



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 3, 2018

M E M O R A N D U M

TO: Derrick L. Davis, Chair
Public Safety and Fiscal Management Committee (PSFM)

THRU: David H. Van Dyke, County Auditor *DDV*

FROM: Turkessa M. Green, Deputy County Auditor (Operating Budget) *TMG*
Canjor D. Reed, Senior Auditor (Capital Improvement Program) *CDR*

RE: Office of Central Services (OCS)
Fiscal Year 2019 Budget Review

Budget Overview

The FY 2019 Proposed Budget for the Office of Central Services is \$35,644,700. This is a decrease of \$7.5 million, or 17.5%, below the FY 2018 Approved Budget. The decrease is largely due to a reduction in grant funding for various green initiatives that the Office does not anticipate receiving in FY 2019, as well as a reduction in one-time capital outlay and operating expenses in the Fleet Management Fund related to the purchase of a parking lot and green fleet.

FY 2018 estimated total General Fund expenditures are \$19.2 million, which is approximately 6.7% below the FY 2018 budgeted level, therefore the Office will not require a supplemental budget appropriation.

Fund	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
General Fund	\$ 17,849,159	\$ 20,597,600	\$ 19,226,000	-6.7%	\$ 21,006,300	\$ 408,700	2.0%
Grants	106,451	7,810,000	10,558,100	35.2%	841,500	(6,968,500)	-89.2%
Fleet Management	11,192,036	14,365,200	12,861,400	-10.5%	13,191,900	(1,173,300)	-8.2%
Property Mgmt Svc	195,405	408,900	408,900	0.0%	600,000	191,100	46.7%
Collington Center	5,000	5,000	5,000	0.0%	5,000	-	0.0%
Total	\$ 29,348,051	\$ 43,186,700	\$ 43,059,400	-0.3%	\$ 35,644,700	\$ (7,542,000)	-17.5%

Authorized Staffing - All Classifications

	FY 2018 Approved	FY 2019 Proposed	Change	% Change
General Fund	171	171	0	0.0%
Fleet Management Fund	75	75	0	0.0%
Limited Term Grant Funded	6	6	0	0.0%
Total	252	252	0	0.0%

Budget Comparison - General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Compensation	\$ 8,345,148	\$ 9,989,400	\$ 9,289,400	\$ 10,130,100	\$ 140,700	1.4%
Fringe Benefits	2,775,919	3,470,100	3,223,400	3,535,200	65,100	1.9%
Operating Expenses	<u>7,767,178</u>	<u>8,939,800</u>	<u>8,240,600</u>	<u>9,216,900</u>	<u>277,100</u>	<u>3.1%</u>
Sub-Total	\$ 18,888,245	\$ 22,399,300	\$ 20,753,400	\$ 22,882,200	\$ 482,900	2.2%
Recoveries	<u>(1,039,086)</u>	<u>(1,801,700)</u>	<u>(1,527,400)</u>	<u>(1,875,900)</u>	<u>(74,200)</u>	<u>4.1%</u>
Total	<u>\$ 17,849,159</u>	<u>\$ 20,597,600</u>	<u>\$ 19,226,000</u>	<u>\$ 21,006,300</u>	<u>\$ 408,700</u>	<u>2.0%</u>

Authorized Staffing Count - General Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	Percentage Change
Full-Time	171	171	0	0.0%
Total	171	171	0	0.0%

Staffing Changes and Compensation

- The FY 2019 Proposed Budget includes authorization for 171 full-time General Fund positions, which is the same level of staffing as the FY 2018 approved level. As of March 2018, the Office reported 39 vacant full-time positions. The Proposed FY 2019 Budget includes funding for 30 of these positions. The remaining nine (9) positions will remain unfunded in the upcoming fiscal year.
- FY 2019 General Fund compensation is increasing by \$140,700, or 1.4%, largely due to funding anticipated cost-of-living adjustments and merit increases, offset by anticipated attrition and salary lapse.
- The Office has three Audio Visual Specialists assigned to the County Executive's Office.
- The Office projects overtime expenses will total \$120,000 for FY 2018, which is less than the budgeted amount of \$150,000. In FY 2019, the Office's proposed budget includes funding in the amount of \$150,000 for overtime expenses, the same level of funding as the FY 2018 Approved Budget.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$65,100, or 1.9%, above the FY 2018 approved level to align with actual costs.

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

Fringe Benefits Historical Trend					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefit Expenditures	\$ 2,657,021	\$ 3,065,446	\$ 2,775,919	\$ 3,223,400	\$ 3,535,200
As a % of Compensation	30.6%	37.6%	33.3%	34.7%	34.9%
Annual % Change		15.4%	-9.4%	16.1%	9.7%

Operating Expenses

- FY 2019 operating expenses are proposed at \$9,216,900 and are comprised of the following major items:
 - Operational Contracts \$5,631,900
 - Building Repair & Maintenance \$1,321,500
 - Equipment Lease \$757,000
 - Office Automation \$603,900
 - Operating and Office Supplies \$188,600
- Overall, operating expenses are increasing by approximately \$277,100, or 3.1%, above the FY 2018 approved level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In four (4) of the categories, the FY 2019 Proposed Budget increases planned spending from the FY 2018 budget. In 11 of the categories, the FY 2019 Proposed Budget level remains the same compared to the FY 2018 budget. The FY 2019 expenditure level is decreasing for one (1) category.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Office Automation	\$ 487,300	\$ 603,900	\$ 116,600	23.9%
Operating Contracts	5,524,000	5,631,900	107,900	2.0%
Equipment Lease	662,100	757,000	94,900	14.3%
Mileage Reimbursement	33,500	38,000	4,500	13.4%
Telephone	108,300	108,300	-	0.0%
Printing	24,200	24,200	-	0.0%
Training	41,500	41,500	-	0.0%
Advertising	53,300	53,300	-	0.0%
Travel: Non-Training	6,000	6,000	-	0.0%
Membership Fees	6,000	6,000	-	0.0%
General & Administrative Contracts	105,100	105,100	-	0.0%
General Office Supplies	188,600	188,600	-	0.0%
Office and Operating Equipment Non-Capital	78,100	78,100	-	0.0%
Gas and Oil	94,500	94,500	-	0.0%
Building Repair/Maintenance	1,321,500	1,321,500	-	0.0%
Vehicle Equipment Repair/Maintenance	205,800	159,000	(46,800)	-22.7%
TOTAL	\$ 8,939,800	\$ 9,216,900	\$ 277,100	3.1%

- The most significant increase between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is in Office Automation (\$116,600 increase) as a result of a change in methodology.

- Additionally, Operating Contracts are increasing by \$107,900 largely due to increases in landscaping, HVAC maintenance, and custodial services to align with actual cost.
- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is Vehicle Equipment Repair/Maintenance (\$46,800 reduction) as a result of a decrease in the maintenance of the County's fleet, to align with actual cost.

Recoveries

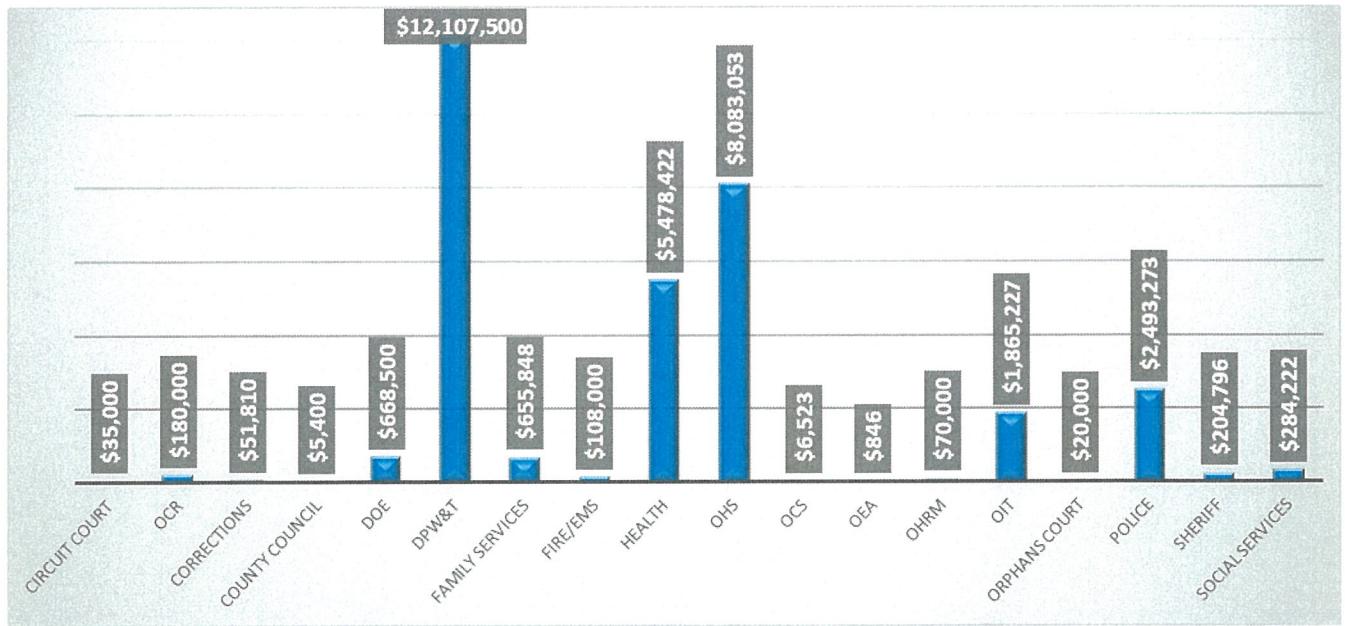
- Recoveries for the General Fund activity of the Office are proposed at \$1,875,900 in FY 2019, which represents an increase of \$74,200, or 4.1%, compared to the FY 2018 Approved Budget. These recoveries are for costs associated with salaries, fringe, and operating costs from various CIP projects, recovery of agency print/copy costs, and salaries related to the sale of surplus property.

Highlights

- Currently the Office manages approximately 5.3 million square feet of space, of which 339,178 (6.4%) is leased. During FY 2018, the County renegotiated lease provisions for several leases, including leases for the Board of Elections, Court Records, and the Sheriff Headquarters. During the fiscal year, the County terminated one lease for the Fleet/OCS parking lot, realizing total savings of \$26,900 in annual lease costs. The list of leased properties is included as Attachment D of the 1st Round Budget Questions. The Office reports that most of the County space that it manages is fully utilized.
- In its Building Condition Report, the Office stated that 50% of County-owned space is in good condition (slightly higher percentage than reported during the FY 2018 Budget Review), 49% in fair condition, and approximately 1% is in poor condition. (See Attachment F of the responses to the First Round FY 2019 Proposed Budget questions for the Building Condition Report.)
- 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. As a result, all work requests, special events and project requests must be submitted online through the new system.
- The Sustainable Energy Program's (SEP) mission is to provide reliable, sustainable, and environmentally sound energy solutions to enhance the quality of life of County residents while maximizing energy savings. Key elements of this program include high performance building practices, clean fuel and vehicle technology, utility management, and education and outreach. As part of the SEP, the Office is installing its largest solar energy carport system at the new Wayne K. Curry Administration Building. As a result of this initiative, the clean energy generated from the carport system will be provided to the County government at no charge for 15 years. Completion of the solar energy carport system is anticipated by the end of this fiscal year.
- Additionally, in 2008 the County entered into energy performance contracts with Pepco Energy Services (PES) and Johnson Controls (JCI) to design and install energy efficient equipment in selected County facilities that are guaranteed to provide energy savings over a 15-year period, and to provide

measurement and verification of those savings. As a result of this initiative, Pepco Energy Services reported verified savings of \$2.7 million for the first seven performance years (February 2009 through January 2016). Johnson Controls reported verified savings of \$6.9 million for its first seven performance years (October 2010 through September 2017).

- The Office reported that the total number of Minority Business Enterprises (MBE) registered with the County is 872. The Office also reported a total of 82 County-Based Businesses (CBB), 501 County-Based Small Businesses (CBSB), and 669 County-Based MBEs (CBMBE) are registered with the County. One of the Contracts Administration and Procurement Division's overall goals is to reduce the number of riders and extended contracts in order to promote more competition for minority and County-Based Businesses.
- In FY 2017, total contract dollars paid for procurement amounted to \$521.2 million. Of that amount, MBEs earned 10.5%, or \$54.7 million, and Certified CBBs earned 14.3%, or \$74.8 million.
- The Office reports there were 120 non-competitive awards made in FY 2017 with an estimated dollar value of approximately \$32.3 million, which is approximately 6% of the total contract dollars awarded for the same period. The number of non-competitive awards in FY 2017 was 35% more than the number awarded in FY 2016. A breakdown of the non-competitive awards, by agency, is shown below. (A list of the vendors that received these awards is included as Attachment A and B of the 2nd Round Questions.)



- The Contract Compliance Unit is responsible for reviewing contract compliance and reporting requirements of the Jobs First Act of 2011 and the Jobs Opportunity Act of 2016. In an effort to ensure the County is in compliance with various County mandates, the Contract Compliance Unit implemented the following practices:
 - Attending the Work Initiation Conference to provide contract awardees with project specific requirements for staying in compliance throughout the duration of their contract;

- Attending the Contract Review Committee ("CRC") meetings held by agencies with delegated procurement authority to ensure these agencies are aware of legislative changes and to ensure that their award process adheres to the County-code; and
- Reviewing the bid document templates to ensure all of the information necessary to fully monitor contracts for compliance with the County code is captured in the documents.
- The Contract Compliance Unit also assists the Wage Determination Board in conducting annual wage surveys in order to establish prevailing wage rates for employees of contractors performing work on behalf of the County. The Office is reporting that it continues to face challenges complying with various legislative requirements, including data validation and corroboration of self-reported spending information for subcontractors.
- The Disparity Study initiated by the Office during FY 2015, will resume in FY 2019. The Office reported that the contract with MGT Consulting Group (MGT) had expired and was recently revised, due to changes in the procurement law that occurred during FY 2018. The Office reported that the vendor must also enter into a Novation Agreement with the County under its new name. To date, MGT has completed 32% of its tasks under the contract. Funding in the amount of \$305,000 is included in the FY 2019 proposed budget to continue the study. The Office anticipates completion of the study in December 2019.
- During FY 2018, the General Services Division coordinated with the Department of Social Services and the Police Department to successfully launch a media campaign in support of Domestic Violence Prevention. The Division assisted with the design and publication of more than 150,000 brochures in support of this media campaign.

Budget Comparison – Fleet Management Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Compensation	\$ 3,846,781	\$ 4,641,600	\$ 3,873,300	\$ 4,525,900	\$ (115,700)	-2.5%
Fringe Benefits	2,263,726	3,054,200	2,548,600	2,715,600	(338,600)	-11.1%
Operating Expenses	5,081,529	6,209,400	5,979,500	5,640,400	(569,000)	-9.2%
Capital Outlay	-	460,000	460,000	310,000	(150,000)	-32.6%
Total	\$ 11,192,036	\$ 14,365,200	\$ 12,861,400	\$ 13,191,900	\$ (1,173,300)	-8.2%

Authorized Staffing Count - Fleet Management Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	Percentage Change
Full-Time	75	75	0	0.0%
Total	75	75	0	0.0%

Staffing Changes and Compensation

- The FY 2019 Proposed Budget includes authorization for 75 full-time Fleet Management Fund positions, which is the same level of staffing as the FY 2018 approved level. As of March 2018, the Office reported 18 vacancies within the Fleet Management Division. Eight (8) of these positions will be fully funded, while the remaining positons will be partially funded in FY 2019.
- Compensation for this fund is decreasing by \$115,700, or 2.5%, and includes funding to support staff salaries for 75 full-time positions, overtime, anticipated cost-of-living adjustments, and merit increases. The Office anticipates that there will also be some turnover resulting in salary lapse, as it typically experiences a 9% attrition rate.
- The Office projects overtime expenses will total \$50,000 for FY 2018. In FY 2019, the Office's proposed level of overtime expenses is anticipated to remain at the same level as the FY 2018 Approved Budget.

Fringe Benefits

- Fringe benefit expenditures are proposed to decrease by \$338,600, or 11.1%, below the FY 2018 approved level to align with actual expenses. Proposed fringe benefits for the Fleet Management fund include a \$1.2 million contribution for Other Post-Retirement Benefits (OPEB).
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefit Expenditures	\$ 2,478,184	\$ 2,717,831	\$ 2,263,726	\$ 2,548,600	\$ 2,715,600
As a % of Compensation	63.7%	74.5%	58.8%	65.8%	60.0%
Annual % Change		9.7%	-16.7%	12.6%	6.6%

Operating Expenses

- FY 2019 proposed operating expenses for the Fleet Management Division are decreasing by \$569,000 below the FY 2018 approved level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In four (4) of the categories, the FY 2019 Proposed Budget increases planned spending compared to the FY 2018 budget. In one (1) category the FY 2019 Proposed Budget level is decreasing compared to the FY 2018 budget. FY 2019 expenditure level remains the same for 15 operating expense categories.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Office Automation	\$ 110,000	\$ 137,900	\$ 27,900	25.4%
Depreciation	263,400	282,200	18,800	7.1%
Other Operating Equipment	484,800	496,000	11,200	2.3%
Operating Contracts	6,500	8,500	2,000	30.8%
Telephone	19,200	19,200	-	0.0%
Utilities	75,900	75,900	-	0.0%
Printing	300	300	-	0.0%
Periodicals	200	200	-	0.0%
Training	16,000	16,000	-	0.0%
Membership Fees	1,300	1,300	-	0.0%
General & Administrative Contracts	2,000	2,000	-	0.0%
General Office Supplies	51,000	51,000	-	0.0%
Office and Operating Equipment Non-Capital	71,000	71,000	-	0.0%
Gas and Oil	55,000	55,000	-	0.0%
Equipment Lease	12,400	12,400	-	0.0%
Office/ Building Rental/Lease	190,000	190,000	-	0.0%
Real Estate	35,000	35,000	-	0.0%
Interagency Charges	2,500	2,500	-	0.0%
Miscellaneous	15,500	15,500	-	0.0%
Vehicle Equipment Repair/ Maintenance	4,797,400	4,168,500	(628,900)	-13.1%
TOTAL	\$ 6,209,400	\$ 5,640,400	\$ (569,000)	-9.2%

- The most significant increase between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is Office Automation charges due to a change in methodology.
- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is in Vehicle Equipment Repair/Maintenance (\$628,900 decrease) due to the removal of one-time costs related to the purchase of a parking lot that was previously leased to the County.

Capital Outlay

- Proposed capital outlay for FY 2019 is \$310,000, a decrease of \$150,000, or 32.6%, compared to the approved FY 2018 level. Funding is provided for the routine replacement of vehicles, the shop lube system, fuel pumps, a tire balancing machine, and the emergency generator for the Landfill fuel site.

HIGHLIGHTS

- Administrative vehicles assigned to an agency head are eligible for retirement/replacement when it has reached four 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 42% of the County's available fleet and 40% of the public safety fleet currently exceeds the replacement standard.
- The Office reported that a five-year plan to fund the replacement of the County's aging fleet is currently underway and that fleet availability is expected to trend upwards over the next few years as a result. The

first year of the plan was funded in FY 2017. The FY 2018 Approved Budget included funding to purchase the following public safety vehicles:

- Police Department (\$5 million) - 75 marked cruisers, 50 unmarked sedans, five (5) patrol SUV's and one (1) miscellaneous vehicle;
- Office of the Sheriff (\$3.4 million) - 38 marked patrol vehicles, 26 unmarked vehicles and two (2) miscellaneous vehicles; and
- Fire Department (\$4.5 million) – list of vehicles/equipment to be determined by the Fire Department.

- Additionally, the Office reported that funding will also be used to purchase several public service vehicles for various other County agencies during FY 2018, including a K-9 unit for the Department of Corrections, four Animal Control vans, and eighteen miscellaneous dump trucks.
- The Proposed FY 2019 budget (Non-Departmental) includes a \$25 million Certificate of Participation to replace various County fleet and equipment. The Office reported that it is finalizing the FY 2018 purchases and has yet to develop a plan for fleet purchases in FY 2019.
- In FY 2018, green fleet funds in the amount of \$260,000 were used to install a second liquid propane autogas pumping station at D'Arcy Road and to purchase plug-in hybrid vehicles for the Department of Permitting, Inspections, and Enforcement (DPIE), and the General Services Division's Print Shop and Warehouse. The Office is also planning to purchase hybrid SUVs as a pilot for public service agencies that need small SUVs.
- The estimated FY 2019 beginning fund balance in the Fleet Management Fund is \$6.9 million. In FY 2019, the Office anticipates \$168,000 of fund balance will be used, leaving the budgeted fund balance at the end of FY 2019 at \$6.8 million. (See **Attachment A**.)

Budget Comparison – Property Management Services Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Fringe Benefits	-	-	-	-	-	N/A
Operating Expenses	195,405	408,900	408,900	600,000	191,100	46.7%
Total	\$ 195,405	\$ 408,900	\$ 408,900	\$ 600,000	\$ 191,100	46.7%

Operating Expenses

- Overall, operating expenses are increasing by approximately \$191,100, or 46.7%, above the FY 2018 approved level to align with actual expenses. Chargebacks for Salaries & Fringe related to the disposition of surplus real property make up the \$390,000 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.
- During FY 2018, the Office sold 17 pieces of surplus property, receiving revenue totaling approximately \$283,500. Several additional sites are currently under contract with a major developer, with revenue of \$840,000 anticipated upon settlement of the contracts in FY 2019.
- The Office of Central Services intends to proactively identify and market properties to be declared surplus, in an effort to increase the number of properties transferred back to the County's tax role and increase the economic base of the County.
- The estimated FY 2019 beginning fund balance is \$1,406,541. In FY 2019, proposed revenues are sufficient to cover proposed expenses; therefore, the use of fund balance is not anticipated, leaving a surplus of \$1.4 million in the fund as of June 30, 2019. (See **Attachment B**.)

Budget Comparison – Collington Center Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Fringe Benefits	-	-	-	-	-	N/A
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 2018 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 to finance costs incurred from managing the fund.

- The Office reported that none of the Collington Center properties were sold during FY 2018. Three (3) of these properties are being considered for the Collington Athletic Complex project. A list of the properties remaining in Collington Center is provided in the 1st Round Questions on page 32.
- The estimated FY 2019 beginning fund balance is \$157,974. Fund balance proposed to be appropriated for use in FY 2019 is \$5,000, leaving the budgeted fund balance at the end of FY 2019 at \$152,974. (See **Attachment C**.)

Budget Comparison – Grants

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	Change Amount	Percentage Change
Compensation	\$ 83,200	\$ 553,900	\$ 377,300	\$ 462,200	\$ (91,700)	-16.6%
Fringe Benefits	12,896	85,800	58,500	69,300	(16,500)	-19.2%
Operating Expenses	10,355	7,170,300	10,122,300	310,000	(6,860,300)	-95.7%
Total	\$ 106,451	\$ 7,810,000	\$ 10,558,100	\$ 841,500	\$ (6,968,500)	-89.2%

Staffing Changes and Compensation

- The FY 2019 Proposed Budget includes authorization for six (6) limited term grant funded positions. As of April 6, 2018, the Office reported four (4) grant-funded vacancies within the Office. These positions will be funded in FY 2019 to assist with managing various energy sustainability programs.

Fringe Benefits

- Fringe benefit expenditures are proposed to decrease by \$16,500, or 19.2%, below the FY 2018 approved level to align with actual expenses.

Operating Expenses

- Proposed operating expenditures for FY 2019 are \$310,000, a decrease of \$6.9 million, or 95.7%, compared to the FY 2018 approved level. The Office reported that grant funds appropriated in prior years are available to support these programs in the upcoming fiscal year.

Highlights

- The Office of Central Services serves as the lead agency for the grant programs related to the Exelon Corporation/Pepco Holdings, Incorporated (PHI) merger. Over the course of four years, the Office anticipates receipt of a total of \$29.9 million in Exelon/PHI merger funds which will support four (4) sustainable energy initiatives. The Office is reporting that funds were/will be disbursed to the County, as follows:

GRANTS	FY 2016 Actual	FY 2017 Actual	FY18 Estimated	FY19 Proposed	TOTAL
Green Sustainability Fund	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000
TNI Clean Energy Program	2,200,000	5,364,683	3,782,341	-	\$ 11,347,024
Energy Star Certification and Green Leasing Program	2,200,000	5,364,683	3,782,341	-	\$ 11,347,024
Sustainable Energy Workforce Development Program	310,000	310,000	310,000	310,000	\$ 1,240,000
TOTAL GRANT FUNDING	\$ 10,710,000	\$ 11,039,366	\$ 7,874,682	\$ 310,000	\$ 29,934,048

- In FY 2018, the Office reported that it is partnering with FSC First to launch the \$6 million Green Sustainability Fund. This fund will be used by the County to finance qualifying projects installed by or on behalf of the County, municipalities, other local government organizations, universities, colleges, non-profits, and limited and moderate-income residents.
- Funding provided through the Office's Sustainable Energy Workforce Program (\$310,000 proposed) will play a critical role in establishing an advanced energy industry in the County that will create quality jobs and build employment capacity in the energy sector. The County will partner with the Economic Development Corporation (EDC) Workforce Services Division to provide workforce training and certifications in energy efficiency and renewable energy techniques.
- Through the Transforming Neighborhoods Initiative (TNI) Clean Energy Program the Office will provide assistance to residents in the TNI neighborhoods to funding energy and water efficiency measures, as well as the installation of rooftop solar panels. Grants awarded through this program can be used to offset the costs, as recommended by a home energy assessment, to facilitate implementation of efficiency measures. Funds may also be used to address challenges that would prevent the adoption of recommended efficiency measures. Upon completion of energy efficiency upgrades, residents in TNI designated communities may apply for rooftop solar grants.
- The Energy Star and Green Leasing Program provides funding to make existing commercial buildings in Prince George's County more energy efficient so that the building can be ENERGY STAR certified by the United States Environmental Protection Agency. Under this program, installing various energy-efficiency, water efficiency and retrofitting measures to achieve ENERGY STAR certification. In addition, the buildings would be required to adopt various best practices in green leasing to align the interests of landlords and tenants so that they are both financially motivated to engage in energy efficient tactics in buildings to achieve energy savings in both decreased energy usage and cost.

Office of Central Services FY 2019 Capital Improvement Program (CIP) Overview

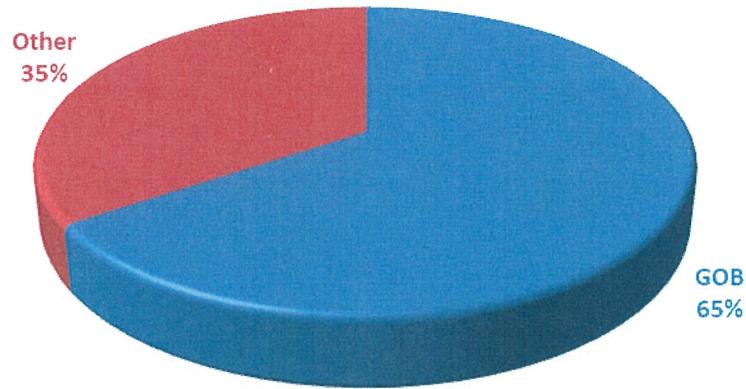
The Office of Central Services (OCS) has the responsibility for the planning and construction of County buildings and related activities. OCS operates, maintains, and renovates all County facilities and fire stations which includes:

- Repairing roofs, concrete and other interior/exterior needs;
- Replacing or repairing mechanical, electrical, plumbing and life-safety systems;
- Renovating surplus schools for citizen and administrative use;
- Renovating offices to better utilize existing space;
- Converting building systems from electricity/fuel operations to more energy efficient systems; and
- Renovating buildings to comply with applicable health, safety, and ADA code regulations

FY 2019 Funding Sources

• General Obligation Bonds	\$55,402,000 or 65.5%
• Other	<u>\$29,217,000</u> or 34.5%
Total	\$84,619,000 100.0%

FY 2019 FUNDING BY SOURCES



The proposed FY 2019 - FY 2024 CIP total funding request of \$371.2 million is a decrease of \$6.9 million, or approximately 2%, below the funding request for FY 2018. The FY 2019 funding request includes eleven existing (11) projects. There is also one (1) new project in FY 2019, the County Administration Building Refresh, with an estimated total project budget of \$11.4 million, to commence in FY 2020.

Facilities

The FY 2019 Proposed Capital Budget for the Office of Central Services is \$92.4 million. This represents a decrease of \$5.8 million, or approximately 6%, under the FY 2018 Approved Capital Budget.

The following table provides a breakdown of the budget comparison for the Office of Central Services' Proposed FY 2019 - FY 2024 CIP Budget to the Approved FY 2018 Budget.

Project Name	Est. Comp.	Approved FY 2018- 2023 CIP		Proposed FY 2019- 2024 CIP		Change in Fiscal Year Budget FY 18 to FY 19		Change in Total Funding (FY18 to FY19 CIP)	
		Approved FY18 Capital Budget	Total Approved Project Funding	Proposed FY19 Capital Budget	Total Proposed Project Funding	\$ Change	% Change	\$ Change	% Change
Collington Athletic Complex	06/2018	19,217,000	19,217,000	19,217,000	19,217,000	-	0.0%	-	0.0%
Contingency Appropriaition Fund	06/2019	10,000,000	10,000,000	10,000,000	10,000,000	-	0.0%	-	0.0%
County Administration Building	06/2021	-	-	-	11,400,000	-	N/A	11,400,000	N/A
County Building Renovations II	06/2024	6,900,000	148,713,000	6,000,000	153,746,000	(900,000)	-13.0%	5,033,000	3.4%
Courthouse Renov. & Security Upgrades	06/2021	8,378,000	17,374,000			(8,378,000)	-100.0%	(17,374,000)	-100.0%
Court School	07/2020	200,000	23,080,000			(200,000)	-100.0%	(23,080,000)	-100.0%
Domestic Violence / Human Traffic	06/2025	-	10,200,000	-	10,200,000	-	N/A	-	0.0%
Driver Training Facility and Gun Range	11/2018	20,985,000	43,291,000	42,000,000	43,291,000	21,015,000	100.1%	-	0.0%
Energy Upgrades	07/2018	856,000	2,500,000	-	2,500,000	(856,000)	-100.0%	-	0.0%
Prince George's Homeless Shelter	07/2018	6,435,000	10,627,000	10,227,000	16,808,000	3,792,000	58.9%	6,181,000	58.2%
Promise Place Children's Shelter	06/2025	-	21,154,000	-	21,154,000	-	N/A	-	0.0%
Regional Administration Building	06/2021	25,290,000	51,494,000	5,000,000	62,404,000	(20,290,000)	-80.2%	10,910,000	21.2%
Shepherd's Cove Womens Shelter	06/2022	-	20,460,000	-	20,460,000	-	N/A	-	0.0%
		\$ 98,261,000	\$ 378,110,000	\$ 92,444,000	\$ 371,180,000	\$ (5,817,000)	-5.9%	\$ (6,930,000)	-1.8%

Note: Court School and Courthouse Renovations and Security Upgrades have been moved from OCS to the CIP section for the Courts.

The most significant increases in the FY 2019 Proposed Budget are due to the following projects:

- Prince George's Homeless Shelter
- Driver Training Facility and Gun Range

Highlights of the OCS Proposed FY 2019 CIP Budget are as follows:

- **County Administration Building Refresh** (FY 2019 Funding Proposal: \$0) This project will include the restoration, upgrade, modernization, infrastructure reconstruction, and rehabilitation of major systems, including fire, heating ventilation and air conditioning. Boiler and machinery is included, as well as, a general face lift.

- **Collington Athletic Center** – (FY 2019 Funding Proposal: \$19.2 million) 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 State bonds bills (totaling \$5.0 million, dated 2012, 2013 and 2015). OCS reports that they are in the final stage of negotiations with the M-NCPPC, the Prince George's County Board of Education, and the lacrosse operator, on terms of field usage. Funds will be expended based on a schedule of values, and payment schedules, as authorized by two of the funding sources. None of these funds will flow through the County. The County contribution to the project is for the ground lease.
- **County Building Renovations II** - (FY 2019 Funding Proposal: \$6.0 million) 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 American with Disabilities Act (ADA) requirements may also be completed pursuant to this project. The following projects are contemplated for FY 2019:
 - HVAC Replacement at 9201 Basil Court \$1,000,000
 - HVAC Replacement at 9400 Peppercorn Place 900,000
 - Unanticipated Emergency System Repairs 800,000
 - Unplanned Office Relocations, Renovations and Build-out 700,000
 - Renovate Restrooms at 9201 Basil Court 530,000
 - Replace Curtin Wall and add Vestibule at 9201 Basil Ct. 500,000
 - Renovate Restrooms at 9400 Peppercorn Place 500,000
 - Replace Motor Control Panels at Dept. of Corrections 500,000
 - Replace three transformers at Dept. of Corrections 400,000
 - Art in Public Places Project Management 85,000
 - Reimbursement to the Office of Law 85,000

- **Driver Training Facility and Gun Range** - (FY 2019 Funding Proposal: \$42.0 million) This project provides funding to construct a driver training and test facility to service the Police and Fire Departments. The facility will contain a precision driving course, a highway response and pursuit course, and a skid pad to simulate wet road conditions. The contract was awarded for the rough grading on the property and bids are under review for construction of the gun range. Proposals are being reviewed for the design of the Emergency Vehicle Operations Course (EVOC) and K-9 training course.
- **Prince George's Homeless Shelter** - (FY 2019 Funding Proposal: \$10.2 million) This project replaces the current 100 bed emergency and transitional shelter with an 81-bed facility (including seven dorms with eight beds each and showers; and, one large dorm with 25 beds and a hypothermic unit). The new facility is intended as a permanent replacement of the current Men's shelter located on S. Addison Road in Capitol Heights. It will be built on the same property, yet closer to Addison Road. Once the new shelter is opened, the old shelter will be demolished. The new shelter will offer on-site employment readiness/job placement

assistance, computer training, substance abuse services, life skills training and medical care. In addition, the facility will house administrative offices for eight (8) state and County employees, as well as, an outdoor recreation and training yard.

- **Regional Administration Building** - (FY 2019 Funding Proposal: \$5.0 million) This project will incorporate plans to house several County agencies. It includes the design and build-out of 1301 McCormick Drive, which was acquired in December 2014. Phase I of the project was to rebuild the infrastructure, including:
 - New HVAC
 - New roof
 - Remodeled elevators
 - Repaved parking lot
 - Installation of 1 megawatt solar panels

Phase II was the completion of the Executive Offices of the County Executive. The next move will be the Office of Law, followed by the Office of Management and Budget, Finance, Treasury, the Legislative Branch, and the Maryland-National Capital Park and Planning Commission (M-NCPPC).

Attachments: Attachment A – Fleet Management Internal Service Fund

Attachment B – Property Management Special Revenue Fund

Attachment C – Collington Center Special Revenue Fund

OFFICE OF CENTRAL SERVICES
FLEET MANAGEMENT INTERNAL SERVICE FUND - 1901
FUND OPERATING SUMMARY

Revenues:	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Vehicle Charges	\$ 12,451,300	\$ 10,790,800	\$ 12,806,900	\$ 355,600	2.9%
Warranty Recoveries	12,000	12,000	12,000	-	0.0%
Miscellaneous	25,000	25,000	25,000	-	0.0%
Fuel Tax Refund	10,000	10,000	10,000	-	0.0%
Motor Pool	170,000	170,000	170,000	-	0.0%
Appropriated Fund Balance	1,696,900	1,853,600	168,000	(1,528,900)	-90.1%
Total Revenues	\$ 14,365,200	\$ 12,861,400	\$ 13,191,900	\$ (1,173,300)	-8.2%

Expenditures:	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Compensation	\$ 4,641,600	\$ 3,873,300	\$ 4,525,900	\$ (115,700)	-2.5%
Fringe Benefits	3,054,200	2,548,600	2,715,600	(338,600)	-11.1%
Operating Expenses	5,579,400	5,349,500	5,640,400	61,000	1.1%
Capital Outlay - Heavy Equip	460,000	460,000	310,000	(150,000)	-32.6%
Purchase Parking Lot	630,000	630,000	-	(630,000)	-100.0%
Total Expenditures	\$ 14,365,200	\$ 12,861,400	\$ 13,191,900	\$ (1,173,300)	-8.2%

Beginning Fund Balance	\$ 9,653,702	\$ 8,773,482	\$ 6,919,882	(2,733,820)	-28.3%
Fund Bal. Appropriated	(1,696,900)	(1,853,600)	(168,000)	1,528,900	-90.1%
Excess of Revenues Over Expenditures	-	-	-	-	N/A
Ending Fund Balance	\$ 7,956,802	\$ 6,919,882	\$ 6,751,882	\$ (1,204,920)	-15.1%

OFFICE OF CENTRAL SERVICES
PROPERTY MANAGEMENT SPECIAL REVENUE FUND - 2900
FUND OPERATING SUMMARY

Revenues	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Sale of Property	\$ 200,000	\$ 500,000	\$ 600,000	\$ 400,000	200.0%
Interest and Dividends	-	-	-	-	N/A
Appropriated Fund Balance	208,900	-	-	(208,900)	-100.0%
Total Revenues	<u>\$ 408,900</u>	<u>\$ 500,000</u>	<u>\$ 600,000</u>	<u>\$ 191,100</u>	46.7%
Expenditures	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Operating Expenses	\$ 408,900	\$ 408,900	\$ 600,000	\$ 191,100	46.7%
Total Expenditures	<u>\$ 408,900</u>	<u>\$ 408,900</u>	<u>\$ 600,000</u>	<u>\$ 191,100</u>	46.7%
Revenues Over/(Under) Expend.	\$ -	\$ 91,100	\$ -	\$ -	N/A
Beginning Fund Balance	2,214,340	1,315,441	1,406,541	(807,799)	-36.5%
Fund Bal. Appropriated	(208,900)	-	-	208,900	-100.0%
Ending Fund Balance	<u>\$ 2,005,440</u>	<u>\$ 1,406,541</u>	<u>\$ 1,406,541</u>	<u>\$ (598,899)</u>	-29.9%

OFFICE OF CENTRAL SERVICES
COLLINGTON CENTER SPECIAL REVENUE FUND - 2903
FUND OPERATING SUMMARY

Revenues	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Sale of Property & Principal	\$ -	\$ -	\$ -	\$ -	N/A
Appropriated Fund Balance	5,000	5,000	5,000	-	0.0%
Transfer	-	-	-	-	N/A
Total Revenues	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
Expenditures	Approved FY 2018	Estimated FY 2018	Proposed FY 2019	Dollar Change	Percentage Change
Operating Expenses	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
Contingency Reserve	-	-	-	-	N/A
General Fund Transfer	-	-	-	-	N/A
Total Expenditures	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
Revenues Over/(Under) Expend.	\$ -	\$ -	\$ -	\$ -	N/A
Beginning Fund Balance	162,974	162,974	157,974	(5,000)	-3.1%
Fund Bal. Appropriated	(5,000)	(5,000)	(5,000)	-	0.0%
Ending Fund Balance	\$ 157,974	\$ 157,974	\$ 152,974	\$ (5,000)	-3.2%