

Resolution No.:	<u>16-1373</u>
Introduced:	<u>May 27, 2010</u>
Adopted:	<u>May 27, 2010</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: County Council

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**SUBJECT:** Approval of and Appropriation for the FY 2011 Operating Budget of the Montgomery County Government

**Background**

1. As required by Section 303 of the County Charter, the County Executive sent to the County Council the FY 2011 Operating Budget for the Montgomery County Government.
2. As required by Section 304 of the Charter, the Council held public hearings on the Operating Budget on April 5, 6, 7, and April 8, 2010.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

1. The Council approves the FY 2011 Operating Budget for the Montgomery County Government and appropriates the funds as shown on the attachment to this resolution in the following sections.

Section A: The General Fund Operating Budget contains the tax-supported, non-grant-funded appropriations for departmental and non-departmental General Fund accounts.

Section B: The Special Revenue Funds Tax-Supported Budget contains the non-grant appropriations associated with all tax-supported Special Funds.

Section C: The Debt Service Budget includes all tax-supported debt service on General Obligation Bonds for the General Fund and tax-supported Special Funds and all tax-supported expenditures for long term leases, short term leases, and other tax-supported and non-tax supported debt.

Section D: The Grant Fund Operating Budget contains the grant-funded appropriations for all tax-supported General Fund accounts and tax-supported Special Fund accounts of County Government. Any appropriation for and spending on any project funded by non-County funds is contingent on notice of receipt of the non-County funds.

Section E: The Special Revenue Funds Self-Supporting Funds Budget contains both grant and non-grant-funded appropriations for self-supporting (non-tax-supported) funds.

Section F: The Enterprise Funds Budget contains both grant and non-grant-funded appropriations for enterprise funds and the debt service appropriation for enterprise funds, and notes the total appropriations for the County's Risk Management Liability and Property Coverage Self-Insurance Fund and Employees Health Benefits Self-Insurance Fund.

2. This resolution re-appropriates or appropriates revenue received from non-County sources for programs funded in whole or in part from those non-County funds:
  - a) together with matching County funds, if any; and
  - b) to the extent that the program period approved by the non-County source requires more than one fiscal year to complete the grant program, under the terms of receipt of the non-County revenues.
  
3. This resolution re-appropriates the fund balances of the following funds:
  - Central Duplicating Fund
  - Economic Development Fund
  - Housing Initiative Fund
  - Motor Pool (DGS) Internal Service Fund
  - Rehabilitation Loan Fund
  - Restricted Donation Special Revenue Fund
  
4. This resolution re-appropriates the June 30, 2010 fund balance for the Drug Enforcement Forfeiture Fund permitting it to be spent in FY 2011. As required in Section 35-13B of the County Code, the Chief of Police must provide reports to the Executive and the Council on December 15, 2010 and March 15, 2011 regarding the unreserved fund balance, expenditures, and the approved budget for the Drug Enforcement Forfeiture Fund. In FY 2011, no funds may be spent from the Drug Enforcement Forfeiture Fund to implement a county police helicopter program other than to pay for costs incurred before June 15, 2010 or the costs associated with the storage of helicopter(s) that were in the County's possession as of May 1, 2010.
  
5. This resolution re-appropriates encumbered appropriations, permitting them to be spent in FY 2011. Any unencumbered appropriation lapses at the end of FY 2010, except as re-appropriated elsewhere in this resolution.

6. Section G of this resolution lists the entities designated to receive non-competitive contract awards under Section 11B-14(a)(4) of the County Code, which states: “A contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and a proposed contractor has been identified in a grant or appropriation resolution approved by the Council.” Appropriations for these awards are included in the departmental and non-departmental appropriations in Sections A through F. The Chief Administrative Officer has determined that the entities listed in Section G serve a public purpose and contract awards are in the public interest. The amounts listed in Section G are estimates only and may vary due to changed circumstances. The Council in Resolution 14-490 adopted the process to designate entities under this provision.
7. Section G of this resolution also includes entities eligible to receive a non-competitive payment from the Department of Health and Human Services as a supplement for direct services to promote normalization of persons with developmental disabilities. For FY 2011, the total amount paid to these entities must not exceed \$7,765,130.
8. If an error in the name of an entity or the stated purpose for a non-competitive contract identified in Section G does not alter the substance of the Chief Administrative Officer’s determination and Council’s approval of the award, the Director of the Department of General Services may proceed with the non-competitive contract without an amendment to Section G. The Director of the Department of General Services must notify the Council within 7 days after making such a determination.
9. In the following agency budgets, the Council appropriates payments to the Risk Management Liability and Property Coverage Self-Insurance Fund. The Director of Finance must transfer the following amounts from the respective appropriations for County Government, the Montgomery County Public Schools, and Montgomery College to the Risk Management Liability and Property Coverage Self-Insurance Fund on or immediately after July 1, 2010. The Director of Finance must notify the Maryland-National Capital Park and Planning Commission that its contribution to the Fund is due on or immediately after July 1, 2010.

Amount	
\$16,861,890	County General Fund Risk Management Non-Departmental Account
6,078,410	County Special, Enterprise, and Internal Service Funds Contributions
12,088,110	Fire and Rescue System – Fire Tax District Funds
13,605,620	Montgomery County Public Schools
622,100	Montgomery College
1,047,640	Maryland-National Capital Park and Planning Commission

In addition to contributions from County Government and County and Bi-county agencies, the following contributions and revenues are expected to be realized in FY 2011.

\$473,170	Housing Opportunities Commission
203,230	Revenue Authority
0	City of Gaithersburg
0	City of Rockville
17,070	City of Rockville Housing Authority
0	City of Takoma Park
12,410	Bethesda Urban Partnership
38,780	Other Municipal Income
1,840,000	Other Income (includes investment income and recovered losses)

These contributions and the fund balance are available to support a FY 2011 Risk Management Liability and Property Coverage Self-Insurance Fund appropriation of \$47,892,090.

10. This resolution appropriates \$20,000,000 for the Future Federal, State, or Other Grant Non-Departmental Account in the County Government Grant Fund to fund specific programs or activities designated in a grant, donation, contribution, reimbursement, or other non-County funding source received in FY 2011. When the County receives funds for a program from a non-County source, the County Executive may transfer appropriation from this Account to the appropriate fund for a department or office to support the program. The following conditions apply to the use of this transfer authority:

(A) The program must not require any new FY 2011 tax-supported appropriation or future tax-supported County funds.

(B) Subject to the balance in the account, any amount can be transferred in FY 2011 for any program which meets at least one of the following four conditions: (1) the amount is \$200,000 or less; (2) the program was funded in FY10; (3) the program was included in the FY 2011 budget; (4) the program was funded by the Council in a supplemental or special appropriation in FY 2011; (5) the funding was awarded under the authority of the American Recovery and Reinvestment Act of 2009 and no new county position will be created or funded by the grant award. Any program that does not meet one of these five conditions must be funded by a supplemental or special appropriation.

(C) The Executive must notify the Council within 30 days after each transfer.

The Department of Finance may transfer appropriation to the Restricted Donation Special Revenue Fund on a quarterly basis. The Council must approve a transfer for any individual donation which exceeds \$200,000 unless the donation meets one of the conditions in subparagraph (B) of this paragraph.

The Executive must approve each transfer under this paragraph and must notify the Council within 30 days after each transfer. The Office of Management and Budget must maintain a record to ensure that the total appropriation is not exceeded.

The Executive may also transfer an appropriation from a specific department or office grant appropriation in the County Government Grant Fund to the Future Federal, State, or Other Grant Non-Departmental Account when a specific grant is less than the amount appropriated. The amount of the transfer must equal the difference between the amount appropriated and the grant award.

11. The Executive may transfer County matching funds within a department or office from the appropriate fund to an account for the same department or office in the Grant Fund when the grantor requires a County match.
12. When the County Government receives more non-County funds than were budgeted for a program which also receives some County funds:
  - a) Council approval is not required to substitute the non-County funds for County funds. In this case, there is no change in the appropriation.
  - b) Council approval is required to increase the appropriation. The Council may decide to substitute non-County funds for County funds instead of increasing the appropriation.
13. When the County Government receives official notice that government aid or grant funds will be less than was budgeted for a program:
  - a) Council approval is required to substitute County tax-supported funds for non-County funds. In this case, there is no change in appropriation.
  - b) The Executive must report to the Council any recommendation to reduce expenditures in an affected program to offset any loss of non-County funds. A reduction of 10% or less from the amount estimated in the FY 2011 approved budget for any grant or specific source of government aid may be reported through the monthly report required in paragraph 10 of this resolution.
14. For FY 2011, funds for Federal Emergency Management Agency (FEMA) reimbursements of Urban Search and Rescue Team activities may be appropriated through a transfer from the Future Federal, State, or Other Grant Non-Departmental Account as provided in paragraph 10. In order to use this method of appropriation, the Executive must forward a copy of each FEMA authorization letter to the Council President within 5 working days after the County receives the FEMA authorization.
15. For FY 2011, reimbursement payments from the Federal government for providing security through the Police Department on an overtime basis may be appropriated through a transfer from the Future Federal, State, or Other Grant Non-Departmental Account as provided in paragraph 10. In order to use this method of appropriation, the Executive

must forward to the Council President a copy of a contract, memorandum, or letter from a Federal agency authorizing the County to provide such security. The Department must specify the amount of reimbursement funding, and the contract, letter, or memorandum must be forwarded within 5 working days after the County receives the authorization.

16. For FY 2011, reimbursement payments from Federal, state, or local governments for emergency response or assistance by Montgomery County departments or offices may be appropriated through a transfer from the Future Federal, State, or Other Grant Non-Departmental Account as provided in paragraph 10. In order to use this method of appropriation, the Executive must forward to the Council President a copy of the contract, memorandum, or letter from the Federal, state, or local agency authorizing the County to provide the requested assistance. The Executive must specify the amount of reimbursement funding and the contract, letter, or memorandum must be forwarded within 5 working days after the County receives the authorization.
17. In Resolution No. 16-1326, adopted May 4, 2010, the Council expressed its intent to appropriate the funds necessary to implement the collective bargaining agreement with the Fraternal Order of Police, Lodge 35 for July 1, 2010 through June 30, 2011, except as follows. The Council indicated its intent to reject funding and disapprove the following amendments:
  - a. The continuation of the imputed General Wage Adjustment beyond the calculation of regular earnings for FY 2010. The Council enacted Expedited Bill 16-10 to limit the imputed compensation to FY 2010 on May 18, 2010.
  - b. Service and longevity increments for bargaining unit members.
  - c. Creation of a new expert skill level for multi-lingual skill pay for bargaining unit members.
  - d. Additional compensation for bargaining unit members assigned to a Police Aviation Unit.
  - e. Tuition assistance for bargaining unit members in FY 2011.

This resolution appropriates funds in FY 2011 for this purpose except for the rejected provisions described above.

18. In Resolution No. 16-558, adopted May 14, 2008, Resolution No. 16-957, adopted May 13, 2009, and Resolution No. 16-1327, adopted May 4, 2010, the Council expressed its intent to appropriate the funds necessary to implement the collective bargaining agreement with Local 1664, Montgomery County Career Fire Fighters Association of the International Association of Fire Fighters, AFL-CIO for July 1, 2008 through June 30, 2011, except as follows.

In Resolution No. 16-1327, the Council indicated its intent to reject funding and disapprove the following provisions for FY11:

- a. The continuation of the imputed General Wage Adjustment beyond the calculation of regular earnings for FY 2010. The Council enacted Expedited Bill 16-10 to limit the imputed compensation to FY 2010 on May 18, 2010.
- b. Service and longevity increments for bargaining unit members.
- c. 3.5% general wage adjustment for bargaining unit members.
- d. 3.5% pay plan adjustment for bargaining unit members.
- e. Increase in special pay for bargaining unit members certified as cardiac rescue technicians and emergency medical technicians.
- f. Tuition assistance for bargaining unit members.

This resolution appropriates funds in FY 2011 for this purpose except for the rejected provisions described above.

19. In Resolution No. 16-1328, adopted May 4, 2010, the Council expressed its intent to appropriate the funds necessary to implement the collective bargaining agreement with Local 1994, Municipal and County Government Employees Organization of the United Food and Commercial Workers, AFL-CIO for the period July 1, 2010 through June 30, 2011 with one exception. The Council indicated its intent to reject funding and disapprove the continuation of the imputed General Wage Adjustment beyond the calculation of regular earnings for FY 2010. The Council enacted Expedited Bill 16-10 to limit the imputed compensation to FY 2010 on May 18, 2010. Pursuant to the collective bargaining agreement, there must be no general wage adjustment to the minimum and maximum salary of each grade in the salary schedule for bargaining unit members and no service or longevity increments for bargaining unit members in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
20. A general wage adjustment to the minimum and maximum salary of each grade of the Salary Schedules for County Government non-represented employees must not take effect in FY 2011. For the purposes of retirement benefit calculation, all non-represented employees must be credited at the annual salary amounts for FY 2010 only as if a 4.5% general wage adjustment had taken effect in FY 2010. There must be no performance-based increases for FY 2011. There must be no service or longevity increments for non-represented employees in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
21. A general wage adjustment to the minimum and maximum of each grade in the Salary Schedule for non-represented employees in the Management Leadership Service (MLS) must not take effect in FY 2011. For the purposes of retirement benefit calculation, all non-represented employees must be credited at the annual salary amounts for FY 2010 only as if a 4.5% general wage adjustment had taken effect in FY 2010. There must be no performance-based increases for FY 2011. This resolution appropriates funds in FY 2011 for this purpose.

22. A general wage adjustment to the minimum and maximum of each grade in the Salary Schedule for Police Management must not take effect in FY 2011. For the purposes of retirement benefit calculation, Police Management must be credited at the annual salary amounts for FY 2010 only as if a 4.25% general wage adjustment had taken effect in FY 2010. There must be no service or longevity increments for Police Management in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
23. A general wage adjustment to the minimum and maximum of each grade in the Salary Schedule for Sheriff Management must not take effect in FY 2011. For the purposes of retirement benefit calculation, Sheriff Management must be credited at the annual salary amounts for FY 2010 only as if a 4.5% general wage adjustment had taken effect in FY 2010. There must be no service or longevity increments for Sheriff Management in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
24. A general wage adjustment to the minimum and maximum of each grade in the Salary Schedule for Correctional Management must not take effect in FY 2011. For the purposes of retirement benefit calculation, Correctional Management must be credited at the annual salary amounts for FY 2010 only as if a 4.5% general wage adjustment had taken effect in FY 2010. There must be no service or longevity increments for Correctional Management in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
25. A general wage adjustment to the minimum and maximum of each grade in the Salary Schedule for Fire and Rescue Management must not take effect in FY 2011. For the purposes of retirement benefit calculation, Fire and Rescue Management must be credited at the annual salary amounts for FY 2010 only as if a 4.0% general wage adjustment had taken effect in FY 2010. There must be no service or longevity increments for Fire and Rescue Management in FY 2011. This resolution appropriates funds in FY 2011 for this purpose.
26. An adjustment to the hourly wage of each grade of the County Government Seasonal Salary Schedule must not take effect in FY 2011.
27. All County Government employees must take rolling furloughs, except for employees whose positions are on the minimum wage/seasonal salary schedule, during FY 2011. To protect lower-wage employees, the furlough must be progressive, with higher-wage employees absorbing more of the total burden. Furlough hours for a part-time employee, a new hire, an employee who separates from County service before the end of FY 2011, and a school based employee working on a 10-month schedule must be pro-rated. The furlough period for employees based upon full-time equivalent annual salary levels effective the first pay period beginning July 4, 2010 must be:
  - Less than \$50,000: 24 furlough hours. Salary reduction: 1.2%
  - \$50,000-\$100,000: 40 furlough hours. Salary reduction: 1.9%
  - More than \$100,000: 64 furlough hours. Salary reduction: 3.1 %

Salaries must be reduced as indicated regardless of whether the employee has actually taken all of the furlough leave indicated by the end of FY11. Furlough leave may not be carried over beyond FY11.

Notwithstanding any language in a collective bargaining agreement to the contrary, no County Government employee may receive any paid leave or anything else of value in return for furlough hours taken. Furlough hours must not adversely affect an employee's accrual of annual and sick leave, crediting of paid time off, life insurance, retirement benefits, or seniority.

- 28. There must be no tuition assistance for any County Government employee in FY 2011.
- 29. For FY 2011, this resolution appropriates \$1,728,780 to the Compensation and Employee Benefits Adjustment Non-Departmental Account for the following purposes. The County Executive may transfer the entire amount appropriated in this NDA to County departments or offices as needed.

One Time Imputed Compensation for RSP/GRIP	\$ 919,750
Unemployment Insurance	510,000
Retirement Adjustment	20,200
Deferred Compensation/Performance Management Adjustment	203,830
Collective Bargaining Actuarial Services	75,000
TOTAL	\$1,728,780

- 30. This resolution appropriates \$0 to pre-fund retiree health insurance benefits for the tax-supported funds. For FY 2011, because of reduced revenues from the economic downturn, the County Government will not provide funding consistent with Resolution No. 16-555, adopted on May 14, 2008. Funds deposited into the Trust created under County Code §33-159 for the payment of retiree health insurance benefits must not be used for any other purpose.
- 31. The Council requests that the participating agencies continue the work of the Interagency Technology Policy and Coordination Committee as described in Resolution 12-1758, adopted on July 26, 1994.
- 32. The Council requests that the participating agencies continue the work of the Interagency Procurement Coordinating Committee, the Interagency Public Information Working Group, the Interagency CIP Coordination Group, the Interagency Energy Management Group, the Interagency Training Team, and the Interagency Administrative and Support Service Working Group in efforts to share information, provide assistance, and cooperate on efficiencies and planning.
- 33. The Interagency Technology Fund (ITF) FY 2011 balance may be increased as past ITF loans are repaid. When fiscal conditions allow, the Council intends to make contributions

to the ITF to support additional investments in technology as described in Council Resolution No. 16-475.

- 34. For FY 2011, the FiberNet chargeback requirement of the County Government is estimated to be \$2,454,270.
- 35. For FY 2011, this resolution appropriates \$42,520,100 to the Department of Liquor Control. During FY 2011, the Director of Finance must transfer to the General Fund all Liquor Control Fund "Income before Capital Contributions and Transfers" as defined in the FY 2009 Comprehensive Annual Financial Report. The County Council has estimated that this transfer will amount to at least \$26,206,170.
- 36. For FY 2011 this resolution includes an appropriation for each element of the fire and rescue system, consisting of the Montgomery County Fire and Rescue Service (excluding the local fire and rescue departments), the local fire and rescue departments, and the Fire and Rescue Commission. This designation reflects the intent of Charter Section 306. Notwithstanding the separate appropriation items, the Council intends that funds be transferable, within the limits set in Charter Section 309, between the Montgomery County Fire and Rescue Service and the local fire and rescue departments.
- 37. County tax funds appropriated for use by local fire and rescue departments must not be spent or encumbered, directly or indirectly, for legal fees or expenses related to pursuing any claim against County Government or any County agency, except as expressly agreed to by the Executive with prior advice and review by the Council as part of a settlement of a civil action to which the County is a party. The Fire Chief must adopt a policy to implement this paragraph and assure compliance by local fire and rescue departments through the annual financial audit process.
- 38. During FY 2011, the Council estimates that the Director of Finance will transfer the following amounts from the General Fund to these Non-Tax Supported Funds:

Amount	Fund
\$ 1,992,800	Solid Waste Disposal Fund
10,475,420	Montgomery Housing Initiative
1,153,770	Permitting Services Fund: Public Agency Permits and Green Tape Position
1,490,510	MCPS Instructional Television Fund
1,287,940	Montgomery College: Cable TV Fund
273,500	Community Use of Public Facilities Elections and After School

39. For FY 2011 this resolution appropriates \$4,872,920 to the County Arts and Humanities Council Non-Departmental Account, which must be allocated as follows:

<b>Purpose</b>	<b>Amount</b>
<b>Arts and Humanities Council Activities</b>	
Operating Support	\$2,776,850
Small/Mid-Size Organizations, Creative Projects, Arts Education, and Individual Artist/Scholar Grants	443,640
Advancement Grants	300,000
Public Arts Trust Maintenance	9,000
Administration	337,330
<b>Total Arts and Humanities Council Activities</b>	<b>\$3,866,820</b>
<b>Assistance to Individual Organizations</b>	
American Film Institute (Silver Theatre operating support, which AFI must repay from net revenues before any revenue sharing with the County)	506,100
Olney Theatre (principal debt reduction)	500,000
<b>Total Assistance to Individual Organizations</b>	<b>\$1,006,100</b>
<b>Grand Total -- Arts and Humanities Council NDA</b>	<b>\$4,872,920</b>

Of the funds appropriated for the administration of the Arts and Humanities Council, \$31,350 must be used only to provide health insurance benefits for one or more of the Council's full-time employees. The Arts and Humanities Council's Board of Directors must determine how these benefits are provided. If the County Attorney finds that these employees' participation is consistent with Federal and County law, these funds may be used to buy health insurance for these employees through the County Government's Group Health Insurance program. These funds must not pay more than 80% of the cost of the premium of the health insurance coverage selected by the Arts and Humanities Council's Board of Directors.

The Arts and Humanities Council must administer all funds appropriated in this resolution under Assistance to Individual Organizations except those funds appropriated for assistance to the American Film Institute, which for FY 2011 may be administered by an Executive branch department.

For FY 2011, this resolution appropriates \$500,000 to the Arts and Humanities Council for assistance to the Olney Theatre in reducing its principal debt. The Arts and Humanities Council must not release these funds until the Theatre submits the following documents to the Arts and Humanities Council, and the Arts and Humanities Council determines that they meet the Arts and Humanities Council's requirements. The Arts and

Humanities Council has established a deadline of August 2, 2010, to receive these documents.

- 1) A complete financial audit for 2008.
  - 2) A complete financial audit for 2009.
  - 3) A short term financial plan, which must include (1) a strategy for the near term reduction and refinancing of all of Olney Theatre's debt, and (2) a plan to reduce the Theatre's operating deficits. The financial plan should reflect the ongoing need for operating income necessary to fund the interest expense related to the reduced and refinanced debt. After the initial plan is submitted, the Arts and Humanities Council must require the Theatre to submit quarterly progress reports not later than November 1, 2010, February 1, 2011, May 2, 2011, and August 2, 2011.
  - 4) A 5-year plan, which must include a strategy to further reduce all of Olney Theatre's debt to a level where ongoing operations can fully finance the interest expense and periodic reduction in principal on its debt. After the initial plan is submitted, the Arts and Humanities Council must require the Theatre to submit bi-annual progress reports.
40. As required by County Code §2-151(f), the Council recommends projected budgets for the Office of Inspector General of \$659,310 in FY 2011, \$659,310 in FY 2012, and \$659,310 in FY 2013.
  41. As required by Charter Section 209 and as a condition of spending any funds appropriated in this resolution to fund new merit system positions in County Government, the Office of Management and Budget must notify the Council President quarterly, starting no later than October 15, of each permanent full or part-time position created in the County Government during the preceding quarter. The notice must also specify the source of funds for each position.
  42. This resolution appropriates \$487,010 to the Department of Health and Human Services (DHHS) to reduce the 7% across the board reduction to 5% for contracts funded by the General Fund. DHHS must allocate these funds to service providers for FY 2011 contracts that were recommended for a 7% reduction for no other reason than to meet the Executive's overall recommended General Fund budget for DHHS. Contracts where funding was reduced for a specific policy reason such as a change in the scope of services or hours of service provided, are not eligible for this adjustment.
  43. This resolution appropriates \$1,625,370 to the Department of Police to contract for operation of the County Animal Shelter. These funds may be used to pay the costs associated with amending the current contract with the Montgomery County Humane Society.

44. This resolution appropriates \$10,475,420 from the General Fund as a contribution to the Montgomery Housing Initiative Fund (HIF). The FY 2011 appropriation, combined with the re-appropriation of the FY 2010 fund balance, loan repayments, investment income, and revolving resources available in the capital improvements program, is estimated to provide more than \$31.1 million to acquire, rehabilitate, and preserve affordable housing, and implement the County's Housing First Plan. Resolution 15-110, *Dedicated Funding for Affordable Housing*, states that the County Executive will recommend and the Council will approve an allocation from the General Fund to the HIF an amount equivalent of 2.5% of actual General Fund property taxes from 2 years prior to the upcoming fiscal year. Resolution 16-143, *Source of Funding for Annual Appropriation to the HIF*, states that the source of funding for the amount equivalent to 2.5% of the actual property tax from 2 years prior must be from the General Fund and may not include MPDU resale recaptures, condominium transfer tax revenues, and end-of-year fund balance. Because of the fiscal downturn, the Executive did not recommend and the Council is not appropriating in FY 2011 an amount from the General Fund that is the equivalent of 2.5% of actual FY 2009 property taxes.
45. The Department of Housing and Community Affairs will allocate \$466,420 from the Housing Initiative Fund for "Building Neighborhoods to Call Home" services consisting of:
- \$136,300 to CASA de Maryland, Inc. to operate the Pine Ridge Community Center.
  - \$41,000 to Interfaith Works, Inc. to fund the cost of a part-time property manager.
  - \$200,000 to Rebuilding Together for operating support to enable the organization to assist low-income homeowners with home repairs (including accessibility modifications) and referrals to community resources.
  - \$89,120 to CASA de Maryland, Inc. for a tenant counseling program in Long Branch.
46. The Department of Housing and Community Affairs may allocate \$1,000,000 from the Housing Initiative Fund for the Closing Cost Assistance Program.
47. The Director of Finance must maintain a record of all payment-in-lieu-of-taxes (PILOT) agreements currently in effect under the Tax-Property Article of the Maryland Code. The record must estimate (in current year dollars) the amount of property taxes abated for each agreement for each of the next 10 fiscal years. As authorized by County Code §52-18M, the Director of Finance may sign payment-in-lieu-of-taxes agreements for affordable housing that abate annual property tax revenues, up to the following annual limits, for all properties not owned or operated by the Housing Opportunities Commission:

Cumulative Maximum for Non-HOC PILOT Tax Abatements

FY 11	\$ 9,240,000
FY 12	\$ 9,702,000
FY 13	\$10,187,100
FY 14	\$10,696,455
FY 15	\$11,231,278
FY 16	\$11,792,842
FY 17	\$12,382,484
FY 18	\$13,001,608
FY 19	\$13,651,688
FY 20	\$14,334,273

The Director of Finance must not sign any payment-in-lieu-of-taxes agreement that would increase the total amount of abated property tax revenues above any of the listed annual limits without prior approval of the Council by resolution.

The Director of Finance must calculate in the FY 2012 annual operating budget the total amount of property taxes to be abated under all PILOT agreements (including those for properties owned or operated by the Housing Opportunities Commission) that will be in effect during FY 2012.

48. As required by Charter Section 209 and as a condition of spending any funds appropriated in this resolution, the Office of Management and Budget must provide to the Council the second and third quarterly budget analysis of department and office expenditures and revenues no later than 45 days after the end of the second and third fiscal quarters.
49. As a condition of spending any funds appropriated in this resolution and not disapproved or reduced under Charter Section 306, the Executive must transmit to the Council any recommended budget savings plan or similar action. As used in this paragraph, "similar action" includes any recommendation to spend less than 90% of the funds appropriated for any non-competitive contract award listed in Section G of this resolution. Any budget savings plan or similar action is subject to review and approval by the Council. This paragraph does not apply to any hiring freeze which applies to all or substantially all departments and offices of County Government.
50. The County Executive must inform the Council within 30 days if the Executive makes any changes in the fund balance policy for any non-tax supported fund in County Government or the addition or elimination of any non-tax supported fund in County Government.
51. This resolution appropriates \$400,000 to the Department of Health and Human Services (DHHS) for the Montgomery County Conservation Corps program. As a condition of this appropriation, DHHS must complete a cost comparison analysis which evaluates the

effectiveness of contracting with a non-profit organization to deliver Conservation Corps services. The DHHS Director must transmit the results of the analysis to the Council by September 15, 2010.

52. As a condition of spending any funds appropriated in this resolution, each non-competitive contract awarded as a Community Grant that was recommended by the County Executive or a Council Grant must require each recipient to submit a one-page report by February 1, 2011, and a one-page report by July 29, 2011 to the Office of Management and Budget and the contracting department describing the results achieved with the funds awarded. The Office of Management and Budget must submit all reports to the Council by February 15, 2011, and August 22, 2011, respectively.
53. As a condition of spending any funds appropriated in this resolution, the Chief Administrative Officer must require that any contractor providing health and human services or recreation programs must enter and update appropriate information in the Info Montgomery system.
54. This resolution appropriates \$20,945,540 to the Leases Non-Departmental Account to lease privately owned real estate to accommodate County Government programs. This appropriation does not include funding for leases at 401 North Washington Street in Rockville, 51 Monroe Street, Suite 1100, in Rockville, and 11319 Elkins Street in Wheaton. Funds must not be encumbered or spent for lease payments at these locations.
55. This resolution includes \$47,000 in the Grant Fund for the Department of Public Libraries to authorize operation of the Noyes Library for Young Children through February 15, 2011. The Noyes Children's Library Foundation expects to reimburse the County Government for this amount. The Foundation and the Executive must jointly submit to the Council a report on the library operating costs and the Foundation's finances no later than December 15, 2010. The Executive may use tax-supported funds to substitute for Foundation grant funds as necessary until February 15, 2011. Any position supported by this grant must be a term position, and no employee's term may end later than February 15, 2011, unless that term is extended by an amendment to this resolution.
56. The Department of Environmental Protection may use Water Quality Protection Funds allocated for residential and commercial Low Impact Development projects for a rebate program. This is intended to increase the range of incentives to encourage broader participation among residents and businesses in this component of the County's Water Quality Protection program.
57. This resolution appropriates \$0 to the Climate Change Implementation Non-Departmental Account (NDA) to implement the initiatives the Council adopted in Bills 29-07, Environmental Sustainability – Climate Protection – Motor Vehicles; 30-07, Buildings – Energy Efficiency; 32-07, Environmental Sustainability – Climate Protection Plan; and 35-07 Consumer Protection – Energy and Environmental Advocacy; and to fund the Clean Energy Rewards program established in County Code §18A-11.

This resolution appropriates \$50,000 to the Office of Consumer Protection for energy and environmental advocacy. This effort was funded in the Climate Change NDA in FY 2010. Because of the fiscal downturn, the Executive did not recommend and the Council is not appropriating funds in FY 2011 for the other initiatives established in Bills 29-07, 30-07, 32-07, 35-07 and for the Clean Energy Rewards Program.

58. For FY 2011, when the County Government decides that it will apply for a grant or respond to a granting agency on how it would spend a formula-awarded grant, the Chief Administrative Officer or his designee must notify the Council Staff Director in writing of the name and purpose of the grant, the amount being requested or the formula-driven award amount, the name of the agency the application is directed to, the term of the grant, and the name of the department or departments that seek to receive the grant award. This requirement applies when any of the following conditions are met:
- the application is for a new grant of more than \$200,000 or formula-driven award of more than \$200,000 for a new program; or,
  - the grant or award would require the appropriation of new tax-supported funds in the current or any future fiscal year; or,
  - the grant application or proposal to spend formula-driven funds will create a new position in County Government.

Upon request, the Chief Administrative Officer or his designee must send a copy of the grant application or description of the proposed use of a formula-driven award to the Council Staff Director within 3 working days after submitting it to the funding agency.

59. For FY 2011, when the County Government decides that it will execute a new lease or lease-purchase agreement that will annually exceed \$500,000 in the current or any future fiscal year, or increase the cost of an existing lease or lease-purchase agreement annually by more than \$500,000, the Chief Administrative Officer or his designee must notify the Council Staff Director in writing, at least 14 days before executing the new or modified lease, of the location of the property that will be leased, the County programs that will occupy the leased space, and the cost of the lease in the current and future fiscal years. For new leases, the cost should include the estimated cost for build-out and maintenance and utilities if this cost would be paid directly by the County and not the property owner. For continuing leases, increases in costs for taxes and utilities are not subject to this provision.
60. The current economic crisis has made it imperative that Montgomery County find ways to restructure the delivery of services in order to eliminate duplication and reduce future costs. The County Council and the County Executive believe that there may be long-term cost savings and operational efficiencies from consolidating the law enforcement and related support functions of the Montgomery County Division of the M-NCPPC Park Police and the Montgomery County Police Department. Any restructuring of these agencies must continue to provide residents and visitors with a safe park system.

The Montgomery County Police Department and the M-NCPPC Park Police dispatch calls-for-service using separate Computer Aided Dispatch (CAD) systems. Consolidation of communications, including call-taking, dispatch, and related reporting and records management systems has the potential to reduce long-term personnel and operating costs and ensure interoperability. Consolidating communications will have operational impacts on both the Park Police and the County Police and must be achieved through careful planning that includes adequate testing. Consolidation of communications should be the first effort undertaken in the longer term effort to consolidate law enforcement functions.

The Council requests that by July 1, 2010, the County Executive and the Montgomery County Department of Parks convene a work group with representatives from the Parks Department, Montgomery County Police Department, Office of Management and Budget, and County Council staff to develop a transition plan for the consolidation of call-taking, dispatch, and related records management functions. The consolidation of communications is expected to result in the use of a common Computer Aided Dispatch System, the County Police dispatch configuration, and a reduction in the number of overall communications positions. The Council recognizes that this will require operational changes for the Park Police including a reconfiguration of patrol beats and supervision. As a condition of spending funds appropriated in this resolution, the work group must provide the Council with a progress report by September 15, 2010. The Executive and the Department of Parks may begin to implement this consolidation prior to the progress report. The progress report should include:

- A summary of the Park Police's current process for call-taking, dispatch, and related records management functions and how they have been reassigned.
- A summary of Park Police and County Police operational changes needed for consolidation.
- A summary of how other duties currently handled by Parks Department communications staff will be reassigned under a consolidated model.
- A proposed timeline for consolidation.
- A summary of estimated short-term and long-term costs and savings.
- Information on whether there is a requirement for a change to State law or whether an inter-agency memorandum of understanding may be used.
- The expected impact on Parks Department and County Government employees.

The Council also requests that the County Executive and the Department of Parks work collaboratively to determine the extent to which and how County Police Officers and Park Police Officers can be redeployed to support county-wide public safety needs which include pro-active patrol of parkland. A progress report on these efforts must be provided to the Council by January 15, 2011.

It is not the intent of the Council that any requirements in this provision would prevent M-NCPPC and the Montgomery County Government from entering into any

inter-agency memorandum of understanding that is agreeable to both agencies and would result in efficiencies and cost savings from shared services.

61. The Council acknowledges the increased efforts made by the Montgomery County Department of Parks and Department of Recreation to collaborate on multiple issues; both entities, however, continue to provide recreation programs and services. The Council believes that consolidating class/program registration, facility and athletic field permitting, and additional recreation programs (as detailed below) into County Government will create a more streamlined and user-friendly system for County residents. The Council also believes this consolidation, over time, will lead to budget savings and operational efficiencies.

As a condition of the funds appropriated in this resolution to the Department of Recreation, by the third quarter of FY 2011 the County Government must be responsible for: (1) administering all recreation facility and athletic field permitting under the auspices of the Office of Community Use of Public Facilities; (2) managing a single-entry registration system for all programs and classes operated by the Department of Recreation or Department of Parks (excluding M-NCPPC Enterprise Fund activities); and (3) operating all classes, camps, and trips now offered by the Recreation Department or the Parks Department except for the operation of:

- Ice skating/hockey programs and classes;
- Tennis programs and classes; and
- Nature, interpretive, horticultural, and gardening programs and classes at the Nature Centers and Brookside Gardens provided by M-NCPPC personnel or volunteers.

The County Executive must provide the Council with a transition plan by December 1, 2010 that details how the consolidation delineated above will be accomplished. The staffs from M-NCPPC and County Government must work collaboratively to develop and implement the transition during FY 2011. The transition plan must:

- Identify the specific responsibilities and activities of the Parks Department that will be transferred into County Government and describe where/how those functions will be provided going forward;
- Describe any requisite transfer of resources from the Department of Parks to County Government;
- Address any labor and/or collective bargaining issues that result from consolidation;

- Consider the use of inter-agency memorandums of understanding or contracts in order to minimize any negative impacts on employees whose functions are shifted; and
- Provide an implementation timeline that completes the consolidation outlined above in time for the FY 2011 “spring” recreation program season.

62. This resolution appropriates funds by personnel cost and operating expense. Included in the operating expense appropriations for the Department of Environmental Protection, Department of General Services, Department of Technology Services, and the Department of Liquor Control are appropriations that are to be spent to purchase items that would previously have been appropriated as capital outlay. These appropriations must be spent for the purchase of capital outlay.

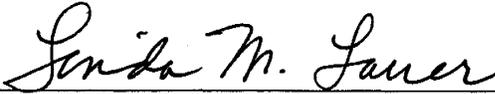
Environmental Protection – Disposal Operating Activity	\$2,349,600
Environmental Protection – Stormwater Facility Maintenance	28,000
Fire and Rescue Services	26,100
General Services – Motorpool Fund	1,181,250
General Services – Central Duplicating	208,250
Police	48,000
Technology Services	120,300
Liquor Control – Operating Activity	105,650

63. This resolution appropriates \$230,280,040 to the Montgomery County Police Department. This appropriation includes funds for a July 2010 recruit class that will begin with 36 police recruits. The Department must not reduce this number of recruits in order to accrue lapse or to achieve other budgetary savings.
64. For FY 2010 and FY 2011 only, this resolution authorizes the use of cumulative net revenues in excess of expenditures from Landlord-Tenant Affairs and Common Ownership Communities fees for general operating purposes. The Director of Finance must include all available net revenues from these funds in the General Fund unrestricted fund balance.
65. Appropriations made in this resolution are predicated on the following fund transfers being made in FY 2010. Accordingly, this resolution authorizes the Director of Finance to transfer all available FY 2010 net resources from these tax supported special funds to

the General Fund: Recreation Fund, Mass Transit Fund, and the Consolidated Fire Tax District Fund. These transfers are necessary to maintain fiscal balance in the General Fund in FY 2010 and to minimize the amount of funds transferred from the Revenue Stabilization Fund during FY 2010, as authorized by the Council in Resolution No. 16-1356 adopted on May 19, 2010.

66. This resolution appropriates \$978,840 to the Department of Police to fund 9 Police Officer III positions in order to continue the Educational Facilities Officer program. This program is established through a memorandum of understanding with the Montgomery County Public Schools.

This is a correct copy of Council action.

  
Linda M. Lauer  
Linda M. Lauer, Clerk of the Council