



FREDERICK COUNTY GOVERNMENT

INTERAGENCY INTERNAL AUDIT AUTHORITY

Tricia Reaver, Director of Internal Audit

Memorandum

To: John Peterson, Chief Administrative Officer
Daniel Lewis, Chief Financial Officer

A handwritten signature in black ink that reads "Tricia A. Reaver".

From: Tricia A. Reaver, CPA

Date: October 18, 2023

Subject: Review of Potential Synergies Across County Entities

The Internal Audit Division (IAD) received a request to review potential areas across County government where Frederick County Government (FCG) could share resources with Frederick County Public Schools (FCPS) and/or Frederick Community College (FCC) to create efficiencies in budget funding within the entities and services amongst taxpayers. This project entailed a review of the 2012 Synergies Committee report along with a review of compensation wage ranges between FCG and FCPS.

The IAD performed the following tasks in this review:

- The IAD read the September 2012 Synergies Committee Report and determined updated status on recommendations made in that report.
- The IAD obtained wage information from FCG including job title, salary structure, grade and salary range for a variety of positions throughout FCG.
- The IAD obtained wage information from FCPS including salary scales, job descriptions and ranges for a variety of positions throughout FCPS.
- The IAD reviewed matching positions held at both FCG and FCPS to determine if synergies could be obtained.
- The IAD reviewed positional and divisional positions and job descriptions to determine areas of potential synergy.

From this basic review of information, the IAD has identified areas of potential synergy or concern, noting them below by observations and recommendations:

- **2012 Report & Recommendations of the Synergies Committee**
 - o **Vehicle Maintenance:**
The report recommended FCG, FCPS and FCC explore and evaluate potential synergy opportunities in combining some vehicle maintenance services to

achieve potential savings. Through research the IAD found that Harford County, Maryland is opening a joint fleet maintenance facility between the County and the County school system for publicly owned vehicles, including school buses.

- Observations:

Both FCG and FCPS have strict regulations on some of their vehicles. FCG includes emergency vehicles such as fire apparatus and sheriff's office vehicles which undergo inspection with specialized needs and regulations as well as State and Federally funded transit buses with different regulations and need to meet grant guidelines. FCPS includes school buses and student transportation vehicles which also have strict regulations guided by the state and audited every 3 to 5 years by the Maryland Office of Legislative Audits. These specialized vehicles with regulation on maintenance and service would make joining these fleet services more difficult. However, opportunity could also arise with FCG already having a diverse workforce in meeting differing regulations. When it comes to general fleet vehicles there could be synergy between FCG, FCPS and FCC.

- Recommendations:

The IAD recommends that FCG, FCPS and FCC come together in discussion on the possibility of creating a joint vehicle maintenance facility. It is understood that both FCG and FCPS have specialized vehicles under regulation, however, discussion could include education and cross-training of fleet maintenance professionals at the entity level. FCG, FCPS and FCC could also discuss the possibility of joining facility and professionals for general fleet maintenance if it is determined that joining systems of specialized regulated vehicles would be burdensome on each of the entities and make meeting regulations and standards more difficult.

- Information Technology:

The report recommended that FCG, FCPS and FCC explore the potential of combining IT services.

- Observations:

Each entity has very specific needs based on their customer base which also differs. The need for standalone systems for protection from external viruses and hacking over the years has become more necessary. Systems with FCG alone have become so specialized that IT professionals have been split at the Divisional level within FCG.

- Recommendations:

The IAD recommends that FCG, FCPS and FCC maintain separate IT systems for the protection of each entity maintaining firewalls as much as possible between the entities to encourage network security and secure infrastructures. Synergy is not recommended in this area.

○ **Procurement & Contracting/ Purchasing:**

The report recommended FCG, FCPS and FCC explore and evaluate potential ways to analyze potential improved efficiencies or savings by combining efforts in purchasing and contracting.

▪ **Observations:**

The IAD noted that FCG, FCPS and FCC already work together on some contracts. For example, the external financial audit is contracted through FCPS but includes the audits of all three entities to realize cost savings. Professional procurement and contracting staff are employed at all three entities. There are specific needs at each entity in realizing their separate missions. However, there are areas in which all three entities, or two of the three entities are in need of similar items (for example, maintenance needs, office supplies, land maintenance, vehicle maintenance, and general services etc.). The limitations on this effort, however, may be that less contractors are capable of servicing such a high concentrated volume. The financial audit contract restricts contractors that can equally have experts in the fields of state and local government as well as higher education. This is where there could be a negative effect to the streamlining effort.

▪ **Recommendations:**

The IAD recommends that the directors and managers of procurement and contracting for each of the three entities meet to analyze potential savings in putting contracts together similar to the financial audit contract. This effort could potentially save manpower, especially where there may be a need for more staffing. The entities could utilize staffing together through an in-kind memorandum of understanding. This effort could also reflect a savings when putting a large bulk together for a contractor.

○ **Energy & Environment:**

The report recommended the three entities convene and review regulations where savings could be made, or efforts streamlined.

▪ **Observations:**

The IAD notices that energy, environment, and climate sustainability are factors on the rise in all industries. Keeping abreast of new and updated laws and regulations may be strenuous on all three entities. The three entities do have differing endeavors as well as land and mass to control through environmental measures.

▪ **Recommendations:**

The IAD recommends that energy and environmental professionals from all three entities come together in saving manpower. It is possible the County could lead the charge in creating a centralized interagency energy and environment team which would in turn train, develop and execute laws and regulations under which each entity would be required to follow. The IAD also recommends that at the least, the entities should

create constant communication where grants and efforts of energy saving techniques such as solar array, design and usage could be synergized.

- **Parks and Recreation:**

The report recommends that efforts be made to review progress of current synergies and explore other potential possible partnerships.

- **Observations:**

Currently FCG Parks and Recreation partners with FCPS in creating park school sites through a parks school agreement. There are 8 park school sites with a 9th site coming soon in Brunswick. Newly built or reconstructed and renovated school sites will include a park school recreation center which allows the community the use of the recreational gym areas after school hours. This endeavor has created much needed gym space for the community while also allowing the schools to recognize use of their space during off hours. The FCG parks and recreation employees staff the centers during off school hours.

- **Recommendations:**

The IAD recognizes that the synergies between FCG and FCPS through parks and recreation has been hugely successful and recommends the continuation of these shared resources. The IAD also recommends that FCG discuss potential needs with FCC regarding areas of opportunity between FCG and FCC where resources could also be shared or utilized to create savings based on community needs or programs.

- **Public Works:**

The report recommends leadership in public works meet with management of maintenance and facilities with FCPS and FCC to determine if there are areas of opportunity.

- **Observations:**

The County Public Works Division is utilized for building maintenance, repair and buildup within the County. Both FCPS and FCC also have building maintenance and repair teams on site. FCPS must follow strict state regulations on building sites in which they are audited around every 3 to 5 years by the Maryland State Office of Legislative Audits to ensure school buildings are following code and regulation. The FCPS education codes and regulations differ from that which the County must follow. Therefore, any synergy built between the two entities must include training and development to the standards in which FCPS must adhere to.

- **Recommendations:**

The IAD recommends that FCG and FCPS meet to understand the difference in code and regulation to determine with training and development if synergies could be met. The IAD also recommends that FCG Public Works leadership meet with FCC, as the two may have more capability to synergize efforts and work together leveraging employee

time. These efforts could be mostly important if one entity is realizing staffing issues and another entity could assist through a Memorandum of Understanding.

- **Additional Areas for Consideration:**

- **o Risk Management/Insurance:**

▪ **Observations:**

All three entities have risk management professionals that work with insurance, risk and workers compensation issues daily. Some of the entities have utilized or are exploring the utilization of self-insurance plans. When it comes to risk and risk management each entity is specialized in their needs to their mission, divisions and departments. However, each entity must be properly insured.

▪ **Recommendations:**

The IAD recommends risk management professionals explore the possibility of insurance packages or self-insurance as a group to recognize cost savings. When leveraging the entities together, could there be savings to insurance especially when taking property and automobile into consideration. If self-insurance is not feasible, is contractor insurance a means where a contract could be utilized for efficiency across multiple entities?

o **Grants:**

▪ **Observations:**

Each entity utilizes grants to supplement budget needs across multiple divisional areas. Some divisional areas have similar goals and expectations. Grant specialists employed by the entities may have the ability to search for grants across these areas through search of state and federal agency programs.

▪ **Recommendations:**

The IAD recommends that entity leadership discuss the ability to synergize grant searching and writing between entities to recognize savings and streamline staff time.

- **Areas of Concern/Discussion:**

o **Unions:**

FCPS has multiple staff unions which govern different staffing types including teaching, administration and central office staff. FCG also has a few unions in which govern staffing, those unions include Fire & Rescue and Sheriff's office employees. When discussing synergies between the entities, union contracts and protections should be researched and acknowledged.

○ **Staffing/Salary Base:**

While performing research for synergies the IAD reviewed professional areas within FCG and FCPS for matching job titles and descriptions. This comparison allowed the IAD to understand where similar positions lie between the two entities that may be synergized for savings. The IAD found numerous areas where FCG and FCPS employ staff with similar roles within the entity. The IAD reviewed salaries for these areas noting some inconsistencies between the two entities. The IAD noted that in most cases FCPS salaries for positions similar in nature were higher than those within FCG. The IAD recommends that FCG administration and leadership review these positions and place them at market value and comparable to that of FCPS to avoid direct competition within the County's component units. The IAD also recommends that during budget funding these areas are noted when discussing staff salary increases within FCPS on the administrative level. To address comparability between the two entities FCG leadership will also need to consider different benefits to ensure position salary and benefits are looked at in totality. Benefits could include factors such as pensions, retirement and job flexibility. Please see the report addendum for wage comparison averages between FCG and FCPS.

Conclusion

This review was conducted to gain status of past synergy conversations, gain an understanding of where current synergies can be recognized and to review where the County and its component units are employing and paying for similar roles and structure across entities. This review allows the County to better understand if there is availability to synergize in these professional areas where multiple staff members are providing similar service within the different component units or entities.

During this review it was a pleasure to work with the County Finance Division, the County Chief Financial Officer and the FCPS Finance team. Each were transparent and provided information timely to the IAD. The IAD sincerely appreciates their full cooperation and assistance with the support and information required to perform the necessary work.

Please let the Director of the IAD, Tricia A. Reaver, CPA, know if you have any questions or concerns as it relates to this review. The IAD staff will be happy to assist in any way that we can.

Pc: Dawn Reed, Coordinator, Internal Audit Division
Interagency Internal Audit Authority

Report Addendum

Review of Potential Synergies Across County Entities

Wage Comparison Averages – FCG / FCPS

Frederick County Government & Frederick County Public Schools Large Class Administrative Salary Comparison

Data Collected at Fiscal Year 2023 - Positional Comparative Information Base - Max Wage Variance

* - information provided does not include benefit costs. Wage based on hourly rates to determine total per year wage.

Position Title: FCPS / FCG	FCPS Max Wage per Position	FCG Max Wage per Position	Variance	% Difference	Overall Average Variance	-16%
Budget Office:						
Budget Director	187,013.00	190,858.18	3,845.18	2%	-7%	
Budget Specialist / Assistant Budget Director	145,034.00	137,262.36	(7,771.64)	-6%		
Experienced Budget Analyst	145,034.00	112,046.98	(32,987.02)	-29%		
Budget Analyst Coordinator / Analyst I	100,409.40	104,716.80	4,307.40	4%		
Communications Office:						
Director, Communications / Public Engagement	207,396.00	146,870.73	(60,525.27)	-41%	-31%	
Communications Manager / Assistant Communications Director	194,378.00	119,890.27	(74,487.73)	-62%		
Video Production Specialist / Video Services Supervisor	94,712.80	104,716.80	10,004.00	10%		
Attorney's Office:						
Chief Legal Counsel / County Attorney	257,576.00	241,554.89	(16,021.11)	-7%	-6%	
Staff Attorney / Senior Assistant Attorney	199,275.00	157,151.68	(42,123.32)	-27%		
Paralegal / Assistant County Attorney	126,007.00	146,870.73	20,863.73	14%		
Finance Office:						
Chief Financial Officer / Director Finance	257,576.00	214,715.45	(42,860.55)	-20%	-18%	
Accounting Manager / Deputy Director - Finance	199,275.00	192,517.57	(6,757.43)	-4%		
Financial Reporting Manager / Director Accounting	199,275.00	179,922.96	(19,352.04)	-11%		
Asst Acctg Manager / Financial Services Manager	170,079.00	146,870.73	(23,208.27)	-16%		
Payroll Manager / Payroll Administrator	145,034.00	119,890.27	(25,143.73)	-21%		
Accounts Payable Officer / Accounts Payable Supervisor	142,433.20	104,716.80	(37,716.40)	-36%		
Payroll Specialist / Payroll Analyst II	94,712.80	79,889.03	(14,823.77)	-19%		
Accountant Payroll / Payroll Analyst I	86,955.00	74,662.65	(12,292.35)	-16%		
Risk Management:						
Risk & Safety Manager / Director Risk Management	170,079.00	179,922.96	9,843.96	5%	-17%	
Workers Comp Specialist / Administrator	145,034.00	104,716.80	(40,317.20)	-39%		
Procurement & Contracting:						
Purchasing Manager / Director Procurement & Contracting	199,275.00	179,922.96	(19,352.04)	-11%	-16%	
Asst Purchasing Manager / Procurement Supervisor	170,079.00	137,262.36	(32,816.64)	-24%		
Grant Management Specialist / Grants Contract Administrator	145,034.00	104,716.80	(40,317.20)	-39%		
P-Card Administrator / Procurement Administrator	100,409.40	112,046.98	11,637.58	10%		
Human Resources:						
Director Human Resources	222,930.00	214,715.45	(8,214.55)	-4%	-24%	
Senior Mgr. Labor Relations / Deputy Director Human Resources	199,275.00	168,152.30	(31,122.70)	-19%		
Senior Mgr. Benefits Administration / HR Administrator II	199,275.00	112,046.98	(87,228.02)	-78%		
Mgr. Employee Prof Growth / Mgr. Employee Training & Develop.	159,614.00	119,890.27	(39,723.73)	-33%		
Human Resource Generalist	79,515.80	91,463.71	11,947.91	13%		
Information Technology:						
Supervisor Data Centers, Network Arch & Security / Director - CIO	227,743.00	214,715.45	(13,027.55)	-6%	-12%	
IT Project Manager / Software Applications Manager	227,743.00	168,152.30	(59,590.70)	-35%		
Director Tech Infrastructure / Deputy Director IT	222,930.00	192,517.57	(30,412.43)	-16%		
Asst. Supervisor Tech Support / Chief Info Security Officer	194,378.00	179,922.96	(14,455.04)	-8%		
Technology System Administrator / IIT Infrastructure Manager	170,079.00	168,152.30	(1,926.70)	-1%		
Network Engineer / Senior Network Engineer	142,433.20	128,282.58	(14,150.62)	-11%		
Systems Engineer / Staff Network Engineer	142,433.20	119,890.27	(22,542.93)	-19%		
Network Technician / Systems Administrator	100,409.40	104,716.80	4,307.40	4%		