



Legislation Review

Review of the Fiscal Year 2025 Proposed Current Expense Budget Office of Central Services

Report Date: May 20, 2024

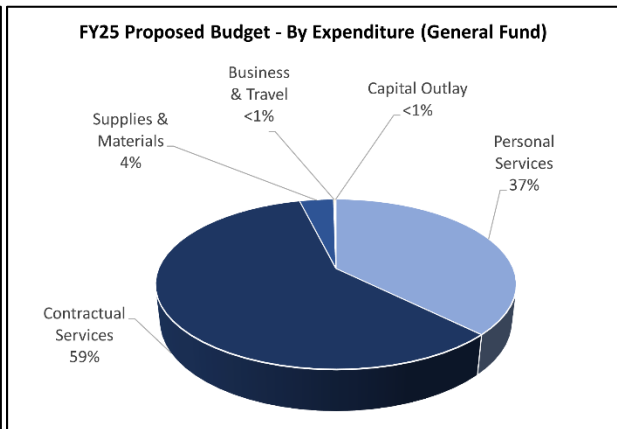
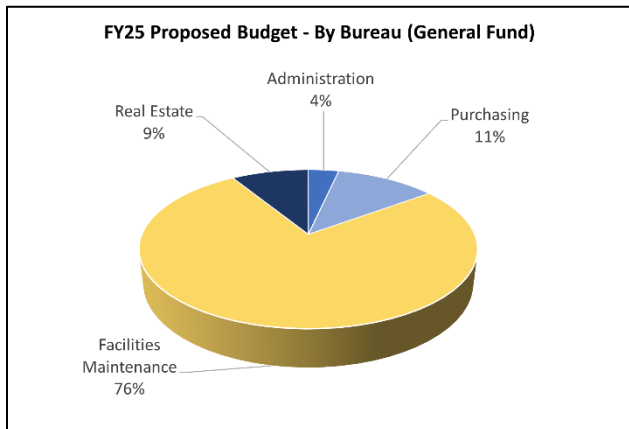
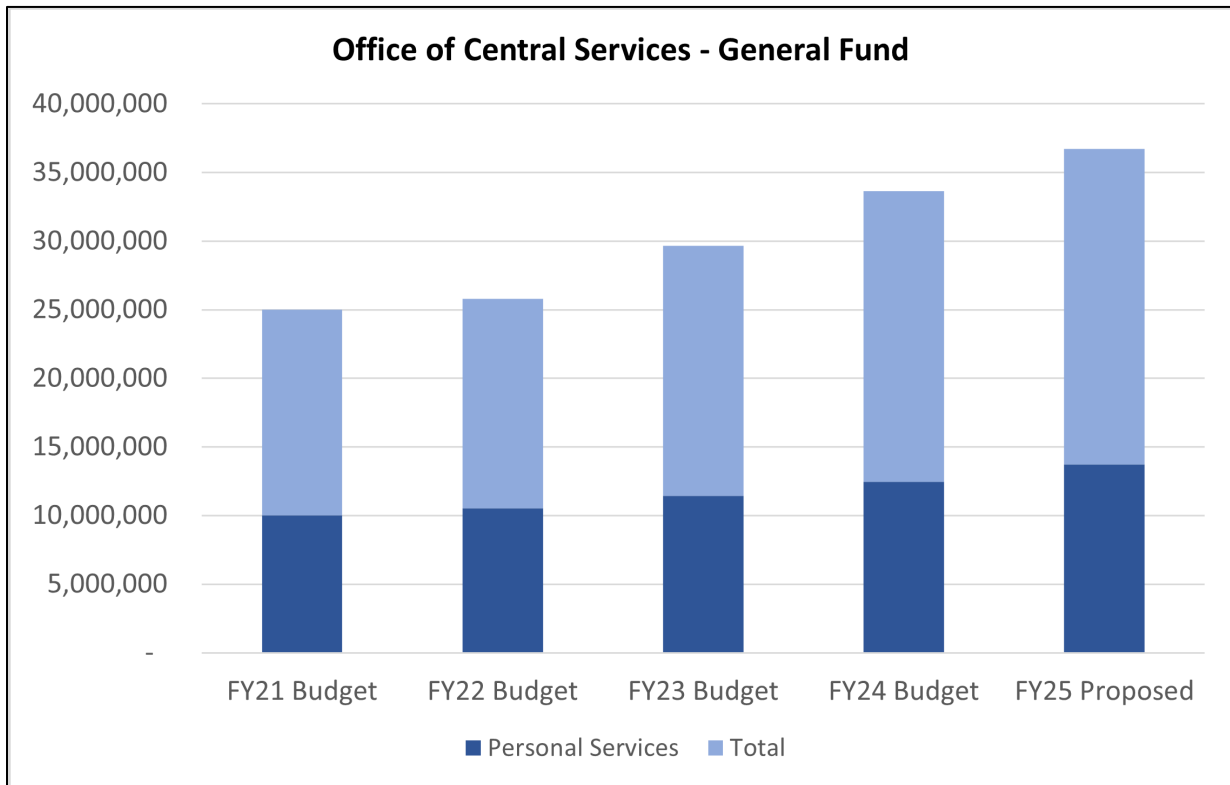
Hearing Date: May 21, 2024

Questions Sent to the Agency:	May 3, 2024; May 5, 2024; May 13, 2024; May 15, 2024
Responses Received from the Agency:	May 8, 2024; May 8, 2024; May 13, 2024; May 14, 2024; May 15, 2024

This analysis considers all agency responses.

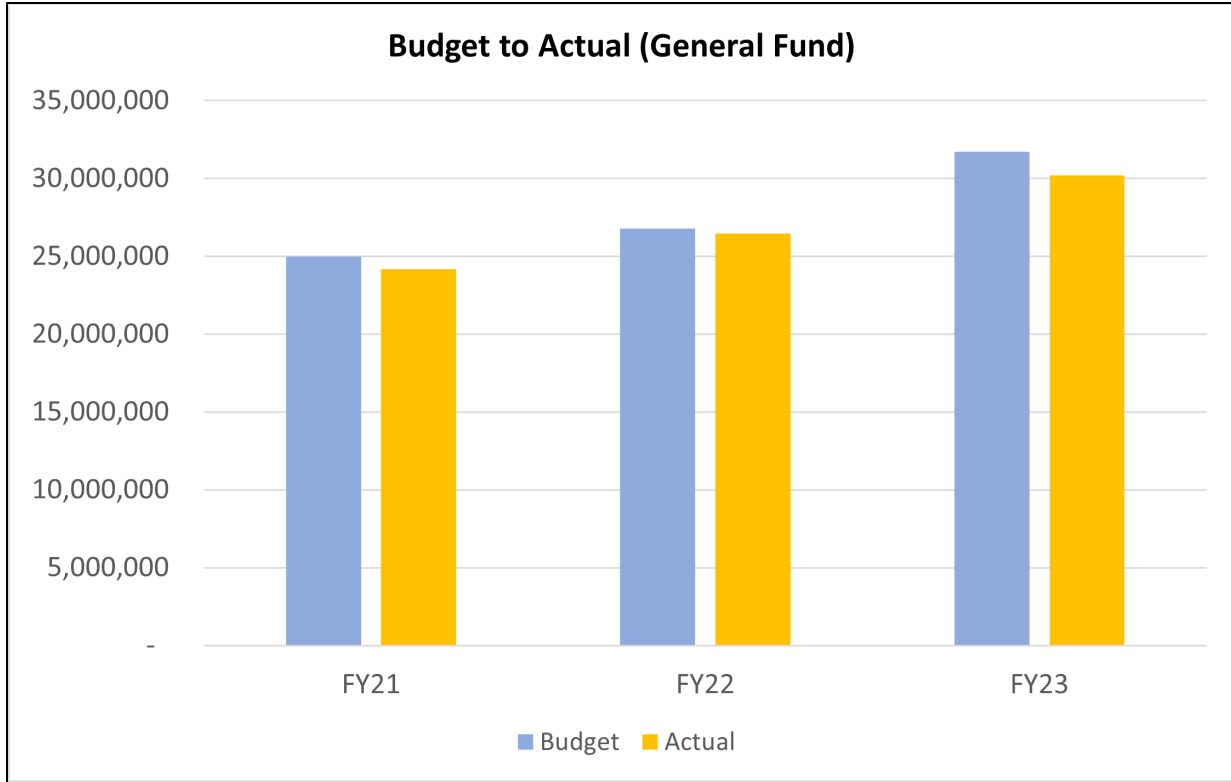
Office of Central Services – General Fund

Operating Budget Summary



Note: Chart data provided in Appendix 1

Analysis of the FY25 Proposed Current Expense Budget



Note: Chart data provided in Appendix 1. Adjusted Budget includes supplemental appropriations of \$1,011,300 for FY22 and \$2,050,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

Proposed Budget Change

FY24 Budget	\$33,663,200
FY25 Proposed Budget	\$36,722,500

Where It Goes – Highlighted Changes	Change
Personnel – pay package (cost of living and step/merit increase)	492,300
Personnel – Turnover – assumes fewer position vacancies	441,300
Crownsville Hospital Memorial Park Water and Wastewater Treatment Plant – managed by Department of Public Works	565,200
Insurance – due to supply chain disruptions, aging infrastructure, building material price increases, and severe weather	297,200
Custodial services associated with a new vendor contract	146,900
Grounds maintenance contractor increase to reflect additional areas and repair of a bioretention pond	615,100
Office refurbishment projects to address HVAC improvements, overhead door repairs, and other remediation work	163,700
Removal of one-time funding for automotive equipment	(173,200)

Personnel Data

Full-Time Equivalent Positions as of April 10, 2024					
Positions	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Proposed	FY24 v. FY25
General Fund	120	127	125	125	0
Filled	101	114	114		
Vacant	19	13	11		

- One reclassification is proposed** – One filled Management Assistant II position to a Senior Management Assistant position, which is reclassifying this position from a NR-17 to NR-19. The Office of Central Services (OCS) advised that the roles and responsibilities of this position have changed beyond providing general administrative support services. This position is responsible for creating, analyzing, and developing the operating, Whitmore Parking Garage, and capital budgets for the Facilities Management Division and is responsible for the administration, projections, and maintenance of the Division’s operating and capital budgets.
- Proposed Turnover Rate** – The FY25 Proposed Current Expense Budget assumes 4% (\$476,200) turnover, which is a decrease from (\$917,500) FY24, and below the 9% vacancy rate on April 10, 2024 and the turnover rate in previous years (6% in FY23 and 9% in FY22). We are still in the process of evaluating this proposed budget to determine if we will recommend a reduction.

Key Observations

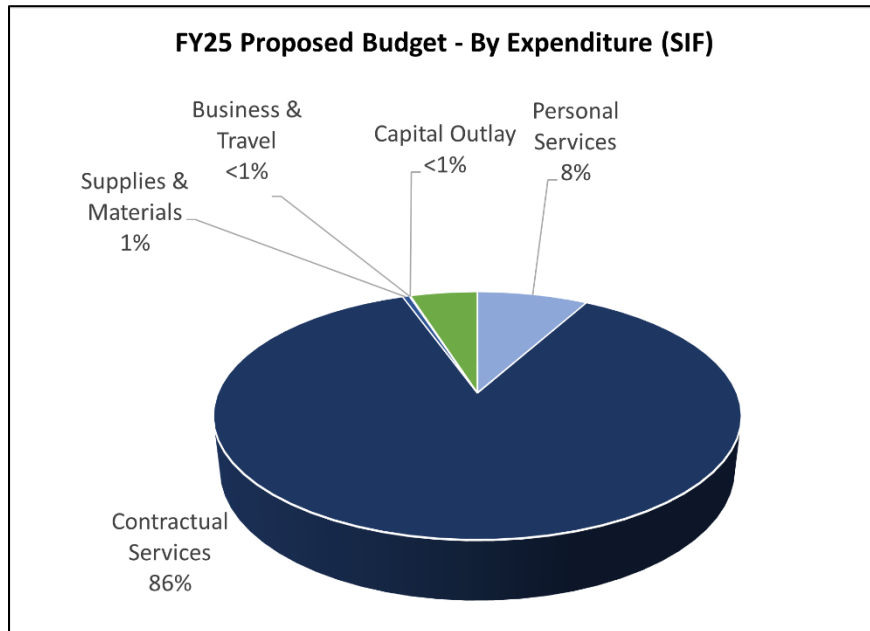
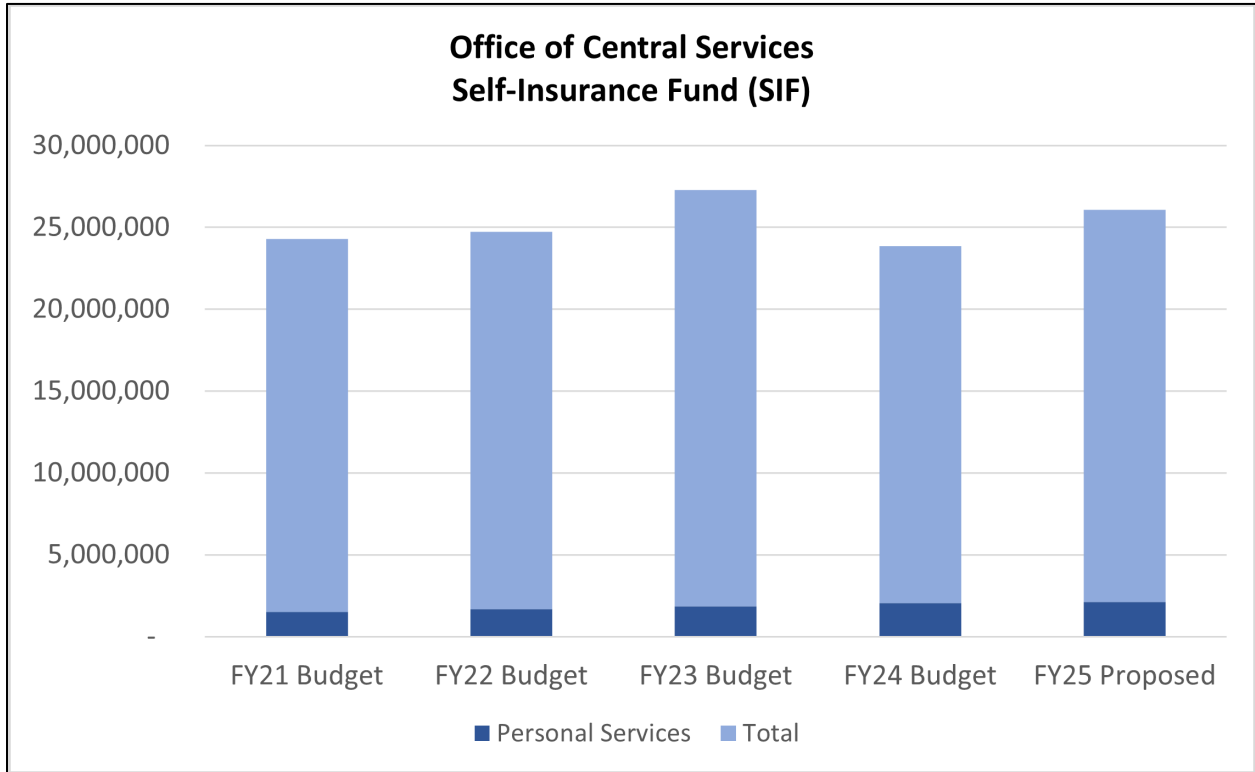
1. Crownsville Hospital Memorial Park Water and Wastewater Treatment Plant –

The FY25 Proposed Current Expense Budget includes \$1,363,100 for the Crownsville Hospital Water and Wastewater Treatment Plant (Plant). This is a \$565,200 increase over the current year. The Plant has been under OCS management since it was transferred from the state. It does not fall into the Department of Public Works (DPW) Bureau of Utility Operations as it has its own plants, completely separate from County water and sewer, and does not contribute to the Water and Wastewater Operating Fund. As of April 1, 2024, DPW is managing the Plant as the County terminated the contract with the Maryland Environmental Service who had been running the site. The proposed budget includes funding to cover DPW management/operational costs (\$688,900), distribution repairs (\$57,100), pump and hauling (\$575,100), and water (\$42,000).

- 2. Grounds Maintenance Cost Increase –** The FY25 Proposed Current Expense Budget requests \$1,107,100 which reflects an increase of \$615,100 for grounds maintenance, which includes a vendor rate increase and the addition of previously unfunded locations to their service contract (\$370,300), increase in tree trimming costs (\$31,900), one-time funding for restoration of bioretention ponds (\$151,000), and recurring funding for maintenance of the ponds (\$61,000). OCS advised that the increased funding request is necessary to avoid violations from the Department of Inspections and Permits.

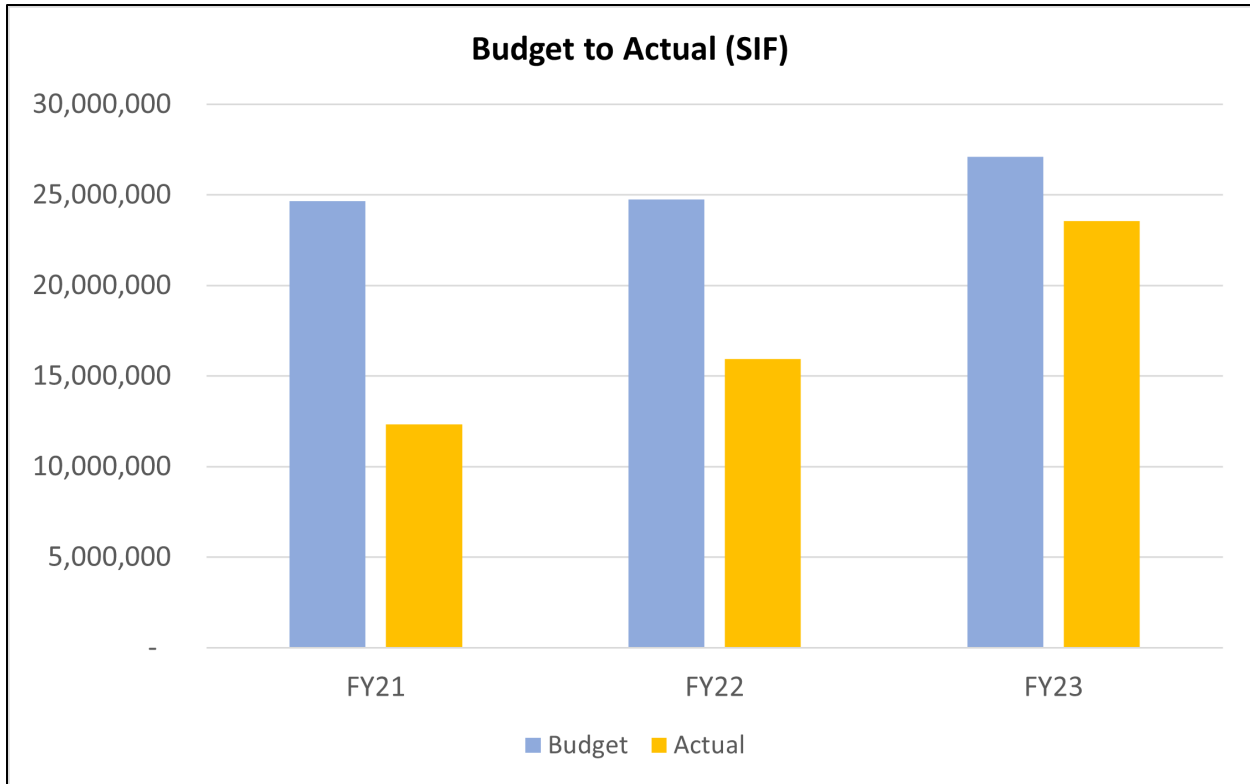
Office of Central Services – Self-Insurance Fund

Operating Budget Summary



Note: Chart data is provided in Appendix 2

Analysis of the FY25 Proposed Current Expense Budget



Note: Chart data provided in Appendix 2. Adjusted Budget includes supplemental appropriations of \$344,000 for FY21 and an appropriation adjustment of (\$180,000) for FY23, and, therefore, does not match the Original Budget used in Chart 1.

Personnel Data

Full-Time Equivalent Positions as of April 10, 2024					
Positions	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Proposed	FY24 v. FY25
Self-Insurance Fund	16	16	17	17	0
Filled	16	16	17		
Vacant	0	0	0		

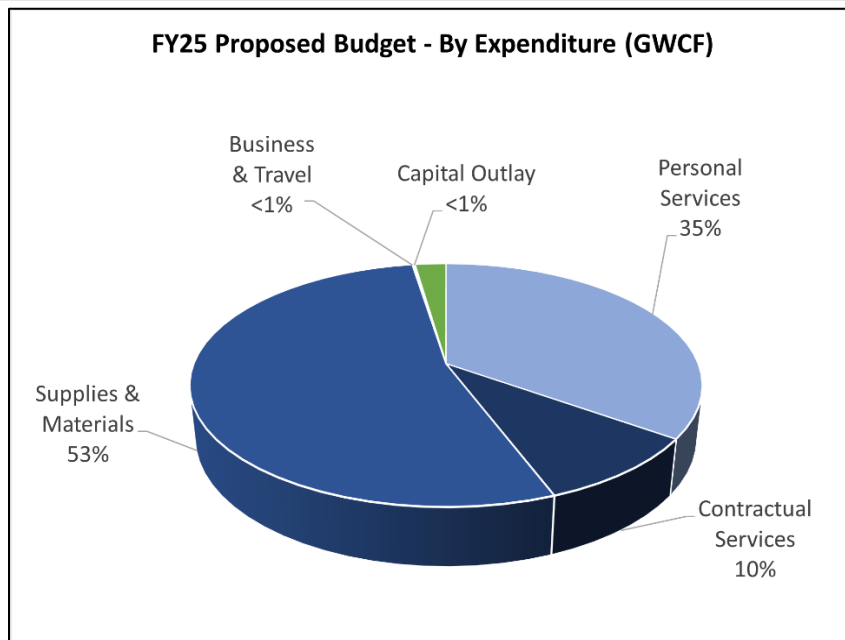
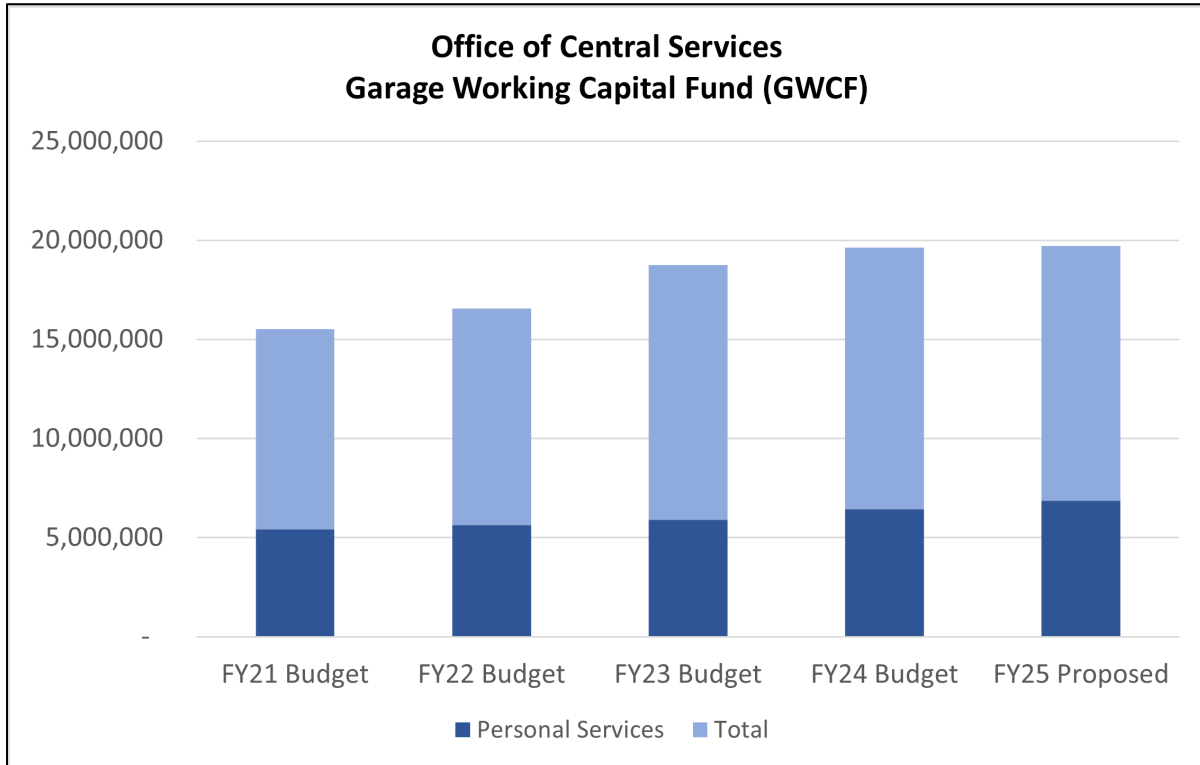
- **Two reclassifications are proposed-**
 - Two filled Safety Coordinator positions to Senior Safety Coordinator positions, reclassing the positions two grades higher from a NR-15 to NR-17. OCS advised that these positions are now responsible for creating and administrating County-wide safety programs as opposed to departmental level training programs.

Key Observations and Recommendation

- 1. Bureau of Highways Capital Project** – The Bureau of Highways experienced a fire at its traffic maintenance facility in Millersville on March 18, 2024. The FY25 Proposed Current Expense Budget includes \$1,000,000 in anticipated insurance payments for the fire damage being allocated to the FY25 Proposed Capital Budget and Program for the Traffic Maint Fac Upg Relo (Project #C589000, p.45 of the capital budget book). The FY25 capital budget reflects \$1,000,000 in FY25 Insurance Recoveries funding for costs associated with providing temporary facilities.
- 2. Increase in Insurance Costs** – The FY25 Proposed Current Expense Budget reflects a collective \$1,100,000 increase in Worker’s Compensation, General Liability, Automobile Liability, and Vehicle Collision insurances based on the recommendations from the June 30, 2023 actuarial study for the SIF.
- 3. Self-Insurance Fund Balance Policy** – OCS current policy requires that the SIF maintain a budget year ending fund balance in the range of 6% of the Total Liability or 12% of the Unpaid Claims published on the most recent Annual Comprehensive Financial Report (ACFR). The FY23 ACFR states the Total Liability as \$88,205,544 and the Unpaid Claims as \$44,214,143, resulting in an ending fund balance range of \$5,292,332-\$5,305,697. The FY25 Proposed Current Expense Budget projects a June 30, 2025 fund balance of \$5,332,700, which is slightly higher than the policy fund balance range.
- 4. Reduction of Self-Insurance Contribution – Board of Education (BOE)** – The FY25 Proposed Current Expense Budget assumes a BOE contribution of \$4,389,500 to adequately fund SIF. Based on the annual liabilities update, BOE advised that there can be a decrease to the proposed budget contribution by \$130,000. **Therefore, we recommend a reduction of the BOE contribution to SIF of \$130,000.**

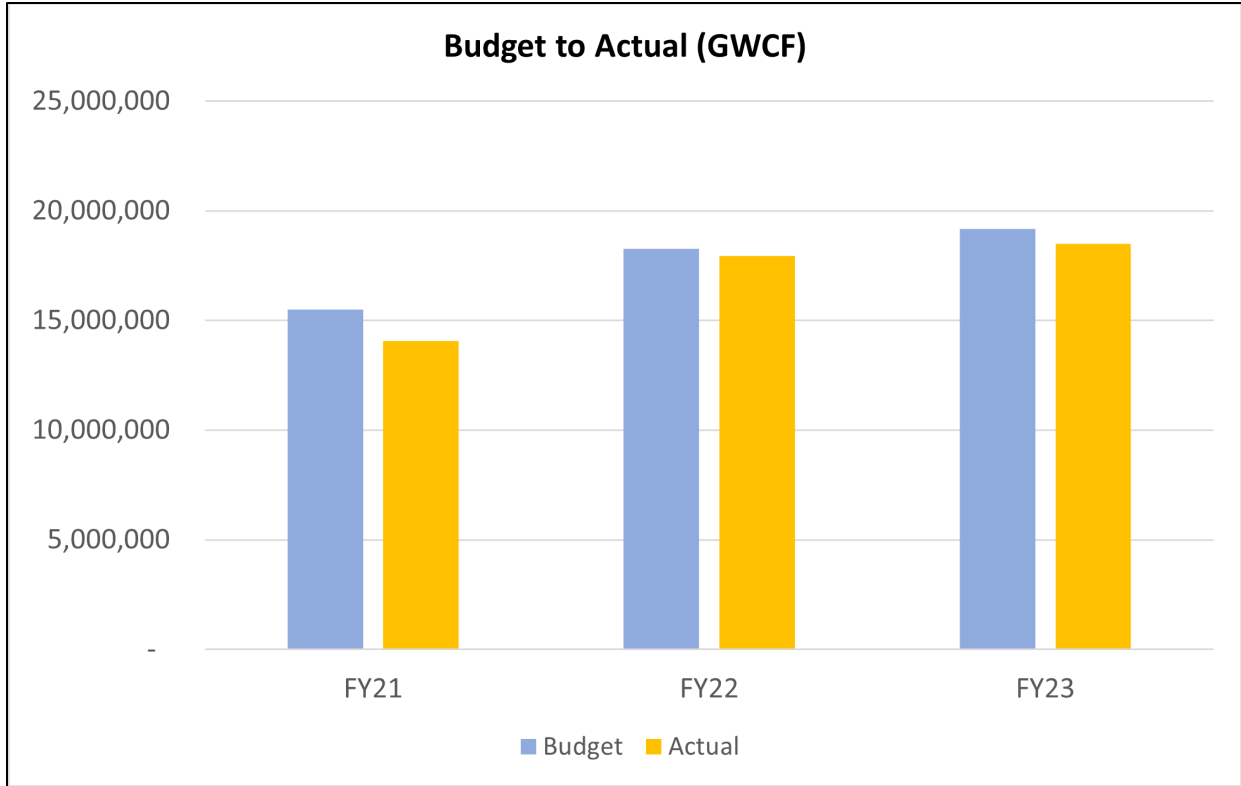
Office of Central Services – Garage Working Capital Fund (GWCF)

Operating Budget Summary



Note: Chart data is provided in Appendix 3

Analysis of the FY25 Proposed Current Expense Budget



Note: Chart data provided in Appendix 3. Adjusted Budget includes supplemental appropriations of \$1,706,700 for FY22 and \$400,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

Personnel Data

Full-Time Equivalent Positions as of April 10, 2024					
Positions	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Proposed	FY24 v. FY25
Garage Working Capital Fund	67	67	67	68	1
Filled	63	63	62		
Vacant	4	4	5		

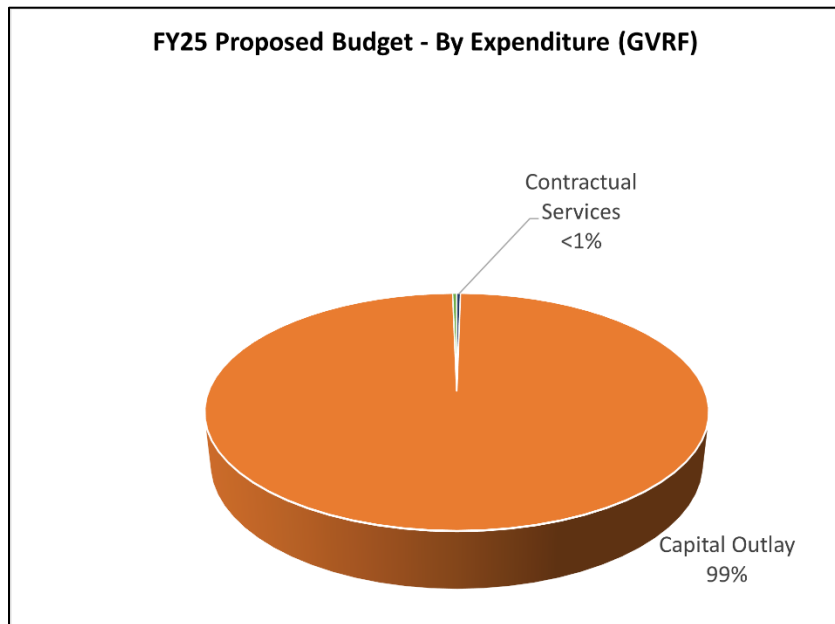
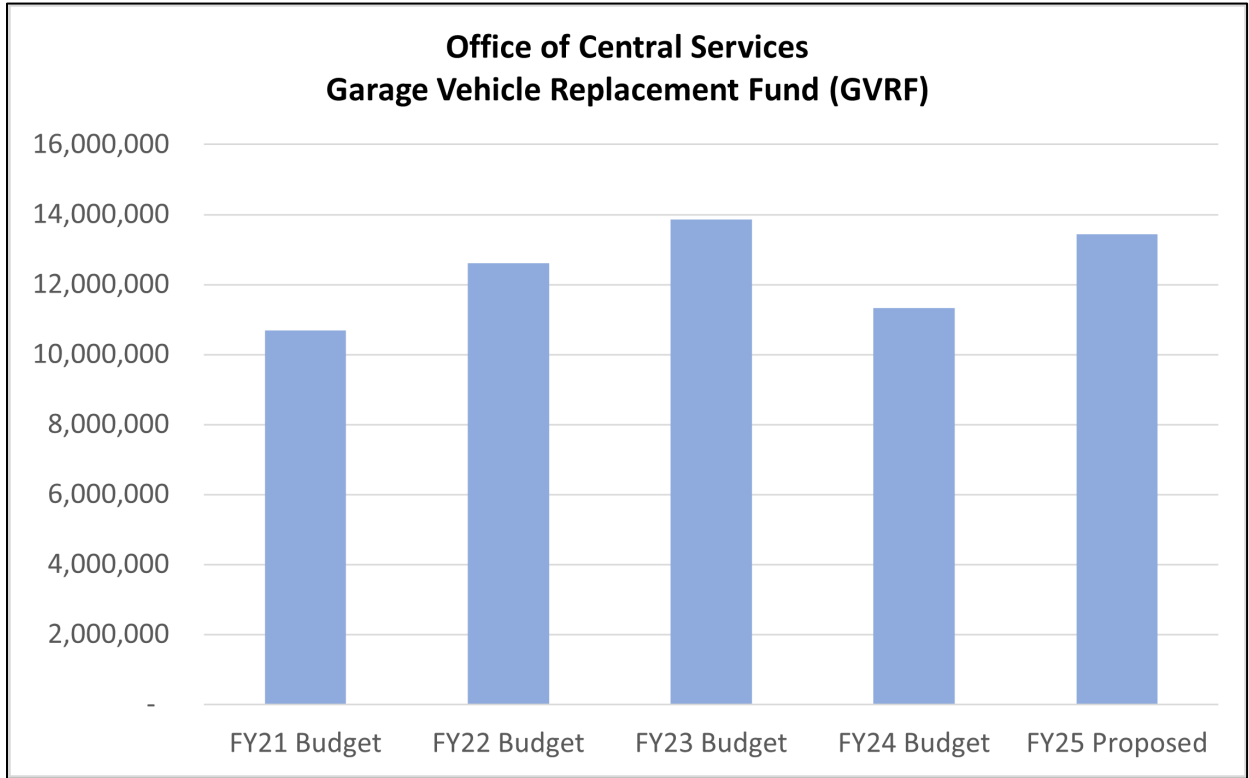
- One new position is proposed** – The FY25 Proposed Current Expense Budget requests one full-time Automotive Mechanic I position, which provides \$62,900 for salary and benefits to convert an existing, vacant seasonal position responsible for maintaining the County’s automotive fleet. OCS advised that it is difficult to maintain garage staffing levels when the Automotive Mechanic III has to provide towing services. This request has reduced the Temporary Pay in the FY25 Proposed Current Expense Budget by \$27,500.

Key Observation

- 1. Decrease in Working Capital Inventory** – The FY 25 Proposed Current Expense Budget for this object code is \$10,296,000 and reflects a \$408,000 decrease in operating costs based on flat gas and diesel cost expectations.

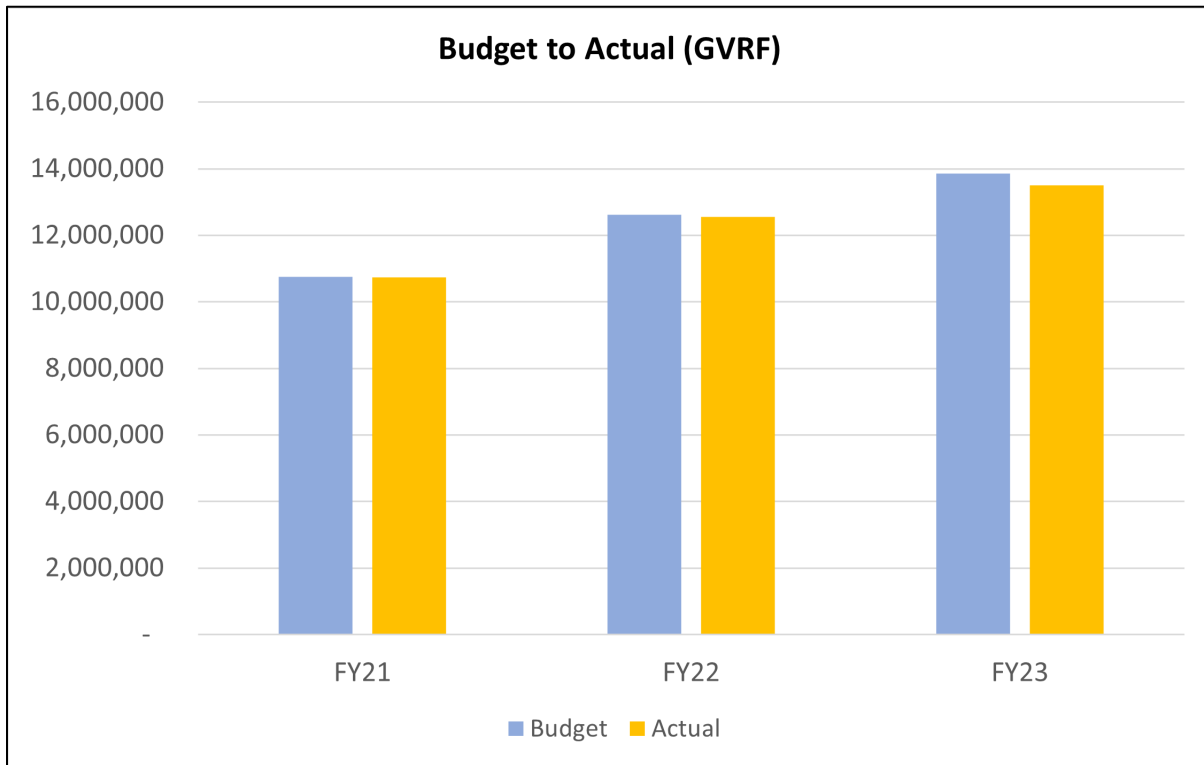
Office of Central Services – Garage Vehicle Replacement Fund (GVRF)

Operating Budget Summary



Note: Chart data is provided in Appendix 4

Analysis of the FY25 Proposed Current Expense Budget



Note: Chart data provided in Appendix 4. Adjusted Budget includes a supplemental appropriation of \$68,000 for FY21 and, therefore, does not match the Original Budget used in Chart 1.

Key Observations and Recommendation

- 1. Policy Change for New Fleet Addition Budget Requests** – Beginning in FY25, new vehicle requests will be budgeted through the Garage Vehicle Replacement Fund (GVRF) instead of the General Fund. Effective July 1, 2024, the Fleet Manager will be responsible for ordering new vehicles. Departments will not be able to independently order vehicles outside of this process. OCS advised that this new policy will ensure compliance with purchasing laws as well as compatibility of equipment, parts costs, and service level agreements.
- 2. FY25 Fleet Additions and Replacement Vehicles** – The FY25 Proposed Current Expense Budget includes two new vehicle requests: one Police SUV Patrol-Police Department (\$69,500) and one Full 4x4 Pick-up-Department of Recreation and Parks (\$45,200). OCS has requested \$13,242,700 to replace 119 vehicles in the FY25 Proposed Current Expense Budget. This request includes 93 vehicles that were proposed to be replaced in prior fiscal years but were not replaced. When comparing the FY24 Vehicle Cost Rates with the FY25 Vehicle Cost Rates, the cost to replace these vehicles increased by \$334,372 for the FY25 proposed budget.

There is one vehicle listed on the FY25 Vehicle Replacement List that could not be located on the agency's Vehicle Master List. **Therefore, we recommend reducing the FY25 Proposed Current Expense Budget by \$66,000 to eliminate the excess funds.**

Appendix 1: Chart Data

Office of Central Services – General Fund Budget

	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Proposed
Personal Services	10,012,600	10,537,400	11,455,600	12,477,200	13,719,500
Contractual Services	12,112,700	13,935,900	16,646,400	19,527,600	21,572,200
Supplies & Materials	2,780,100	1,222,600	1,346,100	1,383,300	1,337,600
Business & Travel	48,600	48,500	48,500	48,900	49,400
Capital Outlay	33,800	34,800	167,200	226,200	43,800
Grants, Contr. & Other	-	-	-	-	-
Total	24,987,800	25,779,200	29,663,800	33,663,200	36,722,500

FY25 Proposed Budget by Bureau – General Fund

Name	FY25 Proposed
Administration	\$ 1,275,900
Purchasing	\$ 4,195,700
Facilities Maintenance	\$ 28,024,900
Real Estate	\$ 3,226,000
Total	\$ 36,722,500

FY25 Proposed Budget by Expenditure Type – General Fund

Object	FY25 Proposed
Personal Services	13,719,500
Contractual Services	21,572,200
Supplies & Materials	1,337,600
Business & Travel	49,400
Capital Outlay	43,800
Grants, Contr. & Other	-
Total	36,722,500

FY21-FY23 Budget to Actual – General Fund

	FY21	FY22	FY23
Budget	24,987,800	\$ 26,790,500	\$ 31,713,800
Actual	24,162,992	\$ 26,453,751	\$ 30,187,681

Budget includes supplemental appropriations of \$1,011,300 for FY22 and \$2,050,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

Appendix 2: Chart Data

Office of Central Services – Self-Insurance Fund (SIF) Budget

	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Proposed
Personal Services	1,522,300	1,687,800	1,839,900	2,037,800	2,110,300
Contractual Services	22,406,700	22,680,600	25,027,600	21,416,600	22,534,900
Supplies & Materials	72,400	72,400	116,800	120,500	127,800
Business & Travel	16,700	16,700	16,700	16,800	24,500
Capital Outlay	2,000	2,000	2,000	3,900	-
Grants, Contr. & Other	278,000	278,000	278,000	278,000	1,278,000
Total	24,298,100	24,737,500	27,281,000	23,873,600	26,075,500

FY25 Proposed Budget by Expenditure Type – SIF

Object	FY25 Proposed
Personal Services	2,110,300
Contractual Services	22,534,900
Supplies & Materials	127,800
Business & Travel	24,500
Capital Outlay	-
Grants, Contr. & Other	1,278,000
Total	26,075,500

FY21-FY23 Budget to Actual – SIF

	FY21	FY22	FY23
Budget	24,642,100	\$ 24,737,500	\$ 27,101,000
Actual	12,327,800	\$ 15,935,177	\$ 23,541,454

Budget includes supplemental appropriations of \$344,000 for FY21 and an appropriation adjustment of (\$180,000) for FY23 and, therefore, does not match the Original Budget used in Chart 1.

Appendix 3: Chart Data

Office of Central Services – Garage Working Capital Fund (GWCF)

	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Proposed
Personal Services	5,429,700	5,642,600	5,900,000	6,429,800	6,856,400
Contractual Services	1,795,300	1,795,300	1,789,700	1,789,700	1,855,500
Supplies & Materials	7,685,700	8,553,600	10,512,200	10,911,700	10,511,100
Business & Travel	16,700	16,700	16,700	16,700	18,800
Capital Outlay	125,400	87,500	89,600	22,500	23,200
Grants, Contr. & Other	455,800	455,800	455,800	455,800	455,800
Total	15,508,600	16,551,500	18,764,000	19,626,200	19,720,800

FY25 Proposed Budget by Expenditure Type – GWCF

Object	FY25 Proposed
Personal Services	6,856,400
Contractual Services	1,855,500
Supplies & Materials	10,511,100
Business & Travel	18,800
Capital Outlay	23,200
Grants, Contr. & Other	455,800
Total	19,720,800

FY21-FY23 Budget to Actual – GWCF

	FY21	FY22	FY23
Budget	15,508,600	\$ 18,258,200	\$ 19,164,000
Actual	14,061,964	\$ 17,935,113	\$ 18,493,938

Budget includes supplemental appropriations of \$1,706,700 for FY22 and \$400,000 for FY23 and, therefore, does not match the Original Budget used in Chart 1.

Appendix 4: Chart Data

Office of Central Services – Garage Vehicle Replacement Fund (GVRF)

	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Proposed
Personal Services	-	-	-	-	-
Contractual Services	37,000	37,000	37,000	37,000	38,100
Supplies & Materials	-	-	-	-	-
Business & Travel	-	-	-	-	-
Capital Outlay	10,603,200	12,530,500	13,780,100	11,246,300	13,355,500
Grants, Contr. & Other	42,300	42,300	42,300	42,300	42,300
Total	10,682,500	12,609,800	13,859,400	11,325,600	13,435,900

FY25 Proposed Budget by Expenditure Type - GVRF

Object	FY25 Proposed
Personal Services	-
Contractual Services	38,100
Supplies & Materials	-
Business & Travel	-
Capital Outlay	13,355,500
Grants, Contr. & Other	42,300
Total	13,435,900

FY21-FY23 Budget to Actual - GVRF

	FY21	FY22	FY23
Budget	10,750,500	\$ 12,609,800	\$ 13,859,400
Actual	10,729,210	\$ 12,558,001	\$ 13,495,774

Budget includes a supplemental appropriation of \$68,000 for FY21 and, therefore, does not match the Original Budget used in Chart 1.