

Response to Questions on the FY 2013 Budget

Request By: Chairman Bulova

Question: Please summarize the \$0.6 million in “Other” Third Quarter adjustments referenced in the Third Quarter presentation to the Board on March 27, 2012.

Response: The total of \$648,000 reflects increases totaling \$1,648,000 partially offset by a reduction of \$1,000,000 for Foster Care and Adoption Services. The required adjustments are for:

Adjustment	Funding	Explanation
Storm Related Costs	\$600,000	<p>A total of \$1,100,000 is required for storm-related costs caused by Tropical Storm Lee in September 2011. A portion of this requirement will be supported by existing fund contingency of \$500,000 within Fund 303, County Construction. The remaining \$600,000 will be supported by an increased General Fund transfer to Fund 303. Damage to County infrastructure from the storm has been estimated to be over \$3.3 million, with the majority of damage impacting wastewater management infrastructure and the park system. The County expects to recover much of these costs from its insurance carrier. However, the County’s insurance policy includes a deductible of \$100,000 for property not located in a FEMA flood plain and a separate deductible of \$1,000,000 for property located in a FEMA flood plain.</p> <p>The Wastewater Management Program has been able to absorb the costs of repairs to the sewer system within its existing appropriation. However, damage to the park system requires repairs which are greater than the Park Authority is able to absorb. Total funding of \$1,100,000 is required for the Park Authority to address high priority repairs, an amount which will satisfy the County’s deductible under its insurance policy.</p> <p>The County will continue to pursue insurance recoveries and, where possible and appropriate, will seek federal reimbursement for storm-related costs. However, it is anticipated that if any recovery is accomplished, funds will not be received until FY 2013 or later and therefore are not reflected at this time.</p>
Finance Audit and Implementation Requirements	\$588,000	<p>Funding of \$588,000 is required for additional audit and implementation requirements related to the new financial system. More robust audit requirements have been defined by the County’s external auditor to meet mandated reporting requirements for County-wide financial statements. In addition, funding is provided to support staff costs associated with ensuring the accuracy of the new financial system and transitioning to centralized Accounts Payable processing which has been developed as part of the best practice implementation of the system.</p>

Adjustment	Funding	Explanation
Child Care Assistance and Referral Program	\$400,000	Funding of \$400,000 is required to appropriate additional federal and state revenue for the Child Care Assistance and Referral (CCAR) program to provide child care services to the mandated population (i.e., those receiving services through TANF/VIEW/Head Start). The expenditure increase is fully offset by an increase in federal and state revenues for no net impact to the County.
Government Center Landscaping	\$60,000	Funding of \$60,000 is included for costs associated with landscaping at the Government Center facility, including: weeding, mulching, mowing and maintenance of shrubbery. This funding will enable the Facilities Management Department to increase basic landscaping activities which had been reduced due to budget constraints the past several years. This adjustment is completely offset by General Fund revenues received from Wegmans for the use of certain Government Center parking spaces during weekends and holidays.
Foster Care and Adoption Services	(\$1,000,000)	A decrease of \$1,000,000 to both revenues and expenditures for the Adoption Subsidy Program is included to more accurately align the program's budget with actual spending. Program spending has declined significantly due to the maximization of Medicaid as an alternative funding source for these subsidies. The expenditure decrease is fully offset by a decrease in federal and state revenues for no net impact to the County.
Total	\$648,000	

In addition, funding adjustments within Fund 104, IT Project Fund which have no General Fund impact were noted by the County Executive in the Third Quarter letter to make the Board aware of the changes. A total of \$2.2 million is recommended for redirection and reprioritization for critical hardware and system infrastructure requirements as well as specialized technical staff augmentation for major County computer systems, including the FOCUS project. The specialized staff resources are required to provide technical system work that is not typically performed as a part of ERP functional implementation consultant contracts. The contracted consultants have specific expert skill in the underlying SAP solution and its architecture, and perform tasks that span business day work with SAP and work that can only be performed evenings and weekends to meet the project schedule. The project has reached the peak period with significant overlapping work for Phases 1B (finance and procurement development and testing), Phase 2 (County human resources and payroll development and testing), and Phase 3 (schools core human resources and payroll design, and County and schools non-core human resources and budget modules). It should be noted that these staff resources are also supporting Phase 1A system production and on-going stabilization.

The Department of Information Technology (DIT) evaluated all available balances in Fund 104, and have identified areas where funds can be reallocated from projects recently completed, identified any projects where flexibility existed, and reprioritized other projects where work can be deferred until later. Included in this total is \$1.7 million of the \$2.0 million previously approved to support secure access of new web-based social media functionalities. This project was intended to implement a protected web security gateway infrastructure to expand web and social media access to County agencies for business needs. The project has only incurred minimal expenses to date, and staff has determined that, given current priorities, reallocating these funds is necessary at this time. However, given the evolving technology in this field, adjusting deployment of these capabilities is prudent. It will be necessary to fund the revised implementation schedule in future years. Specific details on the reallocations recommended at this time can be found in Attachment III, Other Funds Detail in the FY 2012 Third Quarter package.