

**MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MEETING**

**Wednesday, September 20, 2017
Montgomery Regional Office Auditorium
9:30 a.m. – 11:30 a.m.**

ACTION

Motion | Second

- | | | |
|--|---|-------------------------------------|
| <p>1. Approval of Commission Agenda (9:30)</p> | <p>(+*) Page 1</p> | <p> </p> <hr style="width: 100%;"/> |
| <p>2. Approval of Commission Minutes
Open Session – July 19, 2017</p> | <p>(+*) Page 3</p> | <p> </p> <hr style="width: 100%;"/> |
| <p>3. General Announcements (9:35)</p> <p>a) Literacy Program Ceremony (Following today’s Commission meeting; Brookside Gardens)</p> <p>b) Hispanic Heritage Celebration (Hispanic Heritage Month – September 15th to October 15th) – Newton White Mansion</p> <p>c) Upcoming Commission-wide Service Awards Luncheon honoring employees with 25 or more years of service (Following the October 18th Commission meeting)</p> | | |
| <p>4. Committee Minutes/Board Reports (For Information Only):</p> <p>a) 115 Trust (OPEB) Meeting – March 15, 2017</p> <p>b) Employees’ Retirement System Regular Board of Trustees Meeting – July 11, 2017</p> <p>c) Executive Committee:</p> <p>1. Open Session – July 14, 2017</p> <p>2. Open Session – September 11, 2017</p> <p>3. Closed Session – September 11, 2017</p> | <p>(+) Page 11</p> <p>(+) Page 15</p> <p>(+) Page 21</p> <p>(+) Page 27</p> <p>(++)</p> | |
| <p>5. Closed Session</p> <p>Pursuant to Maryland General Provisions Article of the Annotated Code of Maryland, Section 3-305 (b)(1)(i) and (ii), (b)(7) and (b)(9), The Maryland-National Capital Park and Planning Commission will meet in closed session, in the Montgomery Regional Office, to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction; or any other personnel matter that affects one or more specific individuals, to consult with counsel for legal advice, and to conduct collective bargaining negotiations or consider matters that relate to the negotiations.</p> | | |
| <p>9:40 a) Amendment to M-NCPPC Employees’ Retirement System – Inclusion of the Inspector General to Plans B and E (Barney/Gardner)</p> | | <p>(LD++)</p> |
| <p>9:45 b) Amendment to M-NCPPC Employees’ Retirement System - Purchase of Military Service – Pass Through to Park Police Command Staff and Candidates in Plan C (Barney/Spencer)</p> | | <p>(++)</p> |
| <p>9:50 c) Group Insurance Discussion (Barney)</p> <p>d) Municipal and County Government Employees Organization (MCGEO) Negotiations Discussion (Barney/Spencer)</p> | | |

**MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MEETING**

**Wednesday, September 20, 2017
Montgomery Regional Office Auditorium
9:30 a.m. – 11:30 a.m.**

			<u>ACTION</u>		
			Motion	Second	
6. Action and Presentation Items					
10:00	a)	Defined Contribution Plan (Spencer/McDonald/Boomershine)	(+)	Page 31	
10:15	b)	Audit Committee Activity Report (Dreyfuss/Bailey)	(+)	Page 63	
10:30	c)	Resolution #17-28, Amendment to M-NCPPC Employees' Retirement System - Purchase of Military Service – Pass Through to Park Police Command Staff and Candidates in Plan C (Barney/Spencer)	(+*)	Page 69	
10:35	d)	Open Enrollment and Benefit Plans Proposed Rates for 2018 (Spencer/McDonald)	(+*)	Page 71	
10:45	e)	Proposed Amendments to Practice 1-31, Organization and Functions of the Audit Committee and Office of the Inspector General (Bennett/Beckham)	(+)	Page 79	
	f1)	Resolution #17-30, Adoption of Amendment to Practice 1-31, Organization and Functions of the Audit Committee and Office of the Inspector General	(LD*)		
	f2)	Resolution #17-29, Amendment to M-NCPPC Employees' Retirement System – Inclusion of the Inspector General to Plans B and E (Gardner)	(LD*)		
11:00	g)	CAS Cost Allocation – FY19 (Kroll)	(+*)	Page 119	
11:05	h)	ERP Version 10 Upgrade Briefing and Funding Plan	(H*)		
11: 20	i)	Literacy Program Update (Bennett/Shearer)	(+)	Page 125	
7. Officers' Reports – For Information Only					
	a)	Executive Director's Report Employee Evaluations Not Completed by Due Date (July and August 2017)	(+)	Page 131	
	b)	Secretary Treasurer			
		1. Investment Report (June 2017)	(+)	Page 133	
		2. MFD 2 nd and 3 rd Quarter Report Purchasing Statistics (Zimmerman)	(+)	Page 139	
		3. 115 Trust FY 17 Annual Report (Zimmerman/Walsh)	(+)	Page 167	
	c)	General Counsel Litigation Report (July and August 2017)	(+)	Page 172	

(+) Attachment (++) Commissioners Only (*) Vote (H) Handout (LD) Late Delivery

***MARYLAND-NATIONAL
CAPITAL PARK
AND PLANNING
COMMISSION
MEETING***

*September 20, 2017
9:30 a.m. – 11:30 a.m.*

*Montgomery Regional Office
8787 Georgia Avenue
Silver Spring, MD 20910*

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MEETING

Wednesday, September 20, 2017

Montgomery Regional Office Auditorium

9:30 a.m. – 11:30 a.m.

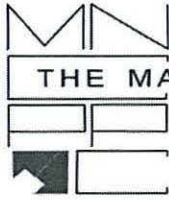
		<u>ACTION</u>	
		Motion	Second
1. Approval of Commission Agenda (9:30)	(+*) Page 1		
2. Approval of Commission Minutes Open Session – July 19, 2017	(+*) Page 3		
3. General Announcements (9:35)			
a) Literacy Program Ceremony (Following today’s Commission meeting; Brookside Gardens)			
b) Hispanic Heritage Celebration (Hispanic Heritage Month – September 15 th to October 15 th) – Newton White Mansion			
c) Upcoming Commission-wide Service Awards Luncheon honoring employees with 25 or more years of service (Following the October 18 th Commission meeting)			
4. Committee Minutes/Board Reports (For Information Only):			
a) 115 Trust (OPEB) Meeting – March 15, 2017	(+) Page 11		
b) Employees’ Retirement System Regular Board of Trustees Meeting – July 11, 2017	(+) Page 15		
c) Executive Committee:			
1. Open Session – July 14, 2017	(+) Page 21		
2. Open Session – September 11, 2017	(+) Page 27		
3. Closed Session – September 11, 2017	(++)		
5. Closed Session			
Pursuant to Maryland General Provisions Article of the Annotated Code of Maryland, Section 3-305 (b)(1)(i) and (ii), (b)(7) and (b)(9), The Maryland-National Capital Park and Planning Commission will meet in closed session, in the Montgomery Regional Office, to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction; or any other personnel matter that affects one or more specific individuals, to consult with counsel for legal advice, and to conduct collective bargaining negotiations or consider matters that relate to the negotiations.			
9:40	a) Amendment to M-NCPPC Employees’ Retirement System – Inclusion of the Inspector General to Plans B and E (Gardner)		(LD++)
9:45	b) Amendment to M-NCPPC Employees’ Retirement System - Purchase of Military Service – Pass Through to Park Police Command Staff and Candidates in Plan C (Barney/Spencer)		(++)
9:50	c) Group Insurance Discussion (Barney)		
	d) Municipal and County Government Employees Organization (MCGEO) Negotiations Discussion (Barney/Spencer)		

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MEETING

Wednesday, September 20, 2017
Montgomery Regional Office Auditorium
9:30 a.m. – 11:30 a.m.

			<u>ACTION</u>		
			Motion	Second	
6. Action and Presentation Items					
10:00	a)	Defined Contribution Plan (Spencer/McDonald/Boomershine)	(+)	Page 31	
10:15	b)	Audit Committee Activity Report (Dreyfuss/Bailey)	(+)	Page 63	
10:30	c)	Resolution #17-28, Amendment to M-NCPPC Employees' Retirement System - Purchase of Military Service – Pass Through to Park Police Command Staff and Candidates in Plan C (Barney/Spencer)	(+*)	Page 69	
10:35	d)	Open Enrollment and Benefit Plans Proposed Rates for 2018 (Spencer/McDonald)	(+*)	Page 71	
10:45	e)	Proposed Amendments to Practice 1-31, Organization and Functions of the Audit Committee and Office of the Inspector General (Bennett/Beckham)	(+*)	Page 79	
	f)	Resolution #17-29, Amendment to M-NCPPC Employees' Retirement System – Inclusion of the Inspector General to Plans B and E (Gardner)	(LD*)		
11:00	g)	CAS Cost Allocation – FY19 (Kroll)	(+*)	Page 119	
11:05	h)	Request for Funding for ERP Version 10 Upgrade	(LD*)		
11: 20	i)	Literacy Program Update (Bennett/Shearer)	(+)	Page 125	
7. Officers' Reports – For Information Only					
	a)	Executive Director's Report Employee Evaluations Not Completed by Due Date (July and August 2017)	(+)	Page 131	
	b)	Secretary Treasurer			
		1. Investment Report (June 2017)	(+)	Page 133	
		2. MFD 2 nd and 3 rd Quarter Report Purchasing Statistics (Zimmerman)	(+)	Page 139	
		3. 115 Trust FY 17 Annual Report (Zimmerman/Walsh)	(+)	Page 167	
	c)	General Counsel Litigation Report (July and August 2017)	(+)	Page 172	

(+) Attachment (++) Commissioners Only (*) Vote (H) Handout (LD) Late Delivery



Commission Meeting
Open Session Minutes
July 19, 2017

The Maryland-National Capital Park and Planning Commission met in the Parks and Recreation Auditorium in Riverdale, Maryland.

PRESENT

Prince George's County Commissioners

Elizabeth M. Hewlett, Chair
Dorothy Bailey
William Doerner
Manuel Geraldo
A. Shuanise Washington

Montgomery County Commissioners

Casey Anderson, Vice-Chair
Gerald Cichy
Natali Fani-Gonzalez
Mary Wells-Harley

ABSENT

Norman Dreyfuss

Chair Hewlett convened the meeting at 9:30 a.m.

ITEM 1 APPROVAL OF COMMISSION AGENDA

Item 5c was moved to be heard first under Item 5, and a closed session was added to the Commission meeting agenda.

ACTION: Motion of Geraldo to approve the Commission agenda with the modifications
Seconded by Bailey
9 approved the motion

After the opening of the meeting, the Commissioners recorded a "Farewell to Ronnie" video as a celebratory gift for Prince George's County Parks and Recreation Director Gathers' retirement.

ITEM 2 APPROVAL OF COMMISSION MINUTES

- a) Open Session – June 21, 2017
- b) Closed Session – June 21, 2017

ACTION: Motion of Geraldo
Seconded by Bailey
9 approved the motion

ITEM 3 GENERAL ANNOUNCEMENTS

Chair Hewlett made the following announcements:

- The upcoming One-Commission Diversity Event is scheduled for August 23, 2017, at the Clarice Smith Performing Arts Center, University of Maryland, College Park, Maryland, 9:00 a.m. – 12 p.m.
- The upcoming Hispanic Heritage Celebration – Hispanic Heritage Month will be recognized from September 15th to October 15th.
- The M-NCPPC will celebrate its 90th Birthday at the Baysox Stadium on Friday, July 21st.
- Commissioner Dreyfuss was wished a happy birthday.
- This is the last full Commission meeting for Commissioner Marye Wells-Harley. Chair Hewlett highlighted some of Commissioner Wells-Harley's most significant accomplishments

during her tenure with the agency. Commissioners expressed gratitude to Commissioner Wells-Harley for her contributions and how much she will be missed. Commissioner Wells-Harley reflected on her experience and accomplishments with the M-NCPPC. She thanked the Commissioners and the staff for their support over the years. Commissioner Wells-Harley's formal retirement celebration is scheduled for the July 27th.

- Prince George's County Parks and Recreation Director Ronnie Gathers will be retiring. The Commissioners congratulated Mr. Gathers and acknowledged his significant accomplishments during his tenure with the M-NCPPC. Mr. Gathers' farewell celebration will be held on September 15th. He thanked Commissioners and the staff for their support over the years, and commented on his experience and achievements with the M-NCPPC.
- Commissioner Geraldo is being honored by receiving the Foundation for the Advancement of Music Education (FAME) award, for his service to the community. Commissioner Geraldo is a pro-bono champion providing services to those who do not have the ability to pay for this education. The service will be held at the Newton White Mansion on July 27th. The Commissioners congratulated Commissioner Geraldo.

ITEM 4 COMMITTEE MINUTES/BOARD REPORTS (For Information Only)

- a) Employees' Retirement System Regular Board of Trustees Meeting
June 6, 2017
- b) Executive Committee – Open Session – June 7, 2017
- c) Executive Committee – Closed Session – June 7, 2017

ITEM 5 ACTION AND PRESENTATION ITEMS

- c) FY 2016 CAFR Award (Zimmerman/Walsh) (taken out of order)
Chair Hewlett announced that the Government Finance Officers Association of the United States and Canada, awarded the Certificate of Achievement and Excellence in Financial Reporting (CAFR) to the agency, for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2016. This award is the highest form of recognition in governmental accounting and financial reporting. Its attainment represents a significant accomplishment by a government and its management. The M-NCPPC has tied with Chicago Metropolitan Water Reclamation District for the greatest number of times (43) receiving this award. Secretary-Treasurer Zimmerman thanked the Finance team for their efforts. A photo was taken of the Finance team for the Update newsletter.
- b) JP Morgan Rebate Check (Zimmerman)
Secretary-Treasurer Zimmerman presented a rebate check from JP Morgan for the agency's Purchase Card program. The purchases made this year generated a rebate to the Commission in the amount of \$245,614.94. The M-NCPPC has received 850 rebates in the four years it has participated in the program. A photo was taken of the Finance team for the Update newsletter.
- a) Logo Discussion (taken out of order)
Chair Hewlett stated the Commissioners deliberated over the Commission logo at the last Commission meeting. The Planning Boards had independent discussions about the logo, and the two Chairs had discussions about the results of those conversations. The Chairs have decided that the agency will not be moving forward with a new logo at the present time. Chair Hewlett thanked everyone for their hard work.
- d) Resolution #17-27, Appointment of Natali Fani-Gonzalez to the Board of Trustees for 115 Trust (Barney/Zimmerman)
ACTION: Motion of Geraldo
Seconded by Wells-Harley
9 approved the motion

e) Diversity Council Survey Results (Barney/Diversity Council)

Executive Director Barney introduced Diversity Council Chair Greg Gordon, Co-Chair Bob Feely, and Chair of the Training and Development Committee, Brittney Drakeford. Ms. Barney explained the Diversity Council's Strategic Plan, as adopted by the Commission, requires a survey for employees to comment on diversity throughout the M-NCPPC. She asked Mr. Gordon and Ms. Drakeford to brief the Commission on the results of the survey. The results will also be shared at the One-Commission Diversity Connect 2017 event in August.

Mr. Gordon distributed personal invitations to the Commissioners for the One-Commission event scheduled for August 23rd. Mr. Gordon and Ms. Drakeford presented the following components of the Diversity survey as contained in the PowerPoint:

- Background
- Participation
- Questions
- Key Findings
- Comment Excerpts
- Recommendations
- Save the Date Announcement

In reviewing the comment excerpts, Chair Hewlett stressed the importance of all employees knowing that the Commission values diversity. Every employee is encouraged to attend the diversity events. Executive Director Barney thanked the Diversity Council for their excellent work.

Commissioner Doerner provided information on various diversity conferences throughout the region that may be of interest to the M-NCPPC Diversity Council. Executive Director Barney commented that the Council, the Directors, and the new Recruitment Manager Steven Kawakami will work together on this recommendation.

Chair Hewlett thanked the current and past Diversity Council members for their efforts. Diversity Council Chair Gordon thanked Executive Director Barney for her guidance.

f) Recommendation for Benefit Changes for Calendar Year 2018

Executive Director Barney introduced Director of Human Resources William Spencer and Health and Benefits Manager Jennifer McDonald. Ms. Barney explained that the proposed health benefit plan design changes are presented to the Directors and Executive Committee in July, and the proposed rates are presented in September. Open Enrollment is in October, and plan changes and updated rates take effect in January. The recommendations (except one) were supported by the directors and the Executive Committee. Caremark representatives attended the meeting to answer questions about plan design changes. Ms. McDonald presented the recommendations for the benefits changes for calendar year 2018:

- **Cost Sharing**

- Park Police Fraternal Order of Police (FOP): For information, only; Cost share per collective bargaining agreement.
- Lowest Cost Medical Plan Recommendation for MCGEO and Non-represented employees: Phase in the increase in the employee cost share for either Kaiser Permanente or UHC EPO, whichever is not the lowest cost for 2018 to 17.5% for 2018, then 20% for 2019. The recommendation was supported by the Executive Committee and the Department Heads.

- **Loss of Grandfathered Status**

In compliance with the Affordable Care Act, the M-NCPPC's health plans lose grandfathered status due to the increase in cost share for the FOP union employees. Ms. McDonald reviewed the changes as contained in the memo. A vote was not required on this subject.

Commissioner Geraldo inquired about offering medical marijuana as a prescription benefit since the plan covers other needed prescriptions such as opioids. As explained by Joanie Lozano, Clinical Advisor for CVS Caremark, medical marijuana is not an FDA approved medication; therefore, Caremark does not cover this prescription. Commissioner Geraldo suggested the M-NCPPC consider offering coverage of the prescription, aside from Caremark. Executive Director Barney recommended the M-NCPPC investigate other agencies to determine if they offer this benefit. A report will be presented to the Commissioners next year.

- **UnitedHealthCare EPO Medicare Rates**

The recommendation to unbundle the rates for the UHC EPO plan to afford some financial relief to Medicare eligible retirees who must now pay the Medicare Part B premium in addition to the agency's full rate, was supported by the Executive Committee and the Department Heads.

- **Durable Medical Equipment (DME)** – The recommendation is to increase the DME benefit under the UHC EPO plan from 50% to 100% to reduce the disparity in coverage with the other medical plans offered. The recommendation was supported by the Executive Committee and the Department Heads.
- **Vision Plan** - Ms. McDonald explained the differences in the three levels of coverage under the Vision Service Plan: low, moderate, and high options. She also explained the “Easy Option” plan, offered by the vendor, which is only available in the high option plan. The recommendation to offer “Easy Option” was supported by the Executive Committee and the Department Heads.

- **Caremark Prescription Plan (Active employees and non-Medicare eligible retirees)**

- *Transform Diabetes Care* – Ms. McDonald explained the recommendation is to add this program. The Executive Committee and the Department Heads supported the recommendation with the caveat that the program be monitored for the first year for any significant complaints or problems. The results will be reviewed when the program is revisited for 2019.
- *Advanced Control Formulary for Non-Specialty Drugs* – This program will affect 192 (3.8%) members, as approximately 30 medications will be excluded from the formulary. The program will reduce the number of drugs the M-NCPPC uses, reduce the per member monthly cost increase, and produce an annual net savings of \$259,400 for the first year. Ms. McDonald explained the appeals process for medication denials and noted that the Health and Benefits Office will conduct a robust educational campaign informing employees how to file an appeal. This recommendation was not totally supported by the Executive Committee or Department Heads as they requested additional information. Caremark has been invited to the Commission to answer any questions.
- **EGWP/SilverScript Prescription Plan (Medicare eligible retirees)**
Ms. McDonald explained that the Specialty Utilization and Standard Utilization Management Programs, which are already a part of the under 65 and active Caremark plan. The Department Heads and the Executive Committee supported the recommendations to implement both programs.
- **Employee Self Service** –
Phase one of this program was conducted successfully, using Infor/Lawson's ERP Employee Self Service (ESS) module for open enrollment changes. The test group consisted of Central Administrative Services. Phase two will include all employees with current access to Infor/Lawson, and Phase three will include all remaining active employees in open enrollment for 2019. Retirees will not be able to use this program at this time. Employees, as well as retirees still have the option to enroll by paper. The Health and Benefits staff will verify that Commissioners have access to the ESS module for open enrollment changes.

ACTION: Motion of Washington to approve the recommendations
Seconded by Geraldo
8 approved the motion (Chair Anderson departed for another meeting)

g) EOB Building Project Update (Barney/Bennett/Dorsey)

Executive Director Barney introduced Corporate Policy and Management Operations Division Chief Anju Bennett, Budget Administrator Shelley Dorsey, and Senior Management Analyst Brian Coburn. She explained that the EOB Feasibility Workgroup (Workgroup), which includes Ms. Barney, Ms. Bennett, Ms. Dorsey, and Commissioners Dreyfuss and Doerner, has been evaluating concerns raised by Commissioners during the budget work sessions about the continued occupancy of the Executive Office Building. CAS leadership also shares concerns relating to escalating costs, space challenges and other significant issues. The memorandum in the packet presents preliminary cost estimates to operate and repair the existing EOB building, market data on alternate space, and occupant input on facility and location challenges. Executive Director Barney complimented the team on its effort with this challenging project. She also thanked Commissioners Doerner and Dreyfuss for their experience and guidance in identifying concerns and on the approach in making this presentation. Commissioner Geraldo thanked Division Chief Bennett and her team for their exemplary work.

Ms. Bennett introduced her team and thanked Commissioners and Department Heads for their support during the project, including lending the expertise of staff in the two Park Planning and Development units, and the economic and development team in Montgomery Planning.

Ms. Bennett walked through the analysis, key findings, and recommendations outlined in the Commission packet. She provided background about the current building, space shortages and need to house some operations offsite, and challenges faced with remaining in the current facility. Areas covered in the presentation included:

- I. Cost comparison: 10-year projection for remaining at EOB vs housing all CAS operations in leased space
- II. Preliminary assessment of space needs for Central Administrative Services operations/EOB space shortage
- III. Recommended scope of work by architectural/design/commercial space consultant

Ms. Bennett explained the analysis reveals that the extensive costs to repair and maintain the current EOB configuration over the next 10 years far exceeds cost of being housed in an alternate purchase or lease option based on market data. On behalf of the Workgroup, Ms. Bennett requested the Commission's support to focus efforts on lease or purchase options to reduce overall costs and address workspace challenges.

The Workgroup also requests support to move forward with engaging a consultant specializing in commercial office space to perform the tasks outlined in the memorandum.

She explained the Workgroup will return to the Commission with recommendations stemming from the consultant's analysis.

Commissioner Geraldo stressed the agency not do anything else in terms of spending money, such as conducting another analysis as to what can be done at EOB. It has already been demonstrated that it will cost 50% to 100% more to stay at the facility than to relocate. Executive Director Barney indicated that it would be helpful to have a consultant validate the M-NCPPC analysis before information is presented to the County Councils.

Commissioner Doerner was asked to provide input about the project. He stated that the work was very thorough, but agreed it would be beneficial to have an outside consultant provide

feedback to ensure all areas of concern were identified in the cost analysis to the Council. He also agreed that it is not cost effective to remain at the EOB.

Commissioner Doerner recommended that in exploring lease or purchase options, the analysis consider target areas in Prince George's County's Plan 2035. Commissioner Cichy suggested a zip code analysis might also be beneficial, as it would provide information on areas from where potential employees would be coming. He noted office space may be available in Greenbelt, Landover, or Hyattsville (which would be close to the Purple Line).

Ms. Bennett stated funding to conduct the projects outlined in Tasks 1, 2, 3, & 4 will come from the EOB Internal Service Fund. She explained that the Workgroup will come back to the Commission with findings from the study and recommendations for further action.

ACTION: Motion of Geraldo for the Feasibility Workgroup to focus efforts on lease or purchase options to reduce overall costs and address workspace challenges at EOB, and to engage a consultant specializing in commercial office space in these efforts.

Seconded by Doerner

8 approved the motion (Chair Anderson departed for another meeting)

h) Enterprise Resource Planning Briefing (Chilet)

Chief Information Officer Mazen Chilet provided a briefing on Enterprise Resource Planning. He shared that the Infor Version 10 upgrade software has a service agreement and that the order form will be completed this month. The RFP is close to completion and top bidders will be reviewed next week.

Mr. Chilet explained that this year's online, health insurance open enrollment will be offered to everyone with an active directory account. Going from paper to automation is an example of the direction the M-NCPPC is going, and it will streamline and expedite the process for everyone. However, the employees may enroll by paper, if they choose.

Mr. Chilet stated he is working on comprehensive and intelligent resources for the program management office. He is in the process of interviewing stakeholders, managers, and power users to assess the need for resources to help during the ERP Version 10 implementation, and for needed support after the implementation. The ERP implementation has suffered from the lack of development due to the lack of resources. Research is being done to determine the key areas that require more resources. Positions need to be backfilled to enable the upgrade and continue with enhancements for the next few years. Mr. Chilet is working on a detailed resource plan that will be shared with the stakeholders upon completion. Chair Hewlett thanked Mr. Chilet for his hard work over his first year of service with the M-NCPPC.

ITEM 6

OFFICER'S REPORTS

a) Executive Director's Report (For Information Only)

Employee Evaluations Not Completed by Due Date (June 2017)

b) Secretary-Treasurer (For Information Only)

Investment Report (May 2017)

c) General Counsel

Litigation Report (June 2017) (For Information Only)

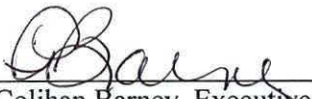
General Counsel Gardner distributed a handout to the Commissioners, to provide an update on the status of the Purple Line litigation.

Commissioner Bailey made a final toast to Commissioner Wells-Harley and Prince George's County Parks and Recreation Director Ronnie Gathers.

There being no further business to discuss, the meeting adjourned at 11:50 a.m.



Gayla I. Williams, Senior Management Analyst/
Senior Technical Writer



Patricia Colihan Barney, Executive Director

ITEM 4a

115 Trust (OPEB)
Meeting Minutes
PRA

Wednesday, March 15, 2017

- Attending: Commissioner Manuel Geraldo, Trustee, Chairman;
Commissioner William Doerner;
Patricia Colihan Barney, Commission Executive Director, Trustee;
Joseph Zimmerman, Commission Secretary-Treasurer, Trustee;
William Spencer, Commission Human Resources Director, Trustee;
Tracey Harvin, Commission Senior Counsel, Staff
Barbara Walsh, Commission Accounting Manager, Staff;
Abbey Rodman, Commission Investment Manager, Administrator;
Claudia Stalker, Commission Accountant, Staff;
Barry Bryant, Investment Consultant, Dahab Assoc.;
- Absent: Commissioner Casey Anderson, Trustee, Vice-Chairman;
LaTonya Reynolds, Commission Senior Counsel
William Dickerson, Commission Principal Counsel
Adrian Gardner, Commission General Counsel

The meeting was called to order at 10:50 a.m.

Minutes from the 12/21/16 meeting were motioned by Ms. Barney to be approved, seconded by Commissioner Geraldo, and then unanimously approved.

Mr. Bryant, who was in attendance via phone, began by discussing performance results for the 4th Quarter ended December 31, 2016. He reported that returns for the various asset sectors were affected by the election, with domestic stocks up about 4%, foreign stocks down 1.2% and domestic bonds down 3%. With two out of three major asset sectors down, the median return for public pension funds was only 0.7% in the fourth quarter. The Portfolio, however, increased 3.6% and ranked in the 1st percentile. The asset allocation performed slightly above average, with most incremental return coming from managers. All three RAFI/Schwab equity funds, the private real estate fund and the PIMCO Unconstrained Bond Fund were significantly above benchmark. Only the PIMCO All-Asset, All-Authority Fund lagged its benchmark, a direct result of poor performance of emerging market stocks and bonds following the U.S. election. While the Portfolio's 5-year return ranks in the 95th percentile, the since inception return ranks in the 26th percentile. The Portfolio's recent good performance continued in the first two months of 2017 with a 4% return.

Mr. Bryant then addressed robo-investing, a topic introduced by Commissioner Geraldo at the previous meeting. He stated that it was a potentially useful low-cost strategy for individual investors but not suitable for institutional investors because it was more expensive than the fees the Trust is now being charged and does not provide fiduciary oversight and other support needed by a public fund.

Mr. Bryant then called attention to a summary he had prepared of the various strategies and allocations in the PIMCO All-Asset, All-Authority Fund as requested by Ms. Barney at the last meeting. Commissioner Doerner asked if there was any record of changes in the various allocations through time. Mr. Bryant promised to bring such a chart to the next meeting.

Mr. Bryant next turned to the use of derivatives by PIMCO, a discussion also requested by Ms. Barney at the previous meeting. Using the example of investing in a house and using a mortgage to lever the investment, he distinguished between an unlevered investment, a levered investment, and an investment that used borrowing to earn incremental return in the fixed income market. This latter use he said was similar to the way PIMCO uses derivatives to create incremental return. He then briefly covered the six other uses of derivatives employed by PIMCO.

Ms. Barney asked what safeguards PIMCO employed to assure that derivatives were not misused, and how we would know should the firm change any of those safeguards or change the strategies employed in the use of derivatives. Mr. Bryant replied that level of complexity was something they should ask PIMCO directly. It was agreed to ask the firm to participate directly by phone at the next meeting.

Mr. Bryant then introduced the topic of firm concentration. He noted that two related firms, PIMCO and Research Affiliates, managed 70% of the Trust's assets. The question was raised whether this could be a potential problem?

Mr. Bryant first listed the positives. First, using a limited number of firms reduced the Board's task of due diligence and contracting responsibilities. Given that the Trust has no dedicated investment or legal staff, employing a limited number of firms made sense. Second, after an initial period of underperformance, the strategies are now working. The Portfolio posted a 14.3% return in 2016 which ranked in the first percentile, and all the strategies were significantly above their benchmarks.

Mr. Bryant then listed the negatives. First, firm concentration might look bad if some outside entity examined the Portfolio. Diversity of firms is generally considered a positive in management of large portfolios. While our portfolio is not large at \$60mm, it is growing rapidly. Second, RAFI employs similar techniques in all its equity strategies, and they tend to outperform and underperform together, creating a high level of short-term volatility. Mr. Bryant pointed to the wide swings in relative performance noted in the performance review. Third, the RAFI strategies could fail to produce good long-term results. Mr. Bryant said he continued to believe in the strategies' ultimate success, and noted that they were slightly above or slightly below benchmark now with very positive current trends.

Mr. Bryant then listed other considerations of firm concentration that he felt were not significant concerns. PIMCO has already weathered the departure of its most visible executive, Bill Gross, an indication that key man risk is not an issue. Mr. Bryant said the loss of his counterpart at RAFI, Rob Arnott, would damage marketing more than investment strategy.

Mr. Bryant said he felt PIMCO to be very operationally strong, having weathered the 2008 downturn without liquidity or other issues despite the widespread use of derivatives. He said the various RAFI strategies were simply constructed and relatively easy to execute.

Finally, he said there was virtually no overlap among the strategies in securities holdings because each covered a discrete market, the single exception being developed European equities and emerging market equities owned in the All-Asset/All-Authority Fund, which overlapped with two of the RAFI strategies. However, these overlaps represented only 1.5% and 2.0% of the overall Portfolio respectively.

Mr. Bryant then suggested options for the Board to consider. These include: 1) do nothing, the strategies are currently working; 2) add traditional index funds beside the RAFI fundamental index funds, and split the allocations in some manner; 3) eliminate the All-Asset/All-Authority Fund, which has the only direct overlaps and adds a great deal of complexity to the portfolio; 4) select active managers to replace some or all the RAFI allocations.

Mr. Bryant said he recommended taking no action at this time because the strategies seem to be working. At the end of the discussion Ms. Barney said she was comfortable with the concentrations, but agreed it was important for the Board to be aware of them.

Ms. Rodman said she had received communication from the real estate firm, Intercontinental, listing various modifications sought by clients our size or smaller in their side letters. Provision of this communication is required in our own side letter negotiated by Groom, the law firm hired to negotiate the contract with Intercontinental. The Board discussed whether to submit the various provisions to Groom for their legal opinion. Mr. Bryant offered to look at them and discuss them with Intercontinental. The Board postponed a decision pending Mr. Bryant's contact with Intercontinental.

The Trustees set 11:30 am on Wednesday, June 21, 2017 at MRO for the next meeting.

The meeting was adjourned at 1:30 pm.

Respectfully Submitted,



Claudia Stalker



EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission

REGULAR BOARD OF TRUSTEES MEETING
MINUTES

Tuesday, July 11, 2017; 10:00 A.M.
ERS/Merit Board Conference Room

The regular meeting of the Board of Trustees convened in the ERS/Merit Board Conference Room on Tuesday, July 11, 2017 at 10:00 a.m. Voting members present were Patricia Barney, CPA, Howard Brown, Pamela F. Gogol, Gerald R. Cichy, Dr. Alicia Hart, Elizabeth M. Hewlett, Sheila Morgan-Johnson, Barbara Walsh and Joe Zimmerman, CPA. Amy Millar arrived at 10:08 a.m. Khalid Afzal was absent.

ERS staff present were: Heather D. Brown, Senior Administrative Specialist and Sheila S. Joynes, Accounting Manager.

Presentations by ERS Staff - Ann McCosby, Software Manager and Wilshire Associates - Bradley A. Baker, Vice President.

Also present from M-NCPPC Legal Department - William Dickerson, Principal Counsel.

1. CONSENT AGENDA

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- A. Approval of the July 11, 2017 Board of Trustees Meeting Agenda
- B. Minutes of Regular Meeting, June 6, 2017
- C. Closed Session Minutes of Regular Meeting, June 6, 2017
- D. Disbursements Granted Reports – May 2017

CHAIRMAN HEWLETT moved Item 2.B. to the beginning of the meeting and introduced the newest Board Member, Gerald R. Cichy, Montgomery County Commissioner. COMMISSIONER CICHY was appointed to the ERS Board of Trustees by the Commission at its June 21, 2017 meeting for the term ending June 30, 2020.

MS. BARNEY made a motion, seconded by MS. GOGOL to approve the revised Consent Agenda. The motion PASSED unanimously (9-0). (Motion #17-44)

2. CHAIRMAN'S ITEMS

- A. Board of Trustees Conference Summary
- B. Welcome Gerald R. Cichy to the Board of Trustees
- C. Aberdeen Advisory Board Meeting Report by Pamela Gogol

CHAIRMAN HEWLETT highlighted the importance of board members attending a training conference at least once a year and encouraged trustees to review the Conference Summary.

MS. MILLAR arrived at 10:08 a.m.

MS. GOGOL reported on the Aberdeen Advisory Board Meeting held in June 2017.

MINUTES, AS APPROVED, AT THE SEPTEMBER 5, 2017 REGULAR BOARD OF TRUSTEES MEETING

3. MISCELLANEOUS

- A. Recommendation to appoint the Vice Chairman for the term ending June 30, 2019

MS. BARNEY made a motion, seconded by MS. WALSH to approve Gerald R. Cichy as the Vice Chairman of the ERS Board of Trustees for the term ending June 30, 2019. The motion PASSED unanimously (10-0). (Motion #17-45)

4. REPORT OF THE ADMINISTRATOR

Presentation by Accounting Manager, Sheila S. Joynes

- A. Administrator's Report dated June 30, 2017

Sheila Joynes presented the Administrator's Report dated June 30, 2017.

There are no meetings held in August, the next Board of Trustees' meeting is September 5, 2017 and Committee meetings are September 19, 2017.

On July 3, 2017, the ERS received an employer contribution in the amount of \$24,822,301. Wilshire Associate's Brad Baker recommended funding as follows: C.S. McKee (\$12 million), Western Asset (\$5.8 million), Loomis (\$1.5 million), and Neuberger Berman (\$1.5 million) and the remainder in the cash account for benefits, expenses and capital calls.

Ann McCosby, ERS Software Manager, provided an update on the High Line pension software upgrade. Ms. McCosby reported the new version went live on July 7, 2017. This new version provides an opportunity to load the HR and salary history from the Commission's Lawson system through an interface file. Ms. McCosby said the next phase is to analyze this data, test the process and hopefully get the historical data loaded. Staff must verify that existing data is not compromised by the data loaded through the new interface method. Ms. McCosby said it is not yet known if the HR data will be available for this year's valuation report. A future discussion of the Valuation deadline date may be necessary.

5. COMMITTEE REPORTS/RECOMMENDATIONS

- A. Administration & Personnel Oversight Committee

Presentation by Committee Chairman, Barbara Walsh

- i. Regular Report of June 20, 2017

- a. Recommendation to Approve the Recognition Program Policy, including the Recognition Program Recommendation Form

MS. WALSH presented the regular report for the Administration & Personnel Oversight Committee (Personnel Committee) meeting of June 20, 2017.

The Personnel Committee reviewed the Recognition Program Policy ("Policy") including the Recognition Program Recommendation Form ("Form"). The Policy and the monetary value limit is modeled after the Commission's Recognition Policy. The monetary value is also in-line with Montgomery and Prince George's Counties. The Personnel Committee recommended combining a cash award with administrative leave for staff who have gone above and beyond since the Commission's go-live on Lawson and other time intensive projects. The Commission's Legal Department reviewed the Policy. The Personnel Committee recommends the Board approve the Recognition Program Policy including the Recognition Program Recommendation Form.

MINUTES, AS APPROVED, AT THE SEPTEMBER 5, 2017 REGULAR BOARD OF TRUSTEES MEETING

MS. BARNEY made a motion, seconded by MS. MILLAR to Approve the Recognition Program Policy including the Recognition Program Recommendation Form. The motion PASSED unanimously (10-0). (Motion #17-46)

The Personnel Committee discussed the evaluation of all ERS positions against the Commission's new Class Specs and the ERS' tentative succession plan for the three employees eligible for retirement.

The Personnel Committee reviewed a draft of the Pension Administration System Request for Proposal (RFP). MS. WALSH provided several comments on the RFP. The Personnel Committee discussed the selection committee and agreed members should include the Administrator, staff (technical and subject matter experts) and Legal Counsel, LaTonya Reynolds. The RFP includes site visits with finalists and other retirement systems to discuss installations similar in size to the ERS. The Personnel Committee requested periodic updates on the project from the selection committee.

During a recent review of the ERS' Governing Policies and Procedures, staff discovered references to some policies being replicated in-whole and in-part in other policies. The Administrator recommended developing a Governance Manual to incorporate and update all existing policies. Legal counsel agreed to review the revised policies.

MS. WALSH highlighted the financial statements and budget documents.

B. Investment Monitoring Group

Presentation by Investment Monitoring Group Chairman, Patricia Colihan Barney

i. Regular Report of June 20, 2017

ii. Confidential Report of June 20, 2017 - **Confidential, Trustees Only**

MS. BARNEY presented the regular report for the Investment Monitoring Group (IMG) meeting of June 20, 2017.

Wilshire Associates' Manager Review reported the Oaktree Opportunities Fund VIII, L.P. provides a strategic allocation to opportunistic investments and distressed securities. The ERS made a \$5,100,000 commitment in 2010 to the fund which provides significant exposure to real estate and REITS. Oaktree has drawn and distributed more than 100% of the capital commitment and has done a good job relative to peers in the Thomson One/Cambridge Associates universe.

Wilshire Associates' Manager Review showed the Oaktree Real Estate Debt Fund, L.P. provides a strategic allocation to performing real estate loans. The ERS made a \$20,000,000 commitment in 2014 to the fund which provides exposure to debt securities and private loans. Oaktree has done a really good job relative to peers in the Thomson One/Cambridge Associates universe exceeding the peer median IRR of 7.9% as of December 31, 2016. Wilshire noted the lag of performance data (12/31/2016) versus the performance data (3/31/2017) provided by Oaktree.

The IMG reviewed Wilshire Associates Manager Review for the Western Asset Global Fixed Income fund which reflected outperformance since inception, March 31, 2013 with a 2.98% return versus a -0.42% return for the policy index. The portfolio ranked in the 38th percentile versus Wilshire's global fixed income universe. One year and three-year performance ending March 31, 2017 exceeded the policy index by 12.56% and 4.51%, respectively. The policy index is comprised of 50% Barclays Global Aggregate Bond Index, 25% JP Morgan Emerging Markets Bond Index Plus Index, and 25% Barclays US Corporate High Yield 2% Issuer Cap Index. Wilshire considers Western Asset one of the top fixed income firms in the marketplace. The ERS should not expect significant outperformance going forward. Target performance is 2-2 ½% above the index.

MINUTES, AS APPROVED, AT THE SEPTEMBER 5, 2017 REGULAR BOARD OF TRUSTEES MEETING

The IMG reviewed revised Investment Guidelines for Blackrock and State Street Global Advisors that reflect recent changes in the mandates and new Investment Guidelines for Grosvenor and the Wilshire MNCPPC Employees' Retirement System Global, L.P. (Series II) mandates. Wilshire's Brad Baker explained these guidelines are only "representative" guidelines as the investment guidelines and portfolio specifications are outlined in the fund's offering memorandum or limited partnership agreements. MS. BARNEY suggested adding "representative" in the title even though the body of the guidelines indicate the representative nature. The IMG agreed these guidelines are helpful to document the ERS' expectations for a mandate.

MS. BARNEY made a motion, seconded by MS. GOGOL to approve the Blackrock Institutional Trust Company Representative Investment Guidelines, the State Street Global Advisors ("SSGA") – Real Asset Fund Representative Investment Guidelines, the GCM Grosvenor Real Asset Investments, L.P. Representative Investment Guidelines, and the Wilshire MNCPPC Employees' Retirement System Global, L.P. (Series II) Representative Investment Guidelines. The motion PASSED unanimously (10-0). (Motion #17-47)

Mr. Baker reported to the IMG on follow-up issues with Chicago Equity Partners ("Chicago"). On the issue of some shares listed as unavailable on the Vote Summary for 2016, Chicago explained since the ERS engages in securities lending, there are times when some securities are out on loan and the shares are unavailable for vote. MS. MORGAN-JOHNSON questioned whether Chicago is required to recall securities out on loan to vote the proxy and, if not, does the Agreement with the Northern Trust Company ("Northern") require Northern to vote the proxy for securities on loan. Mr. Baker agreed to review the Agreements with Northern Trust's Securities Lending and Chicago Equity Partners along with the ERS Administrator.

6. CLOSED SESSION

The Board will meet in Closed Session, pursuant to the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(5) for investment of public funds.

MS. GOGOL made a motion, seconded by MS. BARNEY to go in to Closed Session under authority of the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(5) for investment of public funds. The motion PASSED unanimously (10-0). (Motion #17-48)

7. MANAGER REPORTS/PRESENTATIONS

A. Wilshire Associates

Presentation by Bradley A. Baker, Vice President

- i. Education Session - Fixed Income Market Overview; July 11, 2017

Brad Baker presented a fixed income market overview as supplemental training for trustees and made an Opportunistic Fixed Income Pacing recommendation for the Board to consider committing \$30-\$60 million (\$10-\$20 million per year) to the Opportunistic Fixed Income portfolio to continue to build diversification and exposure, while aiming to maintain the overall target portfolio allocation of 7.5%.

Mr. Baker presented four pacing models to assist in planning future commitments for the Opportunistic Fixed Income Portfolio. Trustees discussed the annual commitment amounts that were modeled at \$10 million, \$15 million, \$20 million, and \$25 million. MR. ZIMMERMAN pointed out the Board could choose a percent of the portfolio as an annual commitment instead of a dollar amount.

Mr. Baker agreed to prepare an opportunistic fixed income search document analyzing the Opportunistic universe of managers and bring the top managers to recommend to the Investment Monitoring Group (IMG) for consideration at its September 19, 2017 meeting. MS. MORGAN-JOHNSON requested European direct lending options be included in the search.

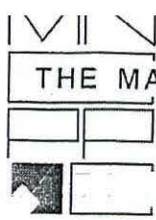
MINUTES, AS APPROVED, AT THE SEPTEMBER 5, 2017 REGULAR BOARD OF TRUSTEES MEETING

The Board of Trustees meeting of July 11, 2017 adjourned at 11:46 a.m.

Respectfully,


Heather D. Brown
Senior Administrative Specialist


Sheila S. Joynes
Accounting Manager



ITEM 4c1

EXECUTIVE COMMITTEE MEETING

Minutes

July 14, 2017 (Meeting replaces July 5, 2017 meeting)

On July 14, 2017, the Maryland-National Capital Park and Planning Commission's Executive Committee met. Present were Vice-Chair Casey Anderson and Executive Director Patricia Barney. Also present were:

Officers/Department Heads

- Derick Berlage, Division Chief, Prince George's County Planning (for Andree Checkley, Director)
- William Dickerson, Principal Counsel (for Adrian Gardner, General Counsel)
- Ronnie Gathers, Director, Prince George's County Parks and Recreation
- Mike Riley, Director, Montgomery County Parks
- Gwen Wright, Director, Montgomery County Planning
- Joe Zimmerman, Secretary-Treasurer

Deputies/Presenters/Staff

- Anju Bennett, Chief, Corporate Policy and Management Operations (CPMO)
- William Spencer, Human Resources (HR) Director
- Michael Beckham, Policy Manager, CPMO
- Cynthia Henderson, Principal Human Resources Specialist, HR
- Jennifer McDonald, Health and Benefits Manager, HR

(Only for item 3b, as it related to prescription changes)

- Joannie Lozano, Pharm. D, Clinical Advisor, CVS Health, Caremark
- Julie Younkin, Strategic Account Executive, Sales and Account Services, Caremark

The meeting convened at 10:15 a.m.

ITEM 1a – APPROVAL OF EXECUTIVE COMMITTEE AGENDA

Discussion	There were no changes to the Executive Committee meeting agenda.
------------	--

ITEM 1b – APPROVAL OF COMMISSION MEETING AGENDA

Discussion	A revised agenda was distributed, as Executive Director Patricia Barney's name should not have been added as the presenter for Item 5a - Logo Discussion.
------------	---

ITEM 1c – ROLLING AGENDA FOR UPCOMING COMMISSION MEETINGS

Discussion	<p>The Executive Committee reviewed the revised agenda for the upcoming four months:</p> <p><u>September</u></p> <p>The Office of Inspector General policy draft will be shared with the Audit Committee in August. The policy will be presented to the Commissioners in September.</p> <p>No changes were recommended.</p>
------------	---

ITEM 2 – MINUTES

	<p>June 7, 2017, Executive Committee Minutes – accepted without changes.</p> <p>June 7, 2017, Executive Committee Closed Session Minutes – accepted without changes</p>
--	---

ITEM 3 – DISCUSSION/REPORTS/PRESENTATIONS

a) **Investment Report, April 2017 (Zimmerman)**

Secretary-Treasurer Zimmerman stated the current investment portfolio for May 2017 shows 0.95% earnings.

b) **Benefit Changes for 2018 (Spencer/McDonald)**

Health and Benefits Manager Jennifer McDonald presented recommendations for benefit plan changes for the 2018 calendar year. Details of the benefit changes were contained in the Executive Committee packet. Changes are summarized below.

▪ **Cost Sharing**

- **Park Police Fraternal Order of Police (FOP) (This item was for information only; it was not presented as a recommendation.)**

Pursuant to the tentative collective bargaining agreement between The Maryland-National Capital Park and Planning Commission and the Park Police Fraternal Order of Police Lodge No. 30, dated February 1, 2017, effective the first pay period after January 1, 2018, all officers covered by the agreement will contribute twenty-two percent (22%) of the cost of all medical, prescription and dental plans. The cost share for the vision plan will remain at twenty percent (20%).

- **Lowest Cost Medical Plan for Non-FOP**

The recommendation to phase in the increase in the employee cost share for the United Health Care Exclusive Provider Organization (UHC EPO) plan to 17.5% for 2018, then 20% for 2019, if it is not the lowest cost health plan, was supported by the Department Heads. The Department Heads agreed that the same procedure would be implemented for Kaiser Permanente because a significant number of employees are in the Kaiser Permanente plan.

▪ **Loss of Grandfathered Status (Information only)**

Ms. McDonald stated the changes must be implemented to comply with the Affordable Care Act.

▪ **UnitedHealthCare EPO Medicare Rates**

It was recommended the rates for the UHC EPO plan be unbundled for pre, and post Medicare retirees. This will afford some financial relief to Medicare eligible retirees who presently pay the same as non-Medicare eligible retirees. This will result in approximately a 1.8% increase for members under 65 in the EPO plan, and approximately a 17.8% reduction for retirees who are Medicare eligible. The decision was supported by the Executive Committee.

▪ **Durable Medical Equipment (DME)**

The recommendation is to increase the DME benefit under the UHC EPO plan from 50% to 100% to reduce the disparity in coverage with the other medical plans offered. This recommendation was supported by the Executive Committee.

▪ **Vision Plan**

The recommendation to offer "Easy Options" benefit to employees enrolled in the High Option, will provide a customizable benefit for a minimal increase in cost. This was supported by the Executive Committee.

▪ **Caremark Prescription Plan (Active employees and non-Medicare eligible retirees)**

Caremark representatives, Joni Lozano, Strategic Account Executive and Julie Younkin, Pharm. D, Clinical Advisor, participated in the discussion via telephone.

- **Transform Diabetes Care**

Ms. McDonald explained that Transform Diabetes Care is a comprehensive approach to care. She highlighted the most recent utilization statistics of the M-NCPPC's health care plan, and stated that the intent of the program is to lower costs (medical and prescription) and improve outcomes. Ms. McDonald noted the expected benefits from the program.

- Reduce the current antidiabetic drug trend of 15.5% to single digits;
- Potential savings on diabetes drug spend with an exclusive CVS Pharmacy network;
- Up to \$5,000 potential annual savings per member in medical care costs resulting from improved diabetes control;
- Up to 67% fewer complications;
- Reduce direct medical costs for members diagnosed with Diabetes up to 20%.

Recommendation – Offer the Transform Diabetes Care program to lower costs and improve the lives of members with diabetes. Ms. McDonald explained this was not fully supported by the Department Heads, as Diabetic employees must obtain their diabetic medications at CVS pharmacies (not just those participating in the program).

The Executive Committee approved the program with the caveat that the program success will be monitored for results, and that CVS does not require employees to upload their data.

▪ **Advanced Control Formulary for Non-Specialty Drugs**

Ms. McDonald provided an explanation of the Advanced Control Formulary for Non-Specialty Drugs. She shared that in 2016, an Advanced Controlled Specialty Formulary was implemented for specialty drugs. This program resulted in an annual savings of \$228,186. The average per member monthly cost for specialty drugs decreased, while the per member monthly cost for non-specialty drugs increased. Using an Advanced Control Formulary for non-specialty drugs will reduce the trend and per member monthly cost. The potential annual net savings is \$259,400, affecting 3.8% of members or 192 members.

The Advanced Control Formulary is a more stringent formulary where the more expensive brand name drugs are removed and there is another less costly brand alternative that has the same clinical effectiveness.

The Executive Committee as well as the Department Heads did not vote on this benefit. Vice-Chair Anderson anticipates a lengthy discussion on this topic at the Commission meeting. Caremark representatives will attend the Commission meeting to respond to Commissioners' questions.

▪ **EGWIP/Silver Script Prescription Plan (Medicare eligible retirees)**

- **Specialty Utilization Management**

Ms. McDonald noted that the recommendation to implement the Specialty Utilization Management program or the EGWP/SilverScript plan was supported by the Department Heads. The Executive Committee also supported the recommendation.

- **Standard Utilization Management**

Ms. McDonald noted that the recommendation to implement the Standard Utilization Management program for EGWP/SilverScript plan was supported by the Department Heads. The Executive Committee also supported the recommendation.

▪ **Employee Self Service**

Phase 1 of the Employee Self Service module for open enrollment changes was implemented for Central Administrative Services employees last year. Phase 2 will include all employees with current access to Infor/Lawson, and Phase 3 will include all remaining active employees, targeted for open enrollment for 2019. The Department Heads supported the recommendation. The recommendation to roll out Phase 2 of the ESS for open enrollment season was supported by the Executive Committee.

c) **Defined Contribution Pension Plans (Spencer/McDonald)**

Executive Director Barney explained that at the May 2016 Commission meeting, the Commissioners requested information on other agencies' experiences with defined contribution plans and the financial impact on existing defined benefit plans. Based on the results of a recent survey of local jurisdictions and the positive experience with the new pension Plan E, the Health and Benefits staff recommended there be no change to the current pension plan design. As Commissioner Dreyfuss, who made the initial inquiry will not be attending the July 20th Commission meeting, this agenda item will be moved to the September Commission meeting agenda.

d) **Policy Recommendation (Bennett/Beckham)**

Reconsideration of Adopted Policy on Reimbursement of Meals: Administrative Practice 3-10, Authorized Business Expenses (Travel, Lodging & Meals, Event/Meetings/Conferences, Etc.)

CPMO Manager Bennett and Policy Manager Michael Beckham presented a Department Heads' recommendation for reconsideration of one provision of Practice 3-10, which pertained to the reimbursement of business related meal expenses. The policy, which was last updated on October 5, 2016, does not permit an employee to request reimbursement of alternate/duplicate meals when one is already provided as part of the business event. That decision was based on initial input from Department Heads, Internal Audit, and Executive Committee.

Department Heads supported reconsideration of the October policy decision as some managers/departments felt continental breakfasts provided at business events are not always healthy or proper breakfasts, and therefore, employees should be allowed to request reimbursement for an alternate breakfast.

In its reconsideration of the policy, the Executive Committee shared its concerns and discussed the matter further with Department Heads. Department Heads stated they no longer supported a change in the policy. The Executive Committee decided to maintain the current policy, hence no further action is needed.

FOLLOW UP

- The Defined Contribution briefing will be added to the September 20, 2017, Commission meeting agenda.
- The Health and Benefits Office will ensure the follow up actions pertaining to the Transformation to Diabetes Cure program are implemented.

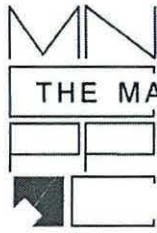
There being no further business to discuss, the meeting adjourned at 11:21 a.m.



Gayla Williams, Senior Management Analyst/
Senior Technical Writer



Patricia Colihan Barney, Executive Director



EXECUTIVE COMMITTEE MEETING

Minutes

September 11, 2017

On September 11, 2017, the Maryland-National Capital Park and Planning Commission’s Executive Committee met in the Executive Director’s conference room. Present were Chair Elizabeth Hewlett, Vice-Chair Casey Anderson, and Corporate Policy and Management Operations Division Chief Anju Bennett acting on behalf of Executive Director Patricia Barney. Also present were:

Department Heads

- Adrian Gardner, General Counsel
- Joe Zimmerman, Secretary-Treasurer
- Andree Checkley, Director, Prince George’s County Planning (left at 11:42 a.m.)
- Rose Krasnow, Deputy Director, Montgomery County Planning for Gwen Wright
- Mike Riley, Director, Montgomery County Parks
- Debbie Tyner, Acting Director, Prince George’s County Parks and Recreation

Presenters/Staff

- Mazen Chilet, Chief Information Officer
- John Kroll, Corporate Budget Manager
- William Spencer, Human Resources (HR) Director
- Michael Beckham, Policy Manager, CPMO
- Jennifer McDonald, Health and Benefits Manager
- Brian Coburn, Senior Management Analyst, CPMO
- Cynthia Henderson, Principal Human Resources Assistant
- Nathan Shearer, Intern, Policy Office, CPMO

The meeting convened at 9:40 a.m. Chair Hewlett welcomed Prince George’s County Parks and Recreation Acting Director Debbie Tyner to the meeting. Chair Hewlett stated that the Deputy Directors will be rotating in the Prince George’s County Parks and Recreation Director’s position until a Director has been appointed to that position.

ITEM 1a – APPROVAL OF EXECUTIVE COMMITTEE AGENDA

Discussion	There were no changes to the agenda.
------------	--------------------------------------

ITEM 1b – APPROVAL OF COMMISSION MEETING AGENDA

Discussion	General Counsel Gardner recommended moving Item 6e, Proposed Amendments to Practice 1-31, Organization and Functions of the Audit Committee and Office of the Inspector General, to be heard before Item 6d, Resolution #17-29, Amendment to M-NCPPC Employees’ Retirement System – Inclusion of the Inspector General to Plans B and E.
------------	--

ITEM 1c – ROLLING AGENDA FOR UPCOMING COMMISSION MEETINGS

Discussion	<p>The Executive Committee reviewed the agenda for the upcoming four months:</p> <p><u>October</u></p> <ul style="list-style-type: none"> • Remove Employment for People with Disabilities (keep in November). <p><u>November</u></p> <ul style="list-style-type: none"> • The One-Commission Holiday Event is scheduled for December 8th at Newton White Mansion.
------------	---

	<p><u>December</u></p> <ul style="list-style-type: none"> GFOA Budget Award will be moved to the October meeting agenda. Operating and Capital Budget Review should be listed as a Resolution for the Operating and Capital Budget. <p><u>January</u></p> <p>No changes to the agenda.</p>
ITEM 2 – MINUTES	
	July 14, 2017, Executive Committee Minutes – accepted without changes.
ITEM 4 – DISCUSSION/REPORTS/PRESENTATIONS	
	<p>At 9:50 a.m., Chair Hewlett requested a motion to move to closed session to discuss closed session Items 3a., 3b., 3c., 3d., 3e1 and 3e2. The votes were made in open session as noted below.</p> <p>Open session reconvened at 11:42 a.m.</p> <p>a. <u>Health Benefit Cost Share for Park Police Command Staff and Candidates, and Retirees in M-NCPPC ERS Plan C and Plan D (McDonald)</u> Following the discussion in closed session, the Executive Committee supported the recommendation, and its consideration by the Commission.</p> <p>b. <u>Open Enrollment and Benefit Plans Proposed Rates for 2018 (Spencer/McDonald)</u> Health and Benefits Manager Jennifer McDonald presented a memo outlining recommended changes in health plan rates for 2018. She explained rates were presented to the Department Heads; however, some recommendations were updated based on additional review of the group insurance fund. Ms. McDonald reviewed the recommendation to hold rates flat, except in cases where there was a decrease in costs, as that reduction would be reflected in the 2018 rates. The Executive Committee supported the recommendation and its presentation to the Commission for approval. Vice-Chair Anderson asked the team to consider whether other options for the implementation of rate changes are feasible.</p> <p>c. <u>Amendment to M-NCPPC Employees’ Retirement System Plan C – Purchase of Military Service – Pass Through to Park Police Command Staff and Candidates (Spencer)</u> Following discussion of the items in closed session, the Executive Committee supported the recommendation and presentation of a Resolution for Commission approval.</p> <p>d. <u>Amendment to M-NCPPC Employees’ Retirement System – Inclusion of Inspector General to Plans B and E (Gardner)</u> The plan amendment will reflect the newly created appointed position of the Inspector General and establish vesting at five years. A Resolution will be presented to the Commission for approval. The Executive Committee supported the recommendation and presentation of the Resolution at the Commission meeting.</p> <p>e. <u>Item 3e - Policy Recommendations: (Bennett/Beckham)</u></p> <p>1) <u>Practice 1-31, Audit Committee and the Office of Inspector General (Discussion of Open Session Item 4e1 – Open Session Packet)</u> Following the discussion in closed session, the Executive Committee supported the proposed policy updates which were made to comport with a new Maryland Statute. This Statute, effective October 1, establishes an Office of the Inspector General and an Audit Committee.</p> <p>2) <u>Practice 2-81, Commission Parking Area Privileges (Discussion of Open Session Item</u></p>

4e2 – Open Session Packet)

The existing policy communicates responsibilities for use of parking areas. The policy is being updated as part of the regular policy review schedule. Amendments clarify existing provisions and explain operational responsibilities. Amendments do not introduce any substantive policy changes; therefore, the Executive Committee adopted the proposed amendments.

f. CAS Cost Allocation – FY19 (Kroll)

Corporate Budget Manager John Kroll presented the updated labor cost percentages used to allocate CAS department budgets between Montgomery and Prince George's Counties for the FY 19 Proposed Budget. The Executive Committee supported the recommendation and its presentation to the Commission for approval.

g. Literacy Program Update (Bennett/Shearer)

Corporate Policy and Management Operations (CPMO) Division Chief Anju Bennett introduced Nathan Shearer, an intern on the policy team. She commended Ms. Dorsey and Mr. Shearer for their contributions. Chief Bennett and Mr. Shearer presented background on the program, which is administered by the Division, in partnership with the Literacy Council of Montgomery County and operating departments. Ms. Bennett thanked the leadership for their support of the program. Mr. Shearer briefed the Executive Committee on the annual assessment of the program, survey feedback received from program participants, and follow-up actions that will be taken to ensure continued success of the program. Mr. Shearer also reviewed information on career advancement statistics for participants in the program, stating the promotional rate was nearly double that of the general workforce.

h. Funding for ERP Version Upgrade (Chilet/Zimmerman)

Chief Information Officer (CIO) Mazen Chilet and Secretary Treasurer Joe Zimmerman presented a request for funding for the ERP Version Upgrade. They explained that the project upgrade from Infor (Lawson) V9 to Infor V10 is needed. A Request for Proposal is in the final stages to help select the consultant who will lead the upgrade. CIO Chilet reviewed the initial projected costs, but indicated these have been amended to address several components that had not initially been factored in—including implementation services, staffing resources needed to backfill positions that would be assigned to the upgrade, and workspace costs. He explained the agency will benefit from a number of additional enhancements from the upgrade. Secretary-Treasurer Zimmerman presented the total estimated cost to fund the ERP upgrade as \$2,092,000. After applying available existing funding sources, there was a funding shortfall of \$1,104,000. He recommended a budget amendment to address the shortfall.

With respect to the \$122,000 needed for office space rental, CPMO Chief Bennett explained that the team was also requesting the Executive Committee's support to use available fund balance in the EOB Internal Service Fund (ISF). This would be a temporary source, as the budget amendment would replenish funds taken from the EOB ISF. Vice-Chair Anderson suggested that office space be explored at existing M-NCPPC facilities, such as Shady Grove maintenance facility. CIO Chilet agreed to consider this location, as well as other locations.

Montgomery Parks Director Mike Riley shared concerns regarding the review of the project scope for the ERP upgrade. Montgomery Planning Deputy Director Krasnow explained that the project had been discussed somewhat at the IT Council. CIO Chilet further clarified that the IT Council had been advised; however, the funding needs had not been finalized at that time. Chair Hewlett and Vice-Chair Anderson requested a meeting with the CIO, Secretary-Treasurer Zimmerman and Executive Director Barney.

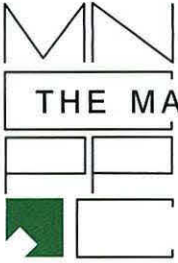
	<p>CIO Chilet was asked to provide a briefing on agency-wide IT initiatives, projected implementation dates, and expected outcomes.</p> <p>The Executive Committee approved the following recommendations:</p> <ol style="list-style-type: none"> 1. Consolidate and apply the presented, existing funding resources to the ERP version upgrade; 2. Present for the Commission's consideration, the use of a budget amendment to address the funding shortfall; and 3. Use of EOB ISF to assist with office lease space, if another suitable option cannot be located. <p>i. <u>Investment Report, July and August 2017 (For information only) (Zimmerman)</u> Secretary-Treasurer Zimmerman explained why the 3-month Treasury Bill yields are slightly below the benchmark.</p> <p><u>Item not listed on the agenda</u> Acting Director Debbie Tyner shared Directors are interested in coordinating an agency-wide effort to assist in hurricane relief. She received information from the Houston City Department of Parks and Recreation stating the agency prefers monetary donations due to the difficulty in transporting and distributing supplies. Ms. Tyner inquired how the M-NCPPC can contribute to the cause, suggesting that perhaps efforts can be coordinated through the Montgomery County Parks Foundation or the Prince George's County Parks and Recreation Foundation. During the Executive Committee discussion, some Directors also suggested working with the Red Cross. Chair Hewlett asked the Directors to research different avenues to provide assistance, and for the General Counsel's guidance. General Counsel Gardner will assist in determining appropriate entities with which to coordinate this effort.</p>
Follow up	<p><u>Item not listed on the agenda</u> General Counsel Gardner will assist the Directors in finding different options to provide assistance in the hurricane relief efforts. He will also help the Directors explore using the Foundations.</p>

There being no further business to discuss, the meeting adjourned at 12:53 p.m.


 Gayla Williams, Senior Management Analyst/
 Senior Technical Writer


 Anju Bennett, Division Chief, Corporate Policy and
 Management Operations for Patricia Colihan Barney,
 Executive Director

ITEM 6a





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

September 20, 2017

TO: The Maryland-National Capital Park and Planning Commission

VIA: Patricia C. Barney, ^{PC/AB} Executive Director
William Spencer, Human Resources Director 

FROM: Jennifer McDonald, Benefits Manager
Cynthia Henderson, Principal Benefits Specialist 

SUBJECT: Defined Contribution Pension Plans – Response to Commission Request for Information

Recommendation: Based on the results of the survey of local jurisdictions and the positive experience with the new pension Plan E, staff recommends no change to the current pension plan design. Per the July 1, 2016 Actuarial Valuation, the employer contribution as a percentage of pay is 7.6% for Plan E versus 17.6% for the closed Plan B resulting in the desired lower cost plan. In addition, the plan is well funded at 90% based on the actuarial value of assets and 84% based on the market value of assets. Although investment returns and experience changes impact the Employer Contribution rate, the new plan is resulting in lower pension costs.

Background

At the May 2016 Commission meeting, Boomershine Consulting prepared an educational session on Alternative Retirement Plan Approaches. (Attachment I for reference.) During the meeting, Commissioners requested information on other agencies' experiences with defined contribution plans (DC plans) and the financial impact on existing defined benefit plans (DB plans). Due to the Department of Human Resources and Management's work program demands, it was agreed that the information would be presented the following year. This presentation is in response to the request.

Currently, the Commission has two defined benefit pension plans that are open to new employees: Plan C for Park Police and Plan E for nonpolice. Plans A, B and D are closed to new hires. During calendar year 2012, the Commission considered various alternatives to reduce future pension costs. As a result of comprehensive analysis, the Commission adopted some changes to the existing pension plans impacting future earned service and established a new lower cost Defined Benefit Plan E for nonpolice hired on or after January 1, 2013. As of June 2016, approximately 20% of active employees are in Plan E.

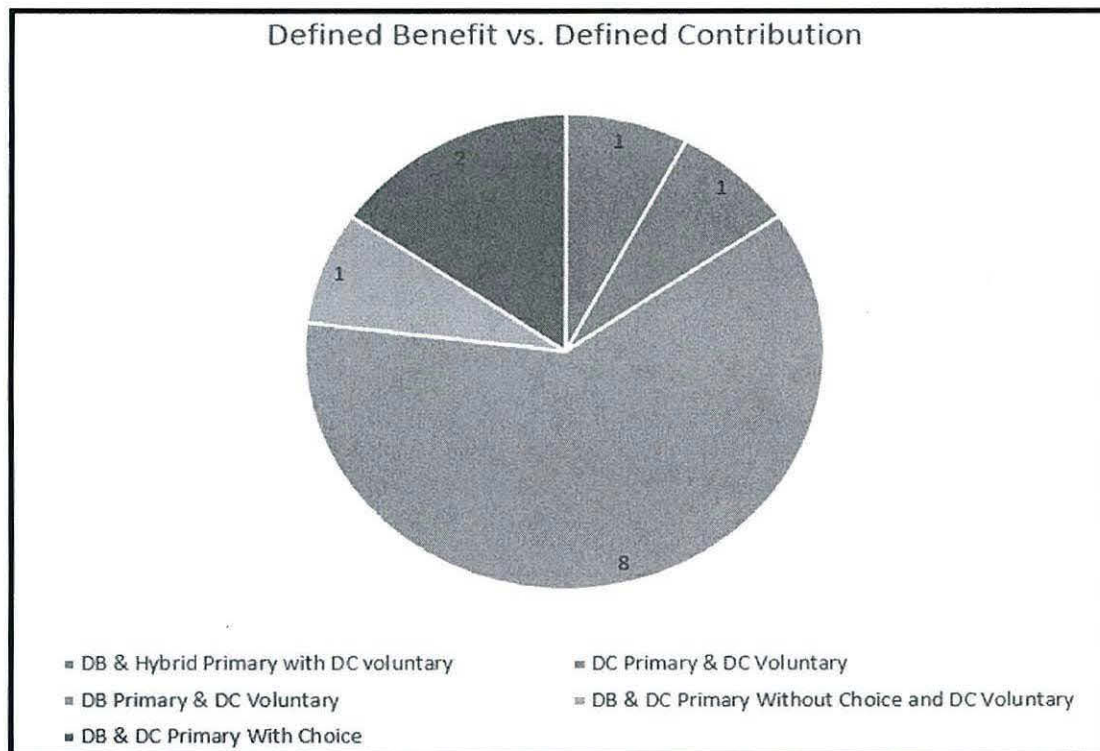
In January of 2017, Governor Larry Hogan announced the proposed State Retirement Choice Act for the 21st Century Workforce legislation. Under this plan an optional defined contribution plan would be created for new state employees, not including teachers. The goal of this plan would have been to mitigate the unfunded liability of the Maryland State Retirement & Pension System, which is projected to be \$20 billion at the end of this fiscal year. The proposal was not supported at the general assembly in April.

Results of Survey

The Commission requested a survey of local agencies to assess the types of retirement plans they offered. The attached survey (Attachment II) was sent to 42 local public/governmental agencies. Of the 42 agencies, 13 or 31% responded. The respondents were:

- Anne Arundel County Government
- Anne Arundel County Public Schools
- Arlington Public Schools
- DC Water
- Fairfax County Public Schools
- Fairfax Water
- Howard County Government
- Loudon County Government
- Montgomery College
- Montgomery County Government
- Montgomery County Public Schools
- Prince William County Government
- Washington Suburban Sanitary Commission

The results of the survey are noted in the following chart and in Attachment III:



Summary

- 8 Respondents (61%) offer a primary defined benefit plan and a voluntary defined contribution plan(s);
- 2 Respondents (15%) offer a choice between a primary defined benefit plan and primary defined contribution plan (Montgomery County Government and Montgomery College);
- 1 Respondent (8%) offers a primary defined benefit plan or primary hybrid plan and voluntary defined contribution plans (Prince William County Government);
- 1 Respondent (8%) offers both a primary defined benefit plan and a primary defined contribution plan without choice and voluntary defined contribution plans (Arlington Public Schools);
- 1 Respondent (8%) offers primary defined contribution plan and voluntary defined contribution plan (DC Water).

Most of the respondents, eighty-five percent (85%), did not offer employees a choice between a primary defined benefit plan and a primary defined contribution plan; as Governor Hogan is proposing under the State Retirement Choice Act for the 21st Century. Most of the respondents did offer a primary defined benefit plan and a voluntary defined contribution plan(s). Only two respondents (15%) offered both a primary defined benefit plan and primary defined contribution plan with choice for new hires; the alternative arrangement that Governor Hogan is proposing.



Educational Session

Alternative Retirement Plan Approaches

David Boomershine – Senior Actuary
May, 2016



Agenda

- Background – Retirement Plans
- Types of Retirement Plans
- Retirement Program Objectives
- Cost Volatility Issues
- Alternative Plan Designs – Case Study
- Retirement Benefit Comparisons
- Cost Comparisons
- Plan Comparison Summary
- M-NCPPC Termination Experience Summary
- Current Public Sector Plan Changes – Current Questions
- DB to DC Plan Transition Issues
- Other Current Issues

Background

Employers sponsor retirement plans – why?:

- Competitive
- Attract employees
- Tax break
- Reward employees/employee appreciation
- So employees can retire
- Contribute to society

Background

Ideal employer sponsored retirement program:

- Defined Benefit Plan (DB) – Base
- Defined Contribution Plan (DC) – Supplemental

Combined program provides blend of security, flexibility for employees

Types of Retirement Plans

- **Defined Benefit (DB) Plans**
 - Lifetime benefit based on formula
 - Career average pay plan (ex. 1.0% of pay for each year of service)
 - Traditional final average pay plan – recent significant issues (ex. 1.5% of 5-year final average pay times years of service)
 - Benefit accruals are “back loaded”
 - Public Sector – typically includes employee contributions, on a pre-tax basis
 - Employer has investment risk

Types of Retirement Plans

- **Defined Contribution (DC) Plans**
 - IRC Section 457 Deferred Compensation Plan
 - Employee and/or employer contributions
 - Account balances grow with contributions and investment income (gains and losses)
 - Employee has investment risk
 - Typical lump sum payout of account balance

Types of Retirement Plans

- **Hybrid Plans – Cash Balance (CB) Plans**
 - Hypothetical account balance grows with contributions and interest credits
 - Conversion to lifetime benefit at retirement
 - Lump sum can be paid out
 - DB plan with DC features
 - Benefit earned more evenly over career
 - Employer has investment risk

Note: in Public Sector, Hybrid Plan can also mean a combination of a DB Plan and a DC Plan

Types of Retirement Plans

- **General Plan Comparisons**

	DB Plans	DC Plans	Hybrid Plans Cash Balance
Lifetime retirement income	Yes	No	Yes
Retirement income determinable	Yes	No	Yes
Easy to understand	No	Yes	Mixed
Portable	No	Yes	Yes
Investment control and risk	Employer	Employee	Employer
Level of paternalism	High	Low	Mixed
Level of cost and liability volatility for Employer	High	None	Low

Retirement Program Objectives

- **Retirement Program Objectives Summary**
 - Primary Objectives
 - Competitive benefits
 - Affordable benefits – within financial structure/budget
 - Minimize cost and funding volatility
 - Maintaining current benefit levels, as much as possible, for current employees

Retirement Program Objectives

- Secondary Objectives
 - Creation of cost awareness and appreciation among employees
 - Attraction and retention of qualified personnel – especially certain skilled employees
 - Attaining maximum tax efficiency in delivering benefits
 - Encouraging benefit responsibility – employee sharing the cost of retirement financial security
 - Developing more choice – employee benefit control

Cost Volatility Issues – Pension Plans

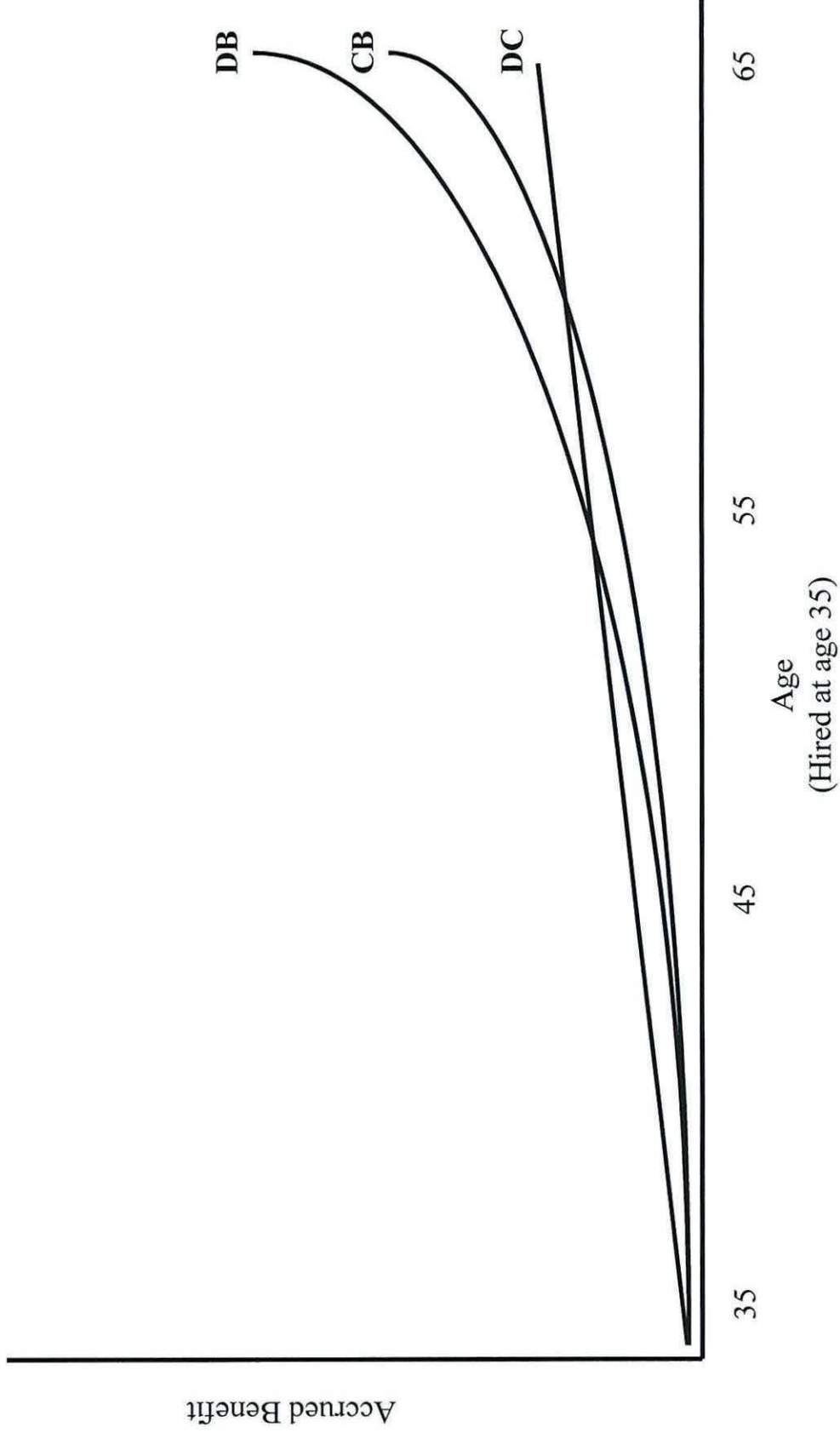
- **Cost Volatility Issues**
 - Concern about DB plan funding and accounting volatility due to fluctuations in:
 - Valuation interest rates; i.e. the interest rates used to value plan liabilities and costs to determine required cash contributions
 - Asset returns (i.e. Market Value of Assets); Plan costs and unfunded liabilities are directly affected as investment returns and asset values go up and down

Alternative Plan Designs-Case Study

Sample Plans:

- DB Plan: Benefit Formula = 1.5% times final average pay times service, up to 35 years
- DC Plan: Employer contribution formula = 7% of pay plus 50% match of employee's 1st 6% of pay savings
- CB Plan: Employer contribution credit = 10% of pay for each year of service

Typical Benefit Accrual Patterns



Retirement Benefit Comparisons

- Sample employees representing a cross-section of active plan population

Profile Employee	Attained Age	Accrued Service	Current Compensation
I	30	2	\$35,000
II	35	5	\$40,000
III	40	9	\$45,000
IV	45	12	\$50,000
V	50	14	\$55,000
VI	54	19	\$60,000

Retirement Benefit Comparisons

- Replacement Ratios: % of final pay replaced with lifetime pension benefits

Profile Employee	Attained Age	Accrued Service	Current Compensation	DB Plan	DC Plan	CB Plan
I	30	2	\$35,000	51%	38%	42%
II	35	5	\$40,000	51%	38%	42%
III	40	9	\$45,000	49%	36%	39%
IV	45	12	\$50,000	46%	34%	37%
V	50	14	\$55,000	41%	30%	33%
VI	54	19	\$60,000	43%	33%	36%

Actuarial Assumptions:

- Mortality: RP2000 Table
- Interest: 6%

Cost Comparisons

Employer Cost - As a % of payroll:

- DB Plan 8.5%
- DC Plan 9.0%
- CB Plan 8.0%

Montgomery County Retirement Plan

New Employee has choice of 2 plans:

- Retirement Savings Plan (RSP) – a DC plan
 - Employee contributions: 4% of pay + 8% of pay over SSWB
 - Employer contributions: 8% of pay
 - Benefit Payments: Lump Sum, installments, annuity from ERS or open market
- Guaranteed Retirement Income Plan (GRIP) – a CB plan
 - Employee contributions: same as above
 - Employers contribution credits: 8% of pay
 - Interest credits – 7.25% annual rate
 - Benefit Payments: Lump Sum or annuity options from plan

Plan Comparison Summary

Conclusions of Case Study:

- For similar long-term plan costs, traditional DB plans provide about 130% of lifetime benefits provided by DC plans
- Other studies claim traditional DB plans provide up to 150% more in benefits for the same cost vs. DC plans
- Career average DB plans provide about 20% more in benefits for the same cost vs. DC plans

Plan Comparison Summary

DB Plans are the most cost efficient method to deliver retirement benefits

Why are DB plans more cost efficient?

- Reward long service – back loading due to final average pay
- Forfeitures remain in plan – more with DB plans
- Younger terminations – similar to forfeitures

***M-NCPPC Employee Termination Experience Summary
FY 2006 through FY 2016 (YTD)****

Years of Service

	0 - 5	5 - 10	10 - 15	15+	Total
Incoming Transfers	44	20	10	8	82
Outgoing Transfers	10	4	3	1	18
Withdrawals	311	65	24	19	419
Total Amount (\$ in thousands)	\$789	\$697	\$345	\$465	\$2,296
Rollovers	94	15	2	0	111
Total Amount (\$ in thousands)	\$414	\$190	\$49	\$0	\$653

*Thanks to Andrea Rose and her Staff.

Current Public Sector Plan Changes

Current Questions:

- Not enough cost reduction?
- Cost/liability volatility concerns remain; especially vs. Private Sector?
- Future of economy?
- Changing workforce?
- More changes coming?

DB to DC Transition Issues

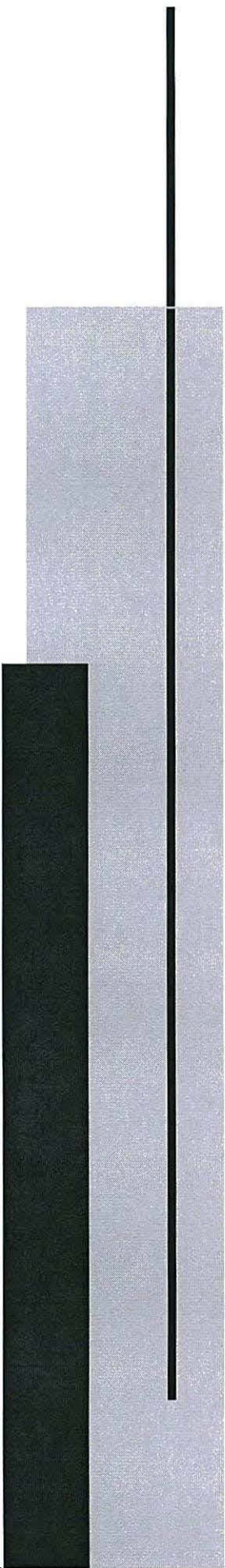
If converting from DB plan to DC plan, the following issues must be addressed:

- Preservation of Accrued Benefits
 - Projected Benefits?
- DC Plan – better replacement of DB benefit
 - Not match only
 - Not flat employer contribution
 - Service based employer contribution schedule
 - Example:

<u>Years of Service</u>	<u>Contribution %</u>
<5	3.5%
5 -10	4.5%
10 – 15	6.0%
15 +	8.0%
 - Count past service
 - Add Match?
- Employee communications/education
 - Announcements/other print materials
 - Benefit comparison statements
 - Employee meetings

Other Current Issues

- Comparison vs. Private Sector Plans
- Taxpayer concerns
 - DB plans
 - OPEB plans
- Union reactions
- Capping employer contribution commitment?
- No COLA's – DC plans



Questions?

ATTACHMENT II
 THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 DEFINED CONTRIBUTION AND DEFINED BENEFIT PLAN SURVEY

1	<p>Do you currently offer both a Defined Benefit Plan and a Defined Contribution Plan as the primary retirement program for employees? <input type="text"/></p> <ul style="list-style-type: none"> - If you currently offer both Plans, proceed to the next question. - If you do not currently offer both Plans, you have completed the survey. <p>Thank you for your participation.</p>
2	<p>Do employees have a choice between participating in either the Defined Contribution Plan or Defined Benefit Plan? <input type="text"/></p> <ul style="list-style-type: none"> - If your answer is yes, proceed to the next question. - If your answer is no, you have completed the survey. <p>Thank you for your participation.</p>
3	<p>When a choice between the two plans was initially offered, were employees allowed to switch from the Defined Benefit Plan to the Defined Contribution Plan? <input type="text"/></p> <p>If so, approximately what percentage of employees in the Defined Benefit Plan moved to the Defined Contribution Plan? <input type="text"/></p>
4	<p>After the initial offering of both Plans, was there any financial impact to the Defined Benefit Plan? <input type="text"/></p>
5	<p>When do employees make a choice between the two plans (New Hire, Open Enrollment, etc.)? <input type="text"/></p>
6	<p>Please specify what type of Defined Contribution Plan is offered? <input type="text"/></p>
7	<p>Do you allow loans from your Defined Contribution Plan? <input type="text"/></p>
8	<p>How many employees work for your company? <input type="text"/></p>
9	<p>How many employees are eligible to participate in each plan?</p> <p>Defined Contribution Plan <input type="text"/></p> <p>Defined Benefit Plan <input type="text"/></p>
10	<p>What percentage of eligible employees participate in each plan?</p> <p>Defined Contribution Plan <input type="text"/></p> <p>Defined Benefit Plan <input type="text"/></p>
11	<p>If readily available, what is the average age and average length of service of participants in each plan?</p> <p>Defined Contribution Plan: Age <input type="text"/> Length of Service <input type="text"/></p> <p>Defined Benefit Plan: Age <input type="text"/> Length of Service <input type="text"/></p>

ATTACHMENT II
 THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 DEFINED CONTRIBUTION AND DEFINED BENEFIT PLAN SURVEY

12	What is the Employer Contribution to each plan? Defined Contribution Plan <input style="width: 100px;" type="text"/> Defined Benefit Plan <input style="width: 100px;" type="text"/>															
13	What is the Employee Contribution to each plan? Defined Contribution Plan <input style="width: 100px;" type="text"/> Defined Benefit Plan <input style="width: 100px;" type="text"/>															
14	What is the vesting schedule for each plan? Defined Contribution Plan <input style="width: 100px;" type="text"/> Defined Benefit Plan <input style="width: 100px;" type="text"/>															
15	If readily available, when employees separate, other than at retirement, what percentage cash out their funds, leave their funds in the plan until a later date, or roll over their funds to an IRA or their new employer's plan? <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 20%;">Cash Out</th> <th style="width: 20%;">Leave Funds</th> <th style="width: 20%;">Roll Over</th> <th style="width: 20%;">Transfer</th> </tr> </thead> <tbody> <tr> <td>Defined Contribution</td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> </tr> <tr> <td>Defined Benefit</td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> <td><input style="width: 80px;" type="text"/></td> </tr> </tbody> </table>		Cash Out	Leave Funds	Roll Over	Transfer	Defined Contribution	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	Defined Benefit	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>
	Cash Out	Leave Funds	Roll Over	Transfer												
Defined Contribution	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>												
Defined Benefit	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>	<input style="width: 80px;" type="text"/>												
Name: <input style="width: 95%;" type="text"/>																
Organization: <input style="width: 95%;" type="text"/>																
Phone Number: <input style="width: 250px;" type="text"/> Email: <input style="width: 250px;" type="text"/>																
***Thank you for participating in this survey.																

Attachment III

M-NCPPC Survey Responses - Defined Benefit Plan and Defined Contribution Plan Offerings

	Retirement Plan Offerings
1. Anne Arundel County	Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).
2. Anne Arundel Public Schools	Defined Benefit plan primary. Defined Contribution plans voluntary-403(b) and 457(b).
3. Arlington Public Schools	Offers both a Defined Benefit plan and a Hybrid plan as primary; no choice. Defined Contribution plans voluntary-403(b) and 457(b).
4. DC Water	Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).
5. Fairfax Water	Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).
6. Fairfax County Public Schools	Defined Benefit plan primary. Defined Contribution plans voluntary-403(b) and 457(b) and Hybrid plan.
7. Howard County Government	Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).
8. Loudon County Government	Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).
9. Montgomery County Government	Choice between primary Cash Balance Defined Benefit plan or primary Defined Contribution plan (401(a)) at time of hire. <ul style="list-style-type: none"> • Financial Impact - Not Applicable • Enrollment: 79% (Cash Balance Defined Benefit plan) 21% (Defined Contribution plan)
10. Montgomery County Public Schools	Defined Benefit plan primary. Defined Contribution plans voluntary-403(b) and 457(b).
11. Montgomery College	Only certain employees (FT Faculty, Administrators and Professionals) have a choice between a primary Defined Benefit plan and a primary Defined Contribution plan (403(b)) at time of hire. Additional voluntary Defined Contribution plans available-403(b) and 457(b). <ul style="list-style-type: none"> • When choice was initially offered, employees could switch from the Defined Benefit plan to the Defined Contribution plan. 5% in Defined Benefit plan moved to Defined Contribution plan. • After the initial offering, there was no financial impact to Defined Benefit plan.

Attachment III

<p>Montgomery College (continued)</p>	<ul style="list-style-type: none"> • After the initial offering, there was no financial impact to Defined Benefit plan. • Enrollment: 62% (Defined Benefit plan) 38% (Defined Contribution Plan)
<p>12. Prince William County Government</p>	<p>Defined Benefit plan or Hybrid primary without choice. Plan enrollment based on date of hire and prior participation in the Virginia State Retirement System (VSR) plan. Defined Contribution plans voluntary-401(a) and 457(b).</p>
<p>13. WSSC</p>	<p>Defined Benefit plan primary. Defined Contribution plan voluntary-457(b).</p>

AUDIT COMMITTEE ACTIVITY REPORT

FY2017 (July 1, 2016 – June 30, 2017)

Prepared by the Audit Committee for the Commission Chair and Vice-Chair, and
Submission to the Full Commission

Report Date: September 20, 2017

Audit Committee Members (FY17):

Dorothy Bailey, Prince George's County Planning Board
Norman Dreyfuss, Montgomery County Planning Board
Karen Tobat, Public Member

INTRODUCTION

The Audit Committee serves as a forum, separate from management, in which auditors and other interested parties may identify and discuss concerns related to financial reporting and internal controls.

Maryland-National Capital Park and Planning Commission (M-NCPPC) Practice No. 1-31, *Organization and Functions of the Audit Committee*, governs the establishment, composition and function of the Audit Committee. The Practice also requires the Audit Committee to submit the following annual reports:

- A written report that addresses how the Committee discharged its duties and met its responsibilities.
- A summary of significant audit findings as prepared by the Internal Auditor.
- Evaluation of the adequacy of internal controls; the agency's adherence to financial regulations/policies; and any other significant concerns/complaints that were filed with or identified by the Audit Committee.

The Audit Committee hereby submits its written annual report of our activity and findings for fiscal year 2017 (July 1, 2016 – June 30, 2017) per the requirements detailed above.

DISCHARGE OF DUTIES

Audit Committee Meetings and Communications

The Audit Committee (AC) is required to hold at least four meetings during each year to discuss proposed audits and investigations. For FY17, the AC met four times: October 21, 2016, January 20, 2017, April 26, 2017, and June 21, 2017. The first three meetings were held via teleconference; the June meeting was held in person at the Montgomery Regional Office, Silver Spring, MD. The Chief Internal Auditor issues an agenda and maintains meeting minutes for these meetings.

In addition to the quarterly meetings, the AC meets as needed, mornings of the M-NCPPC bi-county Commission meetings. Other participants (e.g. Secretary-Treasurer, Legal Counsel, Chief Internal Auditor and/or External Auditor) participate as needed.

Internal Auditor

The Audit Committee provides technical and substantive oversight and direction for the internal audit program lead by Ms. Renee Kenney, Chief Internal Auditor.

Review and Approval of Internal Audit Plan – On June 3, 2016, the AC formally approved the FY17 Audit Plan submitted by Ms. Kenney¹. The results of the Commission wide risk assessment/interviews were used to develop the plan.

¹ On June 21, 2017, the AC formally approved by FY18 Audit Plan.

External Auditors

The Audit Committee is responsible for appointment, compensation, retention, and oversight of the work of any external auditor engaged for the purpose of performing independent audit services, reviews or attest services.

- Each fiscal year, the Office of the Secretary-Treasurer submits a Comprehensive Annual Financial Report (CAFR), in accordance with the Land Use Article of the Annotated Code of Maryland. In conjunction with the CAFR, State statute requires an annual audit by independent certified public accountants. The Commission selected the accounting firm of SB & Company to complete the FY17 external review (year 2 of a 5 year contract). The following meetings were held with the external auditors:
 - July 20, 2016 – (scope and objective of the FY16 Audit)
 - December 21, 2016 – (results of FY16 Audit)
 - June 21, 2017 – (scope and objective of FY17 Audit)

- As required per House Bill 675 (2015 Legislative Session) the Maryland State Office of Legislative Audits (OLA) was required to conduct a performance audit evaluating the Commission's project management practices with respect to its capital program in Prince George's County. The external audit commenced in March 2016 and to date, is still in progress. A closing meeting was held on May 3, 2017 with OLA to discuss the preliminary findings and recommendations. Next steps include OLA's issuance of a draft report and submission of final Commission responses to the recommendations. The AC asked Ms. Kenney to inform them of any significant audit findings.

SUMMARY OF SIGNIFICANT AUDIT FINDINGS

The Chief Internal Auditor submitted the Office of Internal Audit's (OIA's) Fiscal Year 2017 Annual Report to the Audit Committee on July 6, 2017. Per the report:

The OIA relies on the auditor's professional judgment when assigning risk ratings (high, medium, or low) to individual audit findings. A high risk rating indicates a deficiency in the design or operation of an internal control procedure(s) that could adversely affect an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and recorded on a timely basis.

If the overall control environment for the unit or process being audited requires management's immediate attention, details of the deficiencies are included in the "Major Audit Concerns" section of the report.

For FY17 the OIA completed 19 Performance Audits and 11 Fraud, Waste, and Abuse reviews. During the completion of these audits, the OIA identified 52 high risk audit findings; and 13 of the audit reports included a major audit concern. The Commission members to be provided additional details, under separate cover, addressing these findings.

Also per the OIA, the following high risk audit findings appear to be pervasive throughout the Commission:

- Lack of managerial oversight
- Cash handling (program receipts and customer deposits)
- Inaccurate time cards
- Lack of controls over controlled assets

FRAUD, WASTE, AND ABUSE (FWA) REVIEWS

In FY17, the OIA completed eleven (11) FWA reviews. Eight of the 11 reviews contained a conclusion of fraud, waste, or abuse. The Commission members to be provided additional details, under separate cover, addressing these reviews.

ADEQUACY OF INTERNAL CONTROLS

Per the Office of Internal Audit's Fiscal Year 2017 Annual Report to the Audit Committee:

It is the opinion of the Chief Internal Auditor that the internal control systems and processes for the Commission's fiscal, operational, and information technology (IT) activities and applications/systems are effective.

Based on our review of the audit reports and discussions with Commission personnel, the AC agrees with the Chief Internal Auditor's assessment of the adequacy of the Commission's internal control structure.

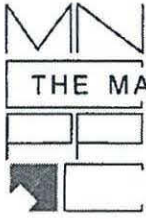
OTHER CONCERNS AND COMPLAINTS

As part of our reporting requirements, the AC is required to advise the Commission Chair and Vice-Chair of any Committee concerns arising from any audit/investigation reports. No additional concerns were raised in FY17.

CONCLUSION

The Audit Committee once again recognizes continued compliance with existing policies and timely corrective action by management in response to the audit findings. M-NCPPC's leaders at all levels (i.e. executive through division management) continue to demonstrate their commitment to hold themselves as financial stewards for the Commission.

ITEM 6c



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue • Riverdale, Maryland 20737

M-NCPPC
Resolution 17-28

AMENDMENTS TO MARYLAND-NATIONAL CAPITAL PARK AND PLANNING
COMMISSION EMPLOYEES' RETIREMENT SYSTEM– PURCHASE OF MILITARY
SERVICE – PASS THROUGH TO PARK POLICE COMMAND STAFF AND CANDIDATES
IN PLAN C

WHEREAS, the Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS) was established effective July 1, 1972 and amended from time to time; and

WHEREAS, the ERS currently consists of four (5) plans, Plans A, B, C, D and E; and

WHEREAS, Section 3 of the Plan Document reserves the right of the Maryland-National Capital Park and Planning Commission (Commission), as plan sponsor, to amend any or all of the provisions of the Plans from time to time, provided that, no amendments shall adversely affect benefits that have accrued prior to the effective date of any such amendments; and

WHEREAS, the Commission's Management Bargaining Team successfully negotiated changes to the retirement Plan C for employees represented by the Fraternal Order of Police, Lodge Number 30 (FOP); and

WHEREAS, the Commission ratified all those certain changes to the retirement Plans for Resolution 17-26, *Adoption of Amended Collective Bargaining Agreement with the Fraternal Order of Police Lodge No. 30*, on June 21, 2017; and

WHEREAS, Park Police Command Staff and Park Police Candidates are non-represented Merit System employees, not subject to the Agreement;

WHEREAS, the Commission desires to maintain retirement benefit parity between its Park Police Officers and Park Police Command Staff and between its Park Police Candidates and Park Police Officers; and

WHEREAS, the Commission desires to memorialize and adopt the amended terms of Plan C for both FOP represented employees and unrepresented Park Police Command Staff and Park Police Candidates.

NOW THEREFORE, BE IT RESOLVED, that the Maryland-National Capital Park and Planning Commission does hereby modify the Plan C as follows:

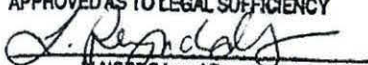
1) Park Police Officers, Candidates and Command Staff who participate in Plan C will be allowed a one-time option to purchase up to two (2) years of credited service for prior U.S. military service;

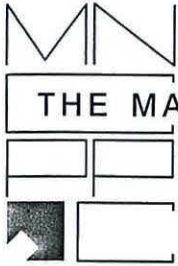
a) Park Police Officers, Candidates and Command Staff currently participating in Plan C and hired prior to July 1, 2017 will have the option to purchase credited service either during the period from the effectiveness of the amendment to February 1, 2018 or during the window 60 to 31 days immediately prior to the date of actual retirement; and

b) Park Police Officers, Candidates and Command Staff hired after July 1, 2017, who enter Plan C, will have a one-time option to purchase credited service either within 45 days of hire, 45 days of the effectiveness of the amendment (if hired prior to the effectiveness of the amendment) or during the window 60 to 31 days immediately prior to the date of actual retirement;

2) Participants of Plan C who elect to purchase credited service pursuant to these terms are required to pay to ERS one hundred percent (100%) of the full cost (as determined by ERS' actuaries) of the credited service; and

3) Participants of Plans C are required to pay the cost of the actuarial calculations if, after requesting the calculation, the Participant does not elect to purchase the additional credited service.

APPROVED AS TO LEGAL SUFFICIENCY

M-NCP&C Legal Department
Date 9/14/2017




ITEM 6d


THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

September 20, 2017

TO: The Maryland-National Capital Park and Planning Commission

VIA: Patricia C. Barney, ^{PD/AB} Executive Director
William Spencer, Human Resources Director. 

FROM: Jennifer McDonald, Benefits Manager 

SUBJECT: Open Enrollment and Benefit Plans Proposed Rates for 2018

Requested Action

Approve the recommended rates for the 2018 benefit plans. The Executive Committee and Department Heads supported the recommendations as presented.

Background

AON Hewitt Consulting calculated rate changes for the agency's self-insured medical and prescription plans. They also facilitated rate renewals for the agency's fully-insured plans. After reviewing the net income gains in the group insurance fund over the last few fiscal years we are recommending that rates be held flat where increases are calculated and pass on all decreases in rates.

Self-Insured Plans

Rates for the agency's self-insured medical and prescription plans were calculated incorporating the following:

- Enrollment and plan utilization for the most recent 12 months, ending June 30, 2017;
- General health care and prescription drug trends;
- Plan design changes;
- Change in stop loss insurance;
- Loss of grandfathered status in compliance with the Affordable Care Act;
 - Preventive care and certain prescriptions paid at 100%;
- Changes in large claim activity for the UnitedHealthcare plans; and
- Overhead expenses from our group insurance fund.

Details of The Medical and Prescription Rates as Originally Calculated

Premium changes range from a decrease of 15.8% to an increase of 4.9% for an overall decrease of 2%. The details for each plan are as follows:

- Caremark Prescription – 3.8% increase
 - Updated pricing terms;
 - Loss of grandfathered status;
 - Increase in prices of drugs;
 - Trends based on Aon’s Trend model and utilization.

- UnitedHealthcare Exclusive Provider Organization (UHC EPO) – 4.8% increase
 - Increase in large claim activity;
 - Developed a separate rate for Medicare eligible retirees;
 - Loss of grandfathered status;
 - Trends based on Aon’s Trend model and utilization.
 - Increase in individual stop loss point;

- UHC EPO Medicare Eligible – 15.8% **decrease**
 - Developed a separate rate for Medicare eligible retirees.

- UnitedHealthcare Point of Service (UHC POS) – 9.9% **decrease**
 - Reduced claims utilization;
 - Decrease in large claim activity;
 - Increase in individual stop loss point.

- UnitedHealthcare Medicare Complement – 6.6% **decrease**
 - Decreased utilization;
 - Increased enrollment;
 - Increase in individual stop loss point.

- Kaiser Permanente with Prescription – 4.9% increase
 - Kaiser is a fully insured plan;
 - Rates are determined by the carrier;
 - Medical and prescription coverage are bundled under one premium;
 - Kaiser’s rates are the lowest therefore the cost share will remain at 15% for employees.

- Kaiser Permanente Medicare Complement with Prescription – 3% increase
 - Kaiser is a fully insured plan;
 - Rates are determined by the carrier;
 - Medical and prescription coverage are bundled under one premium.

Stop Loss Insurance Levels

Stop loss insurance protects the agency from the financial impact of high dollar claims incurred under the self-insured plans. The individual stop loss point is currently at \$275,000. This means that any claims incurred over this amount by any individual member is paid by the insurance carrier, not the agency.

Based on our history of high dollar claims, only two claims met or exceeded the \$275k threshold in the past three calendar years, and the fact that our Group Insurance Fund can withstand a higher risk of catastrophic claims, the recommendation is to increase the individual stop loss from \$275k to \$400k. This will result in premium savings of \$810,281. AON Hewitt Consulting has advised that the increase is reasonable for a group of the agency's size and history of high dollar claims. The savings from the increase in the stop loss point are reflected in the self-insured medical premiums.

Other Fully Insured Benefit Plans

Under fully-insured plans, the insurance company bears the entire risk of claims and underwrites the premiums. The agency cannot unilaterally adjust these premiums.

Vision Plan – No Change

Vision Service Plan had originally quoted a rate increase of 5% for the single coverage level of the high option plan for the enhanced "EasyOptions" benefit. They have agreed to keep rates flat for 2018. Current employee bi-weekly premiums range from 36 cents (single low option) to \$9.70 (family high option) per pay, depending on option selected and level of coverage.

Dental Plan – 8.2% increase

The 2018 dental rates are increasing by 8.2%, based on moving to United Concordia Companies Incorporated (UCCI's) largest preferred provider organization (PPO) network, the ElitePlus. There will be no provider disruption to members. Biweekly premiums will increase by 29 cents for single coverage, 57 cents for two-member coverage and 85 cents for family coverage.

Life and Disability Plans – No Change

Long Term Disability, Life and Accidental Death & Dismemberment (AD&D) rates remain flat for 2018.

- Life premium is \$0.204 per \$1,000 of coverage, with an 80% ER/20% EE cost share.
- AD&D premium is \$0.025 per \$1,000 of coverage, with an 80% ER/20% EE cost share.
- Long term disability premium for Fraternal Order of Police (FOP) is \$2.13 per \$100 of covered benefit and is paid 100% by the member.
- Long term disability premium for all others is \$1.44 per \$100 of covered benefit and has an 80% ER/20% EE cost share.

Recommendations

After Aon Hewitt presented the rate changes, a discussion followed regarding the group insurance fund and the net income gains over the last few fiscal years. The fund continues to grow and is adequately funded to absorb increases not passed on to employees.

Staff recommends adopting the fully insured rates as presented, but recommends keeping rates flat where increases are projected and pass on the full decreases for the self-insured rates. The recommendations for the 2018 calendar year rates and premiums are as follows:

Self-Insured Rates

- Keep the rates flat for the prescription plan rather than increase by 3.8%;
- Keep the rates flat for the UHC EPO plan rather than increase by 4.8%;
- Reduce the UHC EPO Medicare rates by 15.8%;
- Reduce the rates for the UHC POS plan by 9.9%;
- Reduce the rates for the UHC Medicare Complement plan by 6.6%;
- Increase the individual stop loss for the UHC plans to \$400,000;
- Keep the aggregate stop loss for the UHC plans at 125% of projected claims.

Fully Insured Premiums

- Approve the 4.9% premium increase for the Kaiser Permanente HMO;
- Approve the 3.0% premium increase for the Kaiser Permanente Medicare Complement;
- Approve the 8.2% premium increase for the United Concordia Dental;
- Approve the 0% premium increases for;
 - The Cigna “Advice to Pay” for the Sick Leave bank;
 - The CIGNA Long Term Disability plans;
 - The Minnesota Life Insurance and AD&D;
 - The Vision Service Plan.

See attachments for 2018 rate changes:

Attachment A – Park Police Officers in FOP Union

Attachment B – Municipal and County Government Employees Organization (MCGEO),
Non- Union Represented and Contract Employees

Attachment C – Retirees

Park Police Officers Bi-Weekly Premium Changes Effective January 1, 2018

SINGLE COVERAGE						
Plan	Full 2017 Monthly Rate	Full 2018 Monthly Rate	2017 Bi- Weekly Employee Rate	2018 Bi- Weekly Employee Rate	% Change	\$\$ Change
Caremark Prescription	\$202.00	\$202.00	\$18.64	\$20.51	10.0%	\$1.87
Kaiser Permanente HMO with Prescription	\$503.93	\$528.62	\$46.51	\$53.68	15.4%	\$7.17
Kaiser Permanente Medicare Complement	\$300.30	\$309.31	\$27.72	\$31.41	13.3%	\$3.69
UnitedHealthcare Choice Plus POS	\$566.00	\$510.00	\$52.24	\$51.78	-0.9%	-\$0.46
UHC Medicare Complement Plan	\$278.00	\$260.00	\$25.66	\$26.40	2.9%	\$0.74
UnitedHealthcare Select EPO	\$442.00	\$442.00	\$40.80	\$44.88	10.0%	\$4.08
United Concordia Dental	\$37.67	\$40.76	\$3.47	\$4.14	19.3%	\$0.67
Vision Service Plan - Low	\$3.90	\$3.90	\$0.36	\$0.36	0.0%	\$0.00
Vision Service Plan - Moderate	\$6.94	\$6.94	\$1.77	\$1.77	0.0%	\$0.00
Vision Service Plan - High	\$10.13	\$10.13	\$3.24	\$3.24	0.0%	\$0.00
TWO-MEMBER COVERAGE						
Caremark Prescription	\$404.00	\$404.00	\$37.29	\$41.02	10.0%	\$3.73
Kaiser Permanente HMO with Prescription	\$1,007.85	\$1,057.23	\$93.03	\$107.35	15.4%	\$14.32
Kaiser Permanente Medicare Complement	\$600.60	\$618.62	\$55.44	\$62.82	13.3%	\$7.38
UnitedHealthcare Choice Plus POS	\$1,132.00	\$1,020.00	\$104.49	\$103.57	-0.9%	-\$0.92
UHC Medicare Complement Plan	\$556.00	\$520.00	\$51.32	\$52.80	2.9%	\$1.48
UnitedHealthcare Select EPO	\$884.00	\$884.00	\$81.60	\$89.76	10.0%	\$8.16
United Concordia Dental	\$75.33	\$81.50	\$6.95	\$8.28	19.1%	\$1.33
Vision Service Plan - Low	\$7.83	\$7.83	\$0.72	\$0.72	0.0%	\$0.00
Vision Service Plan - Moderate	\$13.89	\$13.89	\$3.52	\$3.52	0.0%	\$0.00
Vision Service Plan - High	\$20.27	\$20.27	\$6.46	\$6.46	0.0%	\$0.00
FAMILY COVERAGE						
Caremark Prescription	\$606.00	\$606.00	\$55.94	\$61.53	10.0%	\$5.59
Kaiser Permanente HMO with Prescription	\$1,511.78	\$1,585.85	\$139.55	\$161.03	15.4%	\$21.48
Kaiser Permanente Medicare Complement	\$900.90	\$927.93	\$83.16	\$94.22	13.3%	\$11.06
UnitedHealthcare Choice Plus POS	\$1,698.00	\$1,530.00	\$156.74	\$155.35	-0.9%	-\$1.39
UHC Medicare Complement Plan	\$834.00	\$780.00	\$76.98	\$79.20	2.9%	\$2.22
UnitedHealthcare Select EPO	\$1,326.00	\$1,326.00	\$122.40	\$134.64	10.0%	\$12.24
United Concordia Dental	\$113.00	\$122.26	\$10.43	\$12.42	19.0%	\$1.99
Vision Service Plan - Low	\$11.73	\$11.73	\$1.08	\$1.08	0.0%	\$0.00
Vision Service Plan - Moderate	\$20.84	\$20.84	\$5.28	\$5.28	0.0%	\$0.00
Vision Service Plan - High	\$30.41	\$30.41	\$9.70	\$9.70	0.0%	\$0.00

NOTES:

1. Rates reflect change in cost share from 20% to 22% and the various rate increases, except for the vision plan.
2. Employer's contribution for the vision plan is 80% of low option premium for all three options.

**MCGEO, Non-Represented and Contract Employee Bi-Weekly Premium
Changes Effective January 1, 2018**

SINGLE COVERAGE						
Plan	Full 2017 Monthly Rate	Full 2018 Monthly Rate	2017 Bi- Weekly Employee Rate	2018 Bi- Weekly Employee Rate	% Change	\$\$ Change
Caremark Prescription	\$202.00	\$202.00	\$13.98	\$13.98	0.0%	\$0.00
Caremark Prescription - Contract	\$202.00	\$202.00	\$32.63	\$32.63	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$503.93	\$528.62	\$34.88	\$36.59	4.9%	\$1.71
Kaiser Permanente - Contract	\$503.93	\$528.62	\$81.40	\$85.39	4.9%	\$3.99
Kaiser Permanente Medicare Complement	\$300.30	\$309.31	\$27.72	\$28.55	3.0%	\$0.83
UnitedHealthcare Choice Plus POS	\$566.00	\$510.00	\$52.24	\$47.07	-9.9%	-\$5.17
UHC Medicare Complement Plan	\$278.00	\$260.00	\$25.66	\$23.97	-6.6%	-\$1.69
UnitedHealthcare Select EPO *	\$442.00	\$442.00	\$30.60	\$35.70	16.7%	\$5.10
UHC Select EPO - Contract	\$442.00	\$442.00	\$71.40	\$71.40	0.0%	\$0.00
United Concordia Dental	\$37.67	\$40.76	\$3.47	\$3.75	8.2%	\$0.28
Vision Service Plan - Low	\$3.90	\$3.90	\$0.36	\$0.36	0.0%	\$0.00
Vision Service Plan - Moderate	\$6.94	\$6.94	\$1.77	\$1.77	0.0%	\$0.00
Vision Service Plan - High	\$10.13	\$10.13	\$3.24	\$3.24	0.0%	\$0.00
TWO-MEMBER COVERAGE						
Caremark Prescription	\$404.00	\$404.00	\$27.97	\$27.97	0.0%	\$0.00
Caremark Prescription - Contract	\$404.00	\$404.00	\$65.26	\$65.26	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$1,007.85	\$1,057.23	\$69.77	\$73.19	4.9%	\$3.42
Kaiser Permanente - Contract	\$1,007.85	\$1,057.23	\$162.80	\$170.78	4.9%	\$7.98
Kaiser Permanente Medicare Complement	\$600.60	\$618.62	\$55.44	\$57.10	3.0%	\$1.66
UnitedHealthcare Choice Plus POS	\$1,132.00	\$1,020.00	\$104.49	\$94.15	-9.9%	-\$10.34
UHC Medicare Complement Plan	\$556.00	\$520.00	\$51.32	\$47.93	-6.6%	-\$3.39
UnitedHealthcare Select EPO*	\$884.00	\$884.00	\$61.20	\$71.40	16.7%	\$10.20
UHC Select EPO - Contract	\$884.00	\$884.00	\$142.80	\$142.80	0.0%	\$0.00
United Concordia Dental	\$75.33	\$81.50	\$6.95	\$7.52	8.2%	\$0.57
Vision Service Plan - Low	\$7.83	\$7.83	\$0.72	\$0.72	0.0%	\$0.00
Vision Service Plan - Moderate	\$13.89	\$13.89	\$3.52	\$3.52	0.0%	\$0.00
Vision Service Plan - High	\$20.27	\$20.27	\$6.46	\$6.46	0.0%	\$0.00
FAMILY COVERAGE						
Caremark Prescription	\$606.00	\$606.00	\$41.95	\$41.95	0.0%	\$0.00
Caremark Prescription - Contract	\$606.00	\$606.00	\$97.89	\$97.89	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$1,511.78	\$1,585.85	\$104.66	\$109.79	4.9%	\$5.13
Kaiser Permanente - Contract	\$1,511.78	\$1,585.85	\$244.21	\$256.18	4.9%	\$11.97
Kaiser Permanente Medicare Complement	\$900.90	\$927.93	\$83.16	\$85.65	3.0%	\$2.49
UnitedHealthcare Choice Plus POS	\$1,698.00	\$1,530.00	\$156.74	\$141.22	-9.9%	-\$15.52
UHC Medicare Complement Plan	\$834.00	\$780.00	\$76.98	\$71.90	-6.6%	-\$5.08
UnitedHealthcare Select EPO*	\$1,326.00	\$1,326.00	\$91.80	\$107.10	16.7%	\$15.30
UHC Select EPO - Contract	\$1,326.00	\$1,326.00	\$214.20	\$214.20	0.0%	\$0.00
United Concordia Dental	\$113.00	\$122.26	\$10.43	\$11.29	8.2%	\$0.86
Vision Service Plan - Low	\$11.73	\$11.73	\$1.08	\$1.08	0.0%	\$0.00
Vision Service Plan - Moderate	\$20.84	\$20.84	\$5.28	\$5.28	0.0%	\$0.00
Vision Service Plan - High	\$30.41	\$30.41	\$9.70	\$9.70	0.0%	\$0.00

NOTES:

- * Change includes increase in employee cost share from 15% to 17.5% for UHC EPO.
- Kaiser Permanente and Prescription Cost Share is 15%.
- All other plans except vision are 20%.
- Employer contribution for the vision plan is 80% of low option premium for all three options.

Retirees Monthly Premium Changes Effective January 1, 2018

SINGLE COVERAGE						
Plan	2017 Monthly Rate	2018 Monthly Rate	2017 Monthly Retiree Rate	2018 Monthly Retiree Rate	% Change	\$\$ Change
Caremark Prescription	\$202.00	\$202.00	\$40.40	\$40.40	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$503.93	\$528.62	\$100.79	\$105.73	4.9%	\$4.94
Kaiser Permanente Medicare Complement	\$300.30	\$309.31	\$60.06	\$61.86	3.0%	\$1.80
UnitedHealthcare Choice Plus POS	\$566.00	\$520.00	\$113.20	\$101.99	-9.9%	-\$11.21
UHC Medicare Complement Plan	\$278.00	\$260.00	\$55.60	\$51.93	-6.6%	-\$3.67
UnitedHealthcare Select EPO	\$442.00	\$442.00	\$88.40	\$88.40	0.0%	\$0.00
UHC Select EPO Medicare Eligible	\$442.00	\$372.00	\$88.40	\$74.40	-15.8%	-\$14.00
United Concordia Dental	\$37.67	\$40.76	\$7.53	\$8.15	8.2%	\$0.62
Vision Service Plan - Low	\$3.90	\$3.90	\$0.78	\$0.78	0.0%	\$0.00
Vision Service Plan - Moderate	\$6.94	\$6.94	\$3.82	\$3.82	0.0%	\$0.00
Vision Service Plan - High	\$10.13	\$10.13	\$7.01	\$7.01	0.0%	\$0.00
TWO-MEMBER COVERAGE						
Caremark Prescription	\$404.00	\$404.00	\$80.80	\$80.80	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$1,007.85	\$1,057.23	\$201.57	\$211.45	4.9%	\$9.88
Kaiser Permanente Medicare Complement	\$600.60	\$618.62	\$120.12	\$123.72	3.0%	\$3.60
UnitedHealthcare Choice Plus POS	\$1,132.00	\$1,020.00	\$226.40	\$203.99	-9.9%	-\$22.41
UHC Medicare Complement Plan	\$556.00	\$520.00	\$111.20	\$103.86	-6.6%	-\$7.34
UnitedHealthcare Select EPO	\$884.00	\$884.00	\$176.80	\$176.80	0.0%	\$0.00
UHC Select EPO Medicare Eligible	\$884.00	\$744.00	\$176.80	\$148.80	-15.8%	-\$28.00
United Concordia Dental	\$75.33	\$81.50	\$15.07	\$16.31	8.2%	\$1.24
Vision Service Plan - Low	\$7.83	\$7.83	\$1.56	\$1.56	0.0%	\$0.00
Vision Service Plan - Moderate	\$13.89	\$13.89	\$7.62	\$7.62	0.0%	\$0.00
Vision Service Plan - High	\$20.27	\$20.27	\$14.00	\$14.00	0.0%	\$0.00
FAMILY COVERAGE						
Caremark Prescription	\$606.00	\$606.00	\$121.20	\$121.20	0.0%	\$0.00
Kaiser Permanente HMO with Prescription	\$1,511.78	\$1,585.85	\$302.36	\$317.18	4.9%	\$14.82
Kaiser Permanente Medicare Complement	\$900.90	\$927.93	\$180.18	\$185.59	3.0%	\$5.41
UnitedHealthcare Choice Plus POS	\$1,698.00	\$1,530.00	\$339.60	\$305.98	-9.9%	-\$33.62
UHC Medicare Complement Plan	\$834.00	\$780.00	\$166.80	\$155.79	-6.6%	-\$11.01
UnitedHealthcare Select EPO	\$1,326.00	\$1,326.00	\$265.20	\$265.20	0.0%	\$0.00
UHC Select EPO Medicare Eligible	\$1,326.00	\$1,116.00	\$265.20	\$223.20	-15.8%	-\$42.00
United Concordia Dental	\$113.00	\$122.26	\$22.60	\$24.45	8.2%	\$1.85
Vision Service Plan - Low	\$11.73	\$11.73	\$2.34	\$2.34	0.0%	\$0.00
Vision Service Plan - Moderate	\$20.84	\$20.84	\$11.45	\$11.45	0.0%	\$0.00
Vision Service Plan - High	\$30.41	\$30.41	\$21.02	\$21.02	0.0%	\$0.00

NOTES:

1. All plans except vision are 20%.
2. Employer contribution for the vision plan is 80% of low option premium for all three options.
3. New rate developed for Medicare eligible retirees in the UHC Select EPO plan.



ITEM 6e

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

September 20, 2017

To: The Commission

VIA: Patricia Barney, Executive Director *CB*

From: Anju Bennett, Corporate Policy and Management Operations (CPMO) Division Chief *AB*
Michael Beckham, Policy Manager, CPMO Division *MB*

Subject: Review of Recommended Amendments to M-NCPPC Administrative Practice 1-31, Organization and Functions of the Audit Committee and the Office of the Inspector General

Requested Action

The Commission is asked to consider proposed amendments to agency policy, Practice 1-31, which outlines the functions of the Audit Committee and the Office of the Inspector General. The policy has been amended to incorporate requirements of 2017 Laws of Maryland Chapter 361, which goes into effect October 1, 2017.

This new Statute establishes the Office of the Inspector General, which replaces the existing Office of Internal Audit. It also modifies some aspects of, and roles assigned to, our existing Audit Committee. Although the new Statute stresses the independent nature of the Inspector General, many portions of the new Statute, including those relating to auditing functions, mirror the Commission's existing policy.

Policy updates were developed with input from the Audit Committee, the Executive Committee, the General Counsel, and the Executive Director. The final draft of the updated policy, which is included as Attachment A, was presented to the Executive Committee at its meeting of September 11. The Executive Committee supports the amendments and consideration by the Commission for adoption.

Attachment A: Drafted policy amendments and accompanying summary of significant changes

Attachment A

Proposed Amendments to Administrative Practice 1-31, (Includes updated version of Policy Amendments as of 9/12/17)
Organization and Functions of the Audit Committee and Office of the Inspector General

Practice 1-31 is the agency policy that establishes roles and responsibilities assigned to the Audit Committee and the Internal Audit function. The Policy underwent a comprehensive update in 2013 following policy work sessions with the former members of the Audit Committee (Commissioners Presley and Washington), Planning Board Chairs Carrier and Hewlett, Executive Director Barney, Secretary-Treasurer Zimmerman, and General Counsel Gardner. The policy is being amended to incorporate requirements of 2017 Laws of Maryland Chapter 361, which goes into effect October 1, 2017. This new Statute establishes the Office of the Inspector General, which replaces the existing Office of Internal Audit. It also modifies some aspects of, and roles assigned to, the Audit Committee. Although the new Statute stresses the independent nature of the Inspector General, many portions of the new Statute, including those relating to auditing functions, mirror the Commission's existing policy. The attached draft of Practice 1-31 (Attachment A-1) reflects amendments stemming from the legislation. The more significant policy amendments are highlighted below.

Key Elements		Existing Policy	Key Amendments
Audit Committee	Composition of Audit Committee <i>(See Section I on pg. 6.)</i>	Presently, Committee may consist of either 3 or 5 members. <ul style="list-style-type: none"> One must be a <u>public member</u> (no specific requirement on who appoints, but generally handled by the Chair/Vice-Chair of agency). The remaining 2 or 4 members are equally represented by <u>Commissioners</u> from the respective Planning Board. These members are appointed by the Chair of each Board. 	New Statute mandates 5 members, which include: <ul style="list-style-type: none"> 2 voting public members (this change adds 1 member) 2 voting Commissioner members (same as current policy) A 5th, non-voting member, who votes only in case of a tie (except when selecting/appointing the Inspector General). The Commission Chair is to serve, ex officio, in this role. (New requirement.)
Appointment of Public Members <i>(See Section I on pg. 6.)</i>	The Commissioner members of the Audit Committee appoint the public member.		Appointment of public members now made directly by each Planning Board, subject to review by the respective County Councils. Each Planning Board is responsible for nominating one public member. The nomination is subject to a 30-day review period by the respective County Council. Unless the Council formally acts to reject the nomination, then the Planning Board may confirm the appointment.
Term of Voting Members <i>(See Section II on pg. 8.)</i>	No term duration		The term of each voting member is to be 2 years and staggered.

Key Elements	Existing Policy	Key Amendments
<p>Compensation for Audit Committee members (See Section III on pg. 8.)</p>	<p>Committee members do not receive compensation for their role on the Audit Committee. During the 2013 policy update, the Commission reviewed this issue and decided:</p> <ul style="list-style-type: none"> • Members should <u>not</u> be compensated (e.g., stipends); • However, authorized expenses for travel and parking are reimbursable. 	<p>The new Statute permits use of stipends for public members. Language has been added to allow the Executive Committee to authorize the use of stipends when deemed necessary (e.g., when it is difficult to attract public members).</p>
<p>Responsibilities for the Audit Committee and Commission</p> <p>Most responsibilities assigned to the present Audit Committee continue in the updated policy (e.g., reviewing the internal audit work plan, reviewing internal and external audits/audit recommendations, reporting concerns to the Commission). (See Sections I–X on pgs. 10–21.)</p>	<p><u>Selection of Existing Internal Audit Chief Position</u> Selected by the Commission Chair and Vice-Chair.</p> <p><u>Monitoring Performance of the Internal Auditor</u> Responsibility rests with the Commission’s Chair and Vice-Chair.</p> <p><u>Rules of Procedure for the Audit Committee</u> Requirements for Audit Committee meetings and quorums are presently addressed in Practice.</p> <p><u>Public Dissemination of Reports Issued by Internal Audit Chief</u> The Chair and Vice-Chair are responsible for coordinating review and publication of audit reports.</p>	<p><u>Selection and Appointment of the New Inspector General (IG)</u> (Page 13) A majority of the voting members of the Audit Committee select the IG.</p> <p><u>Monitoring Performance of the Inspector General</u> (Pages 13–16) To ensure greater independence of the Inspector General, responsibilities for evaluating the work plan of the IG now rest with <u>the Audit Committee</u>.</p> <p><u>Rules of Procedure for the Audit Committee</u> (Pages 11 & 22) The General Counsel is moving procedural aspects of Audit Committee meetings into a separate Rules of Procedure document; therefore, applicable areas have been deleted from the Practice, as noted.</p> <p><u>Public Dissemination of Reports</u> (Pages 25 & 32) The new Statute requires the IG to submit reports to the Audit Committee and Commission for publication on the Commission’s website. It is recommended the Commission Chair and Vice-Chair continue to carry out the role of ensuring publication of reports. See: Section titled <i>Responsibilities and Functions Assigned to the Executive Committee, Section I (Public Disclosure and Publication of Reports)</i> on page 27 of the Practice.</p>

Key Elements		Existing Policy		Key Amendments	
Inspector General (IG)					
Appointment <i>(See Section I on pg. 26.)</i>	See above.		See above.		See above.
Term Duration and Limits <i>(See Section I on pg. 26.)</i>	No term limits for current Audit Chief, as it is a Merit position.				The new IG serves a 4-year term, with no more than 3 terms.
Position Classification <i>(See Section I on pg. 26.)</i>	Not addressed, as current Audit Chief is a Merit position.				The new Statute requires the IG to be an appointed, non-Merit position.
Secondary Employment <i>(See Section I on pg. 26.)</i>	Audit Chief follows the same policy and Practice 2-14 (Secondary Employment) as the general workforce. This policy allows secondary employment when it has been disclosed, reviewed, and does not pose a conflict of interest.				The new Statute prohibits secondary employment by the IG. The language has been added to explain that the Inspector General may be appointed to professional boards or organizations when such involvement is approved, in writing, by the Audit Committee. <u>Note:</u> The new Statute does not prohibit the subordinate staff to the IG from having secondary employment.
Removal of IG <i>(See Section III on pg.22.)</i>	Not addressed, as current Audit Chief follows Merit rules on dismissal.				Removal of the IG must be authorized by a majority vote of the Commission (i.e., no less than three Commissioners from each County).
Consulting and Legal Support to the IG <i>(See Sections I–II on pg. 27.)</i>	Currently, the General Counsel and his staff provide support, as appropriate.				Consultation with the General Counsel’s Office will continue. However, the <u>new</u> Statute also allows the IG to retain consultants by contract, and engage outside Counsel (if necessary after the Audit Committee and General Counsel have been consulted).
IG Responsibilities	Audit Work Plans				Audit Work Plans <i>(Page 28)</i>

Key Elements	Existing Policy	Key Amendments
<p>(See Sections I–IV on pgs. 27–33.)</p> <p>IG Responsibilities (continued)</p> <p>(See Sections I–IV on pgs. 27–33.)</p>	<p>Audit Committee reviews and approves annual audit plan.</p> <p><u>Protecting Privacy</u> Current policy prohibits auditors from directly or indirectly disclosing information to third-parties, as dissemination of public information rests with the Commission Chair and Vice-Chair.</p> <p><u>Oaths, Depositions, and Testimony</u> Not addressed.</p> <p><u>Requests for Information from Commission Vendors</u> Not addressed.</p> <p><u>Subpoena Power</u> Not addressed.</p> <p><u>Administrative Matters</u> The Executive Director is responsible for day-to-day oversight of admin matters, including leave, and time and attendance.</p>	<p>Plans continue to be reviewed by the Audit Committee. The new Statute requires work plans to be made available to the public, subject to the Maryland Public Information Act.</p> <p><u>Protecting Privacy (Page 30)</u> Expanded upon. The IG shall establish and ensure procedures are followed for safeguarding confidential and protected information, and ensuring that disclosure only occurs when authorized, as identified in the policy.</p> <p><u>Oaths, Depositions, and Testimony (Page 30)</u> If necessary, the OIG may administer oaths, take an affidavit, or deposition.</p> <p><u>Requests for Information from Commission Vendors (Page 31)</u> Policy has been amended to address requirements of the new Statute.</p> <p>The IG may request information from vendors. When a vendor fails to provide requested information, the IG may pursue administrative or civil action to produce compliance.</p> <p><u>Subpoena Power (Page 31)</u> The IG now has subpoena power. The IG or an authorized staff member may administer oaths and take depositions.</p> <p><u>Administrative Matters (Page 32)</u> This section has been amended to reflect greater independence of the IG position. The IG will now inform the Audit Committee of budget requests, absences from duty, and personnel matters related to subordinate staff. However, all personnel matters concerning subordinate staff will continue to be handled in accordance with Merit System Rules and Regulations, and other policies applicable to Merit System employees.</p> <p>The Executive Director will be copied on extended leave from duty, as well as matters pertaining to hiring and firing.</p>

**Draft Amendments to Administrative Practice 1-31,
Organization and Functions of the Audit Committee and Office of the Inspector General**

Key to Revisions:**Highlight:** Recommended additions~~Strikethrough:~~ Recommended deletions*Italics:* Comments on changes

Note to Draft Reviewer: All references to "Commission" have been replaced by "M-NCPPC" or "agency" when used to reference the entity acting in its organizational capacity.

AUTHORITY

This Practice was originally adopted by the Commission on April 23, 2008. The Commission last adopted amendments to this Practice on [date to be added] January 16, 2013.

**PURPOSE/ AND
BACKGROUND**

Pursuant to Maryland Code, Land Use Art., § 15-401, *et seq.*, this Practice establishes regulations outlining the responsibilities for the Audit Committee and the Office of the Inspector General, establishes a process for communicating concerns to the M-NCPPC, and identifies duties for implementing corrective or other necessary actions. (*Note to Draft Reviewer: Preceding sentence has been reorganized from its previous placement at the end of the section titled Policy.*)

~~This Practice was initially adopted April 23, 2008, to establish an Audit Committee and explain its composition and functions.~~

~~The Audit Committee was put in place to ensure prudent organizational standards stemming from:~~

- ~~• The Sarbanes-Oxley legislation. Although this legislation applies principally to private sector organizations, its requirement to establish audit committees represents best financial practices and public transparency.~~
- ~~• "Recommended Practice" for organizational oversight as issued by the Government Finance Officers Association of the United States and Canada.~~

Subsequent to its initial adoption, the Practice has been amended as follows:

- June 15, 2011: The Commission adopted amendments to incorporate the restructuring of the Internal Audit program and to clarify the Audit Committee's role and responsibilities.
- January 16, 2013: The Commission adopted amendments to further clarify responsibilities related to investigations and dissemination of audit reports.
- [Date to be added]: The Commission adopted amendments to reflect new requirements established by Maryland law for the Audit Committee and the new Office of the Inspector General. The Office of the Inspector General replaces the Office of Internal Audit.

1 **REFERENCES**

- 2 ▪ Division II of the Land Use Article of the Annotated Code of Maryland, the Maryland-National Capital Park and Planning Commission.
- 3 ▪ M-NCPPC Commission Administrative Practice 1-10, Organization and Functions of the Commission and Planning Boards.
- 4 ▪ M-NCPPC Administrative Practice 3-31, Fraud, Waste, and Abuse.
- 5 ▪ Generally Accepted Government Auditing Standards, United States Government Accountability Office (December 2011, as amended Yellow Book).
- 6 ▪ Association of Inspectors General, Principles and Standards for Offices of Inspector General.
- 7 ▪ Sarbanes-Oxley Act (enacted July 2002, as amended).
- 8 ▪ Government Finance Officers Association, Best Recommended Practice for Audit Committees-2008.

14 **DEFINITIONS**

15 **Appointed Officers:** This term refers collectively to the following positions: Executive Director, General Counsel, and Secretary-Treasurer.

17 **The Commission:** The governing body of the Maryland-National Capital Park and Planning Commission ("M-NCPPC" or agency), which is comprised of five members from each of the agency's two Planning Boards for Montgomery County and Prince George's County.

21 **Commissioners:** Members of the Commission.

23 **Executive Committee:** A three-member committee that is comprised of the Commission Chair, the Commission Vice-Chair, and the Executive Director.

26 **External Auditor:** An external certified public accounting firm that is engaged to provide independent auditing services in compliance with Generally Accepted Government Auditing Standards and/or in relation to providing an opinion on certain portions of the comprehensive annual financial statement for M-NCPPC.

31 **Fraud, Waste, and Abuse:** (*Note to Draft Reviewer: The following definitions are taken from new Statute.*)

34 **Fraud:** Means an intentional act or attempt to obtain something of value from the M-NCPPC or another person through willful misrepresentation. Fraud includes a willful false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which causes the commission to act, or fail to act, to the detriment of the commission's interest.

40 **Waste:** Means an inappropriate act or omission by an employee with control over, or access to, M-NCPPC property or funds that unreasonably deprives the M-NCPPC of value. Waste includes mismanagement or other unintentional conduct that is deficient or improper when compared to conduct a prudent person would consider necessary to preserve the value of M-NCPPC property or funds under the same facts and circumstances.

46 **Abuse:** Means an employee's intentional misconduct or misuse of authority or position:

1 (I) Involving M-NCPPC property or funds that is improper or deficient when compared to
2 conduct a prudent person would consider reasonable under the same facts and
3 circumstances; or

4 (II) For the purpose of furthering improperly the private interests of the employee, a family
5 member, or a close personal or business associate. Abuse also includes theft or
6 misappropriation of commission property or funds; and destruction or alteration of official
7 records.

8 **Generally Accepted Government Auditing Standards:** The various standards applicable to
9 governmental auditing as may be promulgated formally from time to time by the United States
10 Government Accountability Office (GAO) by authority of the United States Comptroller General.
11 For this purpose, the Generally Accepted Government Auditing Standards include, but are not
12 limited to, the comprehensive standards commonly referred to as the "Yellow Book," those
13 captioned as "guidance" or "interim guidance," and those captioned as "answers to questions."

14
15 ~~**Internal Auditor:** An individual or group of individuals employed by the M-NCPPC to conduct
16 special investigations and routine internal auditing functions in compliance with Generally
17 Accepted Government Auditing Standards. (*Note to Draft Reviewer: The preceding definition has
18 been replaced with "Office of the Inspector General", below.*)~~

19
20 **Inspector General:** The individual selected and appointed by the Audit Committee to carry out
21 the responsibilities and functions of the Office of the Inspector General.

22
23 **The Maryland-National Capital Park and Planning Commission:** The organizational entity. For
24 purposes of this Practice, "M-NCPPC" or "agency" shall be used to reference the organizational
25 entity acting in its organizational capacity.

26
27 **Office of the Inspector General (OIG):** The Office which carries out the internal audit functions
28 pursuant to this Practice and in compliance with Generally Accepted Government Auditing
29 Standards.

30
31 **Vendor:** A party obligated by contract or subcontract to provide goods, services, or property to
32 the M-NCPPC for consideration, including contracts and subcontracts for construction and
33 professional services related to construction.

34
35 **POLICY**

Pursuant to Division II of the Land Use Article of the Annotated Code of Maryland, the
36 Maryland-National Capital Park and Planning Commission (M-NCPPC) is governed by a ten-
37 member Commission.

38
39 An Audit Committee and an Office of the Inspector General shall be established to assist
40 the Commission on corporate governance and independent oversight of the agency's
41 financial reporting processes.

42
43 The Audit Committee shall undertake governance responsibilities to ensure that the
44 organization M-NCPPC develops and implements a sound system of internal controls and
45 adheres to the highest standards of public accountability and integrity, including, but not
46 limited to, the auditing process. The Audit Committee also shall serve as a forum,

1 independent separate from management of the Commission, in which auditors and other
2 interested parties may identify and discuss direct their concerns related to financial reporting
3 and internal controls.
4

5 The Office of the Inspector General shall assist the Commission by providing independent
6 evaluation and recommendations on opportunities to preserve the agency's reputation and
7 improve programs, policies, practices, and operations. With oversight by the Audit Committee,
8 the Inspector General shall develop a risk-based work plan designed to ensure the investigation,
9 reporting, and prevention of fraud, waste, and abuse of M-NCPPC resources; examine, evaluate
10 and report on the adequacy of internal controls; and, propose ways to improve employee
11 compliance with applicable law and policy regarding ethical conduct.
12

13 ~~This Practice outlines these responsibilities, establishes a process for communicating concerns to~~
14 ~~the M-NCPPC, and identifies duties for implementing corrective or other necessary actions.~~ ***(Note***
15 ***to Draft Reviewer: The preceding sentence has been reorganized and placed in the Purpose and***
16 ***Background section, above.)***
17

18 Responsibilities of the Commission Chair and Vice-Chair, Appointed Officers and management as
19 they pertain to the audit process are also outlined by in the relevant sections, below. ***(Note to Draft***
20 ***Reviewer: The preceding sentence has been reorganized from the latter portion of the policy.)***
21
22

TABLE OF CONTENTS

Subject	PAGE
ORGANIZATION OF THE AUDIT COMMITTEE.....	6
I. Composition and Appointment.....	6
II. Term of Voting Members.....	8
III. Compensation and Authorized Business Expenses Pertaining to the Audit Committee.....	8
IV. Conflicts of Interest Pertaining to the Audit Committee.....	8
 AUDIT COMMITTEE RESOURCES.....	 9
I. M-NCPPC Staff Assistance.....	9
II. Secretary.....	9
III. Legal Counsel.....	9
IV. Consulting Services.....	9
 RESPONSIBILITIES AND FUNCTIONS ASSIGNED TO THE AUDIT COMMITTEE	 10
I. General Responsibilities of the Audit Committee.....	10
II. Regular Meetings of the Audit Committee.....	11
III. Audit Committee Responsibilities Related to the External Auditor.....	12
IV. Audit Committee Responsibilities Related to the Office of the Inspector General.....	13
V. Ensuring Compliance with Accounting Best Practices and Principles.....	17
VI. Review of Internal Control Systems and Processes.....	18
VII. Review of Compliance with Financial Regulations and M-NCPPC Policies.....	18
VIII. Review of Audit Findings and Reports.....	19
IX. Review of Concerns and Complaints.....	21
X. Reports to the Commission from the Audit Committee and/or Inspector General.....	21
 RESPONSIBILITIES AND FUNCTIONS ASSIGNED TO THE COMMISSION	 22
I. Rules of Procedure.....	22
II. Annual Budget Requests.....	22
III. Removal of the Inspector General.....	22
IV. Delegation of Authority.....	22
 RESPONSIBILITIES AND FUNCTIONS ASSIGNED TO THE EXECUTIVE COMMITTEE ...	 23
I. Public Disclosure and Publication of Reports	23
II. Producing Compliance with Pending Requests for Information.....	24
 ORGANIZATION OF THE OFFICE OF THE INSPECTOR GENERAL.....	 26
I. Inspector General.....	26
II. Staff Assigned to the Inspector General.....	26
 OFFICE OF THE INSPECTOR GENERAL RESOURCES	 27
I. Consultants Retained by the Inspector General.....	27
II. Legal Counsel to the Inspector General.....	27
 RESPONSIBILITIES AND FUNCTIONS ASSIGNED TO THE OFFICE OF THE INSPECTOR GENERAL	 27
I. General Responsibilities of the Office of the Inspector General.....	27
II. Audit Work Plans and Coordination of Audits, Analyses, and Investigations.....	28
III. General Responsibilities of the Inspector General.....	29
IV. General Administrative Matters.....	32

1 ORGANIZATION OF THE
2 AUDIT COMMITTEE

3 I. Composition and Appointment

4 The Audit Committee will consists of either three (3) or five (5) members; four (4) voting
5 members and one (1) non-voting member. All members of the Audit Committee shall
6 possess or obtain a basic understanding of governmental financial reporting and
7 auditing. (*Note to Draft Reviewer: The General Counsel has recommended striking the*
8 *immediately preceding sentence, as this requirement is not stipulated by the new*
9 *Statute.*)

10
11 1. ~~All except one of the members will be members of the Commission (Commissioners),~~
12 ~~an equal number from each Planning Board as appointed by the Chairperson of each~~
13 ~~Board. (*Note to Draft Reviewer: The preceding sentence has been removed and*~~
14 ~~*replaced with provisions below to reflect new requirements in the new Statute.*)~~

15
16 A. The four voting members are appointed as follows:

- 17
18 1. One Commissioner who is a member of the Montgomery County Planning Board,
19 appointed by the Chair of the Planning Board.
20
21 2. One Commissioner who is a member of the Prince George's County Planning
22 Board, appointed by the Chair of the Planning Board.
23
24 3. One member of the public, appointed by the Montgomery County Planning
25 Board subject to consideration by the Montgomery County Council, as described
26 below in Section II, Required Consideration of Public Member Nominations by
27 County Councils.
28
29 4. One member of the public, appointed by the Prince George's County Planning
30 Board subject to consideration by the Prince George's County Council, as
31 described below in Section C, Required Consideration of Public Member
32 Nominations by County Councils.
33

34 B. The non-voting member shall be the Chair of the Commission, who serves *Ex Officio*,
35 and who may vote only when there is a tie vote among the voting members.
36

37 C. Required Consideration of Public Member Nominations by County Councils
38 Pursuant to Maryland Code, Land Use Art., § 15-402, *et seq.*:
39

- 40 1. Prior to the appointment of a public member, the respective Planning Board shall
41 notify the appropriate County Council of the name and qualifications of a
42 proposed nominee.
43

1 2. The County Council has 30 days to review the nomination. Unless the County
2 Council notifies the Planning Board, in writing, of an objection and the basis for
3 the objection, the proposed nominee will be eligible for appointment on or after
4 the 30 days.

5
6 3. If the County Council notifies the Planning Board of an objection, the Planning
7 Board shall submit the name and qualifications of another prospective nominee.
8

9 **D. Qualifications for Appointment as a Public Member**

10 Public members shall meet qualifications established in Maryland Code, Land Use
11 Art., § 15-402, *et seq.*, including possessing:

12
13 2. ~~The Commissioners who are members of the Audit Committee shall elect a public~~
14 ~~member to the Committee who shall:~~

15
16 a. ~~Be qualified also a voting resident of Maryland; and~~ (**Note to Draft Reviewer:** *This*
17 *requirement is not included in 2017 Laws of Maryland Chapter 361. Additionally,*
18 *the General Counsel has recommended striking this stipulation.*)

19
20 b. ~~Except as disclosed and approved by the Commission members of the~~
21 ~~Committee, have no other existing relationships to the M-NCPPC, its employees~~
22 ~~or management, the External Auditor, or the Internal Auditor.~~ (**Note to Draft**
23 **Reviewer:** *Text moved immediately below, to Section IV (Conflicts of Interest*
24 *Pertaining to the Audit Committee).*)

25
26 1. Advanced education and experience in the management of governmental
27 entities that are comparable to the M-NCPPC in scope and complexity; and

28
29 2. Demonstrated knowledge and experience in the application of:

30
31 a. Generally Accepted Accounting Principles (GAAP);

32
33 b. Generally Accepted Government Auditing Standards (GAGAS);

34
35 c. Internal control systems; and

36
37 d. An understanding of the appropriate functions of an audit committee.
38

39 **E. Chair of the Audit Committee**

40 3. ~~The Committee shall nominate and elect a voting member who is also a~~
41 ~~Commissioner as Chair from the Commission members. The Chair's contact~~
42 ~~information shall be provided to the Executive Director so it may be made available~~
43 ~~to internal and external parties for matters that should be addressed to the Audit~~
44 ~~Committee.~~
45
46

1 **II. Term of Voting Members**

2
3 A. Each term shall be two (2) years. The terms of the voting members of the
4 Committee are to be staggered.

5
6 B. At the end of a term, a voting member will continue to serve until a successor is
7 appointed and qualifies.

8
9 C. If a vacancy occurs after a term has begun, the appropriate Planning Board or Chair
10 will appoint a successor, as appropriate.

11
12 D. A voting member who is appointed after a term has begun will serve only for the
13 remainder of the term and until a successor is appointed and qualifies.

14
15 **III. Compensation and Authorized Business Expenses Pertaining to the Audit Committee**

16 No member of the Audit Committee may b. receive any fee for services provided as an
17 Audit Committee member.

18
19 A. Reasonable stipends for public members may be authorized, when deemed
20 necessary. The use of stipends shall be authorized by the Executive Committee.

21
22 B. Authorized expenses for travel and parking related to Audit Committee work may be
23 reimbursed for all Audit Committee members when supported by receipt. Such
24 expenses must be authorized by the Committee Chair. The Committee Chair's
25 expenses shall be authorized by the respective Planning Board Chair.

26
27 **IV. Conflicts of Interest Pertaining to the Audit Committee**

28 ~~4-~~To ensure the Audit Committee's independence and effectiveness:

29
30 A. None of its the public members may: a. be employed by, or exercise managerial
31 responsibilities or provide contracted services for, the M-NCPPC.

32
33 ~~{b} Receive any fee for services provided as an Audit Committee member.
34 Authorized expenses for travel and parking related to Audit Committee work may be
35 reimbursed when supported by receipt. Such expenses must be authorized by the
36 Committee Chair. (Note to Draft Reviewer: The deleted text above has been moved,
37 to Section III (Compensation Pertaining to the Audit Committee), immediately above.)~~

38
39 B. All members shall operate independently from the management of the Commission.
40
41

1 C. ~~b. Except as disclosed and approved by the Commission members of the Committee,~~
2 ~~have no Public-members shall have no other existing business or close personal~~
3 ~~relationships with to the M-NCPPC, its employees or management, the External~~
4 ~~Auditor, or the Inspector General Internal Auditor. (*Note to Draft Reviewer: The*~~
5 ~~*caveat allowing for disclosure and approval of existing business or close personal*~~
6 ~~*relationships has been removed to be consistent with the new Statute which does not*~~
7 ~~*provide the option for approval of these relationships.*)~~

8
9 D. Commissioner members of the Audit Committee shall comply with applicable law
10 regarding conflicts of interest, including but not limited to: Maryland Code, Land Use
11 Art., § 15-120; and Maryland Code, General Provisions Art., §§ 5-501 and 5-502.

12
13 **AUDIT COMMITTEE**
14 **RESOURCES**

15 **I. M-NCPPC Staff Assistance**

16 The Committee shall be assisted by M-NCPPC staff as it may require.

17
18 Staff assigned to assist the Audit Committee are expected to maintain the confidentiality
19 of all records and discussions.

20
21 **II. Secretary**

22 The Audit Committee will appoint a secretary to maintain minutes of meetings and
23 actions. The secretary may be a Committee member or staff assigned by the
24 Commission Chair or Vice-Chair.

25
26 **III. Legal Counsel**

27 The Audit Committee may consult with the General Counsel for any legal advice deemed
28 necessary to perform the functions of the Committee as established under this Practice.

29
30 *(Note to Draft Reviewer: This section has been modified to broaden consulting services/experts*
31 *which may be retained by the Audit Committee.)*

32
33 **IV. Consulting Services**

34 The Audit Committee may retain the services of financial experts or other consultants, as
35 necessary.

36
37 ~~The Audit Committee also should have access to the services of at least one financial~~
38 ~~expert, as either a Committee member or an outside party engaged by the Committee~~
39 ~~for this purpose.~~

40
41 The Committee shall evaluate the qualifications of the expert to assure he/she has an
42 adequate financial background and can provide independent and objective advice free
43 from conflicts of interest.

44
45 The financial expert should, through both education and experience, and in a manner
46 specifically relevant to the government sector, possess:

- 1
 - 2
 - 3
 - 4
 - 5
 - 6
 - 7
 - 8
 - 9
 - 10
 - 11
 - 12
 - 13
 - 14
 - 15
 - 16
 - 17
 - 18
 - 19
 - 20
 - 21
 - 22
 - 23
 - 24
 - 25
 - 26
 - 27
 - 28
 - 29
 - 30
 - 31
 - 32
 - 33
 - 34
 - 35
 - 36
 - 37
 - 38
 - 39
 - 40
 - 41
 - 42
 - 43
 - 44
 - 45
 - 46
 - 47
1. ~~An understanding of generally accepted accounting principles and financial statements;~~
 2. ~~Experience in preparing or auditing financial statements of comparable entities;~~
 3. ~~Experience in applying such principles in connection with the accounting for estimates, accruals, and reserves;~~
 4. ~~Experience with internal accounting controls; and~~
 5. ~~An understanding of Audit Committee functions.~~

~~**Audit Committee Meeting and Quorums** (*Note to Draft Reviewer: This section has been reorganized. Provisions related to regular meetings of the Audit Committee have been incorporated under Responsibilities and Functions Assigned to the Audit Committee, Section II (Regular Meetings of the Audit Committee). Provisions related to quorums are being incorporated by the General Counsel into the Rules of Procedures.*)~~

**RESPONSIBILITIES/
AND FUNCTIONS
ASSIGNED TO THE
AUDIT COMMITTEE**

I. General Responsibilities of the Audit Committee

Pursuant to Generally Accepted Government Auditing Standards, the Audit Committee shall uphold the principles of independent review and public accountability of the audit process. This approach encourages:

- A. A system of sound internal controls and adherence to legal and ethical standards by management and employees.
- B. Confidence that audit reports and any associated recommendations by the Audit Committee are made with the citizens' public interest as the primary focus.

To maintain accuracy and consistency of information and the Committee's response to internal and external stakeholders, formal communications regarding audits shall be issued under the signature of the entire Committee, with any dissenting opinion expressed within the report.

~~The publication of reports shall be handled in accordance with Responsibilities and Functions Assigned to the Executive Committee, Section I (Public Disclosure and Publication of Reports).~~

~~(*Note to Draft Reviewer: The following sentence has been deleted, as it is replaced with language above.*)~~

~~Pursuant to Section 2 b., Responsibilities Assigned to the Members of the Executive~~

1 ~~Committee~~, public dissemination of any Final Report must be authorized by the
2 Commission Chair and Vice Chair.

3
4 Oversight responsibilities of the Audit Committee are described below for certain areas
5 that fall within its purview. Responsibilities of the Commission Chair and Vice Chair,
6 Appointed Officers and management as they pertain to the audit process are also
7 outlined by relevant section. (**Note to Draft Reviewer:** The relevant sections are now
8 reflected in the Policy Section, above.)
9

10 **Note to Draft Reviewer:** Subsection II (Regular Meetings of the Audit Committee) has been reorganized from its
11 previous placement under the section titled Audit Committee Meeting and Quorums.

12 13 **II. Regular Meetings of the Audit Committee**

14 In order to fulfill its role, the Committee will be governed in the following manner:

- 15
16 **A.** 1. ~~The Committee holds at least four (4) regularly scheduled meetings during each~~
17 ~~calendar year to discuss: proposed audits and investigations, the results of audit~~
18 ~~reports and investigations issued by the Internal Auditor~~ **the Inspector General**,
19 ~~reports of the External Auditor, and/or other matters that come before the Audit~~
20 ~~Committee. Additional meetings may be held as circumstances dictate.~~
21

22 **Note to Draft Reviewer:** The following four paragraphs are recommended for deletion per the General Counsel, who
23 is developing the Rules of Procedure document.

24
25 ~~Meetings may be conducted in person or by means of telephone conference call,~~
26 ~~video conference, or such other means that allow each participant to hear and be~~
27 ~~heard by all other participants at the same time.~~

28 ~~2. A majority of the members of the Committee shall represent a quorum. Two~~
29 ~~members shall constitute a quorum when the Audit Committee is comprised of three~~
30 ~~members. Three members shall constitute a quorum when the Audit Committee is~~
31 ~~comprised of five members.~~

32 ~~3. Any member of the Committee may call a meeting of the Committee with~~
33 ~~adequate notice to the other members.~~

34 ~~4. The Committee may take action /vote on issues when a quorum of is present or~~
35 ~~may act by unanimous written consent taken in lieu of a meeting.~~
36

- 37 **B.** 5. Meetings generally are not subject to the requirements of the Maryland Open
38 Meetings Act to the extent the topics of discussion by the Committee are limited to
39 the implementation of existing law and policy.
40
41

1 C. Minutes are required for all meetings of the Audit Committee.

2
3 D. Rules of Procedure governing the conduct of business by the Audit Committee will be
4 adopted by the Commission. (See also: Section titled Commission Responsibilities
5 and Functions).

6
7 **III. ~~1.~~ Audit Committee Responsibilities Related to the External Auditor**

8 The Audit Committee is responsible for appointment, compensation, retention, and
9 oversight of the ~~work of any~~ Independent Certified Public Accountant (also known as the
10 External Auditor), ~~engaged for the purpose of who~~ performs independent audit
11 services, reviews, ~~and~~ or attest services. The Committee shall:

12
13 A. a.—Examine and evaluate the qualifications of the External Auditor and the External
14 Auditor’s ability to issue opinions that are free from conflicts of interest.

15
16 B. b.—At least annually, request and review formal reports from the External Auditor to
17 ensure that the level of independence required by Generally Accepted Government
18 Auditing Standards is maintained.

19
20 C. c.—Evaluate the work and services of the External Auditor generally to assure
21 compliance with Generally Accepted Government Auditing Standards.

22
23 D. d.—At least annually, report to the Commission a summary of significant findings or
24 recommendations stemming from auditing reports or other services performed by
25 the External Auditor. Throughout the year, the Audit Committee is responsible for
26 communicating to the Commission’s Chair and Vice-Chair any concerns and
27 recommendations stemming from its review of specific audit reports and
28 investigations.

29
30 E. e.—Advise the Commission on the Committee’s decisions related to the selection,
31 retention and, if the Committee deems necessary, the replacement of the External
32 Auditor when concerns exist related to the individual’s or firm’s independence,
33 competence, quality, or integrity.

34
35

1 **IV. 2. Audit Committee Responsibilities Related to the Office of the Inspector General**

2 **Internal Audit Function**

3 The Audit Committee shall:

4
5 **A. Select and appoint** the Inspector General based solely on the following:

- 6
7 1. Professional ability and personal integrity, without regard to political affiliation;
8 and
9
10 2. Professional experience or education in auditing, government operations, or
11 financial management.

12
13 The appointment of the Inspector General may be approved only through a majority
14 of the voting members of the Audit Committee.

15
16 **B. Make annual budget requests** to the Commission on behalf of the Inspector General.

17
18
Note to Draft Reviewer on OIG Oversight: *The existing language in Section (C), below, adds to the duties carried out by the Audit Committee, the responsibility for monitoring the performance and activities of Office of Inspector General (OIG). The existing policy which addresses the Office of the Internal Audit, assigns supervisory responsibility to the Commission Chair and Vice-Chair. With the elimination of the Internal Audit Office, which will be replaced with the new Office of the Inspector General, the responsibility has shifted to the Audit Committee to promote greater organizational independence. This is a reasonable approach because:*

- 19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
1. The Audit Committee is the appointing authority for the Inspector General.
 2. The Audit Committee reviews and oversees the Inspector General's work plan.
 3. The Audit Committee is the formal agency sponsor of the OIG budget.

19
20 **C. Provides technical and substantive oversight and direction for the Internal Audit**
21 **Office of the Inspector General's work program. This shall include the following:**

22
23 **a. Responsibilities Assigned to the Audit Committee shall include:**

- 24
25 1.1) Review and approval of the Internal Audit Office of the Inspector General
26 charter, if applicable, which outlines the authority and responsibilities of the
27 Internal Audit function.
28
29 2. Coordinate with the Inspector General to develop the written annual risk-based
30 work plan and establish periodic goals and priorities for the Office of Inspector
31 General. See section titled Responsibilities and Functions Assigned to Office of
32 the Inspector General, subsection II(A)(1) 2) On an annual basis, review and
33 approval of an Internal Audit Plan for M-NCPPC.
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98

1 **IV. Audit Committee Responsibilities Related to the Office of the Inspector General**
2 (Continued)
3

- 4 3. Monitor the Inspector General's performance with respect to the annual work
5 program. The Audit Committee's role does not include direct responsibility for
6 performance management of the Internal Auditor or others involved in the
7 Internal Auditor's work program. This role shall be carried out by members of
8 the Executive Committee as described below.
9
- 10 4. ~~3)~~ Review of the Annual Summary of Significant Audits as prepared by the
11 Inspector General Internal Auditor. (See also: Responsibilities and Functions
12 Assigned to the Audit Committee, Subsection VIII, 6.-(Review of Audit Findings/
13 and Reports).
14
- 15 5. 4)- Review of Final Audits and investigations prepared by the Inspector General
16 Internal Auditor (See also: Responsibilities and Functions Assigned to the Audit
17 Committee, Subsection VIII 6.-(Review of Audit Findings and Reports) and
18 submission of Audit Committee recommendations arising from such review to
19 the Commission's Chair and Vice-Chair).
20
- 21 6. 5)- The adoption of written operating procedures, in consultation with the
22 Inspector General Internal Auditor and Commission Chair and Vice-Chair, to
23 govern the process and reporting of the activities of the Office of the Inspector
24 General Internal Audit activities. Without limiting the generality of the
25 foregoing, the operating procedures shall:
26
- 27 a. a)- Comply with Generally Accepted Government Auditing Standards.
28
- 29 b. b)- Outline the Internal Audit process to ensure the Inspector General Internal
30 Auditor consults with law enforcement agencies and/or the General Counsel
31 or other legal counsel, as appropriate, when audits/investigations reveal
32 criminal conduct has occurred or is likely to have occurred.
33
- 34 7. e)- Establish responsibilities for conducting audits to ensure objective, consistent,
35 and fact-based audit reports including any findings and constructive
36 recommendations. The Audit Committee shall provide guidance and oversight of
37 the audit processes to ensure:
38
- 39 a. ~~(1)~~ Auditors perform their professional responsibilities with integrity and in
40 accordance with the relevant technical and professional standards. Auditors
41 shall conduct their work in a manner that is objective, fact-based,
42 nonpartisan, and non-ideological with regard to audited services, /programs,
43 / and individuals; and
44
45

1 **IV. Audit Committee Responsibilities Related to the Office of the Inspector General**
2 (Continued)
3

4 **b.** ~~(2)~~ Accountability for the proper use and prudent management of
5 government resources. The ~~Investigator's/~~ Auditor's position, information
6 obtained through audits, and/or the use of agency resources are to be used
7 for official purposes and not for any personal gain. Auditors must refrain
8 from:

- 9
- 10 **1)** Misusing or sharing information for financial or other personal interest.
 - 11
 - 12 **2)** Directly or indirectly disclosing information on audits to third parties.
 - 13

14 ~~See also: Responsibilities and Functions Assigned to the Executive~~
15 ~~Committee, Section I (Public Disclosure and Publication of Reports)~~
16 ~~Section 2.b.(1)(f) of this policy which requires that the Commission Chair~~
17 ~~and Vice-Chair respective Planning Board Chair approve any public~~
18 ~~dissemination of final audit to make reports submitted by the Inspector~~
19 ~~General available on the agency's website.~~

20

21 **8.** ~~d) Require Ensure that the Inspector General Internal Auditor to circulates a~~
22 ~~Draft Audit Report so management has an opportunity to provide its response~~
23 ~~for consideration in development of the Final Audit Report.~~

24

25 **a.** ~~(1)~~ The Draft Audit Report shall be circulated to any Department ~~Head~~
26 ~~Director~~ with responsibility for a work unit involved in the audit. The
27 Department ~~Head Director~~ shall respond consistent with the parameters
28 established in ~~Responsibilities and Functions Assigned to the Executive~~
29 ~~Committee, Section I(A)(1)(c) 2.b(1)(b) (Responsibilities Assigned to~~
30 ~~Members of the Executive Committee).~~

31

32 **b.** ~~(2)~~ Management's complete written response to the Draft Audit Report shall
33 ~~be included as an appendix in the Final Audit Report.~~

34

35 **9.** ~~e. Require Ensure the Inspector General Internal Auditor to sends~~ all Final Audit
36 Reports to the Audit Committee and to the Commission's Chair and Vice-Chair
37 along with management's complete written response received in connection
38 with the Draft Audit Report. ~~The Inspector General also shall provide. The~~
39 ~~Auditor shall also be required to provide a copy of the Final Audit Report to each~~
40 ~~Appointed Officer of the M-NCPPC and the affected Department Director(s).~~
41 ~~(See also: Responsibilities and Functions Assigned to the Audit Committee,~~
42 ~~Section VIII, Review of Audit Findings/Reports.)~~

1 **IV. Audit Committee Responsibilities Related to the Office of the Inspector General**
2 (Continued)
3

- 4 10. g) Describe the process for releasing any information to external entities or
5 /parties, including the handling of sensitive and/or confidential information.
6

7 The Audit Committee shall ensure the Inspector General submits reports for
8 publication pursuant to Section titled Responsibilities and Functions Assigned to
9 the Office of the Inspector General, Subsection II(G) (Submission of Reports for
10 Publication on the M-NCPPC Website).

11
12 The publication of reports shall be handled in accordance with Responsibilities
13 and Functions Assigned to the Executive Committee, Section I (Public Disclosure
14 and Publication of Reports).
15

16 *(Note to Draft Reviewer: The following sentence has been deleted as it is*
17 *replaced with the language above.) Pursuant to Section 2 b., Responsibilities*
18 *Assigned to the Members of the Executive Committee, public dissemination of*
19 *any Final Report must be authorized by the Commission Chair and Vice Chair.*
20

- 21 11. 6) The Audit Committee shall consider any additional concerns or requests to
22 meet by any Appointed Officer or Department Director affected by a the Final
23 Audit Report.
24

- 25 12. f) To resolve questions of law or regulation, require the Inspector General
26 Internal Auditor to consult with the Office of the General Counsel. Outside
27 Counsel may be used when determined appropriate by the Commission's Chair
28 and Vice Chair.
29

30 Subject to authorization of the Audit Committee, the Inspector General may
31 employ and be represented by special legal counsel (outside counsel) without
32 consent of the General Counsel. The Audit Committee's approval shall consider
33 any recommendation or comment offered by the General Counsel relating to the
34 request. See Section Office of the Inspector General Resources, Subsection III
35 (Legal Counsel).
36

1 **V. ~~3.~~ Ensuring Compliance with Accounting Best Practices and Principles**

2 The Audit Committee shall review the following reports and /assessments, request
3 additional investigation of concerns, as needed, and, make recommendations to the
4 Chair and Vice-Chair of the Commission when deviations from best practices or other
5 problems are identified:
6

7 **A. ~~a.~~ Financial reports** to ensure the sound implementation and management of
8 accounting best practices and principles policies and processes. These reports
9 include:
10

- 11 1. The Comprehensive Annual Financial Report (CAFR), as issued by the Secretary-
12 Treasurer;
- 13 2. The Management Letter, as issued by the External Auditor; and
- 14 3. Single audit reports as issued by the External Auditor.
15
16
17

18 **B. ~~b.~~ The External Auditor's assessments of accounting practices** to ensure the External
19 Auditor shall reports on and provides recommendations to the Audit Committee
20 pertaining to:
21

- 22 1. Accounting practices;
- 23 2. Accounting adjustments arising from audits;
- 24 3. Suspected fraud or illegal acts;
- 25 4. Disagreement or difficulties encountered in working with management; and
26
27
- 28 5. Any other material event identified in accordance with Generally Accepted
29 Government Auditing Standards.
30
31
32
33

1 **VI. 4-Review of Internal Control Systems and Processes**

2 **A.** The Audit Committee shall receive and evaluate findings presented by the **Inspector**
3 **General and** External Auditor ~~and the Internal Auditor~~ that address the effectiveness
4 and efficiency of internal controls. ~~Auditors~~ **The Inspector General and the External**
5 **Auditor** shall disclose any concerns including, but not limited to:

6
7 1. ~~a-~~ Significant deficiencies and material weaknesses in the design or operation of
8 internal controls required to protect the agency from immediate or potential risks,
9 **and**

10
11 2. ~~b-~~ Suspected instances of fraud, waste, or other abuses of public trust,
12 mismanagement of public assets, and concerns related to breaches of ethics or
13 fiduciary responsibility.

14
15 ~~Subsection 6, Review of Audit Findings/ Reports, provides specific guidance on the~~
16 ~~issuance of these reports by the External Auditor and the Internal Auditor.~~

17
18 **B.** The Audit Committee may request additional investigation of concerns as needed
19 and recommend corrective actions to **the** Commission's Chair and Vice-Chair to
20 address any identified concerns, deviations, or problems.

21
22 **VII. 5-Review of Compliance with Financial Regulations and M-NCPPC Policies**

23 **A.** The Audit Committee shall review the agency's application and adherence to federal
24 ~~and/~~ state financial regulations and internal standards ~~and/~~ policies related to
25 financial management; ethics; whistleblowers; and, fraud, waste, and abuse.

26
27 **B.** The Audit Committee may request briefings from Appointed Officers, the External
28 Auditor, the **Inspector General** ~~Internal Auditor~~, and/or any Department **Head**
29 ~~Director~~ responsible for compliance with the applicable regulations, standards, or
30 policies.

31
32 **C.** Subsequent to its review, the Committee shall recommend to the Commission's
33 Chair and Vice-Chair, any follow-up or corrective actions needed to address any
34 identified concerns, deviations, or problems.

1 **VIII. 6. Review of Audit Findings and Reports**

- 2 A. The Audit Committee shall review the following audit reports and investigation
3 reports issued by the Office of the Inspector General Internal Auditor and the
4 External Auditor.
- 5
- 6 B. The Committee may request, as necessary, input from the respective Planning
7 Board, the Commission, Appointed Officers, and/or Department Heads Directors
8 whose work unit is affected by an audit or investigation, and/or parties who are
9 the subject of an audit or investigation.
- 10
- 11 C. The Committee shall advise the Commission's Chair and Vice-Chair of any
12 concerns related to audit findings or the audit process/investigation, along with
13 the Committee's recommendations or proposals for resolving the concerns.

14

15 **D. a. Reports Issued by the Inspector General Internal Auditor:** The Audit Committee shall
16 receive and review the following reports on departmental and operational audits:

17

18 **1. Final Audit Reports:**

19 The Inspector General Auditor shall provide to the Audit Committee a Final
20 Audit Report for each completed audit, along with including the complete
21 written management response received regarding in connection with the Draft
22 Audit Report. The Committee shall consider the Report's findings and
23 management's input, and examine any difficulties or disputes encountered in
24 connection with an audit.

25

26 Following its review, the Audit Committee shall issue recommendations to the
27 Commission's Chair and Vice Chair for consideration and appropriate action.
28 This may include, but is not limited to, additional or modified alternative audit
29 recommendations, or requests for additional review of the matter.

30

31 **2. Annual Report on Summary of Significant Audit Findings:**

32 The Inspector General Internal Auditor shall provide to the Audit Committee, a
33 synopsis of all audits conducted during the 12-month fiscal cycle with an
34 explanation of significant audit findings, recommendations, and corrective
35 actions taken. Following its review, the Committee shall share the report with
36 the Commission.

37

1 **Note to Draft Reviewer: Presentation of Reports on Internal Control Systems and Processes**

2 *Input during work sessions with the Audit Committee revealed that semi-annual report are not needed, as issues*
3 *on internal controls are generally addressed in individual audit reports as well as annual summary of findings.*
4 *The section has been amended to state that reports on internal control systems shall be prepared as appropriate.*

5
6 **VIII. 6. Review of Audit Findings and Reports**

7 **D.a. Reports Issued by the Inspector General ~~Internal Auditor~~:** The Audit Committee shall
8 receive and review the following reports on departmental and operational audits:
9 (continued)

10
11 3. Reports on Internal Control Systems and Processes: Consistent with
12 Responsibilities and Functions Assigned to the Audit Committee, subSection VI
13 4 (Review of Internal Control Systems and Processes), the Inspector General
14 ~~Internal Auditor~~ shall report, as appropriate, to the Committee, on the
15 effectiveness of M-NCPPC internal control systems and processes. ~~These~~
16 ~~reports shall be presented at least semi-annually either orally or in writing.~~

17
18 **E. ~~b.~~ Reports Issued by the External Auditor:**

- 19
20 1. The Audit Committee shall meet with the External Auditor as required, and shall
21 report the results of such meetings to the Commission at least annually.
- 22
23 2. During its meetings with the External Auditor, the Committee shall review
24 reports/recommendations on accounting practices, internal controls, and/or
25 other matters that fall under the purview of the External Auditor's evaluation.
- 26
27 3. The Committee may discuss with the External Auditor any matter ~~pursuant to~~
28 that implicates the guidance of Statement on Auditing Standards No. 114, "The
29 Auditor's Communication with Those Charged with Governance," published by
30 The American Institute of Certified Public Accountants (AICPA). The review
31 shall include an evaluation of any problems or difficulties the External Auditor
32 encountered in the course of an audit, any restrictions placed on the scope of
33 activities or in the access to requested information, and any substantive
34 disagreement that arose with management.
- 35
36 4. Internal Control Systems and Processes: Consistent with Section titled
37 Responsibilities and Functions Assigned to the Audit Committee, Subsection VI
38 4 (Review of Internal Control Systems and Processes), the External Auditor shall
39 include in audit reports any findings and recommendations related to the
40 effectiveness of M-NCPPC internal control systems and processes that come to
41 their attention during the performance of an audit.
- 42
43

1 **IX. ~~7-~~Review of Concerns and ~~/~~Complaints**

2
3 A. The Audit Committee shall establish procedures for the receipt, retention, and
4 treatment of complaints regarding internal financial controls and practices, or
5 auditing matters. Complaints, which may be filed by any individual internal or
6 external to the agency, should be directed to the **Office of Internal Audit Division** ~~the~~
7 **Inspector General**.

8
9 B. The Audit Committee shall advise the Commission Chair and Vice-Chair of any
10 Committee concerns arising from **the review of any concerns or complaints** ~~audit or/~~
11 ~~investigation reports~~, along with any recommendations or proposals to resolve the
12 concerns. (**Note to Draft Reviewer:** *The stricken portion has already been addressed*
13 *in Section VIII, Review of Audit Findings and/Reports above.*)

14
15 **X. ~~8-~~Reports to the Commission **from the Audit Committee and/or Inspector General****

16
17 In addition to any requirements outlined in Subsections ~~#1-7 I~~ **through IX**, ~~(above)~~, **on an**
18 **annual basis**, the Audit Committee shall present to the Commission ~~annually~~:

19
20 A. ~~a-~~A written report that addresses how the Committee discharged its duties and met its
21 responsibilities. The report shall confirm that the Committee held separate, private,
22 discussions on financial statements prepared by the Finance Department with each
23 of the following:

- 24
25 1. The Secretary-Treasurer and the Accounting Manager;
26 2. The External Auditor; and
27 3. Among Committee members.

28
29 The report shall indicate whether the financial statements are fairly presented, to
30 the extent such a determination can be made solely on the basis of such
31 conversations.

32
33 B. ~~b-~~A Summary of Significant Audit Findings as prepared by the **Inspector General**
34 ~~Internal Auditor~~ and reviewed by **the** Audit Committee. (~~See subsection 6, Review of~~
35 ~~Audit Findings/Reports.~~)

36
37 C. ~~c-~~A summary report, prepared by the Committee, of its evaluation of the adequacy of
38 internal controls, the agency's adherence to financial regulations/policies, and any
39 other significant concerns/complaints that were filed with or identified by the Audit
40 Committee. This report is intended to provide a synopsis of significant issues that
41 were communicated throughout the year to the Commission's Chair and Vice-Chair.
42

1 **Note to Draft Reviewer:** The new Section below, Responsibilities and Functions Assigned to the Commission, has been
2 added to incorporate mandates from the new Statute.

3
4 **RESPONSIBILITIES AND**
5 **FUNCTIONS ASSIGNED**
6 **TO THE COMMISSION**
7

- 8 **I. Rules of Procedure:** The Commission shall adopt rules of procedure regarding the
9 conduct of business by the Audit Committee.
- 10
11 **II. Annual Budget Requests:** The Commission shall include in its annual operating budget
12 proposal, the amounts recommended by the Audit Committee for funding the Office of
13 the Inspector General. The Commission shall determine and designate any such
14 amounts or portions of the OIG budget request that are properly allocable to both
15 counties for purposes of Maryland Code, Land Use Art. §§ 18-103(c) and 18-106(d).
- 16
17 **III. Removal of the Inspector General:**
18 The Commission may remove the Inspector General by Resolution adopted by the
19 affirmative vote of not less than three (3) Commissioners from each County for neglect
20 of duty, malfeasance, conviction of a felony, or other good cause.
- 21
22 **IV. Delegation of Authority:** The Commission may delegate functions, as appropriate to:
23
24 A. The Audit Committee; and
25
26 B. The Commission Chair, Commission Vice-Chair, and Executive Director. (See also:
27 Section titled Responsibilities and Functions Assigned to the Executive Committee).
28
29

1 **Note to Draft Reviewer:** The new Section below, Responsibilities and Functions Assigned to the Executive Committee,
2 incorporates information that has been moved from its placement in the existing policy under: Item 2, Internal Audit
3 Function, subsection (b). Amendments are indicated via highlights and strikethrough.
4

5 **RESPONSIBILITIES**
6 **AND FUNCTIONS**
7 **ASSIGNED TO THE**
8 **EXECUTIVE COMMITTEE**

9 ~~b.~~ Responsibilities assigned to members of the Executive Committee shall include:

10
11 *(Note to Draft Reviewer: This section reflects authority assigned to the Chair, Vice-Chair and*
12 *Executive Director consistent with the new Statute on Inspector General.)*
13

14 **I. Public Disclosure and Publication of Reports**

- 15
16 A. As the agency's Official Custodian for purposes of the Maryland Public Information
17 Act, the Executive Director shall be responsible for effectuating the public disclosure
18 of any report issued by the Inspector General, Audit Committee or otherwise
19 pursuant to this Administrative Practice, including any written reports, and periodic
20 reports that summarize the activities, findings, recommendations, and
21 accomplishments of the OIG.
22
- 23 B. Subject to any oversight or direction by the Chair and/or Vice-Chair, as given
24 according to their sole or mutual personnel jurisdiction, respectively, the Executive
25 Director shall arrange for the posting of audit and other reports on the appropriate
26 M-NCPPC website as soon as practicable subject to compliance with the MPIA. Any
27 report exempted by the Maryland Public Information Act from mandatory public
28 disclosure, including any investigative or personnel report, shall not be posted.
29
- 30 C. The Executive Director shall ensure that written comments or responses offered by
31 agency management are included in the publication of any report submitted by the
32 OIG.
33
- 34 D. The Executive Director, in consultation with the General Counsel, shall coordinate
35 the agency's response to press and other third-party inquiries related to audit and
36 investigative activities undertaken pursuant to this Practice, as well as any associated
37 reports.
38
39
40

1 Responsibilities and Functions Assigned to the Executive Committee (Continued)

2
3 **II. Producing Compliance with Pending Requests for Information**

4 The Commission Chair, Vice-Chair, or Executive Director shall take administrative
5 action to produce compliance with a pending request for information by the
6 Inspector General or External Auditors, as warranted and appropriate.

7
8 These requests may include, but are not limited to, audit reviews and investigations.

9 A. ~~1)~~ The Commission's Chair and Vice Chair shall:

10
11 a) ~~Conduct the performance management responsibilities (including the periodic~~
12 ~~review/evaluations for the Chief Internal Auditor with input from the Audit~~
13 ~~Committee, and as to routine administrative functions, from the Executive Director.~~
14 *(Note to Draft Reviewer: The previous sentence has been deleted, as this*
15 *responsibility will now rest with the Audit Committee. This will ensure appropriate*
16 *independence of the Inspector General. See Section titled Responsibilities and*
17 *Functions Assigned to the Audit Committee, Subsection IV(C)(3), which places*
18 *oversight of the Inspector Generals' work plan with the Audit Committee.)*

19
20 b) ~~Internal Audits: Consistent with the handling of all internal or external audits,~~
21 ~~ensure that management and employees cooperate with audit reviews/~~
22 ~~investigations including requests for information. (Note to Draft Reviewer:~~
23 ~~Proceeding sentence has been deleted as it has been incorporated in Section I,~~
24 ~~above.)~~

25
26 1. **Response to Draft Audits:** Require any affected Department Head Director to
27 provide a written response to a Draft Audit Report in ~~within~~ 30-calendar days
28 of receiving the report or the extended period authorized as authorized in
29 paragraphs (a) and (b), provided below.

30
31 Management's response shall indicate agreement or disagreement with the
32 report's findings and recommendations; provide facts to support any
33 disagreement or concerns, and/or suggest remedies (including an applicable
34 timetable) to address concerns identified in the draft report.

35
36 a. The Inspector General may grant an extension to the response period as
37 identified in Section titled Responsibilities and Functions Assigned to the
38 Office of the Inspector General, Subsection III(D)(2). If a response is not
39 received, the Inspector General will notify the respective Planning Board
40 Chair and the Executive Director.

41
42 b. The Chair and Vice-Chair serve as Chairs of their respective Planning Boards.
43 In this capacity, the respective Planning Board Chair may grant an additional
44 extension in the response period, when additional time is required the
45 response period is not sufficient to respond to complex audit
46 issues/findings.

1 **Responsibilities and Functions Assigned to the Executive Committee (Continued)**

- 2
- 3 2. e) Consider recommendations from the Audit Committee stemming from its
- 4 review of Final Audit Reports and/or investigations and determine appropriate
- 5 actions that should be implemented.
- 6
- 7 3. d) Take or direct necessary action, including the submission by appropriate
- 8 management, within a stated timeframe, of action plans to respond to
- 9 recommendations made by the Audit Committee, issues raised in a Final Audit
- 10 Report or investigation, and/or other actions identified by the Chair and Vice-
- 11 Chair.
- 12
- 13 4. e) Monitor management's implementation of action plans or other actions
- 14 directed by the Commission Chair and Vice-Chair as a result of an audit or
- 15 investigation.
- 16
- 17 5. Ensure written comments or responses offered by the M-NCPPC's management
- 18 are published with any report submitted by the Inspector General.
- 19
- 20 ~~f) Chair and Vice-Chair: Determine and approve, in consultation with the General~~
- 21 ~~Counsel when necessary, whether any Final Audit Report is appropriate for~~
- 22 ~~public dissemination. If dissemination is determined appropriate, the Chair shall~~
- 23 ~~notify the Executive Director who will coordinate the process for release and/or~~
- 24 ~~posting of reports. (**Note to Draft Reviewer:** Concept addressed in Section I~~
- 25 ~~(Public Disclosure and Dissemination of Reports), above.)~~
- 26

27 **Note to Draft Reviewer:** The responsibilities assigned to the Executive Director have been modified to reflect

28 greater independence of the Inspector General.

- 29 **B.** 2) The Executive Director shall:
- 30 a) ~~Provide routine administrative oversight of the Internal Auditor, to include day-~~
- 31 ~~to-day functions such as general compliance with M-NCPPC administrative policies~~
- 32 ~~and procedures, review of leave requests, and approval of time and attendance~~
- 33 ~~requirements; and b) serve as the custodian of record for all Final Audit Reports and~~
- 34 ~~Audit Committee records. (**Note to Draft Reviewer:** Paragraph moved to the~~
- 35 ~~Responsibilities and Functions Assigned to Office of the Inspector General, Section~~
- 36 ~~III(1) (Maintenance of Records)).~~
- 37
- 38 1. Consistent with Section II(A)(5), and at the direction from the Commission Chair
- 39 and Vice-Chair, the Executive Director shall ensure public dissemination of
- 40 reports, including posting on the Commission website.
- 41
- 42 2. Coordinate the Commission's compliance with the Maryland Public Information
- 43 Act, and coordinate the Commission's response to press inquiries pertaining to
- 44 Commission audit functions.
- 45
- 46 3. Receive, for information purposes, notification from the Inspector General of any
- 47 extended leave of absence.

1 **ORGANIZATION OF**
2 **THE OFFICE OF THE**
3 **INSPECTOR GENERAL**

4 **I. Inspector General**

5
6 **A. Appointment of the Inspector General**

7 The Inspector General shall be appointed pursuant to the provisions set forth in
8 Responsibilities and Functions Assigned to the Audit Committee, Section IV (Audit
9 Committee Responsibilities Related to the Office of the Inspector General).

10
11 **B. Term Limit for the Inspector General**

- 12
13 1. The term of the Inspector General is four (4) years, beginning on the date of
14 appointment.
- 15
16 2. An individual may not serve as Inspector General for more than three (3) terms.

17
18 **C. Position Classification for the Inspector General**

19 The Inspector General may not participate in the Merit System, however:

- 20
21 1. The Inspector General may participate in any employee benefits program offered
22 by the agency on the same terms and conditions as Merit System employees;
23 and
- 24
25 2. The M-NCPPC may offer any supplemental employee benefit as necessary to
26 recruit and retain candidates for the position.

27
28 **D. Prohibitions on Secondary Employment by the Inspector General**

- 29 1. The Inspector General shall discharge the duties of the office on a full-time basis
30 and with no secondary employment of any nature during their term.
- 31
32 2. Notwithstanding paragraph (1), immediately above, the Inspector General may
33 be appointed to professional boards or organizations when such involvement is
34 approved, in writing, by the Audit Committee.

35
36
37 **II. Staff Assigned to the Office of the Inspector General**

38
39 **A. Subject to budget authorization, applicable law, and the Merit System Rules &**
40 **Regulations; and other personnel regulations, the Inspector General may select**
41 **qualified OIG staff for Merit System or temporary positions. Staff will be selected on**
42 **an impartial, competitive basis reasonably comparable in all material respects**
43 **applicable to the Merit System.**

44
45 **B. The Inspector General may dismiss any OIG staff for neglect of duty, malfeasance,**
46 **conviction of a felony, or other good cause.**

1 **OFFICE OF THE**
2 **INSPECTOR GENERAL**
3 **RESOURCES**

4 **I. Consultants Retained by the Inspector General**

5
6 Subject to budget authorization and the applicable procurement regulations, the
7 Inspector General may retain consultants by contract.
8

9 **II. Legal Counsel to the Inspector General**

10
11 Subject to budget authorization and adequate funds:

12
13 A. The Commission's General Counsel shall provide legal services to the Inspector
14 General and may employ special counsel, if appropriate or required by law; and

15
16 B. The Inspector General may employ and be represented by a special legal counsel
17 without consent of the General Counsel if the Audit Committee approves of such a
18 request by the Inspector General, after considering any recommendation or
19 comment offered by the General Counsel relating to the request.
20

21 **RESPONSIBILITIES AND**
22 **FUNCTIONS ASSIGNED**
23 **TO OFFICE OF THE**
24 **INSPECTOR GENERAL**
25

26 **Note to Draft Reviewer:** *The following section incorporates responsibilities outlined in the new Statute and reflects*
27 *many of the existing duties carried out by the existing Internal Audit Office.*

28
29 **I. General Responsibilities of the Office of the Inspector General**

30
31 A. The Office of the Inspector General shall:

32
33 1. Provide independent evaluation and recommendations on opportunities to:

34
35 a. Preserve the agency's reputation; and

36
37 b. Improve the effectiveness, productivity or efficiency of M-NCPPC programs,
38 policies, practices, and operations.

39
40 2. Ensure public accountability by preventing, investigating, and reporting instances
41 of fraud, waste, and abuse of M-NCPPC property or funds. See also: Practice 3-
42 31 (Fraud, Waste and Abuse).

43
44 3. Examine, evaluate, and report on the adequacy and effectiveness of the systems
45 of internal controls, and their related accounting, financial, technology, and
46 operational policies.

1 4. Report non-compliance with, and propose ways to improve employee
2 compliance with, applicable law, policy, and ethical standards of conduct.
3

4 B. In carrying out audit responsibilities and developing recommendations, the Office of
5 the Inspector General:

6
7 1. May conduct administrative investigations, budgetary analyses, and financial
8 management; or performance audits, and similar reviews;

9
10 2. May provide management advisories, and other non-audit services, as
11 appropriate to support agency decision makers;

12
13 3. May utilize the assistance from any other government agency or private party to
14 complete a project initiated by the Office consistent with applicable law; and

15
16 4. Shall comply with Generally Accepted Government Auditing Standards.
17

18 **II. Audit Work Plans and Coordination of Audits, Analyses, and Investigations**

19 **A. Audit Work Plans**

20
21
22 1. The Inspector General shall coordinate with the Audit Committee to develop a
23 written work plan and establish periodic goals and priorities for the office based
24 on an assessment of relative risks. (See also: Responsibilities and Functions
25 Assigned to the Audit Committee, Section IV(C)(2)).
26

27 2. The annual work plan shall account for the projected OIG workload allocated for
28 the year to perform management advisories, budgetary analyses, financial
29 management projects, performance audits and similar reviews, and fraud, waste,
30 and abuse investigations.
31

32 3. In developing the work plan, the Inspector General shall take into consideration
33 requests from the Planning Boards, Commissioners, Appointed Officers,
34 managers and employees, elected officials, and members of the public.
35

36 4. The Inspector General shall make the written work plan available to the public,
37 subject to the Maryland Public Information Act.
38
39

1 **B. Coordination of Audits, Analyses, and Investigations**

- 2
- 3 1. To avoid unnecessary disruption or duplication of effort in conducting any audit,
- 4 analysis, or administrative investigation, the Inspector General shall coordinate
- 5 with the Park Police or other law enforcement agency; M-NCPPC personnel,
- 6 administrators, or Appointed Officials; the Maryland State Ethics Commission; or
- 7 external entities, as appropriate. The Inspector General should use discretion in
- 8 the exercise of its authority, such as in cases where a referral may be appropriate
- 9 because another agency is more appropriately situated to investigate.
- 10
- 11 2. The Inspector General may adopt memorandums of mutual understanding with
- 12 appropriate agencies or administrators to assure effective coordination,
- 13 including, by way of example, establishing standard operating procedures to
- 14 protect the public interest and avoid confounding an ongoing criminal, ethics or
- 15 personnel investigations.
- 16
- 17 3. Any report given by OIG after concluding an audit, analysis, or administrative
- 18 investigation of a matter over which another agency, administrator, official or
- 19 entity shares jurisdiction shall include a description of any efforts undertaken
- 20 toward inter- or intra-agency coordination or, alternatively, the reasons
- 21 coordination was determined to be unnecessary or inappropriate.
- 22

23 **III. General Responsibilities of the Inspector General**

24

25 **A. Objective, Consistent, and Fact-Based Audits and Investigations**

26

27 Consistent with guidance provided by the Audit Committee in In the Section titled,

28 Responsibilities and Functions Assigned to the Audit Committee, Subsection IV(C)(7),

29 the Office of the Inspector General shall:

30

- 31 1. Perform their professional responsibilities with integrity and in accordance with
- 32 the relevant technical and professional standards. The Office shall conduct their
- 33 work in a manner that is objective, fact-based, nonpartisan, and non-ideological
- 34 with regard to audited services, programs, and individuals; and
- 35
- 36 2. Account for the proper use and prudent management of government resources.
- 37 Information obtained through audits and investigations, and/or the use of
- 38 agency resources are to be used exclusively for official purposes and not for any
- 39 personal gain.
- 40
- 41

1 B. Protecting Privacy

2
3 1. The Inspector General shall establish and ensure the Office of Inspector General
4 follows procedures for safeguarding the identity of confidential sources and
5 protecting privileged and confidential information consistent with applicable law.

6
7 2. The Office of the Inspector General may not disclose:

8
9 a. Any record, report, or related information that is protected from disclosure
10 under the Public Information Act.

11
12 b. The identity of a person that reports an allegation of fraud, waste, or abuse
13 unless:

14
15 1) The reporting person consents to disclosure of the person's identity;

16
17 2) Disclosure is reasonably necessary to complete an audit or investigation;

18
19 3) Another person is legally entitled to disclosure of the identity of the
20 reporting person; or,

21
22 4) Disclosure is otherwise required by applicable law.

23
24 C. Oaths, Depositions, & Testimony

25 If necessary to fulfill the duties assigned to the Office, including investigating fraud,
26 waste, and abuse, the Inspector General, or a staff member authorized by the
27 Inspector General, may:

28
29 1. Administer an oath or affirmation;

30
31 2. Take an affidavit from any person; and

32
33 3. Take a deposition and other testimony.

34
35 D. Requests for Information from Employees, Managers, and Officials

36
37 1. Upon request from the Inspector General, M-NCPPC employees, managers, or
38 officials shall promptly provide available documents or other information
39 concerning agency operations, budget, programs, or vendor contracts.
40

1 **Note to Draft Reviewer:** The following section explains existing process carried out by the Audit Chief.

2
3 2. The Inspector General will consider the appropriate time period needed by
4 management to respond to draft audits or other requests for information. The
5 Inspector General may grant an extension to an audit response period when
6 needed to respond to complex findings/request for information.

7
8 3. The Inspector General shall notify the Audit Committee and Commission Chair,
9 Vice-Chair, and Executive Director if any M-NCPPC employee, manager, or
10 Appointed Official fails to provide any information or document requested with
11 reasonable promptness.

12
13 **E. Requests for Information from Vendors**

14
15 1. Upon request from the Inspector General, a vendor of the M-NCPPC shall provide
16 available documents or other information concerning any agency vendor
17 contract, including documents related to the procurement of the contract or
18 performance of a contract.

19
20 2. The Inspector General shall promptly notify the Audit Committee and M-NCPPC
21 Appointed Officers if any vendor fails to provide any information or document
22 requested under this subsection with reasonable promptness.

23
24 3. The M-NCPPC Appointed Officers shall take appropriate administrative or civil
25 action to produce vendor compliance with a pending request for information by
26 the Inspector General.

27
28 **F. Suspected Serious Violations of Federal, State, or Local Law**

29
30 If reasonable grounds exist to believe that a serious violation of federal, state, or
31 local law has occurred, the Inspector General shall report the allegation to one of the
32 following:

33
34 1. An appropriate law enforcement agency;

35
36 2. The State Ethics Commission; or

37
38 3. Any other agency with jurisdiction to enforce the law, as appropriate.

39
40 **G. Subpoena Power**

41
42 1. The Inspector General may subpoena any person or evidence for the purpose of
43 investigating fraud, waste, or abuse at the M-NCPPC.
44

1 2. If a person fails to comply with a lawful order or subpoena issued under this
2 section, on petition of the Inspector General, a court of competent jurisdiction
3 may compel:

4
5 a. Compliance with the order or subpoena; or

6
7 b. Testimony or the production of evidence.

8
9 **H. Submission of Reports for Publication on the M-NCPPC Website**

10
11 1. Except as required by Subsection I(D) (Protecting Privacy), the Inspector General
12 shall submit reports to the Audit Committee and Commission for publication on
13 the agency's website. (See also: Section titled, Responsibilities and Functions
14 Assigned to the Commission, Subsection III (Delegation of Authority) and Section
15 titled Responsibilities and Functions Assigned to the Audit Committee,
16 Subsection IV(C)(5)), including:

17
18 a. Final written reports; and

19
20 b. Periodic reports that summarize the activities, findings, recommendations,
21 and accomplishments of the office.

22
23 2. The Inspector General may provide an oral report if appropriate under Generally
24 Accepted Government Auditing Standards.

25
26 3. With any report submitted by the Inspector General, the Commission shall
27 publish any official written comments or responses offered by the agency's
28 management.

29
30 **I. Maintenance of Records**

31 The Inspector General shall maintain all final audit reports and Audit Committee
32 records pursuant to the M-NCPPC's adopted Records Retention and Disposition
33 Schedule.

34
35 **IV. General Administrative Matters**

36
37 **A. In addition to responsibilities outlined above, the Inspector General shall inform the**
38 **Audit Committee of:**

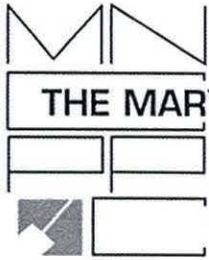
39
40 1. Budget requests that must go before the Commission.

41
42 2. Personnel Matters pertaining to the hiring or dismissal of subordinate staff
43 assigned to the OIG. All personnel matters concerning subordinate staff shall be
44 handled in accordance with Merit System Rules and Regulations, and other
45 policies applicable to Merit System or temporary, Contract employees.
46

1
2
3
4

3. Any leave of absence taken by the Inspector General.

B. For information purposes, the Inspector General should also notify the Executive Director of any extended leave of absence.



ITEM 6g

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20730

Date: September 14, 2017

To: The Maryland-National Capital Park and Planning Commission

Via: Patricia C. Barney, ^{PCB} Executive Director
John Kroll, Corporate Budget Manager JK

From: Melinda Duong, Senior Budget Analyst MD

Subject: CAS Labor Cost Allocation Analysis for the FY19 Budget

Recommendation:

It is recommended that the Commission adopt the update to the labor cost percentages used to allocate CAS department budgets between Montgomery and Prince George's counties for the FY19 Proposed Budget.

This recommendation was presented to Executive Committee on September 11, 2017. The Executive Committee supports the proposed CAS Labor Cost Allocation.

Background

Developed annually, this analysis looks at the 6 CAS departments/units providing services to the two counties to determine what percentage of time and hence budget should be charged to which funding sources.

Three CAS functions are not addressed in this analysis: Group Insurance – labor costs are factored into the rates set for the employer and employee/retiree, and, since FY14, no longer allocated and charged directly to the operating departments in each county. CIO – Labor costs are allocated by the percentage of subscriptions to the Cloud and included in the two CIO / Commission-wide IT Initiatives Fund budgets. Risk Management – in the past the administrative costs have been allocated 50/50. After analyzing staff time records for the three-year period from FY15 to FY17, even though the allocation is slightly different each year, the annualized allocation for Risk Management remains 50/50.

Methodology

Fiscal year data is extracted from the time card system. For those divisions for which cost drivers are not applied, work hours are classified as Montgomery County, Prince George's County or Bi-county, according to the description of the labor codes used. If the labor code does not indicate a specific county for the work/leave hours, the hours are classified as Bi-county. Bi-county hours are allocated 50/50 between the two counties.

For Accounts Payable, Treasury/Investments, Payroll and Purchasing units of the Finance Department, and Employee Records and Recruitment units of the Department of Human Resources and Management, the labor cost allocations are done using cost drivers, i.e., work hours are classified and distributed as Montgomery or Prince George's according to the Cost Driver table below. For Accounts Payable and Payroll the driver is number of payments issued; for Purchasing the driver is total document volume (including PO's, contracts and purchase card transactions); for Treasury the driver is the number of cash receipts and deposits; for Employee Records the driver is the number of PA2's processed; for Recruitment the driver is the number of applications.

Whether utilizing the labor hour allocations or the cost drivers, the results are then factored into a three-year moving average to smooth individual year variations.

Two CAS departments do not utilize either of these methodologies. For the Merit System Board, it is assumed that the decisions they render are applicable to the Commission as a whole. Therefore, their budget is allocated on a 50/50 basis.

Support Services – Historically allocated on a 50/50 basis, beginning with FY15 these expenses are now allocated based upon the three-year labor allocation average of the CAS departments/units that are supported.

Results

Cost drivers were updated for FY17 by Finance and DHRM and these results are shown below along with the drivers used for prior periods.

Cost Drivers	FY11-FY13		FY13		FY14		FY15		FY16		FY17		% shift in Share	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
Accounts Payable	31.8%	68.2%	32.0%	68.0%	29.6%	70.4%	31.0%	69.0%	36.0%	64.0%	38.5%	61.5%	2.5%	-2.5%
Payroll	25.7%	74.3%	25.0%	75.0%	22.0%	78.0%	23.5%	76.5%	24.5%	75.5%	24.8%	75.2%	0.3%	-0.3%
Purchasing	39.4%	60.6%	45.0%	55.0%	46.5%	53.5%	45.9%	54.1%	50.3%	49.7%	49.9%	50.1%	-0.5%	0.5%
Treasury/Investment	27.9%	72.1%	20.0%	80.0%	35.0%	65.0%	30.0%	70.0%	30.0%	70.0%	20.0%	80.0%	-10.0%	10.0%
Employee Records	29.5%	70.5%	19.0%	81.0%	19.0%	81.0%	21.0%	79.0%	22.0%	78.0%	23.0%	77.0%	1.0%	-1.0%
Recruitment	42.0%	58.0%	40.0%	60.0%	40.0%	60.0%	43.3%	56.7%	45.0%	55.0%	44.1%	55.9%	-0.9%	0.9%

Using the labor hour splits for some divisions, the cost driver calculations for other divisions, and the assumptions noted above under Methodology for Merit Board and Support Services resulted in the allocation percentages shown below.

	FY18		FY19 Proposed		Change from FY18	
	MC	PGC	MC	PGC	MC	PGC
DHRM	42.6%	57.4%	43.1%	56.9%	0.5%	-0.5%
Finance	43.6%	56.4%	43.7%	56.3%	0.1%	-0.1%
Legal	50.5%	49.5%	49.9%	50.1%	-0.6%	0.6%
Internal Audit	34.9%	65.1%	34.4%	65.6%	-0.5%	0.5%
Merit System Board	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%
Support Services	44.5%	55.5%	44.3%	55.7%	-0.2%	0.2%
Total CAS Before Chargebacks	44.4%	55.6%				

Below is an expanded summary showing the budgeted allocations from FY13 through FY18

ALLOCATION OF GAS BUDGET TO EACH COUNTY FY13 TO FY18

	FY13		FY14		FY15		FY16		FY17		FY18		FY19 Proposed		Change from FY18	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
DHRM	42.5%	57.5%	42.5%	57.5%	43.7%	56.3%	42.9%	57.1%	42.4%	57.6%	42.6%	57.4%	43.1%	56.9%	0.5%	-0.5%
Finance	43.4%	56.6%	43.4%	56.6%	42.7%	57.3%	42.9%	57.1%	42.9%	57.1%	43.6%	56.4%	43.7%	56.3%	0.1%	-0.1%
Legal	56.3%	43.7%	57.4%	42.6%	56.1%	43.9%	53.8%	46.2%	52.0%	48.0%	50.5%	49.5%	49.9%	50.1%	-0.6%	0.6%
Internal Audit	32.1%	67.9%	32.4%	67.6%	32.4%	67.6%	30.9%	69.1%	34.7%	65.3%	34.9%	65.1%	34.4%	65.6%	-0.5%	0.5%
Merit System Board	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%
Support Services	50.0%	50.0%	50.0%	50.0%	45.1%	54.9%	44.7%	55.3%	44.2%	55.8%	44.5%	55.5%	44.3%	55.7%	-0.2%	0.2%
Total CAS Before Chargebacks	45.7%	54.3%	46.0%	54.0%	45.4%	54.6%	44.7%	55.3%	44.3%	55.7%	44.4%	55.6%	44.3%	55.7%	0.1%	0.1%

This table provides the divisional labor allocation in detail, including the three-year average which forms the basis for each year's proposed allocation.

	FY 13		FY 14		FY 15		FY 16		FY 17	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
30 - Dept Human Resources & Mgmt	41.7%	58.3%	100%	100%	42.6%	57.4%	100%	44.6%	55.4%	100%
OFFICE OF THE EXEC. DIR.	48.6%	51.4%	100%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%
BUDGET DIVISION	49.3%	50.7%	100%	100%	47.7%	52.3%	100%	49.4%	50.6%	100%
CLASSIFICATION COMPENSATION	53.0%	47.0%	100%	100%	52.6%	47.4%	100%	53.4%	46.6%	100%
CORP. POLICY & MGMT SVCS	50.1%	49.9%	100%	100%	50.1%	49.9%	100%	50.0%	50.0%	100%
EMPLOYEE LABOR RELATIONS	59.2%	40.8%	100%	100%	52.9%	47.1%	100%	57.5%	42.5%	100%
HRIS/EMP. RECORDS	19.0%	81.0%	100%	100%	21.0%	79.0%	100%	22.0%	78.0%	100%
RECRUITMENT	40.0%	60.0%	100%	100%	43.3%	56.7%	100%	45.0%	55.0%	100%
31 - Legal	53.4%	46.6%	100%	100%	49.7%	50.3%	100%	49.0%	51.0%	100%
32 - Finance Department	42.9%	57.1%	100%	100%	42.6%	57.4%	100%	44.9%	55.1%	100%
ACCOUNTING	48.8%	51.2%	100%	100%	45.6%	54.4%	100%	44.8%	55.2%	100%
ACCOUNTS PAYABLE	32.0%	68.0%	100%	100%	31.0%	69.0%	100%	36.0%	64.0%	100%
ADMINISTRATIVE SERVICES	50.0%	50.0%	100%	100%	49.9%	50.1%	100%	49.0%	51.0%	100%
INVESTMENTS	20.0%	80.0%	100%	100%	30.0%	70.0%	100%	30.0%	70.0%	100%
IT DIVISION	50.1%	49.9%	100%	100%	49.8%	50.2%	100%	50.0%	50.0%	100%
OFFICE OF THE SEC.-TREAS.	50.0%	50.0%	100%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%
PAYROLL	25.0%	75.0%	100%	100%	23.5%	76.5%	100%	24.5%	75.5%	100%
PURCHASING	45.0%	55.0%	100%	100%	46.5%	53.5%	100%	50.3%	49.7%	100%
52 - Internal Audit	36.9%	63.1%	100%	100%	37.2%	62.8%	100%	36.4%	63.6%	100%
Total CAS	44.5%	55.5%	100%	100%	44.2%	55.8%	100%	45.2%	54.8%	100%

Notes:

- 1) Highlighted rows represents labor cost allocations are done with cost drivers
- 2) Result include chargeback positions based on time card records
- 3) FY13 includes FY14 new dedicated position in Legal

	3 Year Average		FY 13 - FY 15		3 Year Average		FY 14 - FY 16		3 Year Average		FY 15 - FY 17		3 Year Average vs FY18 Budget	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
30 - Dept Human Resources & Mgmt	42.1%	57.9%	100%	100%	43.1%	56.9%	100%	43.1%	56.9%	100%	42.6%	57.4%	100%	0.5%
OFFICE OF THE EXEC. DIR.	49.7%	50.3%	100%	100%	50.1%	49.9%	100%	49.0%	51.0%	100%	50.0%	50.0%	100%	0.0%
BUDGET DIVISION	48.6%	51.4%	100%	100%	48.7%	51.3%	100%	49.0%	51.0%	100%	49.0%	51.0%	100%	0.0%
CLASSIFICATION COMPENSATION	53.9%	46.1%	100%	100%	54.0%	46.0%	100%	52.6%	47.4%	100%	52.6%	47.4%	100%	0.0%
CORP. POLICY & MGMT SVCS	50.0%	50.0%	100%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	0.0%
EMPLOYEE LABOR RELATIONS	56.7%	43.3%	100%	100%	56.1%	43.9%	100%	53.5%	46.5%	100%	53.5%	46.5%	100%	0.0%
HRIS/EMP. RECORDS	41.1%	58.9%	100%	100%	42.8%	57.2%	100%	44.1%	55.9%	100%	44.1%	55.9%	100%	0.0%
RECRUITMENT	51.9%	48.1%	100%	100%	50.4%	49.6%	100%	49.9%	50.1%	100%	49.9%	50.1%	100%	0.0%
31 - Legal	46.3%	53.7%	100%	100%	44.9%	55.1%	100%	47.0%	53.0%	100%	43.6%	56.4%	100%	-0.1%
32 - Finance Department	30.9%	69.1%	100%	100%	32.2%	67.8%	100%	35.2%	64.8%	100%	34.9%	65.1%	100%	-0.5%
ACCOUNTING	50.0%	50.0%	100%	100%	49.6%	50.4%	100%	49.2%	50.8%	100%	49.2%	50.8%	100%	0.0%
ACCOUNTS PAYABLE	28.3%	71.7%	100%	100%	31.7%	68.3%	100%	26.7%	73.3%	100%	26.7%	73.3%	100%	0.0%
ADMINISTRATIVE SERVICES	49.9%	50.1%	100%	100%	49.9%	50.1%	100%	49.4%	50.6%	100%	49.4%	50.6%	100%	0.0%
INVESTMENTS	50.0%	50.0%	100%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	0.0%
IT DIVISION	23.5%	76.5%	100%	100%	23.3%	76.7%	100%	24.3%	75.8%	100%	24.3%	75.8%	100%	0.0%
OFFICE OF THE SEC.-TREAS.	45.8%	54.2%	100%	100%	47.6%	52.4%	100%	48.7%	51.3%	100%	48.7%	51.3%	100%	0.0%
PAYROLL	34.7%	65.3%	100%	100%	34.6%	65.4%	100%	34.4%	65.6%	100%	34.4%	65.6%	100%	0.0%
PURCHASING	44.2%	55.8%	100%	100%	44.4%	55.6%	100%	44.3%	55.7%	100%	44.4%	55.6%	100%	0.0%
52 - Internal Audit	34.7%	65.3%	100%	100%	34.6%	65.4%	100%	34.4%	65.6%	100%	34.9%	65.1%	100%	-0.5%
Total CAS	44.2%	55.8%	100%	100%	44.4%	55.6%	100%	44.3%	55.7%	100%	44.4%	55.6%	100%	0.1%

Multi-Year Change Summary

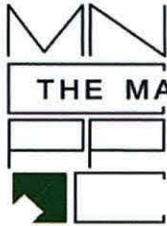
The table below shows the change from year to year, including the proposed change for FY19.

	Change from Prior Year											
	FY14		FY15		FY16		FY17		FY18		FY19	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
DHRM	-0.1%	0.1%	1.2%	-1.2%	-0.9%	0.9%	-0.5%	0.5%	0.2%	-0.2%	0.5%	-0.5%
Finance	0.0%	0.0%	-0.6%	0.6%	0.2%	-0.2%	0.0%	0.0%	0.7%	-0.7%	0.1%	-0.1%
Legal	1.2%	-1.2%	-1.3%	1.3%	-2.3%	2.3%	-1.8%	1.8%	-1.5%	1.5%	-0.6%	0.6%
Internal Audit	0.3%	-0.3%	-0.1%	0.1%	-1.5%	1.5%	3.8%	-3.8%	0.3%	-0.3%	-0.5%	0.5%
Merit System Board	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Support Services	0.0%	0.0%	-4.9%	4.9%	-0.4%	0.4%	-0.5%	0.5%	0.3%	-0.3%	-0.2%	0.2%
Total CAS Before Chargebacks	0.3%	-0.3%	-0.6%	0.6%	-0.7%	0.7%	-0.4%	0.4%	0.1%	-0.1%		

Recommendation

The recommendation is to adopt the results of this year's analysis and direction be given to staff to utilize in developing the FY19 Proposed Budget. Using FY18 budget numbers, this would shift approximately \$12,000 to Montgomery County from Prince George's County.

ITEM 6i



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

September 12, 2017

To: The Commission

Via: Patricia Barney, Executive Director

From: Anju Bennett, Corporate Policy and Management Operations (CPMO) Division Chief
Nathan Shearer, Management Analyst Intern

Re: Literacy and Language Proficiency Program Update

Background

The Literacy and Language Proficiency Program (Literacy Program) was launched in 2015 to help employees strengthen English reading/writing/communication skills. The Program is administered out of the Corporate Policy and Management Operations Division, and relies on the talented instruction of the Literacy Council of Montgomery County, and the outstanding support of participating departments' management. This summer marks the completion of the second annual session, which continues to be very successful and well received.

The Literacy Program is offered to any interested Merit employee and remains free of charge to participants. Each fall, the Program is extensively marketed through multiple employee and supervisory forums held throughout our agency's facilities in Montgomery and Prince George's Counties. Additionally, the Program is communicated through English and Spanish posters, flyers, and brochures that employees can share with coworkers/families. First year students of the Program and managers also advocated for the Program. Through these efforts, 27 employees applied for this year's sessions. All applicants were accepted into the Program, with 17 students returning from last year to further develop their literacy and language skills.

This memo provides a status update on the implemented program, and highlights feedback received from this year's participants.

Overview of the Program

Program Design

Each year, the Program classes are customized to meet the needs of participants based on assessments of their proficiency levels. Course instruction is then tailored to help participants enhance their skills. This year, the Literacy Council recommended four instructional course levels to address the assessed skills of the 27 applicants.

Students were expected to attend one class per week for four months (February-June). Classes were tailored as follows:

1. **Basic Literacy:** Class enhanced proficiency skills and was focused on helping employees for whom English is their primary language. Participants were expected to attend one 2-hour session per week. 2 students were placed at this level.
2. **English as a Second Language (ESL):** Classes enhanced reading and writing skills and were focused on helping employees for whom English is a second language. Participants were expected to attend one 3-hour session per week. Twenty-five (25) students were placed in one of the following instruction levels:
 - ESL I/Basic Intermediate English
 - ESL II/High Intermediate English
 - ESL III/Advanced English

Participants Who Completed the Program

During the year, seven (7) students either withdrew from the program due to personal conflicts, or timing of the program.

74% (or 20/27) of students completed the program as follows:

- 65% (or 13/20) of participants are from Prince George’s Parks and Recreation, and
- 35% (or 7/20) of these employees are from Montgomery Parks. The distribution of participation is reflected below.
- All 17 returning students completed this year’s program.

Work Location	ESL 1-Basic Intermediate	ESL 2-High Intermediate	ESL 3-Advanced	Basic Literacy	Total
MC	2	1	3	1	7
PGC	4	3	5	1	13
Total	6	4	8	2	20

Participants Who Withdrew from Program

Work Location	ESL 1-Basic Intermediate		ESL 2-High Intermediate		ESL 3-Advanced		Basic Literacy		Total
	Never Attended	Stopped Attending	Never Attended	Stopped Attending	Never Attended	Stopped Attending	Never Attended	Stopped Attending	
MC	0	0	0	0	1	1	0	0	2
PGC	3	1	0	1	0	0	0	0	5
Total	3	1	0	1	1	1	0	0	7
Total Enrollments									27

Program Assessment

Program Assessment

Program feedback is critical to ensuring program quality, effectiveness, and convenience. The Program was assessed through class observations and a post-session survey.

Overall, the Program was a success. Instructors, course materials, and the curriculum were all well received. Survey participants were eager to enroll in future classes and felt an increased confidence in their language and literacy skills. Many participants reported that they were offered increased responsibilities in their work, and as a result, participants reported increased commitment to their job duties.

19 out of 20 participants completed the post-session survey as follows:

- ESL I: Basic Intermediate English (6/6 students participated in the written survey).
- ESL II: High Intermediate English (4/4 students participated in the written survey).
- ESL III: Advanced English (7/8 students participated in the written survey).
- Basic Literacy (2/2 students participated in the survey—1 orally and 1 written).

The following results reflect participant feedback on the effectiveness of the Program. Results will be used to refine our program efforts.

1. **Job Skills Enhancement:** 100% (or 19/19) of survey participants indicated they found their course helpful in the performance of their job duties. Examples provided by the participants include improved communication at work, improved writing, and increased reading comprehension.
2. **Course Materials:** All survey participants (or 19/19) rated course material/textbooks as good to very good.
 - 68% (or 13/19) of survey participants rated their textbooks as very good, and
 - 32% (or 6/19) of survey participants rated their textbooks as good.

Follow up Action: Although participants did not indicate how materials could be improved, the Literacy Council will be asked to evaluate participant feedback earlier in next year's program to measure effectiveness.

3. **Course Instructor:** All survey participants (or 19/19) rated their instructor as okay to very helpful.
 - 84% (or 16/19) of survey participants rated their instructor as very helpful.
 - 16% (or 3/19) of survey participants rated their instructor as okay.

Follow up Action: The effectiveness of the instructor is critical. The Literacy Council will be asked to evaluate participant feedback earlier in next year's program to ensure teaching style/instructor is a good fit for the class.

4. Most Positive Aspect of Program: When asked which aspect they liked most about their class:
 - 52% (or 10/19) of survey participants stated the quality of their instructor was the most positive aspect of the Program.
 - 32% (or 6/19) of survey participants indicated that the “learning process” was the course’s most positive aspect.
5. Future Enrollment: All survey participants (or 19/19) indicated they would like to take more classes in this program. 95% (or 18/19) of survey participants would recommend the Program to other employees.

Follow up Action: Work with program instructors to ensure program levels are geared toward enabling continued enhancement of skills, particularly to assist employees to be prepared for additional career skills. Also, encourage students to advance to the next level in the program if they are interested in taking more classes.

6. Daily Use: Nearly 80% (or 15/19) of survey participants indicated their courses helped them better understand the technology and operating polices used in the performance of their current job.
7. Increased Responsibility: 74% (or 14/19) of participants indicated that this program allowed them to have a bigger role and/or increased responsibilities in their current job.
8. Employee Confidence: 89% (17/19) of participants indicated that this program increased their confidence in and commitment to their job performance. 2 of the 19 participants did not respond to this question. Furthermore, 46% (or 9/19) of survey participants felt more confident in their English language skills because of the class.

Follow up Action: These responses will be further reviewed with the Literacy Council. Items 6-8 reflected employee feedback on how the program benefited their skills. However, enhanced confidence in English skills could be improved. We will discuss with the Literacy Council whether the responses were affected by the manner in which questions were framed, or whether additional steps should be taken to assist employees in this area.

9. Course Convenience: Survey results indicated that the program was held in a convenient location and did not usually require an overly long commute that would require an unreasonable number of work hours to complete. 95% (or 18/19) of survey participants indicated that the location of the class, Fairland Aquatic Center, was convenient for them.

10. Support and Career Relevance: 95% (or 18/19) of survey participants reported their supervisor supported their enrollment in the class. 89% (or 17/19) of participants felt that their class was relevant to their career growth and development.

Follow up Action: Covered in Section titled *Next Steps*.

11. Desired Changes: When asked what they would change about the program, 69% (or 13/19) of survey participants indicated they would change the course timeline (commencement and program completion).

Follow up Action: Covered in Section titled *Next Steps*.

Employee Career Advancement

A total of 43 employees participated in the program over the last two annual sessions (2016 and 2017). Four of these individuals received promotions to a higher-grade position following their participation in the program. This represents a 9.3% promotion rate, which is higher than the promotion rate for the general M-NCPPC workforce of 5.5% for the same period.

The four employees were asked to provide feedback on the role, if any, the Literacy Program played in helping them obtain promotions. Three of the four employees responded. One employee was unavailable for comment. Employee names have been removed, but are available, should Commissioners desire additional information.

- **Employee 1** (*Montgomery County Parks*) – Employee 1 was promoted from a Park Maintenance Worker III to a Park Maintenance Leader. He commented that the program provided him the confidence to speak in front of others. He strongly believes the skills gained through the Literacy program assisted with his promotion.
- **Employee 2** (*Montgomery County Parks*) – Employee 2 was promoted from Park Maintenance Worker III to a Park Maintenance Leader. This employee shared that the Literacy program enhanced his writing skills including developing e-mails and correspondence. He believes these skills helped him to attain his promotion and would recommend the Literacy Program to anyone who needs it. He expressed a desire to continue attending higher level courses, if offered. He also spoke very highly of his instructor, Jasmine Fischer.
- **Employee 3** (*Montgomery County Parks*) – Employee 3 was promoted from Park Maintenance Worker I to a Tree Climber I. This employee shared he did not feel his participation in the program directly attributed to his promotion.

Next Steps

A Literacy and Language Program Ceremony is scheduled for September 20, 2017 to celebrate the achievements of participants who completed this year's session.

Planning of the third annual session has already begun, with marketing and focus groups to be rolled out in early Fall. Based on the participant feedback and assessment from this year's completed program, we identified a few areas that will be focused on to enhance future efforts. Some follow up actions were identified in the prior section, which presented participant feedback. These additional efforts also will be made:

- Program Commencement: Students indicated a strong preference for beginning course instruction earlier in the year, to allow the Program to be completed before the summer months when work demands and vacation schedules result in conflicts.

Response/Follow up Action: The Program's commencement was delayed due to staffing changes and shortages. This will not be an issue moving forward, as this has been resolved, and marketing efforts are already being implemented.

- Additional Program Assessment: Although feedback on the Program remains positive, some survey results revealed less than optimal program instruction and materials. Capturing this feedback earlier in the session will allow for adjustments/enhancements.

Response/Follow up Action: A "check-up" survey/participant input will be incorporated within the first few weeks of sessions to gauge the quality of instructors and materials, and assess other needs. Additionally, M-NCPPC staff will be working with the Literacy Council to develop more detailed surveys with clearer questions to better identify participant needs/suggestions within their respective courses.

- Marketing & Support for Employee Participation in the Program: This past cycle, 85% (or 17/20) of program participants were returning students from the prior year's program. Support by managers for their employee's continued growth has been remarkable. However, we also want to attract other employees who may benefit from the program.

Response/Follow up Action:

- Continue to encourage dialogue between supervisors and employees who are considering enrollment or are enrolled in the Literacy Program.
- Department Heads have shared their support with managers in their departments. In the first year of the program, several leaders, including Commissioners and Department Heads, were asked to speak at forums. This proved very successful in recruiting new employees, and will be reinstated.
- Enlist current participants to share ideas on enhancing communication efforts to reach employees who may be uncertain about enrolling in the Program.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 EMPLOYEE PERFORMANCE EVALUATIONS NOT COMPLETED BY DUE DATE
 BY DEPARTMENT AS OF JULY 2017

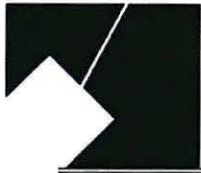
	31 - 60 DAYS		61 - 90 DAYS		91 + DAYS		DEPARTMENT TOTALS	
	06/16	07/17	06/17	07/17	06/16	07/17	06/16	07/17
CHAIRMAN, MONTGOMERY COUNTY	0	0	0	0	1	1	1	1
CHAIRMAN, PRINCE GEORGE'S COUNTY	0	0	0	0	0	0	0	0
OFFICE OF CIO	0	1	0	0	0	0	0	1
INTERNAL AUDIT	0	0	0	0	0	0	0	0
EXECUTIVE COMMITTEE/CHAIRS	0	0	0	0	0	0	0	0
DEPT. OF HUMAN RESOURCES & MGT.	2	1	0	0	0	0	2	1
LEGAL DEPARTMENT	0	1	0	0	0	0	0	1
FINANCE DEPARTMENT	2	1	0	1	0	0	2	2
PRINCE GEORGE'S PLANNING	0	0	0	0	0	0	0	0
PRINCE GEORGE'S PARKS & RECREATION	3	4	1	1	0	1	4	6
MONTGOMERY COUNTY PARKS	2	3	0	1	1	0	3	4
MONTGOMERY COUNTY PLANNING	2	1	1	1	0	0	3	2
DEPARTMENT TOTAL BY DAYS LATE	11	12	2	4	2	2	15	18
COMMISSION WIDE TOTAL:							15	18

*DEPARTMENTS WITH RATINGS MORE THAN 60 DAYS LATE HAVE BEEN CONTACTED.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
EMPLOYEE PERFORMANCE EVALUATIONS NOT COMPLETED BY DUE DATE
BY DEPARTMENT AS OF AUGUST 2017

	31 - 60 DAYS	61 - 90 DAYS	91 + DAYS	DEPARTMENT TOTALS	
	*****			07/16	08/17
	07/16	08/17	07/16	08/17	07/16
CHAIRMAN, MONTGOMERY COUNTY	0	0	1	1	1
CHAIRMAN, PRINCE GEORGE'S COUNTY	0	0	0	0	0
OFFICE OF CIO	1	0	0	0	1
INTERNAL AUDIT	0	0	0	0	0
EXECUTIVE COMMITTEE/CHAIRS	0	0	0	0	0
DEPT. OF HUMAN RESOURCES & MGT.	1	0	0	0	1
LEGAL DEPARTMENT	1	0	0	0	1
FINANCE DEPARTMENT	1	1	0	0	2
PRINCE GEORGE'S PLANNING	0	0	0	0	0
PRINCE GEORGE'S PARKS & RECREATION	4	1	1	1	6
MONTGOMERY COUNTY PARKS	3	1	0	0	4
MONTGOMERY COUNTY PLANNING	1	1	0	0	2
DEPARTMENT TOTAL BY DAYS LATE	12	14	4	2	2
COMMISSION WIDE TOTAL:					18
					17

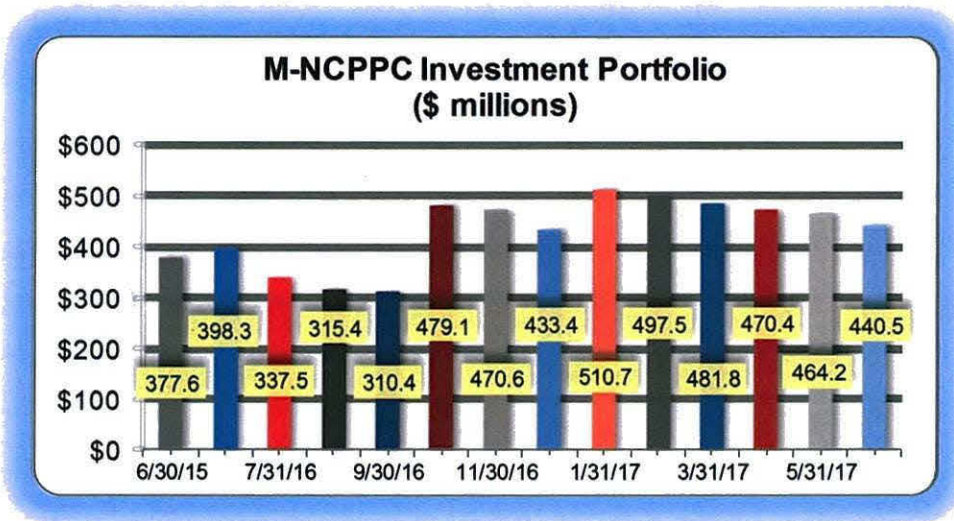
*DEPARTMENTS WITH RATINGS MORE THAN 60 DAYS LATE HAVE BEEN CONTACTED.



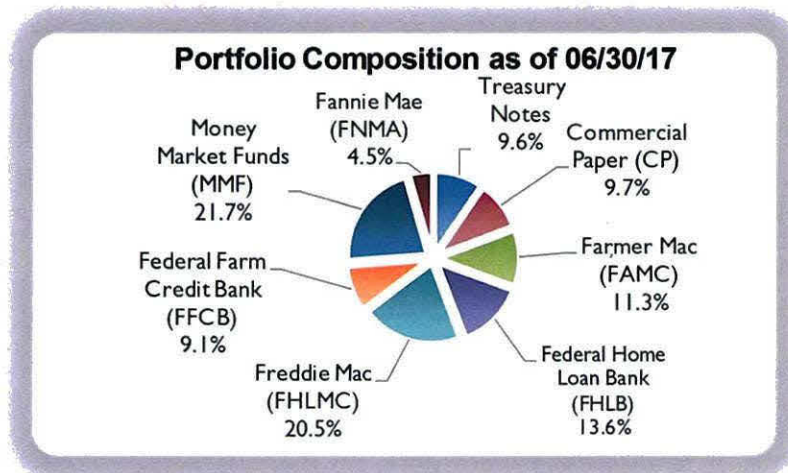
MEMO

TO: Commissioners
VIA: Joseph Zimmerman, Secretary-Treasurer
FROM: Abbey Rodman, Investment & Treasury Operations Manager *AR*
DATE: 9/1/2017
SUBJECT: Investment Report – June 2017

The Commission’s pooled cash investment portfolio totaled \$440.5 million as of June 30, 2017, with a 5.1% decrease from May 31, 2017. Details are as follows:

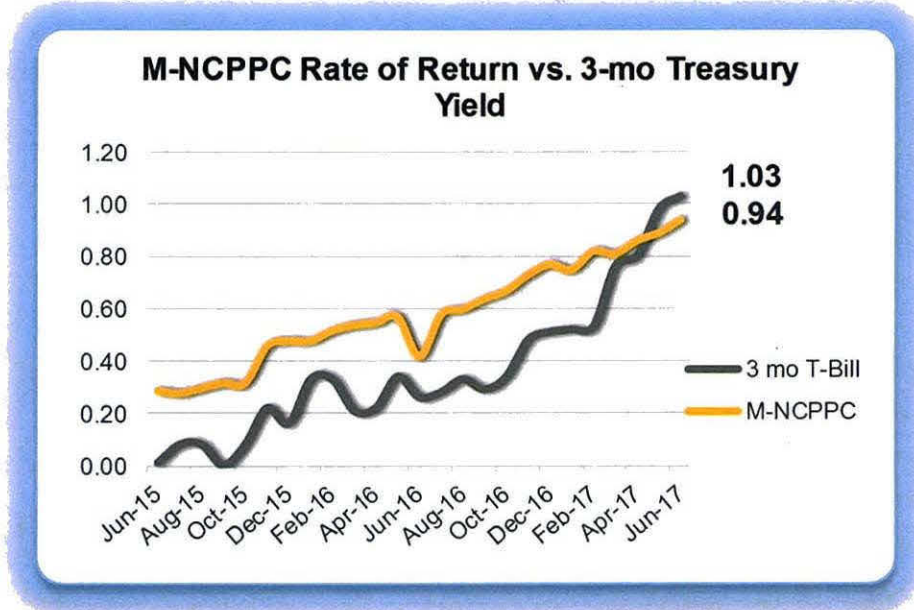


The composition of the pooled cash portfolio as of June 30, 2017 is summarized below:

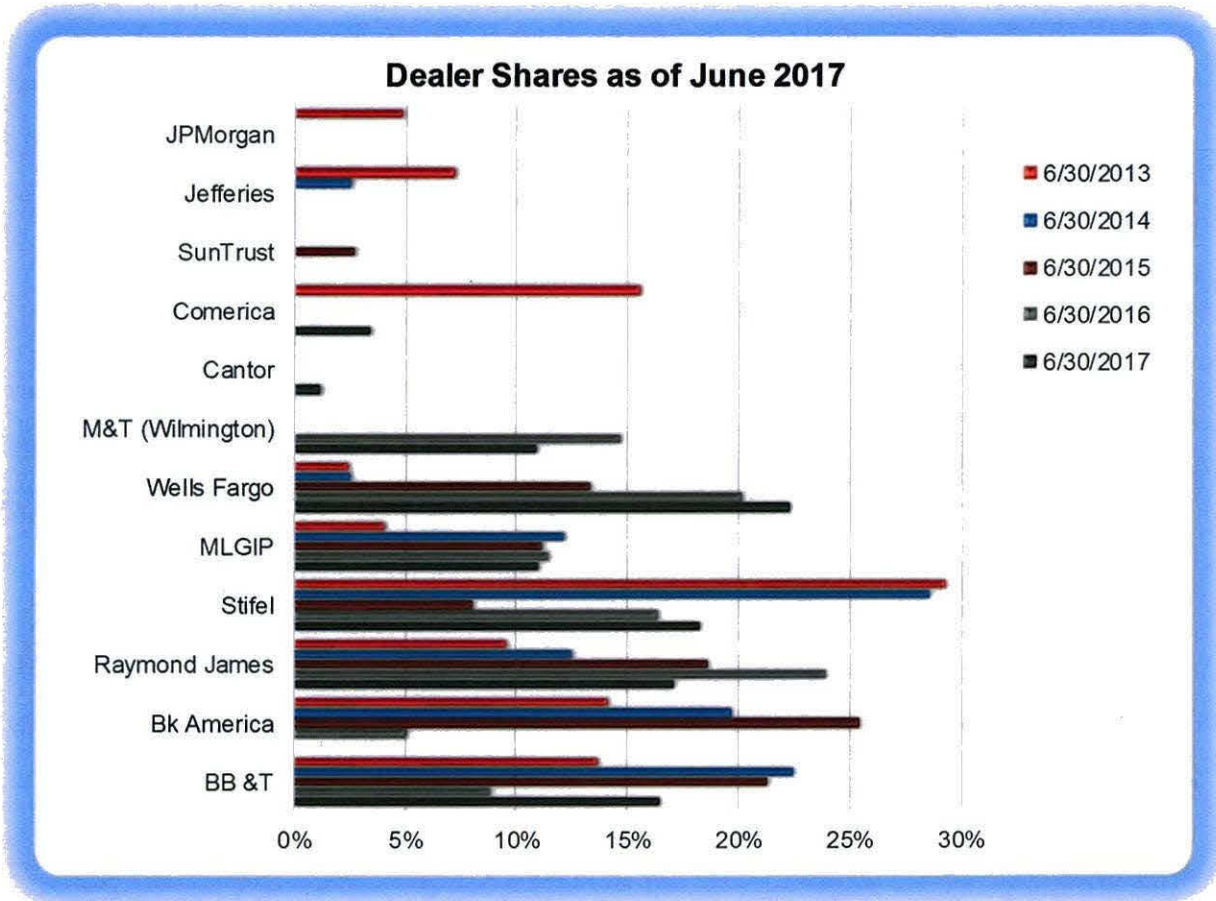


Current Investment Portfolio - June 2017				
Instrument	Policy Limit	Actual	Par Value	Wtd. Avg. Return (B/E)
Money Funds	25%	22%	\$ 95,524,899	n/a
Freddie Mac	20%	21%	90,000,000	0.89%
Federal Home Loan Banks	20%	14%	60,000,000	1.00%
Farmer Mac	20%	11%	50,000,000	0.79%
Commercial Paper	10%	10%	43,000,000	1.61%
Treasury Notes	100%	10%	42,000,000	0.84%
Federal Farm Credit Bureau	20%	9%	40,000,000	0.81%
Fannie Mae	20%	5%	20,000,000	0.65%
Certificates of Deposit	50%	0%	-	
Bankers Acceptances	50%	0%	-	
Repurchase Agreements	60%	0%	-	
			\$ 440,524,899	0.97%

The pooled cash portfolio complied with all policy limits with regard to product types and proportions throughout the month.



In addition to the product limits, portfolio purchases also adhered to the 30% limit per dealer. Dealer participation is shown below:



The market values of unspent debt balances (invested by T. Rowe Price) were as follows:

Market Value- 06/30/17	
Montgomery County (MC-2017A)	\$ 4,142,830
Montgomery County (MC-2016A)	-
	\$ 4,142,830

The Commission had debt service payments during the month totaling \$440,702, which was for interest only.

Details by issue of debt outstanding as of June 30, 2017 appear below:

Debt Balances - June 2017					
	Initial Par	Amount Outstanding	% Outstanding	Issue Date	Maturity Date
Bi-County					
Total Bi-County	\$ -	\$ -	0%		
Prince George's County					
KK-2 (Refunded AA-2)	17,300,000	1,856,181	11%	Apr-08	May-18
NN-2 (Refunded Z-2)	14,080,000	5,465,000	39%	Mar-10	May-21
PGC-2012A (Refunded P-2, M-2, EE-2)	11,420,000	6,135,000	54%	Jun-12	Jan-24
PGC-2014A	26,565,000	23,385,000	88%	May-14	Jan-34
PGC-2015A (Refunded JJ-2)*	24,820,000	24,220,000	98%	Oct-15	Jan-36
Total Prince George's County	\$ 94,185,000	\$ 61,061,181	65%		
Montgomery County					
LL-2	8,405,000	2,625,000	31%	May-09	Nov-20
MM-2	5,250,000	735,000	14%	Nov-16	Nov-19
MC-2012A (Refunded CC-2, FF-2)	12,505,000	10,045,000	80%	Apr-12	Dec-32
MC-2012B	3,000,000	2,505,000	84%	Apr-12	Dec-32
MC-2014A	14,000,000	12,495,000	89%	Jun-14	Jun-34
MC-2016A	12,000,000	11,580,000	97%	Apr-16	Nov-35
MC-2016B (Refunded FF-2,II-2,MM-2)	6,120,000	6,120,000	100%	Apr-16	Nov-28
MC-2016C (Refunded FF-2 ALA of 2004)	1,075,000	1,020,000	95%	Apr-16	Nov-24
MC-2017A	8,000,000	8,000,000	100%	Apr-17	Nov-36
Total Montgomery County	\$ 70,355,000	\$ 55,125,000	78%		
Total	\$ 164,540,000	\$ 116,186,181	71%		

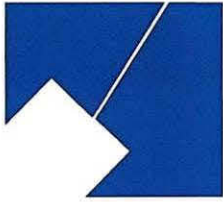
ATTACHMENT A

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

REPORT ON COMPLIANCE TO INVESTMENT POLICY Approved March 21, 2012

FISCAL YEAR 2017 - June 30, 2017

OBJECTIVES			Met Objective	Within Limits	Comments
Protection of principal			Yes		
Limiting types and amounts of securities	Limit	Yes			All securities purchases were within the limits established by the Investment Policy at the time of purchase of the investments. This monthly report is prepared for the Secretary-Treasurer to demonstrate compliance with investment policy objectives and limitations.
US Government	100%				
US Federal Agencies - combined	60%				
US Federal Agencies - each	20%				
Repurchase Agreements	60%				
CD's and Time Deposits	50%				
Commercial Paper	10%				
Money Market Mutual Funds	25%				
MD Local Gov't Investment Pool	25%				
Investing Bond Proceeds:					
State and local agency securities	100%				
Money Market Mutual Funds	10%				
Bond Proceeds:		Yes	T. Rowe Price managed all funds within limits		
Highly-rated state / local agency securities					
Highly-rated money market mutual funds (Max. 10% in lower-rated funds)					
Pre-qualify financial institutions, broker/dealers, intermediaries and advisers		Yes	All firms must meet defined capital levels and be approved by the Secretary-Treasurer		
Ensure competition among participants	30%	Yes	No dealer share exceeded 30%		
Competitive Bidding		Yes	All purchases awarded competitively.		
Diversification of Maturities		Yes	All maturities within limits		
Majority of investments shall be a maximum maturity of one (1) year. A portion may be as long as two years.					
Require third-party collateral and safekeeping, and delivery-versus-payment settlement		Yes	M&T Investments serves as custodian, monitoring compliance daily		
Maintain sufficient liquidity		Yes	Sufficient funds available for all cash requirements during period		
Attain a market rate of return		No	Less than market by 9 basis points		
The pro-rated rates of return for the portfolio and T-bills were 1.03% and 0.94%, respectively.					



The Maryland-National Capital Park & Planning Commission
Department of Finance - Purchasing Division

6611 Kenilworth Avenue, Suite 300 • Riverdale, Maryland 20737 • 301-454-1600 Fax: 301-454-1606

August 31, 2017

TO: Commissioners

VIA: Patricia C. Barney, Executive Director 

FROM: Joseph C. Zimmerman, Secretary/Treasurer 

SUBJECT: MFD Purchasing Statistics— Second Quarter FY17

The Commission's procurement policy (Practice 4-10, Purchasing) includes an anti-discrimination component which assures that fair and equitable vendor opportunities are made available to minority, female or disabled owned firms (MFDs). This program is administered jointly by the Office of the Executive Director and the Purchasing Division and includes a price preference program and an MFD subcontracting component based on the Commission procurement practices and the available MFD vendors in the marketplace. The price preference program has been suspended until a MFD study is conducted to provide evidence that the price preference is/is not needed. This report is provided for your information and may be found on the Commission's intranet.

Some of the observations of this FY17 report include:

- Attachment A indicates that through the Second quarter of FY17, the Commission procured approximately \$39 million in goods, professional services, construction and miscellaneous services. Approximately 20.5% or \$8 million was spent with minority, female and disabled (MFD) owned firms.
- Attachment B indicates that in the Second quarter MFD utilization was 18.2%.
- Attachment C represents the MFD participation by type of procurement. The MFD participation for construction through the Second quarter of FY17 was 31%. Attachment C also indicates that the largest consumers of goods and services in the Commission are the Prince George's County Department of Parks and Recreation and the Montgomery County Department of Parks. These Departments significantly impact the Commission's utilization of MFD firms. The MFD cumulative utilization numbers for these departments through the Second quarter are 23.2% and 16.4%, respectively.
- Attachment D presents the FY17 activity for the Purchase Card program totaling approximately \$6.2 million of which 2.9% was spent with minority, female and disabled (MFD) firms. The amount of procurement card activity represents approximately 15.9% of the Commission's total procurement dollars. One reason for lower MFD participation on the purchase card is that the cards are used with national retail corporations when a

quick purchase for a maintenance job is needed. The purchase cards are also used for training registration in order to guarantee attendance.

- Attachment E portrays the historic MFD participation rates, and the total procurement from FY 1991 to Second quarter FY17.
- Attachments F & G shows the MFD participation in procurements at various bid levels to determine if MFD vendors are successful in obtaining opportunities in procurements that require informal bidding and formal bidding. Based on the department analysis, MFD vendors do appear to be participating, at an overall rate of 16.2% in informal (under \$30,000) and 23.6% in the formal (over \$30,000) procurements. For transactions under \$10k, MFD participation is 14.2%. MFD vendors are participating at an overall rate of 19.4% in transactions over \$250,000.
- Attachment H presents the total amount of procurements and the number of vendors by location. Of the \$39 million in total procurement, \$23.6 million was procured from Maryland vendors. Of the \$8 million in procurement from MFD vendors, \$6.7 million was procured from MFD vendors located in Maryland.
- Attachment I compares the utilization of MFD vendors by the Commission with the availability of MFD vendors. The results show under-utilization in the following categories: African American, Asian, Native American and Females. The amount and percentage of procurement from MFD vendors is broken out by categories as defined by the Commission's Anti-Discrimination Policy. The availability percentages are taken from the most recent State of Maryland disparity study dated July 5, 2013.
- Attachments J and K are prepared by the Department of Human Resources and Management and show the amount and number of waivers of the procurement policy by department and by reason for waiver. Total waivers were approximately 2.8% of total procurement.

For further information on the MFD report, please contact the Office of Executive Director at (301) 454-1740.

Attachments

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MFD PROCUREMENT STATISTICS
FY 2017
FOR SIX MONTHS ENDED DECEMBER 31, 2016

Attachment A

	<u>Procurement</u>		<u>Waivers</u>		<u>Procurement</u>	
	<u>Total \$</u>		<u>Total \$</u>	<u>Total #</u>	<u>MFD \$</u>	<u>%</u>
<u>Prince George's County</u>						
Commissioners' Office	\$ 28,048	\$	-	-	\$ 2,305	8.2%
Planning Department	752,898		-	-	334,838	44.5%
Parks and Recreation Department	22,874,175		900,477	8	5,307,969	23.2%
Total	<u>23,655,121</u>		<u>900,477</u>	<u>8</u>	<u>5,645,112</u>	<u>23.9%</u>
<u>Montgomery County</u>						
Commissioners' Office	13,804		-	-	769	5.6%
Planning Department	685,218		206,867	3	87,532	12.8%
Parks Department	13,347,406		30,512	4	2,195,427	16.4%
Total	<u>14,046,428</u>		<u>237,379</u>	<u>7</u>	<u>2,283,728</u>	<u>16.3%</u>
<u>Central Administrative Services</u>						
Dept. of Human Resources and Mgt.	300,823		-	-	80,275	26.7%
Finance Department	1,078,422		-	-	35,834	3.3%
Legal Department	148,189		-	-	718	0.5%
Merit Board	-		-	-	-	0.0%
Office of Chief Information Officer	146,221		-	-	43,683	29.9%
Office of Internal Auditor	11,521		-	-	177	1.5%
Total	<u>1,685,176</u>		<u>-</u>	<u>-</u>	<u>160,687</u>	<u>9.5%</u>
Grand Total	<u>\$ 39,386,725</u>	<u>\$</u>	<u>1,137,856</u>	<u>15</u>	<u>\$ 8,089,527</u>	<u>20.5%</u>

Note: The "Waivers" columns report the amount and number of purchases approved to be exempt from the competitive procurement process, including sole source procurements.

Prepared by Finance Department
May 1, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT STATISTICS

FY 2017

MFD STATISTICS - CUMULATIVE AND ACTIVITY BY QUARTER

Attachment B

CUMULATIVE BY QUARTER

	SEPTEMBER	DECEMBER	MARCH	JUNE
<u>Prince George's County</u>				
Commissioners' Office	15.9%	8.2%		
Planning Department	62.3%	44.5%		
Parks and Recreation Department	28.3%	23.2%		
Total	<u>29.5%</u>	<u>23.9%</u>		
<u>Montgomery County</u>				
Commissioners' Office	0.0%	5.6%		
Planning Department	0.5%	12.8%		
Parks Department	10.0%	16.4%		
Total	<u>9.5%</u>	<u>16.3%</u>		
<u>Central Administrative Services</u>				
Dept. of Human Resources and Mgt.	16.4%	26.7%		
Finance Department	34.0%	3.3%		
Legal Department	0.0%	0.5%		
Merit Board	0.0%	0.0%		
Office of Chief Information Officer	0.0%	29.9%		
Office of Internal Auditor	2.1%	1.5%		
Total	<u>14.7%</u>	<u>9.5%</u>		
Grand Total	<u><u>22.1%</u></u>	<u><u>20.5%</u></u>		

ACTIVITY BY QUARTER

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
<u>Prince George's County</u>					
Commissioners' Office	15.9%	0.0%			8.2%
Planning Department	62.3%	8.8%			44.5%
Parks and Recreation Department	28.3%	15.0%			23.2%
Total	<u>29.5%</u>	<u>14.8%</u>			<u>23.9%</u>
<u>Montgomery County</u>					
Commissioners' Office	0.0%	13.9%			5.6%
Planning Department	0.5%	25.9%			12.8%
Parks Department	10.0%	26.0%			16.4%
Total	<u>9.5%</u>	<u>26.0%</u>			<u>16.3%</u>
<u>Central Administrative Services</u>					
Dept. of Human Resources and Mgt.	16.4%	45.3%			26.7%
Finance Department	34.0%	1.1%			3.3%
Legal Department	0.0%	0.6%			0.5%
Merit Board	0.0%	0.0%			0.0%
Office of Chief Information Officer	0.0%	68.1%			29.9%
Office of Internal Auditor	2.1%	0.0%			1.5%
Total	<u>14.7%</u>	<u>8.0%</u>			<u>9.5%</u>
Grand Total	<u><u>22.1%</u></u>	<u><u>18.2%</u></u>			<u><u>20.5%</u></u>

Prepared by Finance Department
March 28, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT STATISTICS
BY MAJOR PROCUREMENT CATEGORY

FY 2017

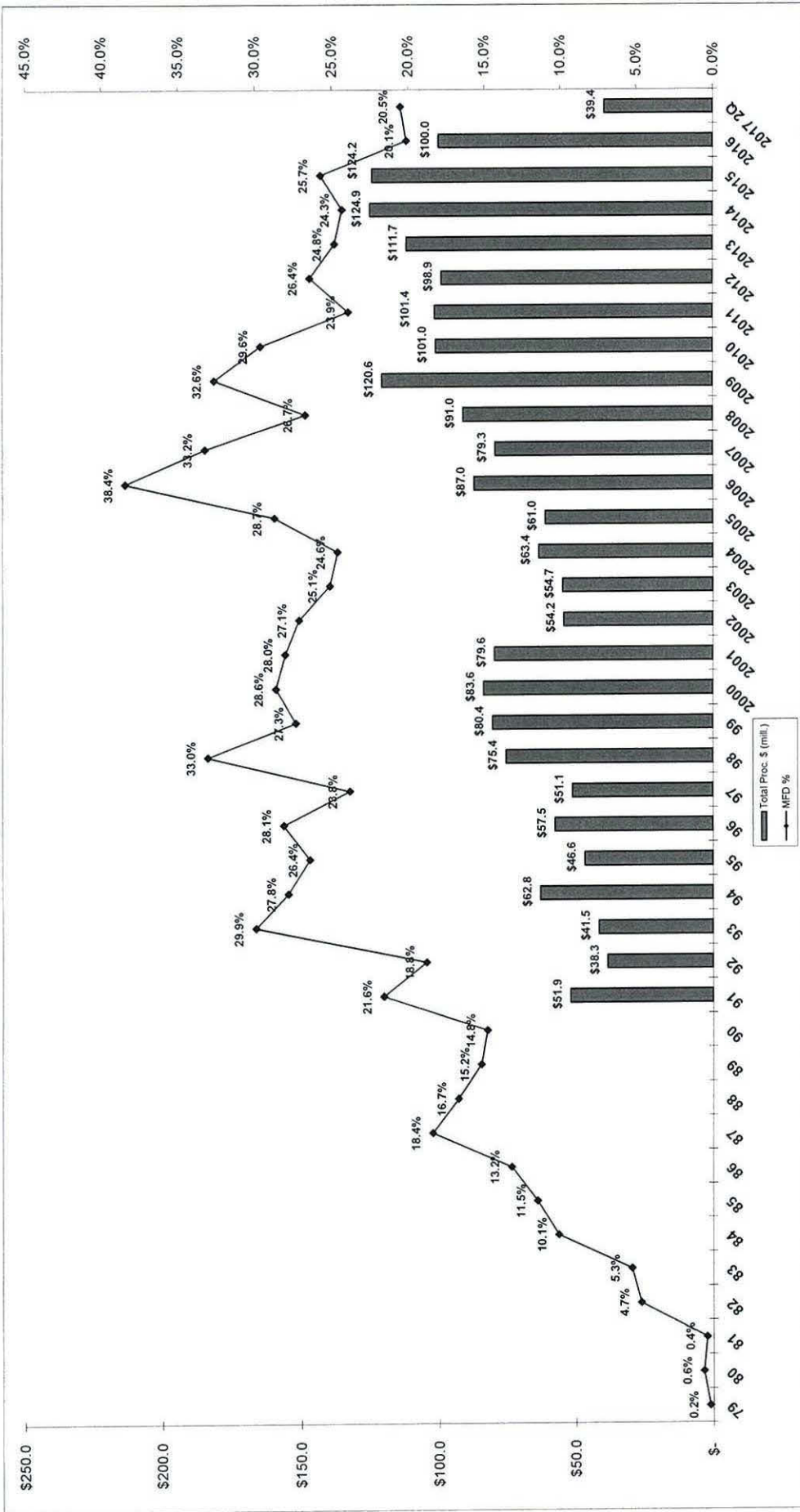
FOR SIX MONTHS ENDED DECEMBER 31, 2016

ATTACHMENT C

	Grand Total	Montgomery Planning	Montgomery Parks	Pr. Geo. Parks & Recreation	Pr. Geo. Planning	Dept. of Human Res. & Mgt.	Legal Department	Finance Department
Goods:								
Total \$	\$ 14,020,688	\$ 117,848	\$ 6,448,925	\$ 6,050,709	\$ 382,816	\$ 65,542	\$ 2,945	\$ 951,903
MFD \$	\$ 1,529,799	\$ 40,854	\$ 576,496	\$ 556,119	\$ 293,734	\$ 32,557	\$ 718	\$ 29,321
Percentage	10.9%	34.7%	8.9%	9.2%	76.7%	49.7%	24.4%	3.1%
Miscellaneous Services:								
Total \$	\$ 6,497,091	\$ 508,202	\$ 1,467,666	\$ 3,853,026	\$ 359,325	\$ 88,557	\$ 144,666	\$ 75,649
MFD \$	\$ 1,120,581	\$ 8,478	\$ 412,319	\$ 642,597	\$ 31,104	\$ 20,940	\$ 0	\$ 5,143
Percentage	17.2%	1.7%	28.1%	16.7%	8.7%	23.6%	0.0%	6.8%
Professional Services:								
Total \$	\$ 3,545,291	\$ 36,300	\$ 1,772,488	\$ 1,573,684	\$ 10,000	\$ 101,371	\$ 578	\$ 50,870
MFD \$	\$ 700,564	\$ 36,300	\$ 187,257	\$ 465,637	\$ 10,000	\$ 0	\$ 0	\$ 1,370
Percentage	19.8%	100.0%	10.6%	29.6%	100.0%	0.0%	0.0%	2.7%
Construction:								
Total \$	\$ 15,124,061	\$ 22,868	\$ 3,658,327	\$ 11,396,756	\$ 757	\$ 45,353	\$ 0	\$ 0
MFD \$	\$ 4,691,649	\$ 1,900	\$ 1,019,355	\$ 3,643,616	\$ 0	\$ 26,778	\$ 0	\$ 0
Percentage	31.0%	8.3%	27.9%	32.0%	0.0%	59.0%	0.0%	0.0%
SUBTOTAL								
Total \$	\$ 39,187,131	\$ 685,218	\$ 13,347,406	\$ 22,874,175	\$ 752,898	\$ 300,823	\$ 148,189	\$ 1,078,422
MFD \$	\$ 8,042,593	\$ 87,532	\$ 2,195,427	\$ 5,307,969	\$ 334,838	\$ 80,275	\$ 718	\$ 35,834
Percentage	20.5%	12.8%	16.4%	23.2%	44.5%	26.7%	0.5%	3.3%
Pr. Geo. Commissioners' Office								
Total \$	\$ 28,048							
MFD \$	\$ 2,305							
Percentage	8.2%							
Mont. Commissioners' Office								
Total \$	\$ 13,804							
MFD \$	\$ 769							
Percentage	5.6%							
Merit Board								
Total \$	\$ 0							
MFD \$	\$ 0							
Percentage	0.0%							
Office of Chief Information Officer								
Total \$	\$ 146,221							
MFD \$	\$ 43,683							
Percentage	29.9%							
Office of Internal Auditor								
Total \$	\$ 11,521							
MFD \$	\$ 177							
Percentage	1.5%							
GRAND TOTAL \$	\$ 39,386,725							
MFD \$	\$ 8,089,527							
Percentage	20.5%							

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MFD PROCUREMENT RESULTS and TOTAL PROCUREMENT (millions)

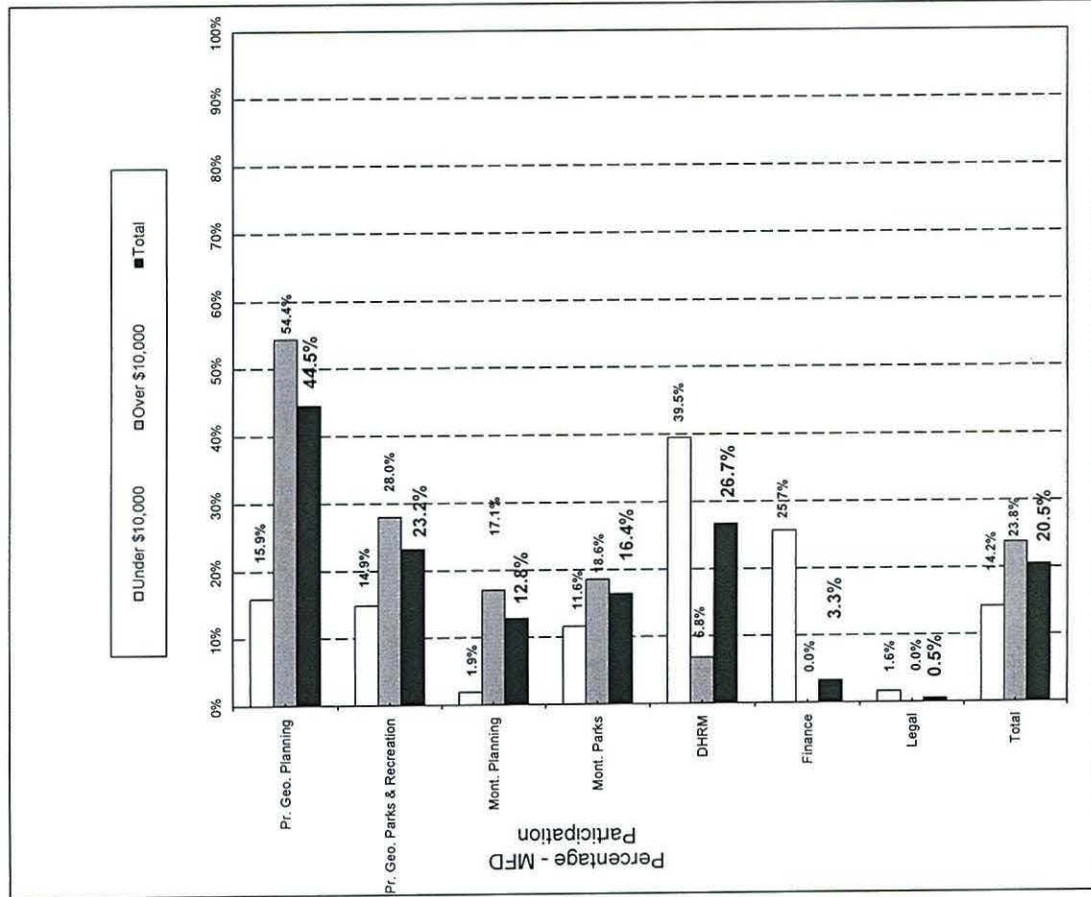
Attachment E



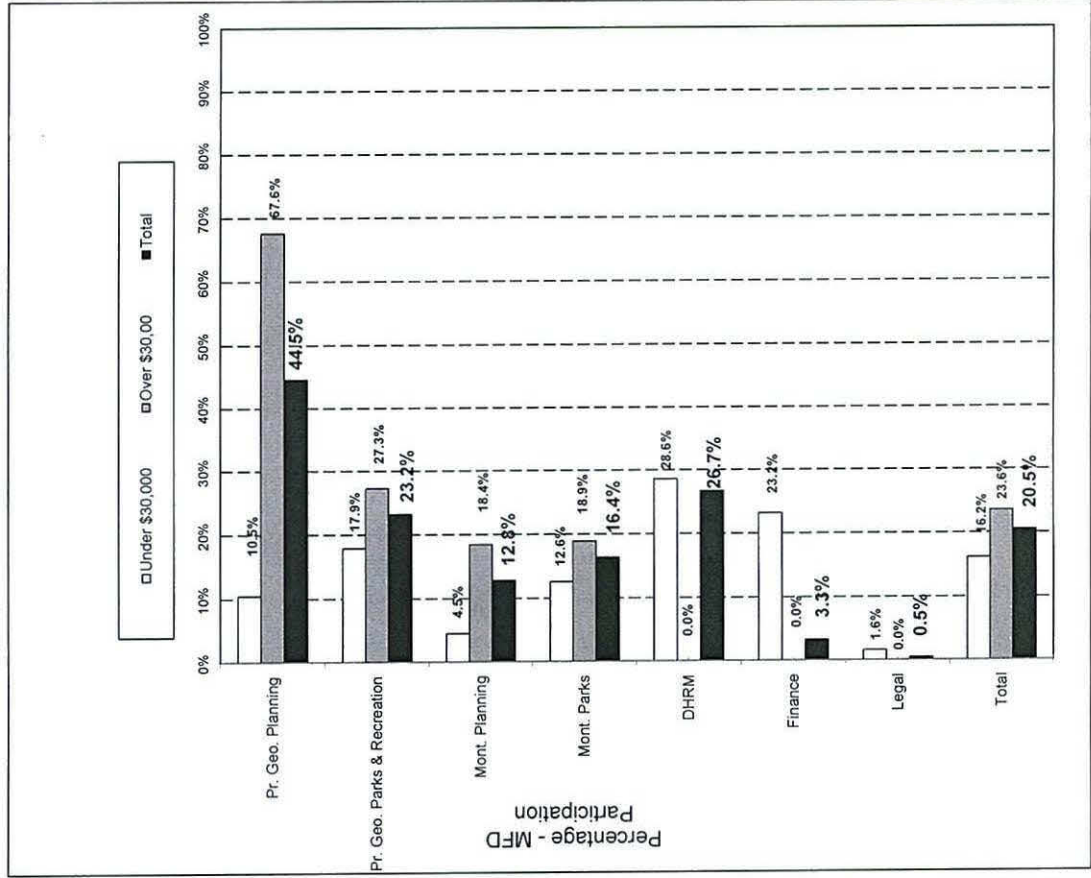
Prepared by Finance Department
March 28, 2017

The Maryland-National Capital Park and Planning Commission
 MFD Procurement Statistics - Transactions Under/Over \$10,000 & \$30,000 plus Total %
 FY 2017 2Q

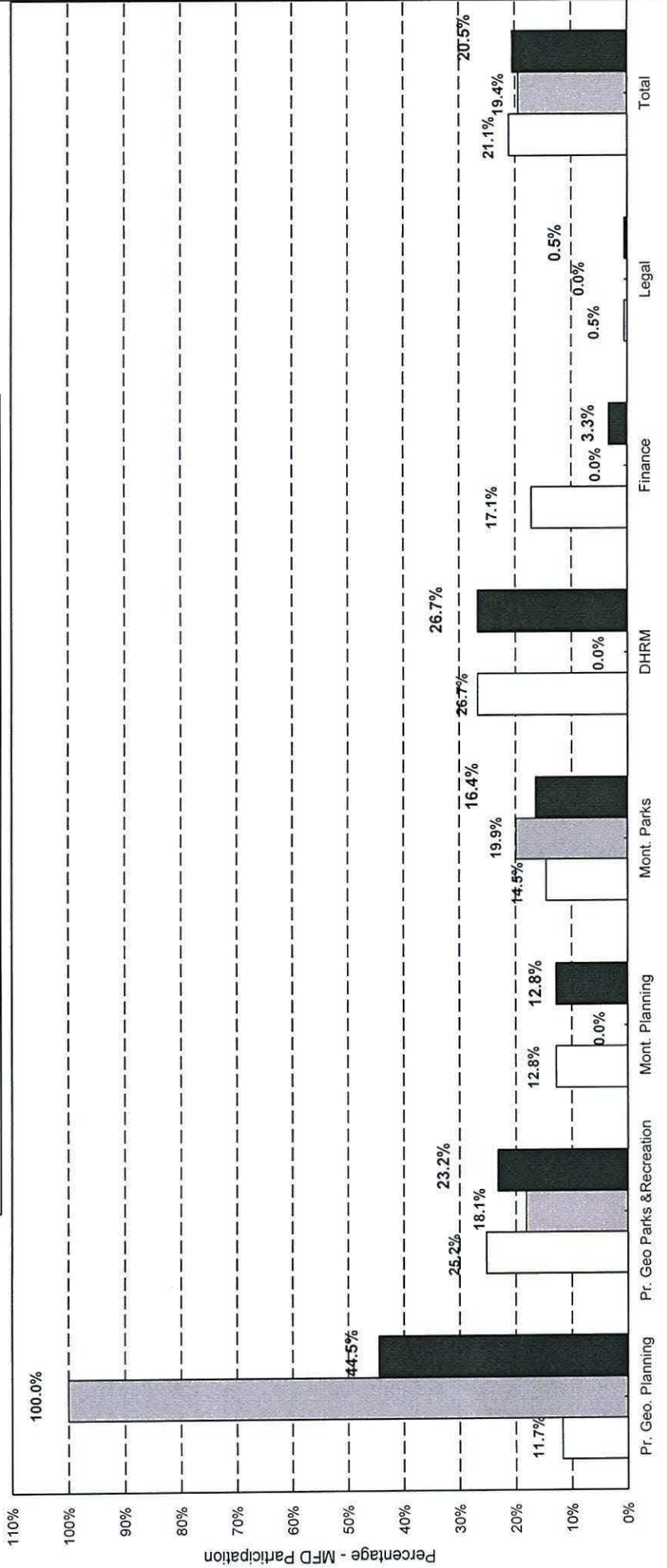
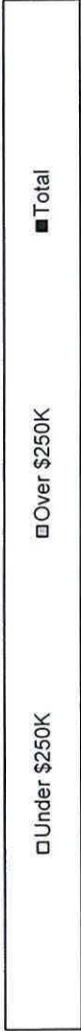
Under/Over \$10,000



Under/Over \$30,000



The Maryland-National Capital Park and Planning Commission
 MFD Procurement Statistics - Transactions Under /Over \$250,000 and Total %
 FY 2017 2Q



Prepared by Finance Department
 March 28, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Amount of Procurement and Number of Vendors by Location
FY 2017
FOR SIX MONTHS ENDED DECEMBER 31, 2016

Attachment H

TOTAL of ALL VENDORS

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 5,858,942	14.9%	188	15.8%
Prince George's County	6,522,765	16.6%	352	29.5%
Subtotal	12,381,707	31.5%	540	45.3%
Maryland - other locations	11,289,216	28.7%	221	18.5%
Total Maryland	23,670,923	60.2%	761	63.8%
District of Columbia	787,415	2.0%	57	4.8%
Virginia	1,654,169	4.2%	95	8.0%
Other Locations	13,274,218	33.6%	279	23.4%
Total	\$ 39,386,725	100.0%	1,192	100.0%

TOTAL of Non-MFD Vendors

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 3,321,875	10.6%	128	14.5%
Prince George's County	4,592,494	14.7%	227	25.7%
Subtotal	7,914,369	25.3%	355	40.2%
Maryland - other locations	9,052,060	28.9%	178	20.2%
Total Maryland	16,966,429	54.2%	533	60.4%
District of Columbia	719,624	2.3%	34	3.9%
Virginia	1,326,787	4.2%	63	7.1%
Other Locations	12,284,358	39.3%	252	28.6%
Total	\$ 31,297,198	100.0%	882	100.0%

TOTAL of MFD Vendors

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 2,537,067	31.4%	60	19.4%
Prince George's County	1,930,271	23.9%	125	40.3%
Subtotal	4,467,338	55.3%	185	59.7%
Maryland - other locations	2,237,156	27.7%	43	13.9%
Total Maryland	6,704,494	83.0%	228	73.6%
District of Columbia	67,791	0.8%	23	7.4%
Virginia	327,382	4.0%	32	10.3%
Other Locations	989,860	12.2%	27	8.7%
Total	\$ 8,089,527	100.0%	310	100.0%

Note: The following shows the amounts and percentages of procurement by the location of the department. The bi-county departments' activity is divided equally between the two Counties.

	<u>Total Procurement</u>		<u>MFD Procurement</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Prince George's County	\$ 24,497,709	62.2%	\$ 5,725,456	70.8%
Montgomery County	14,889,016	37.8%	2,364,072	29.2%
Total	\$ 39,386,725	100.0%	\$ 8,089,528	100.0%

Prepared by Finance Department
March 28, 2017

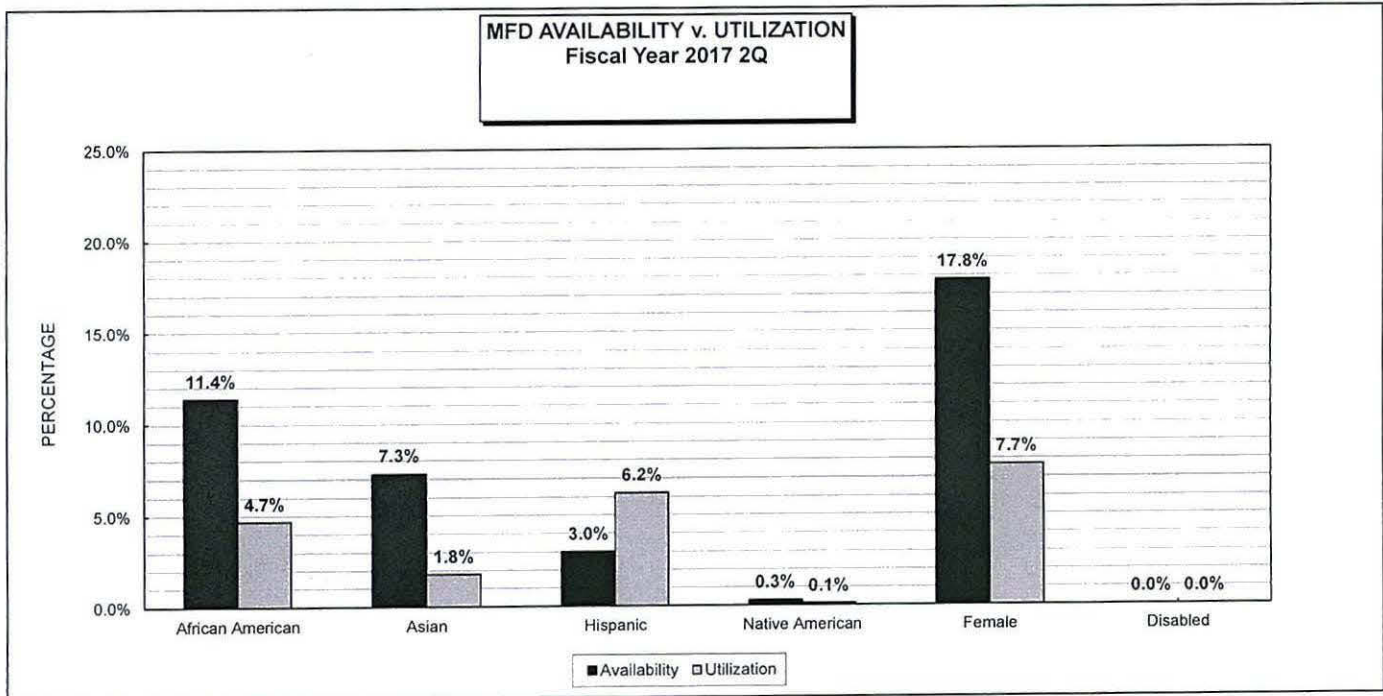
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MFD PROCUREMENT RESULTS
FY 2017
FOR SIX MONTHS ENDED DECEMBER 31, 2016

Attachment I

Total Amount of Procurement \$ 39,386,725

Amount, Percentage of Procurement by Category, and
 Percentage of Availability by Category:

	Procurement		Availability
	Amount	%	%
Minority Owned Firms			
African American	\$ 1,849,216	4.7%	11.4%
Asian	702,703	1.8%	7.3%
Hispanic	2,452,370	6.2%	3.0%
Native American	26,124	0.1%	0.3%
Total Minority Owned Firms	5,030,413	12.8%	22.0%
Female Owned Firms	3,049,055	7.7%	17.8%
Disabled Owned Firms	10,059	0.0%	n/a
Total Minority, Female, and Disabled Owned Firms	\$ 8,089,527	20.5%	39.8%



Note: (1) Availability percentages are taken from State of Maryland study titled "Disadvantaged Business Enterprise Disparity Study: Volume 1", dated July 5, 2013, table 2.23 on page 84.

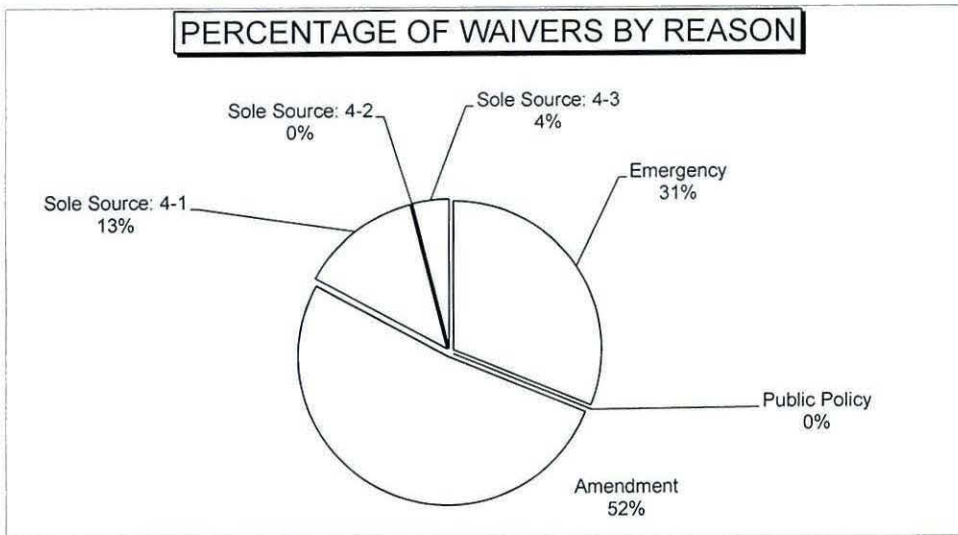
(2) n/a = not available

Prepared by Finance Department
 March 28, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
REASONS FOR WAIVERS
CUMULATIVE DOLLAR AMOUNT & NUMBER OF WAIVERS
FY 2017
FOR SIX MONTHS ENDED DECEMBER 31, 2016

Attachment J

	NUMBER	AMOUNT	PERCENTAGE
Emergency	3	\$ 354,360	31%
Public Policy	0	-	0%
Amendment	7	\$ 589,157	52%
Sole Source: 4-1	3	\$ 149,317	13%
Sole Source: 4-2	0	-	0%
Sole Source: 4-3	2	\$ 45,022	4%
Total	15	\$ 1,137,856	100%



Waiver Reason Definitions:

Emergency:

Sudden and unforeseeable circumstance have arisen which actually or imminently threaten the continuance of an essential operation of the Commission or which threaten public health, welfare or safety such that there is not enough time to conduct the competitive bidding.

Required by Law or Grant:

Public law or the terms of a donation/grant require that the above noted vendor be chosen.

Amendment:

A contract is already in place and it is appropriate for the above noted vendor to provide additional services and/or goods not within the original scope of the contract because the interested service and/or goods are uniquely compatible with the Commission's existing systems and patently superior in quality and/or capability than what can be gained through an open bidding process.

Sole Source 4:

It has been determined that:

- #1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
- #2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
- #3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
TOTAL WAIVERS, MFD WAIVERS, AND SOLE SOURCE WAIVERS BY DEPARTMENT
PROCESSED FY 2017
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016**

Attachment K

	Total Waivers		MFD/Waivers		% of MFD		Sole Source 4-1 Waivers		Sole Source 4-2 Waivers		Sole Source 4-3 Waivers		% Sole Source	
	Number	\$	Number	\$	Number	%	Number	\$	Number	\$	Number	\$	Number	%
Prince George's County														
Commissioners' Office	0	\$	0	\$	0	0.0%	0	\$	0	\$	0	\$	0	0.0%
Planning Department	0		0		0	0.0%	0		0		0		0	0.0%
Parks and Recreation Department	8	900,477	0		0	0.0%	2	131,150	0		0	31,010	1	18.0%
Total	8	900,477	0		0	0.0%	2	131,150	0		0	31,010	1	18.0%
Montgomery County														
Commissioners' Office	0		0		0	0.0%	0		0		0		0	0.0%
Planning Department	3	206,867	0		0	0.0%	1	18,167	0		0		0	0.0%
Parks Department	4	30,512	0		0	0.0%	0		0		0	14,012	1	45.9%
Total	7	237,379	0		0	0.0%	1	18,167	0		0	14,012	1	13.6%
Central Administrative Services														
Dept. of Human Resources and Mgt.	0		0		0	0.0%	0		0		0		0	0.0%
Finance Department	0		0		0	0.0%	0		0		0		0	0.0%
Legal Department	0		0		0	0.0%	0		0		0		0	0.0%
Merit Board	0		0		0	0.0%	0		0		0		0	0.0%
Total	0		0		0	0.0%	0		0		0		0	0.0%
Grand Total	15	\$ 1,137,856	0		0	0.0%	3	\$ 149,317	0		0	\$ 45,022	2	17.1%

Purpose of Summary of Waiver Report:

- (1) To monitor the amount, number, reasons for waivers in order to ensure the Commission is encouraging and maintaining good community, public, vendor, and interdepartmental relations;
To ensure fair and equitable treatment of all persons who deal in purchasing matters; to promote economy in Commission purchasing; and to ensure that minority owned firms receive a fair share of Commission awards (source: Practice 4-10); and
- (2) To comply with the Prince George's Planning Board directive of January 29, 1991 to report waiver activity to the Department Heads and the Planning Boards on a quarterly basis.

Sole Source: 4

It has been determined that:

- 4-1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
- 4-2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
- 4-3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.





The Maryland-National Capital Park & Planning Commission
Department of Finance - Purchasing Division

6611 Kenilworth Avenue, Suite 300 • Riverdale, Maryland 20737 • 301-454-1600 Fax: 301-454-1606

August 28, 2017

TO: Commissioners

VIA: Patricia C. Barney, Executive Director 

FROM: Joseph C. Zimmerman, Secretary/Treasurer 

SUBJECT: MFD Purchasing Statistics— Third Quarter FY17

The Commission's procurement policy (Practice 4-10, Purchasing) includes an anti-discrimination component which assures that fair and equitable vendor opportunities are made available to minority, female or disabled owned firms (MFDs). This program is administered jointly by the Office of the Executive Director and the Purchasing Division and includes a price preference program and an MFD subcontracting component based on the Commission procurement practices and the available MFD vendors in the marketplace. The price preference program has been suspended until a MFD study is conducted to provide evidence that the price preference is/is not needed. This report is provided for your information and may be found on the Commission's intranet.

Some of the observations of this FY17 report include:

- Attachment A indicates that through the Third quarter of FY17, the Commission procured approximately \$62 million in goods, professional services, construction and miscellaneous services. Approximately 22.2% or \$13.8 million was spent with minority, female and disabled (MFD) owned firms.
- Attachment B indicates that in the Third quarter MFD utilization was 25.2%.
- Attachment C represents the MFD participation by type of procurement. The MFD participation for construction through the Third quarter of FY17 was 38.1%. Attachment C also indicates that the largest consumers of goods and services in the Commission are the Prince George's County Department of Parks and Recreation and the Montgomery County Department of Parks. These Departments significantly impact the Commission's utilization of MFD firms. The MFD cumulative utilization numbers for these departments through the Third quarter are 25.9% and 16.5%, respectively.
- Attachment D presents the FY17 activity for the Purchase Card program totaling approximately \$9.4 million of which 2.2% was spent with minority, female and disabled (MFD) firms. The amount of procurement card activity represents approximately 15.2% of the Commission's total procurement dollars. One reason for lower MFD participation on the purchase card is that the cards are used with national retail corporations when a

quick purchase for a maintenance job is needed. The purchase cards are also used for training registration in order to guarantee attendance.

- Attachment E portrays the historic MFD participation rates, and the total procurement from FY 1991 to Third quarter FY17.
- Attachments F & G shows the MFD participation in procurements at various bid levels to determine if MFD vendors are successful in obtaining opportunities in procurements that require informal bidding and formal bidding. Based on the department analysis, MFD vendors do appear to be participating, at an overall rate of 15.8% in informal (under \$30,000) and 26.7% in the formal (over \$30,000) procurements. For transactions under \$10k, MFD participation is 18.4%. MFD vendors are participating at an overall rate of 24.4% in transactions over \$250,000.
- Attachment H presents the total amount of procurements and the number of vendors by location. Of the \$62 million in total procurement, \$38.1 million was procured from Maryland vendors. Of the \$13.8 million in procurement from MFD vendors, \$11.3 million was procured from MFD vendors located in Maryland.
- Attachment I compares the utilization of MFD vendors by the Commission with the availability of MFD vendors. The results show under-utilization in the following categories: African American, Asian, Native American and Females. The amount and percentage of procurement from MFD vendors is broken out by categories as defined by the Commission's Anti-Discrimination Policy. The availability percentages are taken from the most recent State of Maryland disparity study dated July 5, 2013.
- Attachments J and K are prepared by the Department of Human Resources and Management and show the amount and number of waivers of the procurement policy by department and by reason for waiver. Total waivers were approximately 2.6% of total procurement.

For further information on the MFD report, please contact the Office of Executive Director at (301) 454-1740.

Attachments

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MFD PROCUREMENT STATISTICS
FY 2017
FOR NINE MONTHS ENDED MARCH 31, 2017

Attachment A

	<u>Procurement</u>		<u>Waivers</u>		<u>Procurement</u>	
	<u>Total \$</u>		<u>Total \$</u>	<u>Total #</u>	<u>MFD \$</u>	<u>%</u>
<u>Prince George's County</u>						
Commissioners' Office	\$ 61,699	\$	-	-	\$ 2,304	3.7%
Planning Department	1,309,146		-	-	368,430	28.1%
Parks and Recreation Department	35,654,828		957,757	10	9,227,047	25.9%
Total	<u>37,025,673</u>		<u>957,757</u>	<u>10</u>	<u>9,597,781</u>	<u>25.9%</u>
<u>Montgomery County</u>						
Commissioners' Office	15,875		-	-	947	6.0%
Planning Department	1,266,013		232,398	5	315,136	24.9%
Parks Department	21,352,591		201,180	8	3,525,189	16.5%
Total	<u>22,634,479</u>		<u>433,578</u>	<u>13</u>	<u>3,841,272</u>	<u>17.0%</u>
<u>Central Administrative Services</u>						
Dept. of Human Resources and Mgt.	439,573		-	-	88,556	20.1%
Finance Department	1,343,580		-	-	55,959	4.2%
Legal Department	233,726		-	-	5,718	2.4%
Merit Board	-		-	-	-	0.0%
Office of Chief Information Officer	319,388		227,220	2	206,758	64.7%
Office of Internal Auditor	12,556		-	-	177	1.4%
Total	<u>2,348,823</u>		<u>227,220</u>	<u>2</u>	<u>357,168</u>	<u>15.2%</u>
Grand Total	<u>\$ 62,008,975</u>	<u>\$</u>	<u>1,618,555</u>	<u>25</u>	<u>\$ 13,796,221</u>	<u>22.2%</u>

Note: The "Waivers" columns report the amount and number of purchases approved to be exempt from the competitive procurement process, including sole source procurements.

Prepared by Finance Department
May 10, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT STATISTICS

FY 2017

MFD STATISTICS - CUMULATIVE AND ACTIVITY BY QUARTER

Attachment B

CUMULATIVE BY QUARTER

	SEPTEMBER	DECEMBER	MARCH	JUNE
<u>Prince George's County</u>				
Commissioners' Office	15.9%	8.2%	3.7%	
Planning Department	62.3%	44.5%	28.1%	
Parks and Recreation Department	28.3%	23.2%	25.9%	
Total	<u>29.5%</u>	<u>23.9%</u>	<u>25.9%</u>	
<u>Montgomery County</u>				
Commissioners' Office	0.0%	5.6%	6.0%	
Planning Department	0.5%	12.8%	24.9%	
Parks Department	10.0%	16.4%	16.5%	
Total	<u>9.5%</u>	<u>16.3%</u>	<u>17.0%</u>	
<u>Central Administrative Services</u>				
Dept. of Human Resources and Mgt.	16.4%	26.7%	20.1%	
Finance Department	34.0%	3.3%	4.2%	
Legal Department	0.0%	0.5%	2.4%	
Merit Board	0.0%	0.0%	0.0%	
Office of Chief Information Officer	0.0%	29.9%	64.7%	
Office of Internal Auditor	2.1%	1.5%	1.4%	
Total	<u>14.7%</u>	<u>9.5%</u>	<u>15.2%</u>	
Grand Total	<u><u>22.1%</u></u>	<u><u>20.5%</u></u>	<u><u>22.2%</u></u>	

ACTIVITY BY QUARTER

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
<u>Prince George's County</u>					
Commissioners' Office	15.9%	0.0%	0.0%		3.7%
Planning Department	62.3%	8.8%	6.0%		28.1%
Parks and Recreation Department	28.3%	15.0%	30.7%		25.9%
Total	<u>29.5%</u>	<u>14.8%</u>	<u>29.6%</u>		<u>25.9%</u>
<u>Montgomery County</u>					
Commissioners' Office	0.0%	13.9%	8.6%		6.0%
Planning Department	0.5%	25.9%	39.2%		24.9%
Parks Department	10.0%	26.0%	16.6%		16.5%
Total	<u>9.5%</u>	<u>26.0%</u>	<u>18.1%</u>		<u>17.0%</u>
<u>Central Administrative Services</u>					
Dept. of Human Resources and Mgt.	16.4%	45.3%	6.0%		20.1%
Finance Department	34.0%	1.1%	7.6%		4.2%
Legal Department	0.0%	0.6%	5.8%		2.4%
Merit Board	0.0%	0.0%	0.0%		0.0%
Office of Chief Information Officer	0.0%	68.1%	94.2%		64.7%
Office of Internal Auditor	2.1%	0.0%	0.0%		1.4%
Total	<u>14.7%</u>	<u>8.0%</u>	<u>29.6%</u>		<u>15.2%</u>
Grand Total	<u><u>22.1%</u></u>	<u><u>18.2%</u></u>	<u><u>25.2%</u></u>		<u><u>22.2%</u></u>

Prepared by Finance Department
May 5, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT STATISTICS
BY MAJOR PROCUREMENT CATEGORY

FY 2017
FOR NINE MONTHS ENDED MARCH 31, 2017

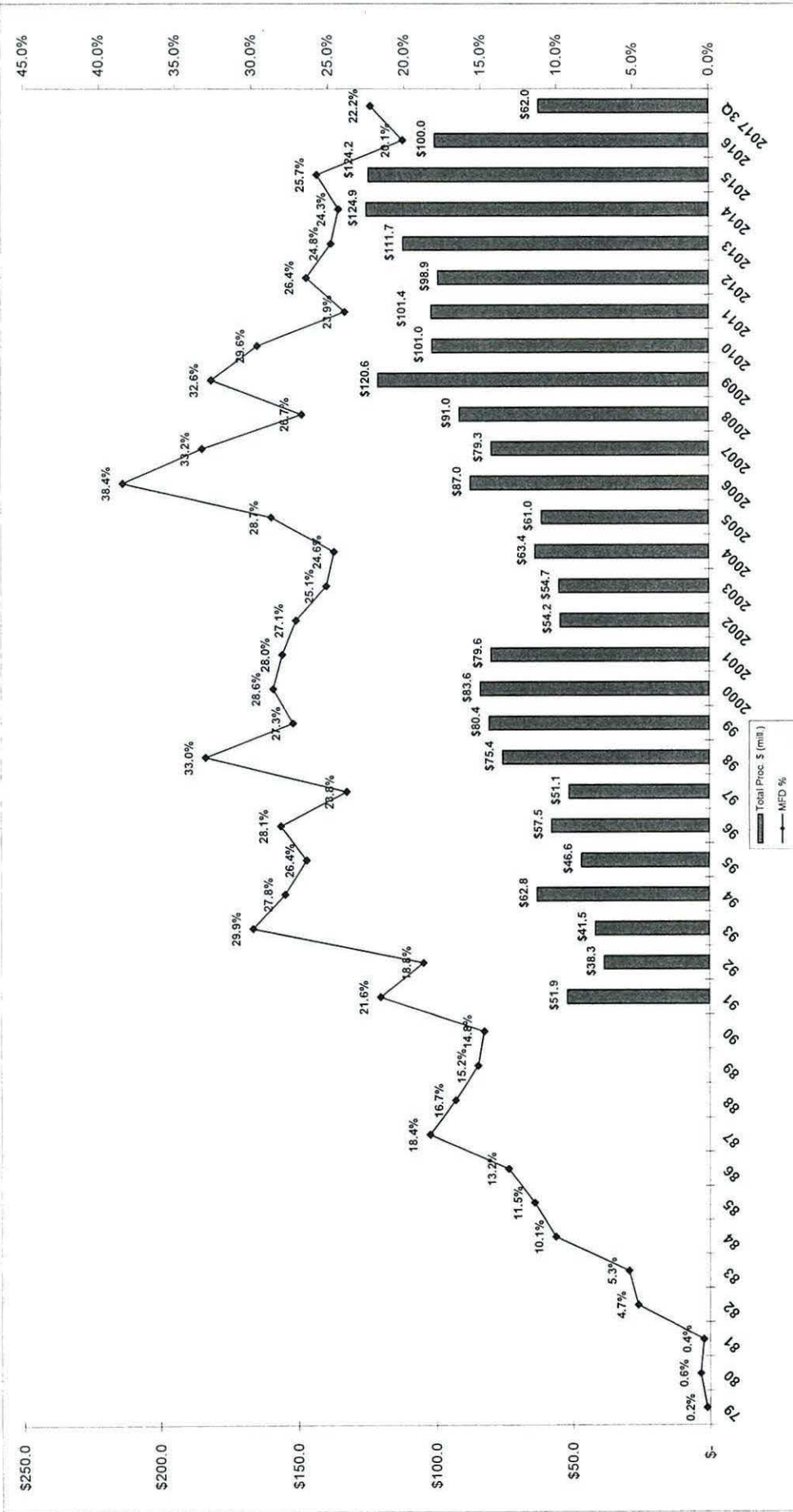
ATTACHMENT C

	Grand Total	Montgomery Planning	Montgomery Parks	Pr. Geo. Parks & Recreation	Pr. Geo. Planning	Dept. of Human Res. & Mgt.	Legal Department	Finance Department
Goods:								
Total \$	\$ 22,071,703	\$ 176,059	\$ 10,243,673	\$ 10,089,758	\$ 431,866	\$ 88,836	\$ 12,797	\$ 1,028,714
MFD \$	\$ 1,907,886	\$ 40,889	\$ 644,137	\$ 842,143	\$ 295,711	\$ 33,923	\$ 5,718	\$ 45,365
Percentage	8.6%	23.2%	6.3%	8.3%	68.5%	38.2%	44.7%	4.4%
Miscellaneous Services:								
Total \$	\$ 10,715,605	\$ 914,872	\$ 2,348,337	\$ 6,190,737	\$ 835,478	\$ 132,864	\$ 148,828	\$ 144,489
MFD \$	\$ 1,692,839	\$ 188,040	\$ 594,671	\$ 841,308	\$ 35,369	\$ 25,395	\$ 0	\$ 8,056
Percentage	15.8%	20.6%	25.3%	13.6%	4.2%	19.1%	0.0%	5.6%
Professional Services:								
Total \$	\$ 6,187,858	\$ 129,521	\$ 2,724,133	\$ 2,915,326	\$ 37,350	\$ 139,050	\$ 72,101	\$ 170,377
MFD \$	\$ 1,357,541	\$ 84,307	\$ 661,542	\$ 571,804	\$ 37,350	\$ 0	\$ 0	\$ 2,538
Percentage	21.9%	65.1%	24.3%	19.6%	100.0%	0.0%	0.0%	1.5%
Construction:								
Total \$	\$ 22,624,291	\$ 45,561	\$ 6,036,448	\$ 16,459,007	\$ 4,452	\$ 78,823	\$ 0	\$ 0
MFD \$	\$ 8,627,769	\$ 1,900	\$ 1,624,839	\$ 6,971,792	\$ 0	\$ 29,238	\$ 0	\$ 0
Percentage	38.1%	4.2%	26.9%	42.4%	0.0%	37.1%	0.0%	0.0%
SUBTOTAL								
Total \$	\$ 61,599,457	\$ 1,266,013	\$ 21,352,591	\$ 35,654,828	\$ 1,309,146	\$ 439,573	\$ 233,726	\$ 1,343,580
MFD \$	\$ 13,586,035	\$ 315,136	\$ 3,525,189	\$ 9,227,047	\$ 368,430	\$ 88,556	\$ 5,718	\$ 55,959
Percentage	22.1%	24.9%	16.5%	25.9%	28.1%	20.1%	2.4%	4.2%
Pr. Geo. Commissioners' Office								
Total \$	\$ 61,699							
MFD \$	\$ 2,304							
Percentage	3.7%							
Mont. Commissioners' Office								
Total \$	\$ 15,875							
MFD \$	\$ 947							
Percentage	6.0%							
Merit Board								
Total \$	\$ 0							
MFD \$	\$ 0							
Percentage	0.0%							
Office of Chief Information Officer								
Total \$	\$ 319,388							
MFD \$	\$ 206,758							
Percentage	64.7%							
Office of Internal Auditor								
Total \$	\$ 12,556							
MFD \$	\$ 177							
Percentage	1.4%							
GRAND TOTAL \$	\$ 62,008,975							
MFD\$	\$ 13,796,221							
Percentage	22.2%							

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT RESULTS and TOTAL PROCUREMENT (millions)

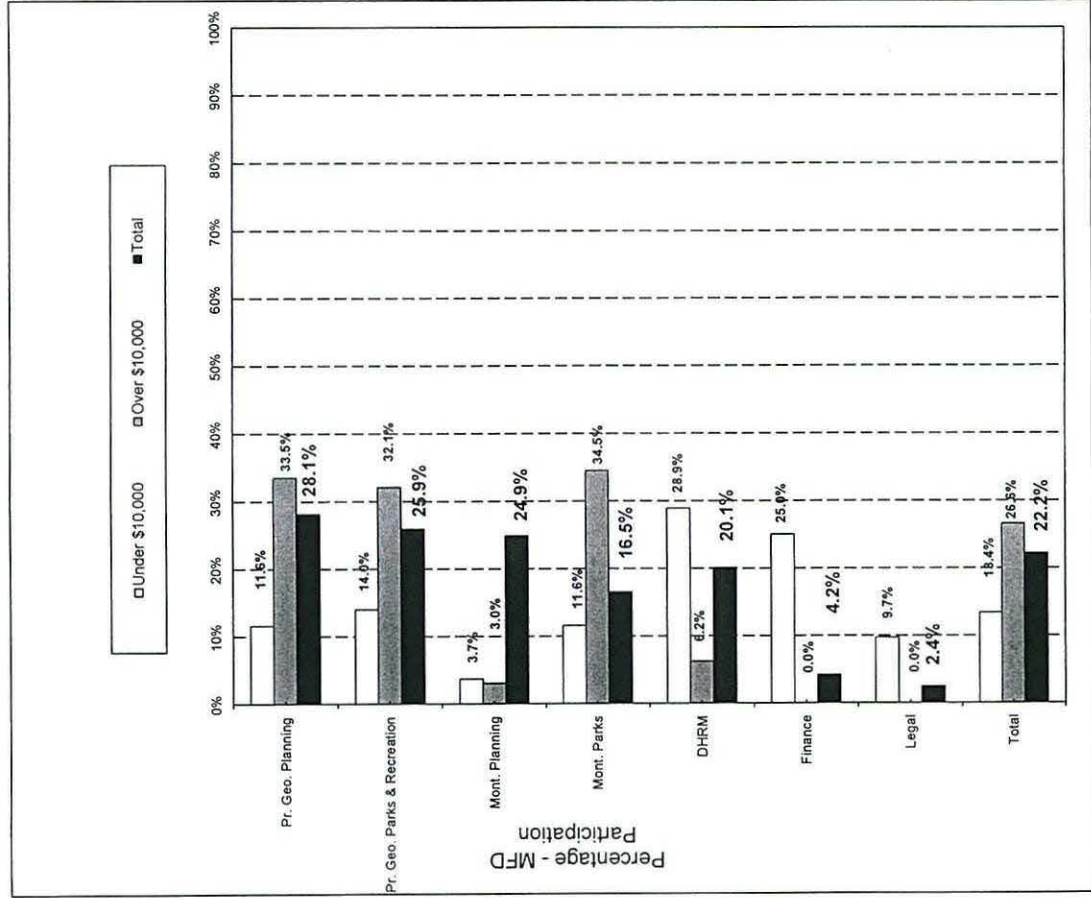
Attachment E



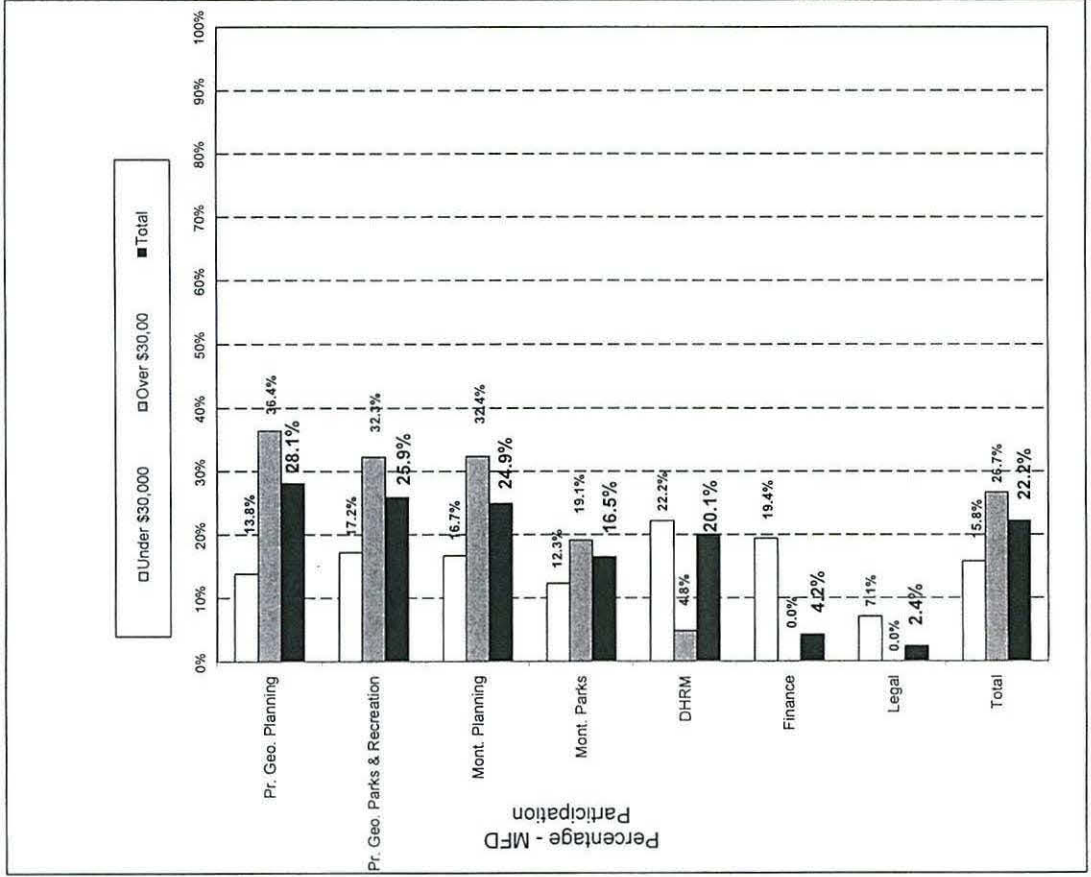
Prepared by Finance Department
May 5, 2017

The Maryland-National Capital Park and Planning Commission
 MFD Procurement Statistics - Transactions Under/Over \$10,000 & \$30,000 plus Total %
 FY 2017 3Q

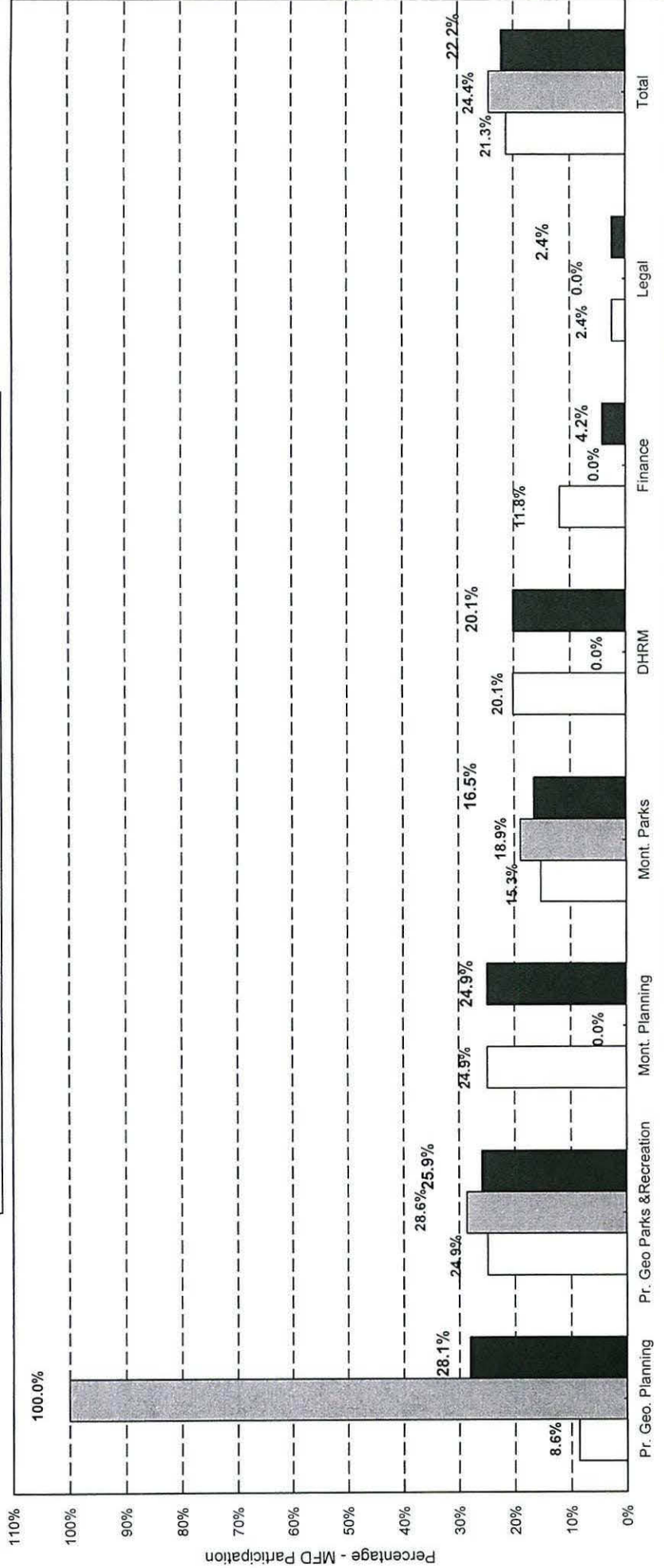
Under/Over \$10,000



Under/Over \$30,000



The Maryland-National Capital Park and Planning Commission
 MFD Procurement Statistics - Transactions Under /Over \$250,000 and Total %
 FY 2017 3Q



Prepared by Finance Department
 May 5, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Amount of Procurement and Number of Vendors by Location
FY 2017
FOR NINE MONTHS ENDED MARCH 31, 2017

Attachment H

TOTAL of ALL VENDORS

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 11,455,544	18.5%	244	15.8%
Prince George's County	9,763,035	15.7%	431	27.9%
Subtotal	21,218,579	34.2%	675	43.7%
Maryland - other locations	16,918,891	27.3%	280	18.2%
Total Maryland	38,137,470	61.5%	955	61.9%
District of Columbia	1,491,238	2.4%	78	5.1%
Virginia	2,765,792	4.5%	129	8.4%
Other Locations	19,614,475	31.6%	380	24.6%
Total	<u>\$ 62,008,975</u>	<u>100.0%</u>	<u>1,542</u>	<u>100.0%</u>

TOTAL of Non-MFD Vendors

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 7,222,102	15.0%	174	15.0%
Prince George's County	6,326,899	13.1%	278	24.0%
Subtotal	13,549,001	28.1%	452	39.0%
Maryland - other locations	13,247,732	27.5%	227	19.6%
Total Maryland	26,796,733	55.6%	679	58.6%
District of Columbia	1,390,779	2.9%	49	4.2%
Virginia	1,987,799	4.1%	89	7.7%
Other Locations	18,037,443	37.4%	343	29.5%
Total	<u>\$ 48,212,754</u>	<u>100.0%</u>	<u>1,160</u>	<u>100.0%</u>

TOTAL of MFD Vendors

<u>Location</u>	<u>Procurement</u>		<u>Number of Vendors</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Montgomery County	\$ 4,233,442	30.8%	70	18.3%
Prince George's County	3,436,136	24.9%	153	40.0%
Subtotal	7,669,578	55.7%	223	58.3%
Maryland - other locations	3,671,159	26.6%	53	13.9%
Total Maryland	11,340,737	82.3%	276	72.2%
District of Columbia	100,459	0.7%	29	7.6%
Virginia	777,993	5.6%	40	10.5%
Other Locations	1,577,032	11.4%	37	9.7%
Total	<u>\$ 13,796,221</u>	<u>100.0%</u>	<u>382</u>	<u>100.0%</u>

Note: The following shows the amounts and percentages of procurement by the location of the department. The bi-county departments' activity is divided equally between the two Counties.

	<u>Total Procurement</u>		<u>MFD Procurement</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Prince George's County	\$ 38,200,084	61.6%	\$ 9,776,365	70.9%
Montgomery County	23,808,891	38.4%	4,019,856	29.1%
Total	<u>\$ 62,008,975</u>	<u>100.0%</u>	<u>\$ 13,796,221</u>	<u>100.0%</u>

Prepared by Finance Department
May 5, 2017

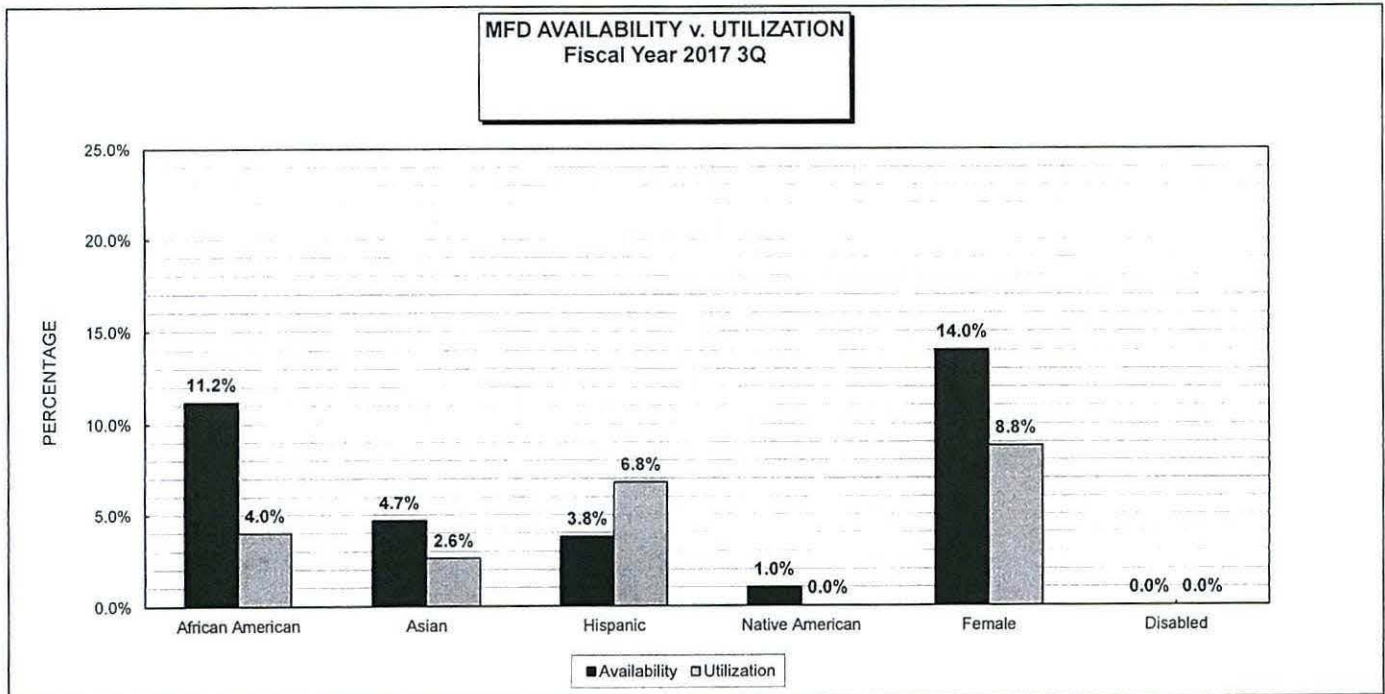
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MFD PROCUREMENT RESULTS
FY 2017
FOR NINE MONTHS ENDED MARCH 31, 2017

Attachment I

Total Amount of Procurement \$ 62,008,975

Amount, Percentage of Procurement by Category, and
 Percentage of Availability by Category:

	Procurement		Availability
	Amount	%	%
Minority Owned Firms			
African American	\$ 2,498,311	4.0%	11.2%
Asian	1,634,723	2.6%	4.7%
Hispanic	4,208,588	6.8%	3.8%
Native American	26,124	0.0%	1.0%
Total Minority Owned Firms	8,367,746	13.4%	20.7%
Female Owned Firms	5,418,416	8.8%	14.0%
Disabled Owned Firms	10,059	0.0%	n/a
Total Minority, Female, and Disabled Owned Firms	\$ 13,796,221	22.2%	34.7%



Note: (1) Availability percentages are taken from State of Maryland study titled "Business Disparities in the Maryland Market Area", dated February 8, 2017, page 13.

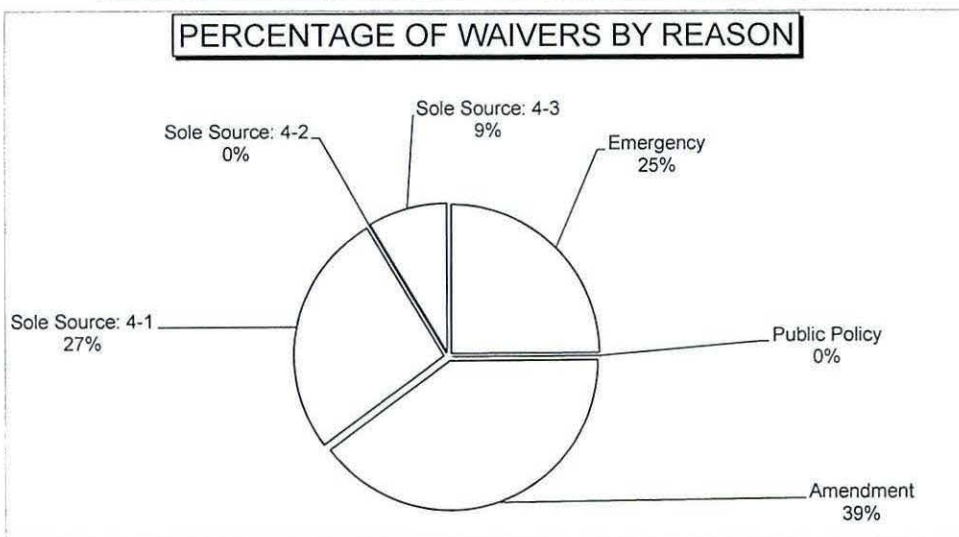
(2) n/a = not available

Prepared by Finance Department
 May 5, 2017

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
REASONS FOR WAIVERS
CUMULATIVE DOLLAR AMOUNT & NUMBER OF WAIVERS
FY 2017
FOR NINE MONTHS ENDED MARCH 31, 2017

Attachment J

REASON	NUMBER	AMOUNT	PERCENTAGE
Emergency	4	\$ 403,400	25%
Public Policy	0	\$ -	0%
Amendment	10	\$ 645,696	39%
Sole Source: 4-1	6	\$ 430,697	27%
Sole Source: 4-2	0	\$ -	0%
Sole Source: 4-3	5	\$ 138,762	9%
Total	25	\$ 1,618,555	100%



Waiver Reason Definitions:

Emergency:

Sudden and unforeseeable circumstance have arisen which actually or imminently threaten the continuance of an essential operation of the Commission or which threaten public health, welfare or safety such that there is not enough time to conduct the competitive bidding.

Required by Law or Grant:

Public law or the terms of a donation/grant require that the above noted vendor be chosen.

Amendment:

A contract is already in place and it is appropriate for the above noted vendor to provide additional services and/or goods not within the original scope of the contract because the interested service and/or goods are uniquely compatible with the Commission's existing systems and patently superior in quality and/or capability than what can be gained through an open bidding process.

Sole Source 4:

It has been determined that:

- #1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
- #2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
- #3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
TOTAL WAIVERS, MFD WAIVERS, AND SOLE SOURCE WAIVERS BY DEPARTMENT
PROCESSED FY 2017
FOR THE NINE MONTHS ENDED MARCH 31, 2017**

Attachment K

	Total Waivers		MFD/Waivers		% of MFD		Sole Source 4-1 Waivers		Sole Source 4-2 Waivers		Sole Source 4-3 Waivers		% Sole Source	
	\$	Number	\$	Number	%	Number	\$	Number	\$	Number	\$	Number	%	
Prince George's County														
Commissioners' Office	-	0	-	0	0.0%	-	0	0	-	0	-	0	0.0%	
Planning Department	-	0	-	0	0.0%	-	0	0	-	0	-	0	0.0%	
Parks and Recreation Department	957,757	10	-	0	0.0%	185,310	3	-	-	0	31,010	1	22.6%	
Total	957,757	10	-	0	0.0%	185,310	3	-	-	0	31,010	1	22.6%	
Montgomery County														
Commissioners' Office	-	0	-	0	0.0%	-	0	0	-	0	-	0	0.0%	
Planning Department	232,398	5	-	0	0.0%	18,167	1	-	-	0	20,000	1	16.4%	
Parks Department	201,180	8	-	0	0.0%	-	0	-	-	0	87,752	3	43.6%	
Total	433,578	13	-	0	0.0%	18,167	1	-	-	0	107,752	4	29.0%	
Central Administrative Services														
Dept. of Human Resources and Mgt.	-	0	-	0	0.0%	-	0	0	-	0	-	0	0.0%	
Office of the Chief Information Officer	227,220	2	140,000	1	0.0%	227,220	2	-	-	0	-	0	100.0%	
Finance Department	-	0	-	0	0.0%	-	0	-	-	0	-	0	0.0%	
Legal Department	-	0	-	0	0.0%	-	0	-	-	0	-	0	0.0%	
Merit Board	-	0	-	0	0.0%	-	0	-	-	0	-	0	0.0%	
Total	227,220	2	140,000	1	61.6%	227,220	2	-	-	0	-	0	100.0%	
Grand Total	\$ 1,618,555	25	\$ 140,000	1	8.6%	\$ 430,697	6	-	-	0	\$ 138,762	5	35.2%	

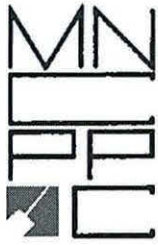
Purpose of Summary of Waiver Report:

- (1) To monitor the amount, number, reasons for waivers in order to ensure the Commission is encouraging and maintaining good community, public, vendor, and interdepartmental relations; To ensure fair and equitable treatment of all persons who deal in purchasing matters; to promote economy in Commission purchasing; and to ensure that minority owned firms receive a fair share of Commission awards (source: Practice 4-10); and
- (2) To comply with the Prince George's Planning Board directive of January 29, 1991 to report waiver activity to the Department Heads and the Planning Boards on a quarterly basis.

Sole Source: 4

It has been determined that:
 4-1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
 4-2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
 4-3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.

ITEM 7b3



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

TO: Commissioners

FROM: Joseph C. Zimmerman, Secretary-Treasurer

DATE: September 13, 2017

SUBJECT: Annual report for the 115 Trust

Per the requirements of the 115 Trust Document, the annual report of financial status is provided for your information.

The Commission maintains the trust as a funding vehicle for retiree health insurance costs. The program continues to meet its obligations to the retirees as well as amortize the unfunded portions of the cost of previous obligations.

I will be happy to review the report with you.

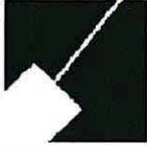
**The Maryland-National Capital Park and Planning Commission
Other Post Employment Benefits Trust Fund Investments
Statement of Plan Net Assets
June 30, 2017**

Assets	
Cash and short-term investments	\$ 11,934
Investments at fair value	
Bond Funds	12,534,689
Equity Funds	43,897,803
Other Assets - Real Estate	4,919,868
Total investments	<u>61,352,360</u>
Total Assets	61,364,294
Liabilities	
Accounts payable and others	<u>-</u>
Net Assets held in trust for other post employment benefits	<u><u>\$ 61,364,294</u></u>

**The Maryland-National Capital Park and Planning Commission
Other Post Employment Benefits Trust Fund Investments
Statement of Changes in Plan Net Assets
For the Period Ended June 30, 2017**

	<u>Month to Date</u>	<u>Fiscal Year to Date</u>
ADDITIONS:		
Contributions	<u>\$ 11,934</u>	<u>\$ 4,611,934</u>
Investment Earnings:		
Interest	-	1
Dividends	10,440	158,610
Net increase (decrease) in the Fair Market Value of Investments	<u>557,136</u>	<u>8,615,557</u>
Total Investment Earnings	<u>567,576</u>	<u>8,774,168</u>
Add Investment Advisory and Management fees net of adjustment	-	-
Net Income from Investing Activities	<u>567,576</u>	<u>8,774,168</u>
Total Additions	<u>579,510</u>	<u>13,386,102</u>
DEDUCTIONS:		
Increase in Net Assets	<u>579,510</u>	<u>13,386,102</u>
Net Assets held in trust for other post employment benefits		
Beginning of period	60,784,784	47,978,192
June 30, 2017	<u><u>\$ 61,364,294</u></u>	<u><u>\$ 61,364,294</u></u>

General Counsel's
Rept



Office of the General Counsel
Maryland-National Capital Park and Planning Commission

Reply To

August 31, 2017

Adrian R. Gardner
General Counsel
6611 Kenilworth Avenue, Suite 200
Riverdale, Maryland 20737
(301) 454-1670 • (301) 454-1674 fax

MEMORANDUM

TO: The Maryland-National Capital Park and Planning Commission
FROM: Adrian R. Gardner
General Counsel
RE: Litigation Report for July & August, 2017

Please find the attached litigation report we have prepared for your meeting scheduled on Wednesday, September 20, 2017. As always, please do not hesitate to call me in advance if you would like me to provide a substantive briefing on any of the cases reported.

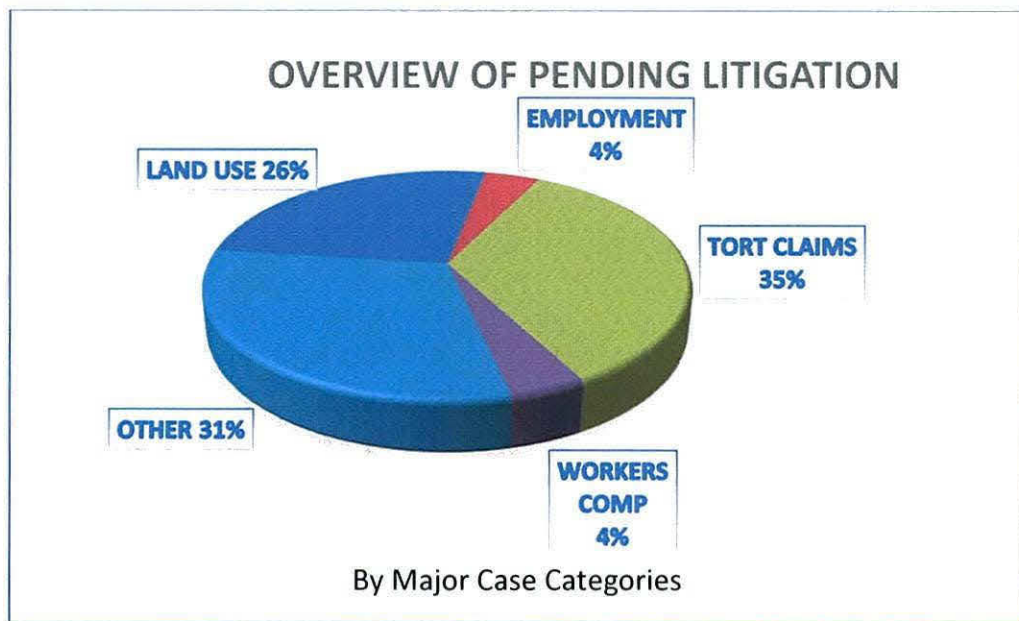
Table of Contents – July & August 2017 Report

Composition of Pending Litigation Page 01
Overview of Pending Litigation (Chart)..... Page 01
Litigation Activity Summary..... Page 02
Index of New YTD Cases (FY18) Page 03
Index of Resolved YTD Cases (FY18) Page 04
Disposition of FY18 Closed Cases Sorted by Department Page 05
Index of Reported Cases Sorted by Jurisdiction..... Page 07
Litigation Report Ordered by Court Jurisdiction..... Page 08

July & August 2017 Composition of Pending Litigation

(Sorted By Subject Matter and Forum)

	State Trial Court	Federal Trial Court	Maryland COSA	Maryland Court of Appeals	Federal Appeals Court	U.S. Supreme Court	Subject Matter Totals
Admin Appeal: Land Use	2		2				4
Admin Appeal: Other							0
Land Use Dispute		1					1
Tort Claim	8						8
Employment Dispute	1						1
Contract Dispute	2						2
Property Dispute			1				1
Civil Enforcement							0
Workers' Compensation	1						1
Debt Collection							0
Bankruptcy							0
Miscellaneous	3		1		1		5
Per Forum Totals	17	1	4	0	1	0	23



July & August 2017 Litigation Activity Summary

	COUNT FOR MONTH			COUNT FOR FISCAL YEAR 2018			
	Pending In June/17	New Cases	Resolved Cases	Pending Prior F/Y	New Cases F/YTD**	Resolved Cases F/YTD**	Pending Current Month
Admin Appeal: Land Use (AALU)	4			4			4
Admin Appeal: Other (AAO)	0			0			0
Land Use Disputes (LD)	1			1			1
Tort Claims (T)	6	2		6	2		8
Employment Disputes (ED)	1			1			1
Contract Disputes (CD)	2			2			2
Property Disputes (PD)	1			1			1
Civil Enforcement (CE)	0			0			0
Workers' Compensation (WC)	2		1	2		1	1
Debt Collection (D)	0			0			0
Bankruptcy (B)	0			0			0
Miscellaneous (M)	5			5			5
Totals	22	2	1	22	2	1	23

**INDEX OF YTD NEW CASES
(7/1/2017 TO 6/30/18)**

A. <u>New Trial Court Cases.</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
Moore v. Thompson, et al	PG	Tort	July 17
Evans v. Commission	MC	Tort	Aug 17

B. <u>New Appellate Court Cases.</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
---	--------------------	------------------------------	---------------------

**INDEX OF YTD RESOLVED CASES
(7/1/2017 TO 6/30/18)**

C. <u>Trial Court Cases Resolved.</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
Parker v. Commission	PG	WCC	July 2017
D. <u>Appellate Court Cases Resolved.</u>			

Disposition of FY18 Closed Cases Sorted by Department

CLIENT	PRINCIPAL CAUSE OF ACTION IN DISPUTE	DISPOSITION
Employees Retirement System		
Finance Department		
Department of Human Resources & Management		
Montgomery County Department of Planning		
Montgomery County Department of Parks		
Montgomery County Park Police		
Montgomery County Planning Board		
Prince George's County Department of Parks and Recreation		
Parker v. Commission	Claimant/employee is seeking de novo judicial review of the WCC's decision denying she has an occupational disease.	6/26/17-Case settled and remanded to WCC
Prince George's County Planning Department		
Prince George's County Planning Board		

INDEX OF CASES

DISTRICT COURT FOR PRINCE GEORGE’S COUNTY, MARYLAND	08
Milam v. Doe, et al.....	08
Moore v. Thompson, et al.....	08
CIRCUIT COURT FOR CARROLL COUNTY, MARYLAND.....	09
Shipe v. Louketis, et al	09
Tugwell v. Louketis, et al	09
CIRCUIT COURT FOR FREDERICK COUNTY, MARYLAND	11
Commission v. Pollard.....	11
CIRCUIT COURT FOR PRINCE GEORGE’S COUNTY, MARYLAND	12
Burnette v. Commission.....	12
Commission v. The Town of Forest Heights	12
Green, et al v. Commission.....	12
Grier, et al v. Commission.....	13
O'Brien v. Sports & Learning Complex.....	13
Pletsch, et al v. Commission	14
Price, et al v. Prince George’s County, et al	14
Sauer, Inc. v. Commission	15
Swain v. Seay, et al.....	15
CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND.....	16
Evans v. Commission.....	16
Fort Myer Construction Corporation v. Commission	16
Rounds v. Commission, et al	17
MARYLAND COURT OF SPECIAL APPEALS	18
Brooks v. Commission.....	18
Cohhn v. Commission	18
Friends of Croom Civic Association, et al v. Commission	19
Rounds v. Montgomery County, MD, et al	19
MARYLAND COURT OF APPEALS	19
U.S. DISTRICT COURT OF MARYLAND	20
Pulte Home Corp, et al v. Montgomery County, et al.....	20
U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT	22
American Humanists Association, et al v. Commission	22

DISTRICT COURT FOR PRINCE GEORGE'S COUNTY, MARYLAND

Milam v. Doe and Commission

Case No. 0502-0034226-2016(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury involving vehicle owned by Commission.

Status: Pending trial.

Docket:

12/27/16	Complaint filed
02/03/17	Subpoena served on Commission
03/22/17	Court issues notice of service on Commission
05/01/17	Commission requests re-issue for dormant service
05/19/17	Motion to Quash Service filed by Commission
06/05/17	Notice of Service stricken
10/17/17	Merit Trial

Moore v. Thompson, et al

Case No. 0502-0026594-2016(Tort)

Lead Counsel: Adams
Other Counsel:

Abstract: Defense of claim for property damage involving vehicle owned by Commission.

Status: Pending trial.

Docket:

09/30/16	Complaint filed
07/12/17	Summons served on Defendant Devillars
10/26/17	Merit trial

CIRCUIT COURT FOR CARROLL COUNTY, MARYLAND

Shipe v. Louketis, et al

Case No. 06-C-15-070021 (Tort)

Lead Counsel: Harvin
Other Counsel: Dickerson

Abstract: Defense of claim for assault & battery, intentional infliction of emotional distress, negligence, negligent hiring.

Status: In discovery.

Docket:

10/26/15	Complaint filed
11/20/15	Commission served
12/18/15	Motion to Dismiss and Memorandum filed by Commission
01/04/16	Partial Motion to Dismiss filed by Louketis
01/22/16	Opposition to Motion to Dismiss & Request for Hearing filed
03/07/16	Court grants & denies portions of Commission Motion to Dismiss
06/20/16	Counter-claim filed by Defendant Louketis
08/30/16	Order consolidating case with 06-C-15-069996
12/02/16	Pre-trial conference
05/10/17	Commission files Motion for Summary Judgment and Memorandum
08/22/17	Motion for Summary Judgment granted as to Count 7
09/11/17	Trial

Tugwell v. Louketis, et al

Case No. 06-C-15-069996 (Tort)

Lead Counsel: Adams
Other Counsel: Dickerson

Abstract: Defense of claim for assault & battery, intentional infliction of emotional distress, negligence, negligent hiring.

Status: In discovery.

Docket:

10/21/15	Complaint filed
11/20/15	Commission served

12/16/15	Motion to Dismiss and supporting Memorandum, Motion for Protective Order filed by Commission
01/04/16	Partial Motion to Dismiss filed by Louketis
01/22/16	Amended Complaint filed by Plaintiff
01/27/16	Second Amended Complaint filed by Plaintiff
02/17/16	Line filed by Commission responsive to Second Amended Complaint and renewing previous Motion to Dismiss
04/15/16	Motions hearing
05/31/16	Motion to Dismiss denied. Court orders Commission to produce documents with 30 days for in-camera inspection.
06/09/16	Court order modifying scheduling order for discovery and expert identification
08/30/16	Order consolidating case with 06-C-15-070021
12/02/16	Pre-trial hearing
05/10/17	Commission files Motion for Summary Judgment with Memorandum
08/22/17	Motion for Summary Judgment granted as to Count 7
09/11/17	Trial

CIRCUIT COURT FOR FREDERICK COUNTY, MARYLAND

Commission v. Pollard

Case #10-C-17-001225 (WC B629257)

Lead Counsel: Foster
Other Counsel:

Abstract: Employer is seeking de novo judicial review of the WCC's decision that the Claimant had suffered a 39% worsening of condition regarding his right hip since the last permanency award and found no cause for apportionment to preexisting conditions.

Status: Case closed.

Docket:

05/08/17	Petition for Judicial Review filed
05/30/17	Response to Petition filed
07/24/17	Mediation
7/28/17	Joint Motion to Remand to WCC

CIRCUIT COURT FOR PRINCE GEORGE'S COUNTY, MARYLAND

Burnette v. Commission

CAL16-35180 (ED)

Lead Counsel: Adams
Other Counsel: Dickerson

Abstract: Former park police officer seeks judicial review of termination.

Status: Pending oral argument.

Docket:

09/08/16	Petition filed
09/23/16	Response to Petition filed by Commission
02/07/17	Pre-trial conference
03/24/17	Commission Memorandum of Law filed
10/30/17	Oral Argument

Commission, et al v. The Town of Forest Heights

CAL 16-29110 (M)

Lead Counsel: Mills
Other Counsel:

Abstract: Commission filed a declaratory judgment action against the Town of Forest Heights.

Status: Awaiting decision.

Docket:

07/20/16	Complaint filed
08/31/16	Defendant filed Answer
09/20/16	Court returns Defendant's Answer failure to pay filing fees
09/27/16	Defendant files Answer
02/08/17	Pretrial conference
04/10/17	Defendant files Motion to Dismiss and/or Motion for Summary Judgment
04/19/17	Joint Response by Plaintiffs to Defendant's Motion to Dismiss and/or for Summary Judgment
06/21/17	Motions hearing; awaiting decision from Court

Green, et al v. Commission

CAL16-26277 (Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury involving fall by minor child from playground equipment at Peppermill Recreation Center.

Status: Pending trial.

Docket:

06/14/16	Complaint filed.
08/22/16	Commission files answer.
02/28/16	Pre-trial conference
06/30/17	ADR Conference cancelled
08/30/17	Trial date

Grier, et al v. Commission
CAL17-10296 (AALU)

Lead Counsel: Johnson
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan of Subdivision 4-16032 in Laurelind-orinan Estate.

Status: Appeal filed.

Docket:

04/20/17	Petitioners' filed a Petition for Judicial Review
05/09/17	Commission filed Response to Petition
07/14/17	Status hearing conference
08/04/17	Petitioner filed Memorandum in Support of Judicial Review
09/13/17	Oral Argument

O'Brien v. Sports & Learning Complex
CAL17-00241(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury involving slip and fall at swimming pool.

Status: Pending trial.

Docket:

01/11/17	Complaint filed
03/03/17	Service of complaint on Commission
03/31/17	Amended Complaint filed
08/09/17	Pre-trial conference
04/10/18	Trial date

Pletsch, et al v. Commission
CAL17-12150(AALU)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan of Subdivision 4-16006 Melford Village.

Status: Appeal filed.

Docket:

05/10/17	Petitioners' filed Petition for Judicial Review
06/09/17	Commission filed Response to Petition
07/14/17	Status hearing conference
01/19/18	Proposed Oral Argument calendar

Price, et al v. Prince George's County, et al
CAE16-37806 (M)

Lead Counsel: Gardner
Other Counsel: Dickerson

Abstract: Plaintiffs file lawsuit for injunctive relief questioning validity of certain personal tax enactments involving the Commission and Prince George's County.

Status: Complaint filed.

Docket:

09/30/16	Complaint filed
01/03/17	Motion to Dismiss or in the alternative, Motion for Summary Judgment filed by Defendant, P. G. County
01/06/17	Status Conference
01/31/17	Plaintiff's Opposition to Defendant, PG County's Motion to Dismiss
03/08/17	Defendant, PG County files answer to Complaint
04/24/17	Amended Complaint filed
05/03/17	Commission served with amended complaint
05/24/17	Commission files entry of appearance
06/13/17	Commission files Motion to Dismiss
06/30/17	Pretrial conference
07/07/17	Plaintiff's Opposition to Commission's Motion to Dismiss or in the alternative, Motion for Summary Judgment
09/19/17	Motions hearing
12/13/17	Trial date

Sauer, Inc. v. Commission
CAL17-05868 (CD)

Lead Counsel: Dickerson
Other Counsel: Adams

Abstract: Plaintiff filed complaint for alleged delays and damages associated with the renovation and expansion of the Palmer Park Community Center in Prince George's County.

Status: Complaint filed.
Docket:

02/28/17	Complaint filed but improperly served; awaiting proper re-service
06/20/17	Complaint properly served and accepted by Commission
08/21/17	Line filed extending responsive pleadings deadline

Swain v. Seay, et al
CAEF16-10315 (M)

Lead Counsel: Dickerson
Other Counsel: Foster

Abstract: Plaintiff files to foreclose a statutory attorney's lien on property with a Historic Agriculture Resource Preservation Program Deed of Easement.

Status: Complaint filed.
Docket:

04/01/16	Complaint filed
09/23/16	Motion to Dismiss filed
10/06/16	Opposition to Motion to Dismiss filed
11/18/16	Answer to Petition filed by Commission
12/08/16	Motion to Dismiss filed by North Arundel Savings Bank
12/27/16	Opposition to Motion to Dismiss and request for hearing filed by Plaintiff
05/30/17	Request for hearing filed

CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

Evans v. Commission
Case No. 435465-V(Tort)

Lead Counsel: Harvin
Other Counsel:

Abstract: Defense of claim for personal injury following an automobile accident.

Status: Lawsuit filed.

Docket:

08/11/17	Complaint filed
08/22/17	Service of complaint on Commission
05/24/18	Pre-trial/settlement conference

Fort Myer Construction Corporation v. Commission
Case No. 399804-V (CD)

Lead Counsel: MarcusBonsib, LLC (Bruce L. Marcus)
Other Counsel: Dickerson

Abstract: Plaintiff filed complaint for alleged delays and damages associated with the erection of a steel girder pedestrian bridge in Montgomery County.

Status: Pending scheduling conference.

Docket:

01/23/15	Complaint filed
04/27/15	Motion for Appropriate Relief (Motion to Stay) filed by Commission
05/19/15	Plaintiff's Response to Commission's Motion for Appropriate Relief
10/27/15	Court grants Commission's Motion to Stay pending decisions from Court of Special Appeals
10/27/15	Commission's Motion for Stay granted
10/28/16	Notice of 2-507 Letter issued
11/23/16	Plaintiff's Motion to Defer Entry of Md. Rule 2-507
12/05/16	Commission's response to Plaintiff's Motion to Defer Entry of Dismissal or in alternative Motion to Compel Answer
12/23/16	Court orders case to stay on the docket, to be set in for status hearing
03/16/17	Status Hearing; Court orders continuation of stay; to remain on docket

06/08/17	Court sets case for scheduling conference
07/28/17	Scheduling conference
08/04/17	Motion to Intervene filed by URS
08/11/17	Court grants URS's Motion to Intervene
10/10/17	Motions hearing
06/28/18	Settlement/Pretrial hearing

Rounds v. Commission, et al

Case No. 430530-V (Tort)

Lead Counsel: Gardner
Other Counsel: Dickerson
Harvin

Abstract: Defense of claim for alleged slander of title regarding Farm Road easement.

Status: Case dismissed.

Docket:

02/28/17	Complaint filed
03/07/17	Amended Complaint filed
04/18/17	Motion to Dismiss filed by Maryland State Treasurer; Affidavit of Service on Commission filed
04/28/17	Defendant, Montgomery County filed Motion to Extend Deadline for Motion to Dismiss 06/02/17
05/30/17	Commission files Motion to Dismiss for failure to state a claim
06/02/17	Scheduling conference held
06/02/17	Court orders discovery stay pending Motions hearing
06/20/17	Plaintiffs filed motion for extension of time to respond to Commission's Motion to Dismiss
06/30/17	Plaintiff's Opposition to Commission's Motion to Dismiss filed
07/03/17	Plaintiff's Opposition to Montgomery County's Motion to Dismiss filed
08/25/17	Court grants Commission's Motion to Dismiss
08/28/17	Court issues Notice of Dismissal

MARYLAND COURT OF SPECIAL APPEALS

Brooks v. Commisison

September Term 2016, No. 02295 (AALU)
(Originally filed under CAE16-25941 in Prince George's County)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Plaintiff appealed Planning Board ruling granting the departure from design standards in Prince George's County.

Status: Pending oral argument.

Docket:

01/06/17	Notice of Appeal filed
06/30/17	Appellant's Brief and Joint Record Extract filed
12/2017	Oral Argument

Cohn v. Commisison

September Term 2016, No. 1577 (M)
(Originally filed under 409148-V in Montgomery County)

Lead Counsel: Dickerson
Other Counsel: Harvin

Abstract: Plaintiff appealed Circuit Court ruling granting the judgment in favor of the Commission and denying Plaintiff's request to restrain Commission's Archery Managed Deer Hunting Program in Montgomery County.

Status: Awaiting oral argument.

Docket:

09/30/16	Notice of Appeal filed
01/26/17	Brief filed by Appellant
03/31/17	Commission Brief filed
05/01/17	Appellant's Reply Brief filed
10/05/17	Oral Argument

Friends of Croom Civic Association, et al. v. Commission

Case No. 02177, September Term 2015 (AALU)
(Originally filed under CAL14-32333)

Lead Counsel: Mills
Other Counsel: Borden

Abstract: Defense against Administrative Appeal of decision by the Planning Board to approve Preliminary Plan 4-11004 in Stephen's Crossing at Brandywine.

Status: Awaiting decision.
Docket:

12/07/15	Notice of Appeal
05/27/16	Commission Brief due
12/06/16	Oral Argument held

Rounds v. Montgomery County, MD, et al

September Term, 2016, No. 02501(PD)
(Originally filed under #350954-V in Montgomery County)

Lead Counsel: Gardner
Other Counsel: Dickerson
Harvin

Abstract: Appeal from dismissal of claim for violations of the Maryland Constitution and declaratory relief concerning alleged Farm Road easement.

Status: Appeal filed.

Docket:

02/03/17	Notice of Appeal filed
----------	------------------------

MARYLAND COURT OF APPEALS

No Pending Cases

U.S. DISTRICT COURT OF MARYLAND

Pulte Home Corporation, et al v. Montgomery County, et al

Case No. 8:14-cv-03955 (LD)

(Originally filed under Case No. 397601V-Mont. Cty)

Lead Counsel: Outside Counsel-Whiteford Taylor and Preston
Other Counsel: Gardner/Dickerson/Adams

Abstract: Plaintiff filed complaint for alleged delays and damages associated with the construction of a residential development in Clarksburg, Maryland.

Status: Case dismissed.

Docket:

12/18/14	Notice of Removal and Complaint filed
01/02/15	Commission files Motion to Dismiss or in the Alternative for Summary Judgment and Supporting Memorandum
01/09/15	Plaintiffs file Motion to Remand.
02/05/15	Defendant Montgomery County's Opposition to Motion to Remand
02/06/15	Commission's Opposition to Plaintiff's Motion to Remand
02/06/15	Plaintiff's Opposition to Defendant M-NCPPC's Motion to Dismiss
02/23/15	Plaintiff's Reply in Support of Motion to Remand
02/23/15	Commission's Reply to Opposition to Motion to Dismiss
07/17/15	Order denying Pulte's Motion to Remand; Order denying MNCPPC's Motion to Dismiss with leave to respond to complaint with 14 days
07/31/15	Commission's Answer to Complaint
07/31/15	Commission's Motion for Reconsideration
08/26/15	Plaintiffs' Opposition to Commission's Motion for Reconsideration filed
09/24/15	Commission's Reply to Plaintiff's Opposition to Reconsideration of the Court's Denial of the Commission's Motion to Dismiss filed
12/29/15	Court denies Commission Motion for Reconsideration of Denial of Motion to Dismiss
01/07/16	Chambers Conference Call
02/19/16	E-Discovery Conference
04/01/16	E-Discovery Conference
05/27/16	County's Motion for Protective Order filed
05/27/16	Commission's Motion for Protective Order filed
06/16/16	Protective Order Motions denied without prejudice
05/14/17	Dispositive pretrial motions
09/17/16	Joint Defense Agreement executed between Commission and Montgomery County, Maryland
09/29/16 & 10/3/16	Outside counsel enters appearance
01/12/17	Motions hearing on discovery related matters

01/25/17	Rulings entered on various discovery matters
03/06/17	Telephone Conference
03/10/17	Court ordered discovery by Pulte & Commission to be completed by 4/10/17
04/13/17	Motion for Judgment on the pleadings filed
08/08/17	Motions Hearing
08/25/17	Court grants Defendants' Motion for Judgment on Pleadings; case dismissed.

U.S. COURT OF APPEALS FOR THE FOURTH CIRCUIT

American Humanist Association, et al v. Commission

No. 15-2597 Case #:14-cv550-DKC (M)

Lead Counsel: Dickerson
Other Counsel: Gardner
Adams

Abstract: Defense of claim alleging violation of establishment clause of Constitution.

Status: Awaiting decision.

Docket:

12/30/15	Notice of Appeal filed
02/29/16	Appellant's brief filed
04/04/16	Response brief by Appellees filed
03/07/16	Brief Amici Curiae filed by Freedom from Religion Foundation and Center for Inquiry in Support of Appellants
04/11/16	Brief Amici Curiae of The Becket Fund for Religious Liberty in Support of Appellees
04/11/16	Brief Amici Curiae Senator Joe Machin and Representatives Doug Collins, Vicky Hartzler, Jody Hice, Evan Jenkins, Jim Jordan, Mark Meadows and Alex Mooney in Support of Appellees
04/11/16	Brief Amici Curiae State of West Virginia and 24 Other States supporting Appellees
04/18/16	Appellant's Reply brief filed
12/07/16	Oral Argument held

Q:\LEGAL\DOC\DOC\WP60\2017 Litigation Reports\July August 17 Litigation Report -Final .docx