

FINAL REPORT BRIEFING

January 2017 Earl Adams, Jr., Esq., Chair

COMMISSIONERS

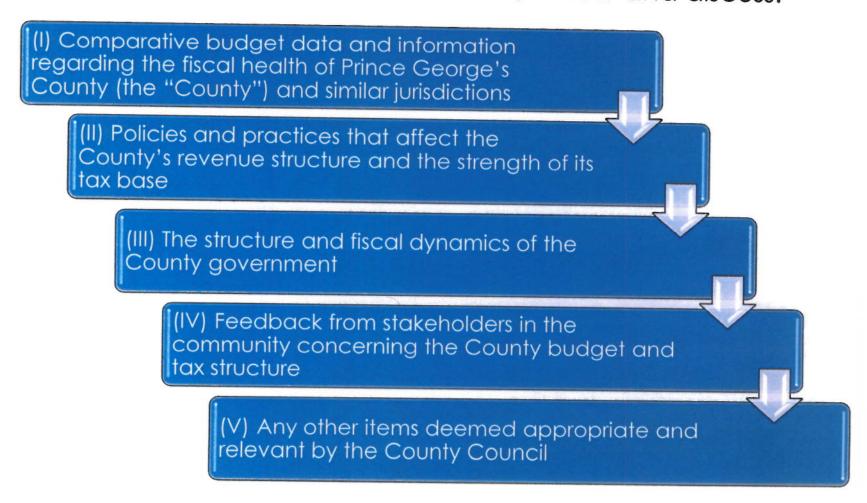
Commission Chair Earl Adams Jr., Esq. (County Resident) Prince George's County Council David Van Dyke, County Auditor Turkessa Green, Assistant County Auditor Derrick Leon Davis, Chair, Ex-Officio Office of the County Executive Thomas Himler, Ex-Officio Representatives from the Office of Management and Budget Terri Bacote-Charles, Director Amber Hendricks, Deputy Director Prince George's Chamber of Commerce David C. Harrington, President Greater Prince George's Business Roundtable James R. Estepp, President & CEO Prince George's County Association of Realtor Desiree Callender Affiliates of Organized Labor in the County Jamal I. Miller Gino Renne Public-At-Large Henry W. Mosley, CPA, (Upper Marlboro) Sherman L. Ragland, II, (Bowie) John Rogard Tabori, (University Park) Mark E. Tomassoni, (Laurel) Ron L. Watson, Ph.D., (Upper Marlboro)

OVERVIEW

- Charge
- Preliminary Report findings
- Work at a glance
- Update on fiscal issues
- Recommendations
- Discussion items
- Conclusion

CHARGE

The Commission was created to collect, review and discuss:



PRELIMINARY REPORT FINDINGS

Provided both a historical and contemporary perspective on how and when the County's revenues and expenditures diverged over the past several years

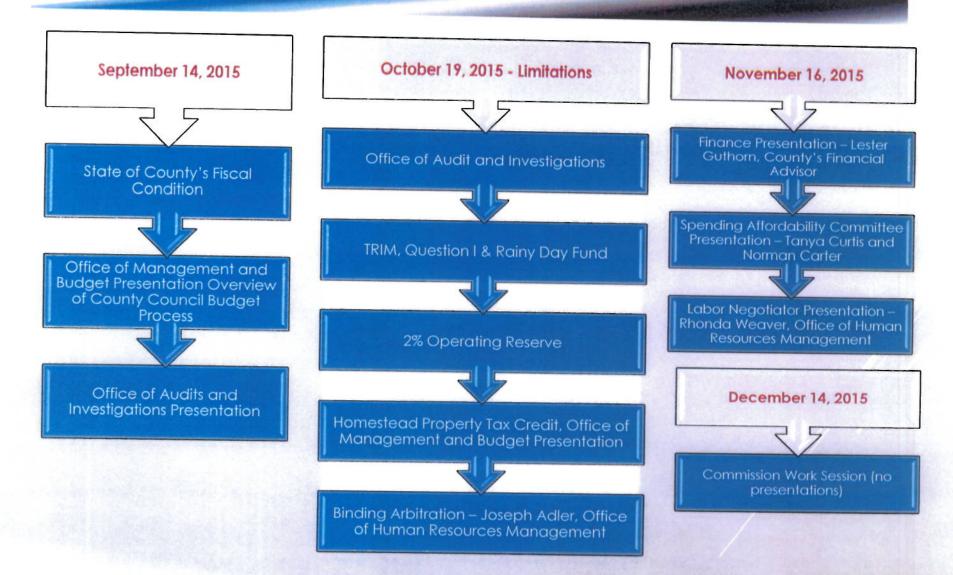
Discussed the revenue challenges impacting the County

The County's most significant expenditure obligations

A discussion of the regulatory limitations in place that restrain County government

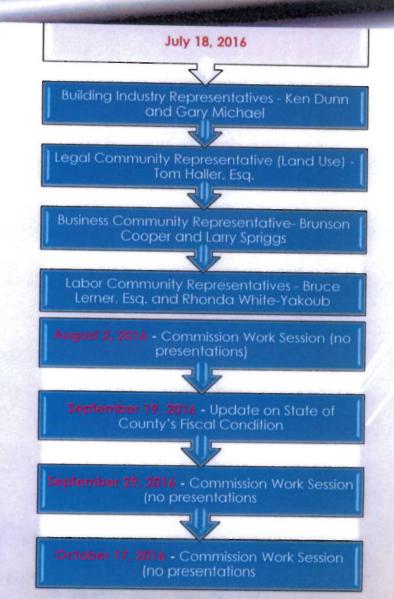
Since the preliminary report, the Commission has completed its task and presents this Final Report with recommendations to address our structural deficit

MEETINGS AND PRESENTATIONS - 2015



MEETINGS AND PRESENTATIONS - 2016

ebruary 22 2016 - Economic Development Strategy Presentation - Jim Coleman, Economic Development Corporation March 24, 2016 Maintenance of Effort - John Pfister, Director, Budget and Management Services, Prince George's County Public Schools Best Practices in Addressing Structural Deficits – Derrick Albert & Tony Saunders, Dent Advisors April 15, 2016 - Best Practices in Addressing Structural Deficits - Derrick Albert & Tony Saunders, Dent Advisors Deficit - Derick Berlage, Planning Division Chief, Prince George's County Planning Department May 16, 2016 - Commission Work Session (no presentations) une 13, 2016 - Update on County Finances and Bond Trip - Lester Guthorn, Financial Advisor



UPDATE AND FISCAL ISSUES

The County's long term fiscal outlook remains uncertain

Projection models still reflect that the County's structural deficit will grow over the next six years

Annual budget gap of \$28 million to \$229 million is projected between FY-2018 and FY-2023

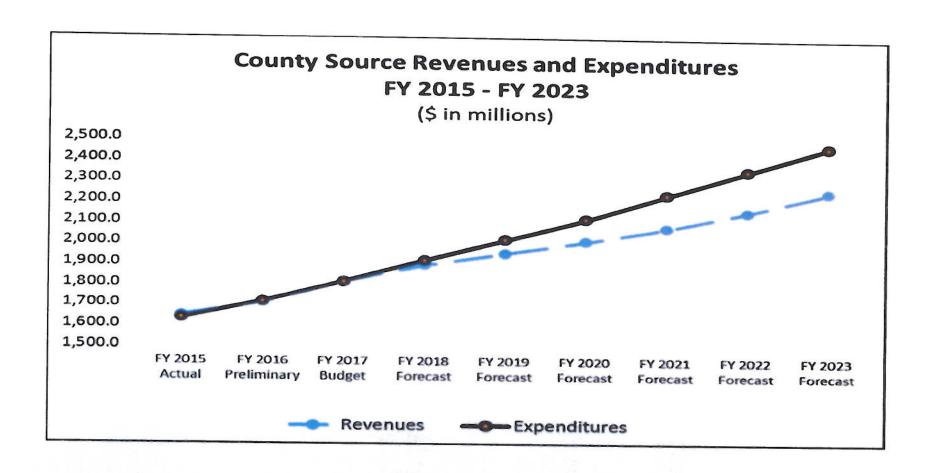
Even with revenue projections accounting for anticipated new revenues of \$35 million to \$41 million from the expanded National Harbor complex

The structural deficit will remain in place until permanent solutions are implemented

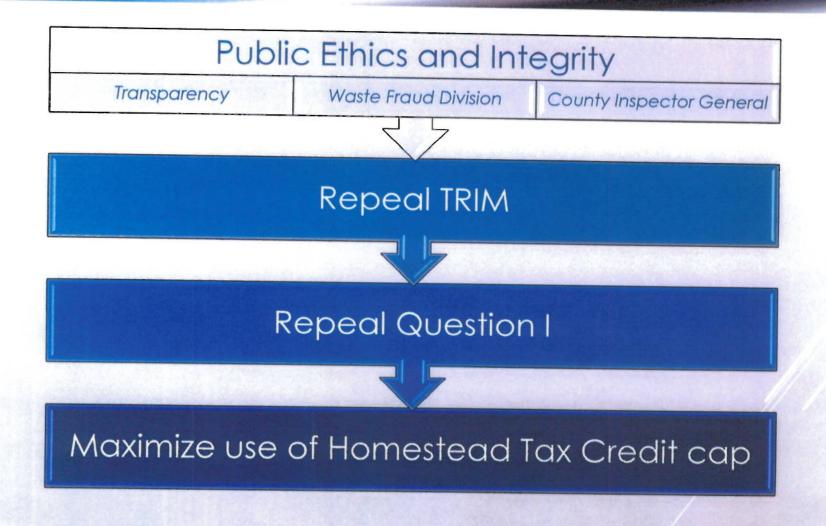
Potential fiscal actions taken by the federal government to address its own deficit could negatively impact the County's budgetary challenges

Projected reductions in State and federal levels of aid represent a significant threat to the County maintaining its fiscal soundness

COUNTY SOURCE REVENUES AND EXPENDITURES FY 2015 – FY 2023



RECOMMENDATIONS





DISCUSSION ITEMS



MAINTENANCE OF EFFORT

Prince George's County Public Schools

10 Year - History of County Maintenance of Effort Calculation

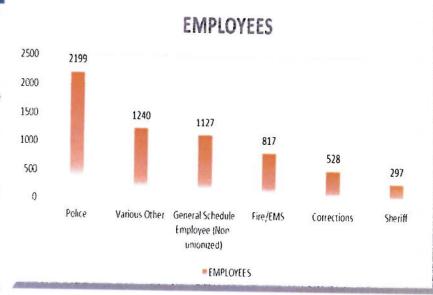
MOE

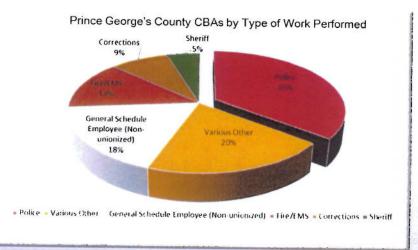
100 miles		211		71817		Minimum		Retirement									
Fiscal Year		Local Appr. Education		Enrollment MOE		Required Contribution		HB 1801 SB 1301 (1)	Energy and elecom Taxes rogram Shift		County Contribution		on-recurring Cost		Amount Over MOE	Percent Over	Explanation
2018	ŝ	632,158,200	\$	10,030,991	s	642,189,191	\$		\$ 66,170,900	\$	708,360,091	\$	•	s	-	0.00%	Projection based on a 1,950.25 increase in studen and Energy and Telecom Tax held at 2017 levels - pending update from County.
2017	\$	606,821,800	\$	6,419,019	\$	613,240,819	\$		\$ 66,170.900	\$	698,329,100	\$		\$	18,917,381	3,08%	Reflects increase above MOE due to increases in Property Taxes - CB- 32-2015
2016	\$	553,239,520	\$	10,846,372	5	564,085,892	\$	29,631,799	\$ 62.470,325	3	669,292,125	3		\$	13,104,109	2.32%	Reflects increase above MOE due to increases in Property Taxes - CB- 32-2015
2015	\$	545,655,034	\$	6,909,462	\$	552,564,496	\$	24,951,664	\$ 50,537,100	\$	630,218,800	\$	1,491,316	\$	674.224	0.12%	The County gave the school system \$1,491,316 in one-time cost for computer labs and \$ 674,224 in amounts over MOE.
2014	\$	546,591,821	\$	(954,322)	\$	545,637,499	s	24,785,979	\$ 53,302,900	\$	623,743,913	\$		s	17,535	0.00%	
2013	s	530,605,290	s	(8,018,487)	\$	522,586,803	\$	19,554,579	\$ 66,922,700	s	633,069,100	\$	•	s	24,005.018	4.59%	Funding increased due to SB 1301/HB1801 to support the State to County retirement shrit.
2012	\$	532,220,200	\$	(1,614,910)	5	530,605,290	s		\$ 73,501,500	\$	617,514,500	\$	13,407,710	s		0.00%	Non-recurring funding was to support one-time retirement incentive cost.
2011	\$	538,218,700	\$	(5,999,272)	s	532,219.428	\$	•	\$ 66,794,200	\$	599,014,400	\$	•	\$	772	0.00%	
2010	\$	542,479,236	\$	(4,375,151)	\$	538,104,085	\$	•	\$ 77,283,600	\$	815,503,900	\$	•	\$	116,215	0.02%	
2009	\$	537,677,200	s	(9,474,799)	\$	528,202,401	\$	•	\$ 72,022,800	\$	614,502,036	\$	•	\$	14,276,835		\$14 million in additional Telecom Tax revenue was identified as a supplemental.
2008	5	538,549,000	\$	8,836,178	\$	547,385,178	\$	•	\$ 61,166,100	5	615,843,300	\$	•	s	7.292,022	1.33%	Reflects an increased amount above MOE to continue support of Superintendents initiatives and day Pre-K.

⁽¹⁾ Starting 2017 - HB1801/SB1301 retirement funding was included in the base MOE calculation.

COLLECTIVE BARGAINING

Figure CBA-2. Prince George's County CBAs by 1	Salary	THE RESERVE AND ADDRESS.	SA COMMITTEE OF
Agency Corrections	Schedule	Employees	% Total
Corrections Officials			
PGCOA (Correctional Officers Association)	0.0	7	
PDCOA (Correctional Officers Association – Civilian Unit)	D	450	
Character Characterist	Q	71	
Fire EMS Sub-Total		528	8.5%
Fire Officials			
The state of the s	F-O	14	
International Association of Fire Fighters, AFL-CIO, Local 1419, Civilian	н	54	
Infernational Association of fire Fighters, AFL-CIO, Local 1619, Fire Fighters, Paramedics, and Fire Fighters/Medics)	Y	749	
Sub-Total Fire/EMS		817	13.2%
Police			
Fraternal Order of Police Prince George's County, Lodge 89	τ	1,609	
Police Civilian Employees Association (PCEA)	Р	411	
Police Officials	P-O	56	
School Crossing Guards, AFL-CIO, Local 241, Council 67	X	123	
Sub-Total Police		2.199	35.4%
heriff			
Sheriff Official	\$-0	7	
Deputy Sheriffs Association of Prince George's County	w	215	
Deputy Sheriff's Association of Prince George's County (Civilian Unit)		75	
Sub-Total Sheriff		297	4.5%
arious American Federal of State, County, and Municipal Employees (AFSCME), AFL-CIO, Council 67, and its affiliates: Local 1170. Health Department, DHCD, Dept. Family Services	A	1.240	19.9%
Local 2442 Dept. Public Works and Transport, Dept. Environmental Regulation Local 2735 DHCD, and OCS)			
Local 3389. Dept. Family Services and Health Dept.			
eneral Schedule Employee (Non-unionized)	G	1,127	18,1%
Grand Total # of Employees		6208	100%
Total Represented by CBAs		5.081	81.8%





COST REDUCTION



CONCLUSION



CONCLUSIONS

There is no "magic bullet" to solve the structural deficit

A line by line review of the County's budget was not feasible, and would represent continued short-term approaches rather than strategic, directed actions

Given the restrictions, whether imposed by voters or the State, that limit the County's nimbleness with its budget, it was impossible to make sweeping recommendations without accepting the many potential obstacles that may work to limit any reform

The findings and recommendations are the Commission's best effort to provide the County Executive and County Council with sound analysis for beginning the work of solving the structural deficit

Once accepted, additional work will be necessary to work through the details of how to implement the Commission's findings and recommendations

Nevertheless, the Commission believes that the additional work is necessary and, if done in the spirit of transparency and with a willingness to view the residents as an equal partner in the process, the results will ensure the long-term fiscal health of Prince George's County

QUESTIONS, ACKNOWLEDGEMENTS AND CONTACTS





BLUE RIBBON COMMISSION

We would like to thank and acknowledge all the Prince George's County Council and County Executive management and staff, as well as all those individuals who have provided their service and contributions to the Commission.

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Blue Ribbon Commission Task Force Link

hitp://www.princegeorgescountymd.gov/sites/CountyCouncil/Services/CouncilTaskforces/Pages/Blue-Ribbon-Commission.aspx