (office space and building operations) represent the largest portion of the CAS Support Services budget (68% or \$ 1,012,902).

Expenses covered by the CAS Support Services budget include:

- Personnel Services costs for reimbursement of unemployment insurance for the State of Maryland. There are no staff positions/workyears 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 housing CAS operations, 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 CAS Budget

The total CAS Support Service budget for FY18 is \$1,479,332, which represents an increase of 5.5% (or \$77,376) from FY17 levels.

The CAS Support Services budget is presented using the FY18 allocation of 44.6% Montgomery and 55.4% for Prince George's. The FY18 total budget of \$1,479,332 is allocated as follows:

- \$659,782 for Montgomery (adjusted from \$619,665 in FY17).
- \$819,550 for Prince George's (adjusted from \$782,291 in FY17).

The FY18 Proposed Budget adjustments are based on the following known commitments:

- Personnel Services costs to cover unemployment insurance remained flat.
- Supplies and Materials increased \$26,100 to capture adjustments related to needed supplies and printer equipment/toner to support shared CAS services.
- Operating Costs for housing CAS operations at EOB increased by 5.8% (or \$51,376) due to adjustments in occupancy rates (\$22.97 to \$26.00) to address significant repairs and maintenance in aging building. Additionally, an existing tenant from the Parks and Recreation operations will be moving out. This is space that will be utilized by CAS operations, which has experienced significant space shortages.

Additional Essential Needs/Requests

There are no requests for additional funding.

CAS SUPPORT SERVICES
PRELIMINARY FY18 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	Total	% Change
FY17 Adopted Budget	<u>\$ 619,665</u>	<u>\$ 782,291</u>	<u>\$ 1,401,956</u>	
FY17 BASE BUDGET INCREASES/DECREASES				
Personnel Costs	31	(31)	0	
Benefits	0	0	0	
Supplies and Operating Charges	40,086	37,290	77,376	
Chargebacks	0	0	0	
Subtotal Increase - Base Budget Request	<u>\$ 40,117</u>	<u>\$ 37,259</u>	<u>\$ 77,376</u>	5.5%
 New Initiatives	 0	 0	 0	
Total Increase for FY18 (Changes in Base plus new initiatives)	<u>\$ 40,117</u>	<u>\$ 37,259</u>	<u>\$ 77,376</u>	
			<u>\$ -</u>	
Total FY18 Proposed Budget Request	<u>\$ 659,782</u>	<u>\$ 819,550</u>	<u>\$ 1,479,332</u>	5.5%

III. **FY18 Merit System Board Administration Budget**

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

The duties of the Merit System Board are to:

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

Discussion of Proposed Merit System Board Budget

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

The Board is supported by one part-time, Merit System position. For FY18, the part-time hours of the Merit System position are not expected to change.

FY18 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 FY18 budget level is \$166,241. This represents 1.9% increase (or \$3,099) increase from FY17 level of \$163,142. Increase is primarily due to increase in pension reported by the Corporate Budget Office. Levels for Supplies, and Other Services and Charges remained flat.

The FY18 total budget of \$166,241 is allocated as follows:

- \$83,120 for Montgomery (adjusted from \$81,571 in FY17).
- \$83,120 for Prince George's (adjusted from \$81,571 in FY17).

Additional Essential Needs/Requests

The Board has not proposed any new essential needs/initiatives for FY18.

**MERIT SYSTEM BOARD
FY18 OPERATING BUDGET REQUEST**

	MC	PGC	Department Total	% Change
FY17 Adopted Budget	<u>\$ 81,571</u>	<u>\$ 81,571</u>	<u>\$ 163,142</u>	
FY17 BASE BUDGET INCREASES				
Salaries	448	448	897	
Benefits	1,101	1,101	2,202	
Chargebacks	-	-	-	
Other Operating Charges	-	-	-	
Subtotal Base Budget FY18	<u>\$ 83,120</u>	<u>\$ 83,120</u>	<u>\$ 166,241</u>	1.90%
FY18 PROPOSED CHANGES/ESSENTIAL NEEDS				
Specific Request	<u>-</u>	<u>-</u>	<u>-</u>	
Subtotal Proposed Changes	<u>-</u>	<u>-</u>	<u>-</u>	
Total FY18 Proposed Budget Request	<u>\$ 83,120</u>	<u>\$ 83,120</u>	<u>\$ 166,241</u>	1.90%

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of Internal Audit • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

October 13, 2016

To: Prince George's County Planning Board

Montgomery County Planning Board

From: Renee Kenney, Chief Internal Auditor

Renee M Kenney

Re: FY18 Budget Request/Justification

The Office of Internal Audit submits the following FY18 budget proposal for your consideration and approval:

Office of Internal Audit							
PRELIMINARY FY18 OPERATING BUDGET REQUEST							
			MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
		FY17 Adopted Budget	\$ 234,792	\$ 345,084	\$ 579,876		
FY18 BASE BUDGET INCREASES							
		Salaries	3,526	6,897	10,423		
		Benefits	2,352	4,561	6,913		
		Other Operating Changes			-		
		Chargebacks		(23,830)	(23,830)		
		FY17 One-time Expenses					
		Subtotal Increase - Base Budget Request	\$ 5,878	\$ (12,372)	\$ (6,494)	-1.1%	5.0
		Change to Base Between Counties from Labor Cost Allocation Change					
PROPOSED CHANGES							
		.50 POS Seasonal/Admin.	8,650	16,350	25,000		
		Subtotal Proposed Changes	\$ 8,650	\$ 16,350	\$ 25,000	4.3%	
		Total Increase FY18 Proposed Budget Request	\$ 249,320	\$ 349,062	\$ 598,382	3.2%	5.0

The OIA proposed FY18 budget reflects an overall increase of \$18,506 or 3.2% over FY17, resulting in a total FY18 budget of \$598,382. If approved, Montgomery County's budget will increase \$14,528 (6.2%) and Prince George's County budget will increase \$3,978 (1.2%). The variance in the proposed increases between counties is primarily due to increased chargeback calculations.

The proposed budget changes include:

- \$17,336 of FY17 base budget increases;
- (\$23,830) increase in chargebacks; and
- \$25,000 request for ½ seasonal POS for OIA administrative support.

The \$17,336 of approved base budget increases can be attributed to salary adjustments for new hires coupled with increased benefit costs. Note: This amount is not reflective of FY18 compensation or reclassification markers.

Prince George's County Department of Parks and Recreation provides funding for one full time senior auditor. The increase in chargebacks is due to realigned staff assignments within OIA.

In addition to the base budget increases, the OIA is requesting approval of an additional \$25,000 for one part time seasonal administrative position. Currently, the OIA has five professional employees, (Chief Internal Auditor, three Senior Auditors and one IT Auditor.) In FY16, the OIA completed 7 Commission wide Performance Audits, 10 County Performance Audits, 10 Management Advisories, 5 Fraud, Waste, and Abuse Audits, and 24 Follow-up reviews. This level of productivity requires substantial administrative support, including:

- petty cash administration;
- purchase card administration;
- purchase order/contract renewal (e.g. audit software, Commission ethics hotline);
- ordering supplies;
- tracking of budget documents;
- scheduling of audit opening and closing meetings;
- preparation and distribution of Audit Committee meeting notes;
- peer review preparation; and
- miscellaneous office functions.

Currently the administrative functions are being completed by the Chief Internal Auditor and one Senior Auditor. Approval of the part-time administrative function will result in additional capacity for the OIA professional staff.

Thank you for your consideration.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20730

MEMORANDUM

DATE: October 5, 2016

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

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Finance Department FY18 budget submission

In developing this preliminary estimate of the FY 18 budget request, the Finance Department has carefully considered your guidance to ensure that services to the operating departments are maintained.

Comments on specific items are as follows:

- **Personal services:** Increase of \$90,054 in salaries and \$99,620 in benefits. This amount does not include any anticipated amounts for merit or COLA increases, which are addressed separately by the Budget Office. The primary growth in benefits is the anticipated 24% increase in pension costs. Salaries are rising due to the several factors. First, it has been necessary to pay considerably more than the midpoint to attract quality candidates to positions hired during the current year. Given this, we are requesting that all vacant positions be budgeted at greater than the midpoint. Finally, all vacant positions are anticipated to be filled by the end of FY 17, and a reduction of lapse from 2% to 1% is requested. This level of lapse reflects that realized in FY 13 and 14.
- **Other operating charges:** Contracted increases account for the 27,583 amount shown.

- Changes to chargebacks will result in a \$303,185 decrease in the net budget for 2018 due to the second year of phasing in IT costs not previously charged along with the increase due to cloud services.
- New requests are to provide funding for consulting services for ERP Support. These services have previously been funded from lapsed salaries. Additional funding is also requested to support the move to Cloud Services for ERP. This will provide additional support and functionality.

The staffing needs of the Department have also been carefully considered. At this time, it is believed that the existing complement of positions will be adequate to support the service demands. We are in the process of moving to fill all positions.

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

FINANCE DEPARTMENT
PRELIMINARY FY18 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY17 Adopted Budget	\$ 3,201,045	\$ 3,835,857	\$ 7,036,902		
Salaries	81,725	8,329	90,054		
Benefits	56,883	42,737	99,620		
Other Operating Changes	11,971	15,612	27,583		
Chargebacks	(110,664)	(192,521)	(303,185)		
FY17 One-time Expenses					
Subtotal Increase - Base Budget Request	\$ 39,915	\$ (125,843)	\$ (85,928)	-1.2%	

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Consultant	10,416	13,584	24,000		
Infor Cloudsuite	71,610	93,390	165,000		
			-		
			-		
Subtotal Proposed Changes	\$ 82,026	\$ 106,974	\$ 189,000	2.7%	
Total Increase FY18 Proposed Budget Request	\$ 3,322,986	\$ 3,816,988	\$ 7,139,974	1.5%	



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

Reply To

October 11, 2016

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 – Preliminary Budget Estimate – FY 2018

This memorandum presents a preliminary estimate for the purpose of discussion, and to guide the development of a final FY 2018 budget proposal for the Commission's Office of General Counsel ("OGC" or "Legal Department").

Base Budget Overview

Before adding any cost of living adjustments or increments for new initiatives, the Legal Department's base budget request is \$2,497,514, which reflects a net increase of \$100,686 (4.2%) above our FY 2017 approval that is allocable as follows:

- Montgomery County Administration Fund: \$1,346,939 (-0.3% decrease over FY 17)
- Prince George's County Administration Fund: \$1,150,575 (10.0% increase over FY 17)

For personnel service costs, several factors are driving changes in the Department's base level requirements:

- Completion of several job reclassifications (some under the new attorney job series)
- Changes elected in certain personnel benefit costs
- The updated labor allocation formula ("split") for Montgomery County / Prince George's County at 50.4% / 49.6% (versus 51.9% / 48.1%, respectively, for FY 2017)
- Reconfigured staffing for the Transactions Practice Team needed to recruit for a hard to fill position

Supplies and other non-personnel items in the base budget are retained at flat levels, except for increases in non-departmental charges passed through for capital equipment and the CIO allocation.

Critical New Initiative: Case Coordinator

In addition to the base budget described above, I propose to restore full funding for an existing professional work year that has been frozen since FY15. After accounting for the funding as described further below, the net impact above the base level budget for this proposal would be \$69,467 allocable as follows:

- Montgomery County Administration Fund: \$35,012
- Prince George's County Administration Fund: \$34,455

My recommendation is to enable the hiring of a paralegal or other paraprofessional to work as a department-wide “case coordinator” – that is, to focus on a work program consisting of at least four major critical elements:

- Coordinating litigation hold and production of discovery responses (agency-wide)
- Coordinating, tracking and supporting inter-departmental compliance with Maryland public information obligations
- Maintaining OGC's internal case management and workload tracking systems
- Producing designated reports for the Legal Department

The Legal Department's litigation hold and discovery production requirements must be augmented to avoid future disruptions to the attorney work program and periods when the capacity of our one litigation paralegal is outstripped by multiple deadlines. Meanwhile, even as Commission managers are beginning to retool internal policies and procedures for Public Information Act compliance, a conspicuous need for agency-wide coordination within the Legal Department is already apparent. Finally, the Legal Department needs more capacity to achieve real-time (daily or weekly) maintenance cycles for its internal case management database and file tracking tools. All of these overlapping priorities are appropriate to bundle into a single department-wide job with a focused portfolio.

A portion of the funding needed to restore funding for this position is already available by repurposing funds (\$30,000) reserved in the base budget for the anticipated cost of projected reclassifications (including from the attorney job series study). Based on the actual reclassification results and payments realized during this fiscal year, my proposed addition to the base budget offers the agency and OGC a sensible opportunity to achieve tangible operating enhancements at a relatively modest net budget impact.

cc: Tonya Miles, Chief Departmental Administrator

Attachment

Memorandum re: Legal Department – Preliminary FY 18 Budget

October 11, 2016

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LEGAL DEPARTMENT						
PRELIMINARY FY18 OPERATING BUDGET REQUEST						
		MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
	FY17 Adopted Budget	\$ 1,350,530	\$ 1,046,298	\$ 2,396,828		
FY18 BASE BUDGET INCREASES						
	Salaries	(48,184)	35,310	(12,874)		
	Benefits	31,514	53,439	84,953		
	Supplies and Materials	(447)	447	-		
	Other Services & Charges	24,730	31,455	56,185		
	Chargebacks	(11,204)	(16,374)	(27,578)		
	FY17 One-time Expenses					
	Subtotal Increase - Base Budget Request	\$ (3,591)	\$ 104,277	\$ 100,686	4.2%	24.0
	Percent Change	-0.3%	10.0%			
	Base FY18 Proposed Budget Request	\$ 1,346,939	\$ 1,150,575	\$ 2,497,514	4.2%	
	Change to Base Between Counties from Labor Cost Allocation Change	\$ (37,463)	\$ 37,463			
PROPOSED CHANGES						
	Restore Full Funding for Frozen Position / "Case Coordinator"	35,012	34,455	69,467	2.9%	0.0
	Subtotal Proposed Changes	\$ 35,012	\$ 34,455	\$ 69,467	2.9%	0.0
	Total FY18 Proposed Budget Request	\$ 1,381,951	\$ 1,185,030	\$ 2,566,981	7.1%	



The Maryland- National Capital Park and Planning Commission
Office of The Chief Information Officer | 6611 Kenilworth Ave. | Riverdale, MD. 20737

October 13, 2016

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

From: Mazen Chilet, Chief Information Officer - OCIO

Re: FY18 Budget Request and Justification

The Office of the Chief Information Officer submits the following FY18 budget proposal for your consideration and approval. The FY18 budget reflects an overall increase of \$ 506,829 or 65.6% over FY17, resulting in a total FY18 budget of \$ 1,279,351. The budget is comprising two parts:

I. **Part one: OCIO Operating Budget.**

OFFICE OF THE CIO				
PRELIMINARY FY18 OPERATING BUDGET REQUEST				
			% Change	Positions
	FY17 Adopted Budget	\$ 772,522		
FY18 BASE BUDGET INCREASES				
	Salaries & Benefits	33,224		
	Other Operating Changes	27,978		
	FY17 One-time Expenses			
	Subtotal Increase - Base Budget Request	\$ 61,202	7.9%	
PROPOSED CHANGES				
	Security Officer	139,137		1.0
	Business Systems Analyst	112,042		1.0
	Convert and upgrade PT Admin to FT	44,448		
	OCIO Staff training	30,000		
	Commission-wide training	90,000		
	Staff vehicle	30,000		
	Subtotal Proposed Changes	\$ 445,627	57.7%	
	Total Increase FY18 Proposed Budget Request	\$ 506,829	65.6%	2.0

The variation in the proposed OCIO Operating Budget increase is due to:

- \$61,202 (7.9%) of FY17 Base Budget increases in Salaries & Benefits and other operating expense changes
- \$295,627 (38.3%) for adding two full-time and upgrading a Part-time position.
- \$ 30,000 (3.9 %) OCIO Staff training. The training is used to prepare staff with up-to-date skills.
- \$90,000 (11.7 %) Commission Wide IT related and user training and awareness program.
- \$30,000 (3.9 %) for the procurement of a vehicle.

The addition of the IT Officer position is essential to securing and safeguarding Commission's data. The IT Security Officer Position (ITSO) serves as a resource regarding matters of information security and reports the status of ongoing information security activities to the CIO and IT Council. In brief the ITSO Responsibilities are:

- Lead in the development, adoption and enforcement of Information Security policies, procedures and standards.
- Conduct and complete an annual review of relevant regulations and reports.
- Maintain the Commission's Security Policies. These are formal policies that include:
 - Administrative: Risk analysis and management, documentation management and controls, information access controls and sanctions for failure to comply.
 - Personnel Security: Personnel only have access to the sensitive information for which they have appropriate authority and clearance.
 - Physical Safeguards: Assign security responsibilities, control access to media and the controls in place against unauthorized access to workstations and related equipment.
 - Technical Security: Set the access and authorization controls for everyday operations as well as emergency procedures for data.
 - Transmission security: Set the standards for access controls, audit trails, event reporting, encryption and integrity controls.

The addition of a Business Systems Analyst position is also critical at this juncture as we have filled the Project Manager Vacancies in the Project Management Office (PMO) where we are eager to get project rolling promptly and efficiently. The Analyst will be instrumental in proficiently vetting requirements and transforming them into technical requirements. This role will assist in defining and forming new ERP and EAM related improvement requirements and managing all the technical implementation lifecycle in the PMO office.

The conversion of the part time Administrative Assistant position to a full time Administrative Specialist ensures that the OCIO office is staffed with an Administrative staff of the right caliber to carry out technology related duties well beyond the typical administrative tasks.

The OCIO has identified IT training and Certifications essential for key Commission IT Professionals

The OCIO will embark on a Commission wide user awareness programs in security, confidentiality, copyright, and training on productivity application to address gaps in awareness and knowledge. This is a program that ensures staff preparedness so protecting the main elements of information Integrity, confidentiality and

availability is part of everyone's behavior. Our Goal is to be successful in protecting these elements by proper planning before an incident occurs. This approach will significantly reduce the risks of an attack and greatly increase our capabilities to be ready and effective in detecting and responding if an attack occurs. The program will be integrated into the onboarding of new hires and will become an annual requalification objective for all employees.

II. Part Two: Commission Wide IT (CWIT) Projects.

The budget request for the IT Initiatives was developed with the Chief Technology Officers and is being vetted by the Information Technology Council. The OCIO requests authority to spend \$1,885,000 for the projects below. All projects listed below will be funded from departmental contributions. The planned projects are:

- Microsoft Licenses – Annual enterprise agreement: Commission Wide Annual License subscription - \$900,000.
- Kronos – Annual Cloud hosting and related services: This covers for the annual cloud hosting services. IT will also cover new integration connectors and integration modifications resulting from moving INFOR to Cloud based V10 - \$120,000.
- Adobe - Annual enterprise agreement: Adobe licenses were purchased by departments, PG negotiated an Enterprise license agreement that will provide all commission users a license at the current combined cost - \$140,000.
- ERP – Enhancements: Transformative automation, business Value Dashboards, and integrations with other systems. The CIO is preauthorized to use towards incremental enhancements and additional features. Additional Modules, upgrades or major enhancements will need to get approved and funded by IT Council - \$200,000.
- EAM – Enhancements: Transformative automation, business Value Dashboards, and integrations with other systems. The CIO is preauthorized to use towards incremental enhancements and additional features. Additional Modules, upgrades or major enhancements will need to get approved and funded by IT Council - \$200,000.
- Website – Annual hosting and support: Annual development and technology upgrades and enhancements. This covers website and Content Management System (CMS) improvements - \$100,000.
- Security Assessment – Annual assessment: Annual penetration testing and vulnerability risk assessment. This also includes addressing vulnerabilities resulting from the assessment, depending on the, significance seriousness and the impact of the findings - \$135,000.
- Document Digitizing – To digitize PG Planning and CAS documents - \$90,000.

By comparison the adopted budget for FY17 initiatives was \$2,290,000.

In addition, the CWIT budget includes debt service of \$195,400 for the Alliance access and security system replacement project that was budgeted in FY17.

Thank you for your consideration.