

FY2025 Operating Budget Auditor Recommendations and Administration Response

Fund	Department - Cut	Auditor Recommendations			Administration Agreements		
		Recurring	One-Time	Total	Recurring	One-Time	Total
<i>General Fund</i>	Chief Administrative Officer - Other Professional Services	50,000		50,000	10,000		10,000
	Office of Transportation - Other Services	215,000		215,000	80,000		80,000
	Board Of Education - Fixed Charges	130,000		130,000	130,000		130,000
	Board Of Education - Multiple	3,040,800		3,040,800	3,040,800		3,040,800
	Office of Central Services - Water and Sewer	30,000		30,000	30,000		30,000
	Office of Central Services - Fuel Oil	20,000		20,000	20,000		20,000
	Department of Health - Data Processing Hardware		167,900	167,900			
	Department of Health - Office Equipment		18,000	18,000			
General Fund Total		3,485,800	185,900	3,671,700	3,310,800		3,310,800
Water and Wastewater Operating Fund	Department of Public Works -- Turnover	1,100,000		1,100,000	500,000		500,000
	TOTAL OPERATING BUDGET RECOMMENDATIONS:	4,585,800	185,900	4,771,700	3,810,800		3,810,800

Operating Budget Recommendations									
Department	Bureau	Page	Category	Object	Amount	Auditor Explanation	Total by Department	Budget Office Response	Budget Office Comment
Chief Administrative Officer	110	107	Contractual Services	7439-Other Professional Services	\$50,000	The Chief Administrative Office (CAO) provides funding for a variety of services throughout the year, including event marketing and promotions. The FY25 proposed budget for Other Professional Services is \$236,000. The CAO's fiscal year expenditures were \$14,257 in FY23. Through April 30, 2024, \$43,415 in FY24 funding has been committed. We recommend reducing the FY25 proposed budget by \$50,000 to \$186,000 to consider the expenditure history of the account. This provides funding for all planned purposes and provides an additional \$50,000 for unidentified purposes.		Disagree	<i>Budget Office analysis adds \$60k for Nonprofit Center and \$15k for OHMLR to 3-year average of Contractual Services object. We can agree to a \$10k cut, but any more would jeopardize planned FY25 initiatives in those categories</i>
Total Chief Administrative Office Recommendations:							\$50,000	\$10,000	
Office of Transportation	450	173	Contractual Services	7809 - Other Services	\$215,000	The Office of Transportation's transit service contract cost calculations assume a 3% contract rate increase for calendar year 2025 and use the highest monthly payment to estimate costs. We recommend a \$215,000 reduction to reflect a transit service rate increase consistent with 2024 and use of the average monthly payment to estimate total costs.		Partially agree	<i>Most recent invoices are higher than first 6-month average. We can agree to use the auditor's CPI (2.2%) for cut of \$80k</i>
Total Office of Transportation Recommendations:							\$215,000	\$80,000	
Board Of Education		180	Fixed Charges		\$130,000	The Board of Education's (BOE) updated annual liabilities has resulted in \$130,000 reduction in estimated costs. Therefore, we recommend reducing the FY25 unrestricted budget by \$130,000 to correct the contribution to the Self-Insurance Fund.		Agree	<i>The Administration supports redeploying this funding to other needs within the overall Board of Education request</i>
Board Of Education		180	Multiple		\$3,040,800	The New Village Academy Public Charter School announced in mid-May 2024 that it will defer opening until Fall 2025. BOE's FY25 operating costs will decrease as a result of this delay. We recommend reducing the FY25 budget by \$3,040,800 to reflect this reduced operating cost.		Agree	<i>The Administration supports redeploying this funding to other needs within the overall Board of Education request</i>
Total Board of Education Recommendations:							\$3,170,800	\$3,170,800	
Office of Central Services	180	119	Contractual Services	7224-Water and Sewer	\$30,000	The Office of Central Services (OCS) funds water and sewer costs for most County buildings. The OCS' FY25 requested budget of \$650,000 did not include new locations and remained the same from the FY24 approved budget. Water and sewer actual costs have been decreasing since FY22. Specifically, actual costs went from \$618,600 in FY22 to \$572,100 in FY23. OCS is estimating expenditures to be \$590,600 for FY24 (a three-year average). Although we estimated \$563,000 for FY24 showing the costs continuing to decline, we used OCS' FY24 estimate in assessing the FY25 proposed budget to take a conservative approach. We recommend reducing the FY25 proposed budget to \$620,000 (a \$30,000 reduction). Our calculated estimate reflected OCS' FY24 estimate plus inflation and weather volatility.		Agree	
Office of Central Services	180	119	Contractual Services	7223-Fuel Oil	\$20,000	OCS funds fuel oil costs for most County buildings. The OCS' FY25 requested budget of \$134,600 did not include new locations and decreased by approximately \$53,500. As shown in the budget decrease from FY24, fuel oil actual costs have been decreasing since FY22. Specifically, actual costs went from \$134,600 in FY22 to \$108,200 in FY23. OCS is estimating expenditures to be \$99,700 for FY24 (a three-year average). Although we estimated \$82,000 for FY24 showing the costs continuing to decline, we used OCS' FY24 estimate in assessing the FY25 proposed budget to take a conservative approach. We recommend reducing the FY25 proposed budget by \$20,000 to \$114,600 to account for estimated expenditures for FY24 plus inflation and weather volatility.		Agree	
Total Office of Central Services							\$50,000	\$50,000	
Department of Health	535	253	7200 - Contractual Services	7207 - Data Processing Hardware	\$167,900	The replacement costs of computers and related equipment based on the County's five-year replacement policy totaling \$167,900 was included in the Department of Health's (DOH) budget when the County's replacement policy states that the Office of Information Technology (OIT) is responsible for technology within the five-year refresh cycle. We recommend deleting the FY25 budget request of \$167,900.		Disagree	<i>These funds are needed for FY25 computer replacements. Health is a State/County agency and OIT is not responsible for DOH computers. Long term strategy will be determined in workgroup this summer with OIT, Health and Budget</i>
Department of Health	535	253	7200 - Contractual Services	7211 - Office Equipment	\$18,000	The replacement costs of computers and related equipment based on the County's five-year replacement policy totaling \$18,000 was included in the DOH's budget when the County's replacement policy states that OIT is responsible for technology within the five-year refresh cycle. We recommend reducing the FY25 budget request by \$18,000 to \$36,000.		Disagree	<i>Same as note above</i>
Total Department of Health Recommendations:							\$185,900	\$0	
TOTAL GENERAL OPERATING FUND RECOMMENDATIONS:							\$3,671,700	\$3,310,800	
Water and Wastewater Operating Fund	310, 665, 670	214-215	Personal Services	7019 - Turnover	\$1,100,000	This object is calculated to determine the savings projected to occur in the personal services category due to vacancies. The Water and Wastewater Operating Fund (Fund) turnover budget request is 4.05%. The FY24 Fund approved budgeted turnover was 4.25%. However, actual turnover for FY24 is now estimated at 8.29%. As of April 10, 2024, 43 of 383 positions were vacant (11.2%). As of May 10, 2023, there were also 43 vacant positions. Considering there are the same number of vacancies as last fiscal year and that the estimated turnover rate for FY24 remains significantly higher than the budgeted rate, we recommend that the proposed turnover budget increase by (\$1,100,000), or to 6.00% based on historical turnover rates. Actual turnover rates over the past three years were still higher than what we are recommending (ranging from 6.66% to 8.29%).		Partially Agree	<i>Auditor analysis is correct but DPW is embarking on aggressive hiring campaign for vacancies. DPW willing to agree to \$500,000 turnover cut, but requests the balance to support its hiring efforts.</i>
Total Water and Wastewater Operating Fund							\$1,100,000	\$500,000	
TOTAL OPERATING BUDGET RECOMMENDATIONS:							\$4,771,700	\$3,810,800	

Class	Project #	Project Name	Budget Boo	Description of Recommendation	Explanation	Total FY25 PAYGO	Total FY25 Bonds	Total Prior Approved Bonds	Budget Office Response	Comment
Community College	J569700	Health and Life Sciences Bldg	347	Reduce prior approved general county bonds by \$197,000.	The Community College advised that this project is complete and has determined that the remaining County project funding can be released. Therefore, we recommend reducing prior approved general county bonds by \$197,000.			\$197,000	\$197,000	
Community College	J587500	GBTU Tutoring Ctr Renovation	349	Reduce prior approved general county bonds by \$84,000.	The Community College advised that the project is in closeout and has determined that project funding of \$84,000 can be released. Therefore, we recommend reducing prior approved general county bonds by \$84,000.			\$84,000	\$84,000	
Total Community College Recommendations:									\$281,000	
Dredging	Q582300	Severn River HW Dredging 2	268	Reduce MD waterway improvement funds by \$89,000.	This project is complete and the Administration advised the remaining funding can be released. Therefore, we recommend reducing prior approved MD waterway improvement funds by \$89,000.				\$89,000	
Dredging	Q584900	Yantz & Saltworks Creek Drdg	270	Reduce prior approved general county bonds by \$69,000 and prior approved MD waterway improvement funds by \$15,000.	Our review disclosed that estimated project costs were reduced. The Administration advised that the excess funds can be released. We recommend reducing the prior approved appropriation by \$84,000; reduce prior approved general county bonds by \$69,000 and prior approved MD waterway improvement funds by \$15,000.			\$69,000	\$84,000	
Dredging	Q585000	Grays Crk & Hunters Hbr Drdg	271	Reduce prior approved general county bonds by \$177,000 and prior approved MD waterway improvement funds by \$189,000.	Our review disclosed that estimated project costs were reduced. The Administration advised that the excess funds can be released. We recommend reducing the prior approved appropriation by \$366,000, reduce prior approved general county bonds by \$177,000, and prior approved MD waterway improvement funds by \$189,000.			\$177,000	\$366,000	
Total Dredging Recommendations:									\$539,000	
General County	C106700	Advance Land Acquisition	19	Delete FY25 general fund PAYGO of \$3,350,000.	As of March 31, 2024, the available project balance was approximately \$5,644,910. The Administration advises that \$3,500,000 in FY24 and FY25 funding is being used to purchase property for the Board of Education School Bus Facility/Lot (Project #E591800) capital project. This would leave \$5,495,000 for unanticipated needs. Based on the lack of support and the available balance, we recommend deleting FY25 general fund PAYGO of \$3,350,000.	\$3,350,000			\$0	<i>This request replenishes funds that will be used in FY24 for the purchase of 1699 Millersville Road, AACPS's Transportation Center. The balance in this account allows us to react quickly when sites become available and can also provide an allowance should some of these property estimates/appraisals come in higher than anticipated.</i>
General County	C443400	Agricultural Preservation Prgm	22	Delete \$70,000 in FY26 miscellaneous funds.	FY26 miscellaneous funding from the Tri-County Council of Southern Maryland is included for operating budget expenditures. We recommend deleting FY26 miscellaneous funding of \$70,000 and including this funding in the FY26 Current Expense Budget once awarded.				\$70,000	
General County	C501100	Failed Sewage&Private Well Fnd	25	Delete FY25 general fund PAYGO of \$80,000.	As of May 21, 2024, this project had an available project balance of \$185,000. The average annual expenses in this project are \$38,000. There is sufficient available balance for the Administration to perform planned tasks of \$53,000 and the remaining project funds would be available for any unplanned costs. Therefore, we recommend deleting FY25 general fund PAYGO of \$80,000.	\$80,000			\$80,000	
General County	C562400	Add'l Salt Storage Capacity	33	Reduce FY26 general county bonds by \$200,000.	Our review disclosed calculation errors in the project cost estimates. As a result, the project budget can be reduced by \$200,000. Therefore, we recommend reducing FY26 general county bonds by \$200,000.				\$200,000	
General County	C571700	Parking Garages Repair/Renov	36	Reduce FY25 PAYGO by \$14,000 and reduce FY26 general county bonds by \$495,000.	Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$509,000. Therefore, we recommend reducing FY25 PAYGO by \$14,000 and reducing FY26 general county bonds by \$495,000.	\$14,000			\$509,000	
General County	C571800	Millersville Garage Renovation	37	Reduce FY26 general county bonds by \$337,000.	Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$337,000. Therefore, we recommend reducing FY26 general county bonds by \$337,000.				\$337,000	

General County	C580000	West County Road Ops Yard	40	Reduce prior approved general county bonds by an additional \$1,112,000.	Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$1,112,000. The proposed FY25 budget included a reduction of \$673,000 in the prior approved general county bonds. Therefore, we recommend reducing prior approved general county bonds by an additional \$1,112,000.			\$1,112,000	\$1,112,000	
General County	C585700	Circuit Courthouse Major Reno	43	Reduce FY26 general county bonds by \$513,000, reduce FY27 general county bonds by \$408,000, and reduce FY28 general county bonds by \$72,000.	Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$993,000. Therefore, we recommend reducing FY26 general county bonds by \$513,000, FY27 general county bonds by \$408,000, and FY28 general county bonds by \$72,000.				\$993,000	
Total General County Recommendations:									\$3,301,000	
Public Safety	F586400	Joint 911 Public Safety Ctr	82	Delete FY25 general county bonds of \$488,000 and replace with public safety impact fees of \$488,000.	This project is eligible for public safety impact fees that are available and are not being fully utilized. We recommend deleting FY25 general county bonds of \$488,000 and adding public safety impact fees of \$488,000.		\$488,000		\$0	
Public Safety	F563000	Police Training Academy	87	Reduce prior approved general county bonds by \$170,000.	Our review disclosed calculation errors in the project cost estimates for phase 2. As a result, the Administration reduced the project budget for phase 2 by \$170,000. Therefore, we recommend reducing prior approved general county bonds by \$170,000.			\$170,000	\$170,000	
Public Safety	F572800	New Police C. I.D. Facility	90	Reduce prior approved public safety impact fees by \$90,000.	This project is complete, and the Administration has determined that project funds can be reduced by \$90,000. Therefore, we recommend reducing prior approved public safety impact fees by \$90,000.				\$90,000	
Public Safety	F575100	Evidence & Forensic Sci Unit	93	Reduce prior approved general county bonds by \$2,095,000.	Our review disclosed that a contract was awarded for construction (\$24,369,234); however, a higher cost estimate was used to determine the overall project cost (\$26,349,000). In addition, the project includes contingency funds of \$2,750,200. The Administration would like to retain the excess in the project for potential future changes. In light of the existing contingency provision and the existence of a contract award, we recommend reducing the project budget to the estimated cost using the contract award amount.			\$2,095,000	\$1,000,000	<i>Due to construction not being underway yet, and possibility of unsatisfactory conditions, these funds should not be fully eliminated from the project until construction is farther along. DPW is comfortable reducing by \$1M.</i>
Total Public Safety Recommendations:									\$1,260,000	
Recreation & Parks	P445800	Facility Lighting	108	Delete FY25 general county bonds of \$90,000 and reduce ARP grant funding by \$249,000.	The Administration advised that reassessment of project costs results in less FY25 project funding being needed. Therefore, we recommend deleting \$90,000 in FY25 general county bonds and reducing FY25 ARP funding by \$249,000.		\$90,000		\$339,000	
Recreation & Parks	P452500	R & P Project Plan	109	Reduce FY25 general fund PAYGO by \$63,000.	The Administration advised that reassessment of project costs results in less FY25 project funding being needed. Therefore, we recommend reducing FY25 general fund PAYGO by \$63,000.	\$63,000			\$63,000	
Recreation & Parks	P570000	N Arundel Swim Ctr Campus Imp	119	Reduce FY25 general county bonds by \$100,000.	This project includes \$1,000,000 for project lighting, which exceeds the FY24 average lighting project cost of \$475,000. The Administration revised the lighting project estimate to \$600,000 but requests an additional \$300,000 for a playground to be added to the project. Therefore, general county bonds can be reduced by \$100,000.		\$100,000		\$100,000	
Recreation & Parks	P570200	Eisenhower Golf Course	120	Reduce FY25 general county bonds by \$400,000.	Due to errors in the project budget, the Administration revised the project budget, resulting in a cost reduction of \$400,000. We recommend reducing FY25 general county bonds by \$400,000.		\$400,000		\$400,000	

Water	W778600	Crofton Meadows II WTP Upgr	438	Reduce FY25 water bonds by \$1,339,000.	The project cost estimate included an error in the calculation resulting in excess funds. The Administration revised the project budget, resulting in a cost reduction of \$1,339,000. Therefore, we recommend reducing FY25 water bonds by \$1,339,000.				\$1,339,000	\$1,339,000
									Total Water Recommendations:	\$1,339,000
									TOTAL CAPITAL BUDGET OFFICE AGREEMENT:	\$11,520,000