

Office of Finance



MISSION AND SERVICES

The Office of Finance collects and invests revenue as well as provides funds disbursement, accounting, debt management and risk management services in line with best practices to County residents and agencies in order to ensure the delivery of fiscally accountable and effective local government services.

CORE SERVICES

- Revenue collection and investment
- Accounting and financial reporting
- Risk management
- Funds disbursement operations
- Debt management, including the preparation of documents for County bond issuance

FY 2023 KEY ACCOMPLISHMENTS

- Substantially completed the new Treasury Tax Billing and Collections System.
- Issued approximately \$354 million in secured tax-exempt bonds, including the refinancing of \$43 million in National Harbor debt, resulting in \$4.7 million net present value savings for the County.
- Updated a six-year debt capacity analysis for budgetary planning.
- Established agency indirect cost rates countywide to be used for federal grant reimbursements.
- Issued the FY 2022 Annual Comprehensive Financial Report and received the Certificate of Achievement for Excellence in Financial Reporting for FY 2021.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2024

- Implement CB-29-2022- Property Tax Credit for Elderly Individuals Program.
- Enhance staffing resources to ensure the continuity of operations.
- Partner with the Office of Information Technology to transition from legacy systems to the new Treasury Management system for property tax collections and administration.
- Reduce risk management payments to claimants by partnering with the Office of the County Executive and the Office of Management and Budget.
- Implement actuarial funding contribution levels to address the risk management fund deficit.

FY 2024 BUDGET SUMMARY

The FY 2024 approved budget for the Office of Finance is \$5,882,200, an increase of \$257,000 or 4.6% over the FY 2023 approved budget.

Expenditures by Fund Type

Fund Types	FY 2022 Actual		FY 2023 Budget		FY 2023 Estimate		FY 2024 Approved	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
General Fund	\$4,740,215	100.0%	\$5,625,200	100.0%	\$5,399,600	100.0%	\$5,882,200	100.0%
Total	\$4,740,215	100.0%	\$5,625,200	100.0%	\$5,399,600	100.0%	\$5,882,200	100.0%

Reconciliation from Prior Year

	Expenditures
FY 2023 Approved Budget	\$5,625,200
Increase Cost: Compensation - Mandated Salary Requirements — Annualization of FY 2023 and planned FY 2024 salary adjustments offset by budgeted attrition	\$257,000
Increase Cost: Fringe benefits — Increase in costs to align with annualized salary adjustments and projected costs; the fringe benefit rate decreases from 36.3% to 35.8%	131,200
Increase Cost: Operating — Increase in printing costs to support the bulk purchase of paper inventory	96,600
Add: Compensation - New positions — Two part time Account Clerk 3Gs to implement the new Elderly Property Tax Credit program	86,400
Add: Compensation — Continuation of two 1,000-hour positions for the new Treasury software implementation and one position for the Elderly Property Tax Credit program	67,500
Increase Cost: Technology Allocation — Increase in OIT charges based on anticipated countywide costs for technology	59,300
Increase Cost: Operating — Increase in training, telephone, membership fees and interpreter fees to support agency operations	57,900
Add: Compensation - New position — A new Systems Analyst 3G position to support the implementation of the new Treasury system	45,800

Reconciliation from Prior Year *(continued)*

	Expenditures
Decrease Cost: Operating — Decrease in the banking services contract and the removal of transfer and recordation taxes contract due to the Office of Law performing this service	(36,300)
Decrease Cost: Recoveries — Increase in recoveries to align with salary increases and allocated staff workloads	(508,400)
FY 2024 Approved Budget	\$5,882,200

STAFF AND BUDGET RESOURCES

Authorized Positions	FY 2022 Budget	FY 2023 Budget	FY 2024 Approved	Change FY23-FY24
General Fund				
Full Time - Civilian	67	66	67	1
Full Time - Sworn	0	0	0	0
Subtotal - FT	67	66	67	1
Part Time	0	0	2	2
Limited Term	0	0	0	0
Grants				
Full Time - Civilian	0	1	1	0
Full Time - Sworn	0	0	0	0
Subtotal - FT	0	1	1	0
Part Time	0	0	0	0
Limited Term	0	1	1	0
TOTAL				
Full Time - Civilian	67	67	68	1
Full Time - Sworn	0	0	0	0
Subtotal - FT	67	67	68	1
Part Time	0	0	2	2
Limited Term	0	1	1	0

Positions By Classification	FY 2024		
	Full Time	Part Time	Limited Term
Account Clerks	23	2	0
Accountants	26	0	1
Accounting Services Manager	1	0	0
Accounting Technicians	2	0	0
Administrative Aides	2	0	0
Administrative Assistants	4	0	0
Administrative Specialist	3	0	0
Associate Director	2	0	0
Deputy Director	1	0	0
Director	1	0	0
Executive Administrative Aide	1	0	0
Info Tech Proj Coord	1	0	0
Systems Analyst	1	0	0
TOTAL	68	2	1

Expenditures by Category - General Fund

Category	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Approved	Change FY23-FY24	
					Amount (\$)	Percent (%)
Compensation	\$5,261,359	\$6,024,800	\$6,028,500	\$6,481,500	\$456,700	7.6%
Fringe Benefits	1,744,364	2,189,200	2,041,500	2,320,400	131,200	6.0%
Operating	1,267,592	1,293,200	1,467,200	1,470,700	177,500	13.7%
Capital Outlay	—	—	—	—	—	
SubTotal	\$8,273,315	\$9,507,200	\$9,537,200	\$10,272,600	\$765,400	8.1%
Recoveries	(3,533,100)	(3,882,000)	(4,137,600)	(4,390,400)	(508,400)	13.1%
Total	\$4,740,215	\$5,625,200	\$5,399,600	\$5,882,200	\$257,000	4.6%

In FY 2024, compensation expenditures increase 7.6% above the FY 2023 budget due to funding a new Systems Analyst 3G and the annualization of prior year and planned FY 2024 salary adjustments. Compensation costs includes funding for all 67 full time positions, two part time positions and three temporary/seasonal positions. In addition, one full time and one limited term grant funded position are funded via the American Rescue Plan Act grant program. Fringe benefit expenditures increase 6.0% to reflect an increase in planned salary adjustments.

Operating expenditures increase 13.7% over the FY 2023 budget primarily due to an increase in the technology allocation charge. Other changes include increased printing cost due to buying paper in bulk for multiple fiscal years at one time and anticipated training costs.

Recoveries increase 13.1% over the FY 2023 budget due to mandated salary increases.

Expenditures by Division - General Fund

Category	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Approved	Change FY23-FY24	
					Amount (\$)	Percent (%)
Administration	\$455,691	\$596,000	\$236,800	\$601,900	\$5,900	1.0%
Accounting Division	2,075,248	2,247,300	2,464,700	2,201,500	(45,800)	-2.0%
Treasury Division	2,209,276	2,781,900	2,698,100	3,078,800	296,900	10.7%
Total	\$4,740,215	\$5,625,200	\$5,399,600	\$5,882,200	\$257,000	4.6%

General Fund - Division Summary

Category	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Approved	Change FY23-FY24	
					Amount (\$)	Percent (%)
Administration						
Compensation	\$1,116,633	\$1,316,900	\$1,283,900	\$1,705,800	\$388,900	29.5%
Fringe Benefits	337,278	478,600	433,100	610,700	132,100	27.6%
Operating	225,723	156,400	175,400	191,200	34,800	22.3%
Capital Outlay	—	—	—	—	—	
SubTotal	\$1,679,634	\$1,951,900	\$1,892,400	\$2,507,700	\$555,800	28.5%
Recoveries	(1,223,943)	(1,355,900)	(1,655,600)	(1,905,800)	(549,900)	40.6%
Total Administration	\$455,691	\$596,000	\$236,800	\$601,900	\$5,900	1.0%
Accounting Division						
Compensation	\$2,614,955	\$2,862,100	\$2,843,500	\$2,623,000	\$(239,100)	-8.4%
Fringe Benefits	884,577	1,039,900	971,100	939,000	(100,900)	-9.7%
Operating	447,487	429,300	476,300	514,200	84,900	19.8%
Capital Outlay	—	—	—	—	—	
SubTotal	\$3,947,019	\$4,331,300	\$4,290,900	\$4,076,200	\$(255,100)	-5.9%
Recoveries	(1,871,771)	(2,084,000)	(1,826,200)	(1,874,700)	209,300	-10.0%
Total Accounting Division	\$2,075,248	\$2,247,300	\$2,464,700	\$2,201,500	\$(45,800)	-2.0%
Treasury Division						
Compensation	\$1,529,771	\$1,845,800	\$1,901,100	\$2,152,700	\$306,900	16.6%
Fringe Benefits	522,509	670,700	637,300	770,700	100,000	14.9%
Operating	594,382	707,500	815,500	765,300	57,800	8.2%
Capital Outlay	—	—	—	—	—	
SubTotal	\$2,646,662	\$3,224,000	\$3,353,900	\$3,688,700	\$464,700	14.4%
Recoveries	(437,386)	(442,100)	(655,800)	(609,900)	(167,800)	38.0%
Total Treasury Division	\$2,209,276	\$2,781,900	\$2,698,100	\$3,078,800	\$296,900	10.7%
Total	\$4,740,215	\$5,625,200	\$5,399,600	\$5,882,200	\$257,000	4.6%

DIVISION OVERVIEW

Administration

The Administration Division oversees the activities of the office and has direct responsibility for coordinating and financing bond sales for capital projects including infrastructure, facility, equipment and technology acquisition.

The division administers a comprehensive insurance program designed to minimize the County’s exposure to risk in the areas of professional, general and automobile liability, fire and casualty loss and workers’ compensation.

Fiscal Summary

In FY 2024, the division expenditures increase \$5,900 or 1.0% over the FY 2023 budget. Staffing resources increase by three from the FY 2023 budget. The primary budget changes include:

- An increase in personnel costs due to mandated salary increases. The division also gains three

positions reclassified from the Accounting and Treasury divisions.

- An increase in operating costs due to training, office supplies and the investment services contract.
- An increase in recoveries due to reclassified allocations from the Accounting division and an increase in salaries.

	FY 2023 Budget	FY 2024 Approved	Change FY23-FY24	
			Amount (\$)	Percent (%)
Total Budget	\$596,000	\$601,900	\$5,900	1.0%
STAFFING				
Full Time - Civilian	11	14	3	27.3%
Full Time - Sworn	0	0	0	0.0%
Subtotal - FT	11	14	3	27.3%
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%

Accounting Division

The Accounting Division is responsible for the timely and accurate recording and reporting of the financial activities of the County and the Redevelopment Authority to ensure conformity with legal requirements, administrative policy and Generally Accepted Accounting Principles. These activities are captured in several standard funds and account groups that include the General Fund; the Special Revenue Fund; the Debt Service Fund; the Capital Projects Fund; the Enterprise Funds, which include Solid Waste and Stormwater Management; the Internal Service Funds, such as the Self-Insurance Funds; the Trust, Agency and Pension Funds and the Fixed Assets and Long-Term Debt Account Groups. This division is also responsible for preparation of the Annual Comprehensive Financial Report, the State’s Uniform Financial Report and the Indirect Cost Allocation Plan. The latter is used to recover indirect costs and fringe benefits applicable to grants and contracts. This division also performs all accounting functions related to County accounts receivable, accounts payable and travel transactions.

The Accounting Division coordinates two other major activities within the Office of Finance. The payroll unit maintains and operates the automated payroll system and processes the bi-weekly County payroll and monthly pension payments. The financial systems staff is responsible for maintaining and operating the County’s automated accounting systems.

Fiscal Summary

In FY 2024, the division expenditures decrease -\$45,800 or -2.0% under the FY 2023 budget. Staffing resources decrease by two from the FY 2023 budget. The primary budget changes include:

- A net decrease in personnel costs due to mandated salary adjustments and reclassing two positions to the Administration division.
- An increase in operating due to training costs, reclassing the Annual Comprehensive Financial Report contract from Treasury and the OIT technology allocation charge.
- A decrease in recoveries due to reclassing allocations to the Administration and Treasury divisions.

	FY 2023 Budget	FY 2024 Approved	Change FY23-FY24	
			Amount (\$)	Percent (%)
Total Budget	\$2,247,300	\$2,201,500	\$(45,800)	-2.0%
STAFFING				
Full Time - Civilian	29	27	(2)	-6.9%
Full Time - Sworn	0	0	0	0.0%
Subtotal - FT	29	27	(2)	-6.9%
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%

Treasury Division

The Treasury Division collects and accounts for various taxes and fees including real property taxes, business personal property taxes, transfer and recordation taxes, telecommunication taxes and solid waste service charges. It also handles special area assessments for the County as well as taxes and charges for the State of Maryland, the Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission and all 27 municipalities. Other taxes administered include energy, mobile home and hotel/motel taxes. The Treasury Division is responsible for issuing tax certifications; auditing tax adjustments; processing circuit breaker refunds; administering various tax credit programs; collecting fees associated with evictions; administering the semi-annual tax payment program; and selling properties at tax sale for delinquent taxes. The division also has responsibility for the management of cash flow and the investment of all funds not immediately required for expenditure in an effort to maximize return.

Fiscal Summary

In FY 2024, the division expenditures increase \$296,900 or 10.7% over the FY 2023 budget. Staffing

resources increase by two part time positions over the FY 2023 budget. The primary budget changes include:

- An increase in personnel costs due to mandated salary adjustments and funding for the new Systems Analyst 3G as well as a technology support position was reclassified to the Administration division. The division also receives two part time Account Clerk 3Gs and three 1,000-hour positions for implementing the Elderly Property Tax Credit program.
- A net increase in operating due to printing and training costs offset by decreases in contracts.
- An increase in recoveries due to a reallocation of recoverable work from the Accounting division.

	FY 2023 Budget	FY 2024 Approved	Change FY23-FY24	
			Amount (\$)	Percent (%)
Total Budget	\$2,781,900	\$3,078,800	\$296,900	10.7%
STAFFING				
Full Time - Civilian	26	26	0	0.0%
Full Time - Sworn	0	0	0	0.0%
Subtotal - FT	26	26	0	0.0%
Part Time	0	2	2	0.0%
Limited Term	0	0	0	0.0%

SERVICE DELIVERY PLAN AND PERFORMANCE

Goal 1 — To ensure optimal revenue collection, financial and investment services are provided to County stakeholders in order to effectively obtain the funds to support County services.

Objective 1.1 — Increase the percent of real property tax revenue collected.

FY 2028 Target	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected	Trend
100%	100%	100%	100%	100%	↔

Trend and Analysis

The Office of Finance is responsible for cash and investment management, billing and collecting the County's real and personal property taxes, conducting the annual sale of tax lien certificates, processing documents for transfer and recordation tax collection, managing various property credits and collecting other business taxes. Real property taxes are the largest source of revenue for the County. The annual sale of tax lien certificates is a tax collection technique to recover payment of delinquent taxes by auctioning liens against a property. While the number of tax liens varies, the sale of the tax liens mitigates the loss of uncollected revenues. Real property tax collection rates have remained consistent at close to 100%.

*The Resource measure, "Treasury Division staff," previously, "Revenue collection staff," was renamed to more appropriately refer to the staff members managing tax payment processing.

Performance Measures

Measure Name	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected
Resources (Input)					
Treasury Division staff	22	22	21	25	28
Workload, Demand and Production (Output)					
Tax payments processed	481,639	492,103	497,315	503,000	503,000
Tax sale certificates processed	1,528	1,859	2,470	1,900	2,000
Tax lien certificates sold to purchasers	94%	95%	99%	98%	98%
Revenue collected through payment services (millions)	\$115.9	\$162.7	\$93.8	\$94.0	\$95.0
Tax inquiry calls received	38,214	47,744	45,618	46,000	46,000
Client lot liens processed	222	209	114	150	150
Tax bills generated	376,234	391,801	384,801	385,000	385,000
Efficiency					
Tax payments processed per staff member	21,893	22,368	23,682	20,120	17,964
Impact (Outcome)					
Real property taxes collected	100%	100%	100%	100%	100%
Personal property taxes collected	94%	94%	96%	96%	96%

Goal 2 — To provide management/advisory services and training to County agencies in order to minimize the County's risk exposure.

Objective 2.1 — Reduce risk management payments to claimants (millions).

FY 2028 Target	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected	Trend
\$34.0	\$52.0	\$33.0	\$34.0	\$34.0	↔

Trend and Analysis

The Risk Management Office provides management oversight over the County's Risk Pool (County, Board of Education, Community College and Memorial Library) claims administration servicing contract for third party liability, property claims and first party employee(s) workers' compensation claims. Other essential functions include the management of the County's self-insurance program as approved by both the County Council and the State of Maryland. The number of new risk management claims decreased approximately 9% from FY 2020 to FY 2021. Claims increased only 1.7% between FY 2021 and FY 2022. In FY 2023, the number of claims is expected to remain relatively flat until in-person and online training modules are able to increase in the outyears.

Performance Measures

Measure Name	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected
Resources (Input)					
Adjusters	20	21	19	22	22
Workload, Demand and Production (Output)					
New risk management claims processed	2,236	2,033	2,068	2,067	2,100
Risk management claims closed	3,540	3,047	3,012	2,328	2,400
Claims settled through the Office of Law	423	381	431	400	400
Efficiency					
Claims received per adjuster	112	8	9	9	9
Quality					
Claims reported and closed	1%	2%	1%	1%	1%
Impact (Outcome)					
Risk management reserve payments to claimants (millions)	\$34.0	\$52.0	\$33.0	\$34.0	\$34.0

Goal 3 — To provide funds disbursement operations to County agencies in order to pay County obligations.

Objective 3.1 — Increase the percent of all County obligations paid on time.

FY 2028 Target	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected	Trend
98%	97%	97%	97%	97%	↔

Trend and Analysis

County obligations consist of payroll payments and vendor payments. The percentage of all County obligations paid on time has remained consistent at approximately 97%. One hundred percent of payroll payments are made on time. The percentage of vendor payments paid on time has remained above 80%, but decreased from 86% in FY 2020 to 82% in FY 2021 due to a change in the mix of payments. Mass juror payments were discontinued while the courthouses were closed due to the Covid-19 pandemic. In FY 2022, the percentage of vendor payments paid on time increased to 86%.

Performance Measures

Measure Name	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected
Resources (Input)					
Payroll staff	6	6	6	7	7
Accounts payable staff	6	6	6	6	6
Workload, Demand and Production (Output)					
Payroll payments	264,488	244,531	250,517	255,000	260,000
Vendor payments	67,118	42,075	63,800	67,908	70,000
Efficiency					
Payroll payments per payroll staff person	44,081	40,755	41,753	36,429	37,143
Vendor payments per accounts payable staff	11,184	7,013	10,633	11,318	11,667
Quality					
Payroll obligations processed without error	100%	100%	100%	100%	100%
Vendor payments issued by due date	86%	82%	86%	86%	90%
Impact (Outcome)					
County obligations paid on time	93%	97%	97%	97%	97%

Goal 4 — To provide debt management services to ensure that County government has access to low-cost borrowing for long-term investments in infrastructure, facilities, equipment and technology.

Objective 4.1 — Maintain the number of bond rating agencies awarding the County an AAA rating (the highest bond rating) at three.

FY 2028 Target	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected	Trend
3	3	3	3	3	↔

Trend and Analysis

Bond ratings are key determinants of the County's cost of funds for long term capital projects including education, public safety, infrastructure, administrative facilities, equipment and technology. The County has maintained its AAA ratings from all three major agencies since FY 2012.

*The Maryland State Comptroller will not release the 2022 Net Taxable Income data until December 2022. Therefore, the Office of Management and Budget provided an estimate for the FY 2022 "County resident personal income (millions)" performance resource measure based on an approximate 3.8% growth rate.

Performance Measures

Measure Name	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected
Resources (Input)					
County resident personal income (millions)	\$20.3	\$20.3	\$21.6	\$23.0	\$24.4
Workload, Demand and Production (Output)					
Annual general fund net debt service (millions)	\$153.3	\$150.1	\$163.1	\$172.3	\$180.4
Efficiency					
Net direct debt as a percent of County resident personal income	8%	7%	8%	8%	7%
Quality					
Net direct debt per capita (thousands)	\$1.7	\$1.6	\$1.9	\$2.0	\$2.0
General Fund expenditures that are annual debt service payments	7%	7%	8%	8%	7%
Impact (Outcome)					
Bond rating agencies giving the County the highest rating	3	3	3	3	3

