



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 29, 2019

MEMORANDUM

TO: Derrick L. Davis, Chair
Government Operations and Fiscal Policy (GOFP)

THRU: David H. Van Dyke, County Auditor

FROM: Sylvia S. King, Audit Manager

RE: Revenue Authority
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Revenue Authority (the “Authority”) is approximately \$46.9 million. This is a decrease of approximately \$10.8 million, or 18.7%, under the FY 2019 Approved Budget. The decrease is primarily due to a reduction in the use of reserve funding for economic development projects, costs related to managed programs as a result of a change in vendors, debt service, reductions in fine processing costs resulting from renegotiations of fees, and costs related to facility personnel.

The Revenue Authority serves as a real estate development and development finance agency, as well as the manager and/or operator of various programs and facilities in partnership with other County agencies.

Budget Comparison – FY 2018 Audited Financials and Approved Fiscal Year 2019 to Proposed Fiscal Year 2020 Budget

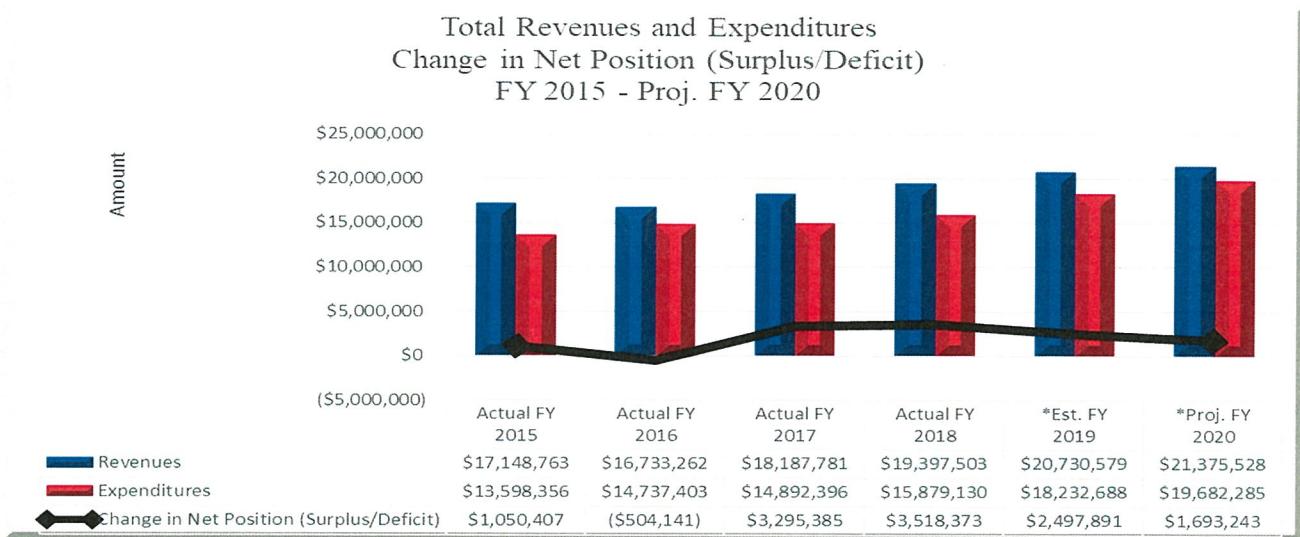
Category	Actual FY 2018	BUDGETED			
		Approved FY 2019	Proposed FY 2020	Change Amount	Percentage Change
Revenues					
Net Operating Income (Facilities)	\$19,397,503	\$28,171,300	\$24,568,000	(\$3,603,300)	(12.8)%
Net Managed Program Income (Enforcement)	-	\$16,450,000	\$13,900,000	(\$2,550,000)	(15.5)%
Net Interest Income (Expense)	(169,422)	\$92,000	\$214,200	122,200	132.8%
Use of Capital Assets Proceeds	-	5,700,000	-	(\$5,700,000)	(100.0)%
Use of Fund Balance	-	7,223,900	8,200,000	976,100	13.5%
Total Net Revenues	\$19,228,081	\$57,637,200	\$46,882,200	(\$10,755,000)	(18.7)%
Expenditures					
Net Compensation and Benefits	\$4,466,828	\$4,940,100	\$4,646,800	(\$293,300)	(5.9)%
Facilities Operating Expenses	11,564,256	21,374,000	19,570,400	(\$1,803,600)	(8.4)%
Operating Supplies and Expenses	526,828	11,250,000	8,475,000	(\$2,775,000)	(24.7)%
Capital Outlay	1,328,596	-	-	N/A	N/A
Subtotal Normal Operations	\$17,886,508	\$37,564,100	\$32,692,200	(\$4,871,900)	(13.0)%
County Payment	-	-	-	-	N/A
Reserve for Maintenance & Economic Development ²	1,341,573	14,873,100	8,765,000	(\$6,108,100)	(41.1)%
Managed Program Funds to County	-	5,200,000	5,425,000	225,000	4.3%
Total Net Expenditures	\$19,228,081	\$57,637,200	\$46,882,200	(\$10,755,000)	(18.7)%

¹ Actual FY 2018 column is the RAPGC's audited financial statement amounts and do not include revenues/expenditures for the managed programs (ASE, RLC, FARU, School Bus Camera & Abandoned Vehicles).

² Reserve for Maintenance & Economic Development is a reallocation of cash, and although it is budgeted as an operating expense item, it is not recorded on the books as expense until utilized.

Financial Position as of June 30, 2018

- In FY 2018, the Revenue Authority's net position increased by approximately \$3.5 million. The largest portion of the Authority's assets is lease receivables (approximately \$35.6 million), of total assets. The largest portion of the Authority's liabilities is bonds payable (approximately \$63.8 million) of total liabilities. *See chart below.*

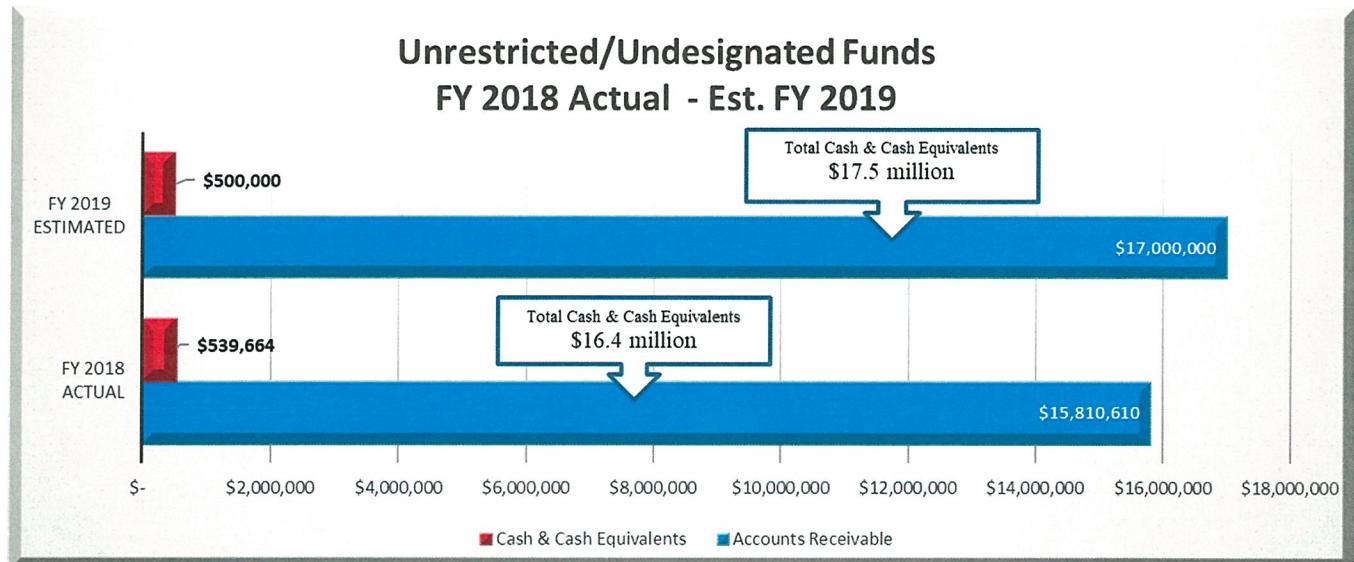


Source: FY 2020 First Round Response Q.5 (excludes managed programs)

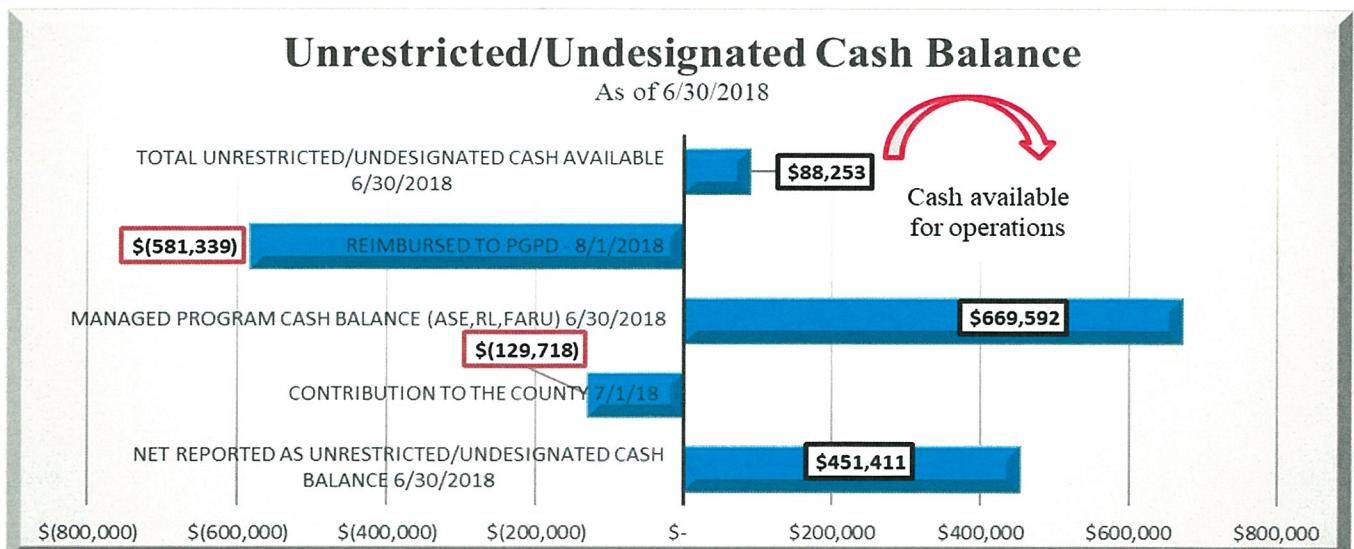
- As of June 30, 2018, the Revenue Authority's assets exceeded liabilities by approximately \$42.6 million. A significant component of the Authority's net position, about 20.5%, or \$8,729,128, was recorded as Net Investment in Capital Assets. Approximately \$6.1 million was restricted, which consists of funds for land acquisition in Suitland, Closed Circuit Television (CCTV) reserves, replacement reserves and series 2016 bond reserves. The Revenue Authority had an operating income of approximately \$3.7 million for FY 2018.
- As of June 30, 2018, the largest portion of the Revenue Authority's capital assets, net of accumulated depreciation and amortization, was land (approximately \$30.5 million), parking structures (\$835,469), and Construction in Progress (\$745,821), which, when combined, accounted for approximately 96% of the Revenue Authority's approximately \$33.5 million in capital assets.
- The largest portion of the Authority's current assets were cash, cash equivalents and investments (approximately \$17.8 million), Parking and other receivables (approximately \$16 million), which, when combined, accounted for approximately 86% of the Authority's approximately \$39.3 million in current assets. The largest portion of current liabilities in FY 2018 was bonds payable (approximately \$3.9 million), and accounts payable and accrued expenses (approximately \$2.2 million).
- In FY 2018, the largest portion of the Authority's non-current assets was Lease Receivable (approximately \$31.7 million) for the Upper Marlboro Courthouse and Duvall Wing leases, and Capital assets not being depreciated (approximately \$31.2 million) for prep work on the Suitland Project, which, when combined, represents approximately \$62.9 million, or 88.6%, of the Authority's non-current assets.

Unrestricted/Undesignated Fund Balance

- As of June 30, 2018, the undesignated portion of the Authority's unrestricted fund balance was approximately \$16.4 million and consisted primarily of accounts receivables for the parking enforcement program (approximately \$15.8 million), with cash and cash equivalents of \$539,664. The Authority estimates that in FY 2019, the accounts receivable balance will increase to \$17 million, which are attributed to increases in the number of citations issued, with cash and cash equivalents decreasing to \$500,000. *See chart below.*



- As of June 30, 2018, the Authority had an unrestricted/undesignated cash balance of \$581,129, and managed program cash balance of \$669,592. After contributions to the County in July 2018 of \$129,718, and payments due to the County for managed programs in August 2018 of \$581,339, the Revenue Authority had \$88,253 cash available for operations. *See chart below.*



Authorized Staffing Count

Full-Time	54	56	2	3.7%
Part-Time	39	39	0	0.0%
On-Call	10	12	2	20.0%
Total	103	107	4	3.9%

Staffing Changes and Compensation

- In FY 2020, compensation is proposed at approximately \$3.6 million, which represents a decrease of \$258,800, or 6.6%, under the FY 2019 Approved Budgeted level. Funding is proposed for 56 full-time (FT), 39 part-time, and 12 On-Call positions in FY 2020. This represents an increase of two (2) full-time positions, for a Parking Enforcement Officer Supervisor and Citation Processing evening positions, and two (2) on-call Parking Enforcement Officer (PEO) positions over the FY 2019 approved level.
- The Authority is reporting that as of April 1, 2019, there are two (2) vacancies for on-call Parking Enforcement Officers in FY 2019. In FY 2020, the vacancy level is proposed to increase to four (4).
- In FY 2019, the Revenue Authority granted a 4.5% cost-of-living adjustment (“COLA”) at a total cost of \$176,689. In FY 2020, the Authority is proposing a 4.5% COLA for all on-board employees, effective July 2019, at a cost of approximately \$173,300.
- In FY 2019, overtime is projected at \$13,800, and proposed at \$12,500 for FY 2020. The Authority allows overtime for the enforcement staff assigned to FedEx field events, and this cost is 100% recoverable from the County’s Police Department.
- The Revenue Authority’s FY 2020 Proposed Budget also includes funding for 20 off-duty part-time Police Officer positions from the Prince George’s County Police Department’s (PGCPD) Automated Speed Enforcement (ASE) program, to support the program at a projected cost of \$237,800, for 3,690 service hours. This represents a reduction of four (4) positions from FY 2019, and funding for these positions is included under the ASE program’s operating expenses.

Related Party Transactions

- The Revenue Authority reported its “Related Party Transactions” and contractual agreements in *the table on the following page*.
- In FY 2020, the Revenue Authority will receive payments from the County for rental of the Hyattsville Justice Center (HJC) parking facility (\$660,000), and a management fee and annual fee for the operation of the Hyattsville Justice Center parking facility (\$165,000), pursuant to the HJC rental agreements. *Related Party Transactions Notes 3, 4, and 5.*

- In FY 2020, the Authority anticipates that it will reimburse the County a total of \$1,082,000 which includes:
 - ⊕ **Annual Fines Distribution** - \$850,000 (Note 1) – for Shared Parking Fine Revenues;
 - ⊕ **Facilities Lease** - \$150,000 (Note 2) – for Parking Facilities Lease;
 - ⊕ **Fuel costs** - \$82,000 (Note 11) – for the use of County fuel facilities for parking enforcement vehicles.

RELATED PARTY TRANSACTIONS					Footnote for Description	
Transaction Entity (TE)- Agreement Description	Funds (paid to)/ received from TE					
	FY2018 Actual	FY2019 Budget	FY2019 Est.	FY2020 Proposed		
Prince George's County-Annual Fines Distribution	(\$850,000)	(\$850,000)	(\$850,000)	(\$850,000)	1	
Prince George's County-Facilities Lease	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	2	
Prince George's County-HJC Annual rent	\$660,000	\$660,000	\$660,000	\$660,000	3	
Prince George's County-HJC Garage Mgmt Fee	\$115,000	\$115,000	\$115,000	\$115,000	4	
Prince George's County-HJC Annual Fee	\$50,000	\$50,000	\$50,000	\$50,000	5	
Prince George's County-Dept. of Corrections	\$18,771	\$18,750	\$19,000	\$19,500	6	
WMATA - New Carrollton Garage	(\$114,583)	(\$125,000)	(\$112,000)	(\$125,000)	7	
DPW&T-CCTV Monitoring	\$210,000	\$210,000	\$210,000	\$145,300	8.1	
DPW&T-CCTV-Mtce ReservePr. Geo. Cty	\$3,700	\$3,700	\$3,700	\$3,700	8.2	
DPW&T-Fringe Lot Maintenance	\$231,300	\$231,300	\$231,300	\$296,000	8.3	
Payments from DPW&T	\$445,000	\$445,000	\$445,000	\$445,000		
PGPD - Automated Speed	\$56,350	\$62,000	\$44,440	\$54,000	9	
PGPD - False Alarm (FARU)	\$99,130	\$125,000	\$73,071	\$87,500	9	
PGPD - Red Light	\$808,568	\$1,026,750	\$741,460	\$785,000	9	
PGPD - School Bus Camera	\$3,932	\$4,500	\$846	\$2,500	9	
Prince George's County - Other - FedEx Events	\$13,500	\$12,400	\$13,000	\$12,500	10	
Prince George's Fuel Agreement	(\$63,275)	(\$74,000)	(\$80,000)	(\$82,000)	11	
DOE-Abandoned Vehicle Unit	\$0	\$337,500	\$337,500	\$438,000	12	

Source: FY 2020 First Round Budget Response Q.10

No:	Description of Agreement
1	MOU dated 8/29/13 – Shared Parking Fine Revenue
2	Addendum No. 2 to Parking Facilities Lease
3	HJC Lease Agreement page 16
4	HJC Construction and Parking Facility Agreement Section 5.5
5	HJC Lease Agreement page 4
6	Letter to Barry Stanton dated May 20, 2002
7	Operating and Management Agreement dated 1/1/87 with WMATA
8.1	Addendum No. 1 to Parking Facilities Lease, Section 6 – Electronic Monitoring System
8.2	Addendum No.1 Parking Facilities Lease, Section 6, item F
8.3	Addendum No.1 to Parking Facilities Lease, Section 4 & 5
9	MOU's between PGPD and RAPGC for ASE, FARU, Red Light Camera and School Bus Camera
10	Verbal agreement to reimburse salary cost for event enforcement
11	Cooperative Fuel Agreement dated May 10, 2014
12	MOU between County and RAPGC pending

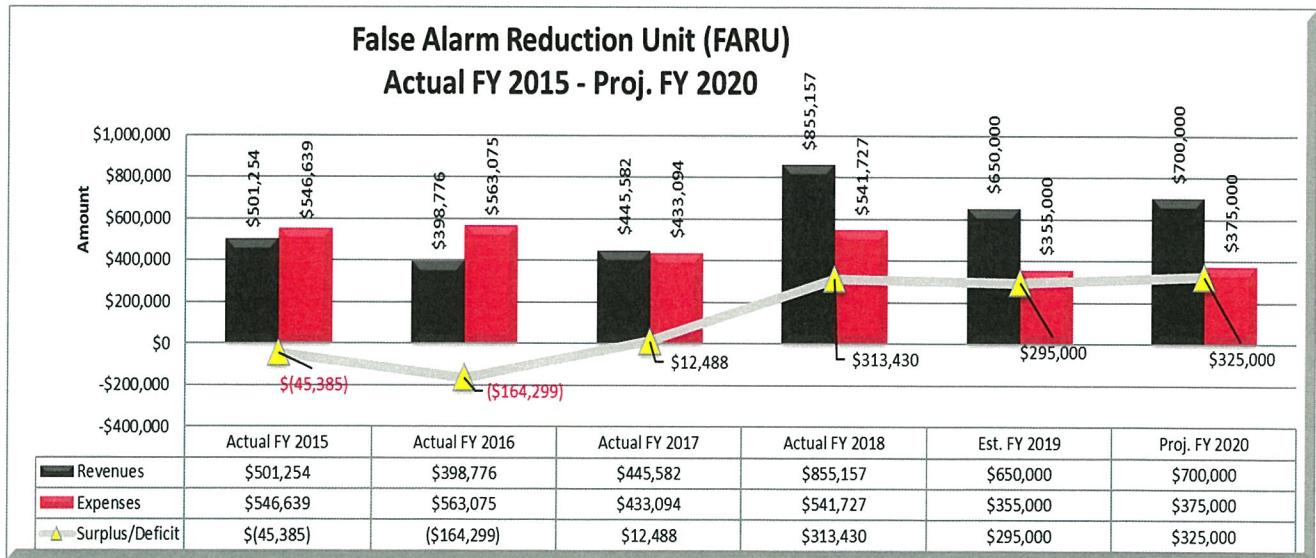
- The Authority and the County entered into an operating and management agreement with the Washington Metropolitan Area Transit Authority (WMATA), dated January 1, 1987, covering 400 spaces in the New Carrollton parking facility. Under the terms of the agreement, the Authority is entitled to a management fee and reimbursement of certain costs equal to a sum of (i) a fixed annual fee of \$15 per space, (ii) 40% of operation and maintenance costs, and (iii) 25% of attendant costs. The management fee is deducted from any revenue generated by the 400 spaces. The amount due to WMATA for FY 2018 was \$114,583, is estimated to be \$112,000 in FY 2019, and is proposed at \$125,000 for FY 2020.

Police Department Managed Programs

- The Authority will continue to manage several Police Department programs in FY 2020 which include the False Alarm Reduction Unit (FARU), the Automated Speed Enforcement (ASE), the Red Light Camera (RLC), and the School Bus Camera programs.

False Alarm Reduction Unit (FARU) Program

- Beginning in FY 2017, the Revenue Authority made a management decision to contract the back-office work to a primary contractor, which have maintained program expenses. Since then, the program has accomplished efficiencies in operations and customer relations. Prior to the restructuring, the Program was operating at a loss. Two (2) years post-restructuring, the program is realizing a funding surplus and is expected to continue to do so in future years.



Source: FY 2020 Budget Response First Round Q.33 - Attachment P

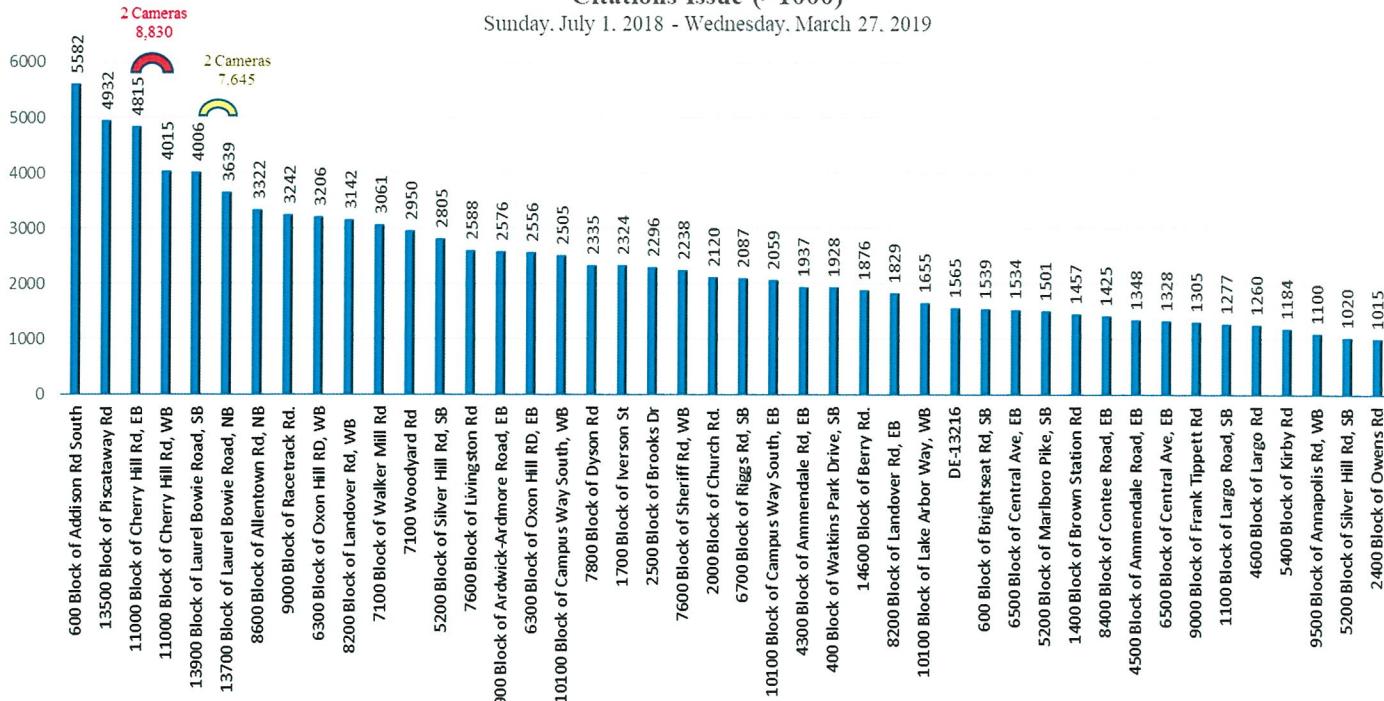
- Revenues are projected at \$700,000 in FY 2020, with expenses of \$375,000, which would result in a surplus of \$325,000. The False Alarm Unit's surpluses are remitted to the County, and deficits are billed to the County. *Please see chart on the previous page.*
- Outstanding receivables for the FARU program in FY 2019 are estimated at approximately \$1.34 million, with a collection rate of 91%. In FY 2020 the Authority expects outstanding FARU receivables to drop to \$1.1 million, resulting in an increase in the collection rate to 93%.

Automated Speed Enforcement (ASE) Program

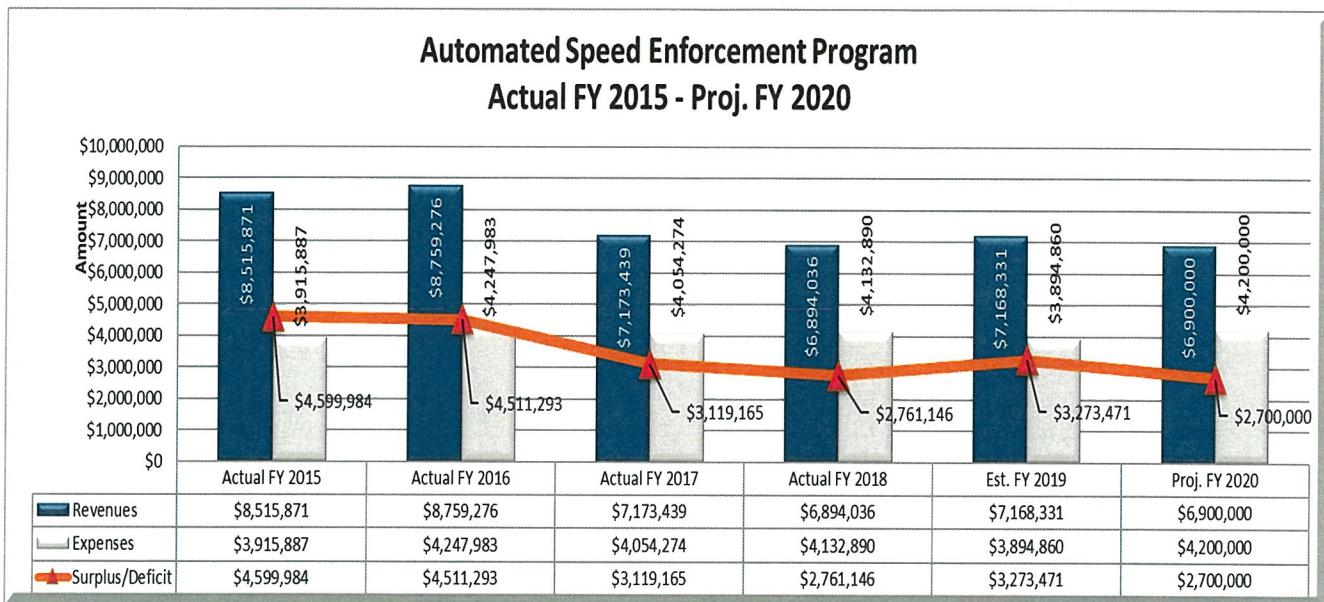
- The County's Automated Speed Enforcement (ASE) program is a joint effort between the Revenue Authority, the Prince George's County Police Department (PGCPD or Police Department), and the Department of Public Works and Transportation (DPW&T). The Revenue Authority manages the Program on behalf of the County's Police Department for a fee of 2% of net program revenues. A vendor, Optotraffic, a division of Sigma Space Corporation, is currently responsible for the collection of ASE fines. The following is noted regarding the ASE program:
 - ❖ The current contract with Optotraffic will expire on June 30, 2019, and a new vendor has been selected by the County and began service in April 2019. The last quarter of FY 2019 will be a transition period between the two vendors, as the current vendor will be taking cameras offline, as the new vendor (Conduent) will be bringing cameras online.
 - ❖ As of February 2019, the ASE program had 72 camera sites, all of which were operational. The current contract with Optotraffic allows up to 72 camera sites. The new vendor contract will provide for the same quantity of cameras.
 - ❖ See the chart below for locations exceeding 1,000 citations issued, and the Authority's *Response to First Round Q.36d - Attachment R* for the full list of camera locations and incidents generated as of March 27, 2019. The East and Westbound 11000 Block of Cherry Hill Road had a total of 8,830 citations, North and Southbound Laurel Bowie Road had 7,645 citations, while Addison Road South had 5,582, and Piscataway Road had 4,932 citations issued. (See chart below)

Automated Speed Camera Enforcement Program
Citations Issue (>1000)

Sunday, July 1, 2018 - Wednesday, March 27, 2019



- The program has two (2) dragon cams in use. The locations are chosen by PGCPD and the camera equipment is operated by PGCPD. The number of citations issued in FY 2018 was 10,054 and the FY 2019 YTD total citations are 2,272.
- State legislation passed in 2015 (House Bill 929), states that the vendor of a speed program cannot receive compensation based on the number of citations issued or paid. In accordance, the County now pays the vendor a flat rate fee for each operational camera, which allows for the County to budget accordingly and manage cash flows monthly.
- The budgeted FY 2019 revenues are approximately \$7.2 million, and the estimated FY 2019 revenues are projected to be on target. *See chart below.*

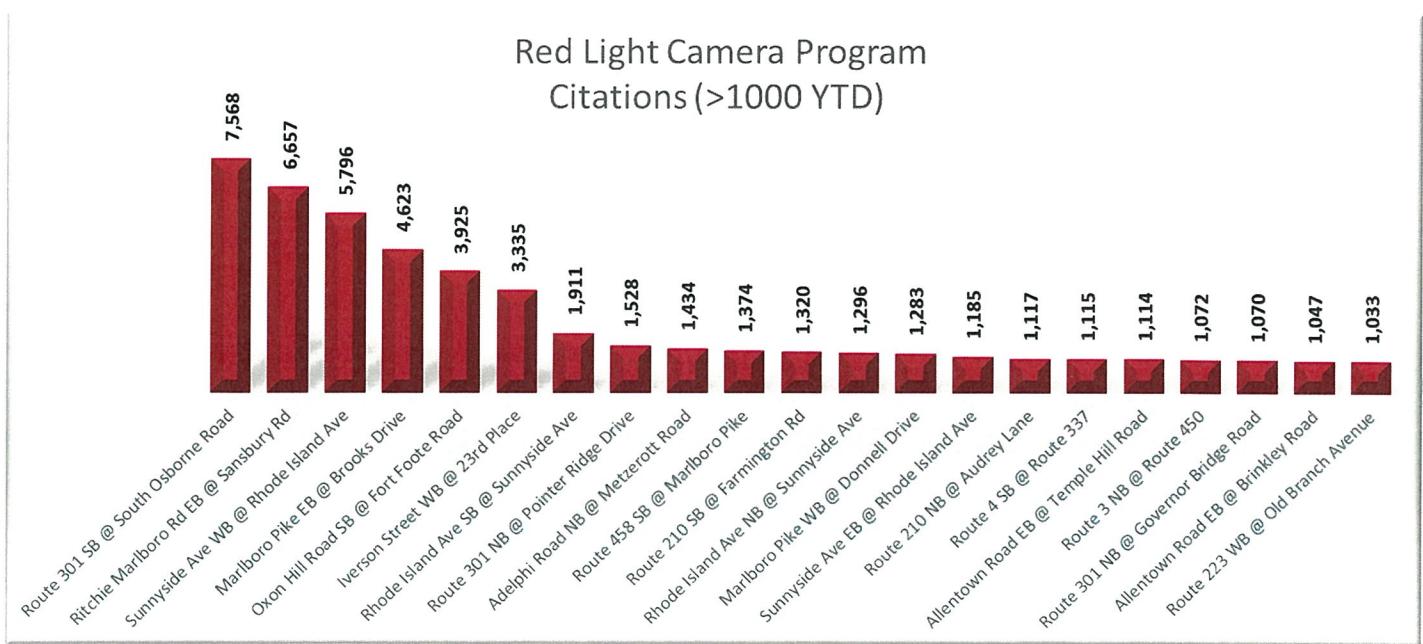


Source: FY 2020 Budget Response First Round Q.33- Attachment P

- In FY 2018, the Authority earned management fees related to the ASE program of \$56,350.
- The ASE program has 327,983 violations, valued at approximately \$13.1 million in outstanding, uncollected revenues in FY 2019 to date, of which approximately \$10.4 million, or 79%, are in-State, and approximately \$2.8 million, or 21%, are out-of-State. This receivables amount is projected to decrease to approximately \$8.2 million in FY 2020. The estimated collection rate in FY 2019 is 85% and is proposed to increase to 90% in FY 2020.
- The Revenue Authority has continued to monitor the collections efforts of the automated speed enforcement program with collaboration with Optotraffic. In February 2019, the Authority was successful in modifying the ASE contract, with both the current vendor and the incoming vendor, to transfer any speed citation that is over 180 days outstanding to the Authority's selected managed collections vendor. The plan requires 5,000 -10,000 letters to be mailed to violators per week for past due citations. The Authority now includes speed enforcement citations that are over 90 days outstanding as part of the vehicles eligible to be booted program.
- **Maryland Route 210 (Indian Head Highway) PG 305-19 (HB-187)** passed in the Maryland General Assembly in the just concluded legislative session. The ASE team is currently working with the newly selected vendor toward establishing zones on 210, starting in June, and is currently working through acquisition of the equipment, location, and necessary signage.

Red Light Camera (RLC) Program

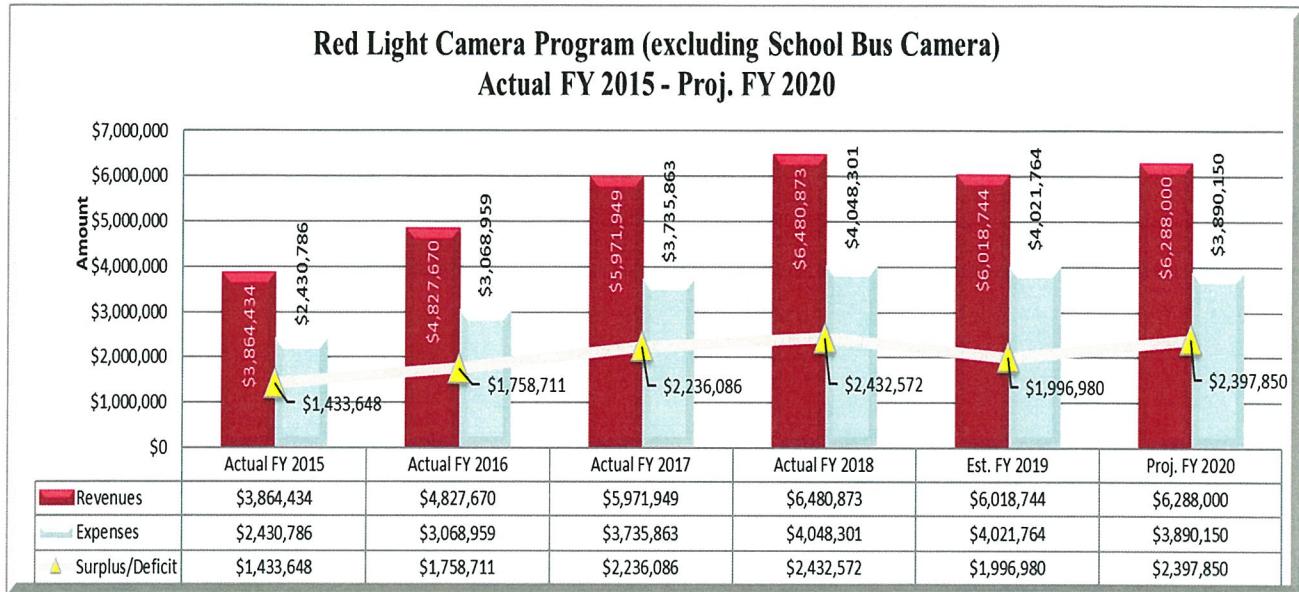
- The Revenue Authority supports the DPW&T in the administration of the automated Red Light Camera (RLC) program for the Police Department for a fee of 12.5% of program gross revenues. The RLC program also includes violations captured by installed school bus cameras. The County's designated vendor is currently responsible for collecting RLC violation fines. The following is noted regarding the RLC program:
 - As of February 2019, the RLC program had 48 cameras installed and operational. The RLC program has no plans to install additional cameras beyond FY 2019.
 - The RLC program is currently operating under a one-year contract with Conduent (a divesture from Xerox State & Local Solutions, Inc.), after the initial term expired January 28, 2017. The contract is in year three (3) of 4 additional one (1) year extensions.
 - The program has continued to experience issues at the Maryland State level for approval of new RLC locations. The County has no intention of pursuing additional locations on this contract.
 - Route 301 SB @ S. Osborne Road continues to generate the highest number of citations with over 7,500 citations issued. The new camera located at the Ritchie Marlboro Rd EB @ Sansbury Road generated 6,657 citations. Year-to-date, 21 locations had over 1,000 citations, 17 locations had between 500-999 citations, and 10 locations had between 100-499 citations. *See the chart below for locations exceeding 1,000 citations issued (YTD in FY 2019), and the Authority's Response to First Round Q.35j - Attachment Q* for the full list of camera locations and incidents generated as of March 2019.



Source: FY 2020 Budget Response First Round Q.35j - Attachment Q

- The Approved FY 2019 program revenues were budgeted at approximately \$8.25 million, however, the Projected FY 2019 program revenues for FY 2019 are now estimated at approximately \$6.0 million, which is approximately \$2.25 million below the budgeted amount. In 2018, more cameras were installed resulting in more citations being issued. However, driver behavior has since adjusted,

causing a reduction in the number of citations issued. *See chart below and, FY 2020 Budget Response First Round Q.33 – Attachment P.*



Source: FY 2020 Budget Response First Round Q.33 - Attachment P

- ✚ In FY 2018, the Authority earned management fees related to the RLC program of \$812,500.
- ✚ The RLC program has 179,434 violations, valued at approximately \$13.5 million, in outstanding uncollected revenues in FY 2019 to date, of which approximately \$10.6 million, or 79%, are in-State, and approximately \$2.8 million, or 21%, are out-of-State. The receivables amount is projected to increase to approximately \$14.7 million in FY 2020. The estimated collection rate in FY 2019 is 92%, and this is proposed to remain at 92% in FY 2020.
- ✚ The Authority is reporting that it has continued to monitor collection efforts of the RLC program in collaboration with Conduent and the County. Efforts in FY 2019, and continuing in FY 2020, will include effective monitoring of the collections process and offering solutions to increase program revenues. The Authority has created a managed collection plan in which all public safety program databases would be consolidated for a combined collections effort. The Authority is working with Conduent and the Office of Central Services (OCS) to amend the current contract to permit citations aged over 180 days to be submitted to the Authority's managed collections vendor.

School Bus Camera Program

- The School Bus Program went live on August 26, 2014, and selection of the placement of School Bus Cameras is made by the School Board. The bus routes are controlled by the Prince George's County Public School (PGCPS) Transportation Division.
- There are 20 school bus cameras currently installed on buses serving the following Councilmanic districts, which remain unchanged since the program's inception in 2014.

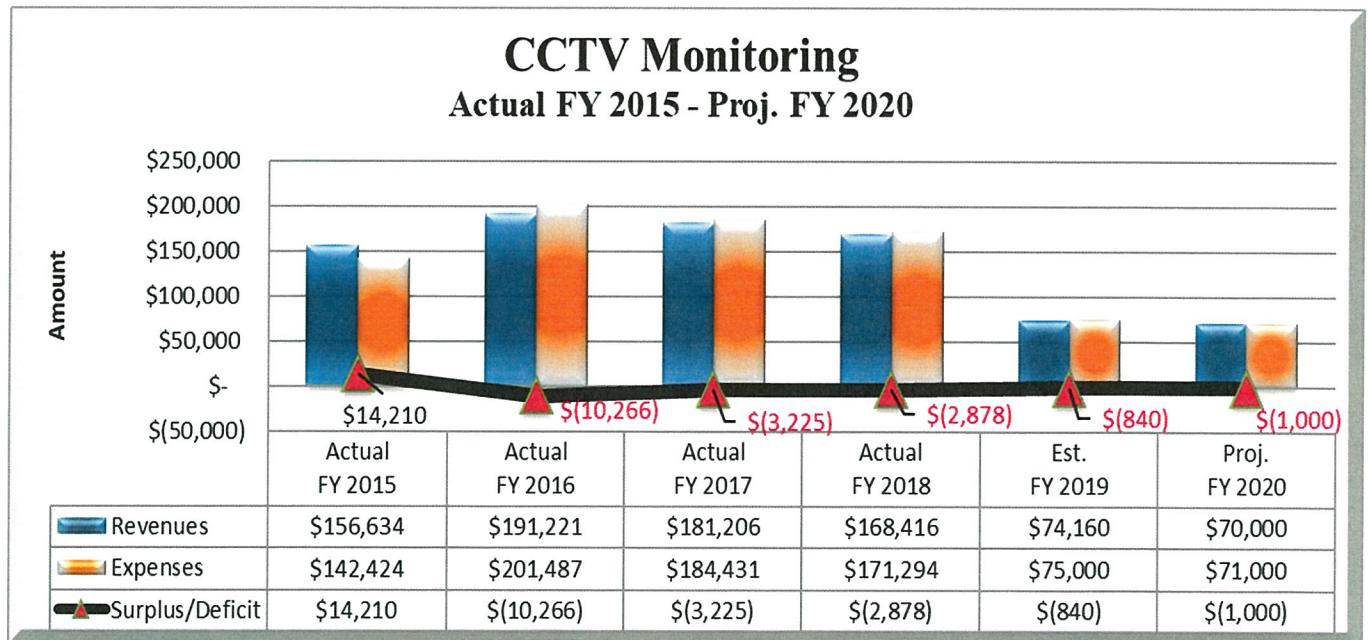
✎ District 1: 2 cameras ✎ District 2: 4 cameras ✎ District 3: 5 cameras	✎ District 4: 1 camera ✎ District 5: 6 cameras ✎ District 6: 2 cameras
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- Data related to the School Bus Camera Program is outlined below for revenues, expenses, and number of violations for FY 2017 – Proj. FY 2020:

Fiscal Year	Revenues	Expenses	No. of Violations
FY 2017	\$39,160	\$27,475	314
FY 2018	\$19,125	\$13,388	153
FY 2019 (YTD)	\$2,875	\$2,013	23
Proj. FY 2020	\$12,000	\$8,400	96

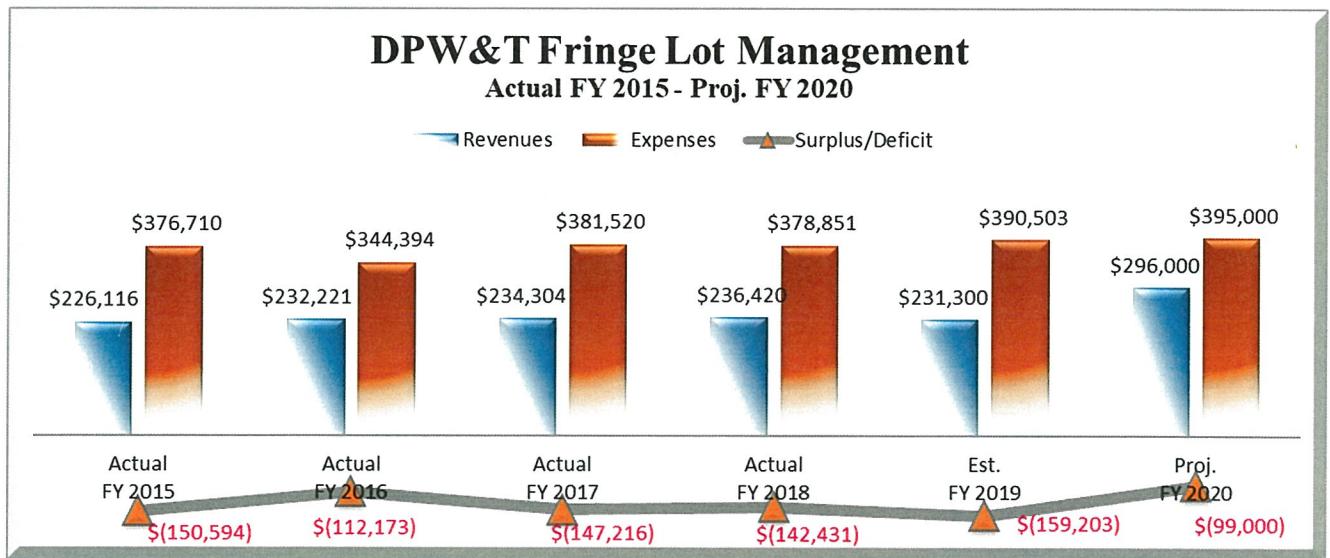
Department of Public Works and Transportation (DPW&T) Managed Programs

- The Revenue Authority estimates that \$445,000 will be received in FY 2020 from the Department of Public Works & Transportation (DPW&T) for the operation, management, and Closed-Circuit Television (CCTV) monitoring of County fringe parking lots.
- In FY 2019, the Authority updated all of the CCTV monitors for the fringe lots at a total cost of \$45,000. The CCTV monitoring function has not had a surplus since FY 2015, with the deficit estimated at \$840 in FY 2019, and projected to be \$1,000 in FY 2020. *See chart below.*



- The Revenue Authority provides maintenance and repair services for the five (5) fringe (commuter) lots, which consist of 2,764 parking spaces, in the County on behalf of the Department of Public Works and Transportation (DPW&T), at the following locations: Bowie (630 spaces), Clinton (422), Fort Washington (418), Laurel (684), and Oxon Hill (610).

- Details on fringe/commuter lots:
 - ❖ The lots are free of charge and open to the public who commute to work by bus or carpool.
 - ❖ The parking lots are self-park and are not staffed at any time.
 - ❖ Payment to the Authority is based on the Consumer Price Index (CPI) for the area (currently \$76.20/per space rate).
 - ❖ The current costs to maintain these lots have increased faster than the CPI (\$142.08/per space rate) and represent an 86.45% shortage in funding.
 - ❖ The Authority did not incur increases in the following expenses: snow removal, landscaping, light repairs or surface repairs in FY 2019.
- The expenditures have outpaced the revenues for this program for several years, and the deficit is estimated at \$159,203 in FY 2019 and projected at \$99,000 in FY 2020. The Authority has explored several possible revenue opportunities to help absorb some of the annual cost overruns associated with operating these lots (approximately \$70,000). The Authority will continue to explore methods to fund the shortfall. *See chart below.*



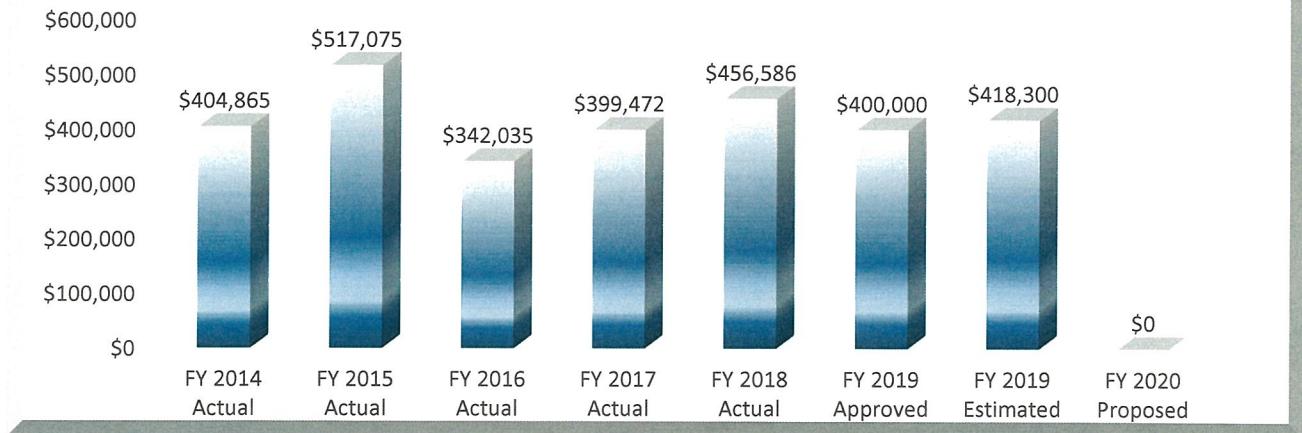
Department of the Environment (DOE) Managed Program - Abandoned Vehicles Unit (AVU)

- ❖ Last year, we reported that the Department of the Environment (DOE) had received approval from the Maryland General Assembly for the transfer of the program's towing function from DOE to the Revenue Authority in FY 2019. The new legislation became effective immediately and provided the County Executive the authority to delegate the function. The transfer was expected to occur July 1, 2018.
- ❖ The Authority began informally partnering with DOE to manage the Abandoned Vehicles Unit (AVU) in July 2018. Effective June 3, 2019, the Authority will have full-time enforcement in north, central and south County.
- ❖ The Authority contracted, through an Office of Central Services (OCS) solicitation, to work with multiple (currently 4) County-based tow companies who will provide towing, storage and customer

service to residents. A Memorandum of Understanding (MOU) with the Revenue Authority is still pending.

- The AVU program will no longer be generating any revenues for the County from the actual car pick-up, storage or sale activities, as the towing operator will both tow, store and collect revenues. The Revenue Authority will earn revenues from the County at the proposed FY 2020 budgeted amount of \$438,000, which matches the Authority's expenses for managing the program.
- The Authority was reimbursed \$337,000 in FY 2019 for start-up and operating expenses in advance of taking on the formal management role per the MOU.
- Some AVU staff will remain on site to inventory and auction vehicles towed up until the time the Program fully transitions to the Revenue Authority.
- Three (3) inspectors will be transferred to the Department of Permitting, Inspections and Enforcement (DPIE), four (4) police union employees to the Police Department (pending a finalized agreement), and two (2) general clerks were reassigned within DOE.
- There is still an inventory of vehicles remaining with DOE that will need to be disposed of, and one (1) auction is planned for May, and one (1) for July.
- The chart below shows the revenues for the AVU program from FY 2014 – FY 2020 (Proposed). The chart assumed that the transfer to the Revenue Authority would have already occurred and hence is showing \$0 proposed revenues in FY 2020. The Department is unable to determine the amount at this time.

ABANDONED VEHICLES (REVENUES) FY 2014 - PROPOSED FY 2020



Source: Budget Books FY 2016 – Proposed FY 2020 (p.364) – Solid Waste Management Revenues

Facilities and Operating Revenues and Expenditures

- The Revenue Authority is reporting that it was not affected by the FY 2019 winter weather. The snow accumulations were minimal this winter, and rarely suspended parking enforcement services and parking facilities operations for successive days. However, the Authority did have service demand reductions in December and January related to the Federal Government shutdown, with operations at the New Carrollton Garage and the East Lot most impacted.

- In FY 2020, the Revenue Authority's revenues are proposed at approximately \$46.9 million, and are comprised of the following major items, excluding the use of Fund Balance:

○ Fine Revenue Enforcement /PVN Processing	\$14.0 million
○ Speed Enforcement	6.9 million
○ Red Light Camera Enforcement Program	6.3 million
○ County Debt Service	5.5 million
○ Meter Fees	1.8 million
○ Management Fee Income	1.2 million
- The revenue table (see *Appendix B* of this report for a complete list) compares the FY 2020 Proposed Budget revenues with the FY 2019 Approved Budget revenues. The most significant dollar reductions between the FY 2020 Proposed Budget and the FY 2019 Approved Budget, was the reduction in the Use of Capital Asset Proceeds (\$5.7 million reduction) due to the sale of the Balk Hill asset, which will be a one-time transaction that affects FY 2019.
- In FY 2020, the Revenue Authority is anticipating DPW&T Fringe Lot Maintenance to increase by \$138,700, to \$370,000. While the total request from DPW&T will remain unchanged in FY 2020 at \$445,000, the Authority will be reallocating funds from the CCTV management to lot maintenance in the amount of \$20,000 to cover expenses.
- Actual revenues from both of the 34 years old New Carrollton Garage (1,036 spaces) and Hyattsville Justice Center (569 spaces) in FY 2018 were approximately \$1.8 million, and maintenance costs were approximately \$1.1 million. Estimated and projected maintenance costs for both garages in FY 2019 and FY 2020 costs are approximately \$1.1 million, and \$980,000, respectively.
- In FY 2019 the Department anticipates earning approximately \$3.51 million in parking revenues from locations at New Carrollton Garage and East Lots, Hyattsville Justice Center, Department of Corrections, National Harbor, and the Authority's Meters. This is projected to increase by \$225,980 in FY 2020 to approximately \$3.74 million.
- The expenditure table (see *Appendix C* of this report) compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures. The most significant dollar reduction between the FY 2020 Proposed Budget and the FY 2019 Approved Budget, is the reduction in expenditures related to the use of reserves for Anticipated Economic Development of approximately \$6.2 million.
- In FY 2020, the Revenue Authority's facilities and operating expenses are proposed at approximately \$42.2 million, and are comprised of the following major items:

○ Anticipated Economic Development	\$8.2 million
○ Automated Speed Camera Enforcement Program	6.9 million
○ Bad Debt Expense	6.5 million
○ Red Light Camera Enforcement Program	6.3 million

- County Debt Service of approximately \$1.2 million is being reduced in FY 2020 compared to the Approved FY 2019 amount, as a result of a decrease in the County's obligations related to the bonds for the Upper Marlboro Courthouse.
- The \$1.95 million reduction in Red Light Camera Program expenditures in FY 2020, is a result of not having any changes in the number of cameras operational from the prior year, and an increase in violators who are unwilling to pay. The Authority is reporting that there will be a change in the third-party collection company in FY 2020 to collect on citations older than 180 days.
- In FY 2020, the largest increase in proposed contracts is for Sentry Control Systems, for camera and maintenance, at an anticipated cost of \$178,000.
- In FY 2020, the Penn Credit Corp. contract amount of \$250,000, for a centralized collection agency, is anticipated to decrease by \$450,000, or 64.3%, under the FY 2019 Approved Budgeted amount of \$700,000, as a result of renegotiated fees.
- For a complete list of contracts, *see FY 2020 Budget Response First Round Q.19, Attachment N – Contracts and Appendix D of this report.*

Capital Improvement Program (CIP) and Economic Development

- The Authority has participated in the Suitland, Glenarden, New Carrollton Garage, Regional Medical Center Garage, Brentwood I and II Capital Improvement Projects (CIP) through FY 2019, with plans to provide support in FY 2020 for the Hyattsville Justice Center garage Capital Improvement Project. *See table below.*

Capital Improvement Program (CIP), FY 2019 and FY 2020						
	Description	FY 2019 Estimate	FY 2020 Proposed Budget	Total Project Cost	Status of Project	Funding Source (s)
1	Suitland Naylor Road project	\$ 2,591,000	\$ 5,209,000	\$ 38,000,000	Infrastructure Phase	Bonds, Other
2	Regional Medical Center Garage	\$ 500,000	\$ 19,500,000	\$ 27,000,000	Construction Phase	Bonds
3	Hamilton Street Garage	\$ -	\$ 5,650,000	\$ 5,650,000	Planning	Grants, Loans
4	Renovation New Carrollton Garage	\$ 2,500,000	\$ 3,350,000	\$ 6,500,000	Phase I	Reserve funds
5	Renovation Hyattsville Garage	\$ -	\$ 6,800,000	\$ 6,800,000	Planning	Loan
	Total	\$ 5,591,000	\$ 40,509,000	\$ 83,950,000		

- The Authority is reporting that it works closely with the Redevelopment Authority and the County Executive's Economic Development team when deciding the level of involvement on various economic development opportunities. The Authority is reporting the following transactions related to CIP and Economic Development:

- **CIP – Suitland Naylor Road Project** – acquisition of over \$28 million worth of land (33 acres) in the Suitland area. The completed development project will have an estimated value of \$300+ million.

- In FY 2016, the Authority finalized the participation in the Suitland/Naylor Road project by issuing \$28 million of Tax Increment Financing (TIF) Bond (revenue bonds).
- Additionally, the Authority has had to create an economic reserve fund of \$2 million related to the issuance of the TIF Bond as a contingency for the bond issuance.
- Other funding includes \$10 million of PAYGO funds allocated in FY 2017.
- Total project is 25% complete with an estimated completion date of June 2021, however the acquisition, relocation, demolition and clearance portion are 100% complete.

*** CIP – University of Maryland Capital Region Medical Center (CRMC) Garage**

- Contributed the land parcels (67 acres) at the Boulevard (Capital Centre), towards the development plans for the new regional medical center.
- To date, the Authority has started the design phase of the CRMC garage. The completed project will provide sufficient parking for hospital staff and visitors.
- Pending bond issuance in FY 2020 of approximately \$27 million, \$20 million of which is expected to be spent in FY 2020, and the remaining \$10 million in FY 2021. Construction is expected to be completed in November 2020.
- The increase in project costs was related to the external material used on the façade to match the surrounding infrastructure of the main hospital and to add an underground pedestrian walkway (\$5 million increase).

*** CIP - Hamilton Street Garage:**

- The Authority was successful in securing the Community Legacy grant from the Maryland Department of Housing and Community Development in FY 2015. The \$400,000 received will be used in the development of the Hamilton Street Garage in conjunction with the City of Hyattsville.
- To date, the Authority has received \$261,000 in funding from the City of Hyattsville, in addition to the \$400,000 grant, and has not experienced any setbacks.
- To date funding has not been utilized from the grant, and the Authority is still exploring financing options with the City of Hyattsville and private sector partners.
- The Authority is exploring with the City of Hyattsville the opportunity to construct the garage in 2020.

*** CIP – Renovation – New Carrollton Public Parking Garage**

- The New Carrollton Garage is in critical need of structural renovations in the parking areas. The renovations have been delayed due to pending negotiations about the land lease between Washington Metropolitan Area Transit Authority (WMATA) and the County. The most recent maintenance assessment was conducted in October 2018, and the cost estimation of the garage was \$6.8 million.
- The Authority and the County entered into an operating and management agreement with WMATA in January 1987, covering 400 of the 1,060 spaces in the New Carrollton parking facility. According to the agreement, the cost of renovations is apportioned to the

County (62.3%) and to WMATA (37.7%) from the earned revenues and then provided to WMATA at year-end in accordance with the respective ownership interests.

- The original land lease agreement between WMATA and the County expired April 14, 2015. Four (4) years later, the renewal is still pending approval.
- The Authority did receive authorization from the County and WMATA to begin needed renovations to the 30+ year old facility. Renovations were budgeted in FY 2019 at \$2.5 million and is Proposed in FY 2020 at \$3.35 million for a total of \$6.5 million. WMATA's share is expected to be approximately \$2.5 million in FY 2020, if the Authority proceeds with the full renovation.
- The Authority was successful in upgrading the lighting, cameras and elevators at the New Carrollton parking facility in FY 2019. The equipment provides customers a more efficient and secure parking environment. The cost was approximately \$790,000.

✚ CIP – Renovation – Hyattsville Justice Center Garage

- The 34-year-old Hyattsville Justice Center (HJC) garage was last inspected in February 2015, and a cost estimation for that garage was \$6.5 million at the time. The garage is in the process of being re-inspected starting in April 2019. A recent structural analysis of the HJC garage was performed in 2016 to determine if a \$200+ million development project could be built over the garage.
- In FY 2020, the proposed expenditures related to garage renovations for the Hyattsville Garage are being budgeted at \$6.8 million.
- The Authority intends to use reserve funds and loan proceeds obtained from borrowing funds from a local banking institution to finance the renovations of both the New Carrollton and HJC garages.

✚ Economic Development – Brentwood I and II – provided \$3.7 million to become an equity investor in the Brentwood I development project in FY 2017. The Authority plans to contribute an additional \$2.1 million of equity in FY 2019 for the Brentwood II development project.

✚ Economic Development – Loan to the Redevelopment Authority (Glenarden) - In FY 2015, the Authority transferred \$6 million from the Reserve Maintenance fund to the Economic Development fund. In FY 2016, funds were utilized to make a loan to the Redevelopment Authority of Prince George's County (RDA) to acquire a U.S. Department of Housing and Urban Development (HUD) property which was being sold at auction.

- In FY 2015 the Authority provided funding in the amount of approximately \$3.2 million to the Redevelopment Authority for the purchase of the Glenarden apartment complex.
- According to the terms of the agreement, the Redevelopment Authority will pay the daily simple interest at 3.5% of the outstanding principal balance.
- On March 1, 2017, the Redevelopment Authority executed an agreement with a qualified Developer for the Glenarden project and per the terms of the agreement, the note will expire 3 years from that date, or on February 28, 2020.

- On October 25, 2017, the Revenue Authority received a principal payment from the Redevelopment Authority in the amount of \$1,673,732.
- The remaining note principal balance of \$1,484,924 was received from the Redevelopment Authority in December 2018. The Revenue Authority considers the note satisfied and paid in full.
- **✚ Economic Development – Hunter Memorial A.M.E. Church, Inc. (the “Church”)**
 - In December 2016, the Authority executed a Balloon Payment Deed of Trust Note with Hunter Memorial A.M.E. Church, Inc. that provided \$4.8 million to the Church as a deposit for the purchase of property located at 4701-4707 Silver Hill Road, Suitland.
 - The debt was forgiven upon the closing under the Contract of Sale between the Authority and the Church for the property.
 - The property sale closed on January 5, 2018, and the \$4.8 million earnest deposit was applied towards the purchase of the property.
- The Authority has provided the list of its planned Capital Improvement Projects and Economic Development Projects currently in process for FY 2019 and beyond (*see Appendix E of this report*).

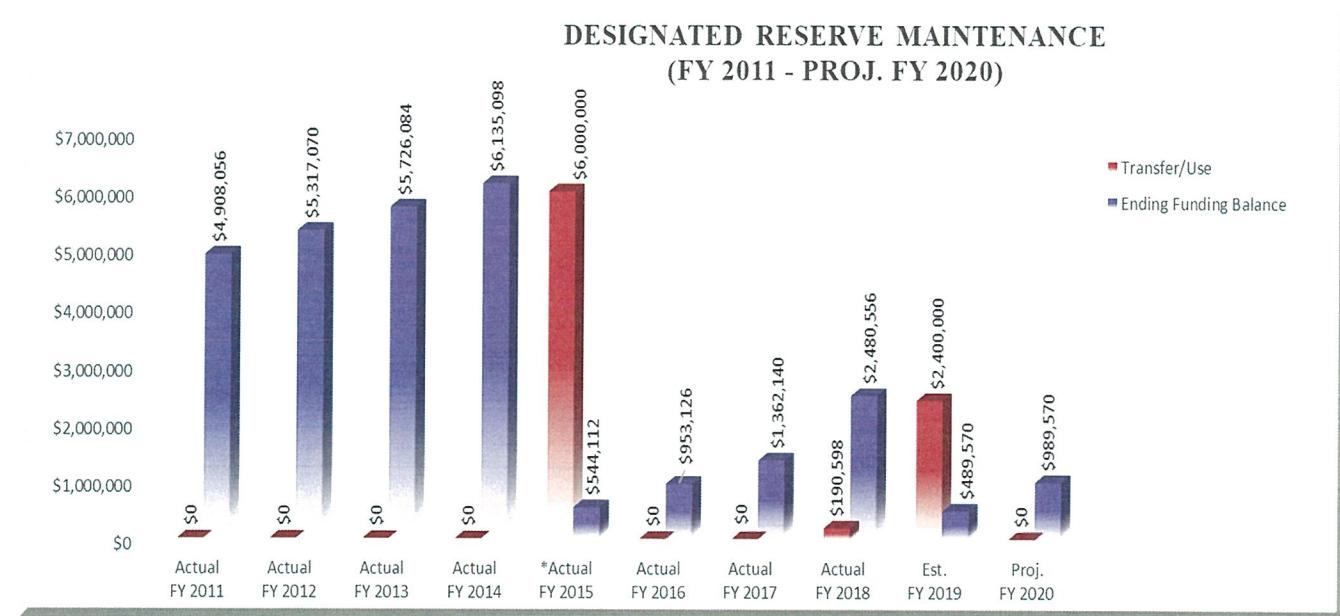
Reserves

- The Revenue Authority created the “*reserve for special projects*,” the “*reserve for future maintenance, repair, and replacement costs*” and the “*operating reserve*” accounts, respectively, to have adequate cash reserves available to fund:
 - i. Future projects which promote the public interest and economic development of Prince George’s County;
 - ii. Future repair and replacement costs of capital facilities and equipment; and,
 - iii. Short term agency operating cash needs in case of limited cash balances and is calculated at 5% of the current fiscal year approved operating budget.

Based on the audited financial statements for June 30, 2018, the reserves for special projects was approximately \$2.1 million, the reserves for future maintenance was approximately \$2.5 million, and \$977,925 for operating reserves, and is reported as a designated unrestricted fund balance for a total of approximately \$5.6 million.

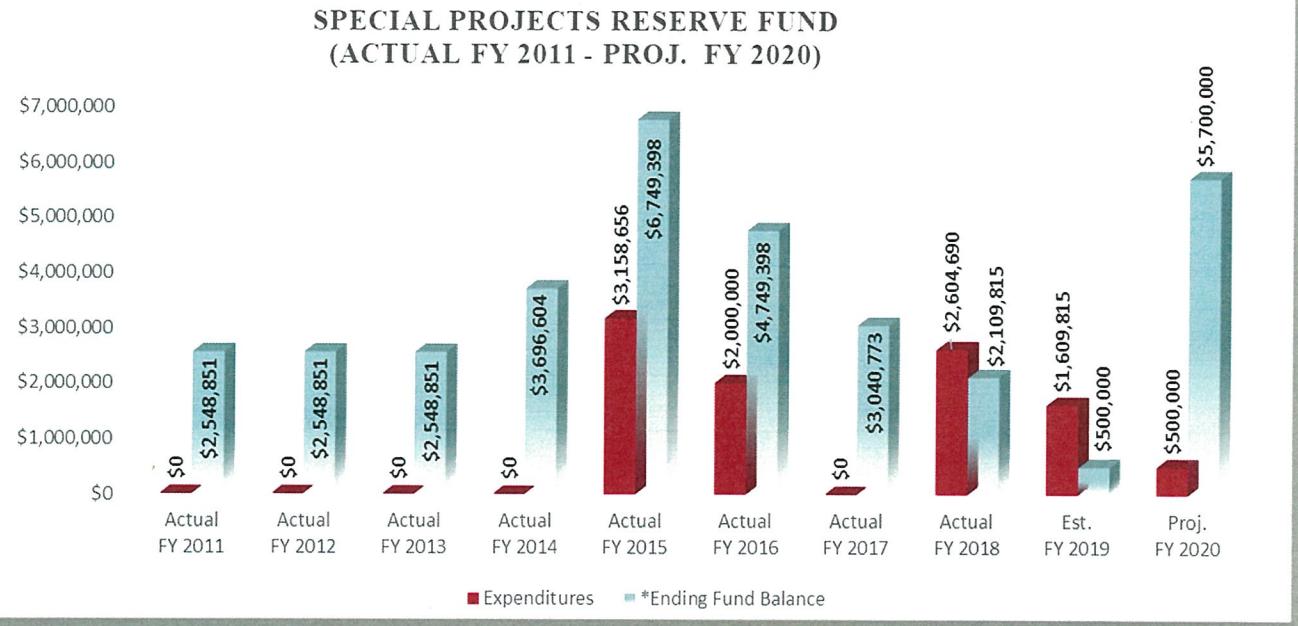
- The Authority utilizes its reserve funds and economic development funds which required several years of accumulated contributions to reach an amount that was adequate enough for renovations and development expenditures.
- Accumulated amounts in the reserve funds provides the Authority with the resources for major renovations and economic development projects without the need to acquire debt or burden the County financially.
 - ✚ The Authority utilized both funds in FY 2015.
 - ✚ The Economic Development Fund was utilized in FY 2016 for a bond reserve requirement.
 - ✚ In FY 2018 Economic Development funds were used for the second phase of Brentwood project and participation in the UM-Capital Region Medical Center (UM-CRMC) garage plans.

- In FY 2019, Economic Development reserve funds will be used for the Suitland development and Pre-construction for the UM-CRMC.
- Anticipated growth in the fund balance is estimated to be at approximately \$489,570 by the end of FY 2019, and \$989,570 in FY 2020, in addition to the Authority's \$400,000 annual contribution to the fund balance. The use of \$2.4 million in FY 2019, is for New Carrollton Garage renovations, and for efficient lighting upgrades, security camera upgrades and elevator repairs (approximately \$790,000). *See the chart below.*



Source: First Round Response Q.31 *FY 2015 - Board Approved Transfer for Economic Development

- In FY 2015, the Revenue Authority reports that \$6 million of the total fund balance for reserve for maintenance was committed to two (2) major economic development projects (Suitland Naylor Road & Brentwood I & II), and as such, the Revenue Authority's Board of Directors approved the transfer of the funds to the economic development reserves, leaving an estimated \$544,112 of fund balance at the end of FY 2015.
- In FY 2019, the Authority estimates that approximately \$1.7 million will be used from the Special Projects Reserve Fund for Economic Development, leaving an estimated balance of \$500,000. In FY 2020, the Authority is anticipated to generate revenues from operations which it will use to contribute to, and expend \$500,000 for economic development from this fund, leaving a fund balance approximately \$5.7 million. *See the chart on the following page.*



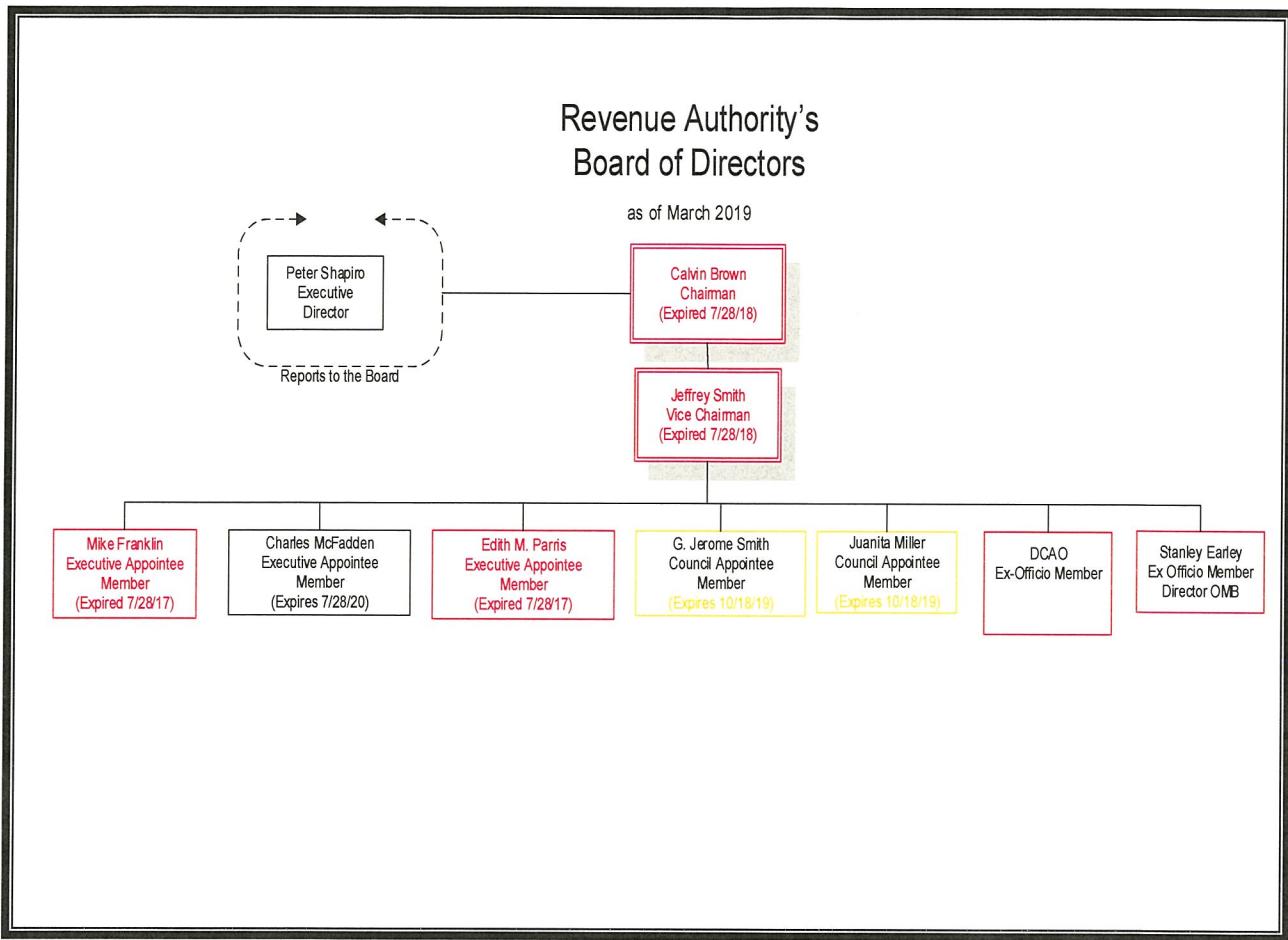
Source: First Round Response Q.31 * The Ending Fund Balance in FY 2015 includes the transfer of \$6M from the Reserve for Maintenance Fund

HIGHLIGHTS

- The Revenue Authority is reporting that it continues to expand its role in the areas of real estate development and development finance. The County will benefit from this expansion by increases in job opportunities and growth in both sales and property taxes. The Authority will contribute resources from its fund reserves and sale of capital assets in order to accomplish this goal.
- Proposed expansions to parking/booting, along with additional meters in Largo, and the possible establishment of a “parking court” to facilitate an increase in collections, is being considered.
- The Parking Enforcement Program accounts for the second largest amount of budgetary resources in FY 2020. The Enforcement program includes staff and vehicles that produce 128,000 parking citations annually. The Authority was successful in upgrading the meter equipment at all of its open parking lots and parking facilities. The equipment provides the customers a more efficient way to pay for parking spaces. The revenues for parking meters have increased by 6% as a result.
- The Authority will continue to provide parking enforcement, parking services, and program management as its other core functions. In addition to the five (5) commuter parking lots discussed earlier, the Revenue Authority also manages 2,764 public parking spaces in the following locations within the County: New Carrollton Garage & East Lot, Hyattsville Justice Center, various street meters, Department of Corrections, Upper Marlboro Courthouse, and the National Harbor.
- The Authority added six (6) residential parking zones in FY 2019, with three (3) zones pending approval. Current zones by Councilmanic District is listed on the following page:

Number of current zones by Councilmanic District.	
District 1	7 Zones
District 2	26 Zones
District 3	8 Zones
District 4	3 Zones
District 5	5 Zones
District 6	3 Zones
District 7	12 Zones
District 8	10 Zones
District 9	4 Zones
	78 Zones

- In FY 2019 to date, two (2) mid-sized SUV's were replaced, and three (3) new ones were purchased for a total of \$174,900, with plans to purchase three (3) more mid-sized replacement SUVs in FY 2019 for \$108,000. In FY 2020 purchases are planned for four (4) replacement mid-sized SUVs, at a cost of \$144,000. The Authority purchased 65 replacement security cameras in FY 2019, at a cost of \$368,000, for the New Carrollton garage and the five (5) lots.
- In FY 2019 year-to-date, the Authority received 3,048 cases of 3-1-1 calls, with a 99.9% on-time closure rate (within 45 days). The most common issues were complaints for vehicles with out-of-state tags, Recreational Vehicles (RVs) and commercial vehicles being parked on a residential roadway, and vehicles being parked over 72 hours.
- The current Board of Directors is depicted in the organizational *chart below* and indicates that four (4) County Executive Appointees are serving under expired terms. Chairman Calvin Brown (July 2018), Vice-Chair Jeffery Smith (July 2018), and Members Edith Parris and Mike Franklin (since July 2017). Two (2) County Council member appointees G. Jerome Smith and Juanita Miller are serving under terms which will both expire in October 2019. Pending announcement of DCAO as an Ex-Officio Member to the Authority's Board.



Appendix A
**Budget Comparison Actual FY 2018, Approved FY 2019 and
 Proposed FY 2020**

REVENUE AUTHORITY

	FY 2018 Actual	FY 2019 Approved Budget	FY 2020 Proposed Budget	\$ Change	% Change
Revenues					
Use of Fund Balance	\$ 2,795,000	\$ 7,223,900	\$ 8,200,000	\$ 976,100	13.5%
Interest Income	212,729	92,000	214,200	122,200	132.8%
Enforcement (ASE and other programs)	14,249,191	16,450,000	13,900,000	(2,550,000)	-15.5%
Facilities Operating Income	20,699,824	28,171,300	24,568,000	(3,603,300)	-12.8%
Use of Capital Assets Proceeds	-	5,700,000	-	(5,700,000)	-100.0%
TOTAL REVENUES	\$ 37,956,744	\$ 57,637,200	\$ 46,882,200	\$ (10,755,000)	-18.7%

Expenditures

Administrative Expenses

Compensation	\$ 3,502,533	\$ 3,898,200	\$ 3,639,400	\$ (258,800)	-6.6%
Fringe Benefits	964,295	1,041,900	1,007,400	(34,500)	-3.3%
SUBTOTAL - ADMINISTRATIVE EXPENSES	\$ 4,466,828	\$ 4,940,100	\$ 4,646,800	(293,300)	-5.9%

Operating Expenses

Facilities Operating Expenses	\$ 21,050,885	\$ 21,374,000	\$ 19,570,400	\$ (1,803,600)	-8.4%
Managed Program Operating Expenses	3,223,421	11,250,000	8,475,000	(2,775,000)	-24.7%
Reserve for Maintenance and Economic Development	2,676,000	14,873,100	8,765,000	(6,108,100)	-41.1%
SUBTOTAL - OPERATING EXPENSES	\$ 26,950,306	\$ 47,497,100	\$ 36,810,400	\$ (10,686,700)	-22.5%

Other Expenses

Managed Program Funds to County	\$ 5,512,885	\$ 5,200,000	\$ 5,425,000	\$ 225,000	4.3%
SUBTOTAL - OTHER EXPENSES	\$ 5,512,885	\$ 5,200,000	\$ 5,425,000	\$ 225,000	4.3%
TOTAL EXPENDITURES	\$ 36,930,019	\$ 57,637,200	\$ 46,882,200	\$ (10,755,000)	-18.7%

Source: FY 2020 Proposed Budget Page 602

Appendix B
Revenues

Revenues						
Sorted by FY 2019 - FY 2020 \$ Change Amount (Largest to Smallest)						
Revenue Category	FY 2018 Actuals	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	(\$ Change FY 2019 to FY 2020)	(%) Change FY 2019 to FY 2020
Use of Fund Balance	\$ 2,795,000	\$ 7,223,900	\$ 5,000,000	\$ 8,200,000	\$ 976,100	13.5%
DPW&T - Fringe Lot Maintenance	236,420	231,300	350,000	370,000	138,700	60.0%
AVU Program	-	300,000	300,000	389,600	89,600	29.9%
Interest Income - MLGIP	60,000	45,000	140,000	130,000	85,000	188.9%
Interest Income - Bonds	71,068	12,000	84,000	81,000	69,000	575.0%
Meter Fees - TOTAL	1,701,515	1,785,000	1,695,660	1,800,000	15,000	0.8%
Washington Redskins Enforcement	13,500	12,400	13,000	12,500	100	0.8%
CCTV Reserve	3,700	3,700	3,700	3,700	-	0.0%
Other Income	380,806	55,000	35,000	40,000	(15,000)	-27.3%
Interest Income - Econ Development	81,661	35,000	3,000	3,200	(31,800)	-90.9%
Daily Lot Fees	788,589	852,800	804,000	800,000	(52,800)	-6.2%
Lease Income	420,707	100,000	100,000	35,000	(65,000)	-65.0%
Monthly Permit Income	329,735	435,000	350,000	360,000	(75,000)	-17.2%
Fine Revenue - Enforcement/PVN Processing	13,648,428	14,122,500	13,000,000	14,000,000	(122,500)	-0.9%
Speed Enforcement	6,894,036	7,200,000	7,168,331	6,900,000	(300,000)	-4.2%
False Alarm	855,157	1,000,000	408,909	700,000	(300,000)	-30.0%
Management Fee Income	1,504,981	1,568,800	1,198,976	1,249,000	(319,800)	-20.4%
Red Light	6,499,998	8,250,000	6,028,744	6,300,000	(1,950,000)	-23.6%
County Debt Service	1,671,443	8,704,800	8,704,800	5,508,200	(3,196,600)	-36.7%
Use of Capital Asset Proceeds	-	5,700,000	5,700,000	-	(5,700,000)	-100.0%
TOTAL REVENUE	\$ 37,956,744	\$ 57,637,200	\$ 51,088,119	\$ 46,882,200	\$ (10,755,000)	-18.7%

Source: FY 2020 Budget Review Questions First Round Responses Q.8, Attachment D, Revenues

Appendix C Expenditures

EXPENDITURES (Sorted FY 2019 - FY 2020 \$ Change - Largest to Smallest)						
Expenditure Category	FY 2018 Actuals	FY 2019 Approved	FY 2019 Estimates	FY 2020 Proposed	(\$ Change FY 2019 to FY 2020)	(%) Change FY 2019 to FY 2020
Reserve Maintenance	\$ 409,000	\$ 409,000	\$ 409,000	\$ 500,000	\$ 91,000	22.2%
Property & Liability	248,285	225,400	274,945	274,900	49,500	22.0%
Lease - Total	546,825	539,000	560,600	560,600	21,600	4.0%
Professional Fees - Audit	53,500	39,000	51,000	51,000	12,000	30.8%
Fuel - Vehicles	63,275	74,000	80,000	82,000	8,000	10.8%
Interest Expense	1,468,109	1,998,400	1,998,400	2,000,000	1,600	0.1%
Temporary Services - Admin	9,785	4,200	12,000	4,500	300	7.1%
Payment for Shared Revenue	850,000	850,000	850,000	850,000	-	0.0%
Snow Removal	102,360	50,000	50,000	50,000	-	0.0%
Monitoring	977	1,000	1,000	1,000	-	0.0%
Collections/Deposits	79,956	75,000	75,000	75,000	-	0.0%
Contractual Services Operations	116,962	125,000	125,000	125,000	-	0.0%
Repair & Maintenance	352,551	300,000	300,000	300,000	-	0.0%
Utilities- Total	137,931	145,000	145,000	145,000	-	0.0%
Telephone	123,587	110,000	110,000	110,000	-	0.0%
Tele CCTV - DPW&T	2,750	6,800	6,800	6,800	-	0.0%
Signs & Markings	21,585	27,000	27,000	27,000	-	0.0%
Supplies	72,081	64,000	64,000	64,000	-	0.0%
Miscellaneous	200	500	500	500	-	0.0%
Meals & Entertainment	27,123	24,500	24,500	24,500	-	0.0%
Passcard Refunds	405	500	500	500	-	0.0%
Fee Refunds - Enforcement	21,598	20,000	20,000	20,000	-	0.0%
401k Processing Fees	7,383	12,000	12,000	12,000	-	0.0%
Payroll Processing	39,518	46,300	46,300	46,300	-	0.0%
Professional Fees - Legal	238,686	325,000	175,000	325,000	-	0.0%
Consultant Fees	113,916	560,000	560,000	560,000	-	0.0%
Professional Fees - Planning	278,318	340,000	265,000	340,000	-	0.0%
Office Supplies	45,765	40,000	40,000	40,000	-	0.0%
Advertising	3,759	3,000	3,000	3,000	-	0.0%
Towing & Booting Fees	4,856	5,000	5,000	5,000	-	0.0%
Bank Service Charges	34,957	40,000	40,000	40,000	-	0.0%
Dues, Subs, and Pubs	11,275	10,000	10,000	10,000	-	0.0%
Software & Computer Supplies	50,881	33,500	33,500	33,500	-	0.0%
Postage	5,796	65,000	65,000	65,000	-	0.0%
Printing	7,469	12,500	12,500	12,500	-	0.0%
Shipping Charges	1,852	4,000	4,000	4,000	-	0.0%
Training & Conferences	23,750	24,000	24,000	24,000	-	0.0%
Amortization Lease Improve	41,285	45,000	45,000	45,000	-	0.0%
County Lease Expense	150,060	150,000	150,000	150,000	-	0.0%
WMATA Reimbursement - NCG	109,000	125,000	125,000	125,000	-	0.0%
Operating Reserve	72,000	77,700	77,700	65,000	(12,700)	-16.3%
Depreciation	695,826	655,000	635,000	635,000	(20,000)	-3.1%
Property Tax Expenses	107,922	75,000	32,000	30,000	(45,000)	-60.0%
Bad Debt Expense	5,692,299	6,637,700	6,500,000	6,488,100	(149,600)	-2.3%
Speed Enforcement Program	4,132,890	7,200,000	7,168,331	6,900,000	(300,000)	-4.2%
False Alarm Program	541,727	1,000,000	408,909	700,000	(300,000)	-30.0%
Fine Processing Fees	1,378,582	1,431,700	956,500	956,500	(475,200)	-33.2%
Debt Services	-	6,055,000	6,055,000	4,848,200	(1,206,800)	-19.9%
Red Light Program	4,061,689	8,250,000	6,028,744	6,300,000	(1,950,000)	-23.6%
Anticipated Economic Development	2,195,000	14,386,400	10,700,000	8,200,000	(6,186,400)	-43.0%
TOTAL OPERATING EXPENSES	\$ 24,755,306	\$ 52,697,100	\$ 45,362,728	\$ 42,235,400	\$ (10,461,700)	-19.9%
Compensation	\$ 3,502,533	\$ 3,898,200	\$ 3,428,979	\$ 3,639,400	\$ (258,800)	-6.6%
Fringe	964,295	1,041,900	926,385	1,007,400	\$ (34,500)	-3.3%
Operating	24,274,306	32,624,000	29,638,801	28,045,400	\$ (4,578,600)	-14.0%
PGPD Program funding to County	5,512,885	5,200,000	4,537,227	5,425,000	\$ 225,000	4.3%
Reserve Maintenance/Econ Development	2,676,000	14,873,100	11,186,700	8,765,000	\$ (6,108,100)	-41.1%
TOTAL EXPENDITURES	\$ 36,930,019	\$ 57,637,200	\$ 49,718,092	\$ 46,882,200	\$ (10,755,000)	-18.7%
TOTAL Positions	124	127	103	105	(22)	-17%

Source: FY 2020 Budget Review First Round Q.9, Attachment D, Expenditure

Appendix D
Operating Contracts

OPERATING CONTRACTS
(Sorted FY 2019 - FY 2020 - \$ Change - Largest to Smallest)

Vendor Name	Description of Service	FY 2019 Approved	FY 2020 Proposed	\$ Change FY 2019 - FY 2020	% Change FY 2019 - FY 2020
Sentry Control Systems	Camera and maintenance	\$ -	\$178,000	\$178,000	N/A
Hartford (The)	Vehicle insurance	110,000	130,700	20,700	18.8%
Hartford (The)	Insurance (property, liability)	82,000	102,000	20,000	24.4%
Ford Motor Credit	Vehicle leases	108,000	125,000	17,000	15.7%
Mercantile Place #1	Office lease	283,000	294,000	11,000	3.9%
Lloyds of London	Insurance (Cyber pack)	-	6,900	6,900	N/A
Maryland Transit Administration	New Carrollton east lot lease	105,000	108,000	3,000	2.9%
ACE	Insurance (directors & officers)	23,000	24,100	1,100	4.8%
CliftonLarsonAllen, LLP	Audit services	39,000	39,000	-	-
BCA Watson Rice, LLP	401K audit services	12,000	12,000	-	-
Willis	Insurance brokerage services	8,000	8,000	-	-
RLI	Insurance (MVA surety bond)	300	300	-	-
Travelers	Insurance (boiler & machinery)	2,000	2,000	-	-
ADP	Payroll processing	46,300	46,300	-	-
Bank of America	Banking services	40,000	40,000	-	-
Metro Business Systems		7,000	7,000	-	-
Neopost	Postage machine lease & maintenance	1,600	1,600	-	-
Denison Landscaping & Trucking	Landscaping & snow removal services	60,000	60,000	-	-
Supreme Landscaping		40,000	40,000	-	-
Thyssens Elevator Corp.	Elevator maintenance	8,000	8,000	-	-
Queen Electric	Electric repairs	7,000	7,000	-	-
Fireguard Corporation	Fire sprinkler maintenance	20,000	20,000	-	-
Electronic Security Services, Inc.	CCTV equipment maintenance	40,000	40,000	-	-
Waste Management	Waste removal (NCG)	13,000	13,000	-	-
Sentry Control Systems	Repair and maintenance NCG	10,000	10,000	-	-
Lindsay Ford of Wheaton	Vehicle maintenance/repair service	30,000	30,000	-	-
DSH Mgmt	Office cleaning services	30,000	30,000	-	-
Cintas Fire	Fire extinguisher maintenance	2,000	2,000	-	-
Lowe's Corporate	Maintenance supply	20,000	20,000	-	-
Otis Elevator Co.	Elevator maintenance	20,000	20,000	-	-
IPT LLC - Paylock	Parking citation & collections	450,000	450,000	-	-
Applied Technology Services	Gteachna services	25,000	25,000	-	-
Jimmie Muscatellos	Uniforms for Officers	18,000	18,000	-	-
A-1 Uniform Sales	Uniforms for Officers	7,000	7,000	-	-
IPS Group	NH Parking meter system	17,500	17,500	-	-
Dunbar Armored Services	Armored car collection	9,000	9,000	-	-
Parkeon	Parking Meters	2,000	2,000	-	-
Elmina Catering	Food catering	6,000	6,000	-	-
Zurich American Group	Insurance (fidelity bond)	1,200	1,000	(200)	-16.7%
GM Financial Service		42,400	25,000	(17,400)	-41.0%
Serco	Parking meter collections	25,000	-	(25,000)	-100.0%
Penn Credit Corp	Centralized Collection Agency	700,000	250,000	(450,000)	-64.3%
TOTAL		\$ 2,470,300	\$ 2,235,400	(234,900)	-9.5%

Source: FY 2020 Budget Review First Round Q.19, Attachment N, Operating Contracts

Appendix E
CIP and Economic Development Projects
– as of April 2019



FY 2019-2020 Economic Development

<u>Existing Projects</u>	<u>Funding by RAPGC</u>	<u>Funds Spent to Date</u>	<u>Est. Start Date</u>	<u>Est. Comp. Date</u>
Brentwood I	\$3.7MM	\$3.7MM	FY 2018	FY 2019
Brentwood II	\$2.1MM	\$2.1MM	FY 2019	FY 2020
New Carrollton Garage	\$6.5MM	\$4.8MM	FY 2019	FY 2019
Regional Medical Center	\$27.0MM	\$700k	FY 2019	FY 2021
Suitland I (Shopping Center)	\$8.6MM	\$8.6MM	FY 2018	FY 2021
Suitland II (Hunter Memorial)	\$5.3MM	\$5.3MM	FY 2018	FY 2022
Suitland III	\$10.1MM	\$10.1MM	FY 2018	FY 2021

<u>Potential Projects</u>	<u>Funding by RAPGC</u>	<u>Funds Spent to Date</u>	<u>Est. Start Date</u>	<u>Est. Comp. Date</u>
Hyattsville Justice Garage	\$6.8MM	\$0MM	FY 2020	FY 2021
Hamilton Street Garage	\$5.8MM	\$0MM	FY 2020	FY 2021