

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

PROPERTY MANAGEMENT (025)

BUDGET SUMMARY

\$ in Thousands

PROPOSED CHANGE	GENERAL	SPECIAL	TOTAL	% Change Prior Year
FY 2014 - 2015 Change	\$ 2,119.9	-	\$ 2,119.9	6.9%
Recommended Reduction	(84.2)	-	(84.2)	

BUDGET TRENDS

FY 2013 Actual	\$ 29,470.1	\$ -	\$ 29,470.1	
FY 2014 Approp.	30,656.1	-	\$ 30,656.1	4.0%
FY 2015 Request	32,776.0	-	32,776.0	6.9%
Recommended	\$ 32,691.8	-	\$ 32,691.8	6.6%

PERSONNEL

PROPOSED CHANGE	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
FY 2014 - 2015 Change	(1)	(2)	0	0
Recommended Reduction	0	0	0	0

BUDGET TRENDS

FY 2013 Actual	293	22	0	0
FY 2014 Approp.	269	22	0	0
FY 2015 Request	268	20	0	0
Recommended				

VACANCY DATA

Total positions vacant as of April 15, 2014*	28	8	0	0
----------------------------------------------	-----------	----------	----------	----------

*Provided by the Office of Budget & Finance

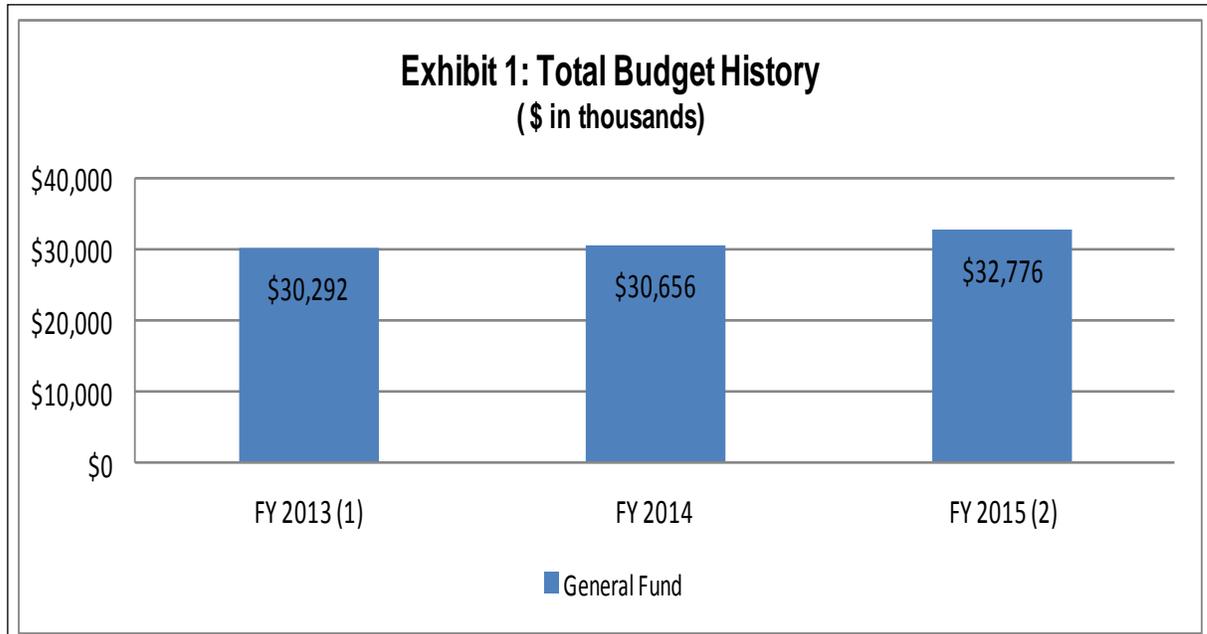
For further information contact: Office of the County Auditor

Phone: (410) 887-3193

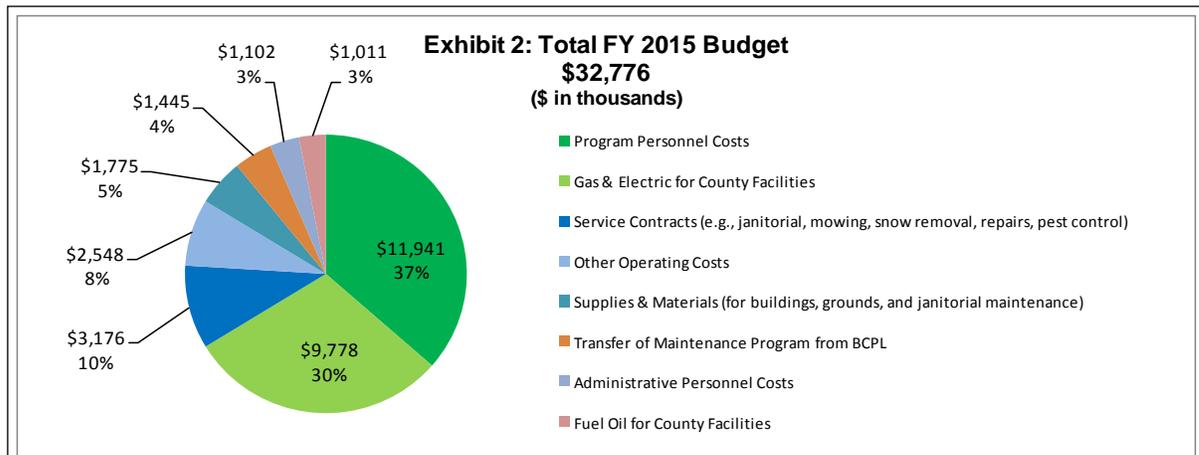
PROPERTY MANAGEMENT (025)

BUDGET SUMMARY:

The proposed FY 2015 budget for the Office of Budget and Finance, Property Management Division totals \$32.8 million, an increase of \$2.1 million, or 6.9%, over the FY 2014 budget. The increase is primarily attributable to the transfer of building maintenance responsibilities from the Baltimore County Public Library (\$1.4 million) and to rising janitorial contract expenses (\$1.1 million). **See Exhibits 1-3 for additional detail.**



- (1) Property Management Division created to consolidate property maintenance functions from various other agencies including the Departments of Public Works, Recreation and Parks, Aging, Police, Health, and the Office of Budget and Finance.
- (2) Assumption of maintenance responsibilities from the Baltimore County Public Library (BCPL).



PROPERTY MANAGEMENT (025)

Exhibit 3 FY 2015 Proposed Budget (\$ in 000's)

How Much it Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
2014 Appropriation	\$30,656	--	\$30,656
2015 Request	<u>32,776</u>	<u>--</u>	<u>32,776</u>
\$ Increase	\$ 2,120	--	\$ 2,120
% Increase	6.9%	--	6.9%
 Where it Goes:			
Personnel Expenses (excl. Transfer from the Library).....			\$310
3% Bonus.....			368
Increments & Other Salary Adjustments.....			315
Turnover (2.0% to 2.7%)			(95)
11 Deleted Positions (9 FT and 2 PT Custodial Workers).....			(278)
Operating Expenses (excl. Transfer from the Library).....			365
Janitorial Service Contracts.....			1,051
Grounds Maintenance (artificial turf equipment)			60
Utilities (Water & Metropolitan Service Charge).....			43
Facilities Rental			42
Building Services Repairs			35
Operational Equipment Maintenance			26
Improvements (cont. svcs. for mowing, tree trimming, streetscapes)			12
Phones (Telephones & Mobile)			11
Professional Services (e.g., fabric analysis)			10
Footwear/Cleaning Allowance			(18)
Operational Supplies (e.g., filters, piping, wire, lumber).....			(20)
Janitorial Supplies			(50)
Motor Fuel.....			(61)
Motor Pool – Cars & Trucks			(79)
Gas–Electric Charges (rate decrease)			(711)
Other Changes.....			14
Transfer of Maintenance Program from the Library.....			1,445
Personnel Costs (8 Positions)			344
Operating Costs			1,101
 Total:			 \$2,120

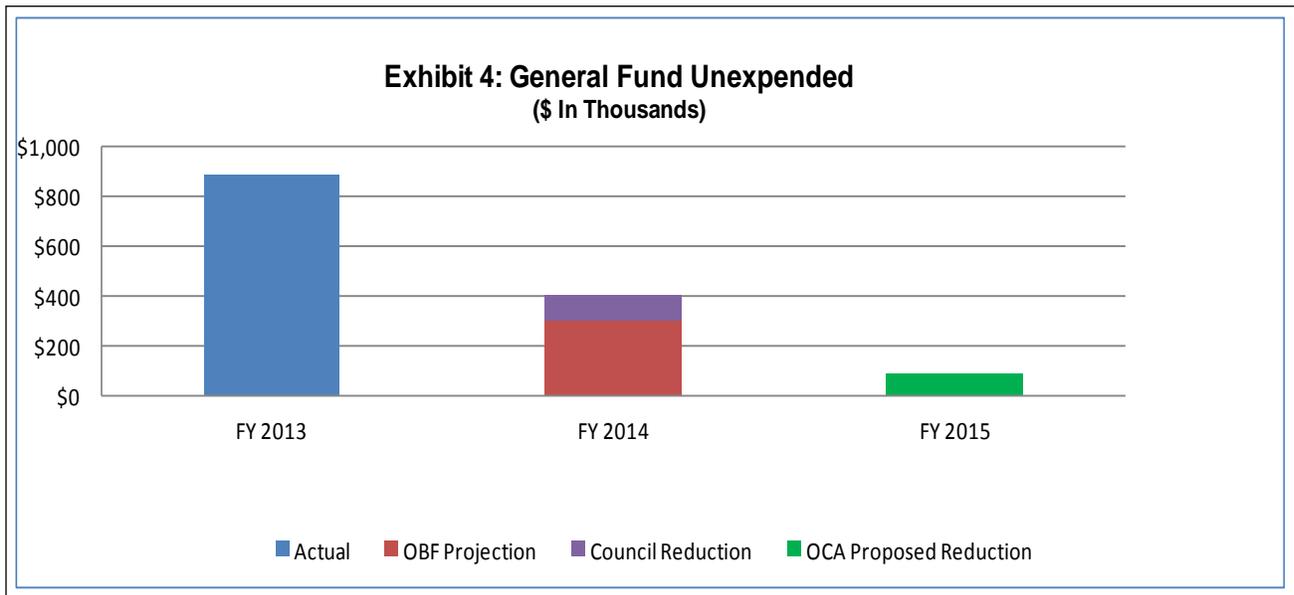
PROPERTY MANAGEMENT (025)

BUDGET RECOMMENDATIONS:

Budget Reductions

\$84,217

A total of \$84,217 in budget reductions is recommended, which represents 0.3% of the Division's FY 2015 General Fund budget. In FY 2013, the Division ended the fiscal year with \$886,000 in unexpended funds primarily due to savings for salaries, gas and electric and heating fuel oil. In FY 2014, the Office of Budget & Finance estimates savings of \$300,000.



Building Operations & Management (2503)

1. Increase Turnover to 5.1% of Salaries (0104)

\$40,217

The Division's proposed FY 2015 General Fund budget for its Building Operations & Management Program includes \$113,000 for turnover savings, or 3.8% of salaries totaling \$2,992,363 for 90 positions. The program currently has 21 vacancies (as of April 15, 2014 as reported by the Office of Budget & Finance), including 11 positions that are being deleted for FY 2015 (9 FT and 2 PT Custodial Workers – see Exhibit 3) and 6 vacancies (5 Custodial Workers and 1 Storekeeper with proposed budgeted salaries of \$160,866) for which the Division advised that it has not created Position Reclassification Forms (which are used to initiate filling the positions) since it is considering reclassification of the positions. The recommended reduction, plus the amount already budgeted for turnover, allows 3 months for the hiring process for these 6 vacant positions.

PROPERTY MANAGEMENT (025)

2. Decrease Service Contracts (0318), Operational Equipment Maintenance (0363), and Building Repairs (0366) \$44,000

The proposed FY 2015 budget includes \$4,561,265 for service contracts, operational equipment maintenance, and building repairs, including \$167,000 for miscellaneous procurement card purchases and \$60,000 for emergency repairs. The proposed amount for FY 2015 is based on an assumed 3.0% CPI increase, in accordance with standard contract terms that allow the County to grant a price escalation based on the Consumer Price Index - All Urban Consumers – United States Average – All Items, as published by the United States Department of Labor, Bureau of Labor Statistics, at the time of the request. However, inflation projections for CY 2014 and CY 2015 are 1.8% and 2.0%, respectively. This recommendation reduces this line item by \$44,000 to \$4,517,265, or 99% of the budgeted amount, based on an assumed 2% CPI increase for FY 2015.

SIGNIFICANT PROGRAM/POLICY INITIATIVES AND/OR CHANGES

3. Transfer of Maintenance Responsibilities from Baltimore County Public Library \$1,444,658
- Beginning in April 2014, the Property Management Division assumed responsibility for the maintenance of the County's Library branches. The Division's proposed FY 2015 budget includes \$1,444,658 for these new responsibilities, including personnel costs totaling \$343,604 for eight positions (four Building Maintenance Mechanic I positions, three Building Maintenance Mechanic II positions, and one Office Coordinator) and \$1,101,054 for operating costs transferred from the Library. The Division advised that this transfer of maintenance responsibilities is expected to save the County an estimated \$130,000 in FY 2015.

As part of the transfer, the Division will be responsible for all service and maintenance contracts, building repairs, and grounds maintenance for the Library system. The Division advised that certain functions, such as janitorial services, will continue to be contracted out, while other functions, such as building repairs and grounds maintenance, will be brought in-house. The Division further advised that the purpose of this transfer is to consolidate

PROPERTY MANAGEMENT (025)

functions and create operational efficiencies in maintenance work for both County staff and contractors. In addition, the transfer will allow the Division to standardize the work that is performed, which provides quality control.

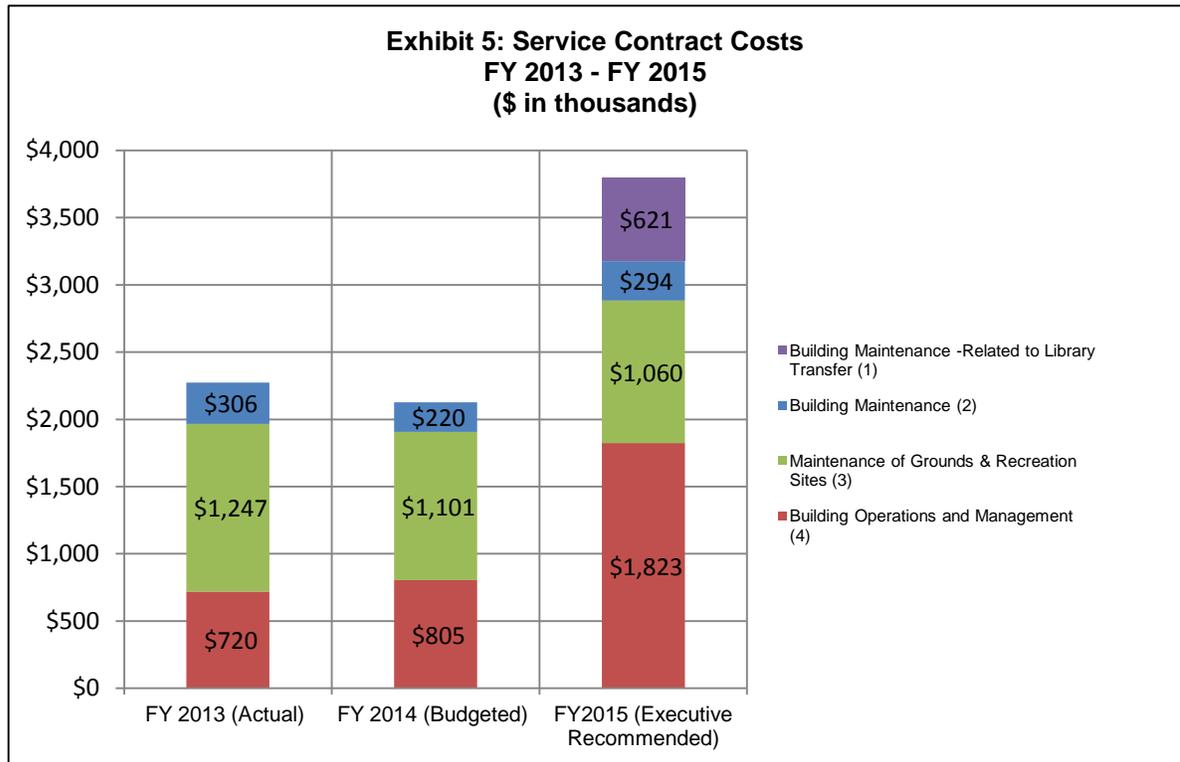
The Division should be prepared to discuss:

- ***Any impact this transfer of responsibilities might have on the public; and***
- ***Additional consolidations or functional transfers that the Administration is considering in the future.***

PROPERTY MANAGEMENT (025)

4. Increased Reliance on Service Contracts (\$1 million, excluding Library-related contracts)

The proposed FY 2015 budget includes \$3,797,005 for Service Contracts, an increase of \$1,671,041 over the FY 2014 budgeted amount. More than \$1 million of this increase is unrelated to the Division's assumption of library maintenance responsibilities. In particular, the portion of the line item related to building operations and management contracts is increasing by \$1,018,014, as can be seen in the growth of the red bar in the following chart.

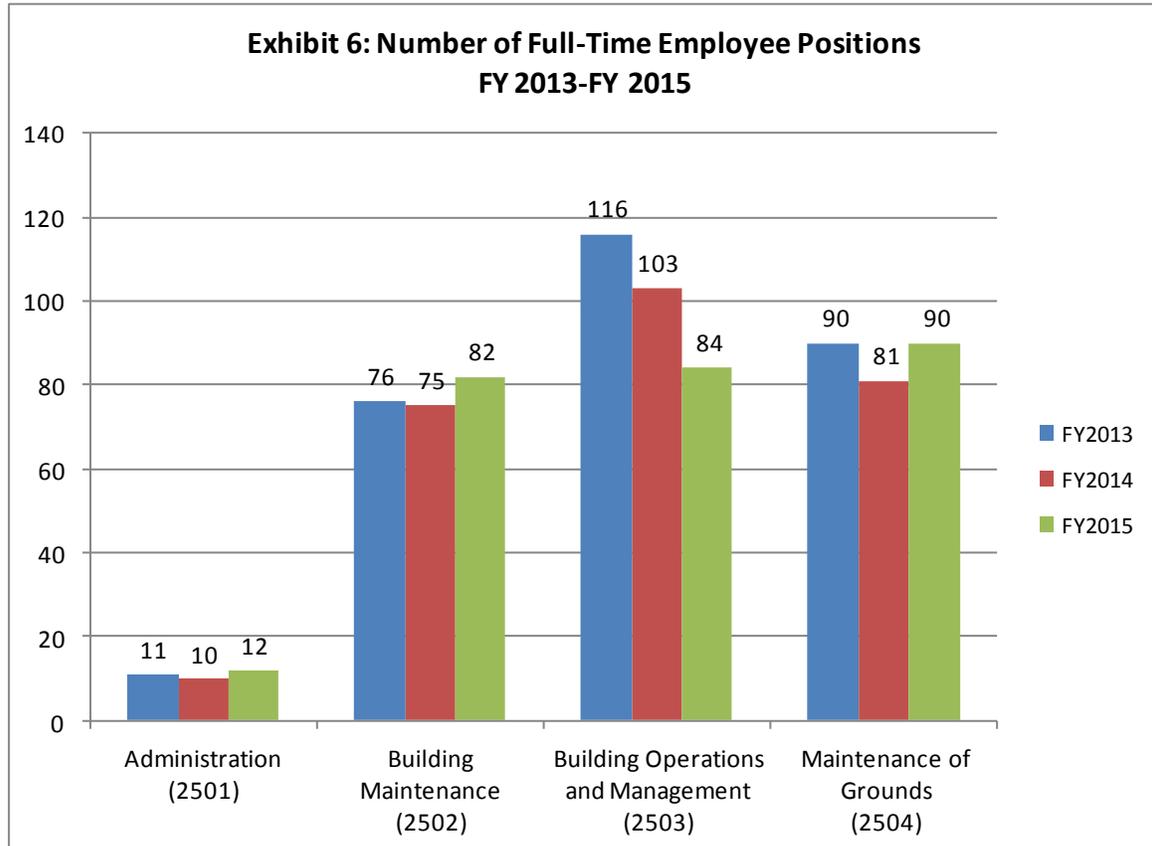


- (1) Additional maintenance costs in connection with assumption of maintenance responsibilities for Libraries
- (2) Boiler Maintenance, Fire Extinguisher Services
- (3) Mowing, Snow Removal, Tree & Stump Removal, Portable Toilet Rental, Artificial Turf Maintenance, Well and Water Testing
- (4) Janitorial, Pest Control, Termite Treatment, Required BGE testing, Glen Arm Facility - MD Environmental Service, Procurement Card Supplies

The Division advised that changes in service contract costs reflect corresponding changes in staff composition and responsibilities. The Building Operations and Management group will eliminate 19 Custodial Worker positions – 11 vacant positions to be deleted (\$277,793 salary savings), and 8 positions to be transferred to its Maintenance of Grounds &

PROPERTY MANAGEMENT (025)

Recreation Sites Program (\$244,212 salary shift). These changes reflect Property Management's further use of outsourcing to handle janitorial services and increased reliance on in-house staff to handle grounds maintenance services. See Exhibit 6.



The Division advised that contractor versus staff approaches are determined based on an analysis of "what is in the best interest of the County." Cost savings are considered in addition to several other factors, including whether or not the work is of a routine or special nature, is only required at peak times, and the quality of contractor work relative to work performed in-house. For example, the Division plans to continue to contract out custodial and grass cutting work as it believes the level of quality the contractor provides can meet the demands of County constituents at a reduced cost. In order to ensure quality performance and customer satisfaction, the Division assigns staff for the oversight of all contracts. In addition, the Division advised that it has been working to complete a Standard Operating

PROPERTY MANAGEMENT (025)

Procedures manual to document and standardize expectations in connection with quality goals.

Recently, the Division decided to replace contractors with in-house staff to maintain the County's 13 artificial turf fields. The Division advised that contractor costs are high due to the specialized nature of the work, and will train existing staff to perform the work in-house, leading to associated contract savings of \$272,055. The Division advised that the savings will be used toward upgrading the County's natural grass fields. The Department further advised that these savings do not consider the start-up costs for equipment and supplies totaling \$108,255 and personnel costs totaling \$47,274, for net first year savings of \$116,526.

The Division should be prepared to discuss:

- ***The number of remaining County Government Custodial Worker positions and where those positions are assigned to work;***
- ***Plans to increase outsourcing of janitorial services;***
- ***Whether the County holds contractors to similar customer service expectations to which it holds County employees;***
- ***Transitional issues in bringing contractors into roles previously occupied by County employees; and***
- ***Any change in the number of positions dedicated to overseeing service contracts since the Division's inception.***

OTHER ISSUES:

5. County Facility Maintenance and Management

Presently, the Division is responsible for maintaining more than 500 County facilities including office buildings, senior centers, police and fire stations, community centers, recreational facilities, historic sites, pumping stations, and libraries. In addition to routine maintenance, the Division handles all necessary repairs, replacements, and preventive maintenance and responds to customer service requests related to County facilities and equipment. The Division's proposed FY 2015 budget includes a performance goal of

PROPERTY MANAGEMENT (025)

reducing the need for unanticipated major repairs by 75% through the development and implementation of preventive maintenance schedules for each County facility. The Department advised that during FY 2014 it started a program to inspect every building twice per year. A preventive maintenance program will be tied into the inspections, and a database will be developed to aid in performance measurement.

In addition, the Division is responsible for maintaining the cleanliness of buildings and facilities throughout the workday while not interfering with day-to-day operations. The Division advised that it shifted custodial service schedules and implemented a routine cleaning and maintenance schedule, determining what services should be provided on a daily, weekly, or monthly basis. The Division further advised that these changes are expected to produce improved service and greater cost savings.

The Department also advised that there are four building projects that will be in different stages of construction during FY 2015, including the Cockeysville Community Center, the Towson Fire station, the West Side Shelter, and the new Animal Shelter, that most likely will not impact the Division's FY 2015 operating budget.

The Division should be prepared to discuss:

- ***Its progress in developing a facilities management plan;***
- ***Planned renovation projects;***
- ***How progress toward meeting the goal of reducing needs for major repairs by 75% will be achieved and measured; and***
- ***Plans to handle maintenance for the four buildings under construction in FY 2015.***

6. Responsiveness to Customer Service Requests

During FY 2013, the Division implemented a new approach to responding to customer service requests. Previously, all calls were handled by a dispatch team, which caused employees to be pulled from assigned jobs or preventive maintenance, even if jobs were non-emergency in nature. The new approach established a central hub to handle all requests and allowed the Division to determine the priority and provide a higher quality of

PROPERTY MANAGEMENT (025)

service in less time. Assisted by GPS units that have been installed in County vehicles, the Division is able to efficiently dispatch employees to handle calls based on location. Additionally, the approach provides liaisons for each County agency, minimizing multiple calls for the same request, and provides email alerts to employees affected by a service request, enhancing communication. The Division advised that while an estimate for the cost savings expected as a result of this initiative is not available, it is expected that the shift in focus to preventive maintenance, in addition to increased quality of service, will reduce the costs associated with emergency repairs.

The Department advised that it has taken further steps to encourage constituents to communicate County property management concerns. A customer service log was started in January 2012. During the first six months of 2012, 177 citizen service requests were logged. In FY 2013, 642 requests were logged, and during the first 9-1/2 months of FY 2014, 317 requests were logged. The Department attributes the large increase in requests in FY 2013 as an indication of success reflecting the public's perception of the Department's increased responsiveness. The Department advised that in FY 2014 it began distributing business cards providing contact information to further encourage communication with constituents.

In order to meet constituent demands, one of the Division's goals is to establish and maintain a 10-day mowing cycle at 80% of active-use recreation and parks facilities. The Division advised that as of FY 2014, it has achieved a 7-day mowing cycle at all active sites (mowing height of 3"). In comparison, Harford County has a weekly cycle, as weather permits (mowing height of 2.5"), and Anne Arundel County has a 10-day cycle (mowing height 3"). The Department also has published its mowing cycle on its website.

The Division should be prepared to discuss:

- ***How it prioritizes its responses to customer service requests;***
- ***What standard operating procedures are in place for communicating with constituents about the status of their customer service requests;***
- ***Whether reports are available to summarize the nature of the customer service requests; and***

PROPERTY MANAGEMENT (025)

- ***The most common types of customer service requests, and the typical associated costs.***

7. Controlling Park Vandalism and Graffiti

The Division is responsible for responding to incidents of vandalism and graffiti in County parks and recreation centers. The Division advised that 292 reports of vandalism and graffiti incidents at recreation centers and sites have been received during the first 9-1/2 months of FY 2014; 1,034 and 429 incidents were reported in FY 2012 and FY 2013, respectively. The Division coordinates with the Department of Recreation and Parks to ensure that all vandalism and graffiti issues are properly addressed.

The Division's proposed FY 2015 budget includes \$99,359 for graffiti removal and vandalism repairs, including \$84,731 for two positions, \$8,760 for motor pool charges for one truck, and \$5,868 for supplies. The County's efforts to reduce incidents of vandalism and graffiti in County parks include the installation of 24-hour remote video surveillance cameras in six of the County's regional parks that have been targeted by vandals through a partnership between the Division, the Police Department, and the Office of Information Technology (OIT). To date, 42 cameras have been installed at the following sites: 10 at Robert E. Lee Park, 9 at the Agricultural Center, 6 at Reisterstown Regional Park, 6 at Benjamin Bannaker Museum, 6 at Sollers Point Community Center, and 5 at Meadowood Regional Park. Division and Police personnel are able to view the output of the cameras over the Internet, and rely on the motion detecting and automatic alarm features of the surveillance systems to detect suspicious and/or criminal activity.

The Division advised that it has noticed improvements in decreasing vandalism in County parks and that it continues to prioritize and respond promptly to any incidents. Additionally, OIT advised that it plans to install one additional camera in FY 2015, which will be located at the Dundalk YMCA and Women's Crisis Center.

The Division should be prepared to discuss:

- ***The cost savings anticipated as a result of the expected continued reduction in vandalism incidents;***

PROPERTY MANAGEMENT (025)

- ***Any future plans beyond FY 2015 for installing surveillance cameras;***
- ***Any additional proactive steps to reduce incidents of vandalism; and***
- ***Incidents of vandalism at County facilities other than park and recreation sites.***

8. On-call Contract Management

Because of its responsibility for maintaining County facilities, the Division is responsible for managing a number of the County's large dollar value on-call service contracts, including those for HVAC system repair/maintenance, boiler repair/maintenance, carpentry, painting, plumbing, and electrical work. Such contract costs are often billed to bulk capital projects such as "New Buildings, Repair, Renovations, Minor Additions." In most cases, for each type of on-call work, the County has established contracts with multiple vendors. While these contracts establish hourly rates, they are by nature unable to lock a contractor into a price for a specific job. Therefore, it is necessary for the managing County agency to evaluate an on-call contractor's price proposal for specific work to be performed and negotiate as necessary to obtain a fair and reasonable price for the given job.

Many public agencies have policies and procedures that govern their use of on-call contracts. For example, Baltimore County Public Schools (BCPS) has a policy that limits the use of on-call contractors to projects valued less than \$200,000. BCPS also procedurally requires on-call vendors to provide project-specific proposals/quotes, and it maintains documentation to support its methodology for selecting a given contractor to perform a specific job. Such documentation can provide assurance that an agency has made a good-faith effort to ensure that the job is being performed by the responsive on-call contractor offering the lowest price. While formal bid procedures are not necessary since on-call contracts are in place, a gathering of two or three bids for each job as a matter of practice serves to discourage on-call vendors from overpricing their work.

Despite the advantages of establishing policies and procedures to govern the use of on-call contracts, the Office of Budget and Finance has not taken such a step on behalf of the County. The Division advised that its practice is not to encourage or require the solicitation of multiple bids for on-call work; instead, it relies on its individual project managers to ensure that jobs are not overpriced.

PROPERTY MANAGEMENT (025)

The Division should be prepared to discuss:

- *The estimated total value of on-call project work it manages annually;*
- *Why it wouldn't be preferable, as a matter of practice, to obtain bids from multiple on-call contractors for each job; and*
- *How it can provide assurance that the County consistently receives a fair and reasonable price for its on-call project work.*

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

PROPERTY MANAGEMENT (025)

APPROPRIATION DETAIL						
		FY 2013 <u>ACTUAL</u>	FY 2014 <u>APPROP</u>	FY 2015 <u>REQUEST</u>	<u>NET CHANGE</u>	
					<u>AMOUNT</u>	<u>%</u>
2501	Administration	\$ 892,183	\$ 971,247	\$ 1,159,284	\$ 188,037	19.4%
2502	Building Maintenance	\$ 6,729,729	\$ 6,305,134	\$ 7,913,104	\$ 1,607,970	25.5%
2503	Building Operations & Management	\$15,720,429	\$17,278,836	\$17,292,055	\$ 13,219	0.1%
2504	Maintenance of Grounds & Recreation Sites	<u>\$ 6,127,730</u>	<u>\$ 6,100,835</u>	<u>\$ 6,411,549</u>	<u>\$ 310,714</u>	<u>5.1%</u>
	General Fund Total	<u><u>\$29,470,071</u></u>	<u><u>\$30,656,052</u></u>	<u><u>\$32,775,992</u></u>	<u><u>\$ 2,119,940</u></u>	<u><u>6.9%</u></u>

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

PROPERTY MANAGEMENT (025)

PERSONNEL DETAIL

	FY 2013 ACTUAL		FY 2014 APPROP		FY 2015 REQUEST		NET CHANGE	
	FULL	PART	FULL	PART	FULL	PART	FULL	PART
2501 Administration	11	1	10	2	12	2	2	0
2502 Building Maintenance	76	6	75	4	82	4	7	0
2503 Building Operations & Management	116	6	103	7	84	6	(19)	(1)
2504 Maintenance of Grounds & Recreation Sites	90	9	81	9	90	8	9	(1)
General Fund Total	293	22	269	22	268	20	(1)	(2)