

Resolution No.:	<u>19-85</u>
Introduced:	<u>April 30, 2019</u>
Adopted:	<u>April 30, 2019</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Approval of Second FY2019 Savings Plan for Montgomery County Government

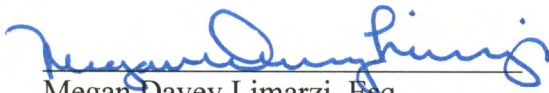
Background

1. On May 24, 2018 the Council approved the FY2019 operating budget for Montgomery County Government in Resolution No. 18-1144. Action clause 53 stated: "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....Any budget savings plan or similar action is subject to review and approval by the Council...."
2. The Council and the Executive have frequently collaborated on mid-year savings plans to address revenue shortfalls.
3. In a memorandum to the Council President dated January 7, 2019, the Executive proposed a FY2019 savings plan to address an apparent FY2019 budget gap of \$44.1 million. On January 29, 2019, the Council approved savings of \$45,666,013 in the operating budget and \$200,000 in capital budget current revenue in Resolution No. 19-25.
4. In a memorandum to the Council President dated March 15, 2019, the Executive proposed a second savings plan for the remainder of FY2019 to fully restore current year reserves to the level assumed in the FY2019 Approved Budget and to keep the County on track to meet the commitment to fund reserves at 10 percent of total revenues by FY2020. The proposed additional FY2019 savings includes \$89.6 million in operating budget reductions from three County Government non-departmental accounts.
5. On April 23 and April 30, 2019 the Council reviewed the proposed second savings plan.
6. The Council's second savings plan for FY2019 calls for savings of \$89,612,660 in the operating budget.

Action

1. The County Council for Montgomery County, Maryland approves Round 2 of the FY2019 savings plan for \$89,612,660 in the operating budget as set forth in the attached document.
2. The spending reductions for County Government approved in this resolution, along with the reductions previously approved in Resolution No. 19-25, are the only reductions from the FY2019 operating budget for County Government, which the Council approved in Resolution No. 18-1144 on May 24, 2018, that the County Executive may implement. All other funds appropriated in Resolution No. 18-1144 must be spent for the purposes for which they were appropriated. If the Executive proposes that any funds will not be spent as approved by the Council, he must submit an additional savings plan as required in paragraph 53 of Resolution No. 18-1144.

This is a correct copy of Council action.


Megan Davey Limarzi, Esq.
Clerk of the Council

**Second FY2019 Savings Plan
Montgomery County Government NDA's**

Non-Departmental Account	CE Recommended	Council Approved
NDA – Retiree Health Benefits Trust	-34,562,660	-34,562,660
NDA – Consolidated Retiree Health Benefit Trust – College	-2,845,000	-2,845,000
NDA – Consolidated Retiree Health Benefit Trust – MCPS	-52,205,000	-52,205,000
Total	-89,612,660	-89,612,660