

FY 2023 BUDGET OVERVIEW

MAY 2, 2022

OFFICE OF FINANCE

Stephen J. McGibbon
Director

Linda V. Allen
Deputy Director



ADMINISTRATION

ACCOUNTING



TREASURY

THREE DIVISIONS. ONE MISSION.

ADMINISTRATION

RISK MANAGEMENT • DEBT MANAGEMENT • HUMAN RESOURCES • BUDGET

RISK MANAGEMENT

4 POSITIONS

SELF-INSURANCE POOL
CLAIMS ADMINISTRATION
OCCUPATIONAL HEALTH &
SAFETY (OSHA) STANDARDS
INSURANCE PROGRAM
CONTRACT REVIEWS

DEBT MANAGEMENT

2 POSITIONS

\$2.8B OUTSTANDING DEBT
GENERAL OBLIGATION BONDS
CERTIFICATES OF PARTICIPATION
SPECIAL OBLIGATION BONDS/
TAX INCREMENT FINANCING
EQUIPMENT LEASES
CONDUIT DEBT

HUMAN RESOURCES

1 POSITION

RECRUITING
FMLA, ADA
EMPLOYEE ACTIONS

BUDGET

1 POSITION

BUDGET AND CONTRACT
ADMINISTRATION

Steve McGibbon
Director

Linda Allen
Deputy Director

Shenita Picou-Bailey
Executive Administrative Aide



ACCOUNTING

Associate Director – Cheryl Douglas
Administrative Aide – Jean Huber

REPORTING • ACCOUNTS RECEIVABLE • ACCCOUNTS PAYABLE • PAYROLL • FINANCIAL SYSTEMS

ACCOUNTING & REPORTING

13 POSITIONS

ANNUAL CONSOLIDATED
FINANCIAL REPORT
SINGLE AUDIT
ANNUAL AUDIT
GENERAL LEDGER MGMT

ACCOUNTS RECEIVABLE

3 POSITIONS

BILLING & COLLECTIONS
ESCHEATMENT
BANK RECONCILIATION
PURCHASING CARD COMPLIANCE

FINANCIAL SYSTEMS

3 POSITIONS

SYSTEM MAINTENANCE
(KRONOS, SAP)
ELECTRONIC FILE PROCESSING
HARDWARE/SOFTWARE MGMT

ACCOUNTS PAYABLE

6 POSITIONS

VENDOR PAYMENTS
CONTRACT EMPLOYEE PAYMENTS
JUROR PAYMENTS
1099s

PAYROLL

7 POSITIONS

BI-WEEKLY PAYROLL (7,000 emps)
RETIREE PAYROLL (5,800 retirees)
SYEP PAYROLL
PAYROLL TAX COMPLIANCE
W-2s



TREASURY

Associate Director – Cindy Bucci

Admin Aide – Kimmy Kears

TAX BILLING & COLLECTIONS • TAX ADMINISTRATION & CREDITS • REVENUE
COLLECTIONS • CASH MANAGEMENT & INVESTMENTS

TAX BILLING & COLLECTIONS

7 POSITIONS

ANNUAL & QRTL Y TAX BILLING

TAX PAYMENTS – LOCKBOX/MORTGAGE

TAX SALE

MUNICIPAL & AGENCY COLLECTIONS

COLLECTIONS – HOTEL/MOTEL; ENERGY

TAX ADMINISTRATION & TAX CREDITS/REFUNDS

4 POSITIONS

BILLING & COLLECTIONS

COMPLIANCE

TAX INCENTIVES – CREDITS, TIFS,

PILOTS

REFUNDS

CASH MANAGEMENT & INVESTMENTS

2 POSITIONS

BANK ACCOUNT MGMT

ELECTRONIC PAYMENT APPS

\$2B INVESTMENT PORTFOLIO

COMPLIANCE

REVENUE COLLECTIONS

9 POSITIONS

COLLECTIONS

PROPERTY TAXES

TRANSFER & RECORDATION

COMPLIANCE

CUSTOMER SERVICE

3 POSITIONS

CITIZEN CALLS & INQUIRIES

(TELEPHONE & WEBSITE)

TAX PAYMENTS – MAILED



FY 23 STRATEGIC FOCUS & INITIATIVES

- TRANSITION from legacy systems to the new Treasury Management system for revenue collections
- ENHANCE staffing resources to ensure Continuity of Operations
- LEAD multi-agency effort to develop an indirect cost allocation program for federal grants to ensure that the County recovers maximum indirect cost
- ENSURE the periodic review of risk management reserves to identify potential policy changes to improve its fiscal integrity



STRATEGIC FOCUS: TRANSITION TO THE NEW TAX BILLING & COLLECTIONS SYSTEM

Existing Mainframe System

- Built in the 80's
- Limited support resources
 - Supported by two County programmers (retired, but working part-time)

Key Uses

- Billing for all real and personal property accounts for County, State, M-NCPPC, and municipalities
- Revenue collection for County (\$929M), State (\$115M), M-NCPPC (\$312M), municipalities (\$146M), and other agencies (\$184M)
- Interfaces with Annual Online Property Tax Sale

New Treasury System

- Built in-house
- Takes advantage of newer technology to streamline processes
- Gains efficiencies with ability to automate some manual processes (spreadsheets!)
- Reduces paper and improves customer service interactions with ability to save account related documents in the system
- Cost savings anticipated with sunset of mainframe system

Target Go Live – October 2022



STRATEGIC FOCUS: ENHANCE STAFFING RESOURCES TO ENSURE CONTINUITY OF OPERATIONS

Fund 3 previously unfunded positions

Provide Employee Training and Professional Development

68 Positions Agencywide

Administration

**11
Positions**

10 Filled
1 Vacancy (FY22)

Accounting

**32
Positions**

29 Filled
2 Vacancies (FY22)
(+1 FY23)

Treasury

**25
Positions**

20 Filled
3 Vacancies (FY22)
(+2 FY23)



STRATEGIC FOCUS: LEAD MULTI-AGENCY EFFORT TO DEVELOP INDIRECT COST ALLOCATION PROGRAM

What Are Indirect Cost Rates (ICR's)?

Computed percentages representing the ratio of selected indirect expenses to specific elements of cost.

Why Are Indirect Cost Rates Important?

Indirect rates will provide Prince George's County with a mechanism to:

1. Optimize cost recoveries by developing ICR's for specific departments.
2. Recover overhead costs above the standard 10% currently being requested on grants.
3. Facilitate budget management and resource consumption.

Next Steps

1. Finalize Contract.
2. Conduct research and gather materials.
3. Develop the OMB Cost Allocation Plan (CAP).
4. Develop the Indirect Cost Rate Proposals (ICRP's).
5. Secure Approval for CAP and ICRP.
6. Provide training, guidance, and recommendations to County Finance Staff.

Estimated completion date –
Summer/Fall 2022

RISK MANAGEMENT FUND

ACTUARIAL ESTIMATE OF OUTSTANDING LOSSES

Program	As of June 30, 2020 (Prior Study)			As of June 30, 2021 (Current Study)		
	Low-End	Expected	High-End	Low-End	Expected	High-End
(A) Workers Compensation	\$164.0	\$165.8	\$171.6	\$164.9	\$165.7	\$171.7
(B) General Liability	10.6	11.9	14.1	21.8	23.6	28.5
(C) Automobile Liability	3.4	3.5	3.7	4.0	4.5	5.1
(D) Property	0.2	0.3	0.3	0.2	0.3	0.3
(E) Total	\$178.2	\$181.5	\$189.7	\$189.9	\$194.1	\$205.5

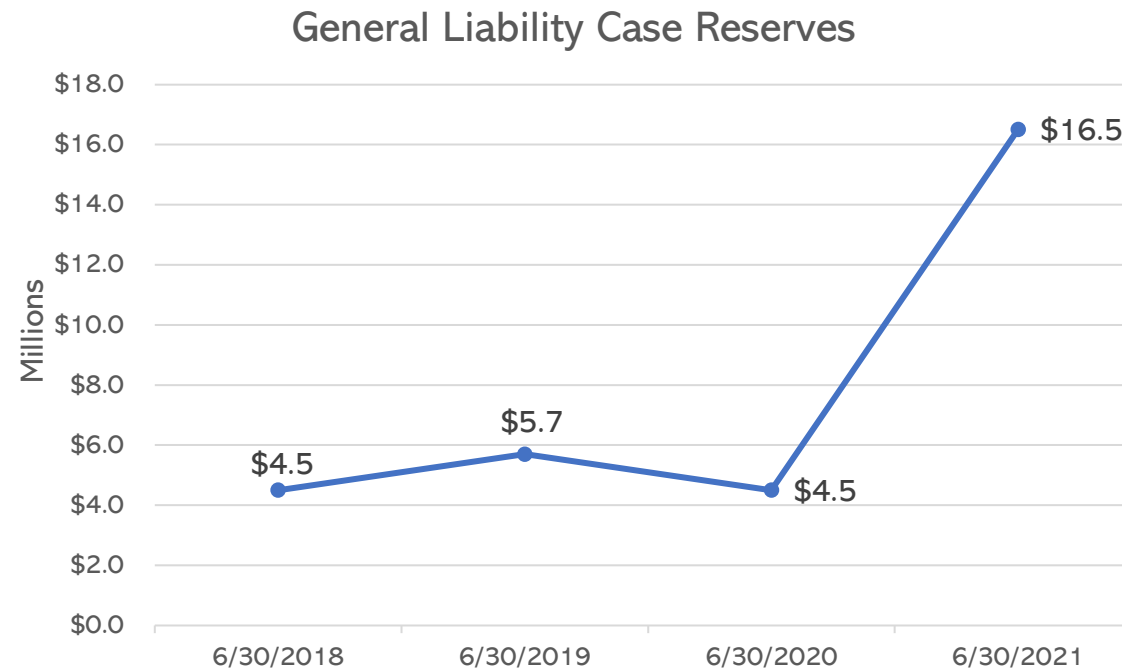
\$16.5M case res
+ \$12.0M IBNR*
\$28.5M

*Incurred But Not Reported



STRATEGIC FOCUS: REVIEW RISK MANAGEMENT FUND RESERVES TO IDENTIFY POTENTIAL POLICY CHANGES

Increasing outstanding losses for FY23 driven by General Liability case reserves



FY22-23 DEBT ISSUANCE CALENDAR

General Obligation Bonds	Approximate Timing
\$273M* - Consolidated Public Improvement Bonds	Spring 2022

Double Barreled	Approximate Timing
\$65M - Water Quality Loan (1)	Spring/Summer 2022
\$35M - Water Quality Loan (1)	Fall/Winter 2022/2023
\$48M* – National Harbor Refunding COPs (2)	Spring 2022

Annual Appropriation	Approximate Timing
\$25M Equipment Lease Purchase Financing or COP	Spring 2023

* Subject to change

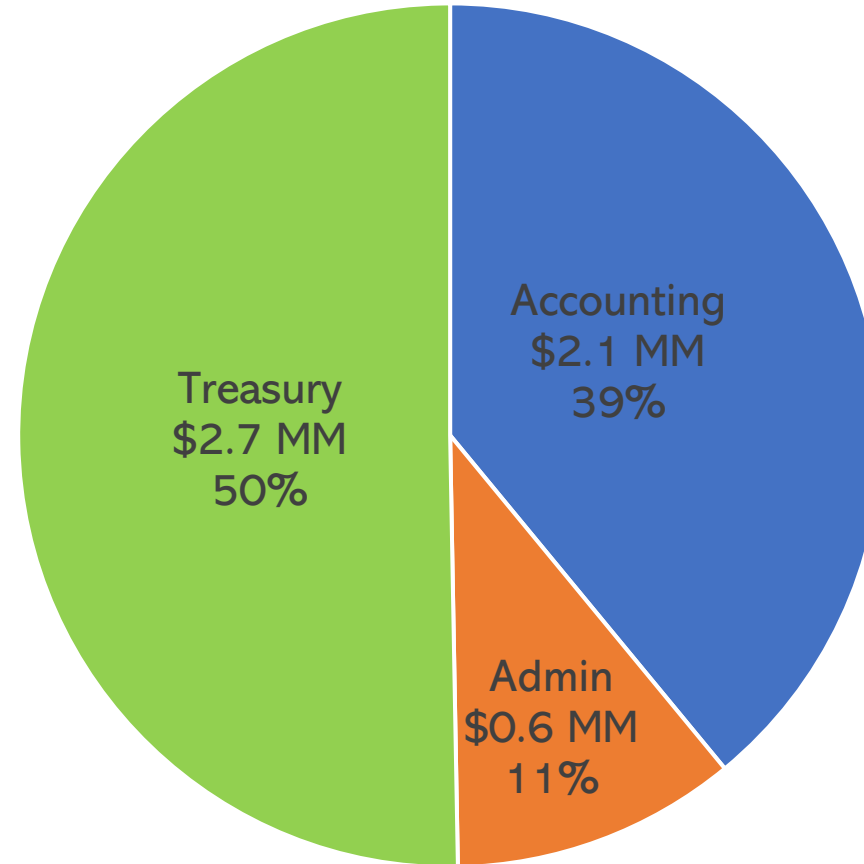
(1) Annual Appropriation and System Revenues

(2) TIF Revenues with Annual Appropriation DSRF Make-up Pledge



FY 2023 PROPOSED BUDGET BY DIVISION

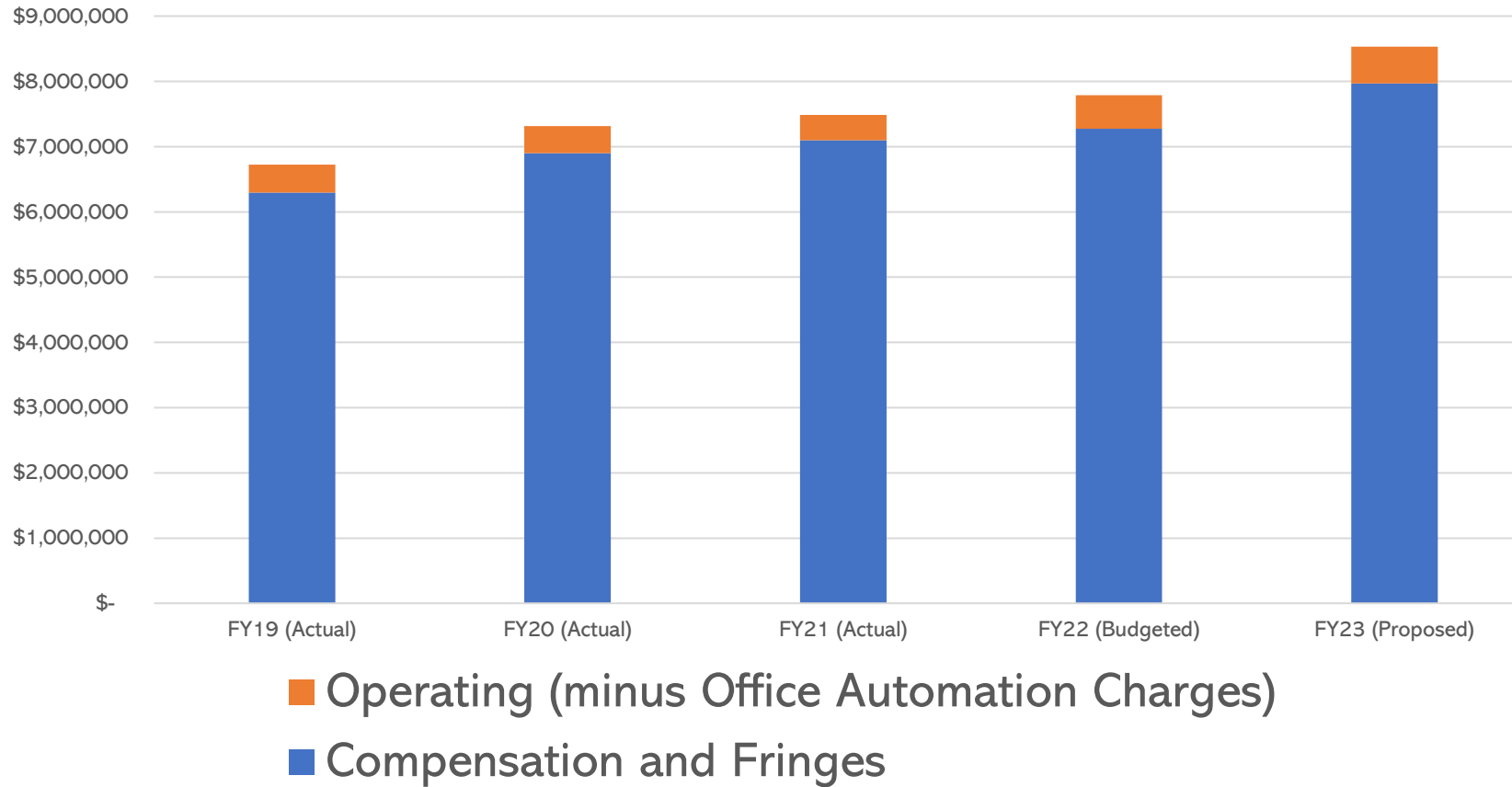
\$5.4 Million*



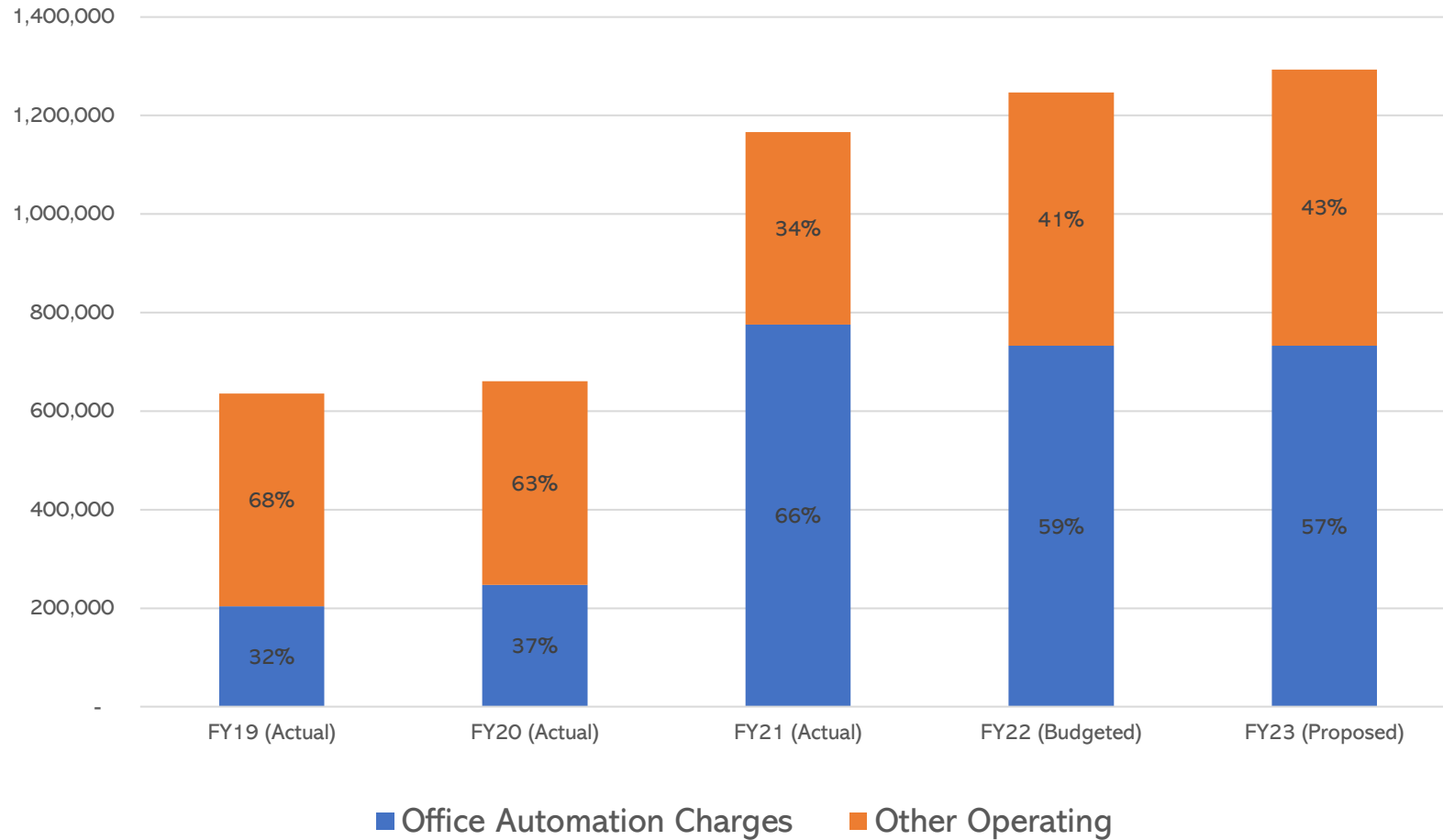
*Includes Recoveries



AGENCY EXPENDITURES FY19-23



OPERATING EXPENDITURES FY19-23





QUESTIONS

