Office of Central Services
Fiscal Year 2023 Budget Review Summary

Proposed FY 2023 Operating Budget

Expenditures by Fund Type

Fund	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	$ Change	% Change
General Fund	$ 26,077,361	$ 23,515,800	$ 26,207,400	$ 28,290,800	$ 4,775,000	20.3%
Internal Service Funds	14,810,876	14,462,700	14,735,000	15,194,600	$ 731,900	5.1%
Special Revenue Funds	681,569	605,000	605,000	605,000	$ -	0.0%
Grant Funds	2,942,811	-	4,846,700	-	$ -	0.0%
Total	**$ 44,512,617**	**$ 38,583,500**	**$ 46,394,100**	**$ 44,090,400**	**$ 5,506,900**	**14.3%**

Authorized Staffing - All Classifications

Fund	FY 2022 Approved	FY 2023 Proposed	Change	% Change
General Fund	172	172	0	0.0%
Internal Service Funds	75	75	0	0.0%
Grant Funds	9	9	0	0.0%
Total	**256**	**256**	**0**	**0.0%**

FY 2023 Proposed Budget – Key Highlights

General Fund

- The Office reports that it will require a general fund supplemental budget appropriation for FY 2022 of approximately $3.4 million to cover Compensation and Fringe Benefit costs for two (2) merit increases, Operating costs to maintain the Cheverly Hospital, development of a procurement manual, janitorial and pest control contracts, temporary staffing for procurement division until vacancies are filled.
- Compensation/Fringe is increaseing by approximately $1.8 million due to the annualization of mandated salary increases and the funding of two previously unfunded positions.
- Operating Costs are proposed to increase by approximately $2.9 million due primarily to maintenance costs for the Cheverly Hospital site.
- Recoveries are proposed at approximately $1.1 million which is a slight reduction when compared to the FY 2022 approved level. The Office's recoveries are for costs associated with salaries, fringe, and operating costs from various CIP projects, recovery of agency print/copy costs, and salaries related to the sale of surplus property.

Internal Service Fund

- Compensation/Fringe are proposed to be increase by approximately $1.3 million due to mandated salary requirements.
- Operating Costs are proposed to decrease by $387,900 due primarily to a decrease in Vehicle Equipment Repair and Maintenance costs offset, by an increase in Office Automation costs.

Special Revenue Funds- (Property Management Services and Collington Center)

- Funding remains consistent with FY 2022 approved level of $600,000 and $5,000 for the Property Management Services and Collington Center, respectively.
- These funds manage the sales and related costs associated with the surplus properties and properties located in the Collington Center.

Grant Fund

- The Office does not anticipate receiving grant funds in FY 2023. The FY 2022 estimate reflects the ongoing efforts to process TNI Clean Energy Program grants, which was previously appropriated in FY 2019.

Staffing

- Vacancies (As of 3/14/22): Thirty (30) FT General Fund positions; six (6) full-time Internal Fund positions, and seven (7) Limited-Term grant positions.
- Key Initiatives: To provide assistance to County-based and minority businesses and to provide facilities, fleet, inventory, and real property management services at County-owned facilities and to County agencies in order to (1) achieve safe well-maintained facilities, (2) support the County's transportation needs, (3) account for all County assets, and (4) ensure efficient and effective use of office space and land.

Office of Central Services Fund Budgets

Category General Fund	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change Amount	% Change
Compensation	$ 11,406,029	$ 10,256,400	$ 10,678,800	$ 11,289,800	$ 1,033,400	10.1%
Fringe Benefits	4,081,331	3,487,200	3,702,900	4,223,600	$ 736,400	21.1%
Operating Expenses	11,591,370	10,998,400	12,784,400	13,851,900	$ 2,853,500	25.9%
Capital Outlay	21,342	-	-	-	$ -	0.0%
Recoveries	(1,022,711)	(1,226,200)	(958,700)	(1,074,500)	$ 151,700	-12.4%
Total	**$ 26,077,361**	**$ 23,515,800**	**$ 26,207,400**	**$ 28,290,800**	**$ 4,775,000**	**20.3%**

Category Internal Service Fund	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change Amount	% Change
Compensation	$ 5,063,568	$ 5,110,600	$ 5,029,300	$ 5,340,400	$ 229,800	4.5%
Fringe Benefits	3,602,013	2,488,900	3,368,800	3,611,900	$ 1,123,000	45.1%
Operating Expenses	6,127,956	6,553,200	6,216,900	6,165,300	$ (387,900)	-5.9%
Capital Outlay	17,339	310,000	120,000	77,000	$ (233,000)	-75.2%
Total	**$ 14,810,876**	**$ 14,462,700**	**$ 14,735,000**	**$ 15,194,600**	**$ 731,900**	**5.1%**

Proposed FY 2023 -FY 2028 Capital Improvement Program

	Expended to Date	Proposed FY23 Capital Budget	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total Proposed CIP Funding Beyond 6 years
12 Projects	$ 261,058,000	$ 24,310,000	$ 34,000,000	$ 30,670,000	$ 27,000,000	$ 23,085,000	$ 17,000,000	$ 44,717,000

Highlights

- Funded by General Obligation Bonds (22.5%), Federal (32.5%) and Other (45.0%).
- Key FY 2023 Funded Projects: Driver Training Facility & Gun Range, Warm Nights Homeless Shelter and the Contingency Appropriation Fund.

May 2, 2022

MEMORANDUM

TO: Edward P. Burroughs, III, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Turkessa M. Green, County Auditor

FROM: Larry Whitehurst Jr., Audit Manager

RE: Office of Central Services (OCS)
Fiscal Year 2023 Budget Review

Budget Overview

The FY 2023 Proposed Budget for the Office of Central Services (OCS) is approximately $44.1 million, which is an increase of approximately $5.5 million, or 14.3%, above the FY 2022 Approved Budget. The increase is primarily driven by an increase in funding for General Fund compensation and fringe costs for mandated salary increases, two (2) previously unfunded positions, and operating expenses related to contracts for maintenance and repair costs.

FY 2022 estimated total General Fund expenditures are approximately $26.2 million, which is approximately 11.0% above the FY 2022 approved budgeted level. As a result, the Office does expect to require a supplemental budget appropriation of approximately $3.4 million to cover Compensation and Fringe Benefit costs ($1.3 million), contractual agreements and related costs for Cheverly Hospital maintenance, janitorial, and pest contractual agreements ($240,000), and the development of a procurement manual ($190,000). The internal service fund will also require a supplemental budget appropriation of approximately $272,300 to cover the costs associated with other postemployment benefits (OPEB).

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change Est vs App	FY 2023 Proposed	$ Change	% Change
General Fund	$ 26,077,361	$ 23,515,800	$ 26,207,400	11.4%	$ 28,290,800	$ 4,775,000	20.3%
Grants	2,942,811	-	4,846,700	N/A	-	-	0.0%
Fleet Management Internal Service Fund	14,810,876	14,462,700	14,735,000	2%	15,194,600	731,900	5.1%
Property Mgmt Svc	681,569	605,000	605,000	0%	605,000	-	0.0%
Collington Center	5,000	5,000	5,000	0%	5,000	-	0.0%
Total	**$ 44,517,617**	**$ 38,588,500**	**$ 46,399,100**	**20.2%**	**$ 44,095,400**	**$ 5,506,900**	**14.3%**

Authorized Staffing - All Classifications

	FY 2022 Approved	FY 2023 Proposed	Change	% Change
General Fund	172	172	0	0.0%
Internal Service Fund	75	75	0	0.0%
Grant Program Fund (Limited Term)	9	9	0	0.0%
Total	**256**	**256**	**0**	**0.0%**

Budget Comparison – General Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	$ Change	% Change
Compensation	$ 11,406,029	$ 10,256,400	$ 10,678,800	$ 11,289,800	$ 1,033,400	10.1%
Fringe Benefits	4,081,331	3,487,200	3,702,900	4,223,600	736,400	21.1%
Operating Expenses	11,591,370	10,998,400	12,784,400	13,851,900	2,853,500	25.9%
Capital Outlay	21,342	-	-	-	-	0.0%
Sub-Total	$ 27,100,072	$ 24,742,000	$ 27,166,100	$ 29,365,300	$ 4,623,300	18.7%
Recoveries	(1,022,711)	(1,226,200)	(958,700)	(1,074,500)	151,700	-12.4%
Total	**$ 26,077,361**	**$ 23,515,800**	**$ 26,207,400**	**$ 28,290,800**	**$ 4,775,000**	**20.3%**

Authorized Positions - General Fund

	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
Full-Time	172	172	0	0.0%
Total	**172**	**172**	**0**	**0.0%**

Staffing Changes and Compensation

- FY 2023 General Fund Compensation is increasing by approximately $1 million, or 10.1%, due to the annualization of mandated salary increases and funding two (2) previously unfunded positions, a Facilities Manager and Capital Improvement Program (CIP) Procurement Officer.
- The FY 2023 Proposed Budget includes authorization for 172 full-time General Fund positions, which is consistent with the FY 2022 approved staffing level. The Office reports that 159 of its 172 authorized positions in FY 2023 are funded, leaving thirteen (13) unfunded positions.
- As of March 14, 2022, the Office reported 30 vacant General Fund full-time positions.

- The Office has two (2) Audio Visual Specialists and one (1) Administrative Aide assigned to the Office of the County Executive.

- As of March 2021, twenty-three (23) employees have separated from the Office. Some key factors that have led to these separations include 1) Growing population of personnel eligible for retirement, 2) Challenges in meeting marketplace salaries for various classes of work, 3) Contracts Administration understaffed as compared to other jurisdictions, and 4) Lack of fringe benefit offerings for Limited-Term Grant funded staff.

- Prior to the pandemic, 100% of the Office's staff worked on-site within the County's various locations. Currently, 72% of the Office's staff must complete their daily duties on-site, while the remaining 28% are able to work in a hybrid-mode.

- The Office projects overtime expenses will total $254,000 for FY 2022, which is $104,000 over the budgeted amount of $150,000. In FY 2023, the Office's Proposed Budget does not have funding included for any overtime expenses.

Fringe Benefits

- Fringe Benefit expenditures are proposed to increase by $736,400, or 21.1%, above the FY 2022 approved level due to an increase in the fringe benefit rate.

- A five-year trend analysis of Fringe Benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2019 Actual	**FY 2020 Actual**	**FY 2021 Actual**	**FY 2022 Estimate**	**FY 2023 Proposed**
Fringe Benefit Expenditures	$ 3,115,337	$ 3,440,991	$ 4,081,331	$ 3,702,900	$ 4,223,600
As a % of Compensation	32.8%	33.6%	35.8%	34.7%	37.4%
Annual % Change		10.5%	18.6%	-9.3%	14.1%

Operating Expenses

- FY 2023 Operating Expenses are proposed at approximately $13.8 million and are comprised of the following major items:
  - Operating Contracts $ 8,377,800
  - Building Repair and Maintenance 1,883,500
  - Office Automation 1,607,000
  - Equipment Lease 650,000
  - Utilities 264,600

- Overall, Operating Expenses are increasing by approximately $2.9 million, or 25.9%, above the FY 2022 approved level. The accompanying table compares the FY 2023 Proposed Budget Operating Expenditures with FY 2022 Approved Budget Operating Expenditures.

- In thirteen (13) of the categories, the FY 2023 Proposed Budget increases planned spending from the FY 2022 approved budget. In one (1) category, the FY 2023 Proposed Budget level is decreasing when compared to FY 2022 approved budget level. In three (3) of the categories proposed spending will remain the same.

Operating Objects	FY 2022 Approved	FY 2023 Proposed	FY 2022 - FY 2023	
			$ Change	% Change
Operating Contracts	$ 6,475,800	$ 8,377,800	$ 1,902,000	29.4%
Utilities	-	264,000	264,000	100.0%
Building Repair/Maintenance	1,659,000	1,883,500	224,500	13.5%
Interagency chargebacks	-	206,900	206,900	100.0%
General & Administrative Contracts	77,000	177,000	100,000	129.9%
Telephone	124,900	186,100	61,200	49.0%
Office Automation	1,554,700	1,607,000	52,300	3.4%
General Office Supplies	76,400	110,400	34,000	44.5%
Equipment Lease	629,700	650,000	20,300	3.2%
Printing	9,400	16,000	6,600	70.2%
Gas and Oil	64,800	70,000	5,200	8.0%
Advertising	16,400	20,000	3,600	22.0%
Mileage Reimbursement	36,000	39,500	3,500	9.7%
Vehicle Equipment Repair/Maintenance	174,600	174,600	-	0.0%
Membership Fees	5,600	5,600	-	0.0%
Office and Operating Equipment Non-Capital	16,700	16,700	-	0.0%
Training	77,400	46,800	(30,600)	-39.5%
TOTAL	**$ 10,998,400**	**$ 13,851,900**	**$ 2,853,500**	**25.9%**

- The most significant increase between the FY 2023 Proposed Budget and the FY 2022 Approved Budget is in Operating Contracts (approx. $1.9 million increase) primarily due to maintenance costs for the Cheverly Hospital site.

- The most significant dollar reduction between the FY 2023 Proposed Budget and the FY 2022 Approved Budget is Training ($30,600 reduction) and it is due primarily to align these costs with historical averages.

Recoveries

- Recoveries for the General Fund activity of the Office are proposed at approximately $1.1 million in FY 2023, which is $151,700, or 12.4% below, the FY 2022 Approved Budget. These recoveries are for costs associated with salaries, fringe, and operating costs from various CIP projects, recovery of agency print/copy costs, and salaries related to the sale of surplus property.

Highlights

Land Acquisition and Real Property Division

- The OCS Land Acquisition and Real Property Division (LARP) manages the County's existing lease portfolio, including the day-to-day management of County-owned and leased real property. The Office reports that the County currently has 31 leased properties covering approximately 328,204 square feet of space. The Office also reports the County owns over 100 properties covering over 5 million square feet of space.

- In its Building Condition Report, the Office stated that 55% of County-owned space is in good condition, 41% in fair condition, and approximately 4% is in poor condition. (*See Attachment F of the responses to the First Round FY 2023 Proposed Budget Questions for the Building Condition Report.)*

- The County continues to investigate ways to identify, stabilize and manage its real estate space requirements, and facility occupancy costs and enhance workplace performance and employee productivity. In FY 2022, the Office begin a comprehensive reconciliation of the County's space inventory for the first time in the Office's history. Additionally, the Office introduced an annual economic development real estate showcase and pre-solicitation event called "Grand Slam" to profile County-owned property for disposition.

- Historically, the Office has targeted leases near expiration and will seek to avoid costs by: establishing longer term leases; negotiating favorable rates; reducing rentable square feet by utilizing the Office's Total Workplace Program; backfilling vacant County or leased spaces; and accelerating lease cycle time. The following leases have been terminated in FY 2022:

    - 7824 Central Avenue – Property housed the Health Department staff but was terminated on May 1, 2022 due to a loss of funding.

    - 13900 Laurel Lakes Avenue– Property housed the Health Department staff but was terminated on January 1, 2022 to consolidate staff, due to a lack of funding.

- The Office reports that five (5) surplus properties were sold in the past 12 months. *For a complete listing of these properties refer to the Office's First Round Response to Question#36.*

Facilities Operation and Management Division (FOM)

- The Facilities Operation and Management Division (FOM) continues to be short staffed, which inhibits timely response to service calls and adversely affects the performance of preventative maintenance. Furthermore, FOM has been plagued by continuing losses of personnel, coupled with new additional facilities and responsibilities. Currently, there are six (6) unfunded vacancies for Building Engineers.

- The Office has identified several properties that are proposed to be included in the Major Renovations budget for FY 2023. Some of the properties included are as follows:

- Consolidated Admin. Service & Warehouse Building -7600 Jefferson Avenue, Landover, Maryland (gross square footage 100,836);
- Largo Government Center – 9201 Basil Court, Largo, Maryland (gross square footage 85,000);
- Consolidated Fleet Facility Building - 8019 Central Avenue, Capital Heights, Maryland (gross square footage 52,000);
- Inglewood Centre 3 - 9400 Peppercorn Place, Largo, Maryland (gross square footage 131,338);
- RMS – 1400 McCormick Drive, Largo, MD (gross square footage 64,860).

For a complete listing of these properties see Attachment E for the Office's First Round Responses.

- During FY 2018, the Office implemented the Work Order Management (WOM) System which integrates Facilities Operation and Management into SAP for greater workflow management, extensive reporting, business analytics, and web-based mobility. The Office previously reported technical difficulties within the SAP (WOM) system, including the inability for the mobile devices to add and track information for the costs of materials and amount of labor hours to be associated with any given work request. The Office also reported that training is sometimes general and may not provide the end-user with solutions to particular problems. Last fiscal year, the Office reported that there is a need for a few features to be implemented and a need for the mobility function to work as intended. However, the implementation of these additional features has been put on hold.

- The pandemic has changed the way janitorial services are administered and janitorial work is performed. Previous janitorial contracts were based on minimum standards demanded by prior year County fiscal restraints. Although many COVID-19 related expenses have been billed to grant funds, standard expenses for janitorial services have increased due to adjustments in procedures to ensure safety beyond the previous minimum standards. This trend is expected to continue into FY 2023 and into the future and will have a major impact on the Division's budget because custodial services is the largest single expenditure item.

<u>**Contract Administration and Procurement (CAP) Division**</u>

- One of the top priorities in FY 2023 for the CAP Division is to improve the quality of customer service and develop more efficient processes, as well as adopting service level agreements for processing specific types of procurement transactions. In prior years, CAP has consulted with sister jurisdictions such as Montgomery and Fairfax Counties, to develop strategies to jointly improve both operations. Furthermore, the implementation of a complete eProcurement system, hiring of more staff, and the development of standard operating procedures will help with this priority.

- The Office implemented Phase I of the SAP Ariba eProcurement system (SPEED), which includes sourcing and contracting. The total cost for the implementation was $506,422 with annual maintenance costs of $235,000. Phase II, which is the supplier lifecycle platform, was scheduled to be implemented in February of 2021, however the Office was informed that SAP needed prerequisites prior to the implementation. The Office was advised by the Office Information and Technology to place the implementation on hold and explore a more complete “procure to pay” implementation which included additional modules.

- CAP is still experiencing some on-going challenges with the SAP system, some of which include the following:
  - Reporting- Issues with modifying the “fields” needed to create required reports for compliance purposes;
  - Contract Administration- Simple correction errors that require additional approvals that cause severe delays in the approval of purchase orders.

- Historically, the CAP has had problems retaining staff due to the overwhelming workload. The lack of staff has negatively impacted the County’s procurement operations resulting in the following;
  - Slower response times to customer agencies;
  - Longer lead times for acquiring goods and services; and
  - A significant backlog of critical procurement actions to be delivered.

Supplier Development Diversity Division (SDDD)

- SDDD reported the following are registered with the County:
  - 622 Minority Business Enterprises (MBE);
  - 305 In-County Businesses that are MBEs;
  - 38 County Based Businesses (CBB); and
  - 407 County Based Small Businesses (CBSB).

- The Office reports that the number and dollar value of contracts awarded to certified businesses for FY 2021 and FY 2022, are as follows:

Business Certification Status	Number of Contract Awarded		Dollar Value Awarded	
	FY 2021	FY 2022 (YTD) As of 2/24/2022	FY 2021	FY 2022 (YTD)
Non – MBE/CBB	157	58	$ 84,132,672	$ 5,254,941
MBE	13	2	7,597,350	1,129,695
CBB	7	10	4,113,409	290,548
SB	35	12	50,996,259	3,360,958

(Note: MBE-Minority Business Enterprise, CBB- County Based Business, SB- Small Business)

- A Disparity Study Task Force was formed to review the findings and to prioritize the recommendations for consideration for implementation. MGT of America Consulting LLC, the company that was awarded the contract to conduct the actual disparity study, was selected to partner with the Office to assist with managing the implementation. The Office has worked to introduce and implement a variety of programs and systems to address the findings within the study, some of which include the following:

  - Implementing the County’s first electronic, web-based system for certification and compliance the Certification and Compliance Systems (CCS);
  - Launching the County’s first “Green Book” aimed at targeting millions of dollars in procurement opportunities for County small and minority businesses; and

- Conducting and participating in over 100 supplier diversity outreach events and workshops to increase minority business availability.

For a complete listing of these programs/systems see Question 49 of the Office's First Round Responses.

Contract Compliance Unit (CCU)

- The Contract Compliance Unit (CCU) is responsible for reviewing contract compliance and reporting requirements of the Jobs First Act of 2011 and the Jobs Opportunity Act of 2016. Each team member of the Compliance Unit is assigned to monitor specific agencies. Staff attend pre-bid conferences to explain the County's compliance requirements to potential bidders. Furthermore, compliance staff attend work initiation conferences, where they provide each awardee with project specific requirements for achieving compliance throughout the duration of the contract period. These requirements include Supplier Utilization Reporting, Prompt Payment and Living/Prevailing Wage Requirements.

- The Office has expressed a need for funding to purchase software for their annual prevailing wage survey collection process, which helps the County's Wage Determination Board review and set the County's annual prevailing wages rates. The Office is currently researching software to assist in this effort.

General Services Division (GSD)

- The pandemic has affected the General Services Division's ability to meet targeted warehouse receiving, put-away, and deliveries of safety-related inventory items due to a 30% decrease in staffing, coupled with an increase in overall inventory from \$1.7 million to \$15 million.

- The pandemic highlighted the need to keep PPE supplies on hand for future emergencies due to shortages and supply chain disruptions. The GSD acquired, inventoried, and warehoused millions of PPE related items, which grew the County's inventory by over 300%. Currently, COVID PPE inventory accounts for approximately 30% of the overall County inventory. With the increased inventory some efficiencies have been lost and could lead to the need for additional storage space to satisfy the County's needs.

- The pandemic has also affected the General Services Division's ability to recover from its copying and printing services to customer agencies and will have a direct effect on its operating expenditure budget.

- The GSD was able to reduce its average monthly operational costs by 7.5% (\$30,000 per year) by negotiating better leases/contracts to self-perform more services utilizing technology and industry advancements.

- As mentioned in previous years, the GSD continues to partner with the Office of the State's Attorney (SAO) to improve the record storage and retrieval process for the records located at the Jefferson Avenue location. The SAO has been the GSD's highest requesting client, and the search response time for the SAO has improved from previous years.

Budget Comparison – Fleet Management Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
Compensation	$ 5,063,568	$ 5,110,600	$ 5,029,300	$ 5,340,400	$ 229,800	4.5%
Fringe Benefits	3,602,013	2,488,900	3,368,800	3,611,900	1,123,000	45.1%
Operating Expenses	6,127,956	6,553,200	6,216,900	6,165,300	(387,900)	-5.9%
Capital Outlay	17,339	310,000	120,000	77,000	(233,000)	-75.2%
Total	**$ 14,810,876**	**$ 14,462,700**	**$ 14,735,000**	**$ 15,194,600**	**$ 731,900**	**5.1%**

Authorized Staffing Count - Fleet Management Fund

	FY 2022 Approved	FY 2023 Proposed	Change Amount	Percentage Change
Full-Time	75	75	0	0.0%
Total	**75**	**75**	**0**	**0.0%**

Staffing Changes and Compensation

- The FY 2023 Proposed Budget includes authorization for 75 full-time Fleet Management Fund positions, which is the same level of staffing as the FY 2022 approved level. As of March 2022, the Office reported six (6) vacancies within the Fleet Management Division and they both will be fully funded in FY 2023.

- Compensation for this fund is increasing by $229,800, or 4.5%, due to mandated salary requirements.

- The Office projects overtime expenses will total $21,000 for FY 2022. In FY 2023, the Office's proposed level of overtime expenses is anticipated to decrease to $15,500.

Fringe Benefits

- Fringe Benefit expenditures are proposed to increase by approximately $1.1 million, or 45.1%, above the FY 2022 approved level to align with projected costs. Proposed Fringe Benefits for the Fleet Management Fund include a $1,708,300 contribution for Other Post-Employment Benefits (OPEB).

- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Proposed
Fringe Benefit Expenditures	$ 2,081,682	$ 2,884,848	$ 3,602,013	$ 3,368,800	$ 3,611,900
As a % of Compensation	47.4%	58.3%	71.1%	67.0%	67.6%

Operating Expenses

- FY 2023 Proposed Operating Expenses for the Fleet Management Division are decreasing by $387,900, or 5.9%, below the FY 2022 approved level. The accompanying table compares the FY 2023 Proposed Budget operating expenditures with the FY 2022 Approved Budget operating expenditures. In two (2) of the categories, the FY 2023 Proposed Budget increases planned spending compared to the FY 2022 budget. In two (2) categories the FY 2023 Proposed Budget level is decreasing compared to the FY 2022 budget. FY 2023 expenditure level remains the same for the other 14 operating expense categories.

Operating Objects	FY 2022 Budget	FY 2023 Proposed	FY 2022 - FY 2023	
			$ Change	% Change
Office Automation	$ 398,900	$ 428,300	$ 29,400	7.4%
Interagency Charges	2,500	4,400	1,900	76.0%
Office Building Rental	190,000	190,000	-	0.0%
Real Property	35,000	35,000	-	0.0%
Gas and Oil	55,000	55,000	-	0.0%
Equipment Lease	12,400	12,400	-	0.0%
Printing	300	300	-	0.0%
Periodicals	200	200	-	0.0%
Training	14,500	14,500	-	0.0%
Utilities	77,500	77,500	-	0.0%
Op. Contract Services	4,000	4,000	-	0.0%
Telephone	36,500	36,500	-	0.0%
General Office Supplies	48,100	48,100	-	0.0%
Operating Equipment Non-Capital	71,000	71,000	-	0.0%
Other Operating Equipment	496,000	496,000	-	0.0%
Membership Fees	900	900	-	0.0%
Vehicle Equipment Repair/Maintenance	4,828,200	4,681,200	(147,000)	-3.0%
Depreciation	282,200	10,000	(272,200)	-96.5%
TOTAL	**$ 6,553,200**	**$ 6,165,300**	**$ (387,900)**	**-5.9%**

- The most significant increase between the FY 2023 Proposed Budget and the FY 2022 Approved Budget is in Office Automation ($29,400 increase) as a result of an increase in the OIT technology allocation charge.

- The most significant dollar reduction between the FY 2023 Proposed Budget and the FY 2022 Approved Budget is Depreciation ($272,200 reduction) based on historical costs for this category.

Capital Outlay

- Proposed Capital Outlay for FY 2023 is $77,000, which is a reduction of $233,000 when compared to the FY 2022 approved level. Funding is provided for several scheduled projects including a tire changing machine, key tracking machine, and electric and alternative fuel vehicles.

Highlights

- Administrative vehicles assigned to an agency head are eligible for retirement/replacement when it has reached four (4) years or 70,000 miles. All other sedans and light trucks, including pursuit and non-pursuit vehicles, are eligible for retirement or replacement once they reach a maximum of 100,000 miles and/or ten years. The Office reports that 38% of the County's available fleet and 38% of the public safety fleet currently exceeds the replacement standard, which is an increase when compared to the prior two (2) years. Due to the pandemic, the replacement of County vehicles has been extremely slow forcing older vehicles to remain on the road longer.

- In FY 2017, in an effort to get the County's vehicle inventory into compliance with the vehicle replacement policy of 10-year, or 100,000-mile standard, a five-year replacement plan was initiated. At that point 44% of light fleet exceeded the standard. To prepare for this plan, the Office's Fleet Division developed a five-year replacement model based on actual and projected mileage over the five-year period. Entering the last year of the plan in FY 2022, yearly funding ($25 million per year) has been steady, which has reduced the light fleet that exceed the standard from 44% to 34%.

- The FY 2022 Certificate of Participation (COP) purchases are still under development; however, a list of scheduled public safety vehicle purchases for FY 2022 can be seen in response to the Office's *Proposed First Round Question #50d.* The FY 2023 COP list has not been developed, however, a preliminary listing of vehicles to be purchased have been outlined in response to the Office's *Proposed First Round Question #51*.

- Fleet reported that it has implemented several sustainability measures. To date, a total of 35 plug-in charging stations have been installed at County facilities (not including libraries or revenue locations) at a total cost of approximately $208,000 in County funds and $104,000 in Maryland Energy Administration (MEA) funds. Twenty-one (21) of the thirty-five (35) charging ports are available for public/employee use. Also, in the Spring of 2022, two (2) additional charging stations will be installed at the Wayne K. Curry Administration Building and an additional two (2) will be located on the Darcy Road campus. *For more information on the Office's implemented sustainability measures see the response to First Round Question #53.*

- The Estimated FY 2023 beginning fund balance in the Fleet Management Fund is approximately $8.3 million. In FY 2023, the Office anticipates $756,100 of fund balance will be used, leaving the budgeted fund balance at the end of FY 2023 at approximately $7.5 million. (*See Attachment A for fund balance details.)*

Budget Comparison – Property Management Services Special Revenue Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
Operating Expenses	$ 676,569	$ 600,000	$ 600,000	$ 600,000	$ -	0.0%
Total	**$ 676,569**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ -**	**0.0%**

Operating Expenses

- Overall, Proposed Operating Expenses remains unchanged for FY 2023. Chargebacks for Salaries & Fringe related to the disposition of surplus real property make up the $358,900 of proposed operating expenses.

Highlights

- This fund accounts for the receipt of revenues from the disposition of surplus real property and the various costs related to the disposition of properties.

- All FY 2023 Proposed Operating Expenditures for landscaping services, training, legal fees, and operating contracts are expected to be consistent with the FY 2022 current budget of $241,100.

- The Estimated FY 2023 beginning fund balance in the Property Management Services Special Revenue Fund is approximately $1.2 million. In FY 2023, Proposed Revenues are sufficient to cover Proposed Expenses; therefore, the use of fund balance is not anticipated, leaving a surplus of approximately $1.2 million at the end of FY 2023. (*See Attachment B for fund balance details.)*

Budget Comparison – Collington Center Special Revenue Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
Operating Expenses	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ -	0.0%
Total	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ -**	**0.0%**

Operating Expenses

- Operating Expenditures remain the same as the FY 2022 approved level. A $5,000 annual assessment fee is the only item budgeted for the Collington Center Fund.

Highlights

- This fund is a special revenue fund used to account for revenues from the sale of properties within the Center and finance costs incurred from managing the fund.

- The Office did not report any sales with respect to this fund in FY 2022. For a detailed update on the properties remaining in the Collington Center see *the Office's 1st Round Responses Attachment J.*

- The Estimated FY 2023 beginning fund balance in the Collington Center Special Revenue Fund is $132,974. Fund balance proposed to be appropriated for use in FY 2023 is $5,000, leaving the budgeted fund balance at the end of FY 2023 at $127,974. *(See Attachment C for fund balance details.)*

Budget Comparison – Grants

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	Percentage Change
Compensation	$ 188,619	$ -	$ 264,300	$ -	$ -	N/A
Fringe Benefits	17,374	-	35,700	-	-	N/A
Operating Expenses	2,736,818	-	4,546,700	-	-	N/A
Total	**$ 2,942,811**	**$ -**	**$ 4,846,700**	**$ -**	**$ -**	**N/A**

Staffing Changes and Compensation

- In FY 2023, previously appropriated grant funding in the amount of $761,300 will be spent to support nine (9) Limited Term Grant Funded positions and the operations of the program. The nine (9) positions are consistent with the FY 2022 approved staffing level. As of March 2022, the Office reports seven (7) grant funded vacancies.

Grant Highlights – Energy Sustainability

- The Office does not anticipate receiving grant funds in FY 2023, which represents the same level as FY 2022 Approved Budget. The FY 2022 estimate reflects the ongoing efforts to process TNI Clean Energy Program grants. All of the TNI Clean Energy funding was previously appropriated in FY 2019.

- The Office of Central Services serves as the lead agency for the grant programs related to energy sustainability. Sustainable Energy did not receive grants funds in FY 2022. However, the Office has continued to lead energy sustainability efforts by conducting the following initiatives/projects listed below:

  - In partnership with Pepco per the Exelon/Pepco merger eight (8) public purpose electric vehicle charging stations were installed on properties managed by the Office of Central Services. Additionally, about 100 station locations throughout the County have been identified as possible sites for future installations.

- Working with the Prince George's Community College (PGCC) to provide occupational skills training to prepare eligible residents for employment in the sustainability energy sector. Due to the pandemic, PGCC offered virtual courses in solar, energy auditing, energy retrofit, and hybrid and electric vehicles. The program offerings are to be expanded to include the natural gas sector.

- The Sustainable Energy's Clean Energy Program joined ongoing efforts by the County to uplift nine (9) of its communities, known as "Energy Resiliency Communities," to promote efforts to install energy efficient equipment in these communities. Grant funding of up to $10,000 and $7,500 was provided to install solar thermal and energy efficient equipment, respectively. However, due to staffing challenges, a moratorium was placed on accepting solar thermal applications starting on February 22, 2022.

- On February 18, 2022, due to staffing challenges, a moratorium was also placed on accepting grant applications for the Energy Star Certification and Green Leasing grant. These grant funds are used to offset the costs of energy efficiency and water efficiency measures, and for professional services required to achieve energy star certification. Applicants can receive up to $150,000 per grant award. From the period of July 1, 2021, to February 10, 2022, 422 grant applications were received, which resulted in $2.2 million in grant invoices being processed.

FY 2023 Capital Improvement Program (CIP)

- The Office of Central Services has responsibility for the planning and construction of County buildings and related activities. OCS operates, maintains, and renovates all County facilities and Fire Stations which includes:
  - Roof repairs, concrete and other interior/exterior needs;
  - Replace or repairing mechanical, electrical, plumbing and life-safety systems;
  - Renovate surplus schools for citizen and administrative use;
  - Renovate offices to better utilize existing space;

- Convert building systems from electricity/fuel operations to more energy efficient systems; and
- Renovate buildings to comply with applicable health, safety, and Americans with Disabilities Act (ADA) code regulations.

▪ The FY 2023-FY 2028 Proposed Capital Improvement Program for the Office of Central Services (OCS) is approximately $528 million, and it includes a total of 12 projects. *Please see page 16 of this report for a full listing all OCS CIP Projects.* The total budget includes all funds expended to date, estimated expenditures for FY 2022, the total expected expenditures for the next six (6) years (including the proposed budget year) and the dollars anticipated for the projects beyond six years. There was one (1) new project added (Warm Nights Homeless Shelter) and no projects were deleted from the Office's proposed budget. The total project funding request for FY 2023 is approximately $24.3 million, which is a decrease of approximately $5.5 million, or 18.6%, below FY 2022. Funding in FY 2023 is included for four (4) of the twelve (12) projects. The FY 2023 CIP are funded 22.5% by General Obligation Bonds, and 77.5% from other sources.

<u>Facilities</u>

▪ The following table provides a breakdown of the expenditure budget comparison for the Office of Central Services' Proposed FY 2023 - FY 2028 CIP, to the Approved FY 2022 – FY 2027 CIP.

Project Name	Est. Comp.	Approved FY 2022 - 2027 CIP		Proposed FY 2023 - 2028 CIP		Change in Fiscal Year Budget FY 22 to FY 23		Change in Total Funding	
		Approved FY 2022	Total Approved	Proposed FY 2023	Total Proposed	$ Change	% Change	$ Change	% Change
Collington Athletic Complex	2022	-	19,217,000	-	19,217,000	-	0.0%	-	0.0%
Contingency Appropraition Fund	Ongoing	10,000,000	60,000,000	10,000,000	60,000,000	-	0.0%	-	0.0%
C.A.B. Refresh	2024	5,000,000	11,400,000	-	11,400,000	(5,000,000)	100.0%	-	0.0%
County Building Renovations II	Ongoing	10,000,000	177,316,000	-	183,316,000	(10,000,000)	-100.0%	6,000,000	3.4%
Domestic Violence / Human Trafficking Shelter	TBD	-	10,200,000	-	10,200,000	-	0.0%	-	0.0%
Driver Training Facility and Gun Range	TBD	3,290,000	114,048,000	9,310,000	96,158,000	6,020,000	183.0%	(17,890,000)	-15.7%
Energy Upgrades	2022	-	1,644,000	-	1,644,000	-	0.0%	-	0.0%
Prince George's Homeless Shelter	2026	1,561,000	18,368,000	-	18,368,000	(1,561,000)	-100.0%	-	0.0%
Promise Place Children's Shelter	TBD	-	21,154,000	-	21,154,000	-	0.0%	-	0.0%
Regional Administration Building	2023	-	78,164,000	-	78,164,000	-	0.0%	-	0.0%
Shepherd's Cove Family Shelter	2025	-	20,460,000	-	20,460,000	-	0.0%	-	0.0%
Warm Nights Homeless Shelter	2023	-	-	5,000,000	8,000,000	5,000,000	100.0%	8,000,000	100.0%
		$ 29,851,000	$ 531,971,000	$ 24,310,000	$ 528,081,000	$ (5,541,000)	-18.6%	$ (3,890,000)	-0.7%

Highlights

- **County Administration Building (CAB) Refresh** (FY 2023 Funding Proposal: none) This project will include the restoration, upgrade, modernization, infrastructure reconstruction, and rehabilitation of major systems, including fire, heating and air conditioning, boiler, machinery and a general face lift. Condition assessment of buildings was completed to determine approach and magnitude of refresh.

- **Collington Athletic Complex** – (FY 2023 Funding Proposal: none) This project includes the design and construction of a 76-acre multi-field sports facility off Route 301 and Trade Zone Avenue. Funding for this project will come from several sources to include, developer contributions, $7.5 million or more from the Maryland-National Capital Park and Planning Commission (M-NCPPC), and three (3) State bonds bills (totaling $5.0 million, dated 2012, 2013 and 2015). Previous updates included the following: the land disposition and development agreement has been executed by the County and sports complex operator and the County is finalizing the ground lease agreement with the operator as well as land exchanges with M-NCPPC to facilitate the project.

- **County Building Renovations II** - (FY 2023 Funding Proposal: none) This project provides funding for renovations and repairs to County owned properties. These funds may be used to purchase land in conjunction with renovation projects and to build-out spaces newly acquired or leased by the County. Lead and asbestos abatement, environmental remediation, energy efficiency projects and construction costs to meet Americans with Disabilities Act (ADA) requirements may also be completed pursuant to this project. Some of the on-going projects contemplated for FY 2023 includes funding for Animal Services Facility, Beltsville Police Station, Bowie Police Station, Glenn Dale Fire Station, and the Largo Government Center.

- **Driver Training Facility and Gun Range** - (FY 2023 Funding Proposal: approximately $9.3 million) This project provides funding to construct a driver training and test facility to service the Police and Fire Departments. The facility will replace the former training course, which is currently being used by the Department of Environment for its lawn and waste recycling program. This new facility will contain a precision driving course, a highway response and pursuit course, and a skid pad to simulate wet road conditions and miscellaneous support facilities. The building is occupied and in use. The K-9 unit has been pushed out to FY 2027 to address concerns with debt affordability.

- **Prince George's Homeless Shelter** - (FY 2023 Funding Proposal: none) This project replaces the current 81 bed emergency and transitional shelter. The new shelter will also offer on-site employment readiness/job placement assistance, computer training, substance abuse services, life skills training and medical care. The project has been awarded but has been placed on hold due to opposition from the surrounding residential community. Currently, alternative sites are being explored and the project will be delayed. The completion date has been pushed out to FY 2026.

- **Regional Administration Building** - (FY 2023 Funding Proposal: none) The Regional Administration Building houses the Office of the County Executive as well as other Agencies. Construction close-out and completion of the 2nd and 3rd floors are on-going, and the project is scheduled to be completed in FY 2023.

- **Shepherd's Cove Family Shelter** – (FY 2023 Funding Proposal: none) This project provides for the expansion and retrofitting of existing housing for single women and families with children experiencing homelessness in the County. This includes workspace for street outreach, case management and appropriate crisis intervention services. The shelter will provide drop-in space for day/evening informal engagement with access to storage, showers, computers, workshops, basic health care and food. It will have single room transitional housing units with support services, affordable housing units for mixed populations including seniors with limited income and a series of store fronts with affordable rent for leasing. The project completion date has been pushed out to FY 2025 with the design of the project anticipated for FY 2024.The project was renamed from the Shepard's Cove Women's Shelter to the Shepard's Cove Family Shelter.

- **Regional Health and Human Services Center (HHS)**. The Office is also facilitating the design and construction of HHS. The HHS Building is a 115,000 square foot office building that will consolidate Family Services, Social Services and the Department of Health into a headquarters facility. This is part of an overall revitalization of the 277,000 square foot Hampton Park shopping center in Capital Heights. The developer will be completing the shell construction by July 2022. The Office's CIP is working on the construction drawings for the interior fit-out. The fit-out construction is set to start in July 2022 and be completed by December 2023. There are no additional costs from the developer to date other than minor changes and the project will be completed within the allocated CIP budget. The CIP team is working with the State Health Department for its share for furniture, fit-out and IT requirements. The County has received a $850,000 grant from the State Department of Aging for the fit-out special needs.

Attachments:

Attachment A – Fleet Management Internal Service Fund

Attachment B – Property Management Services Special Revenue Fund

Attachment C – Collington Center Special Revenue Fund

Attachment A

Fleet Management Internal Service Fund

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Proposed	FY 2022-2023 Change $	FY 2022-2023 Change %
BEGINNING FUND BALANCE	**$11,777,062**	**$11,464,562**	**$9,885,264**	**$8,272,764**	**$(3,191,798)**	**-27.8%**
REVENUES						
Maintenance Charges	$12,338,396	$13,225,500	$12,541,800	$13,843,500	$618,000	4.7%
Warranty Recovery	—	12,000	—	—	(12,000)	-100.0%
Miscellaneous Revenue	31,537	25,000	31,500	25,000	—	0.0%
Fuel Tax Refund	364,253	400,000	364,300	400,000	—	0.0%
Motor Pool	184,892	170,000	184,900	170,000	—	0.0%
Appropriated Fund Balance	—	630,200	—	756,100	125,900	20.0%
Transfers	—	—	—	—	—	0.0%
Total Revenues	**$12,919,078**	**$14,462,700**	**$13,122,500**	**$15,194,600**	**$731,900**	**5.1%**
EXPENDITURES						
Compensation	$5,063,568	$5,110,600	$5,029,300	$5,340,400	$229,800	4.5%
Fringe Benefits	3,602,013	2,488,900	3,368,800	3,611,900	1,123,000	45.1%
Operating	6,127,956	6,553,200	6,216,900	6,165,300	(387,900)	-5.9%
Capital Outlay	17,339	310,000	120,000	77,000	(233,000)	-75.2%
Total Expenditures	**$14,810,876**	**$14,462,700**	**$14,735,000**	**$15,194,600**	**$731,900**	**5.1%**
EXCESS OF REVENUES OVER EXPENDITURES	(1,891,798)	—	(1,612,500)	—	—	0.0%
OTHER ADJUSTMENTS	—	(630,200)	—	(756,100)	(125,900)	20.0%
ENDING FUND BALANCE	**$9,885,264**	**$10,834,362**	**$8,272,764**	**$7,516,664**	**$(3,317,698)**	**-30.6%**

Attachment B

Property Management Services Special Revenue Fund

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Proposed	FY 2022-2023 Change $	FY 2022-2023 Change %
BEGINNING FUND BALANCE	**$397,466**	**$1,052,666**	**$424,156**	**$1,175,456**	**$122,790**	**11.7%**
REVENUES						
Sale of Property	$703,259	$600,000	$1,351,300	$600,000	$—	0.0%
Miscellaneous Collections	—	—	—	—	—	0.0%
Appropriated Fund Balance	—	—	—	—	—	0.0%
Transfers	—	—	—	—	—	0.0%
Total Revenues	**$703,259**	**$600,000**	**$1,351,300**	**$600,000**	**$—**	**0.0%**
EXPENDITURES						
Compensation	$—	$—	$—	$—	$—	0.0%
Fringe Benefits	—	—	—	—	—	0.0%
Operating	676,569	600,000	600,000	600,000	—	0.0%
Capital Outlay	—	—	—	—	—	0.0%
Total Expenditures	**$676,569**	**$600,000**	**$600,000**	**$600,000**	**$—**	**0.0%**
EXCESS OF REVENUES OVER EXPENDITURES	26,690	—	751,300	—	—	0.0%
OTHER ADJUSTMENTS	—	—	—	—	—	0.0%
ENDING FUND BALANCE	**$424,156**	**$1,052,666**	**$1,175,456**	**$1,175,456**	**$122,790**	**11.7%**

Attachment C

Collington Center Special Revenue Fund

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Proposed	FY 2022-2023 Change $	FY 2022-2023 Change %
BEGINNING FUND BALANCE	$142,974	$137,974	$137,974	$132,974	$(5,000)	-3.6%
REVENUES						
Interest and dividends	$—	$—	$—	$—	$—	0.0%
Transfer from Collington Center	—	—	—	—	—	0.0%
Appropriated Fund Balance	—	5,000	5,000	5,000	—	0.0%
Transfers	—	—	—	—	—	0.0%
Total Revenues	$—	$5,000	$5,000	$5,000	$—	0.0%
EXPENDITURES						
Compensation	$—	$—	$—	$—	$—	0.0%
Fringe Benefits	—	—	—	—	—	0.0%
Operating	5,000	5,000	5,000	5,000	—	0.0%
Capital Outlay	—	—	—	—	—	0.0%
Total Expenditures	$5,000	$5,000	$5,000	$5,000	$—	0.0%
EXCESS OF REVENUES OVER EXPENDITURES	(5,000)	—	—	—	—	0.0%
OTHER ADJUSTMENTS	—	(5,000)	(5,000)	(5,000)	—	0.0%
ENDING FUND BALANCE	$137,974	$132,974	$132,974	$127,974	$(5,000)	-3.8%