

MEMORANDUM

May 8, 2019

TO: Prince George's County Council
Montgomery County Council

FROM: Marlene Michaelson, Montgomery County Council Executive Director
Robert J. Williams, Jr., Prince George's County Council Administrator

SUBJECT: Bi-County Meeting Issues for Fiscal Year 2020

Our joint staff recommendations for the May 9 bi-county meeting are as follows:

1. Bi-County Portion of the M-NCPPC Budget and Central Administrative Services (CAS)

Regarding the Commission's budget proposal for the administrative funds that are jointly allocable to both counties, we were unable to reach an agreement on proposed reductions to the Central Administrative Services (CAS) portion of the budget. As a result, per Section 18-106 of the Maryland Land Use Article, if the two counties fail to concur on any budget item allocable to both counties, the item as submitted by the Commission is deemed approved. However, in reviewing their budget for proposed reductions, the Commission identified reductions they believe should occur under any circumstances. These reductions are reflected in the table on circle 8. We recommend that the Councils concur with the proposed funding for Central Administrative Services (CAS) as revised by the Commission, per the savings shown on circle 8.

We further recommend that we concur in the agency-wide collective bargaining and compensation policies for FY 2020, namely: (a) adjustments required under the tentative confidential agreement with the Fraternal Order of Police (FOP) Lodge #30; and (b) the adjustments for other represented Merit System employees in the amounts required under a tentative confidential agreement with Municipal and County Government Employees Organization (MCGEO). Both agreements have yet to be ratified; however, the Commission has confirmed that the adjustments for represented employees covered by the FOP and MCGEO Unions, as well as non-represented employees will not exceed the amounts included in the Commission's FY 2020 proposed budget.

2. WSSC Budget and Capital Improvements Program

We recommend approval of the joint staff recommendations attached on circles 1-3.

The joint staff recommendations assume approval of the FY20-25 WSSC CIP with no changes as reflected on circle 2.

As noted on the joint staff recommendations attached on circle 1, the two Councils agree on all items regarding the Proposed WSSC Budget except for \$500,000 in proposed increased funding for the Inspector General's office for FY20. Per Section 17-202 of the Public Utilities Article of the Maryland Code, when the two Councils fail to concur on a change in the capital or operating budget, failure to concur constitutes approval of the item as submitted by the Commission.

3. WSTC Budget

We recommend approval of the FY 2020 amounts proposed for Montgomery County (\$142,049) and Prince George's County (\$119,549).

Letters on these issues from President Navarro and Chair Turner are attached beginning on circle 4.

**WSSC FY'20 PROPOSED BUDGET
COUNTY COUNCIL RECOMMENDATIONS**

ITEM	MONTGOMERY COUNTY COUNCIL	PRINCE GEORGE'S COUNTY COUNCIL	JOINT STAFF RECOMMENDATIONS
Rate Increase	Supports a 5.0% rate increase.	Supports a 5.0% rate increase.	Adopt both Council's actions.
Inspector General	Concurs with the proposed increase of \$500,000 for expenses related to the Office of the Inspector General.	Does not concur with the proposed increase of \$500,000 for expenses related to the Office of the Inspector General	No agreement. Per Section 17-202 of the Public Utilities Article of the Maryland Code, the funding for this item is approved as proposed in the WSSC Operating Budget.
Water Production	Concurs with the proposed water production estimate of 164 mgd.	Concurs with the proposed water production estimate of 164 mgd.	Adopt both Council's actions.
SDC Rates	Concurs with WSSC's proposal to maintain current SDC rates but to increase the maximum allowable rate.	Concurs with WSSC's proposal to maintain current SDC rates but to increase the maximum allowable rate.	Adopt both Council's actions.

**WSSC FISCAL YEARS 2020-2025 CIP
COUNTY COUNCIL RECOMMENDATIONS**

CIP & INFORMATION ONLY PROJECTS – ADDITIONS & CHANGES

PROJECT NAME	MONTGOMERY COUNTY COUNCIL	PRINCE GEORGE'S COUNTY COUNCIL	JOINT STAFF RECOMMENDATIONS
Proposed FY2020-2025 Capital Improvements Program.	Concurs with the Proposed FY2020-2025 Capital Improvements Program as transmitted by WSSC on September 19, 2018.	Concurs with the Proposed FY2020-2025 Capital Improvements Program as transmitted by WSSC on September 19, 2018.	Adopt both Council's actions.

**WSSC FY'20 PROPOSED BUDGET
COUNTY COUNCIL RECOMMENDATIONS - INCREASES (DECREASES)**

	WSSC PROPOSED			MONTGOMERY COUNTY COUNCIL			PRINCE GEORGE'S COUNTY COUNCIL			JOINT STAFF		
	TOTAL	WATER / SEWER OPERATING AMOUNT		TOTAL ADJUSTMENT	WATER / SEWER OPERATING IMPACT		TOTAL ADJUSTMENT	WATER / SEWER OPERATING IMPACT		TOTAL ADJUSTMENT	WATER / SEWER OPERATING IMPACT	
REVENUES												
PROPOSED REVENUE	\$ 1,455,919,130	\$ 771,242,729		\$ 1,455,919,130	\$ 771,242,729		\$ 1,455,919,130	\$ 771,242,729		\$ 1,455,919,130	\$ 771,242,729	
Water and Sewer Revenue	-	627,522,700		-	-		-	-		-	-	
Use of Fund Balance	-	11,341,000		-	-		-	-		-	-	
Bonds Issued and Cash on Hand	579,823,404	-		-	-		-	-		-	-	
Anticipated Contributions	36,412,000	-		-	-		-	-		-	-	
Removal of Inspector General Miscellaneous Offset	-	-		-	-		(500,000)	(394,500)		-	-	
REVISED REVENUE	\$ -	\$ 771,242,729		\$ 1,455,919,130	\$ 771,242,729		\$ 1,455,419,130	\$ 770,848,229		\$ 1,455,919,130	\$ 771,242,729	
EXPENDITURES												
PROPOSED EXPENDITURES	\$ 1,455,919,130	\$ 802,619,402		\$ 1,455,919,130	\$ 802,619,402		\$ 1,455,919,130	\$ 802,619,402		\$ 1,455,919,130	\$ 802,619,402	
Reduction for Inspector General Office	-	-		-	-		(500,000)	(394,500)		-	-	
REVISED BUDGET	\$ 1,455,919,130	\$ 802,619,402		\$ 1,455,919,130	\$ 802,619,402		\$ 1,455,419,130	\$ 802,224,902		\$ 1,455,919,130	\$ 802,619,402	
DIFFERENCE	\$ -	\$ 31,376,673		\$ -	\$ 31,376,673		\$ -	\$ 31,376,673		\$ -	\$ 31,376,673	
RATE INCREASE												
Water/Sewer Rate Increase		5.00%			5.00%			5.00%			5.00%	



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

May 7, 2019

The Honorable Todd M. Turner
Chairman, Prince George's County Council
County Administration Building
14741 Governor Oden Bowie Drive, 2nd Floor
Upper Marlboro, Maryland 20772

Dear Chairman Turner:

In preparation for the bi-county meeting on May 9, I am pleased to send you the Montgomery County Council's recommendations on the FY2020 Operating Budget and FY2020-2025 Capital Improvements Program (CIP) of the Washington Suburban Sanitary Commission (WSSC), the bi-county portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC).

WSSC

Operating Budget

We recommend approval of the FY2020 WSSC Operating Budget as proposed by WSSC, along with a 5.0 percent combined water/sewer volumetric rate increase as proposed by WSSC.

System Development Charge

We concur with WSSC on maintaining System Development Charge rates for FY2020 at current approved levels while increasing the maximum chargeable rate (the rate the charge could be increased in the future) by a CPI adjustment, as authorized by State law.

WSSC FY20-25 Capital Improvements Program

We recommend approval of WSSC's FY2020-2025 Capital Improvements Program (CIP) as proposed by WSSC.

M-NCPPC Compensation and Bi-County Budget (Central Administrative Services)

Regarding the Commission's budget proposal for the administrative funds that are jointly allocable to both counties under Section 18-106 of the Maryland Land Use Article, we recommend that the Councils concur with the proposed funding for Central Administrative Services as revised by the reductions proposed to meet Montgomery County's fiscal constraints. This includes reductions not recommended for restoration, and Tiers 1 and 2, as presented in the attached Exhibit A.

We further recommend that we concur in the agency-wide collective bargaining and compensation policies for FY 2020, namely: (a) adjustments required under the tentative confidential agreement with the Fraternal Order of Police (FOP) Lodge #30; and (b) the adjustments for other represented Merit System employees in the amounts required under a tentative confidential agreement with Municipal and County Government Employees Organization (MCGEO). Both of these agreements have yet to be ratified; however, the Commission has confirmed that the adjustments for represented employees covered by the FOP and MCGEO Unions, as well as non-represented employees, will not exceed the amounts included in the Commission's FY 2020 proposed budget.

Washington Suburban Transit Commission

We recommend approval of \$142,049 as Montgomery County's share of the FY2020 WSTC budget.

We look forward to seeing you at the bi-county meeting on May 9.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Navarro", with a stylized flourish at the end.

Nancy Navarro
President, Montgomery County Council

Attachment

Department	Tier 1 - Departmental Top Priority for Restoration (Non-Recommended Reductions)			MC	PGC	Total
DHRM	1-a	Reduce funding for agency-wide implementation of findings from Classification & Compensation Study <i>Impact - An independent review of the agency's position classification and compensation system revealed that critical updates are needed to ensure positions are better aligned with the delivery of operational needs and relevant compensation factors. The reduction of \$29,739 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$60,000. This reduction will reduce needed funding for specialized consultants to complete a review of positions in planning, parks and other departments.</i>		\$ 29,739	\$ 30,261	\$ 60,000
DHRM	1-b	Delay full implementation of agency-wide training program for employees and supervisors <i>Impact - <u>Defer implementation of online training platform by 6 months</u>: This reduction will reduce resources needed to support funding for needed platform to ensure training requirements are identified by position responsibilities, training is accessible, and completion of requirements is managed. The reduction of \$20,341 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$40,000.</i>				
	1-b			\$ 20,341	\$ 19,659	\$ 40,000
CAS Support Services	1-c	Reduce funding for necessary updates of agency-wide public records program <i>Impact - The public records program is currently undergoing a comprehensive review with the State of Maryland to maintain compliance with public recordkeeping requirements. The State has made recommendations including improved protection of records and recordkeeping modernization. This reduction will impact the timing of implementation of these recommendations. The reduction of \$24,234 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$54,146.</i>		\$ 24,234	\$ 29,912	\$ 54,146
Merit Board	1-d	Reduce funding for Merit System Board legal counsel <i>Impact - The Merit System Board is our separate civil service system required by law. The Board's budget is very small and primarily funds three public members, one part-time employee, legal counsel, and nominal supplies. The Merit Board has seen an increase of 200% in appeals over the past two years. The Board utilizes independent legal counsel to assist with complex appeal matters. Any reduction to the budget may slow down the ability to address appeals in a timely manner. The reduction of \$2,914 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$5,359.</i>		\$ 2,914	\$ 2,445	\$ 5,359
Finance	1-e	Delay hiring of requested Accountant III position by 6 months <i>Impact - delayed service improvement to the MC Parks and PGC Parks & Recreation departments related to CIP project accounting. The reduction of \$28,719 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$63,119.</i>		\$ 28,719	\$ 34,400	\$ 63,119
Finance	1-f	Delay hiring of requested Payroll Tech position by 6 months <i>Impact - Delay in service improvement efforts. Increased risk of error due to overburdened staff. Delay in transition from contractor funded from prior year lapse to full time dedicated staff. The reduction of \$23,115 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$50,802.</i>		\$ 23,115	\$ 27,687	\$ 50,802
Corporate IT	1-g	Reduce training/workshops <i>Impact - Reduction will result in delay of certain trainings until budget can be restored in FY21, unless we can find alternatives if the demand for training becomes critical, especially for technologies that focus on cloud computing and cyber security. The reduction of \$17,435 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$31,414.</i>		\$ 17,435	\$ 13,979	\$ 31,414
Subtotal Tier 1 - Departmental Priority for Restoration				\$ 146,497	\$ 158,343	\$ 304,840

Exhibit A		MC	PGC	Total
Tier 2 - Departmental Top Priority for Restoration (Non-Recommended Reductions)				
CAS - all depts	2-a Reduce CIO/CWIT Initiatives <i>Impact - Delayed hiring of new project manager; elimination of three Commission-wide IT projects: ECM Feasibility Study/Requirements, Active Directory Phase V, and Intranet Upgrade. The reduction of \$23,897 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$47,099.</i>	\$ 23,897	\$ 23,202	\$ 47,099
Finance	2-b Increase salary lapse by 1% <i>Impact - Should turnover not occur at the budgeted level, it will be necessary to curtail training and other support to departments to make up this reduction. The reduction of \$27,082 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$35,194.</i>	\$ 27,082	\$ 8,112	\$ 35,194
Corporate IT	2-c Reduce PC & peripheral refresh <i>Impact - This will be the second year of reductions, so our PC replacements are further behind, resulting in older hardware with some diminished computing capacity. Some desktop computers, laptops and other peripherals will soon be below our minimum acceptable performance level. Additionally, the reduction will hamper our ability to proactively replace aging equipment prior to breaking down. The ERP Cloud migration enabled many features that require more computing power. Also upgraded applications and the addition of functionality such as document imaging management is processor and memory intensive. This is not true for all users, but has a wide impact mostly in procurement, HR, and Recruitment. The reduction of \$22,344 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$41,061.</i>	\$ 22,344	\$ 18,717	\$ 41,061
Corporate IT	2-d Reduce professional services <i>Impact - Specialized experts are needed for short term needs to achieving security and application related activities such as: firewalls, networking issues, application matters and others. Reductions may make it a little challenging towards the end of the year. The reduction of \$10,846 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$19,542.</i>	\$ 10,846	\$ 8,696	\$ 19,542
Subtotal Tier 2 - Departmental Priorities for Restoration		\$ 84,169	\$ 58,727	\$ 142,896
Budget Reductions to Meet the FY20 County Executive Recommendation				
Legal	Increase salary lapse by deferred hiring (maintain vacancy at MRO) <i>Impact - The reduction will test the existing legal staff at MRO to manage the workload and may impede the team's ability to respond either to any major new planning initiatives or an uptick in development review projects.</i>	\$ 50,941	\$ -	\$ 50,941
Non-Dept	Savings - reclass marker <i>Impact - None. Reduced due to delayed timing of completion.</i>	\$ 5,673	\$ 7,835	\$ 13,508
Non-Dept	Savings - OPEB Pay-Go <i>Impact - None.</i>	\$ 48,052	\$ 60,188	\$ 108,240
Subtotal - Reductions		\$ 104,666	\$ 68,023	\$ 172,689
Total of all Tiers		\$ 335,332	\$ 285,093	\$ 620,425

Commission Identified Savings to the Proposed FY20 Operating Budget:

		MC	PGC	Total
Non-Dept	Savings - reclass marker <i>Impact - None. Reduced due to delayed timing of completion.</i>	\$ 5,673	\$ 7,835	\$ 13,508
Non-Dept	Savings - OPEB Pay-Go <i>Impact - None.</i>	\$ 48,052	\$ 60,188	\$ 108,240
Subtotal - Reductions		\$ 53,725	\$ 68,023	\$ 121,748



Todd M. Turner
Chair
District 4

Service. Community. Progress.

May 7, 2019

The Honorable Nancy Navarro, President
Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Dear President Navarro:

The Prince George's County Council has reviewed the Fiscal Year (FY) 2020 Operating and Capital budgets of the Washington Suburban Sanitary Commission (WSSC), the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC). The Council's recommendations on each of these budgets are provided for your information.

WASHINGTON SUBURBAN SANITARY COMMISSION

WSSC Operating Budget:

Listed below is a summary of recommended actions taken by the Council:

- Increase the combined water and sewer rates by 5.0% for FY 2020;
- Approve the Commission's water production proposal of 164 million gallons per day in FY 2020.
- Approve the Commission's proposed level of authorized work-years at 1,776.
- Approve the Operating Budget of \$817.4 million.
- Maintain FY 2019 funding level for the Office of the Inspector General, eliminating proposed increase for additional staffing and permanent office space.

WSSC Capital Budget:

The Council recommends WSSC's six-year Capital Improvements Program totaling \$3.2 billion, with FY 2020 Budget Year total of \$569.7 million, a \$57.9 million decrease from WSSC's FY 2019 Approved Capital Improvements Program. Specifically, the Council endorses the following recommendations to the WSSC FY 2020 - 2025 Capital Improvement Program:

A. System Development Charge

- The Council concurs with WSSC's recommendation that the maximum allowable charge be increased by 1.5%, but still maintains the current rate of \$203 per fixture unit.

B. Capital Program Categories

Total WSSC CIP	\$383.3 million
Total Information Only	\$186.3 million

C. New CIP Projects

- The Council concurs with the addition of one new sewer project in Prince George's County, **Western Branch Water Resource Recovery Facility (WRRF) Process Train Improvements**. The total estimated cost is \$14.9 million of which \$3.5 million is planned to be expensed in FY 2020.

D. All Other Projects

- The Council concurs with all projects as proposed in WSSC FY 2020 - 2025 Capital Improvements Program.

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

We recommend approval of the FY 2020 compensation adjustments in the Commission's tentative agreements with the Fraternal Order of Police Lodge #30 and the Municipal and County Government Employees Organization (MCGEO). For non-represented employees, we recommend approval of compensation adjustments that take into account comparable adjustments for similar employees of both counties and do not exceed the Commission's FY 2020 proposed budget (approximately \$2.2 million for Montgomery County and approximately \$2.9 million for Prince George's County).

With regard to the FY 2020 proposed Central Administrative Services (CAS) budget, we recommend approval of the budget as submitted and revised by the reclassification of the compensation marker.

WASHINGTON SUBURBAN TRANSIT COMMISSION

The Council recommends the amount of \$119,549 will be appropriated for the Prince George's County portion of the Fiscal Year 2020 Washington Suburban Transit Commission budget.

Sincerely,

A handwritten signature in black ink that reads "Todd M. Turner". The signature is fluid and cursive, with the first name "Todd" being the most prominent.

Todd M. Turner
Chair