

**MEMORANDUM**

April 16, 2013

TO: Health and Human Services Committee

FROM: Vivian Yao, Legislative Analyst 

SUBJECT: **Worksession – FY14 Non-Departmental Account, Takoma Park Library Annual Payment**

The County Executive's recommendation for the Takoma Park Library Annual Payment Non-Department Account is attached on ©1-2.

**Budget Summary**

FY10 Budget	\$132,830
FY11 Budget	\$100,950
FY12 Budget	\$95,900
FY13 Budget	\$151,320
FY14 Budget	\$108,810

The Takoma Park Library Annual Payment is required under County Code Section 2-53 (©3). The amount to be paid is derived by 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.

**FY14 Recommendation**

For FY14, the Executive's March 15 recommendation includes an annual payment of \$108,810. **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).

Information on the proposed FY14 Takoma Park Library budget is attached at ©4-5. The FY14 budget for the Takoma Park Library proposed by the City Manager is \$1,166,877 which is \$116,879 or 11% higher than the adopted FY13 budget. The recommended funding would be 9.3% of the Library's total budget.

**Council staff recommends approval of the County Executive's proposed funding.**

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>375,000</b>	<b>0.00</b>
Increase Cost: Adjustment Based On Actual PILOT Payment and Revised Estimate For Employee Parking	7,250	0.00
<b>FY14 CE Recommended</b>	<b>382,250</b>	<b>0.00</b>

### **Snow Removal and Storm Cleanup**

This NDA funds the snow removal and storm clean up costs for the Department of Transportation and General Services above the budgeted amounts in these departments for this purpose. This program includes the removal of storm debris and snow from County roadways and facilities. This includes plowing, applying salt and sand; equipment preparation and cleanup from snow storms; and wind and rain storm cleanup.

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>5,884,990</b>	<b>0.00</b>
<b>FY14 CE Recommended</b>	<b>5,884,990</b>	<b>0.00</b>

### **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>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>85,113</b>	<b>0.00</b>
Decrease Cost: Annualization of FY13 Personnel Costs	-40,451	0.00
<b>FY14 CE Recommended</b>	<b>44,662</b>	<b>0.00</b>

### **State Property Tax Services**

This NDA reimburses the State for three programs that support the property tax billing administration conducted by the Department of Finance: the Montgomery County's Homeowners Credit Supplement, the Homestead Credit Certification Program, and the County's share of the cost of conducting property tax assessments by the State Department of Assessments and Taxation (SDAT).

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>5,339,430</b>	<b>0.00</b>
Reduce: State reduction to the SDAT reimbursement payment	-2,090,432	0.00
<b>FY14 CE Recommended</b>	<b>3,248,998</b>	<b>0.00</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's 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>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>1,135,590</b>	<b>0.00</b>
Increase Cost: Amortized amount owed to the State Retirement based on actuarial cost to the plan	56,590	0.00
<b>FY14 CE Recommended</b>	<b>1,192,180</b>	<b>0.00</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>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>151,320</b>	<b>0.00</b>
Decrease Cost: Formula Decrease	-42,510	0.00
<b>FY14 CE Recommended</b>	<b>108,810</b>	<b>0.00</b>

### **Takoma Park Police Rebate**

The County provides financial support to the City of Takoma Park for police protection services in accordance with provisions of the County Code. This provision was enacted in 1949 and provides a payment to the City for protective services for the County residents of the City of Takoma Park. The payment is based on a formula, which uses \$0.048 per \$100 of assessable base tax rate with "full value assessment" levied on real property.

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>949,860</b>	<b>0.00</b>
Decrease Cost: Formula Decrease	-33,565	0.00
<b>FY14 CE Recommended</b>	<b>916,295</b>	<b>0.00</b>

### **Working Families Income Supplement**

This NDA provides funds to supplement the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses.

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>14,867,000</b>	<b>0.00</b>
Enhance: Increase Reimbursement Rate to 80%	916,800	0.00
Increase Cost: Current Reimbursement rate (75.4%)	878,000	0.00
<b>FY14 CE Recommended</b>	<b>16,661,800</b>	<b>0.00</b>

MONTGOMERY COUNTY CODE

**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:

(1) 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; or

(2) a lower amount approved in the annual operating budget or a Council resolution.

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; 2010 L.M.C., ch. 23, § 1.)

**Editor's note**—2010 L.M.C., ch. 23, § 3, states: The amendments inserted in Section 2-53 in Section 1 expire after June 30, 2012.

# Library

## Department Summary

Dept. Expenditures by Division	Actual FY12	Adopted FY13	Estimated FY13	Proposed FY14
Library	900,227	975,151	950,443	1,075,286
Computer Learning Center	59,385	74,847	69,452	91,591
<b>Department Total</b>	<b>959,612</b>	<b>1,049,998</b>	<b>1,019,895</b>	<b>1,166,877</b>

Dept. Expenditures by Type	Actual FY12	Adopted FY13	Estimated FY13	Proposed FY14
Wages	592,498	619,807	605,061	697,870
Fringe Benefits	226,546	236,835	220,418	269,308
Overtime	393	500	1,029	1,200
Employee Recognition	200	450	450	250
<b>Personnel Subtotal</b>	<b>819,637</b>	<b>857,592</b>	<b>826,958</b>	<b>968,628</b>
Supplies	105,737	146,105	144,716	146,661
Services and Charges	27,225	35,301	36,221	40,088
Miscellaneous	7,013	11,000	12,000	11,500
<b>Department Total</b>	<b>959,612</b>	<b>1,049,998</b>	<b>1,019,895</b>	<b>1,166,877</b>

Source of Funds	Actual FY12	Adopted FY13	Estimated FY13	Proposed FY14
Library Aid from County	95,900	151,320	127,618	108,810
Library Fines and Fees	30,824	34,825	37,322	40,000
<b>Subtotal</b>	<b>126,724</b>	<b>186,145</b>	<b>164,940</b>	<b>148,810</b>
General Fund	832,888	863,853	854,955	1,018,067
<b>Department Total</b>	<b>959,612</b>	<b>1,048,998</b>	<b>1,019,895</b>	<b>1,166,877</b>

Staffing Summary by Division (FTEs)	Adopted FY12	Adopted FY13	Proposed FY14
Library	7.88	7.88	8.88
Computer Learning Center	0.90	1.12	1.28
<b>Department Total FTEs</b>	<b>8.78</b>	<b>9.00</b>	<b>10.16</b>

# Library

## Department Summary

### Department Overview:

The Takoma Park Library's mission is to respond to the literary, educational, and informational needs of a diverse community. It does so by providing and promoting up-to-date resources, collections, and referrals that match community interests, promote literacy and learning, nurture a love of books and stories, and present a broad range of views within an inviting and safe environment. The Library also operates the City's Computer Learning Center.

### Adopted to Estimated Actual FY13:

- Departmental expenditures are expected to be \$30,103 lower than budget.
- The variance is attributable to lower than anticipated costs in personnel and supplies.

### FY14 Budget Highlights:

- Departmental expenditures are \$116,879 higher, an increase of 11.1 percent compared to budgeted expenditures for FY13.
- Departmental FTEs increase by 1.16.
- Approximately 83 percent of departmental expenditures are personnel related.

- Personnel costs are up by \$111,036 compared to budgeted expenditures for FY13 primarily due to increased operating hours of the Computer Center and Library, and added support for children's services and programming and their related staffing costs.
- Approximately 13 percent of departmental expenditures are supplies. This category includes the cost of books, periodicals, digital and print reference materials, media, furniture, and computer and office supplies, including all materials needed for processing and circulation.
- Services and charges represent about four percent of departmental expenditures. They include contractual costs and support for circulation and cataloging records and functions.

