

HHS COMMITTEE #1  
April 14, 2010  
Worksession

**MEMORANDUM**

April 12, 2010

TO: Health and Human Services Committee  
FROM: Essie McGuire, Legislative Analyst *EMcGuire*  
SUBJECT: **FY11 Non-Departmental Account, Takoma Park Library Annual Payment**

The County Executive's recommendation for the Takoma Park Library Annual Payment Non-Departmental Account is attached on ©1.

**Budget Summary**

FY06 Budget	\$89,670
FY07 Budget	\$103,620
FY08 Budget	\$119,160
FY09 Budget	\$112,630
FY10 Budget	\$132,830
FY11 CE Rec	\$112,780

The Takoma Park Library Annual Payment is required under County Code Section 2-53 (©2). The amount to be paid is derived by the formula based on the City's assessable base multiplied by the County's ad valorem tax rate on real and personal property attributable to the net County library appropriation.

**FY11 Recommendation**

For FY11, the Executive's March 15 recommendation includes an annual payment of \$112,780. **The budgeted amount is a placeholder.** The actual annual payment is calculated at the end of each calendar year. Fluctuations in the amount reflect changes in the formula elements (for example, changes in the assessable base, or in the proportion of the County libraries appropriation that is funded by property tax). **The FY11 recommendation is a decrease due to the estimated decline in Takoma Park's real property growth.**

**Council staff recommends approval of the Executive's recommendation of \$112,780.**

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>377,500</b>	<b>0.0</b>
Increase Cost: Library patron and employee parking	147,430	0.0
<b>FY11 CE Recommended</b>	<b>524,930</b>	<b>0.0</b>

### State Property Tax Services

This NDA provides for two State reimbursement programs administered by the Department of Finance: the Homeowners Reimbursement and Homestead Property Tax Program.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>166,300</b>	<b>0.0</b>
Increase Cost: Homestead Property Tax Credit	37,080	0.0
Increase Cost: Homeowners' Property Tax Credit	2,380	0.0
<b>FY11 CE Recommended</b>	<b>205,760</b>	<b>0.0</b>

Notes: Cost increase in the State Administrative Fee the County is mandated to pay per State Bill § 9-105 to administer the Homestead Tax Credit Program.

### State Positions Supplement

This NDA provides for the County supplement to State salaries and fringe benefits for secretarial assistance for the resident judges of the Maryland Appellate Court and for certain employees in the Office of Child Care Licensing and Regulation in the Maryland State Department of Human Resources.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>100,940</b>	<b>0.0</b>
Increase Cost: Supplement for New Secretary	20,940	0.0
Increase Cost: Retirement Adjustment	11,680	0.0
Increase Cost: State Position Supplement	4,070	0.0
Increase Cost: Group Insurance Adjustment	2,200	0.0
Decrease Cost: Annualization of FY10 Personnel Costs	-30	0.0
Decrease Cost: Furlough Days	-12,320	0.0
<b>FY11 CE Recommended</b>	<b>127,480</b>	<b>0.0</b>

### State Retirement Contribution

This NDA provides for the County's payment of two items to the State Retirement System:

- Maryland State Retirement System: Unfunded accrued liability, as established by the Maryland State Retirement System (MSRS), for employees hired prior to July 1, 1984, who are members of the MSRS (including former Department of Social Services employees hired prior to July 1, 1984), and for those who have retired (all County employees participated in the State Retirement System until 1965.) The County contribution for this account is determined by State actuaries. Beginning in FY81, the amount due was placed on a 40-year amortization schedule.
- State Library Retirement: Accrued liability for retirement costs for three Montgomery County Public Library retirees who are receiving a State retirement benefit. These were County employees prior to 1966 who opted to stay in the State plan.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>981,480</b>	<b>0.0</b>
Increase Cost: Amortized amount owed to the State Retirement based on actuarial cost to the plan	48,880	0.0
<b>FY11 CE Recommended</b>	<b>1,030,360</b>	<b>0.0</b>

### Takoma Park Library Annual Payment

The annual amount provided in this NDA is a function of County expenditures for the Montgomery County Public Libraries (as a share of property tax-funded spending) and the City of Takoma Park's assessable base. The payment is authorized by Section 2-53 of the Montgomery County Code.

<b>FY11 Recommended Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY10 Approved</b>	<b>132,830</b>	<b>0.0</b>
Decrease Cost: Based on the estimated decline in Takoma Park's real property growth.	-20,050	0.0
<b>FY11 CE Recommended</b>	<b>112,780</b>	<b>0.0</b>

- (2) Provisions that any such governing body holding in trust cash, securities or any other evidences of indebtedness or unimproved real property acquired from proceeds of taxes levied for a library special taxing area may retain such cash, evidences of indebtedness and property for use in making available, at such times as there has been placed in operation a library building adequate to serve the council district in which located, such additional library facilities as such governing body in its discretion determines to be suitable and as may be approved by the director.
- (b) After the terms and conditions of transfer of any such facilities and property have been agreed upon, the county executive is hereby authorized to accept, on behalf of the county, the transfer of such facilities and property to the county effective on the first day of July next following. The conveyance of title to the county of any property pursuant to the provisions of this article shall be evidenced by a written contract or agreement approved by the county attorney. (Mont. Co. Code 1965, § 2-58; 1969 L.M.C., ch. 34, § 14.)

**Sec. 2-53. Annual payment of county library tax to certain municipalities.**

- (a) If the governing body of any municipality in the County which supports or operates a free public library on December 31, 1997 does not transfer that library into the County system, the Director of Finance must pay annually to the governing body of that municipality for library purposes, as soon after the beginning of each fiscal year as possible, an amount which would be realized if that portion of the general County ad valorem tax rate on real and personal property attributable to the appropriation for the Department of Public Libraries for that fiscal year were levied against the assessed value, on the preceding County date of finality, of the real and personal property in that municipality. For the purposes of this subsection, the amount of the appropriation for the Department of Public Libraries in any fiscal year includes the estimated amount of the payment to that municipality in that fiscal year. The amount of payment to any municipality must not exceed in any given fiscal year the amount of revenue derived from taxes levied by that municipality for library purposes for the preceding fiscal year.
- (b) If the governing body of a library supported by a municipality indicates a desire to transfer all or part of the library facilities owned by it into the County public library system, the Director of Public Libraries must negotiate for that transfer as provided in this Article. (Mont. Co. Code 1965, § 2-59; 1999 L.M.C., ch. 11, § 1.)

**Sec. 2-54. Adoption of administrative rules.**

The director, with the approval of the library board, shall have authority to adopt such administrative rules, including provision for library fines, as may be necessary for the conduct of the central book depository and the several branches, stations and bookmobiles. (Mont. Co. Code 1965, § 2-60.)