

MFP Committee #7
April 22, 2010

Worksession

M E M O R A N D U M

April 19, 2006

TO: Management and Fiscal Policy Committee
FROM: Jean C. Arthur, ^{JCA}Legislative Analyst
SUBJECT: FY11 Operating Budget: NDA – Inauguration & Transition

The relevant page from the Recommended FY11 Operating Budget is attached on © 1.

Background

The County Executive recommends \$50,000 for the inauguration ceremony and transition services for the incoming Councilmembers and County Executive. This amount is half of what was approved for the last inauguration in FY07.

The Montgomery County Charter specifies that the Council-elect and the County Executive-elect be inaugurated on the first Monday in December after a general election. This year, the general election is November 2 and the inauguration is December 6.

The recommended appropriation includes funds for the inauguration ceremony as well as for transition team offices for the newly elected County Executive and County Council.

	FY07 Approved	FY07 Actual	FY11 Recommended
Inauguration & Transition	\$100,000	\$99,673	\$50,000

The last inauguration was held at the Music Center at Strathmore on December 4, 2006. Although the County did not pay a rental fee for use of the Music Center, it did pay labor costs associated with Music Center staff. Additionally, the County paid rental fees for transition team meetings at the Bolger Academy and at the Hilton.

The table below shows some of the larger expenses associated with the inauguration ceremony and transition services in FY07.

Description	Expense
Professional Services (including interpreter)	\$23,509
Meals/Snacks/Refreshments	\$19,575
Meeting Room Rental for Transition Team	\$10,007
Charges from DFS (now Dept. of General Services)	\$9,683
Personnel Costs (including benefits)	\$8,613
Printing (internal and outside)	\$6,863
Computer Equipment	\$4,971
Postage and Delivery	\$3,334
Souvenirs	\$1,076
	\$87,631.00

Staff Recommendation

The County Charter does not require an inauguration ceremony, nor does it specify how the beginning of a term should be marked. Traditionally, the County government has chosen to start the term of the County Council-elect and the County Executive-elect by holding a formal inauguration ceremony.

Staff is reluctant to recommend against holding an inauguration, as it is an appropriate way to start the term of incoming leaders. However, staff suggests that given the current economic conditions, a more scaled-back swearing-in ceremony may be appropriate. With a simpler ceremony, costs for printing, personnel, meals, and professional services would be lower. Staff suggests that holding the ceremony at Richard Montgomery High School, as had been done before December 2006, would reduce certain costs such as transportation. Because of extremely limited parking at Strathmore, Ride-On buses transported attendees from the Bethesda North Marriott Conference Center during the previous inauguration. Holding the ceremony at Richard Montgomery High School reduces the need for shuttling, since attendees would be able to park closer to the site.

Staff recommends that this NDA be reduced to \$25,000.

What is unknown at this point is how many transition services will be needed at end of the current term. Much of the expenditure in the FY07 NDA was associated with the transition, rather than with the inauguration ceremony - for example, the meeting room rentals and most of the personnel costs. If a new County Executive is elected and if a significant number of Councilmembers are new, transition costs could exceed \$25,000. In this eventuality, consideration can be given to a post-election small supplemental appropriation, if necessary.

	Expenditures	WYs
Eliminate: Parent Resource Center (PRC) Program	-48,160	0.0
Decrease Cost: Retiree Health Insurance Pre-funding	-105,440	0.0
Reduce: Additional Program Reductions	-195,240	0.0
FY11 CE Recommended	5,804,040	0.0

Inauguration & Transition

The Montgomery County Charter provides for the quadrennial election of a County Executive and County Council. This NDA provides for a ceremony and smooth transition of the County Executive and County Council every four years.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	0	0.0
Add: Inauguration and Transition	50,000	0.0
FY11 CE Recommended	50,000	0.0

Notes: This NDA is funded as FY11 is an election year.

Independent Audit

Section 315 of the County Charter requires the County Council to contract with a Certified Public Accountant for an independent post audit of all financial records and actions of the County, its officials, and employees. By County Resolution, the Office of Legislative Oversight is the designated administrator for this contract, which also includes an independent audit of the basic financial statement of the Employee Retirement Plans; additional services related to reviews, tests, and certifications; and audits of tax-funded expenditures by the independent Fire and Rescue Corporations.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	394,000	0.0
Increase Cost: New requirement to audit Union deferred compensation plan	25,000	0.0
Increase Cost: Annualization of FY10 Operating Expenses	11,820	0.0
FY11 CE Recommended	430,820	0.0

Interagency Technology, Policy, & Coordinating Comm.

This NDA supports the operation of the Interagency Technology, Policy, and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology among County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	5,000	0.0
FY11 CE Recommended	5,000	0.0

Judges Retirement Contributions

This NDA provides pensions for retired Judges who were on the bench prior to 1968 in the Circuit Court and the People's Court (District Court) of Montgomery County and for their surviving spouses.

The Circuit Court pension is calculated at one percent of the net supplement paid by the County to the salaries of the Circuit Court Judges as of May 31, 1968, multiplied by the number of years of active service as a Judge (up to a maximum of 20 years). The surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Section 12-10 of the Montgomery County Code.

The People's Court (District Court) pension is based on the current salary of a District Court Judge. A retired Judge receives 60 percent of the current salary of a District Court Judge, while a surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Article 73B, Section 63(b) of the Annotated Code of Maryland. This NDA may be increased to include a cost of living adjustment at a rate equal to that approved for District Court Judges by the General Assembly. If a cost of living adjustment is approved next fiscal year, the NDA will be adjusted as necessary by a year-end transfer.