

OTHER NON-DEPARTMENTAL EXPENSES

	FY2003 ACTUAL	FY2004 APPROVED	FY2004 ESTIMATE	FY2005 APPROVED	CHANGE FY2004-FY2005
General Fund Insurance	\$ 7,862,200	\$ 5,092,700	\$ 5,092,700	\$ 5,300,000	4.1%
Judgments and Losses	83,464	300,000	536,700	384,700	28.2%
Postage	1,525,988	1,271,900	1,200,000	1,321,900	3.9%
Real Estate Acq. Program	4,408,065	4,741,600	4,741,600	4,739,500	(0.0%)
Equipment Leases	7,379,338	6,749,100	6,599,100	5,196,800	(23.0%)
Other Leases	7,161,640	2,896,200	2,896,200	2,380,000	(17.8%)
Utilities	4,009,814	4,229,800	4,089,200	4,229,800	0.0%
Street Light Electricity	1,241,241	1,570,800	1,570,800	1,602,200	2.0%
Traffic Signal Electricity	3,782,427	4,250,000	4,250,000	4,250,000	0.0%
Miscellaneous Expenses	697,818	1,200,000	1,200,000	1,350,000	12.5%
Compensated Absences	0	25,000	11,400	11,900	(52.4%)
Parking Authority Debt Pymts	1,280,717	1,279,200	1,279,200	1,277,400	(0.1%)
State Debt Assumption Pymts	1,304,680	1,303,800	1,303,000	1,303,600	(0.0%)
Deferred Compensation in Lieu	63,482	70,000	70,000	70,000	0.0%
Office Automation	70,694				
Miscellaneous Pensions	4,440	23,000	23,000	194,800	747.0%
Unemployment Insurance	235,000	200,000	250,000	250,000	25.0%
Retiree Life Insurance	226,610	900,000	900,000	625,000	(30.6%)
Retiree Health Insurance	10,306,141	8,834,600	10,000,000	10,000,000	13.2%
Retiree Annuities					
Transfer to Grant Funds					
Department of Justice Settlement Costs				1,500,000	100.0%
Sub-Total	\$ 51,643,759	\$ 44,937,700	\$ 46,012,900	\$ 45,987,600	2.3%
Expenditure Recoveries					
Retiree Health	(4,367)	(500,100)	(500,100)	(500,100)	0.0%
Leases/Utilities	(1,645,409)	(1,989,400)	(1,989,400)	(1,989,400)	0.0%
WSTC		(145,000)	(145,000)	(145,000)	0.0%
Real Estate Acq. Program	(391,153)	(879,200)	(879,200)	(879,200)	0.0%
Postage	(133,724)	(190,800)	(180,000)	(198,300)	3.9%
Other		(1,317,100)	(1,317,100)	(1,317,100)	0.0%
GASB Adjustment					
Agency Budget Savings					
Sub-Total	\$ (2,174,653)	\$ (5,021,600)	\$ (5,010,800)	\$ (5,029,100)	0.1%
Total	\$ 49,469,106	\$ 39,916,100	\$ 41,002,100	\$ 40,958,500	2.6%

PURPOSE

Non-departmental expenses includes costs essential to the operation of the County Government which do not fall within the functional assignment of any one department or agency, or which provide for expenditures related to several departments or agencies. Non-departmental recoveries represent a sum of expenditures that are offset by charges to individual Departments throughout the County.

OVERVIEW

The total approved FY 2005 Operating Budget for Other Non-Departmental Expenses is \$40,958,500, less than 3% above the net expenditures budgeted for FY 2004.

EXPENSES**General Fund Insurance (Self-Insurance Fund)**

General Fund Insurance is managed by the Risk Management Unit in the Office of Finance and insures fire, casualty, automobile, and public losses. The Self-Insurance Fund is composed of the following governmental entities: the County, the Community College, the Library, and the Board of Education. Contribution levels are based on the results of an annual actuarial study.

The total General Fund Insurance Budget is \$12.7 million. Of that amount, \$5.3 million is budgeted in Other Non-Departmental, and the remaining \$7.4 million of Worker's Compensation is allocated throughout the County Government.

Judgments and Losses

This appropriation represents contingent small claims payouts by the County.

Postage

The postage appropriation for FY 2005 reflects expenses for metered mail, permit mail, and courier services. Approximately 15% of postage costs are recovered from various agencies each year. These costs are expected to remain consistent with the prior level. No rate increases are anticipated in FY 2005.

Real Estate Acquisition Program (REAP)

On May 3, 1991, pursuant to the Real Estate Acquisition Program (REAP), the County financed the acquisition of two leased properties. The agreement required annual appropriations beginning in FY 1994 to pay annual purchase installment payments. REAP II was issued in August 1994 totaling \$21.9 million. The financing consisted of the purchase of five facilities and the relocation of over 600 employees in 10 different County agencies. The FY 2005 cost of the various REAP leases payment is \$4.7 million.

Equipment Leases

A \$20 million dollar equipment lease is slated for FY 2005 for vehicles and heavy equipment. The FY 2005 proposed expenditure includes the principle and interest payment on the 2001 lease as well as the anticipated payment on the FY 2005 lease.

Other Leases

The Office of Central Services is responsible for maintaining the County's lease agreements for various locations. There is a slight reduction in FY 2005 due to County offices moving back into the renovated courthouse in January 2005.

Utilities

Utility costs reflect FY 2005 projected expenditure levels for all electricity, gas, oil, and propane used by the County.

Street Lights

Street Lights represent electrical energy costs for street lights maintained by the County.

Traffic Signals

Traffic Signals reflect the operational funding for traffic signals provided by the County for vehicular and pedestrian safety.

Miscellaneous Expenses

This category includes mandatory interest payments paid to taxpayers whose taxes were rebated or reduced after a final determination of an appeal. The interest is calculated at the same rate as delinquent taxes.

Compensated Absences

The current position of retirees sick and annual leave payments attributable to services already rendered is budgeted here.

Revenue Authority Debt - Parking Projects

The County makes rental payments to the Revenue Authority in amounts sufficient to pay debt service on the Authority's revenue bonds sold for parking garage and other parking projects. Funds are provided to meet these requirements.

State Debt Assumption

The County makes payments on various County facilities that have been financed with State debt.

Deferred Compensation in Lieu of State Retirement

Several appointed employees have elected to participate in a Deferred Compensation Plan in lieu of the Maryland State Pension System. These costs are included in this category.

Miscellaneous Pensions

A teacher who retired in 1962 is eligible for a supplementary County retirement payment in the amount of \$25.00 per month. Another retiree was added in FY 1998. Article 73B, Section 63, of the Annotated Code of Maryland requires that the County Council of Prince George's County levy and pay pensions to former judges of the People's Court or their surviving spouses. Eligibility is based on court service as provided in the aforementioned law. Additionally under State law (Estates and Trusts Article, Section 2-108), the County must pay pensions to former judges of the County's Orphans' Court. This item also includes an additional \$171,800 to reflect increased pension costs.

Unemployment Insurance

This represents the anticipated unemployment insurance claims (County portion) payable during the fiscal year.

Retiree and Other Health Insurance

The County portion of Health Insurance costs for retired employees is funded in this category. Unlike health insurance costs for active employees, these costs cannot be easily assigned to individual departments. These costs are projected to increase over the FY 2004 approved amount due primarily to higher than anticipated health insurance cost projections.

Department of Justice Settlement Costs

The \$1.5 million is budgeted for anticipated costs associated with the Department of Justice settlement with the County Police Department.

Expenditure Recoveries (Project Charges)

This account includes a recovery from non-general funds for the use of space at the Inglewood Center and REAP II recoveries, recovery of costs from the Washington Suburban Transit Commission for mass transit activities, charges for utilities, maintenance and equipment usage payments, retiree health insurance recoveries, and postage recoveries from various funds.