



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 7, 2019

MEMORANDUM

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

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

FROM: Turkessa M. Green, Deputy County Auditor *TMG*
Canjor D. Reed, Senior Auditor *CDR*

RE: Office of Central Services (OCS)
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Office of Central Services is \$37,271,300. This is an increase of \$1.6 million, or 4.6%, over the FY 2019 Approved Budget. The increase is largely due to funding anticipated for cost-of-living adjustments and merit increases, operating cost for building maintenance, the implementation of the Facility Master Plan, and an e-Procurement system.

FY 2019 estimated total General Fund expenditures are \$20.6 million, which is approximately 2.0% below the FY 2019 Approved budgeted level, therefore the Office will not require a General Fund supplemental budget appropriation.

The Office will require a \$10.75 million grant supplemental for FY 2019 funds received as a result of the AltaGas, Ltd./WGL Holdings, Inc. merger. (See page 16 of this report for details.)

Fund	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change Est vs App (FY 2019)	FY 2020 Proposed	\$ Change	% Change
General Fund	\$ 20,590,790	\$ 21,006,300	\$ 20,595,390	-2%	\$ 22,802,200	\$ 1,795,900	8.5%
Grants	173,710	841,500	11,313,000	1244%	-	(841,500)	-100.0%
Fleet Management	10,929,483	13,191,900	12,505,000	-5%	13,864,100	672,200	5.1%
Property Mgmt Svc	351,979	600,000	600,000	0%	600,000	-	0.0%
Collington Center	5,000	5,000	5,000	0%	5,000	-	0.0%
Total	\$ 32,050,962	\$ 35,644,700	\$ 45,018,390	26%	\$ 37,271,300	\$ 1,626,600	4.6%

Authorized Staffing - All Classifications

	FY 2019 Approved	FY 2020 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 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
Compensation	\$ 9,349,064	\$ 10,130,100	\$ 9,594,400	\$ 10,648,800	\$ 518,700	5.1%
Fringe Benefits	3,149,142	3,535,200	3,348,500	3,720,900	185,700	5.3%
Operating Expenses	9,301,104	9,216,900	9,028,390	10,037,400	820,500	8.9%
Sub-Total	\$ 21,799,310	\$ 22,882,200	\$ 21,971,290	\$ 24,407,100	\$ 1,524,900	6.7%
Recoveries	(1,208,519)	(1,875,900)	(1,375,900)	(1,604,900)	271,000	-14.4%
Total	\$ 20,590,791	\$ 21,006,300	\$ 20,595,390	\$ 22,802,200	\$ 1,795,900	8.5%

Authorized Staffing Count - General Fund

	FY 2019 Approved	FY 2020 Proposed	Change Amount	Percentage Change
Full-Time	171	171	0	0.0%
Total	171	171	0	0.0%

Staffing Changes and Compensation

- FY 2020 General Fund compensation is increasing by \$518,700, or 5.1%, due to funding anticipated for cost-of-living adjustments and merit increases.
- The FY 2020 Proposed Budget includes authorization for 171 full-time General Fund positions, which is the same level of staffing as the FY 2019 approved level.
- The Office reported 43 vacant full-time positions. The Proposed FY 2020 Budget includes funding for 34 of these positions. The remaining nine (9) positions will remain unfunded in the upcoming fiscal year.
- The current rate of attrition for the Office is 1.6%. The following table provides the Office's rate of attrition for the last five fiscal years.

Attrition Rate - Historical Trend					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 (YTD)
# of Separations	14	4	14	18	2
# of Authorized Positions	126	125	131	132	128
Rate of Attrition	11.1%	3.2%	10.7%	13.6%	1.6%

- The Office has two (2) Audio Visual Specialists and one (1) Administrative Aide assigned to the Office of the County Executive.
- The Office has one (1) Associate Director assigned from the Office of Homeland Security to oversee Capital Improvement Program (CIP) projects.
- The Office projects overtime expenses will total \$225,000 for FY 2019, which is \$75,000 over the budgeted amount of \$150,000. In FY 2020, the Office's proposed budget includes funding in the amount of \$150,000 for overtime expenses, the same level of funding as the FY 2019 Approved Budget.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$185,700, or 5.3%, above the FY 2019 approved level to align with actual costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$ 3,065,446	\$ 2,775,919	\$ 3,149,142	\$ 3,348,500	\$ 3,720,900
As a % of Compensation	37.6%	33.3%	33.7%	34.9%	34.9%
Annual % Change	15.4%	-9.4%	13.4%	6.3%	11.1%

Operating Expenses

- FY 2020 operating expenses are proposed at \$10,037,400 and are comprised of the following major items:
 - Operating Contracts \$5,939,500
 - Building Repair/Maintenance 1,621,500
 - Office Automation 920,400
 - Equipment Lease 753,600
- Overall, operating expenses are increasing by approximately \$820,500, or 8.9%, above the FY 2019 approved level. The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures.
- In five (5) of the categories, the FY 2020 Proposed Budget increases planned spending from the FY 2019 budget. In five (5) of the categories, the FY 2020 Proposed Budget level remains the same compared to the FY 2019 budget. The FY 2019 expenditure level is decreasing for nine (9) categories.

Operating Objects	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
				\$ Change	% Change
Office Automation	\$ 499,514	\$ 603,900	\$ 920,400	\$ 316,500	52.4%
Operating Contracts	6,078,256	5,631,900	5,939,500	307,600	5.5%
Building Repair/Maintenance	1,206,865	1,321,500	1,621,500	300,000	22.7%
Vehicle Equipment Repair/Maintenance	178,150	159,000	164,500	5,500	3.5%
Membership Fees	7,784	6,000	7,000	1,000	16.7%
Training	15,029	41,500	41,500	-	0.0%
Office and Operating Equipment Non-Capital	49,843	78,100	78,100	-	0.0%
Periodicals	229	-	-	-	0.0%
Miscellaneous	12,083	-	-	-	0.0%
Utilities	(42,832)	-	-	-	0.0%
General & Administrative Contracts	112,086	105,100	104,200	(900)	-0.9%
Printing	26,464	24,200	22,100	(2,100)	-8.7%
Equipment Lease	764,993	757,000	753,600	(3,400)	-0.4%
Advertising	36,726	53,300	49,200	(4,100)	-7.7%
Mileage Reimbursement	30,583	38,000	33,000	(5,000)	-13.2%
Telephone	136,302	108,300	103,100	(5,200)	-4.8%
Travel: Non-Training	1,177	6,000	-	(6,000)	-100.0%
Gas and Oil	74,076	94,500	86,000	(8,500)	-9.0%
General Office Supplies	113,777	188,600	113,700	(74,900)	-39.7%
TOTAL	\$ 9,301,105	\$ 9,216,900	\$ 10,037,400	\$ 820,500	8.9%

- The most significant increase between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is in Office Automation (\$316,500 increase) largely due to funding the e-Procurement system (\$200,000).
- Additionally, Operating Contracts are increasing by \$307,600 largely due to plans for implementing the Facility Master Plan (\$250,000).
- In FY 2020, the Office requests an increase of \$300,000 in Building Repair/Maintenance for additional support for building maintenance costs over the FY 2019 Approved Budget.
- The most significant dollar reduction between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is General Office Supplies (\$74,900) to align the expense with actual historical costs.

Recoveries

- Recoveries for the General Fund and CIP activity of the Office are proposed at \$1,604,900 in FY 2020, which represents a decrease of \$229,000, or 16.6%, compared to the FY 2019 Approved Budget. These recoveries are for costs associated with salaries, fringe, and operating costs for various CIP/renovation projects, recovery of agency print/copy costs, revenue from the sale of surplus property, and salaries related to real estate activities.

Highlights

- Currently the Office manages 123 County-owned facilities and 27 County-leased facilities. The Office reports that most of the County space that it manages is fully utilized.

- In its Building Condition Report, the Office stated that 51% of County-owned space is in good condition (slightly higher percentage than reported during the FY 2019 Budget Review), 48% in fair condition, and approximately 1% is in poor condition. (*See Attachment E of the responses to the First Round FY 2020 Proposed Budget Questions for the Building Condition Report.*)
- The County pays approximately \$6.2 million annually for about 300,000 sq. ft. of occupied lease space (27 leases and 1 sub-lease). The Office reports that five (5) leases will expire within the next six (6) months. The list of leased properties is included as *Attachment D of the 1st Round Budget Questions*.
 - The County relocated and negotiated a new lease at one (1) facility in FY 2019 at 9109 Central Avenue, Capitol Heights, for space to be used as part of a future development site for a County building.
 - The OCS Property Management Division facilitated the lease extension and expansion for the Board of Elections, located at 1100 Mercantile Lane, Largo. OCS managed the \$447,000 space buildout, converting the existing 39,217 square feet (sq. ft.), to over 44,000 rentable sq. ft.
 - OCS also facilitated a ground lease agreement along the 15000 block of Cheswick Lane, Upper Marlboro, on behalf of the Fire Department for the purpose of installing and maintaining an underground firefighting water storage facility. This site will provide large quantities of water for firefighting purposes throughout this rural tier.
- The Facilities Operation and Management Division (FOM) anticipates high overtime expenditures, nearly 25% more, by the end of FY 2019. There is a 50% shortage in Building Engineers which means that preventive maintenance often goes uncompleted because they are responding to emergency calls and cannot adhere to the maintenance schedules.
- 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 Office reports that they are currently working through a few mobility bugs with the consultant and settlement issues that should be resolved over the next few months. These technical difficulties with the SAP WOM have delayed the FOM Division's response at times and expenses for materials associated with work requests are not being assigned, which negatively affects the Division's recoverable expenses.
- The Contract Administration and Procurement Division (CAP) has a project underway to clean up expired contracts in SAP, removing those that are closed or no longer needed. One (1) staff person is assigned and has sole responsibility for loading all term contracts in SAP. The Office

also receives and loads all contracts processed through the Administrative Review Committee (ARC) in SAP.

- CAP continues its on-going efforts to do outreach to vendors who have not completed their registration in SAP to get the vendors to either complete the process or to remove them if incomplete. This helps to ensure that vendors listed in SAP are completely registered and available to do business with Prince George's County.
- The Office reported that e-Procurement and specialized technology is vitally needed to help streamline the procurement process. Plans are underway to move to e-Procurement within the next 18 months. This will have a positive impact on operations by improving speed of delivery with solicitations, and improved efficiency of all procurement activities. Funding in the amount of \$200,000 is included in the FY 2020 Proposed Budget for this initiative.
- CAP is planning to establish and identify workflow issues and improve cross-divisional interfaces by:
 - Holding monthly customer engagement meetings to set priorities and to discuss forecasts;
 - Monitoring the speed of delivery via performance measurements related to contract awards; and,
 - Establishing data and quality management standards to guide improvement efforts.
- The Supplier Development Diversity Division (SDDD) currently utilizes the services of Metropolitan Archives to scan and store certification documents. SDDD is working with OIT to utilize the new OpenText cloud-based storage system for archiving old files. The B2GNow software system will house all current vendor and certification documents upon full implementation.
 - The implementation of B2GNow Certification and Compliance software will not interface with SAP.
 - The B2GNow software will capture certifications online and accurately report on certified, diverse supplier participation.
 - The new B2GNow software will also allow the County to efficiently and effectively manage sub-contracting utilizations and payments of certified firms.
- The Business Development Reserve Program (BDRP) is a program designed to encourage and assist County-based small businesses to contract with the County for goods and services and includes the establishment of a sheltered market program, expedited procurement process, and other preferences for eligible businesses. SDDD graduated 31 of the initial 50 participants in the first BDRP class in FY 2019.

- The Office reported that the total number of Minority Business Enterprises (MBE) registered with the County is 810. The Office also reported a total of 52 County Based Businesses (CBB), 518 County Based Small Businesses (CBSB), and 45 County Located (CLB) are registered with the County.
- 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 Pre-bid and Work Initiation Conferences to provide potential contract offerors and subsequent 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;
 - 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;
 - Tracking award data with new software (B2GNow) to create a process that allows prime contractors to submit monthly utilization reports and requests for plan modifications in the system; and
 - Creating a workflow to provide for a proper review of Supplier Utilization Plans.
- 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 Compliance Unit has revised the requirements in the OCS wage monitoring contract to include a new process for assigning projects as well as creating a uniform reporting template for all wage monitors to submit monthly reports.
- The Disparity Study initiated by the Office during FY 2015 was resumed in FY 2019. The Office reported that the contract with MGT of America Consulting, LLC (MGT) had expired and was recently extended until June 30, 2019. Funding in the amount of \$175,000 is included in the FY 2020 Proposed Budget to finalize the study. The Office reports that the total cost of the study is expected to be \$479,730.
- The General Services Division is currently working with OIT to utilize the countywide scanning solution to address the growing number of records maintained by the County. OIT has awarded the document management contract to Open Text Enterprises/Information Management Services. The Record Center continues to work with the contractor to define needs and requirements. A pilot is being conducted with the Office of Human Resource Management (OHRM) and SDDD. Finance has been added to the pilot to scan and catalog documents. OIT anticipates finalizing the pilot in June 2019 and ensuring that backend administration processes

are implemented correctly. The following Agencies will participate once the platform is available: Department of Permitting, Inspection and Enforcement (DPIE), Fire, Department of Public Works and Transportation (DPW&T) and OIT.

Budget Comparison – Fleet Management Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
Compensation	\$ 3,729,132	\$ 4,525,900	\$ 4,116,100	\$ 5,003,800	\$ 477,900	10.6%
Fringe Benefits	1,919,310	2,715,600	2,469,700	2,882,200	166,600	6.1%
Operating Expenses	5,281,041	5,640,400	5,459,200	5,668,100	27,700	0.5%
Capital Outlay	-	310,000	460,000	310,000	-	0.0%
Total	\$ 10,929,483	\$ 13,191,900	\$ 12,505,000	\$ 13,864,100	\$ 672,200	5.1%

Authorized Staffing Count - Fleet Management Fund

	FY 2019 Approved	FY 2020 Proposed	Change Amount	Percentage Change
Full-Time	75	75	0	0.0%
Total	75	75	0	0.0%

Staffing Changes and Compensation

- The FY 2020 Proposed Budget includes authorization for 75 full-time Fleet Management Fund positions, which is the same level of staffing as the FY 2019 approved level. The Office reported seven (7) vacancies within the Fleet Management Division.
- Compensation for this fund is increasing by \$477,900, or 10.6%, and includes funding to support staff salaries for 75 full-time positions, overtime, anticipated cost-of-living adjustments, and merit increases, offset by salary lapse and attrition.
- The Office projects overtime expenses will total \$50,000 in FY 2019. In FY 2020, the Office's proposed level of overtime expenses is anticipated to remain at the same level as the FY 2019 Approved Budget.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$166,600, or 6.1%, over the FY 2019 approved level due to compensation adjustments and changes in fringe benefit rates. Proposed

fringe benefits for the Fleet Management Fund include a \$972,000 contribution for Other Post-Employment Benefits (OPEB).

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

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$ 2,717,831	\$ 2,263,726	\$ 1,919,310	\$ 2,469,700	\$ 2,882,200
As a % of Compensation	74.5%	58.8%	51.5%	60.0%	57.6%
Annual % Change	34.9%	-16.7%	-15.2%	28.7%	16.7%

Operating Expenses

- FY 2020 proposed operating expenses for the Fleet Management Division are increasing by \$27,700 above the FY 2019 approved level. The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures.
- In one (1) of the categories, the FY 2020 Proposed Budget increases planned spending compared to the FY 2019 budget. In one (1) category the FY 2020 Proposed Budget level is decreasing compared to the FY 2019 budget. FY 2019 expenditure level remains the same for the other operating expense categories.

Operating Objects	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
				\$ Change	% Change
Office Automation	\$ 110,000	\$ 137,900	\$ 167,600	\$ 29,700	21.5%
Depreciation	184,711	282,200	282,200	-	0.0%
Other Operating Equipment	412,653	496,000	496,000	-	0.0%
Operating Contracts	7,170	8,500	8,500	-	0.0%
Telephone	21,416	19,200	19,200	-	0.0%
Utilities	88,051	75,900	75,900	-	0.0%
Printing	318	300	300	-	0.0%
Periodicals	192	200	200	-	0.0%
Training	18,635	16,000	16,000	-	0.0%
Membership Fees	799	1,300	1,300	-	0.0%
General Office Supplies	54,902	51,000	51,000	-	0.0%
Office and Operating Equipment Non-Capital	51,594	71,000	71,000	-	0.0%
Gas and Oil	38,446	55,000	55,000	-	0.0%
Equipment Lease	11,631	12,400	12,400	-	0.0%
Office/Building Rental/Lease	188,399	190,000	190,000	-	0.0%
Real Estate	34,408	35,000	35,000	-	0.0%
Interagency Charges	1,883	2,500	2,500	-	0.0%
Miscellaneous	7,369	15,500	15,500	-	0.0%
Vehicle Equipment Repair/Maintenance	4,047,963	4,168,500	4,168,500	-	0.0%
General & Administrative Contracts	502	2,000	-	(2,000)	-100.0%
TOTAL	\$ 5,281,042	\$ 5,640,400	\$ 5,668,100	\$ 27,700	0.5%

- The only increase between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is Office Automation charges as a result of an increase in charges by the Office of Information Technology (OIT).

Capital Outlay

- Proposed capital outlay for FY 2020 is \$310,000, which remains unchanged from the FY 2019 approved level. Funding is provided for the replacement of a fuel site backup generator, fuel pumps, a tire balancing machine, and the replacement of an oil machine, as well as purchases for the “green fleet” program.

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 39% of the County’s available fleet and 39% of the public safety fleet currently exceeds the replacement standard.
- In an effort to get the County’s vehicle inventory into compliance with the vehicle replacement policy, the Fleet Division has submitted a multi-year plan for fleet replacement funding that would catch up the backlog at an estimated cost of \$14 to \$15 million per year for the light vehicle fleet.

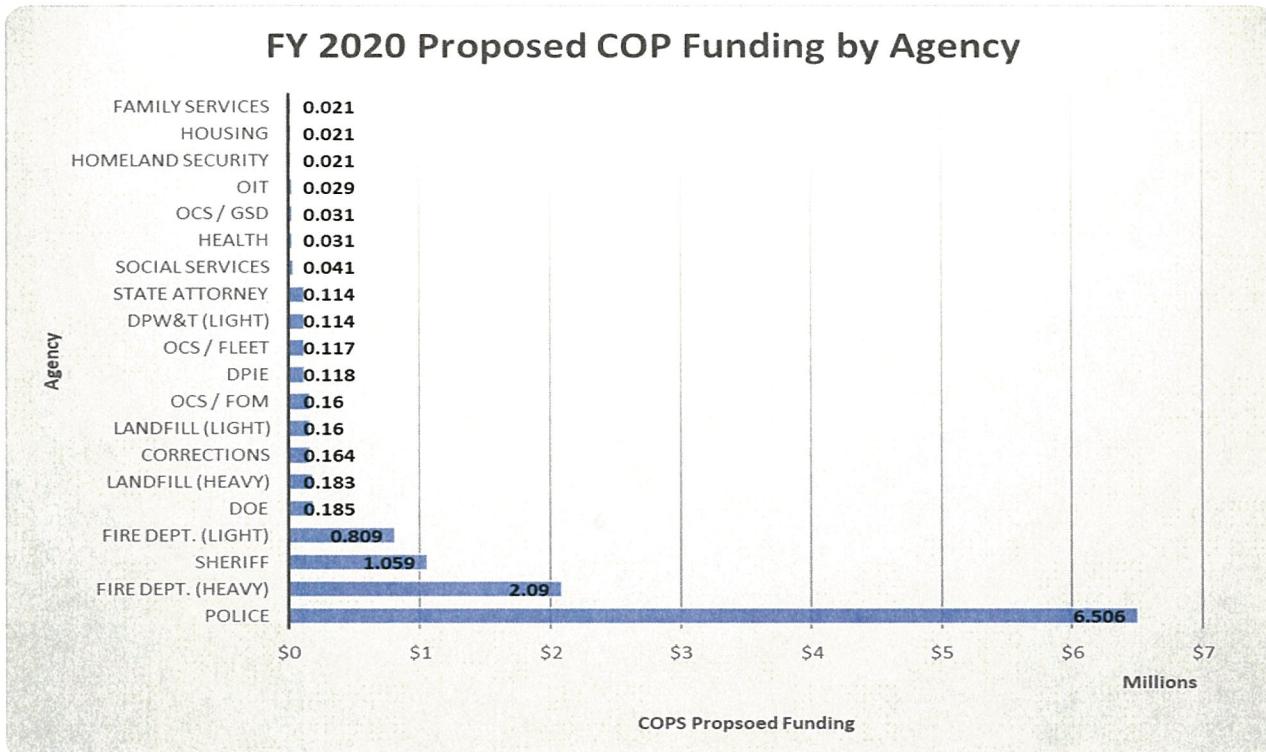
Plan Year	Agency	Vehicle Type	Costs (million)
FY 2016	Fire	Light Fleet Vehicles	\$15.50
		Heavy Apparatus Fleet	\$8.50
FY 2017	DPW&T	Heavy Fleet	\$6.00
	Fire	Light Fleet Vehicles	\$15.20
FY 2018		Heavy Apparatus Fleet	\$8.10
	DPW&T	Trucks and Equipment	\$5.70
FY 2019	Various	Light Fleet Vehicles	\$10.80
	DoE	Land Fill Trucks	\$0.60
	Fire	Heavy Apparatus Fleet	\$4.50
	DPW&T	Trucks and Equipment	\$2.50
FY 2019	Various	Light Fleet Vehicles	\$8.80
	Fire	Heavy Apparatus Fleet	\$11.00
	DPW&T	Heavy Vehicles and Equipment	\$3.00
	DoE (Landfill)	Roll off trash truck and a bulldozer	\$1.00

To date, the light vehicle replacement program has received \$51 million of the \$58 million originally requested.

- The FY 2019 Approved Budget for public safety vehicles included funding to purchase the following public safety vehicles:

- Police Department (\$4.2 million) – 20 marked cruisers, two (2) cargo vans, 20 unmarked sedans, one (1) armored vehicle, 83 mobile data computers, 14 unmarked patrol SUV's, one (1) truck for crime scene investigations and one (1) truck for the aviation unit;
- Office of the Sheriff (\$1.8 million) – 35 unmarked sedans, 77 mobile data computers, and three (3) SUV's.
- Additionally, the following vehicles have been ordered for non-public safety Agencies:
 - Medium SUV (8)
 - Passenger Vans (5)
 - Prisoner Transport (1)
 - Compact Sedans (7)
 - Compact SUV (39)
 - Animal Control Vans (3)
 - Bucket Truck (1)
 - Paratransit Vans (4)
 - Wrecker (1)
 - Hybrid Electric Sedan (3)
 - Bulky Trash Trucks (3)
 - Landfill Dozer (1)
 - Roadside Mowers (3)
 - Cargo Vans (5)
 - Hybrid Sedans (10)
 - Wheelchair Transport Vans (2)
- Fleet continues to report significant gains in fuel economy improvements and emissions reduction and is ahead of schedule on meeting “green fleet” purchasing goals.
- Fleet has worked with Maryland Energy Administration (MEA) to use funding available in their Freedom Fleet Voucher program to aid with the County’s green fleet initiative. MEA has provided funding to assist with incremental costs for a total of 16 vehicles to date, with another five (5) pending. In the FY 2019 Approved Budget and FY 2020 Proposed Budget, green fleet funds in the amount of \$175,000 are provided for the following initiatives:
 - Plug-In Electric Infrastructure
 - Liquid Propane Auto-gas Dispensing
 - Plug-in Hybrid Electric Vehicles (PHEV)
 - Hybrid Electric Vehicles (HEV)
 - Parallel Hybrid Electric Vehicles
 - Dedicated Propane Auto-gas Powered Vehicles
 - Bi-Fuel Propane Auto Gas Powered Vehicles
 - Petroleum reduction efforts in the Shop (pilot)
 - Conversion of fuel site emergency generators
- Fleet has uploaded the fixed asset control numbers from SAP into its fleet maintenance database so that sorting, tracking and reporting on vehicle assets can be done using a more flexible and easier to use fleet database. This tool is used to conduct the annual fleet asset inventory of County vehicles and equipment.

- The Proposed FY 2020 budget (Non-Departmental) includes a \$25 million Certificate of Participation (COP) to replace various County fleet and equipment. The current estimated dollar value of the planned funding by Agency are as follows:



- Fleet reported that it consistently meets its contracting goals with CBSB and CLB. To date the Division reports that 50% of its purchasing is through CBSB and an additional 19% with CLB.
- Fleet is exceeding its fleet availability goal for FY 2019 (93.5%) by averaging 94.7% availability to date.
- The estimated FY 2020 beginning fund balance in the Fleet Management Fund is \$10.5 million. In FY 2020, the Office anticipates \$633,200 of fund balance will be used, leaving the budgeted fund balance at the end of FY 2020 at \$9.91 million. (See Attachment A for fund balance details.)

Budget Comparison – Property Management Services Special Revenue Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Fringe Benefits	-	-	-	-	-	N/A
Operating Expenses	351,979	600,000	600,000	600,000	-	0.0%
Total	\$ 351,979	\$ 600,000	\$ 600,000	\$ 600,000	-	0.0%

Operating Expenses

- Overall, operating expenses remains unchanged for FY 2020. Chargebacks for Salaries & Fringe related to the disposition of surplus real property make up the \$346,500 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 2019, the Office sold one (1) piece of surplus property, receiving revenue totaling approximately \$10,000. OCS has not sold any additional properties in FY 2019, as they used this period to vet and prepare for the submittal of proposed properties for an anticipated late FY 2019 Surplus Property Resolution which includes over fifty (50) vacant land sites.
 - No closings have yet occurred from Surplus Resolution (CR-49-2018) which included eleven properties, several of which are anticipated to be transferred to County Agencies at no consideration.
 - Other additional sites included within CR-49-2018 are currently under contract with a major developer, with revenue of \$2.4 million anticipated upon settlement of the contracts in late FY 2019, early FY 2020.
- 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 2020 beginning fund balance in the Property Management Services Special Revenue Fund is \$1,232,722. In FY 2020, proposed revenues are sufficient to cover proposed

expenses; therefore, the use of fund balance is not anticipated, leaving a surplus of \$1,232,722 at the end of FY 2020. (*See Attachment B for fund balance details.*)

Budget Comparison – Collington Center Special Revenue Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 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	\$ 5,000	0.0%

Operating Expenses

- Operating expenditures remain the same as the FY 2019 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 2019. Two (2) parcels are remaining to be sold in FY 2020:
 - Proposed acquisition for the Verizon facility
 - Ground lease for the sports complex
- The estimated FY 2020 beginning fund balance in the Collington Center Special Revenue Fund is \$147,974. Fund balance proposed to be appropriated for use in FY 2020 is \$5,000, leaving the budgeted fund balance at the end of FY 2020 at \$142,974. (*See Attachment C for fund balance details.*)

Budget Comparison – Grants

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	Change Amount	Percentage Change
Compensation	\$ -	\$ 462,200	\$ 220,000	\$ -	\$ (462,200)	-100.0%
Fringe Benefits	-	69,300	33,000	-	(69,300)	-100.0%
Operating Expenses	173,710	310,000	11,060,000	-	(310,000)	-100.0%
Total	\$ 173,710	\$ 841,500	\$ 11,313,000	\$ -	\$ (841,500)	-100.0%

- The Office does not anticipate receiving grant funds in FY 2020, which represents a decrease of \$841,500, or 100%, under the FY 2019 Approved Budget. Funding received from the mergers was appropriated in prior years for the various energy sustainability programs. These funds are available to be expended in FY 2020 for compensation, fringe benefits, and operating expenses.
- The FY 2020 Proposed Budget includes authorization for six (6) limited term grant funded positions. As of February 2019, the Office reported three (3) grant funded vacancies within the Office. These positions will be funded in FY 2020 to assist with managing various energy sustainability programs.

Highlights – Energy Sustainability

- The Office of Central Services serves as the lead agency for the grant programs related to energy sustainability. Over the course of four (4) years, the Office anticipates receipt of a total of \$33.5 million in merger funds which will support five (5) sustainable energy initiatives. The Office is reporting that the County received revenues from the following grants.

GRANTS	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed	TOTAL
Green Sustainability Fund	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
TNI Clean Energy Program	2,200,000	5,364,683	10,899	271,900	-	\$ 7,847,482
Energy Star Certification and Green Leasing Program	2,200,000	5,364,683	7,811	259,600	-	\$ 7,832,094
Sustainable Energy Workforce Program	310,000	310,000	155,000	310,000	-	\$ 1,085,000
AtlaGas LTD and WGL Holdings, Inc	-	-	-	10,750,000	-	\$ 10,750,000
TOTAL GRANT FUNDING	\$ 10,710,000	\$ 11,039,366	\$ 173,710	\$ 11,591,500	\$ -	\$ 33,514,576

- Funding provided through the Office's Sustainable Energy Workforce Program (SEP) 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 Sustainable Energy Program's 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.

- OCS Sustainable Energy is working with Employ Prince George's (EPG) and the Prince George's County Community College (PGCC) to administer the implementation of the Sustainable Energy Workforce Development Program. This program is focused on creating "Pathways Out of Poverty", by providing training and career pathways assistance in renewable energy, energy efficiency construction, and skilled trades specific to the energy sector.
- A Sustainable Energy Advisory Council was created to provide input into the design and structure of the workforce initiative and potentially hire graduates.
- In July 2018, the AltaGas, Ltd./WGL Holdings Inc. merger was approved. The County received \$10.75 million from the merger to support sustainable energy programs. The Office proposes to use these funds as follows:
 - Energy Star Certification and Green Leasing Grant (\$4.75 million) to extend the geographic boundary of the grant to include the Washington Gas service territory and fund the installation of energy efficient natural gas equipment and appliances.
 - TNI Clean Energy Grant (\$4.75 million)
 - Sustainable Energy Education and Workforce (\$1.25 million) to support energy education and workforce efforts that includes: energy literacy and industry fundamental development; energy conservation; summer youth enrichment programs, and other energy educational efforts.
- The County government's largest solar carport system began generating clean, renewable energy in FY 2019 at the Wayne K. Curry Administration Building.
- The County entered into energy performance contracts with Pepco Energy Services and Johnson Controls in 2008 to design and install energy savings equipment that is guaranteed to yield energy savings over a fifteen (15) year period. The estimated total verified savings for performance years 1 – 8 (calendar years 2009 – 2018) is approximately \$8.0 million for Johnson Controls and \$3.3 million for Pepco. *See First Round, Attachment F for more details on the Energy Performance Contracting and Annual Reconciliation Report.*
- Through the Transforming Neighborhoods Initiative (TNI) Clean Energy Program the Office will provide assistance to residents in the TNI neighborhoods to fund 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.

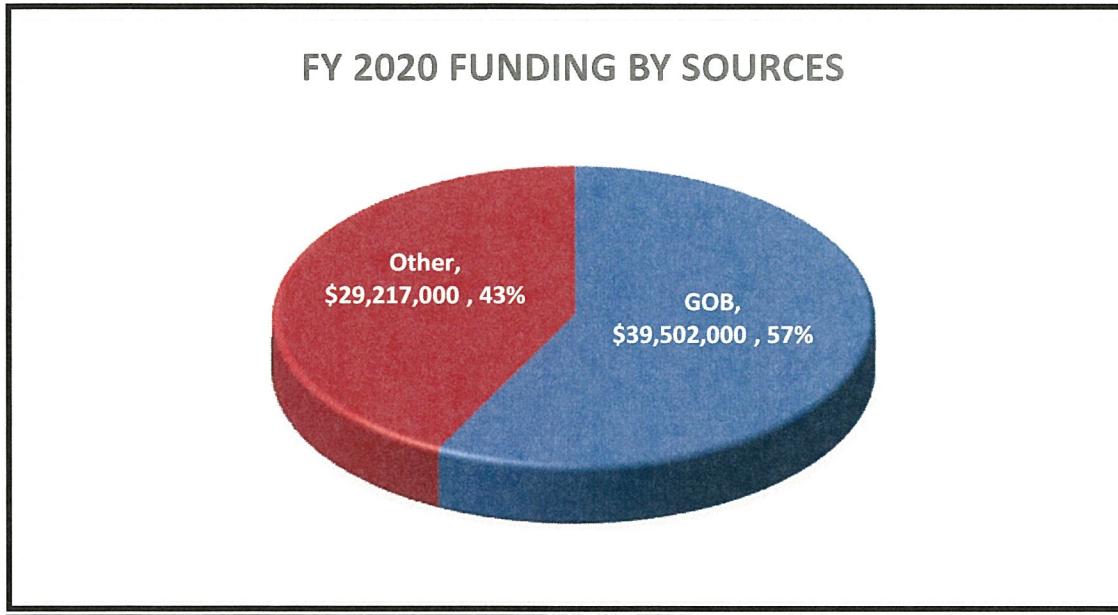
- As of March 2019, OCS and the Office of Finance paid invoices for 132 TNI Clean Energy Grant applications with a total dollar amount spent at approximately \$530,000. The remaining applications are under review or pending final invoicing.
- The Energy Star and Green Leasing Program provides funding 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. Funds can be used to offset the costs of electric energy efficiency and water efficiency measures and for professional service required to achieve ENERGY STAR certification. In addition, the building owners are required to adopt 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 behavior.

FY 2020 Capital Improvement Program (CIP)

- The Office of Central Services has responsibility for the planning and construction of County buildings and related activities. OCS operates, maintains, and renovates all County facilities and fire stations which includes:
 - Repair roofs, concrete and other interior/exterior needs;
 - Replace or repairing mechanical, electrical, plumbing and life-safety systems;
 - Renovate surplus schools for citizen and administrative use;
 - Renovate offices to better utilize existing space;
 - Convert building systems from electricity/fuel operations to more energy efficient systems; and
 - Renovate buildings to comply with applicable health, safety, and Americans with Disability Act (ADA) code regulations.

FY 2020 Funding Sources

- The breakdown of the FY 2020 funding sources, totaling \$68.7 million, is shown in the chart on the following page.



- The FY 2020 - FY 2025 CIP total funding request is \$406.2 million which is an increase of \$35.1 million, or approximately 9.4%, above the total funding request for FY 2019 – FY 2024.
- The FY 2020 CIP budget request includes funding for eleven (11) existing projects.

Facilities

- The FY 2020 Proposed Capital Budget for the Office of Central Services is \$73.6 million. This represents a decrease of \$18.8 million, or approximately 20%, under the FY 2019 Approved Capital Budget.
- The following table provides a breakdown of the budget comparison for the Office of Central Services' Proposed FY 2020 - FY 2025 CIP Budget to the Approved FY 2019 Budget.

Project Name	Est. Comp.	Approved FY 2019 - 2024 CIP		Proposed FY 2020 - 2025 CIP		Change in Fiscal Year Budget FY 19 to FY 20		Change in Total Funding	
		Approved FY 2019	Total Approved Project Funding	Proposed FY 2020	Total Proposed	\$ Change	% Change	\$ Change	% Change
Collington Athletic Complex	06/2020	19,217,000	19,217,000	19,217,000	19,217,000	-	0.0%	-	0.0%
Contingency Appropriation Fund	06/2020	10,000,000	10,000,000	10,000,000	10,000,000	-	0.0%	-	0.0%
C.A.B. Refresh	06/2022	-	11,400,000	-	11,400,000	-	N/A	-	0.0%
County Building Renovations II	06/2025	6,000,000	153,746,000	6,000,000	152,904,000	-	0.0%	(842,000)	-0.5%
Domestic Violence / Human Traffic	06/2026	-	10,200,000	200,000	10,200,000	200,000	100.0%	-	0.0%
Driver Training Facility and Gun Range	06/2026	42,000,000	43,291,000	10,000,000	64,291,000	(32,000,000)	-76.2%	21,000,000	48.5%
Energy Upgrades	07/2020	-	2,500,000	1,000,000	1,644,000	1,000,000	100.0%	(856,000)	-34.2%
Prince George's Homeless Shelter	06/2021	10,227,000	16,808,000	10,000,000	16,808,000	(227,000)	-2.2%	-	0.0%
Promise Place Children's Shelter	06/2026	-	21,154,000	-	21,154,000	-	N/A	-	0.0%
Regional Administration Building	06/2021	5,000,000	62,404,000	17,191,000	78,164,000	12,191,000	243.8%	15,760,000	25.3%
Shepherd's Cove Womens Shelter	06/2022	-	20,460,000	-	20,460,000	-	N/A	-	0.0%
		\$ 92,444,000	\$ 371,180,000	\$ 73,608,000	\$ 406,242,000	\$ (18,836,000)	-20.4%	\$ 35,062,000	9.4%

- The most significant increases in the FY 2020 Proposed Budget are due to the following projects:
 - Regional Administration Building
 - Energy Upgrades

Highlights

- **County Administration Building (CAB) Refresh** (FY 2020 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 Complex** – (FY 2020 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 (3) 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.
 - The County is leasing property to the vendor that will be building and managing the project.
 - The County contribution to the project is for the ground lease.

- **County Building Renovations II** - (FY 2020 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 Americans with Disabilities Act (ADA) requirements may also be completed pursuant to this project. The following projects are contemplated for FY 2020:

○ Emergency Repairs	\$1,000,000
○ Recoveries	1,000,000
○ Largo Complex	840,000
○ Largo Parking Lot Resurfacing	700,000
○ Marburger Building (DPW&T)	450,000
○ County Correctional Center	415,000
○ Dpie Fire Alarm	410,000
○ Hyattsville Justice Center (Gazebo and Boiler Replacement)	305,000
○ Bowie Police Station	180,000
○ 1801 McCormick Conference Room Refresh	170,000
○ County Courthouse System Upgrade	150,000
○ Judge's Drive High Mast Lighting	150,000
○ Countywide Clean Up and Disposal of Trees	80,000
○ TRIP Center – DPW&T	80,000
○ CAB Elevator Machine Room	40,000
○ District IV Police (Eastover) Replace 2 RTUs	30,000

- **Driver Training Facility and Gun Range** - (FY 2020 Funding Proposal: \$10.0 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 and miscellaneous support facilities. Total project cost has increased based on actual contractual costs for the Gun Range and the inclusion of a K-9 Training Facility. The planned construction of the driving range has been moved to beyond in the six (6) year program.
- **Prince George's Homeless Shelter** - (FY 2020 Funding Proposal: \$10.0 million) This project replaces the current 81 bed emergency and transitional shelter with a 100 bed facility. 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, 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 an administrative office for eight (8) State and County employees, as well as, an outdoor recreational and training yard.

- **Regional Administration Building** - (FY 2020 Funding Proposal: \$17.2 million) This project will incorporate plans to house several County agencies. The project is expected to be completed in late FY 2021. The project funding has increased to \$78.2 million due to unforeseen circumstances, as well as changes to the original design. Expenditures through the end of December 2018 were \$43 million (includes building acquisition). Phase II was the completion of the Executive Offices of the County Executive.

Attachments: Attachment A – Fleet Management Internal Services Fund

Attachment B – Property Management Services Special Revenue Fund

Attachment C – Collington Center Special Revenue Fund

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

Revenues:	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2020	Dollar Change	Percentage Change
Vehicle Charges	\$ 11,422,209	\$ 12,806,900	\$ 12,806,900	\$ 12,838,100	\$ 31,200	0.2%
Warranty Recoveries	-	12,000	12,000	12,000	-	0.0%
Miscellaneous	13,029	25,000	25,000	25,000	-	0.0%
Fuel Tax Refund	392,701	10,000	217,000	185,800	175,800	1758.0%
Motor Pool	145,067	170,000	170,000	170,000	-	0.0%
Appropriated Fund Balance	-	168,000	-	633,200	465,200	276.9%
Total Revenues	\$ 11,973,006	\$ 13,191,900	\$ 13,230,900	\$13,864,100	\$672,200	5.1%
Expenditures:	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2020	Dollar Change	Percentage Change
Compensation	\$ 3,729,132	\$ 4,525,900	\$ 4,116,100	\$ 5,003,800	\$ 477,900	10.6%
Fringe Benefits	1,919,310	2,715,600	2,469,700	2,882,200	166,600	6.1%
Operating Expenses	5,281,041	5,640,400	5,459,200	5,668,100	27,700	0.5%
Capital Outlay - Heavy Equip	-	310,000	460,000	310,000	-	0.0%
Total Expenditures	\$ 10,929,483	\$ 13,191,900	\$ 12,505,000	\$ 13,864,100	\$ 672,200	5.1%
Beginning Fund Balance	\$ 8,773,482	\$ 6,919,882	\$ 9,817,005	\$ 10,542,905	\$ 3,623,023	52.4%
Fund Bal. Appropriated	-	(168,000)	-	(633,200)	(465,200)	276.9%
Excess of Revenues Over Expenditures	1,043,523	-	725,000	-	-	0.0%
Ending Fund Balance	\$ 9,817,005	\$ 6,751,882	\$ 10,542,005	\$ 9,909,705	\$ 3,157,823	46.8%

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

Revenues	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2020	Dollar Change	Percentage Change
Sale of Property	\$ 269,260	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	0.0%
Interest and Dividends	-	-	-	-	-	N/A
Appropriated Fund Balance	-	-	-	-	-	N/A
Total Revenues	<u>\$ 269,260</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>0.0%</u>
Expenditures	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2019	Dollar Change	Percentage Change
Operating Expenses	\$ 351,979	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	0.0%
Total Expenditures	<u>\$ 351,979</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>0.0%</u>
Beginning Fund Balance	\$ 1,315,441	\$ 1,406,541	\$ 1,232,722	\$ 1,232,722	\$ (173,819)	-12.4%
Revenues Over/(Under) Expend.	(82,719)	-	-	-	-	N/A
Fund Bal. Appropriated	-	-	-	-	-	N/A
Ending Fund Balance	<u>\$ 1,232,722</u>	<u>\$ 1,406,541</u>	<u>\$ 1,232,722</u>	<u>\$ 1,232,722</u>	<u>\$ (173,819)</u>	<u>-12.4%</u>

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

Revenues	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2020	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	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>0.0%</u>
Expenditures	Actual FY 2018	Approved FY 2019	Estimated FY 2019	Proposed FY 2020	Dollar Change	Percentage Change
Operating Expenses	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
Contingency Reserve	-	-	-	-	-	N/A
General Fund Transfer	-	-	-	-	-	N/A
Total Expenditures	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>0.0%</u>
Beginning Fund Balance	\$ 157,974	\$ 152,974	\$ 152,974	\$ 147,974	\$ (5,000)	-3.3%
Revenues Over/(Under) Expend.	(5,000)	-	-	-	-	N/A
Fund Bal. Appropriated	-	(5,000)	(5,000)	(5,000)	-	0.0%
Ending Fund Balance	<u>\$ 152,974</u>	<u>\$ 147,974</u>	<u>\$ 147,974</u>	<u>\$ 142,974</u>	<u>\$ (5,000)</u>	<u>-3.4%</u>