


HHS/GO COMMITTEE #1
May 6, 2016

Worksession

MEMORANDUM

May 5, 2016

TO: Health and Human Services Committee
Government Operations and Fiscal Policy Committee

FROM: Susan J. Farag, Legislative Analyst 

SUBJECT: FY17 Operating Budget: **Finance Department (National Philharmonic)**

Those expected to attend this worksession include:

Jennifer Hughes, Director, Office of Management and Budget (OMB)
Joseph Beach, Director, Department of Finance
Bonnie Kirkland, Assistant Chief Administrative Officer
David Crow, Fiscal Projects Manager, Department of Finance
Jed Millard, Office of Management and Budget

Background

The County Executive Recommended FY17 Operating Budget includes \$150,000 in the Department of Finance to provide additional funding to the National Philharmonic. The National Philharmonic also receives grant funding through the Arts and Humanities Council NDA. The Joint Health and Human Services (HHS) and Government Operations and Fiscal Policy (GO) Committee met on the matter in a closed session on Friday, April 30. The purpose of the closed session was to consider matters that concern the proposal for a business or industrial organization to locate, expand, or remain in the State, pursuant to Maryland Code, General Provisions Article §3-305 (a)(4). At that time, the Joint Committee requested additional information from the Executive.

Proposed Funding Structure

The County Executive is expected to request a supplemental appropriation to the FY16 Finance Department Operating Budget in the amount of \$250,000, for use by the National Philharmonic.

These funds are meant to be used for the following purposes:

| | |
|-----------|---|
| \$200,000 | Current FY16 Shortfall |
| \$26,000 | Advance on FY17 AHMCC Grant Award |
| \$24,000 | Consultant Fees to Assist with Strategic Plan Development |


If both the FY16 supplemental appropriation and the FY17 operating budget items are approved, total Finance Department funding for the National Philharmonic will be \$400,000. The National Philharmonic is also still expected to receive its regular grant through the Arts and Humanities Council NDA in FY17. *The Joint Committee may wish to get clarification on the purposes of appropriating this funding in the Finance Department. The Joint Committee may also wish to ask for periodic progress reports throughout FY17, to keep apprised on the steps taken by the National Philharmonic toward the development of a new strategic plan and its ongoing financial status.*

ADDENDUM
HHS/GO COMMITTEE #1
May 6, 2016

MEMORANDUM

May 6, 2016

TO: Health and Human Services Committee
Government Operations and Fiscal Policy Committee

FROM: Susan J. Farag, Legislative Analyst 

SUBJECT: **National Philharmonic: Supplemental Appropriation and Amendment to FY16 Operating Budget Resolution**

The Executive has transmitted his recommended supplemental appropriation to the FY16 Operating Budget of the Department of Finance, in the amount of \$250,000, to provide immediate operating support for the National Philharmonic. Also included is the Executive's request to amend the FY16 Operating Budget Resolution 18-150, Section G, FY16 Designation of Entities for Non-Competitive Contract Award Status.

The supplemental appropriation and amendment to the budget resolution are scheduled for introduction on May 17, 2016. The Public Hearing and Action are scheduled for June 14, 2016.

| | |
|--|-----|
| <u>This packet contains</u> | © |
| Executive Transmittal Memo | 1-2 |
| Supplemental Appropriation | 3-5 |
| Amendment to the FY16 Operating Budget Resolution 18-150 | 6-7 |



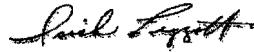
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

May 5, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #16-399 to the FY16 Operating Budget
Montgomery County Government
Department of Finance
National Philharmonic Orchestra & Chorale of Montgomery County, Inc.,
\$250,000

I am recommending a supplemental appropriation to the FY16 Operating Budget of the Department of Finance in the amount of \$250,000 to provide immediate operating support for the National Philharmonic Orchestra & Chorale of Montgomery County, Inc. (National Philharmonic).

This increase is needed to provide immediate support to ensure the continued operation of the National Philharmonic through its current and upcoming seasons. This supplemental appropriation, in conjunction with the County Executive's recommended support of \$150,000 in FY17, will:

- a. Provide \$200,000 in immediate operating support for projected FY16 shortfalls;
- b. Provide \$26,000 to replace a projected reduction in FY17 grant funding from the Arts & Humanities Council of Montgomery County (AHCMC); and
- c. Provide \$24,000 in additional support for consultant services to develop a comprehensive strategic plan. These added funds are to be used in conjunction with an extended \$10,000 Advancement Grant from AHCMC and \$10,000 in matching funds to be provided by the National Philharmonic.

Nancy Floreen, President
May 5, 2016
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I recommend that the County Council approve this supplemental appropriation in the amount of \$250,000 and specify the source of funds as General Fund Undesignated Reserves. Also included in the attached resolution is an amendment to the FY16 Operating Budget Resolution 18-150, Section G, FY16 Designation of Entities for Non-Competitive Contract Award Status.

I appreciate your prompt consideration of this action.

IL:jdm

Attachments: Supplemental Appropriation #16-399 and Amendment to Fiscal Year 2016 Operating Budget Resolution 18-150, Section G, Fiscal Year 2016 Designation of Entities for Non-Competitive Contract Award Status

cc: Joseph F. Beach, Director, Department of Finance
Jennifer Hughes, Director, Office of Management and Budget
Bonnie Kirkland, Assistant Chief Administrative Officer
Jedediah Millard, Office of Management and Budget
Deborah Lambert, Office of Management and Budget

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #16-399 to the FY16 Operating Budget
Montgomery County Government
Department of Finance
National Philharmonic Orchestra & Chorale of Montgomery County, Inc.,
\$250,000, and;
Amendment to Fiscal Year 2016 Operating Budget
Resolution 18-150, Section G, Fiscal Year 2016 Designation of Entities for
Non-Competitive Contract Award Status

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY16 Operating Budget appropriation increases for the Department of Finance

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Capital Outlay</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|---------------------------|--------------|---------------------------------------|
| \$0 | \$250,000 | \$0 | \$250,000 | General Fund Undesignated Reserves |

3. This increase is needed to provide immediate support to ensure the continued operation of the National Philharmonic Orchestra & Chorale of Montgomery County, Inc. through its current and upcoming seasons. This supplemental appropriation, in conjunction with the County Executive's recommended support of \$150,000 in FY17, will:

- d. Provide \$200,000 in immediate operating support for projected FY16 shortfall;
 - e. Provide \$26,000 in FY16 to replace a projected reduction in grant funding from the Arts & Humanities Council of Montgomery County (AHCMC); and
 - f. Provide \$24,000 in additional support for consultant services to develop a comprehensive strategic plan. These added funds are to be used in conjunction with an extended \$10,000 Advancement Grant from AHCMC and \$10,000 in matching funds to be provided by the National Philharmonic.
4. The County Executive recommends a supplemental appropriation to the FY16 Operating Budget in the amount of \$250,000 for the National Philharmonic Orchestra & Chorale of Montgomery County, Inc. and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given, and a public hearing was held.
6. Section 11B-14 (a) (4) of the Montgomery County Code states that "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 proposed contractor has been identified in a grant or appropriation resolution approved by the Council." The result of this action is to amend the FY16 Designation of Entities for Non-Competitive Contract Award status resolution to include the agency listed below.

Action

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

A supplemental appropriation to the FY16 Operating Budget of the Department of Finance is approved as follows:

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Capital Outlay</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|---------------------------|--------------|---------------------------------------|
| \$0 | \$250,000 | \$0 | \$250,000 | General Fund Undesignated Reserves |

This resolution amends Resolution 18-150, Section G, FY16 Designation of Entities for Non-Competitive Award Status to add a new contract with the National Philharmonic Orchestra & Chorale of Montgomery County, Inc. to read "Provides for operating support and consultant services" in the amount of \$250,000.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

May 5, 2016

TO: Nancy Floreen, President, County Council

FROM: Timothy L. Firestine, Chief Administrative Officer *Timothy L. Firestine*

SUBJECT: Amendment to the Fiscal Year 2016 Operating Budget
Resolution 18-150, Section G, FY2016 Designation of Entities for
Non-Competitive Contract Award Status

The Department of Finance requests an amendment to the FY2016 Operating Budget, Designation of Entities for Non-Competitive Contract Award for the National Philharmonic Orchestra & Chorale of Montgomery County, Inc. (National Philharmonic).

The amended FY16 Operating Budget Resolution 18-150, Section G, FY16 Designation of Entities for Non-Competitive Contract Award Status will establish a new contract with the National Philharmonic and will read: "*Provides for operating support and consultant services*" in the amount of \$250,000.

This amendment will be funded by Supplemental Appropriation #16-399 and is needed to provide immediate support to ensure the continued operation of the National Philharmonic through its current and upcoming seasons. The supplemental appropriation, in conjunction with the County Executive's recommended support of \$150,000 in FY17, will:

- a. Provide \$200,000 in immediate operating support for projected FY16 shortfalls;
- b. Provide \$26,000 to replace a projected reduction in FY17 grant funding from the Arts & Humanities Council of Montgomery County (AHCRC); and
- c. Provide \$24,000 in additional support for consultant services to develop a comprehensive strategic plan. These added funds are to be used in conjunction with an extended \$10,000 Advancement Grant from AHCRC and \$10,000 in matching funds to be provided by the National Philharmonic.

(6)

Nancy Floreen, President
May 5, 2016
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I have determined that establishing a contract with the National Philharmonic serves a public purpose and is in the public interest. Therefore, I recommend the Council amend the Miscellaneous Provision in Section G of Resolution 18-150 for the FY16 Designation of Entities for Non-Competitive Award.

TLF:jdm

c: Joseph F. Beach, Director, Department of Finance
Jennifer A. Hughes, Director, Office of Management and Budget
Bonnie A. Kirkland, Assistant Chief Administrative Officer
Judy Jablow, Chief of Staff to the Council President
Linda A. McMillan, County Council Staff