

MEMORANDUM

April 10, 2007

TO: Management and Fiscal Policy Committee

FROM: Amanda M. Mihill, Legislative Analyst *A. Mihill*

SUBJECT: **Worksession:** FY10 Operating Budget for the Charter Review Commission NDA

Those expected for this worksession:

- Helen Vallone, Senior Management and Budget Specialist, Office of Management and Budget

The Executive's recommendation for the Charter Review Commission Non-Departmental Account is attached at ©1.

Overview

For FY10, the Executive recommends total expenditures of \$1,500 for this NDA, a 900% increase from the FY09 approved budget. The following table represents historical expenditures for this NDA.

Table 1. Charter Review Commission NDA Expenditures

Actual FY02	Actual FY03*	Actual FY04*	Actual FY05	Actual FY06	Actual FY07*	Actual FY08	Budget FY09	Rec. FY10
\$1,984	\$0	\$667	\$125	\$624	\$0	\$934	\$150	\$1,500

* In FY03 and FY07, which were election years, there was not a functioning Commission and therefore no Commission expenses.

FY10 Expenditure Issues

The Montgomery County Charter requires the Charter Review Commission to report to the County Council in May of every even numbered year. Expenses for the Commission vary from year to year. The Executive's recommended FY10 operating budget includes expenses for

printing and postage and other activities associated with meeting preparation and the publication of a report in May 2010.

Council Staff Recommendation

As Table 1 above shows, during the previous 3 years that the Commission issued a report (FY04, FY06, and FY08), expenses for this NDA were under \$1,000. Therefore, Council staff believes that this NDA can be reduced by \$500.

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from the Employees' Retirement System (ERS), Retirement Savings Plan (RSP), Retiree Health Benefit Trust (RHBT), and the General Fund on behalf of the Montgomery County Deferred Compensation Plan (DCP) trust funds and are, therefore, not appropriated here. The Board of Investment Trustees manages the assets of the ERS and RHBT through its investment managers in accordance with the Board's asset allocation strategy and investment guidelines. The Board also administers the investment program for the RSP and DCP. The Board consists of 13 trustees including the Directors of Human Resources, Finance, Management, Budget, and the Council Staff; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	0	0.0
FY10 CE Recommended	0	0.0

Boards, Committees, and Commissions

There are approximately 75 boards, committees, and commissions, created by law or resolution, which serve the County for a variety of purposes. These funds provide for the reimbursement of certain expenses incurred by eligible members of boards, committees, or commissions while on official business and/or for expenses related to the establishment of any new boards, committees, or commissions.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	20,000	0.0
Increase Cost: Dependent Care and Travel Reimbursement	7,000	0.0
FY10 CE Recommended	27,000	0.0

Charter Review Commission

Section 509 of the County Charter requires that a Charter Review Commission be appointed by the County Council every four years, within six months after the Council assumes office, for the purpose of studying the Charter. The Commission shall report at least once to the Council on the Commission's activities within one year after appointment. Commission reports shall be submitted no later than May 1 of every even-numbered year. The reports shall contain recommendations concerning proposed Charter amendments, any. This NDA provides for the expenses of the Commission.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	150	0.0
Increase Cost: Biennial Cycle Adjustment	1,350	0.0
FY10 CE Recommended	1,500	0.0

Climate Change Implementation

This NDA provides funding 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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	1,561,000	0.0
Add: Initial Implementation of Sustainability Working Group Recommendations	50,000	0.0
Increase Cost: Group Insurance Adjustment	280	0.0
Technical Adj: Annualization of FY09 Personnel Costs	0	0.5
Decrease Cost: Adjust Clean Energy Rewards Based on Projected Participation	-43,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09	-844,020	0.0
FY10 CE Recommended	724,260	0.5

Closing Cost Assistance

This NDA provides financing for real estate closing cost expenses to assist moderate- to middle-income home buyers. Eligible first-time home buyers can receive a seven-year loan under the program to help pay the settlement expense of a home purchase. The maximum amount of loans is the lesser of \$7,500 or five percent of the sale price of the single-family residence. The Housing Opportunities Commission (HOC) administers and operates the program. As part of an arrangement between HOC and the Federal National Mortgage Association (Fannie Mae), the County has established this account to help defray program operating costs