

MEMORANDUM

April 16, 2009

TO: Health and Human Services Committee

FROM: Minna K. Davidson, ^{MKD} Legislative Analyst

SUBJECT: FY10 Recommended Operating Budget: Arts and Humanities Council
Nondepartmental Account (NDA)

Those expected to attend this worksession include:

Suzan Jenkins, Chief Executive Officer, Arts and Humanities Council (AHCMC)
Jennifer Bryant, Management and Budget Analyst, Office of Management and Budget
Representatives, Arts and Humanities organizations

The relevant page from the Recommended FY10 Operating Budget is attached on © 1.

BACKGROUND

The Executive's budget is proposed against the backdrop of an ongoing economic downturn which has posed considerable fiscal challenges for the County and its resident arts and humanities organizations.

While the Arts and Humanities Council does not know of any organizations that have been forced to close by the current economy, many organizations are experiencing reductions in contributed income, class enrollments, and ticket sales (although ticket sales are holding level for some). Organizations have handled these shortfalls by trying to manage expenses, reducing programs, and furloughing or laying off employees. An article from the *Wall Street Journal* describes some of the measures that arts and humanities organizations around the country, including Imagination Stage, are taking in the face of the current fiscal situation (© 2).

In addition to reductions in funding from private sources, local arts and humanities organizations are also experiencing reductions in State funding as the Maryland State Arts Council budget was reduced by 14% in mid-FY09, and will be reduced by 18% in FY10.

Presumably, the Executive crafted his budget with the County's and the arts and humanities organizations' fiscal constraints in mind. While he has recommended some reductions, it appears that he did not intend for them to be an excessive burden for arts and humanities organizations that are already under financial stress.

OVERVIEW

For FY10, the Executive recommends \$5,069,380 for the Arts and Humanities Council NDA, a decrease of -\$246,100 or -4.6% from the FY09 budget of \$5,315,480. The decrease is attributable to a reduction in the amounts allocated for Arts and Humanities Council grants, and the total amount for earmarked grants to individual organizations. The table on © 1 shows the Executive's recommended changes from FY09 to FY10.

The crosswalk below shows changes in funding allocations from FY09 to FY10. The Executive's FY10 budget for the Arts and Humanities Council is reduced by about -\$187,000. Total funding for earmarks is reduced by about -\$59,000.

One organization, the Heritage Tourism Alliance, requested a Council grant, but was subsequently included in the Executive's recommendation for the Arts and Humanities Council NDA.

Arts and Humanities - FY09-10 Funding Crosswalk			
	FY09 Approved	FY10 CE Rec.	\$ Change
Arts and Humanities Council			
Grant Categories			
Operating Support (7% in FY09; 5.587% in FY10)	3,247,830	3,085,390	-162,440
Small/Mid-size organizations, creative projects, arts education, community, and individual artist/scholar grants	518,840	492,930	-25,910
Total grants	3,766,670	3,578,320	-188,350
Public Arts Trust Maintenance	10,000	10,000	0
AHCMC Administration	373,810	374,810	1,000
AHCMC Total	4,150,480	3,963,130	-187,350
Assistance to Individual Organizations			
American Film Institute	500,000	506,250	6,250
Heritage Tourism Alliance	100,000	75,000	-25,000
Imagination Stage	400,000	400,000	0
Pyramid Atlantic Art Center	165,000	50,000	-115,000
Round House Theatre	0	75,000	75,000
Total Assistance to Individual Organizations	1,165,000	1,106,250	-58,750
Total Arts and Humanities Council NDA	5,315,480	5,069,380	-246,100

BACKGROUND ON THE BUDGET PROCESS

For several years through FY05, the Executive recommended a budget for the Arts and Humanities Council which was funded in an Arts and Humanities Council NDA. In addition, the Executive recommended grants to individual arts and humanities organizations (“earmarked grants”) which were funded in a Support for the Arts and Humanities NDA administered by the Department of Recreation. Some of the Executive’s recommendations were based on competitive grant processes, and some were based on direct requests for funding. Some of Arts and Humanities organizations also appealed directly to County Council for funding. Any approved Council requests were also included in the Support for the Arts and Humanities NDA.

In FY06, the Council approved an HHS Committee recommendation to appropriate all of the operating budget funds for arts and humanities grants in the Arts and Humanities Council NDA with County Council direction about how the funds were to be spent. The Council approved a total of \$3.9 million for the Arts and Humanities Council NDA, of which \$1.37 million was for the Arts and Humanities Council, and \$2.59 million was for 12 earmarked grants.

For FY07, the Council requested that the Arts and Humanities Council propose a consolidated arts and humanities budget, and encouraged all arts and humanities organizations to apply for FY07 grant funding through the Arts and Humanities Council.

For the FY07 budget, in addition to developing a funding request for its own operations, the Arts and Humanities Council solicited applications for Transition Grants and Cultural Facilities Improvement Grants. The Arts and Humanities Council presented a consolidated budget request to the Executive and Council, and the Council approved a combination of \$1.6 million for Arts and Humanities Council funding and \$4.3 million for 17 earmarked grants, all (with the exception of funding for the American Film Institute) to be administered by the Arts and Humanities Council.

For FY08, the Arts and Humanities Council continued to move toward consolidation and overall administration of arts and humanities funding, as requested by the County Council, by developing a new Strategic Plan. Among other things, the Plan recommended a substantial restructuring of the Arts and Humanities Council’s grant categories. In particular, the Plan recommended increasing operating support for large organizations, in part, to reduce the number of requests for individual earmarked grants.

For FY08, the Arts and Humanities Council submitted a consolidated budget request based on the recommendations in the Strategic Plan. The Executive recommended, and the Council approved, an FY08 budget that incorporated funding for most of the realigned grant categories plus three earmarked grants.

For FY09, the Executive recommended funding for the same grant categories as in FY08. The Executive also recommended three earmarked grants totaling \$1,065,000, plus \$100,000 in the Community Grants NDA for the Heritage Tourism Alliance. The Council approved the recommendations for the Arts and Humanities Council, the three earmarked grants, and the

transfer of the \$100,000 Heritage Tourism Alliance grant to the Arts and Humanities Council NDA.

For FY10, the Executive continues to recommend funding in the same grant categories as in FY08 and FY09, but has reduced the total amount available for Arts and Humanities Grants by -5%. The Executive has also recommended earmarked grants for five organizations totaling \$1,106,250.

The table below summarizes the breakout of funding for the Arts and Humanities Council NDA from FY06 to FY10.

	Breakout of Arts and Humanities Funding, FY06-10				
	FY06	FY07	FY08	FY09	FY10 Rec.
Arts and Humanities Council					
Operating Support	976,000	1,236,660	3,306,670	3,247,830	3,085,390
Grants and Programs	107,860	107,860	500,000	518,840	492,930
Administration	288,050	288,050	333,810	373,810	374,810
Public Arts Trust Maintenance			10,000	10,000	10,000
Total	1,371,910	1,632,570	4,150,480	4,150,480	3,963,130
Number of earmarked grants to organizations	12	17	3	4	5
Total earmark \$\$	2,591,690	4,333,920	1,200,000	1,165,000	1,106,250
Total Arts and Humanities Council NDA	3,963,600	5,966,490	5,350,480	5,315,480	5,069,380

ARTS AND HUMANITIES COUNCIL

The Arts and Humanities Council’s FY09 programs, activities, and grant awards are described on © 3-31. In spite of the economic downturn, the AHCMC has had a very full year, and has been involved in many activities across the community.

In view of the economic downturn, the Arts and Humanities Council supports the Executive’s recommendation for a -5% reduction in grant funding, but notes that more significant reductions to the grants program could threaten the economic stability of some local arts and humanities organizations.

To reduce the workload involved in applying for grants, the AHCMC hopes to implement an online grants application system in FY10 (to be available for the FY11 grants process) which will be funded from an allocation of the proceeds from the FY09 Executive’s Ball for the Arts and Humanities.

Operating Support

For FY09, the Executive recommended a total of \$3.25 million for operating support for 31 organizations. For FY10, he is recommending a total of \$3 million for 33 organizations. For FY10, one organization will no longer receive operating support (a reduction of -\$14,830), and three organizations will become eligible for operating support (a total increase of \$170,670).

The Strategic Plan recommended calculating operating support for large organizations as a percentage of cash expenses or income (whichever is lower). For several years before the Strategic Plan, operating support levels varied, but generally were at or below 4%. The Strategic Plan recommended increasing operating support to 8%. For FY08 and FY09, the Executive recommended funding organizations at 7%. For FY10, he recommends funding organizations at just under 5.6%. A table showing each organization's grants for FY08 and FY09 and the estimated amount for FY10 is attached on © 32.

Even when the percentage used to calculate operating support does not change from year to year, the amount of operating support for an individual organization may vary based on the organization's cash expenses. From FY08 to FY09, the percentage remained at 7%, but operating support increased for several organizations and decreased for a few because their cash expenses either increased or decreased.

For FY10, most organizations will have reductions in operating support, some of which are substantial, because of the combination of the drop in the percentage to 5.6% and reductions in individual organizations' cash expenses as they have tried to manage costs during the economic downturn.

For FY08, the Strategic Plan recommended funding three "grandfathered" organizations at 7% plus the amount needed to bring them to the same funding level (including AHCMC operating support and transition grants) as in FY07.¹ The Executive's FY10 budget would reduce each grandfathered each organization's operating support by 5%.

Council staff recommendation: Approve as recommended by the Executive.

If the Committee needs to identify further reductions, the Committee could request that AHCMC consider the following:

- Deferring for a year any new organizations that might be eligible for operating support, for a savings of \$170,670.
- Reducing the grandfathered grants by 10% rather than 5% because together they receive a large proportion of the funds available for operating support, and because the grandfathering arrangement leaves them less vulnerable to variations in support caused by increases and decreases in cash expenses. This would save an additional \$44,000.

Note on Advancement Grants: In addition to funding Operating Support at 8%, the Strategic Plan also recommended funding another 2% of organizations' operating expenses as "add-on" grants. These grants could be used for projects and activities that fall outside of general operating support and were funded under the old structure through earmarked grants for transition or facility improvements. The Arts and Humanities Council named the grants "Advancement Grants", developed guidelines for them, and requested a total of \$800,000 for

¹ Grandfathered organizations are the BSO at Strathmore, Glen Echo Park Partnership, and National Philharmonic. The rationale for grandfathering is explained in the excerpt from the Strategic Plan on © 33, paragraph 10.

them in FY08. The Executive did not recommend any funding for this grant category in the FY08 operating budget.

In the fall of 2007, the Executive recommended a supplemental appropriation of \$200,000 to establish Advancement Grants on a pilot basis. The HHS Committee reviewed the supplemental appropriation, a public hearing was held, and action was scheduled. Given the developing fiscal downturn at the time, no action was taken. The Executive's FY09 budget did not include funding for Advancement Grants.

The Executive is not recommending funding for Advancement Grants in FY10. **The Committee may want to ask AHCMC staff whether funding Advancement Grants in the future would enable the AHCMC to address some of the issues for which earmarked grants are currently recommended.**

Grants to Small and Mid-sized Organizations, and other program and individual grants

The Executive recommends a 5% reduction in the funding for grants to small and mid-sized organizations, creative projects, arts education, community grants, and individual artist/scholar grants. Total funding would decrease from \$518,840 in FY09 to \$492,930 in FY10.

Council staff recommendation: Approve as recommended by the Executive.

Public Arts Trust Maintenance

For FY10, the Executive recommends \$10,000 for Public Arts Trust maintenance, the same amount as was approved for FY09.

Council staff recommendation: Approve as recommended by the Executive.

Administration

For FY10, the Executive recommends funding AHCMC Administration at \$374,810, an increase of \$1,000 over the FY09 amount.

As in previous years, the FY10 Administration funding includes funding to pay for health care benefits for full time AHCMC employees. The conditions for the use of the funds are stated in the Council's operating budget resolution each year. The relevant text from the FY09 appropriation is attached on © 32a-32b and would be carried over into FY10.

Council staff recommendation: Approve as recommended by the Executive.

If the Committee needs to identify further reductions, the Committee could request that AHCMC consider reducing their administrative costs by 5% for a savings of about \$19,000.

CE RECOMMENDED EARMARKED GRANTS

For FY10, the Executive recommends five earmarked grants for specific organizations. The organizations and brief descriptions of the grants are listed below. At the Committee Chair's request, the AHCMC will be prepared to comment on these requests at the worksession.

Council staff has provided recommendations on the individual grants, but if the Committee feels that further reductions are necessary, the Committee may want to ask the Arts and Humanities Council to reevaluate the budget for the AHCMC and the earmarked grants (excluding AFI) to provide a reduction of a certain percentage or amount.

American Film Institute (AFI), \$506,250

Pursuant to the County's lease agreement with AFI, the County has provided funding to AFI to cover projected operating shortfalls since AFI opened. The Executive's recommendation for FY10 would continue to provide this coverage. AFI has provided budget projections for FY10 on © 43-44. They are lower on both the revenue and expenditure side than the projections for FY09, with projected revenues decreasing from \$4.5 million in FY09 to \$3.8 million in FY10, and expenditures decreasing from \$5.1 million in FY09 to \$4.3 million in FY10. (The FY09 projection is attached on © 45 for reference.) In view of the current economic climate, AFI has taken several steps (including an FY10 salary freeze) to ensure that expenses remain in line with their revenue projections.

Even though the current economic climate has presented challenges, AFI has continued to provide public programming, festivals, and events, and other services to the community. A summary of their FY09 activities is included on © 34-42.

Note: The County's lease agreement with AFI included two funding requirements for the County: a contribution of \$700,000 through a Guaranteed Ticket Purchase program (© 46-49), and contribution to an Escrow Fund to cover any negative difference between Expenses and Revenues at the Theatre for three full years after full AFI services began (© 50-51). A table showing the County's contributions to AFI from FY02 to FY09 is attached on © 52.

As a technical matter, the County fulfilled its funding obligations under the lease. At the same time, however, the lease made it clear that the County did not expect AFI to become self-sustaining during the initial term of the lease. Presumably, to continue to ensure AFI's success as a centerpiece in the downtown Silver Spring Redevelopment, the County would want to continue its practice of covering AFI's revenue shortfalls. Nonetheless, if the County is faced with severe fiscal constraints, there is flexibility regarding the AFI funding because the lease requirements for funding have been met.

Council staff recommendation: Approve as recommended by the Executive.

If the Committee needs to identify further reductions, the Committee could consider reducing the County's contribution to AFI. A reduction of 5%, or about \$25,000, would be consistent with the Executive's reduction to the AHCMC's grant funding, but a larger reduction could be considered, if necessary.

Heritage Tourism Alliance, \$75,000

The requested FY10 funding would match \$100,000 in State funds from the Maryland Heritage Areas Authority. The Heritage Tourism Alliance (HTA) initially requested the full \$100,000 match from the Executive, but later revised their request to \$75,000 in consideration of the economic downturn. They will raise the remaining \$25,000 from private sources.

The Heritage Tourism Alliance is a nonprofit organization that helps Montgomery County use its heritage to encourage tourism while protecting and promoting its cultural, historical, and natural resources. The HTA provides programs and information about the County's heritage areas, offers mini-grants for heritage-related projects, and serves as the gateway organization through which other organizations may apply for grants from the MHAA. For FY10, \$133,000 in MHAA grants has been requested through HTA so far. As a result of the ICC mitigation program, the County will receive \$300,000 for signage for historical sites in the Sandy Spring Heritage Area. The Heritage Tourism Alliance serves as the project director on the heritage side, and will have a significant role in siting and developing the signage. Information about HTA's funding history is on © 53-54, and FY10 grant requests to the State is on © 55.

HTA in the budget: Funding of \$25,000 for the HTA was initially provided in the Conference and Visitors Bureau budget in FY05. From FY06 – FY09, the Executive recommended funding for HTA either in the Community Grants NDA or the Arts and Humanities Council NDA. In years when the HTA was recommended in the Community Grants NDA, the Council transferred it to the Arts and Humanities NDA for consistency in budgeting and tracking the Alliance's funding.

As the Heritage Tourism Alliance has a primary purpose of encouraging economic development by promoting local heritage areas, the most appropriate place to house their funding may be with economic development functions. In commenting on HTA's funding request in FY08, the Arts and Humanities Council supported HTA's request, but noted that as the Heritage Tourism Alliance's mission is parallel to that of the Conference and Visitor's Bureau, the Alliance would more appropriately be incorporated into the County's economic development funding and should not have to rely on grant applications from year to year. The HHS Committee requested that over the next year, the Department of Economic Development work with the Heritage Tourism Alliance to develop a strategy for County funding in the future. Although the HTA met with the Executive and the Director of the Department of Economic Development in December 2008, a long term funding plan has not yet been developed.

Council staff recommendation: Approve as recommended by the Executive. The HTA already reduced the amount of their request by 25%. The County's matching funds help to leverage State funds.

Request that for FY11, the Executive identify a permanent place for HTA funding in the budget which is more closely tied to Economic Development.

Imagination Stage, \$400,000

The Executive recommends this funding to assist Imagination Stage in retiring a portion of the \$4 million debt from the construction of its facility. The debt relates to unexpected costs to Imagination Stage resulting from the County’s delay in constructing County Garage #36. In FY08, Imagination Stage hoped first to retire the then remaining debt of \$3.8 million in one year with contributions of \$1.25 million each from the County and State and \$1.3 million from private sources. When it turned out not to be possible to retire the debt in one year, Imagination Stage established a three-year plan. As funding has been coming in more slowly than was initially hoped, Imagination Stage has extended the plan to five years. Imagination Stage estimates that at the end of FY09, the remaining principal will be \$2.25 million.

A table showing the actual funding received in FY08 and FY09 and the projected funding for FY10 (year 3) through FY12 is attached on © 56. A letter from Imagination Stage explaining the situation in more detail is attached on © 57-59.

In addition to paying off the principal, Imagination Stage must pay about \$200,000 each year in annual interest and bank fees. During the debt retirement plan, Imagination Stage has used County contributions to fund the debt service and reduce the principal. They intend to use the County’s contributions for the same purposes in FY10. The table below shows the distribution of County funds:

Imagination Stage	FY08-09	FY09	FY10 Rec.	Total
County – principal	400,000	225,000	225,000	849,222
County- debt svc	200,000	175,000	175,000	550,778
County total	600,000	400,000	400,000	1,400,000

Council staff recommendation: Approve as recommended by the Executive.

Pyramid Atlantic, \$50,000

Pyramid Atlantic’s business plan assumed that they would expand their current facility to include a lecture hall, café, and large gallery/public space to provide room for revenue generating activities to support their operating budget. Pyramid Atlantic’s letter (© 60-61) states that not long after operations began at the current facility, the Council approved plans to widen Ripley Street, and Pyramid Atlantic was prohibited from applying for any further exterior alterations to the existing building. Without the additional space, Pyramid Atlantic cannot implement key revenue generating elements of their business plan, and is facing both short- and long-term challenges.

Council staff is unclear about what happened to Pyramid Atlantic. The current right of way for Ripley Street next to Pyramid Atlantic is 32 feet wide. The street may ultimately be widened as the Ripley Street District is redeveloped. The 1993 Silver Spring CBD Sector Plan required a 70 foot right-of-way for Ripley Street. The 2000 Sector Plan carried over the same requirement. The Council did not make any new decisions that changed the requirements for Ripley Street in 2004. On June 30, 2005, the T&E Committee reviewed the then Department of Public Works and Transportation’s (DPWT) Phase I facility planning for Ripley District Streets (the packet for the Committee review is available online at:

<http://www.montgomerycountymd.gov/Content/council/pdf/agenda/cm/2005/050630/20050630te05.pdf>.) The Committee recommended that the DPWT not proceed with Phase II facility planning for the Ripley District Streets. The Committee Chair's letter to DPWT is attached at © 62.

It is not clear whether, for example, Pyramid Atlantic sought a building permit and did not receive it because their proposed project would be inconsistent with the right-of-way requirements in the master plan, or whether Planning Board staff advised them that if they produced a sight plan for additional construction on the Ripley Street side of their building it most likely would not be approved for the same reason. Pyramid Atlantic staff is researching the organization's records to try to provide additional background on this issue.

In the meantime, Pyramid Atlantic must make payments on their mortgage, but cannot generate the earned that income they had assumed from rentals and other paid uses of their public space. Their total debt was \$865,000. With FY09 County funding of \$165,000 they were able to recast their debt instruments in one long-term mortgage fully amortized over 10 years and at a very favorable interest rate, and pay off about \$50,000 of the principal. They requested another \$120,000 from the County in FY10 to continue to pay down their mortgage, and the Executive recommended \$50,000.

Pyramid Atlantic applied for consideration to be housed in the arts space in the new Silver Spring Library. If the Executive selects Pyramid Atlantic, the organization would sell its existing building and use the proceeds for build-out of the library space.

Council staff comments: As it is unclear how Pyramid Atlantic's current situation came about, it is unclear whether any action of the County caused or contributed to it, and whether the County should have an ongoing role in addressing it.

In addition, Pyramid Atlantic has not indicated whether this second request in as many years is part of a longer term plan to continue to ask County for assistance paying off the mortgage.

Before making a recommendation, the Committee may want to ask Pyramid Atlantic and the Executive to provide:

- more detailed background about the origin of Pyramid's situation
- information about Pyramid's longer term plans to pay off its mortgage

Round House Theatre, \$75,000

The Round House Theatre is requesting this funding to assist them in covering increasing expenses for maintenance and utilities for their Bethesda Theatre. They feel that this is an issue of parity with other organizations in County owned facilities that are not charged for utilities and maintenance, including the County owned Round House facilities in Silver Spring. They also feel that this request is appropriate because it is a capital request which the AHCMC intended to

be treated separately from other funding requests. Information from Round House Theatre on this request is on © 63.

Council staff comments:

1. Council staff believes that this issue needs further study before any long term commitments of additional taxpayer support are made to any organization. As the table provided by OMB in 2007 (© 65-70) indicates, varied arrangements have been made with arts organizations in County owned facilities. Some organizations must pay for rent, utilities, maintenance, or sinking funds, and others are not required to. It is essential to understand in detail what was originally required in each case, the intent of the original agreements, and the potential fiscal and other impacts of any potential changes before any changes are proposed.
2. Many of the arrangements for organizations in County owned facilities are very generous and provide the organizations with benefits, such as reduced or minimal rent, or subsidized utilities or maintenance, which organizations that are not in County facilities do not receive. In considering issues of parity, it may be advisable to consider conditions in the broader arts and humanities community before any decisions are made.
3. The crosswalk attached on © 64 was provided by the Arts and Humanities Council during the FY08 budget review for the transition to the new grants categories created under the Strategic Plan. It indicates that the grants to be handled outside the AHCMC process were for major facility projects of \$250,000 or more. This request does not involve a major capital project and is not the type of request that the AHCMC envisioned to be handled outside of their grants process. However, it also appears that AHCMC expected to be able to address certain smaller requests through Advancement Grants which have not been funded to date.

Council staff recommendation: Council staff would be inclined to recommend against this request because it bypassed Arts and Humanities Council review, and it opens up many issues of parity and fair treatment which have not been fully considered at this time. At the same time, the utilities and maintenance figures provided by the Round House Theatre on © 63 show a large increase in costs over the past several years which may have been unexpected and difficult for Round House Theatre to manage as the economy has declined.

If the Committee wishes to recommend approval of this request, Council staff recommends that the Committee make clear that:

1. this is one-time only funding, and
2. any further request of this nature must be made in the context of a full assessment by the Executive and the Arts and Humanities Council of arts and humanities organizations in County buildings and in the community in general.

SUMMARY OF POSSIBLE REDUCTIONS

If the Committee feels that further reductions to the Arts and Humanities Council NDA are needed, the Committee could consider the following:

- It would be possible to take a reduction in the contribution to AFI. A reduction of 5%, or about \$25,000, would be consistent with the Executive's reduction to the AHCMC's grant funding, but a larger reduction could be considered, if necessary.
- Ask the AHCMC to reevaluate the budget for the AHCMC and the other earmarked grants to provide a strategy for a reduction of a certain percentage or amount.

The AHCMC could consider:

- Deferring for a year any new organizations that might be eligible for operating support, for a savings of \$170,670.
- Reducing the grandfathered grants by 10% rather than 5% because together they receive a large proportion of the funds available for operating support, and because the grandfathering arrangement leaves them less vulnerable to variations in support caused by increases and decreases in cash expenses. This would save an additional of \$44,000.
- Reducing AHCMC administrative costs by 5%, for a savings of about \$19,000.
- Reducing the other earmarked grants by a uniform percentage, or evaluating them for funding based on an expedited review process. Savings to be determined.

While none of these options are particularly appealing, they are available if the Council finds it necessary to reduce beyond what the Executive has already proposed.

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Non-Departmental Accounts

MISSION STATEMENT

Non-Departmental Accounts (NDAs) contain expenditure items essential to the operation of the County government which do not fall within the functional assignment of any department or agency, or which provide for expenditures related to more than one department or agency.

In FY10, 34 Non-Departmental Accounts are funded. Five NDAs are not recommended for funding: the Board of Investment Trustees; Closing Cost Assistance; Inauguration and Transition; Motor Pool Fund Contribution; and Restricted Donations. The five full-time positions with the Board of Investment Trustees are charged to various retirement funds; 0.6 workyears are charged to the Compensation and Employee Benefits Adjustments NDA for deferred compensation management.

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Non-Departmental Accounts is \$141,679,230, an increase of \$15,763,900 or 12.5 percent from the FY09 Approved Budget of \$125,915,330.

PROGRAM CONTACTS

Contact Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Arts and Humanities Council

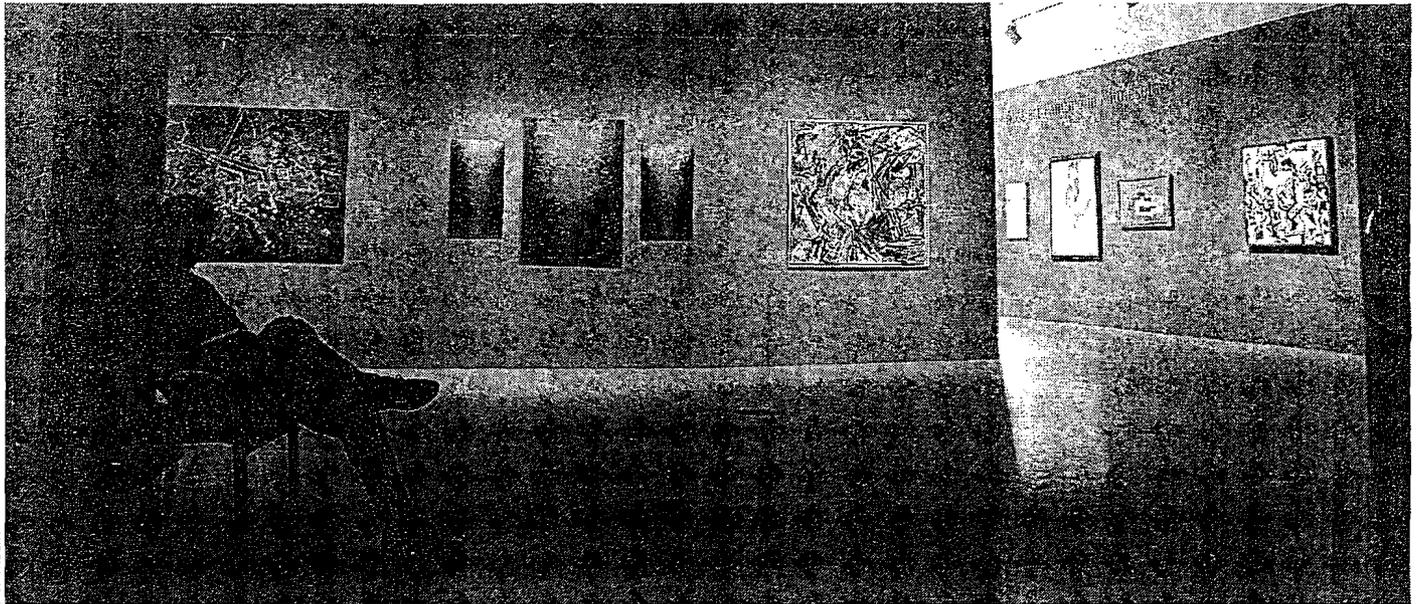
This NDA provides funding for the Arts and Humanities Council of Montgomery County (AHCMC), the County's designated local arts and humanities agency. FY10 taxpayer support of the Arts and Humanities Council includes general operating grants to arts and humanities organizations; program grants to agencies not receiving general operating support; project grants to individuals, scholars, groups, or small organizations; technical assistance and other support services for individuals and other organizations in the County; and operating expenses for AHCMC. The County's contribution is implemented by a contract between the Department of Recreation and AHCMC.

The Arts and Humanities Council's mission is to promote, support, and expand cultural activities in the County and to help integrate them into the lives of all residents. AHCMC coordinates services to more than 300 arts and humanities organizations and over 300 individual artists and scholars in the County. Its activities include providing grants to individuals, scholars, and arts and humanities organizations; providing technical assistance to arts and humanities organizations; sponsoring cultural events; publishing and maintaining on its website a comprehensive calendar of cultural events in the County; coordinating cultural activities; sponsoring and overseeing the presentation of an annual cultural fair; providing staff support for the County's Public Arts Trust; and implementing the County's first community cultural plan. AHCMC is headquartered in Silver Spring, Maryland, and receives support from the State of Maryland, Montgomery County, regional foundations, and private support.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	5,315,480	0.0
Increase Cost: American Film Institute	506,250	0.0
Add: Imagination Stage	400,000	0.0
Add: Heritage Tourism Alliance	75,000	0.0
Add: Round House Theatre	75,000	0.0
Add: Pyramid Atlantic Art Center	50,000	0.0
Reduce: Arts and Humanities Council of Montgomery County (5% reduction for Operating support, Grandfathered Grants, and Grants for Smaller Arts Organizations)	-187,350	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09	-1,165,000	0.0
FY10 CE Recommended	5,069,380	0.0

Board of Investment Trustees

The mission of the Board of Investment Trustees is to manage prudent investment programs for the members of the Employee Retirement Plans and the Retiree Health Benefits Trust and their beneficiaries. Expenditures associated with this program are funded



The Minnesota Museum of American Art in St. Paul closed indefinitely in January. The museum had existed in various forms since 1927.

Arts Groups Lose Out in Fight for Funds

BY MIKE SPECTOR

Museums, theaters and operas, already reeling from the recession, are having a tough time attracting support amid perceptions that vital services like soup kitchens and homeless shelters should receive funds first.

Arts organizations are retrenching, and in some cases closing, as a result of fewer sales of tickets and merchandise, arts leaders say. They're also seeing fewer donations from individuals and corporations, and cutbacks in government funding. About 10,000 arts organizations, or 10% of the U.S. total, are at risk of folding, according to Americans for the Arts, a non-

profit lobbying group in Washington, D.C.

One reason for the struggles: Some people "think of arts as an unnecessary frill," and discount arts groups' economic and educational contributions to society, says Lester Salamon, director of the Center for Civil Society Studies at Johns Hopkins University. That sentiment was front and center during recent debate over the giant federal economic-stimulus package, when arts funding met opposition.

Arts groups garner about 40% of their income—far more than other nonprofits—from private donations, Mr. Salamon says. But private donors have cut back, and they tend to shift their money to human-services outfits during recessions, he says. "It's a double whammy."

Some cultural institutions have already folded. The Baltimore Opera's board voted to liquidate the organization last week. Brandeis University officials are mired in controversy over a decision to sell parts of its Rose Art Museum collection. In January, the Minnesota Museum of American Art in St. Paul, which had existed in various forms since 1927, closed indefinitely. The Milwaukee Shakespearé theater company shuttered in October, after its main funder, a local foundation, dropped support.

Many arts organizations are tightening their belts. In New York, where Wall Street banks have collapsed, the Metropolitan Museum of Art just cut 74 positions and warned it could slash another 10% of its work force by

July. In Detroit, where General Motors Corp. and Chrysler LLC are on the verge of bankruptcy, the Detroit Institute of Arts reduced 20% of its staff as part of a \$6 million budget cut, and the Detroit Opera canceled a spring production.

In suburban Maryland, Imagination Stage, one of the U.S.'s largest children's theaters, expects its \$5.1 million budget for fiscal 2009 to shrink 5%, said Brett Crawford, the theater's managing director. Amid state budget cuts and fewer corporate and individual donations, the theater has started furloughs and cut some productions at its camps.

"It's tough out there," Ms. Crawford says. "The arts are... that thing that can be cut, because we need our police officers, we need our soup kitchens."

Arts organizations have responded by trumpeting their education initiatives as examples of how they give back to society and warrant additional money. The Washington Performing Arts Society sponsors a gospel choir for inner-city youth that recently performed for President Barack Obama at the national prayer service the day after his inauguration. The Indianapolis Museum of Art supports art instruction for third graders in city public schools, then invites classes to tour the museum.

In their bid to rally support, arts leaders have focused most on economic arguments. Cultural institutions generate \$166.2 billion in annual economic activity through spending by organizations and consumers

patronizing their events, says Americans for the Arts. The sector accounts for 5.7 million jobs and nearly \$30 billion in federal, state and local tax revenue.

That argument encountered an uphill battle during congressional debate over the stimulus package. When the Senate passed its version of the stimulus, it contained a provision barring any money from going to museums, theaters and arts centers—grouping those organizations with casinos and golf courses. It also stripped funding for the National Endowment for the Arts.

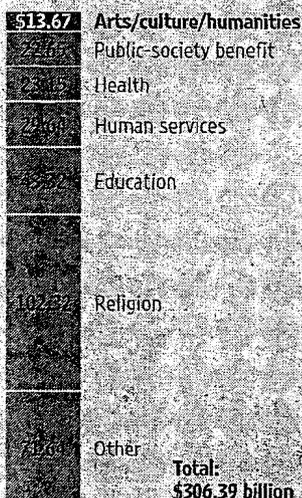
After some political wrangling, the restrictive language was removed, and the NEA got \$50 million. Some arts advocates championed the funding, noting it represented a third of the NEA's typical annual budget. But others found it lacking amid the severe recession.

In the \$787 billion stimulus package, funding for the arts is a "drop in the bucket," says philanthropist Eli Broad, the founder of home builder KB Homes and financial titan SunAmerica, and a big art donor.

If arts groups want more money, they need to intensify outreach efforts, so audiences reflect an area's diverse population, Mr. Broad says. Arts organizations must "cater to a much broader audience that represents our demographics today and tomorrow, not what it used to be 30 years ago," he says. "You've got to democratize the arts if you expect to get the kind of financial support [desired] from individuals, foundations and government."

Starving Arts

U.S. charitable giving in 2007, by type of recipient, in billions



Source: Giving USA Foundation

officers

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U.S. Department of Education
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Jacqueline Manger
West Creek Capital
Vice President & Board
Development Chair

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Acacia Financial Advisors, LLC

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Mara Mayor, Ph.D.
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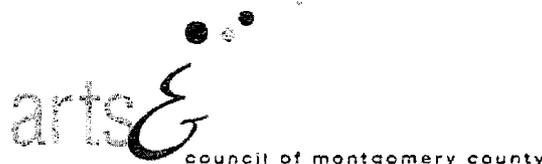
Jack Rasmussen, Ph.D.
American University Museum

Mary Kay Shartle-Galotto, Ph.D.
Montgomery College

Brad Watkins
Olney Theatre Center

adjunct to
the board

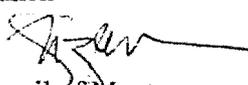
Kenneth A. Lechter, Esq.
Legal Counsel



MEMORANDUM

April 2, 2009

TO: Councilmember George Leventhal, Chair
Health and Human Services Committee
Montgomery County Council

FROM: Suzan E. Jenkins, CEO 
Arts and Humanities Council of Montgomery County

RE: FY10 Budget Request and Report on FY09 Activities

The Board and staff of the Arts and Humanities Council of Montgomery County (AHCMC) thank you for this opportunity to share with you our accomplishments and activities during FY09, and our direction and vision for FY10 and beyond.

Given the difficult economic situation in which the County and nation finds itself, AHCMC recognizes the need for a new business model—one that is collaborative, entrepreneurial, and fiscally-conservative. Under new leadership, AHCMC demonstrates this model by adhering to core mission services, embracing technology, and economizing through collaboration, cooperation and coordination. More importantly, AHCMC is actively providing tools for artists, scholars, and arts and humanities groups to do the same.

Understanding that technology has become a major competitive asset, we see an online granting system as a way to provide our constituent community more rather than less resources in challenging times. During FY10, we will be implementing an online grants system called Culture Grants Online. (For more information, see <http://www.westaf.org/culturegrants.php>.) This system is used extensively by public arts granting agencies throughout the country. Purchase of this system has been made possible through the allocation of the proceeds of the 2008 Executive's Ball for the Benefit of the Arts and Humanities. The system will be implemented in time to receive applications for FY11 grants.

In this economic climate, we understand and support the County Executive's recommendation for a 5% cut in funds available to be granted. However, more significant cuts to the grants program will threaten the foundation of the creative industries that contribute to our quality of community and economic vitality of our County.

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The chart below shows actual FY09 grant and administration amounts and the County Executive's Recommended FY10 amounts. Under the County Executive's recommendations, every one of our grant programs will continue to be funded. These programs include support for large, mid-size and small organizations, grants to individual artists and scholars, and programs that serve schools and community organizations.

**OVERVIEW OF FY09 AHCMC BUDGET AND
 CE RECOMMENDED FY10 BUDGET**

Category	Actual FY09 Amount	CE Recommended FY10 Amount
Operating Support to Large Organizations (7% in FY09; 5.587% in FY10)	\$2,373,392	\$2,254,675
Grandfathered Organizations (Baltimore Symphony at Strathmore, National Philharmonic, Glen Echo Park Partnership for Arts and Culture	\$874,438	\$830,715
TOTAL Operating Support for Large Arts and Humanities Organizations	\$3,247,830	\$3,085,390
Small/Mid-size Organizations, Creative Projects, Arts Education, Community Grants, and Individual Artist/Scholar Grants	\$518,840	\$492,930
SUBTOTAL GRANTS	\$3,766,670	\$3,578,320
Administration	\$373,810	\$374,810
Public Arts Trust Maintenance	\$10,000	\$10,000
TOTAL	\$4,150,480	\$3,963,130

An introduction to AHCMC and an overview of AHCMC's FY09 programs and activities begins on the next page.

ABOUT AHCMC

HISTORY

The Arts and Humanities Council of Montgomery County (AHCMC) is a 33-year old non-profit dedicated to supporting the County's cultural community and facilitating and promoting arts and humanities experiences to residents and visitors. AHCMC is the agency designated by law to administer the County's funds for arts and humanities and, as such, is a well-respected grantmaker in the County. AHCMC was formed by the 1999 merger of the Arts Council of Montgomery and the Humanities Commission.

Over the last decade, the Board and staff of AHCMC have provided the visionary leadership necessary to develop a strong and cohesive cultural community. Success has been due in part to AHCMC's policy of inclusive and progressing thinking. In 2001 and 2007, AHCMC commissioned broad-based planning studies that brought the arts and humanities constituency together with government, corporate and funding sectors. These studies, and other studies, include:

Cultural Plan, 2001

Creative Montgomery: A Vision for the Future of the Arts and Humanities in Montgomery County, MD, was presented to the Council and Executive on May 14, 2001. In October 2001, the County Council endorsed the plan and its recommendations. The cultural plan has been almost entirely implemented.

Strategic Plan, 2007

In FY07, AHCMC undertook a *Strategic Plan* that reviewed County policies related to the disbursement of arts and humanities grants. Our consultant met with leaders from business, government, and the cultural community. The response was overwhelmingly positive and, together, we crafted a more equitable distribution of County grant funds. In the past, AHCMC administered only a portion of the County's cultural funding. However, following the completion of Phase I of the Strategic Plan, Montgomery County Executive Isiah Leggett and the County Council shifted full responsibility to AHCMC's staff for managing and disbursing all arts and humanities grants. The Phase 1 Plan has resulted in increased support to cultural organizations and the development of new grant categories to serve more groups and individuals with more funds. Based on the Plan's recommendations, AHCMC added a new staff position to coordinate technical assistance and capacity building programs for groups and individuals.

Arts and Economic Prosperity III

In 2007, AHCMC in conjunction with Americans for the Arts released the results of a nation-wide study entitled Arts and Economic Prosperity III. Some of the Montgomery County highlights include:

- Montgomery County's arts and humanities organizations add \$117 million to the local economy each year.
- Montgomery County outranks all other jurisdictions in the Greater Washington region with the exception of the District of Columbia in the total economic impact of the arts and culture.
- Nationally, the arts and culture industry generates \$166.2 billion in economic activity each year. That amount is greater than the Gross Domestic Product of most countries.

- In Montgomery County, arts and cultural organizations spend \$51.6 million a year on everything from paper clips to employee salaries, contracts for services, supplies and more. This spending supports jobs, creates household income, and generates revenue.
- Cultural audiences in Montgomery County spend \$65 million on restaurants, parking garages, hotels, babysitters, transportation and gifts and souvenirs. Of this \$65 million, over \$27 million was spent on restaurant meals and snacks in Montgomery County.
- 1.9 million people attended Montgomery County's cultural events in 2005--that's a 58% increase since 1998 when attendance was estimated at nearly 1.2 million. Eighty-percent of attendees were residents.
- 5,984 volunteers donated their time to cultural organizations in 2005, putting in nearly 400,000 hours of work. According to Independent Sector, this equates to an astonishing \$7.5 million in donated labor.

GOVERNANCE AND STAFF

AHCMC is governed by a volunteer Board of Directors. Members represent the arts, the humanities, the business community and the community at large. The Board meets every other month. The Executive Committee, composed of the President, Vice Presidents, Secretary and Treasurer, meets in the alternating months. The Board has responsibility for oversight of AHCMC's policies, programs and financial management.

The staff of AHCMC includes five full-time employees --Suzan Jenkins, CEO; Michelle Grove, Events and Grants Manager; Mark Puryear, Director of Outreach and Services; Shellie Williams, Director of Marketing & Program Services; and Terri Thomas, Creative and Internet Services Director. There are three part-time employees--Fran Abrams, Director of Grants; Susie Leong, Director of the Public Arts Trust; and Jeff King, Arts Education Manager. To assure fiscal oversight, we also employ a part-time accountant, Charlotte Patterson, CPA.

In September, the AHCMC Board hired Suzan Jenkins as Chief Executive Officer. An MBA and arts management professional, Ms. Jenkins, with the assistance of staff, initiated an organizational re-structure that has made AHCMC leaner, more efficient and more entrepreneurial.

ONGOING PROGRAMS AND PROJECTS

The vision of AHCMC is to provide leadership that sustains arts and humanities organizations, artists and scholars and inspires participation in our County's rich cultural assets. AHCMC is the designated arts and humanities agency for the County serving approximately 450 arts and humanities emerging, small, mid-sized and large organizations based in the County as well as some 1,000 artists and scholars who reside here. In addition to grantmaking, AHCMC serves its arts and humanities constituents with specialized programs and services that promote professional and organizational growth, enhance marketing efforts, and provide educational opportunities. These services and programs include:

Technical Assistance & Capacity Building:

AHCMC offers formal and informal assistance. Monthly, our staff consults via phone, electronically or in-person with five to 10 individuals and organizations in the areas of management, fundraising, presenting, advocacy, and grant research. AHCMC coordinates a range of modestly priced and free

professional development, technical assistance and capacity building workshops to our constituents as well as free grant application workshops. Workshop topics reflect the needs of our constituencies and the economic climate in which we are currently operating. FY09 programs included:

- **Survivin' & Thrivin' Brown Bag Series:** Three informational gatherings were held to help our constituencies strategize methods for surviving and thriving in the current economic climate. These free programs focused on marketing, management and trends in grant seeking.
- **CEO Roundtable:** Following the success of the Survivin' and Thrivin' Brown Bag Series, AHCMC initiated a CEO Roundtable. Held very six weeks, this Roundtable provides an opportunity for CEOs and senior management personnel from arts and humanities nonprofits in the County to meet, share concerns and ideas, and to strategize.
- AHCMC offered six grant preparation workshops to approximately 90 prospective applicants; and four capacity building and professional development workshops attended by 140 artists, scholars and representatives of arts or humanities groups in the County. Workshops addressed the topics of increasing audience diversity; organizational assessment and strategic planning; professional development, business skills and marketing for visual artists; and preparing digital media work samples.

Marketing Services:

Working with an advisory committee comprised of local arts and humanities marketing staff, AHCMC has developed a variety of marketing opportunities including:

- *The Collaborative Advertising Campaign:* This campaign allows organizations to pool their advertising resources for more buying power with *The Washington Post* and *The Gazette* and to participate in *The Guide to Children's Arts Activities*, a print and online listing of after-school and weekend arts programs for elementary to high school students prepared twice yearly by AHCMC. Over 30 organizations have participated in these campaigns this year.
- *The Marketing Managers Networking Breakfast:* These breakfast meetings are held quarterly for professional staff and volunteers in arts and humanities marketing to create opportunities for collaboration and sharing. Meeting topics have included: "Email Marketing," "Mailing Lists and Data Bases," and "Creative Uses of Your Website."
- *What to Do & Where to Go: Online Events Calendar:* In order to convene and enable the community around arts and humanities activities and presentations in the County, the AHCMC is developing a new website that is user-friendly, easily navigated, content rich, visually exciting, and highly informative. Cultural patrons, families, and anyone seeking entertainment in Montgomery County will want to visit this site. The website uses a CMS (content management system) platform that allows staff to constantly update and refresh information. An understanding of the needs and motivations of AHCMC's various audiences is at the core of this new website so that users can easily find the information they seek, while also having access to a broader spectrum of data. A soft launch is schedule for May 2009.
- *News and Opportunities:* This e-newsletter is published once a month and provides professionals and volunteers in the arts and humanities with a clearing house of information on grants, opportunities, employment and advocacy.

Community Programs & Events:

- *The 23rd Annual Montgomery County Executive's Ball for the Benefit of the Arts and Humanities* was held December 1, 2008 with 500 in attendance. This year's Ball netted approximately \$35,000 in donations. Proceeds from this event will be used to set up and maintain an e-grants system as described above.
- *Feed the Body and Soul Food Drive* was held January 21 – 30, 2009. In response to President Obama's and County Executive Leggett's call to service, AHCMC organized a food drive with four other arts nonprofits geographically spread throughout the County. We were able to deliver eight hundred pounds of food to Manna Food Center.
- *Excellence in the Arts and Humanities Awards*: 350 attendees honored the County's most passionate and active cultural leaders and recent grant recipients on October 20, 2008 at the Music Center at Strathmore. Excellence Awards sponsored by the County Executive were given to six individuals and one business.
- *Magical Montgomery* was held September 27, 2008 with about 6,000 people in attendance. Despite rain, the 8th Annual Magical Montgomery Festival enjoyed enthusiastic crowds. This year's event included booths of 100 artists and cultural organizations as well as two stages of live entertainment.
- *An Da Union in Concert* was held March 4, 2009, in partnership with Arts Midwest, The President's Council on the Arts, Montgomery College, Class Acts Arts and the Sheraton Rockville, with over 350 people attending. This remarkable group from Inner Mongolia that specializes in the ancient art of throat-singing, or khoonii, was touring the U.S. with its last stop in our region. In addition to the concert, AHCMC facilitated school-based demonstrations in the days preceding the concert and coordinated opportunities for Inner Mongolians who are now residents of our County to meet and dine with the performers.

Public Arts Trust:

A program of AHCMC since the mid-nineties, the Trust manages the County's public arts program. Its mission is to build and inspire communities through placemaking and to nurture Montgomery County artists engaged in public art. In FY09, the Trust organized two exhibitions at the Visions Exhibition Space at the North Bethesda Marriott Conference Center featuring four local artists. The Trust also oversaw the completion of three public art projects including a commissioned public art piece by Silver Spring artist Arturo Ho at A. Mario Loiederman Middle School. Six new projects were initiated and AHCMC provided major maintenance for three existing public art pieces.

Montgomery Traditions:

Montgomery Traditions is a program of AHCMC that supports the efforts of County-based individuals, cultural institutions and communities to discover, share, preserve and sustain traditional arts and culture within the County. As the most diverse region in the State of Maryland, Montgomery County benefits from an extraordinary number of outstanding traditional artists from around the world and around the block who make their homes here and share their artistry with their neighbors. AHCMC programmed county-based traditional performing artists at three county festivals and the County Executive's Ball, and organized a gathering and traditional music showcase featuring master West African and Irish musicians in November 2008. In December, staff coordinated, documented and recorded over four years' worth of fieldwork data into one comprehensive data base. As AHCMC's new website continues to be

developed, significant exposure will be provided for this aspect of our County's culture.

Arts Education:

The mission of AHCMC's Arts Education Initiative is to take an active role in the education and social welfare of Montgomery County's children and youth by ensuring accessible, high-quality arts programming in partnership with other community resources. FY09 programs include:

- *Curriculum-based Teaching Artist Residencies* for public, private and parochial schools. The Teaching Artist Residency program provides grant funds for schools to hire artists trained in arts-integration. Educators seeking a grant must use an artist from the AHCMC Teaching Artists Roster which can be found on our website. The Roster features teaching artists who have been trained in arts integration, curriculum standards, and classroom management. AHCMC offers training opportunities for artists wishing to learn arts integration and continuing education workshops to artists on the Roster.
- *Telling Your Own Story*, AHCMC's after-school gang prevention program, serves youth ages 11 - 21 that are most at-risk for gang violence, truancy, and academic failure. This unique partnership among AHCMC, four social service organizations who already are serving this audience, and four cultural organizations, furthers donor funds and meets the challenge of involving youth in meaningful after-school activities.
- In FY09, AHCMC continued its *21st Century Community Learning Centers Program*, a summer arts program developed and implemented in collaboration with Montgomery County Public Schools. Now in its fifth year, this program served nearly 1,000 K-5 students in ten Montgomery County Title I schools.
- Thanks to a grant from the Sovereign Bank and donations from the Montgomery County Employees Charity Campaign, AHCMC is facilitating an after-school program with the Montgomery County Housing Opportunities Commission (HOC). HOC will select students to work with a teaching artist specializing in photography for a six-week program that will provide a meaningful experience during afternoon hours when children are often left unsupervised.

Grantmaking:

Overview of Grantmaking Process

The grants process occurs year-round. The steps in this process, as described in further detail below, are:

1. Outreach and publicity,
2. Workshops and technical assistance,
3. Application review and evaluation,
4. Panel process,
5. Grant awards,
6. Reporting on grant-funded activities, and
7. Reviewing and revising grant guidelines for upcoming fiscal year.

1. Outreach and publicity

The availability of grants is publicized through media releases, e-mails to prior grantees, and e-blasts to our entire newsletter list that reaches about 2,000 people. Prospective applicants are directed to the

grant guidelines that are posted on our web site and encouraged to attend our free grant preparation workshops as described in further detail below.

2. Workshops and technical assistance

Four to five weeks in advance of each grant deadline, AHCMC staff conducts one or two workshops on how to complete an application for that grant category. These workshop dates and times are printed in the guidelines. Reminders are sent by e-mail to our distribution list and press releases are sent to the media.

In addition, during the period leading up to each grant deadline, the staff meets one-on-one with prospective applicants to help them shape their applications. We also answer numerous telephone inquiries about proposed applications. We provide advice such as what grant category is appropriate and whether the proposed activities are eligible within the grant guidelines. As a grant deadline approached, we receive e-mails of draft applications. We review the drafts and provide guidance to the applicants to help assure that their applications clearly describe their proposals and include all of the required information and documentation. The staff takes the time to explain the requirements and invites people to come to the office to meet with us, since an in-person review of the grant guidelines often is helpful.

We emphasize making the process friendly and encouraging, especially to first-time applicants. We believe that our local grant process can become a training ground that will give applicants the knowledge and courage to submit applications to other grant sources.

3. Application review and evaluation

Upon receipt of each application, the pertinent information is entered into our database. Staff reviews each application for completeness and eligibility. Applications are not rejected for small bureaucratic reasons, and applicants are given the opportunity to submit missing material as deemed appropriate. A copy of each application that is complete and eligible is placed in a panel review notebook that is prepared for each panelist and delivered 10 days to two weeks prior to the panel meeting for review prior to the meeting.

4. Panel process

There are four or five panelists for each grant review depending on the complexity and number of applications. Potential panelists are solicited through various sources including former panelists; Maryland, DC, and Virginia state arts councils; Maryland and DC humanities commissions; other county arts councils; national arts service organizations; local colleges and universities; national associations; past grantees; and artists and scholars. We also have found excellent panel members from among the staff of our larger organizations to review applications from smaller groups.

Panel members are selected for their expertise in a particular arts or humanities discipline, knowledge of the community and potential audiences, and ability to work in a group decision-making process. We strive to assure that each panel represents diverse interests and backgrounds as well as geographic, ethnic, gender, and professional representation. We have been very successful in ensuring that our panelists reflect the diversity of our community, just as our applicants do. Each panel is composed of individuals with varying backgrounds to assure a balance of viewpoints and expertise in the evaluation

of the applications. (A complete list of the individuals who participated on panels for FY09 grants is available upon request.)

We carefully look for panelists who do not have any conflicts of interest with the applicant organizations or individuals that they will be reviewing. Representatives of potential grantees do not serve on AHCMC panels related to the grants for which they are applying. Individuals must disclose any arts and humanities organizations in Montgomery County with which they have connections or an interest, such as board member, volunteer, employee or consultant in the organization. A panelist is recused from considering an application when a conflict of interest is disclosed. In all cases, the panels review applications on the basis of evaluation criteria that are clearly stated in the grant guidelines.

As mentioned above, the Arts and Humanities Council staff does not participate in the panel discussions that are evaluative in nature. The staff provides information, upon request, that is factual. Staff does not discuss the merit of the program proposed or other subjective issues. The panel must consider each grant request on the basis of the information contained in the application.

Panel meetings are open to the public in accordance with Maryland's open meeting law. Applicants may attend the meetings to listen to the panel deliberations. Grant applicants are emailed the date of the panel review and invited to attend. Depending on the type of grant application and the number of grants under review, we typically have between five and 15 observers during each panel meeting.

Except in the case of Operating Support Grants, the panelists recommend whether or not an application should be funded and may also add to their recommendations whether to fully fund or partially fund. For Operating Support Grants, the amount of the award is based on the appropriation of the County Council.

5. Grant awards

Following the panel meeting, the grants staff then prepares recommendations for grant awards based on the panel recommendations and scores, the amount of funds available, and the staff's knowledge of the applicant's past level of success in implementing grant awards. A complete report is prepared including the panel's evaluation and recommendations for each application and the staff's reasons for recommending or not recommending an award.

These recommendations are forwarded to AHCMC's Grants Committee. This committee is made up of AHCMC Board members and volunteers from the community. The Committee reviews the panels' recommendations for consistency with the guidelines and evaluation criteria, reviews the staff's recommendations and reasoning, and forwards its recommendations to the Board of Directors with changes, if any. The Board of Directors has final authority to approve all grants. After the board has made its decisions, an applicant may call the staff to for explanation of what the panelists had to say about his/her application if s/he was unable to attend and listen to the panel deliberations.

Immediately following the meeting of the Board of Directors to approve the grant awards, letters are mailed to each applicant announcing the amount of the grant award or informing the applicant that an award was not made. When an award is made, the letter is accompanied by a grant agreement. This

form must be signed by the applicant and returned to AHCMC to confirm that the program will be carried out as stated in the application. When a grant is not awarded, the letter encourages the applicant to call the staff to learn what the panel had to say about the application, so as to be able to prepare a more successful application in the future, and to apply again during the next grant period.

Grant checks for most categories are mailed immediately following receipt of grant agreement forms and AHCMC's receipt of its check from the County Government. In the *Artists and Scholars in the Community Grants* category, a report must be received confirming that the activity took place before a check is mailed to the artist or scholar who presented the activity.

6. Reporting on grant-funded activities

Each grantee is required to complete a final report form briefly explaining what took place during the grant-funded activities. The specific requirements vary from category to category. The final reports generally require a short narrative and a financial report.

7. Reviewing and revising grant guidelines for upcoming fiscal year

Each year, the staff reviews the comments of the panelists with respect to the effectiveness of the grants process and the clarity of the guidelines during their review. We also record feedback from grantees throughout the year, noting areas of the application that have generated more than a few requests for clarification. The staff and the Grants Committee then revise the guidelines to ensure clarity and to make certain that the outcome of the awards process is consistent with the purpose of the grant. Revised guidelines are prepared by the staff for the upcoming fiscal year for approval by the AHCMC Board of Directors.

An overview of the grants awarded in FY2009 begins on the next page.

OVERVIEW OF FY2009 GRANTS AWARDED

Introduction

FY2009 grants were awarded in the following categories:

- *Grants to Large Arts and Humanities Organizations*
- *Grants to Small and Mid-Size Arts and Humanities Organizations*
- *Creative Projects Grants to individual artists and scholars*
- *Artists and Scholars in the Community Grants*
- *Teaching Artist Residency Grants*
- *Direct Line Item Grants* awarded by Council action

Comparison of FY08 and FY09 Grant Awards

Grant Category	FY2008		FY2009		FY10 Based on CE Recommended Budget
	# of grants	Total amount awarded	# of grants	Total amount awarded	Estimated amount to be awarded
A. Grants to Large Organizations	33	\$3,306,670	31	\$3,247,830	\$3,085,390
B. Grants to Small and Mid-Size Organizations	46	\$355,000	54	\$354,840	\$342,830
C. Creative Project Grants to Individual Artists & Scholars	45	\$100,000	36	\$105,000	\$101,650
D. Artists and Scholars in the Community Grants	8	\$15,000	15	\$13,852	\$17,100
E. Teaching Artist Residency Grants	19	\$30,000	13	\$32,820	\$31,350
Sub-total AHCMC Grantmaking	151		149	\$3,754,342	\$3,578,320
F. Direct Line Item Grants	3	\$790,000	3	\$665,000	\$600,000
TOTAL	154	\$4,596,670	152	\$4,419,342	\$4,178,320

A. General Operating Support Grants to Large Arts and Humanities Organizations

Purpose of Grant

Grants to Large Arts and Humanities Organizations are intended to provide a base of operating support to arts and humanities organizations in the County in recognition of the valuable programs and services they provide to County residents. Arts and humanities organizations are groups whose primary mission is directed to an arts and/or humanities discipline. Applicants must be 501(c)(3) nonprofit organizations that have been operating in the County for at least three years. The applicants must have an annual budget in the most recently completed fiscal year of not less than \$150,000 and must have at minimum one full-time (35 hours/week) administrator.

Award Computation

The *General Operating Support Grant* amount that is awarded is determined by resolution of the County Council in appropriating grant funds. For FY2009, the amount that AHCMC requested from the County Executive and County Council was based on 7% of the total of the organizations' cash expenses (or cash revenue as explained below) for the most-recently completed fiscal year—FY2007. The amount approved by the County Council was based on 7% awards.

Each grant award is computed by multiplying 7% times the organization's cash expenses, except if an organization has incurred a deficit in the last fiscal year. In this case the grant amount is based on the organization's cash revenue. AHCMC verifies the amount of the organization's expenses and the amount of their revenue through the organization's 990 and audit.

The grant amount approved by the County Council reflects a decision to "grandfather" three organizations that received line item grants for transition funding prior to FY08. These are the Baltimore Symphony Orchestra (BSO) at Strathmore, the National Philharmonic, and Glen Echo Park Partnership for Arts and Culture. The grandfather provision allows these organizations to continue to receive a fixed amount of funding until their grant award, when based on the established percentage, exceeds the grandfather amount.

There were 31 eligible applicants. Of these, 30 were past applicants and one, Home School Talents, was new. Two applicants, American Dance Institute (ADI) and Tappers With Attitude (TWA), did not apply for FY09. Also, the grant amount to Class Acts Arts was reduced to reflect their new status as an "associate" organization rather than a core organization. This was necessary because they no longer present 51% of their programming inside Montgomery County—a requirement for a core organization.

Panel Process

The purpose of the panel evaluation process for these grants is not to determine the grant amount, but rather to provide a management review of the organization. Regardless of the rating of the application, the award will be determined as described above. The panel's comments will be forwarded to each organization with encouragement to use the comments for organizational improvements. This review also alerts AHCMC to any weakness in the organization, or any pattern of weaknesses among more than one organization, that may need to be the subject of technical assistance on our part. This review also

informs the decision as to whether to recommend a short form or a full application for the next grant year.

Grantees

Adventure Theatre, Glen Echo (\$32,621) – Children’s theater productions, classes and summer camps.

- **Arts for the Aging**, Bethesda (\$25,996) – Arts programs for physically and psychologically impaired seniors at senior centers and other community sites.
- **BlackRock Center for the Arts**, Germantown (\$59,450) – Arts resource center providing an art galley, arts education and performances.
- **Baltimore Symphony Orchestra at Strathmore**, N. Bethesda (\$429,756)—A year-round, full-time professional symphony orchestra that presents a full season of concerts at the Music Center at Strathmore.
- **CityDance Ensemble at Strathmore**, N. Bethesda (\$54,787) – Professional repertory dance company and dance education program in residence at the Music Center at Strathmore.
- **Class Acts Arts**, Silver Spring (\$36,563) – Performing arts programs in schools and community sites.
- **Create Arts Center**, Silver Spring (\$13,383) – Visual arts classes and camps in Silver Spring and classes at after-school programs in local elementary schools.
- **Friends of the Library, Montgomery County**, Rockville (\$50,012) – Programs that promote the Montgomery County Public Libraries.
- **Glen Echo Park Partnership for Arts and Culture**, Glen Echo (\$115,212) – Manages the educational, artistic, historical, cultural, and recreational activities at Glen Echo Park.
- **Home School Talents, Inc.**, Rockville (\$10,655) – Provides professional level training in the cultural arts, primarily to home school students, as well as students with flexible scheduling.
- **Imagination Stage**, Bethesda (\$323,102) – Professional theater for families and theater classes for children.
- **Jewish Community Center of Greater Washington, Cultural Arts Division**, Rockville (\$74,019) – Multi-disciplinary arts programming including performances, exhibits, classes and lectures for all ages.
- **Levine School of Music, Maryland Site**, N. Bethesda (\$106,689) – A nationally-accredited community music school offering high quality music education and performance opportunities at the Music Center at Strathmore.
- **Liz Lerman Dance Exchange**, Takoma Park (\$101,672) – Cross-generational performance and teaching center.
- **Lumina Studio Theatre**, Silver Spring (\$17,234) – Provides actors of all ages and abilities with training that culminates in professionally-produced performances of Shakespeare and other masterpieces of the theater.
- **Maryland Classic Youth Orchestras**, N. Bethesda (\$24,695) – Musical training and performing opportunities in orchestral music for outstanding students of music.
- **Maryland Youth Ballet**, Silver Spring (\$83,275) – Training for young dancers to prepare for the professional ballet stage and community performances.
- **Metropolitan Ballet Theatre**, Rockville (\$29,433) – Professional dance education and community performances.

- **Montgomery County Historical Society**, Rockville (\$28,343) – Educational programs, exhibits and tours to promote the history of Montgomery County.
- **Musical Theater Center**, Rockville (\$80,157) – Training for young people in the musical theater disciplines of voice, acting and dance culminating in community performances.
- **National Philharmonic**, Rockville (\$329,470) – Professional chamber orchestra concerts, ensemble concerts, and piano recitals in residence at the Music Center at Strathmore as well as summer training programs for young musicians.
- **Olney Theatre Center for the Arts**, Olney (\$296,758) – Professional theater productions, Summer Shakespeare Festival and educational activities for schools.
- **Peerless Rockville**, Rockville (\$14,832) – Education, advocacy, tours, events and exhibits to promote and preserve Rockville’s past.
- **the Puppet Co.**, Glen Echo (\$34,827) – Puppet theater productions for the performance of both repertory and touring shows.
- **Pyramid Atlantic Art Center**, Silver Spring (\$36,409) – A contemporary visual arts center and gallery dedicated to the creation and appreciation of paper, prints, book arts, and digital media.
- **Robert E. Parilla Performing Arts Center**, Rockville (\$82,776) – Performance space for Montgomery College educational programs, community programs, and rental to community organizations.
- **Round House Theatre**, Bethesda and Silver Spring (\$230,375) – Professional theater productions and year-round theater education programs.
- **Strathmore**, N. Bethesda (\$418,042) – Art exhibitions, music programs, family arts events, and arts education.
- **VisArts**, Rockville (\$33,328) – Membership-based regional art center offering visual arts classes, exhibitions and artist studios.
- **The Washington School of Photography**, Bethesda (\$20,133) – Training in photography for professionals and amateurs, offering classes, workshops and camera clubs.
- **The Writer’s Center**, Bethesda (\$53,824) – Regional literary center supporting both beginning and established writers in all genres with classes, workshops and other activities.

B. Grants to Small and Mid-size Arts and Humanities Organizations

Purpose of Grant

Grants to Small and Mid-Size Arts and Humanities Organizations are intended to:

- Engage audiences in arts and/or humanities experiences by providing support to nonprofit arts and humanities organizations for the presentation of high-quality programs;
- Strengthen the infrastructure of nonprofit arts and humanities organizations by supporting the improvement of their management and organizational skills; and
- Improve the delivery of arts and humanities programs and services to Montgomery County residents by supporting the renovation or improvement of the spaces occupied by arts and humanities organizations, or by assisting the organizations in purchasing up-to-date equipment.

There are three types of grants available—*Program Grants*, *Management Grants*, and *Space Improvements and Equipment Grants*. Each organization that applied could request up to \$30,000 in any combination of the three types of grants for the entire fiscal year. Applications were received and considered twice for FY09, once in the spring for funds to be used at any time during the fiscal year, that is, July 1, 2008 through June 30, 2009, and again in the fall for funds to be used in the second six months of the fiscal year.

Panel Process

During each round of grants—spring and fall, panels were arranged to consider applications by discipline. For example, in the fall, one panel considered music, folk/traditional arts, festivals, visual arts, and media arts applications, and one panel considered theater, dance and history applications. Areas of expertise required for each panel are determined after the applications are received. For example, if it is determined that the applications are requesting funding for programs in the areas of music, dance and theater, then panelists are sought who are experts in these fields. In addition, because these are grants to nonprofit organizations, we look for panelists with experience in administering nonprofits.

Every panel uses scoring sheets based on the evaluation criteria in the grant guidelines. At each of the panel meetings, each individual application was discussed and then scored. These scores were used as a guide for the panel in making its recommendations.

Grantees

There were 33 awards to 29 organizations for the full fiscal year, as listed below:

- **Act Two Performing Arts**, Rockville (\$5,000-Program) – To support theatre rental for mainstage productions featuring students in grades 3-12.
- **Act Two Performing Arts**, Rockville (\$7,000-Management) – To support web site design and other activities to build the professional capacity of Act Two.
- **Arts on the Block**, Wheaton (\$4,000-Program) – To provide job and life-training skills workshops in the arts for creative youth.
- **The Bach Sinfonia**, Silver Spring (\$26,440-Program) – For costs associated with the 2008-2009 concert season, including artist fees and space rental.
- **The Bach Sinfonia**, Silver Spring (\$3,000-Management) – To develop a database of ticket sales and donors, with related administrative support.

- **Cantate Chamber Singers**, Bethesda (\$9,000-Program) – To support the ongoing program of choral works and to enhance its programming with visual components such as video and slides.
- **Chevy Chase Historical Society**, Chevy Chase (\$7,500-Management) – To hire interns to help the society accession, preserve, and digitize its collection.
- **Clancy Works Dance Company**, Silver Spring (\$18,000-Management) – To build the company’s management team and lessen dependence on in-kind services and volunteers.
- **Coral Cantigas, Inc.**, Rockville (\$14,000-Program) – To support programming for the 2008-2009 concert season of choral music that reflects the diversity of Latino cultures including Spanish, Latin American and Caribbean.
- **Damascus Theatre Company**, Gaithersburg (\$2,500-Program) – To support the cost of staging a fall musical production to be performed at Olney Theatre’s Multz-Gudelsky Theatre Lab.
- **F. Scott Fitzgerald Literary Conference, Inc.**, Rockville (\$5,000-Program) – To support the 2008 conference that includes a full day of literary activities and to expand the number of workshops available to attendees.
- **Glen Echo Pottery**, Glen Echo (\$1,650-Space Improvements and Equipment) – To purchase, install and provide technical support for a computerized financial management system.
- **Historic Medley District, Inc.**, Poolesville (\$7,000-Space Improvements and Equipment) – For interior and exterior restoration of the historic Poolesville Bank/Town Hall building that will then be used as the new Poolesville Museum.
- **The Jazz Academy of Music, Inc.**, Silver Spring (\$15,000-Program) – To develop additional performing opportunities for students and to support expenses for nationally-recognized artists to conduct master classes.
- **MPD Productions, Inc.**, Silver Spring (\$1,250-Program) – To support production of arts and humanities segments for The Coffee House TV show broadcast on cable television.
- **MPD Productions, Inc.**, Silver Spring (\$1,000-Space Improvements and Equipment) – To purchase a light kit and portable audio mixer to enable video production in the field.
- **Musical Arts International, Inc.**, Silver Spring (\$2,500-Program) – To support four chamber concerts – three classical and one jazz, in Silver Spring and Rockville.
- **National Capital Trolley Museum**, Colesville (\$10,150-Space Improvements and Equipment) – To improve access to the archives/library collections and to make the classroom and operations area functional inside the expanded visitors center.
- **NIH Philharmonia**, Gaithersburg (\$10,000-Program) – To support the four-concert season including conductor’s stipend, music and rehearsal space.
- **Olney Community Band**, Olney (\$2,000-Program) – To support the upcoming season including the conductor’s salary, enhanced brochures and new music.
- **Open Circle Theatre**, Rockville (\$5,000-Program) – To support the production of “Story Theatre” that will showcase performers with and without disabilities.
- **Paul Peck Humanities Institute of Montgomery College**, Rockville (\$10,000-Program) – To bring Portraits of Life, a traveling exhibit about Holocaust survivors, to County schools to supplement programs for secondary students.
- **Photoworks, Inc.**, Glen Echo (\$2,000-Management) – To hire a marketing/media/ public relations consultant to complete and implement a plan to market Photoworks’ programs and classes.
- **Photoworks, Inc.**, Glen Echo (\$4,000-Space Improvements and Equipment) – To replace outdated Mac computers with up-to-date iMac computers to improve the experience of teachers and students.

- **Shalsholet: The Foundation for New Jewish Liturgical Music**, Chevy Chase (\$4,000-Management) – To support the services of a Songbook Coordinator to manage the preparation of the 2008 festival songbook and to develop a streamlined process for creating future songbooks.
- **Shalsholet: The Foundation for New Jewish Liturgical Music**, Chevy Chase (\$1,250-Space Improvements and Equipment) – To purchase a laptop computer and software for publishing festival songbooks.
- **Silver Spring Media Arts**, Silver Spring (\$15,000-Program) – For post-production of a one-hour television documentary titled “Friends of Sironka” that tells the story of a group of African dancers that visited Montgomery County.
- **Silver Spring Stage**, Silver Spring (\$18,000-Space Improvements and Equipment) – To replace sound and lighting equipment that will enhance production quality and assist hearing-impaired theatre-goers.
- **Takoma Park Folk Festival, Inc.**, Takoma Park (\$4,000-Program) – To publicize the 2008 Festival through the production of flyers and other materials.
- **Takoma Park Folk Festival, Inc.**, Takoma Park (\$1,000-Space Improvements and Equipment) – To construct a 12’ x 16’ concrete platform at Takoma Park Middle School to be used annually for the festival.
- **Tappers With Attitude, Inc.**, Silver Spring (\$17,250-Management) – To recruit and hire a full-time Operations Manager to allow the organization to operate more efficiently, secure other sources of funds and focus more effectively on educational, artistic, and outreach missions.
- **Wildwood Summer Theatre, Inc.**, Bethesda (\$1,250-Program) – To support the summer musical production presented by Wildwood, an all-youth, learning-by-doing company.
- **Zemer Chai, Washington’s Jewish Community Chorus**, Kensington (\$3,000-Program) – To support a collaborative performance in late October 2008 with the Chamber Choir of the Jerusalem Academy of Music and Dance as part of their tour of the eastern United States.

For the second half of fiscal year 2009, there were 21 awards to 19 organizations, as listed below:

- **Art Glass Center at Glen Echo**, Glen Echo (\$1,000-Space Improvements and Equipment) – To purchase a computer, monitor, software, all-in-one printer, and a charge/debit card terminal for accounting, inventory, publicity and teaching.
- **Bel Cantanti Opera Company**, Gaithersburg (\$9,000-Program) – To pay the theater space rental for operas being performed at the Olney Historic Theatre and at Montgomery College.
- **Clancy Works Dance Company**, Silver Spring (\$9,900-Management) – To build the management team by underwriting salaries and fees paid to staff and contracted arts administrators, thus lessening dependence on in-kind services and volunteers.
- **Concerts in the Country**, Boyds (\$3,250-Program) – To support two events, a Spring Planting Festival with dedication of a collaborative memorial sculpture/garden, and an event for Juneteenth and Montgomery Heritage Day with approximately twenty artists.
- **Damascus Theatre Company**, Damascus (\$2,380-Program) – To offset the cost of staging a fall musical production of *They’re Playing Our Song* to be performed at the Olney Theatre’s Mulitz-Gudelsky Theatre Lab.
- **Damascus Theatre Company**, Damascus (\$3,110-Space Improvements and Equipment) – To acquire portable sound equipment that will allow staging productions in various locations throughout upper Montgomery County.

- **Folklore Society of Greater Washington (FSGW)**, Bethesda (\$4,250-Program) – To support the continuation of the Washington Folk Festival for its 29th season.
- **Heritage Tourism Alliance of Montgomery County**, Germantown (\$3,200-Program) – To fund extensive research for an educational podcast driving tour that will highlight the many stories of the Civil War in Montgomery County to coincide with the commemoration of the 150th anniversary of the conflict.
- **Historic Medley**, Poolesville (\$8,300-Space Improvements and Equipment) – For interior restoration of the historic Poolesville Bank/Town Hall building that will become the new Poolesville Museum.
- **Historic Takoma**, Takoma Park (\$24,000-Space Improvements and Equipment) – To rehabilitate the interior shell of 7328 Carroll Avenue, an historic commercial building in the Takoma Park Historic District.
- **Institute of Musical Traditions**, Takoma Park (\$5,100-Space Improvements and Equipment) – To purchase transportable sound equipment musical production presented by Wildwood, an all-youth, learning-by-doing company.
- **Institute of Musical Traditions**, Takoma Park (\$2,700-Program) – To present and archivally record traditional music icons who are nearing the end of their careers.
- **Kuchipudi Kalanidhi**, Bethesda (\$2,500-Management) – To hire an independent accountant to conduct an audit.
- **Olney Community Band**, Olney (\$1,000-Program) – To pay expenses of the OCB for the concert season.
- **Quotidian Theatre Company**, N. Bethesda (\$2,200-Program) – For a portion of the production costs for the world premiere production of "Monday Evening 1942," written by Board Member and Bethesda resident Steve LaRocque.
- **Symphony of the Potomac**, Glen Echo (\$7,250-Program) – To continue SOTP's tradition of providing a quality symphonic and instrumental music concert series that is readily accessible to citizens in Montgomery County at an affordable price.
- **Takoma Park Jazzfest**, Takoma Park (\$1,300-Program) – To bring high quality jazz artists to the attention of the public in an all day, outdoor festival in Takoma Park.
- **Tappers With Attitude**, Silver Spring (\$3,500-Space Improvements and Equipment) – To upgrade aging computers and software to improve operational efficiency.
- **Tappers With Attitude**, Silver Spring (\$6,500-Management) – To obtain a full audit for the 2007-08 fiscal year that will allow the organization to appeal more efficiently for support from foundations and individual donors.
- **Washington Conservatory of Music**, Bethesda (\$20,000-Space Improvements and Equipment) – To purchase relocatable Wenger sound isolation modules with virtual acoustic environment capabilities to provide a state of the art recording and teaching environment.
- **Washington Musica Viva**, Bethesda (\$3,600-Program) – To support a concert series to be presented at the Dennis & Phillip Ratner Museum on Old Georgetown Road in Bethesda.

C. Creative Project Grants to Individual Artists & Scholars

Purpose

Creative Projects Grants are intended to support the work of individual artists and scholars, collaborations of artists and scholars, and small arts and humanities groups that may not be incorporated formally as nonprofit organizations. These grants support artists and/or scholars who reside in Montgomery County and groups based in the County. Activities undertaken through these grants may focus on the creation of artistic or scholarly work, the development of professional skills by an artist or scholar or small arts and/or humanities group, or the interaction of artists and scholars with residents of the County. This is the second year that this grant has been offered.

It is the intent of these grants to support work in a wide array of arts and humanities disciplines, including visual arts, theater, music, dance, media arts, festivals, traditional arts, the history and/or theory of works of art, creative writing, history, languages, linguistics, philosophy and ethics. Three types of *Creative Projects Grants* are available—*Grants for Creation of New Work*, *Professional Development Grants*, and *Community Connections Grants*. Each applicant may request up to \$5,000 for one type of grant.

Panel Process

The applications were divided into three groups based on artistic or scholarly discipline and three panels were convened – (1) Music, dance and festivals; (2) Visual arts; and (3) Theater, media arts, writing and philosophy.

At each of the panel meetings, each individual application was discussed and then rated based on the evaluation criteria in the guidelines. The scores were used as a guide for the panel in making its recommendations.

Grantees in Music, Dance and Festivals:

- **Cantare, Latin American Music**, Takoma Park (\$3,000-Professional Development) – To produce a professional quality DVD showcasing a sample of the duo’s performances for use as a marketing tool.
- **Chopteeth Afrofunk Big Band**, Takoma Park (\$5,000-Professional Development) – To record three live performances and use the best selections for a live concert CD.
- **Nilimma Devi**, Silver Spring (\$4,000-New Work) – To complete a new choreographic work “Mandala – A Voyage Within” exploring the earliest known anthology of women’s literature in India.
- **Greta Ehrig**, Takoma Park (\$1,180-New Work) – To produce and release the artist’s debut CD of approximately 12 original songs with lyrics.
- **Rob Guttenberg**, Cabin John (\$2,025-Professional Development) – To produce a video of the artist’s performances and workshops to promote his services to conference programs and colleges.
- **Chitra Kalyandurg**, Rockville (\$3,000-Professional Development) – To support a three-month trip to Chennai, India, where the artist will study choreography with renowned Kuchipudi teacher, Jaikishore Mosalikanti.
- **Jessica Krash**, Chevy Chase (\$2,000-New Work) – To compose a large work for solo piano that will become the centerpiece of a new CD.

- **Martin Family Band**, Boyds (\$1,180-New Work) – To create a CD of 18th century period music and Christmas music performed on a variety of instruments including banjo, hammered dulcimer, mandolin, fiddle and guitar.
- **Orfeia, Eastern European Vocal Harmonies**, Silver Spring (\$1,180-Professional Development) – To develop a professional recording with promotional materials for use in seeking performance opportunities.
- **Lisa Swenton-Eppard**, Germantown (\$1,500-Professional Development) – To cover expenses for attending the 18th annual Rhythm World Summer Festival in Chicago where the artist will study tap dance choreography.
- **The solSource Group**, Silver Spring (\$2,000-Community Connections) – To support the production of a one-day festival in Silver Spring called “Can a Sista Roc a Mic” featuring female artists and other festival activities.
- **Emily Wessel & Juious Brickhouse, Urban Artistry**, Bethesda (\$5,000-Community Connections) – To present a Hip Hop Festival to showcase dance in historic and contemporary forms related to hip hop culture.

Grantees in Visual Arts

- **Irene Abdou**, Germantown (\$3,500-Professional Development) – To complete a one-week workshop at a photography school and take further steps to obtain magazine photography assignments.
- **Karin Abromaitis**, Takoma Park (\$2,290-Professional Development) – To continue study as a ceramicist and participate in residencies, conferences and exhibits.
- **Barbara Allen**, Silver Spring (\$5,000-Professional Development) – To build a small wood-fired kiln designed to be fired by one person.
- **Tom Block & Joel Bergner**, Silver Spring (\$3,000-Community Connections) – To paint a large community mural in downtown Silver Spring that will tell the stories of refugees from various countries who work with the International Rescue Committee.
- **Shanthi Chandra-Sekar**, North Potomac (\$2,500-New Work) – To create a body of work of large paintings that visually connects sounds, symbols and the subtleties in mark-making in different languages form around the world.
- **Nancy Frankel**, Kensington (\$5,000-New Work) – To create “Conversation II,” a sculpture consisting of two welded steel six-foot high forms that will be the artist’s largest work to date.
- **Jody Isaacson & Andrea Hull**, Kensington (\$2,500-New Work) – For the artists to collaborate in order to create a screen print and a multi-panel woodblock print.
- **Sumita Kim**, Gaithersburg (\$2,000-New Work) – To create a new series of work using digital photography.
- **Amy Marx**, Bethesda (\$5,000-New Work) – To participate in a tornado chasing tour and take photographs of tornadoes on which to base her next body of work and to buy supplies needed to produce the paintings.
- **B.G. Muhn**, Gaithersburg (\$2,500-New Work) – To travel to China to collect Buddhist images and to research Eastern philosophy in order to complete a series of mixed media works using found objects.

- **Komelia Kim**, Rockville (\$1,235-New Work) – To purchase metal and art supplies to produce 10 wall sculptures for the artist’s upcoming exhibition at the Montgomery College, Rockville, Art Gallery.
- **Phyllis Plattner**, (\$2,500-New Work) – To create new multiple panel paintings derived from warfare imagery contrasted with images of mothers and babies and decorative ethnic patterns.
- **Selena Reames**, Brookeville (\$2,400-Professional Development) – For the artist to attend a month-long residency in a supportive working environment as she works on her mixed media projects.
- **Gretchen Schermerhorn**, Silver Spring (\$3,085-New Work) – To produce ten 22” x 30” etchings using the galv-etch method, an ecologically safe alternative to etching with acids.
- **Lynn Sures**, Silver Spring (\$3,000-New Work) – To allow the artist to work in collaboration with Dieu Donne Papermill in New York to produce relief pulp-painted paperworks on the subject of mountains and caves.
- **Joanne Wasserman**, Silver Spring (\$3,000-New Work) – To create original watercolor paintings using an approach that expresses abstract concepts through perspective and calligraphy illumination.

Grantees in Theater, Media Arts, Writing and Philosophy

- **Leila Cabib**, Potomac (\$5,000-New Work) – To create a short animated film in which a variety of drawn characters express their personalities, attitudes and moods through the way that they walk.
- **Laura Costas**, Silver Spring (\$2,985-Professional Development) – To record the short stories in a collection by the author titled “Fabulae, Tales for an Age of Ambivalence.”
- **Susan Goldman**, Rockville (\$5,000-Professional Development) – To undertake the first phase of “Midwest Matrix,” a project that will collect the oral histories of renowned Midwestern artists and teachers and their students.
- **Richard Henrich**, Silver Spring (\$3,900-New Work) – To develop a play script about the life and work of Alfred Jarry, a French playwright who is considered the father of the style known as “Theater of the Absurd.”
- **Henry Mills**, Silver Spring (\$4,000-New Work) – To create a poetry manuscript and multidisciplinary spoken word performance piece exploring the artist’s Salvadoran and Jewish-American identity/heritage.
- **Larry Moffi**, Silver Spring (\$2,800-New Work) – To complete a collection of poems, “The Country Every Man and Woman Comes From.”
- **Potomac Review**, Rockville (\$1,800-Community Connections) – To support a World AIDS Day event featuring readings of fiction and poetry by local writers on the subject of AIDS in the USA and Africa.
- **Charlotte Sommers**, Silver Spring (\$3,740-Professional Development) – To attend the O’Neill Center National Critics Institute, an intensive writing workshop.

D. Artists and Scholars in the Community Roster and Grants

Part 1. Roster

New Process for Roster

For FY09, AHCMC developed a new *Artists and Scholars Roster for Community Programs*. The *Roster* is displayed on AHCMC's website at http://www.creativemoco.com/resources/a_s_roster.html. The main purpose of the *Roster* is to provide the public with access to a list of pre-screened, high-quality artists and scholars who are available to present programs and workshops for any organization that wishes to arrange for an artist or scholar to present at its facility.

The Roster is not a grant program. Later in fiscal year 2009, AHCMC offered *Artists and Scholars in the Community Grants* that are described in Part 2 below. To be eligible for these grants, artists/scholars must be accepted on the Roster. Although any organization may book an artist/scholar from the Roster at its own expense, *Artists and Scholars in the Community Grants* will directly pay the artist/scholar selected from the Roster to present a program for an eligible community-based organization as defined in the grant guidelines. Examples of community-based organizations are a senior living facility, a community service organization, a public agency, an organization serving a specific population such as persons with disabilities, a library, a neighborhood association or a faith-based organization.

Roster Process

Artists and scholars of all disciplines who are professionals and who have experience presenting programs in the community in a variety of arts and humanities disciplines were encouraged to apply for the *Roster*. Arts disciplines include dance, media art, music, storytelling, theater, visual art, and folk and traditional art. Humanities disciplines include history, social sciences, philosophy and ethics, music and arts interpretation, writing and literary analysis. Artists and scholars who qualify for the *Roster* are listed with specific information about fees and how to contact the artist/scholar to arrange a program.

Panel Process

The panelists reviewed the applications on the basis of the following criteria:

- Artistic/Scholarly Merit (60 points)
- Presenting Readiness (30 points)
- Administrative Capacity (5 points)
- Residency (add 5 points if resides or based in Montgomery County)

The guidelines also indicate that artists and scholars who are already listed on AHCMC's Teaching Artist Roster or on the Maryland State Arts Council Performing Artists Roster will automatically be accepted on this *Roster*. On the web, this Roster also provides a link to the other two rosters.

Also, it should be noted that applications for the Roster will be accepted every six months. Acceptance on the Roster is effective for 36 months with artists/scholars required to file an annual update to assure us that they are still in the area and still operating, and to let us know if their fees have changed.

The following artists and scholars were selected for the first *Artists and Scholars Roster for Community Programs*:

- **Karin Abromaitis**, Theater; Physical Acting, Stage Combat, Mime; Mask, Clown
- **Samia Ahmad**, Music
- **Rosana Azar**, Visual Art
- **Balafon West African Dance Ensemble**, Dance; West African Dancing & Drumming
- **Anthony Cohen**, Storytelling, Visual art, History; Underground Railroad, Family History, Filmmaking; Performance art, inspirational/motivational speech & workshops, race relations
- **Cheick Hamala Diabate**, Folk/traditional arts; Traditional Malian Music & Storytelling (master ngoni musician); Guitar, banjo, Bambara
- **Educational Theatre Company** (Represented by Class Acts Arts), Theater; Classical Theater, Musical Theater, Theater Design; Music, Storytelling, Dance
- **Mystic Warriors**, Music; Traditional Music of Andes
- **Orfeia, Eastern European Harmonies**, Music; Eastern European Folk Music (vocal); Folk/Traditional arts, Storytelling
- **Hussein Saidi**, Visual Art; 2-D Mixed Media Collages
- **Ellouise Schoettler**, Storytelling; Personal/family stories, Traditional Folktales, Nature Stories
- **Step Afrika!** , Dance; Stepping
- **Sutradhar Institute Of Dance & Related Arts (SIDRA)**, Folk/traditional arts; Kuchipudi Classical dance form (from India); Storytelling, Rhythms, Myths
- **Tehreema Mitha Dance Company**, Dance
- **Elizabeth Wolf**, Visual Art

The following artists are pre-qualified to be included on the Roster due to their inclusion on the AHCMC Teaching Artists Roster and/or the MSAC Performing Artists Roster.

- **Noa Baum** (Represented by Class Acts Arts)—MSAC Roster, Storytelling; Multicultural Storytelling, Jewish Storytelling, Middle Eastern Storytelling; Theater, Folk/traditional arts, Writing/Literature
- **Leila Cabib**—Teaching Artist Roster, Media arts; Animation, Cartooning
- **ClancyWorks Dance Company**—MSAC Roster, Dance
- **Puppet-Dance Productions**—MSAC Roster, Theatre

D. Artists and Scholars in the Community Roster and Grants

Part 2. Grants

Grants Process

For 2009, AHCMC instituted an innovative approach to the award of the new category of *Artists and Scholars in the Community Grants*. The purpose of the new grants program is to make it easier for community organizations that serve underserved populations to bring a performer or presenter to their facility. Since the only artists/scholars who can be funded with this grant must be listed on the Roster, this means they have already have been screened for quality. The grant applications are evaluated on the

basis of whether the artist/scholar is appropriate for the audience and whether the amount of funds proposed is reasonable for the scope of the proposed program. This is a very short application and offers a 30-day turn-around between application and award.

To achieve this accelerated review and award decision, the panel process, Grants Committee review, and Board action are condensed into one step. A Community Grants Review Committee is convened to review applications and approve grant awards.

The members of the Community Grants Review Committee are Naomi Collins, Chair of the Grants Committee; Mara Mayor, Grants Committee member; Mary Kay Shartle-Galotto, Board member; Lauren Cook, Board member; Karla Silvestre, community representative from the Montgomery County Office of Community Partnerships; Michael Sandner, Managing Director of Adventure Theatre, artist representative; and Joy Garbutt, Education Program Coordinator at Strathmore, artist representative. The Review Committee then is required to report its actions to the full AHCMC Board. The process went remarkably smoothly given that this was the first time handling applications in this way.

As required, each application came from a community-based organization jointly with an artist who already is approved on our *Artists and Scholars Roster*. The community organizations must serve an underserved population defined as individuals who by virtue of their age, economic status, locale, physical ability, or any other characteristic have fewer opportunities to participate in programs available to the general community. No organization may receive more than \$1,500 in one fiscal year. Each artist may receive up to three awards during the fiscal year.

Grantees

- **Balafon West African Dance Ensemble** (\$1,000) – To perform at a festival sponsored by **Centro Familia**, Silver Spring, an organization that works to empower Latino and other immigrant families.
- **Noa Baum** (\$1,500) – To present a workshop for seniors and caregivers on preserving their personal stories as part of the Elder Care project of **Bikur Cholim of Greater Washington**, Silver Spring, an organization devoted to serving people with illnesses who are undergoing medical treatment.
- **Leila Cabib** (\$1,500) – To teach a series of seven hands-on cartooning classes to 15 middle school students after school at the **Lincoln Park Community Center**, Rockville, in a welcoming environment designed to give school-aged children a safe and fun place to hang out.
- **Leila Cabib** (\$1,500) – To engage children of all ages and their parents in a variety of hands-on cartooning and animation activities during six one-hour sessions at **The Children's Inn at NIH**, Bethesda, that provides housing and other services for family members of children undergoing treatment at NIH.
- **Clancy Works Dance Company** (\$1,500) – To offer 15 dance classes to youth members of the **Boys and Girls Club of Greater Washington**, Silver Spring Branch.
- **Anthony Cohen** (\$1,000) – To present two participatory forums exploring the African-American experience including slavery, freedom, and race today for **IMPACT Silver Spring**, an organization that works to create a thriving, multicultural community.
- **Ellen Cole** (\$720) – To conduct a memoir writing workshop for senior adults focusing on writing autobiographical poetry and prose at the **Margaret Schweinhaut Senior Center** in Silver Spring to encourage senior adults to engage in creative writing.

- **Cheick Hamala Diabate** (\$1,500) – To work with the youth participants in a program of the **African Immigrant and Refugee Foundation** in Silver Spring called “Catching Up” to prepare a spring music and dance performance for peers and family.
- **Lesole’s Dance Project** (\$562) – To perform a dance program for the clients and staff of the **CHI Centers, Inc.**, Silver Spring, a program that serves individuals with disabilities.
- **Monumental Brass Quintet** (\$670) – To present a music program for the clients and staff of the **CHI Centers, Inc.**, Silver Spring, a program that serves individuals with disabilities.
- **The Shadow Puppet Workshop** (\$400) – To present a participatory, performance-based program using the ancient art of shadow puppetry at the **Damascus Library** to tie-in with the 2009 Summer Reading program theme, "Get Creative at Your Library."
- **The Shadow Puppet Workshop** (\$400) – To present a participatory, performance-based program using the ancient art of shadow puppetry at the **Long Branch Library** to tie-in with the 2009 Summer Reading program theme, "Get Creative at Your Library."
- **The Shadow Puppet Workshop** (\$400) -- To present a participatory, performance-based program using the ancient art of shadow puppetry at the **Silver Spring Library** to tie-in with the 2009 Summer Reading program theme, "Get Creative at Your Library."
- **Marcie Wolf-Hubbard** (\$1,500) – To present a visual arts program at **Arden Courts of Kensington**, a facility serving people with Alzheimer’s disease.

E. Teaching Artist Residency Roster and Grants

Part 1. Roster

Roster Process

In FY 08, AHCMC developed a new Teaching Artists Roster that can be viewed at http://www.creativemoco.com/resources/aie_roster.html. The main purpose of the Roster is to provide high-quality teaching artists, trained in arts integration, for residencies and workshops in Montgomery County public, private, and parochial schools. The Roster is an online resource providing web users with an efficient method for identifying highly-qualified teaching artists. Artists programs featured in the Roster meet state and local curriculum objectives and adhere to the highest standards in arts integration teaching. There is no guarantee of employment accompanying the Roster listing.

For FY09, the following artists were added to the Roster:

- **Gail Herman** – Storytelling, mime, creative drama
- **Joanne Miller** – Photography
- **Carol Faulkner Peck** – Poetry writing
- **Amanda Pellerin** – Clay, mosaics, tile
- **Alden Phelps** – Singing, songwriting
- **Oran Sandel** – Theater

E. Teaching Artist Residency Roster and Grants

Part 2. Grants

Purpose

Teaching Artist Residency Grants are intended to support trained, individual artists who collaboratively develop an arts-integrated program with classroom teachers for students during the school day. Eligible artists are those individuals listed on the AHCMC Roster. The program must serve students during the school year in a public, private or parochial elementary, middle or high school, located in Montgomery County.

The school, classroom teacher and the artist must agree to work together to carry out the program. However, grant payments are made directly to the artist following completion of the program. Each grant may not be more than \$3,000.

Grantees

- **Eileen Carson, Footworks Percussive Dance Ensemble** (\$2,570) – To engage 47 third grade students at **Dr. Charles R. Drew Elementary** in Silver Spring in a movement and dance program related to their exploration of the culture of various countries.
- **Ellen Cole** (\$1,650) – To use theater and creative writing activities with fourth graders at **Oak View Elementary** in Silver Spring to explore daily life in colonial St. Mary's City.

- **Suzanne Fierston** (\$2,250) – To explore the culture of the Olmecs, Mayan and Aztec people through writing and the fine arts with seventh-grade students at **Roberto Clemente Middle School** in Germantown.
- **Mary Gresock, Odyssey Opera** (\$2,495) – To provide a music and drama program for students at **Westbrook Elementary** in Bethesda that retells the story of "Rumpelstiltskin" through the elements of opera.
- **Lenore Blank Kelner, Interact Story Theatre** (\$3,000) – To promote emerging literacy skills using basic acting and drama tools with kindergarten students at **Broad Acres Elementary** in Silver Spring.
- **Joanne Miller** (\$2,750) – To teach fourth graders at **Whetstone Elementary** in Gaithersburg the visual language of art and design through photography as it relates to their study of nature.
- **Ali Oliver-Krueger, Interact Story Theatre** (\$2,100) – To explore the Native American legend, Eagle Boy, by creating and dramatizing original operatic scenes with fourth and fifth grade classes at **Georgian Forest Elementary** in Silver Spring.
- **Carol Faulkner-Peck** (\$1,910) – To work with fifth grade students at **Sligo Creek Elementary** in Silver Spring to develop an appreciation for poetry by learning to write poetry themselves.
- **Carien Quiroga** (\$3,000) – To work with seventh graders at **Newport Mill Middle School** in Kensington to develop a mosaic mural related to their study of environment science.
- **Carien Quiroga** (\$3,000) – To work with third graders at East Silver Spring elementary to develop a mosaic mural related to their study of science.
- **Arianna Ross, Story Tapestries** (\$2,900) – To bring “Wonderfully Ridiculous Letter Stories” to support the reading program for kindergarten students at **Kensington Parkwood Elementary** in Kensington.
- **Sue Trainor** (\$3,000) – To work with fifth graders at the **Melvin J. Berman Hebrew Academy** in Rockville on a project called “Writing Songs to Learn.”
- **Marcie Wolf-Hubbard** (\$2,750) – To work with second grade classes at **Glenallan Elementary** in Silver Spring to enhance understanding of a famous American hero or leader through the use of visual arts.

F. Direct Line Item Grants

Purpose

These grants were determined by the County Executive and County Council during the budget process. The Council then appropriated the grant funds to the Arts and Humanities Council for distribution to these organizations. Three awards were made for a total of \$665,000.

AHCMC's role was to prepare the Grant Agreement with each organization and distribute the funds.

At the end of FY09, we will require a final report on the use of the funds. The grant awards are shown on the list below.

Grantees

- **Heritage Tourism Alliance of Montgomery County**, Germantown (\$100,000) – For operating support to match State funds.
- **Imagination Stage**, Bethesda (\$400,000) – To retire a portion of its Tax-Exempt Revenue Bond (Montgomery County) debt, and reimburse Imagination Stage for a portion of the annual debt service associated with that Bond debt.
- **Pyramid Atlantic Art Center**, Silver Spring (\$165,000) – To retire an equity loan and refinance its mortgage on better financial terms

AHCMC Operating Support, FY08 - FY10 Recommended

Organization Name	FY08 Grants (7%)	09 GRANT AWARDED (7%)	ESTIMATED FY10 Grant (5.587%)	% Increase or Decrease from FY09 to FY10 (<i>italics</i> indicates increase)
Act Two Performing Arts*	NA		\$20,664	
Adventure Theatre	\$29,653	\$32,621	\$45,666	40.0%
American Dance Institute*	\$99,739		\$93,173	
Arts for the Aging	\$22,384	\$25,996	\$16,669	-35.9%
BlackRock Center for the Arts	\$52,922	\$59,450	\$56,416	-5.1%
BSO at Strathmore**	\$429,756	\$429,756	\$408,268	-5.0%
CityDance Ensemble	\$43,222	\$54,787	\$45,946	-16.1%
Class Acts Arts	\$87,573	\$36,563	\$74,144	102.8%
Create Arts Center	\$12,780	\$13,383	\$10,937	-18.3%
Friends of the Library, Montgomery County, Inc.	\$45,560	\$50,012	\$47,418	-5.2%
Glen Echo Park Partnership for Arts and Culture Inc. **	\$115,212	\$115,212	\$109,451	-5.0%
HST Cultural Arts	NA	\$10,655	\$11,277	5.8%
Imagination Stage	\$309,850	\$323,102	\$266,161	-17.6%
Jewish Community Center of Greater Washington	\$63,912	\$74,019	\$58,302	-21.2%
Levine School of Music	\$106,534	\$106,689	\$68,795	-35.5%
Liz Lerman Dance Exchange	\$50,558	\$101,672	\$84,031	-17.4%
Lumina Studio Theatre	\$13,164	\$17,234	\$16,565	-3.9%
Maryland Classic Youth Orchestras, Inc.	\$21,396	\$24,695	\$24,911	0.9%
Maryland Youth Ballet, Inc.	\$79,775	\$83,275	\$80,567	-3.3%
Metropolitan Ballet Theatre, Inc.	\$27,259	\$29,433	\$18,847	-36.0%
Montgomery County Historical Society	\$29,484	\$28,343	\$31,116	9.8%
Musical Theater Center, The	\$85,475	\$80,157	\$72,965	-9.0%
National Philharmonic**	\$329,470	\$329,470	\$312,997	-5.0%
Olney Theatre Center for the Arts	\$291,723	\$296,758	\$242,984	-18.1%
Peerless Rockville	\$12,542	\$14,833		
Puppet Co., the	\$31,832	\$34,827	\$31,107	-10.7%
Pyramid Atlantic Art Center	\$30,380	\$36,409	\$32,513	-10.7%
Robert E. Parilla Performing Arts Center	\$69,540	\$82,776	\$69,241	-16.4%
Round House Theatre	\$253,212	\$230,375	\$192,315	-16.5%
Strathmore Hall Foundation, Inc.	\$430,934	\$418,042	\$376,904	-9.8%
Tappers with Attitude	\$16,672			
VisArts at Rockville	\$45,800	\$33,328	\$40,996	23.0%
Washington Conservatory of Music*	NA		\$56,834	
Washington School of Photography, The	\$18,846	\$20,133	\$19,070	-5.3%
Writer's Center, The	\$49,511	\$53,824	\$48,991	-9.0%
Total operating support	\$3,306,670	\$3,247,830	\$3,086,241	

* Not a grantee in FY09

** Grandfathered as of FY08; line items supplements prior to then Grandfathered organizations reduced by 5% of FY09

33. For FY 2009, this resolution appropriates \$39,228,000 to the Department of Liquor Control. During FY 2009, 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 2007 Comprehensive Annual Financial Report. The County Council has estimated that this transfer will amount to at least \$30,410,060.
34. During FY 2009, 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
\$1,675,670	Solid Waste Disposal Fund
9,782,490	Montgomery Housing Initiative
1,153,770	Permitting Services Fund: Public Agency Permits and Green Tape Position
1,582,830	MCPS Instructional Television Fund
1,321,600	Montgomery College: Cable TV Fund
151,860	Community Use of Public Facilities

35. For FY 2009 this resolution appropriates \$5,315,480 to the County Arts and Humanities Council Non-Departmental Account, which must be allocated as follows:

Purpose	Amount
Arts and Humanities Council Activities	
Operating Support	\$3,247,830
Small/Mid-Size Organizations, Creative Projects, Arts Education, and Individual Artist/Scholar Grants	518,840
Public Arts Trust Maintenance	10,000
Administration	373,810
Total Arts and Humanities Council Activities	\$4,150,480
Assistance to Individual Organizations	
American Film Institute (Silver Theatre operating support, which AFI must repay from net revenues before any revenue sharing with the County)	500,000
Heritage Tourism Alliance (operating support – match for State funds)	100,000
Imagination Stage (facility debt service and/or debt retirement)	400,000
Pyramid Atlantic (facility debt payment)	165,000
Total Assistance to Individual Organizations	\$1,165,000
Grand Total – Arts and Humanities Council NDA	\$5,315,480

32 a

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 2009 may be administered by an Executive branch department.

36. As required by County Code §2-151(f), the Council recommends projected budgets for the Office of Inspector General of \$730,146 in FY 2010, \$760,812 in FY 2011, and \$792,766 in FY 2012.
37. The Interagency Technology Fund (ITF) Designated Reserve will have a balance of \$2,268,730 at the beginning of Fiscal Year 2009. Funds will be added to the Designated Reserve when past ITF loans are repaid. When fiscal conditions allow, the Council intends to make contributions to the ITF Designated Reserve to support additional investments in technology as described in Council Resolution No. 16-475.
38. The Director of Finance must designate \$1,940,370 of General Fund funds at the beginning of FY 2009 to fulfill the FiberNet chargeback requirement of the County Government.
39. 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 each month, no later than the tenth of the month, of each permanent full or part-time position created in the County Government during the preceding month. The notice must also specify the source of funds for each position.
40. This resolution appropriates \$450,000 for inflation adjustments for tax-supported contractors with the Department of Health and Human Services (DHHS). DHHS must award these funds to private non-profit service providers whose contracts continue beyond the first year of a contract period and who have satisfactorily performed their contracted duties. Any inflation adjustment awarded under this paragraph must not exceed 2% of the total contract price. Contracts funded by non-County grants are not eligible for an inflation adjustment under this paragraph.

2% on the next \$200,000 of eligible budget amount,
1% on amounts over \$7 million of eligible budget amount with a
grant limit of 5% of total eligible budget amount. This formula
should be adjusted if base operating support grants are more or less
than 8%.



10. To the extent that County appropriations allow, operating support funding should be calculated so that the BSO at Strathmore, National Philharmonic, and Glen Echo Park Partnership for Arts and Culture—organizations that have experienced specific transition needs and have received support and commitments for future support for those needs consistently over the past several years – will be grandfathered into the grants process and will receive not less than their FY07 total award amounts until such time as the amounts of their operating support grants, calculated under the new policy, exceeds their FY07 total award amounts. If, due to significantly reduced County appropriations, the percentage used to compute operating grant awards for all grantees is reduced to less than the previous year's percentage, the grandfathered organization's support grants should be reduced in the same proportion. During the time that an organization is covered by this grandfather provision, it may not apply for an add-on grant as described below.
11. The second part of operating support should be an additional amount of funding available for distribution as add-on grants to organizations based on evaluation of specific criteria and requests for specific activities or projects. It is intended that 2% of the total of all operating budgets would be available for add-on grants. Not all organizations will receive add-on grants, but no organization's base operating support funding will be reduced as a result of the decision on its add-on grant request.
12. Add-on grant awards should be determined by peer panel review. Add-on grants may be requested for projects such as community outreach, private fundraising initiatives, small facilities improvements, and transition needs. Applicants requesting an add-on grant for "transition needs" will be asked to describe, in detail, the nature and duration of their "transition." Use of the add-on award for transition will be evaluated annually. It is intended that no organization should receive a transition grant for more than five years.
13. AHCMC should advocate for sufficient funding from Montgomery County for base operating support and add-on grant awards to enable qualified organizations to receive, on average, up to 10% of their eligible budgets, in keeping with the goals of the 2001 Cultural Plan.

Program Overview

- Summary

Since opening in April 2003, the AFI Silver has operated continuously, seven days a week, 52 weeks a year, attracting over a million patrons from throughout the Greater Washington and Mid-Atlantic region to Montgomery County and downtown Silver Spring. Over this time AFI Silver has become well established as a nationally and internationally recognized player in the film and media communities, and a Washington institution with significant regional impact.

In addition, the AFI Silver continues to contribute to the revitalization and economic development of the community not only through its public programming, festivals and events, but also through the frequent daytime use of the facility for educational and community screenings, as well as for various meetings and conferences.

During FY09 AFI Silver's public programming has continued to enjoy substantial success and growth, achieving record highs for each of the first three months of this calendar year. However, the current economic climate continues to adversely impact individual and corporate giving, and in light of this AFI has implemented what we believe to be significant and prudent operational and staffing changes (including an FY10 salary freeze) to ensure that expenses are in line with reasonable revenue projections.

- Education and Community Partnerships

AFI has collaborated and developed programs with numerous community and educational institutions, and in particular has extensive partnerships and ongoing collaborations with MCPS and Montgomery College.

- MONTGOMERY COUNTY PUBLIC SCHOOLS

- Educational Screenings Program (ESP)

- More than 43,000 students have benefited from AFI Silver's free Educational Screenings Program (ESP), in which feature film

presentations are coordinated with school curricula to stimulate critical analysis by students. This total includes special screenings of THE ADVENTURES OF TOM SAWYER (1938), which through collaboration with the Montgomery County Public Schools Instructional Specialist for Visual Literacy, served over 7,000 students to date and has been linked to the 7th grade English curriculum. The program is an educational resource available nowhere else, and it depends almost entirely on private, corporate and foundation support. Participating MCPS schools have included: B-CC HS, Richard Montgomery HS, Poolesville HS, Einstein HS, Northwood HS, Wootton HS, Paint Branch HS, and Kennedy HS; Eastern MS, Martin Luther King MS, Takoma Park MS, Silver Spring International MS, Neelsville MS, Ridgeview MS, White Oak MS, Eastern MS, North Bethesda MS, Key MS, Lee MS, Sligo MS, Argyle MS, Newport MS, Hoover MS, Clemente MS, Pyle MS, Farquhar MS, Montgomery Village MS, Wood MS, Frost MS, and four alternative middle schools (over half of the middle schools in MCPS); and finally Sligo Creek ES, and North Chevy Chase ES.

School Docs

School Docs, a strand of the International Documentary Conference at the AFI-Discovery Channel Silverdocs Festival, was inaugurated to provide a forum for Montgomery County educators and others to learn the latest research and educational practices involving use of media, especially documentaries in the classroom. Expert speakers and panelists shared their expertise and mingled with filmmakers and distributors to discuss current and future pedagogy. Two unexpected outcomes were that changes and additions to the MCPS 11th grade English curriculum were implemented and best practices for fair use of media in classrooms were created as a result of discussions and feedback from educators in a panel discussion with legal experts from American University. Teachers and administrators expressed enthusiasm and their future support for School Docs 2009.

Teacher Training

The Education Program continues to provide training geared to the expressed needs of principals and staff development coordinators. One hundred Howard County GT teachers, who support and train other teachers, attended a workshop in use of the documentary in the classroom. The film that was employed as a model was one which had appeared at SilverDocs 2008.

Curriculum Development

MCPS and AFI are continuing the development of a system-wide, K-12, film and moving image media curriculum as specialists include film-related objectives and lessons in various subject areas.

In addition, AFI has continued participating in the support of the new ESOL course that was officially approved by the Board of Education by conducting screenings and providing authentic filmmaking experiences for students as filmmakers at School Docs and ESP events.

○ MONTGOMERY COLLEGE

Credit Film Courses:

As part of Montgomery College's film curriculum, the College and AFI Silver have collaborated to offer a series of screenings at AFI Silver during the academic year that are introduced and discussed by the College's instructors. The program is not only part of the course work for enrolled students, but is also open to the general public at a reduced price.

Continuing Education Workshops:

AFI and Montgomery College are engaged in an ongoing collaboration at the college's Takoma Park Campus, offering the community continuing education opportunities with workshops ranging from professional video editing to basic lighting techniques, screenwriting and digital production.

○ MONTGOMERY COUNTY DEPARTMENT OF RECREATION

AFI Silver hosted middle and high school students for film screenings and discussions as part of the recreation department's summer camp program.

• Public Programming

During the past year AFI Silver has featured a rich mix of festivals, special events, premieres, tributes, extended and first-run engagements of specialized films, on-stage guest appearances, retrospectives and educational programs. Below are some sample highlights:

Special Screenings and Guests

Director Milos Forman with ONE FLEW OVER THE CUCKOO'S NEST.

Spike Lee, the 2008 SilverDocs Guggenheim Symposium honoree.

Director Carl Deal at a special screening of his Oscar-nominated documentary, TROUBLE THE WATER.

British director Mark Herman and Irish novelist John Boyne with a Preview Screening of THE BOY IN THE STRIPED PAJAMAS.

British writer/director Mike Leigh with a Preview Screening of HAPPY-GO-LUCKY (nominated for the Best Original Screenplay Oscar).

French writer/director Philippe Claudel with I'VE LOVED YOU SO LONG.

French writer/director Arnaud Desplechin with A CHRISTMAS TALE.

British actor Matthew Goode at a Preview Screening of BRIDESHEAD REVISITED.

German novelist Bernhard Schlink at a special screening of THE READER (based on his book and nominated for five Oscars).

Actor Farley Granger with STRANGERS ON A TRAIN.

Executive Producer Sheila Johnson with A POWERFUL NOISE at SilverDocs.

German journalist and author Stefan Aust with THE BAADER MEINHOF COMPLEX (based on his book nominated for Best Foreign Language Oscar).

Director Geoffrey Smith with THE ENGLISH SURGEON.

Banjo virtuoso Bela Fleck performing after a screening of THROW DOWN YOUR HEART at SilverDocs.

NOSFERATU with live accompaniment by the Silent Orchestra.

The 48 Hour Film Project.

Free Martin Luther King, Jr. Day screening of KING: A FILMED RECORD . . . MONTGOMERY TO MEMPHIS.

Free Outdoor Screening of Albert Maysles WHAT'S HAPPENING! THE BEATLES IN THE USA.

Korean director Lim Soon-rye with FOREVER THE MOMENT.

Korean director Lee Kyoung-mi with CRUSH AND BLUSH.

Craig Shemin, from the Jim Henson Legacy, who presented MUPPET HISTORY 101 and introduced surprise guests Jane and Heather Henson to the audience.

Director and Puppeteer Brian Henson, from the Jim Henson Company, at his presentation, "The Future of Digital Puppetry."

Director David Earnhardt at a special screening of his documentary, UNCOUNTED.

Director/producer Stanley Nelson with the WOUNDED KNEE episode of the PBS documentary mini-series WE SHALL REMAIN.

Director Alex Rivera at the screening of SLEEP DEALER, Opening Night selection in the AFI Latin American Film Festival.

Actress Angelica Blandon at the screening of PARAISO TRAVEL in the AFI Latin American Film Festival.

Directors Robb Moss and Peter Galison at a special screening of their documentary, SECRECY.

Latvian director Aigars Grauba with DEFENDERS OF RIGA.

Irish director Declan Recks with EDEN.

Slovak director Juraj Jakubisko and actress/producer Deana Horvathova with BATHORY.

Writer/Producer Michael Streissguth with JOHNNY CASH AT FOLSOM PRISON.

Richard Brody, author of the Jean-Luc Godard book "Everything Is Cinema" introducing several screenings of Godard's films.

Director Ben Niles with NOTE BY NOTE: THE MAKING OF STEINWAY L1037.

Director & Performer Retrospectives

AFI Life Achievement Award recipient
Warren Beatty

David Lean Centennial

Steven Spielberg

Paul Newman

Milos Forman

Jim Henson

Michelangelo Antonioni

Charlton Heston

Cyd Charisse

Danny Boyle

Paul Thomas Anderson

Carole Lombard Centennial

Max Ophuls

David Fincher

Johnnie To

Nagisa Oshima

Alan J. Pakula

Thematic Programs and National Cinemas

AFI Latin American Film Festival

AFI European Union Film Showcase

2009 New African Films Festival

Totally Awesome 2: More Films of the 1980s

Noir City DC (Film Noir classics)

Screen Valentines (Romance classics)

Leading Ladies of the Italian Cinema

Slovenian Cinema

Montgomery College Screening Series
(Montgomery College film class for
students, open to the public, with
introductions and discussions by
Montgomery College professors)

Mid-Atlantic Regional Showcase (work
by local filmmakers)

Local Festivals hosted at AFI Silver

DC Labor FilmFest

Washington Jewish Film Festival

DC Asian Pacific American Film
Festival

Reel Affirmations: The Nation's LGBT
Film Festival

Environmental Film Festival in the
Nation's Capital

Korean Film Festival DC

NIH Science in the Cinema (FREE
screenings with experts in science
and medicine leading post-screening
discussions)

First Run Engagements

LOVE SONGS

SON OF RAMBOW

MONGOL

MY WINNIPEG

ROMAN POLANSKI: WANTED AND
DESIRED

BRIDESHEAD REVISITED

MAN ON WIRE

HAMLET 2

MIRACLE AT ST. ANNA

RELIGULOUS

PATTI SMITH: DREAM OF LIFE

SYNECDOCHE, NEW YORK

FRONTRUNNERS

SLUMDOG MILLIONAIRE

I'VE LOVED YOU SO LONG

RACHEL GETTING MARRIED

REVOLUTIONARY ROAD

THE CLASS

SUNSHINE CLEANING

SIN NOMBRE

THE SOLOIST

THE LIMITS OF CONTROL

Special Classic Engagements

LAWRENCE OF ARABIA in 70mm

IT'S A WONDERFUL LIFE

2001: A SPACE ODYSSEY

BLADE RUNNER

THE GODFATHER

THE GODFATHER: PART II

NIGHT OF THE LIVING DEAD

NOTHING BUT A MAN

Festival Presentations

Over the past year the AFI Silver has offered an exceptional array of special events including major festivals and specialty showcases:

AFI-DISCOVERY CHANNEL SILVERDOCS FESTIVAL

Now in its seventh year SilverDocs, AFI's documentary festival, has been hailed as "Non-fiction Nirvana" by Variety and "the pre-eminent US documentary Fest..." by Screen International. In 2009, the eight-day Festival will run from June 15 - 22. Last year's festival featured over 100 films representing more than 65 countries to an audience of over 25,000. The concurrent International Documentary Conference attracts over 1,100 entertainment industry professionals for five days of workshops, seminars and networking events.

Every film nominated for an Academy Award in the 2009 feature documentary category had played at SilverDocs, and the Festival regularly attracts luminaries from across the spectrum of journalism, politics and of course, film, including former Vice President Al Gore, Madeline Albright, Senator Barbara Boxer, Speaker of the House Nancy Pelosi, Spike Lee, Martin Scorsese, Jonathan Demme, Werner Herzog, Edward Norton, Richard Dreyfuss, Lisa Schwarzbaum, Thomas L. Friedman, and Judy Woodruff.

The Washington Post summed up the event's success following the 2007 Festival:

"In its five years, the SilverDocs documentary festival, sponsored by the American Film Institute and Discovery Communications, has evolved into a buzzed-about event that attracts filmmakers and media coverage from around the globe."

AFI LATIN AMERICAN FILM FESTIVAL

The AFI Latin American Film Festival provides an extensive annual exploration of filmmaking throughout Latin America, Spain and Portugal.

The 2008 Festival welcomed over 8,000 guests to see over 30 films from 18 different countries, drawing significantly from the local Latin American population in Maryland, Washington and Virginia. Five filmmaker guests attended screenings during the festival.

AFI EUROPEAN UNION FILM SHOWCASE

The AFI European Union Film Showcase is one of the American Film Institute's most popular and prestigious annual events. The EU Showcase is organized by the AFI Silver Theatre and Cultural Center, in collaboration with the Delegation of the European Commission and the Washington embassies of its member states.

The EU Showcase features a first-class selection of films from EU member states, all Washington premieres, including some of the major prize winners from the Cannes, Berlin, Venice and other major film festivals.

The 2008 European Union Film Showcase boasted the largest lineup of films in the festival's 20-year history—35 features representing 25 EU countries—and with total attendance exceeding 8,000, it was the best-attended EU Showcase ever.

Twelve of the films in the 2008 EU Showcase represented their country's Oscar selection for Best Foreign Language Film, and seven filmmaker guests attended screenings during the festival.

Collaborating Organizations

Many of the above programs were presented in collaboration with local, national and international organizations. Among them were:

Discovery Communications

Corporation for Public Broadcasting

National Black Programming Consortium

Hendricks Charitable Foundation

The European Union Commission

The embassies of the 27 members states of the European Union

TransAfrica

The Freer Gallery of Art

The Hirshhorn Museum

Maryland Public Television

Montgomery College

University of Maryland

TV One
National Institutes of Health
Howard University
The Film Noir Foundation
Metropolitan Washington Council of the AFL-CIO
The Debs-Jones-Douglas Institute
Sundance Institute Documentary Film Program
The British Film Institute
BBC
Channel 4 BritDoc Foundation
PBS
WAMU 88.5
Latino Public Broadcasting
El Tiempo Latino
Telemundo
Inter-American Development Bank
Association of Ibero-American Cultural Attaches and the embassies of the 20 member states
The Japan Foundation
DC/Asian Pacific American Film Festival
Silver Spring Regional Service Center
IMPACT Silver Spring
Reel Affirmations (DC Gay and Lesbian Film Festival)
The Environmental Film Festival in the Nation's Capital
48 Hour Film Project
Washington Jewish Film Festival
Korean Film Council
Korea Foundation
Korean Cultural Services

FY10
Projected

**AFI Silver Theatre Annual Budget Plan
February 2009
FY10 Projected Revenue & Expense**

REVENUE

Box Office	1,250,000
Concessions	350,000
Theatre Rentals	210,000
Programming Sponsorship	1,400,000
Membership Sales	187,500
Development/Fundraising	425,000
GROSS REVENUE	3,822,500

COST OF SALES

Box Office (Film Rental)	500,000
Concessions	98,000
Theater Rentals	5,000
Membership Site Sales	1,000
Sales Tax	21,000
Credit Card and Internet Ticket Purchase Fees	56,250
TOTAL COST OF SALES	681,250

NET REVENUE **3,141,250**

EXPENSE

OPERATING EXPENSES

Salaries & Fringes	1,719,000
Membership Acquisition & Fulfillment	112,500
Development Expense	15,000
Festivals & Special Events	1,075,000
Technical & other consultants	5,000
Meetings, Conferences, Professional & Program Development	25,000
Guest Travel & Hospitality	10,000
Telephone	18,000
Postage and Delivery (office, exclusive of program guides)	17,000
Office & Theatre Supplies	55,000
Equipment Maintenance, Purchase, Repair & Rental	70,000
Film Shipping	70,000
Web Costs & Development	34,000
IT Service Contracts	75,000
Insurance	85,000
Registration, Filing Fees, Memberships & Subscriptions	8,000
Audit Services	30,000
Marketing, Promotion & Advertising	72,000
AFI Preview Program Guide (including mailing)	115,000
Armored Car Service	3,000
Alarm and Security Systems and Monitoring	4,000
Miscellaneous	5,000
Contingency	25,000
TOTAL OPERATING EXPENSES	3,647,500

SURPLUS/SHORTFALL **(506,250)**

FY10
Projected

**AFI SILVER THEATRE AND CULTURAL CENTER
FY10 YEAR END PROJECTION**

REVENUES	
OPERATING REVENUE	
Ticket Sales	1,250,000
Concession, Café & Retail Sales	350,000
Theatre Rentals	210,000
Membership Sales	187,500
<u>TOTAL OPERATING REVENUE</u>	1,997,500
CONTRIBUTIONS	
Development, Fundraising, Program Sponsorship & Underwriting	1,825,000
<u>TOTAL CONTRIBUTIONS</u>	1,825,000
TOTAL REVENUE	3,822,500
EXPENSES	
Cost of Goods Sold	681,250
Operating Expenses	3,647,500
TOTAL EXPENSES	4,328,750
SHORTFALL	(506,250)
Requested FY10 County Support	506,250

FY09
Projected

**AFI SILVER THEATRE AND CULTURAL CENTER
FY09 YEAR END PROJECTION**

REVENUES	
OPERATING REVENUE	
Ticket Sales	1,358,000
Concession, Café & Retail Sales	388,000
Theatre Rentals	269,000
Membership Sales	313,000
<u>TOTAL OPERATING REVENUE</u>	2,328,000
CONTRIBUTIONS	
Development, Fundraising, Program Sponsorship & Underwriting	2,233,000
<u>TOTAL CONTRIBUTIONS</u>	2,233,000
TOTAL REVENUE	4,561,000
EXPENSES	
Cost of Goods Sold	795,000
Operating Expenses	4,340,500
TOTAL EXPENSES	5,135,500
SHORTFALL	(574,500)
Requested FY08 Contribution to Escrow Fund	574,500

provided AFI may reissue any such complementary tickets which are not claimed (picked up or requested to be held in "will call" for pickup) by the County Executive's office within twenty-four (24) hours of such Program. Any tickets sold to the County for a Public Program shall be at the lowest price (whether for members, students, seniors or otherwise) charged by AFI (or on AFI's behalf) for tickets for such Public Program for the date and time of the Public Program. The mutual terms and conditions of this Lease are further consideration by each party to enter into this Lease. The parties agree that the consideration recited herein is sufficient.

7. THEATRE REVENUES, COUNTY PURCHASE OF TICKETS AND ANNUAL BUSINESS PLAN

(a) Revenues: AFI must develop programs and provide the AFI Services and shall use reasonable efforts to operate the Theatre in a manner that is consistent with AFI's purpose and that is reasonably intended by AFI to ultimately generate sufficient Revenues to achieve and maintain Self Sustaining Operations at the Theatre. AFI makes no representations or warranties that Self Sustaining Operations will ever be achieved or, if achieved, maintained during the term (or any renewals) of this Lease. Failure to achieve Self Sustaining Operations will not be a default by AFI unless it is due to a failure to provide AFI Services. Nothing herein is intended to compromise AFI in its programming or pursuit of its chartered purposes.

→ (b) Guaranteed Ticket Purchase.

(1) County Purchase of Tickets. AFI does not project Self Sustaining Operations during the initial term of the Lease. If at any time Self Sustaining Operations are not achieved by AFI at the Theatre, the County agrees as an audience building tool to request one or more appropriations from the Montgomery County Council in an amount estimated in the aggregate to be approximately Seven Hundred Thousand Dollars (\$700,000.00) to purchase tickets (the "Guaranteed Ticket Purchase") at a discounted price as provided below for programs at the Theatre. Nothing herein shall be construed to limit AFI's right to reasonably request, or the County's ability to appropriate, more than an aggregate amount of Seven Hundred Thousand Dollars (\$700,000.00) for such purposes if, in the County's sole discretion (which it may exercise without limitation), it determines that it wants to provide such additional financial support

to the Theatre. Amounts appropriated pursuant to this provision shall be paid to AFI to help offset Expenses. AFI agrees that in exchange for the Guaranteed Ticket Purchase, it shall provide to the County tickets to Public Programs selected by the County up to the value equal to any Guaranteed Ticket Purchase actually provided by the County. AFI shall make tickets available as described below.

(2) County Start-Up Contributions: To further achieve the mutual purposes of the parties, following execution of this Lease, and only as necessary to enable operations to commence on or about the Lease Commencement Date, the County may contribute start-up funds to AFI in the form of early Guaranteed Ticket Purchases. The amount spent by the County for such purposes shall be deducted from the total amount of Seven Hundred Thousand Dollars (\$700,000.00) to be programmed for the Guaranteed Ticket Purchase. At the discretion of the County, such sums may be provided to AFI prior to the Lease Commencement Date.

(3) Guaranteed Tickets and Carryover: AFI guarantees that at least five percent (5%) of the tickets for any Public Program performance shall be made available to the County to the extent that there is an outstanding balance of Guaranteed Ticket Purchase actually provided by the County. The County is not obligated to actually claim such tickets in any given Fiscal Year and to the extent that there is a positive balance of Guaranteed Ticket Purchase actually paid by the County, the County may carry such amount forward for use in succeeding Fiscal Years until it has obtained a quantity of tickets at the discounted price equivalent in value to the Guaranteed Ticket Purchase actually paid by the County. The six (6) complementary tickets described in Article 6 above are not part of the Guaranteed Ticket Purchase described in this Article. AFI reserves the right to dispose of all other tickets for any Public Program performance as well as the right to dispose of any portion of the five percent (5%) of tickets for a Public Program performance that are not purchased by the County under the Guaranteed Ticket Purchase.

(4) Exercise of Guaranteed Ticket Purchase: The parties may agree on any method of implementing the Guaranteed Ticket Purchase to meet their mutual objectives.

(c) Preliminary Annual Budget Plan and Annual Budget Plan. By December 1st of each year for the following Fiscal Year, AFI must provide the County with its Preliminary Annual Budget Plan and supporting documentation, including but not limited to an annual operating plan, and its most recently completed financial statement that includes Endowment Account and Restricted Account balances. AFI shall provide the County with such other supporting documentation as the County may reasonably request. AFI must provide the County with its Annual Budget Plan by February 1st of each year.

(d) Sharing of Net Revenues. The parties acknowledge that the Theatre is being constructed and the AFI Services are to be provided as a not-for-profit enterprise, however, in any Fiscal Year in which there are Net Revenues, AFI and the County agree that Net Revenues shall be distributed first to maintain any required or agreed upon balance in the Operating Fund, second to pay any previous contributions from the Escrow Fund, and then any remaining Net Revenues shall be shared equally by the County and AFI. It is specifically understood and agreed that no Net Revenues are anticipated, required, or promised hereunder. If this Agreement is terminated, then the County's distribution rights under this Article shall terminate after any required payment to the County as set forth in Article 13 (d) (2).

(e) Purchase of Furniture, Fixtures and Equipment. Any furniture, fixtures, equipment, or other capital assets that are purchased out of Revenues or the Operating Fund shall be the property of, and titled to, the County. The County agrees that any such furniture, fixtures or equipment, or other capital assets, shall be available to AFI for use at the Theatre or for the provision of AFI Services in accordance with the terms of this Lease. If AFI purchases furniture, fixtures or equipment or makes other capital expenditures out of its share of Net Revenues, the parties agree that any such furniture, fixtures, equipment, or capital assets shall be the property of, and titled to, AFI and may be removed from the Theatre by AFI (provided such removal is done in accordance with

the requirements of Article 24). Donated property shall be titled as designated by the donor.

8. OPERATING FUND

The parties agree that AFI will establish the Operating Fund, which shall be funded from Net Revenues, if any, prior to any sharing of Net Revenues between the parties as set forth in Article "7 (d)," above. For any Fiscal Year in which Self Sustaining Operations are achieved, Excess Guaranteed Ticket Purchase amounts (as described below), if any, will be deposited in the Operating Fund. The Operating Fund shall be established and maintained to pay for: (a) necessary capital repairs to the Theatre and replacements of furniture, fixtures and equipment necessary to provide the AFI Services; (b) maintenance of the Theatre beyond that budgeted for a given Fiscal Year by the County or AFI and (c) ongoing development of Public Programs and other AFI Services at the Theatre. The Operating Fund shall be maintained by AFI in a separate, interest-bearing account at the Bank of America or another financial institution that is Approved by the County and that is located within the Metropolitan Washington D.C. area. For any Fiscal Year in which the County has made payments under the Guaranteed Ticket Purchase and Self Sustaining Operations are achieved without use of all or a portion of the money paid under the Guaranteed Ticket Purchase for that Fiscal Year (such amount being the "Excess Guaranteed Ticket Purchase"), a payment shall be made into the Operating Fund in an amount at least equal to the Excess Guaranteed Ticket Purchase. Disbursements shall be made from the Operating Fund in amounts and for purposes Approved by the parties. If any sums remain in the Operating Fund upon the termination of the Lease and there are no programmed or anticipated capital repairs to the Theatre, the Operating Fund shall be distributed as follows: first, to pay expenses related to the Theatre and the termination of AFI's tenancy, second, to reimburse the County any outstanding amounts paid from the Escrow Fund and to reimburse Excess Guaranteed Ticket Purchase amounts deposited in the Operating Fund; and third, in equal amounts to the County and AFI.

9. RECORDS AND REPORTING:

- (a) Books and Records. AFI shall maintain and keep, or shall cause to be maintained and kept, in accordance with GAAP full and accurate books and records at the Theatre, at AFI's corporate headquarters in Los Angeles, or at such other location as

last to occur of : 1) the opening of the Anchors (the primarily first-run movie theater complex and bookstore in the Redevelopment Project) and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre, commence Full AFI Services (the date of which shall be the "Date of Commencement of Full AFI Services"). AFI will perform AFI Services at the Theatre between the Lease Commencement Date and the Date of Commencement of Full AFI Services at the fullest level that is practical considering Reasonable Business and Community Considerations. For purposes of this Lease, the parties agree that "Reasonable Business and Community Considerations" shall take into account the County's investment in the Theatre, and the furniture, fixtures and equipment in reliance upon AFI's agreement to enter into this Lease and provide AFI Services and the reasonable business considerations of AFI, along with the best interests of the surrounding community. The parties understand and agree that following the Lease Commencement Date, the parties will mutually agree on a date for the commencement of Full AFI Services. The date for commencement of Full AFI Services will in no event be later than the later to occur of 1) the opening of the Anchors and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre.

(c) The parties agree that if the Date of Commencement of Full AFI Services occurs prior to completion and opening of the first to occur of the Wayne Avenue Garage, the parties shall work together to come up with a means of making parking accessible to patrons of the Theatre. By way of example only, such means may include valet parking service, a parking shuttle, procurement of private parking from nearby businesses during evening hours, or any combination of the above.

→ (d) The parties have agreed that the Date of Commencement of Full AFI Services may occur before the opening of the Anchors and the Wayne Avenue Garage (the "Interim Period"). The parties agree that to support the Full AFI Services during the Interim Period:

- (1) The County will, subject to appropriation by the County Council, make available to AFI One Hundred Thousand Dollars (\$100,000.00) of the Guaranteed Ticket Purchase in Fiscal Year 2002. Further, and subject to appropriations by the County Council, the County will make available in

the first thirty (30) months of operations, if requested, the remaining Six Hundred Thousand Dollars (\$600,000.00), or any portion thereof, of the Guaranteed Ticket Purchase to support the provision of Full AFI Services; and

- (2) The County Executive will request that the County Council approve an amount to comprise the Escrow Fund to cover any negative difference between Expenses and Revenues at the Theatre for three (3) full Fiscal Years after the Date of Commencement of Full AFI Services. If the County Council appropriates money for the Escrow Fund, any moneys paid to AFI from the Escrow Fund shall be treated as non-recourse, no interest contributions to AFI for Expenses associated with Full AFI Services. Monies contributed to AFI by the County out of the Escrow Fund shall have a priority right in accordance with Article 7 (d), "Sharing of Net Revenues." In no event other than fraud shall AFI be held responsible or liable for the repayment of any monies the County contributes from the Escrow Fund from any source other than its portion of Net Revenues. If insufficient Net Revenues have been received at the time of Lease termination to pay amounts previously contributed to AFI from the Escrow Fund, the balance of any such funds shall be paid from the AFI Silver Operating Fund, to the extent they exist, then the County's distribution rights under Article 7 (d) "Sharing of Net Revenues" and AFI's obligation to the County shall terminate.
- (3) If the County Council does not appropriate money for the Escrow Fund, AFI may delay providing Full AFI Services until the later to occur of 1) the opening of the Anchors and the Wayne Avenue Garage; or 2) 90 days after delivery of the substantially completed Theatre. Under such circumstances, AFI shall provide AFI Services at the fullest level that is practical considering Reasonable Business and Community Considerations.

Funding History for AFI, FY02-FY10 Recommended

	Thru FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10 Rec.	TOTAL
County funding	\$0	\$100,000	\$500,000	\$347,330	\$1,011,000	\$614,000	\$525,430	\$500,000	\$500,000	\$506,250	\$4,604,010

*Funding in FY05 included a supplemental appropriation of \$686,000 to make up additional actual revenue shortfalls of \$350,000 in FY04 and \$336,000 in FY05. The remaining \$325,000 was the original amount appropriated to cover the FY05 revenue shortfall.



Heritage Tourism Alliance of Montgomery County

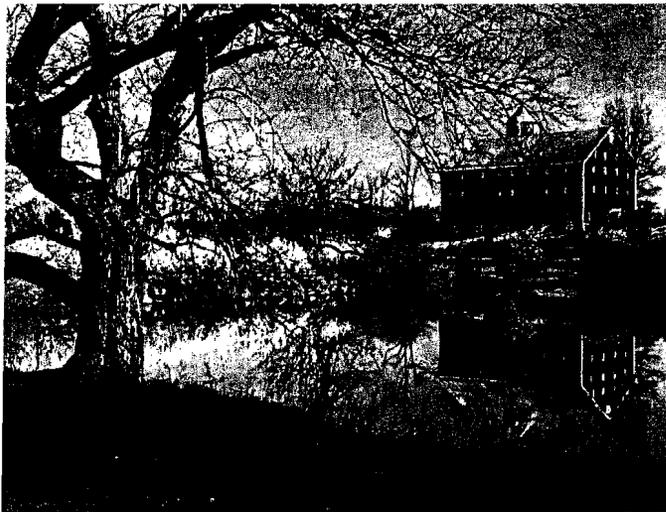
Financial Report



“You don’t have to go away to get away”

The Heritage Tourism Alliance (HTA) is one of 11 Certified Heritage Areas in Maryland created to promote economic development and tourism. In existence since 2003, HTA has partnered with public and private organizations to promote historical, cultural and natural resources for sustainable economic development purposes through heritage tourism. **Funds invested in Heritage Tourism return \$3.71 for every dollar spent in Montgomery County.**

In a seven-year period HTA has obtained almost **\$1.1 million** in state grants for Montgomery County. This in turn was leveraged by local funds to more than triple in value.



The Alliance is a nonprofit 501(c)(3) organization and is funded, in part, by the Maryland Heritage Areas Authority and Montgomery County.

Grant money obtained by Montgomery County from the MHAA

Year	MHAA Grants
2002	\$100,000
2004	\$49,151
2005	\$57,997
2006	\$87,960
2007	\$311,750
2008	\$255,425
2009	\$221,000
Total	\$1,083,283

\$222,410 applied for FY 2010 for a total of **\$1,305,693**

Heritage Tourism Alliance Of Montgomery County



State Grants obtained by HTA

	MHAA FUNDS	CASH MATCH	IN-KIND MATCH
2004	\$49,151	\$39,821	\$14,720
2005	\$57,997	\$43,498	\$28,100
2006	\$57,690	\$55,800	\$37,500
2007	\$116,750	\$96,500	\$106,500
2008	\$100,000	\$61,081	\$43,900
2009	\$100,000	\$100,000	\$105,600

County Funding to HTA

YEAR	COUNTY \$	LEFT IN ANNAPOLIS
2004	\$0	\$50,848
2005	\$25,000	\$42,003
2006	\$50,000	\$43,100
2007	\$73,500	\$0
2008	\$100,000	\$0
2009	\$100,000	\$0

Maryland Historical Trust
**Excellence in Education
Award**

*Montgomery Rural
Heritage Byway Trail*
Video Podcast.



Mini-Grant Program

Year	HTA Award	Match	Awarded To:
2005	4,970	61,170	7 organizations
2007	17,500	28,835	10 organizations
2008	17,100	63,769	11 organizations
2009	19,263	29,973	11 organizations
Total	58,833	183,747	

Heritage Montgomery

FY10 Maryland Heritage Area Grant Application Review

1-Mar-09

Funding Summary

Operating	Project Name	Requested	Match	Additional Funds	Total Cost
Heritage Tourism Alliance, Inc.	Operating Grant	\$95,500	\$95,500	\$31,075	\$192,100
Capital					
Capital	Project Name				
Sandy Spring Museum	Increasing Education Capacity	\$20,890	\$20,890	\$54,260	\$96,130
Non-Capital					
Non-Capital	Project Name				
Heritage Tourism Alliance, Inc.	Heritage Days 2010	\$9,000	\$9,000	\$110,970	\$128,970
Heritage Tourism Alliance, Inc.	Civil War in MoCo Video/Podcast	\$25,000	\$25,000	\$10,000	\$60,000
MoCo Dept. of Parks, M-NCPPC	Interpreting Quaker, UGRR and CW	\$50,000	\$50,000	\$152,271	\$252,271
Montgomery Countryside Alliance	GoLocalMoCo.org	\$25,000	\$25,000	\$0	\$25,000
MPI	RR Life Remembered - Photographs	\$7,500	\$7,500	\$0	\$15,000
Sugarloaf Regional Trails	Website Development & Branding	\$5,400	\$5,400	\$0	\$10,800
Sandy Spring Civic Association	SS Signage Project	\$5,000	\$5,000	\$3,367	\$13,367
		\$243,290	\$243,290	\$361,943	\$793,638

Imagination Stage

A. ORIGINAL GOAL WAS FOR IMAGINATION STAGE TO RETIRE THE \$3.8 MILLION BOND DEBT IN ONE YEAR (I.E. COUNTY FY 2008) BY SECURING \$1.25 MILLION FROM MONTGOMERY COUNTY + \$1.25 MILLION FROM THE STATE OF MARYLAND + \$1.3 MILLION FROM PRIVATE SOURCES (INDIVIDUALS, FOUNDATIONS, CORPORATIONS). NEITHER THE COUNTY EXECUTIVE NOR THE STATE OF MARYLAND WAS ABLE TO FUND THE BOND PAYOFF IN THE 1 YEAR PERIOD, NECESSITATING A REVISION TO A 3 YEAR PERIOD.

B. 3 YEAR GOAL TO RETIRE \$3.8M BOND BALANCE	Year 1	Year 2	Year 3	TOTALS
OPENING BOND BALANCE	\$3,800,000	\$2,600,000	\$1,400,000	\$0
State Govt.	\$400,000	\$400,000	\$450,000	\$1,250,000
County Govt. Grant	\$400,000	\$400,000	\$450,000	\$1,250,000
Private (Individuals, Foundations, Corporations)	\$400,000	\$400,000	\$500,000	\$1,300,000
REMAINING BOND BALANCE	\$2,600,000	\$1,400,000	\$0	

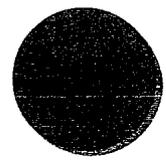
WHEN IT BECAME CLEAR THAT NEITHER THE COUNTY NOR THE STATE COULD FUND THE BOND PAYOFF IN THE 3-YEAR PERIOD, THE PROJECTIONS WERE ONCE AGAIN REVISED, THIS TIME TO A TO A 5-YEAR PERIOD, AS SHOWN BELOW:

C. CURRENT 5 YEAR GOAL TO RETIRE \$3.8 M BALANCE	Year 1 ACTUAL	Year 2 ACTUAL	Year 3 PROJECTED	Year 4 PROJECTED	Year 5 PROJECTED	TOTALS
OPENING BOND BALANCE	\$3,800,000	\$2,850,000	\$2,250,000	\$1,550,000	\$800,000	\$0
State Govt.	\$150,000	\$200,000	\$275,000	\$300,000	\$325,000	\$1,250,000
County Govt. Grant	\$400,000	\$225,000	\$200,000	\$200,000	\$225,000	\$1,250,000
Private (Individuals, Foundations, Corporations)	\$400,000	\$175,000	\$225,000	\$250,000	\$250,000	\$1,300,000
REMAINING BOND BALANCE	\$2,850,000	\$2,250,000	\$1,550,000	\$800,000	\$0	

IN ADDITION TO ANNUAL PRINCIPAL PAYMENTS REQUIRED FROM ISI TO REDUCE THE BOND DEBT BALANCE, ISI IS REQUIRED TO PAY ANNUAL BOND BILL SERVICING COSTS. THESE ARE CURRENTLY AS FOLLOWS:

APPX. ANNUAL INTEREST = \$145,000				
APPX. ANNUAL BANK FEES = \$ 55,000				
TOTAL APPX. ANNUAL BOND BILL SERVICING COSTS TO ISI = \$200,000				

HHS



MD ~~AS~~

Kimaro, Kunda

041263

cc

From: Andrews' Office, Councilmember
Sent: Monday, March 23, 2009 3:24 PM
To: Kimaro, Kunda
Subject: FW: For Kunda Kimaro as requested

Imagination Stage

10 01 17 21 01 01

-----Original Message-----

From: Bonnie Fogel [mailto:bfogel@ImaginationStage.org]
Sent: Monday, March 23, 2009 2:59 PM
To: Andrews' Office, Councilmember
Subject: For Kunda Kimaro as requested

Dear Phil:

Imagination Stage, Inc. ("ISI") was recently informed by the County Executive that ISI has been included in his FY 2010 Operating Budget transmitted to the County Council on March 16. Specifically, ISI has been designated to receive a grant from the County of \$400,000 to help service its bond debt and related costs. We are most thankful for this and we are requesting that the County Council keep these funds in the Budget **at this level** since this level of funding is essential for ISI's sustainability.

The rationale for awarding this grant has been well documented to the County Council over the past few years and included as material presented during HHS Committee meetings and full Council Hearings on the subject matter. The Attachment summarizes the information that we provided to the County Executive this year and details the historical basis for ISI being included in the Budget.

As we approach our 30th Anniversary, we have recently formed a new Board-led **Campaign to Secure the Future**. The Campaign Chairs will use the \$400,000 grant from the County to seek matching funds from the State and private sources. Thus, the tax payer will be well-served by the County's funds which will serve as a catalyst. We are pleased to be able to tell you that despite our very real, short-term financial concerns (due to the burden of the capital bond debt), our long-term prognosis is excellent. We can assure you that our basic operation is VERY sound – your funding will allow us to concentrate on the things we do best: opening hearts, inspiring minds, and igniting the imaginations of our children.... while continuing on our path to sustainability.

Phil, we would really welcome your support on this.

Best wishes and many thanks.

Bonnie

Founder/Executive Director
Imagination Stage
(301) 280-1699

"I'm in my Imagination Stage!"

Jerry Morenoff

Special Advisor
Imagination Stage
240-888-1302

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County Support of Imagination Stage's Capital Debt Pay Down HISTORICAL SUMMARY

Ever since ISI entered into a partnership with Montgomery County to construct its Auburn Avenue facility, the intention of every Montgomery County Executive and Council Member has been to balance the interests of ISI, the County, and other arts organizations. Unfortunately, however, in 2000, when ISI entered into an agreement with the County to build (at its own expense) and operate ISI on County-owned land in a County-owned garage, our discussions with the County resulted in two accommodations that haunt us to this day:

- We were forced to borrow a significant amount of money (\$4 million) to pay for increased construction costs, in large part because we were substantially delayed by the County in the construction of our facility, due to the County's delays in construction of Garage #36; and,
- We were forced to make annual facility payments of approximately \$400,000 for the cost of utilities, maintenance, insurance, and rent, because, unlike what it did for other arts organizations (Strathmore, AFI, Round House Silver Spring, Blackrock), the County did not cover these costs for ISI. Had the County treated ISI in the same manner as other County-owned properties over the past five years, \$2 million of our expenses would have been covered and our debt would be all but retired.

Despite the adverse effect that these County actions have had on ISI's financial condition, ISI has operated in a non-deficit mode for more than five years, growing its earned income base substantially and serving increasing numbers of young people throughout the County.

In recognition of these factors, in FY 2006, the County Council awarded ISI \$426,500 of Transition Funding. The primary rationale for this award, as it both appeared in public testimony and in a document presented to the County Executive, was that ISI incurred significant additional costs in constructing its facility as a result of County garage #36 construction delays. Consequently, in part, ISI incurred a \$4 million bond debt along with its approximately \$350,000 annual bond debt carrying and servicing costs.

During FY 2007, the County Council changed its policy relating to Transition Funding to the arts and humanities community as set forth in the AHCMC Strategic Plan as follows: (a) arts and humanities organizations will be funded at a rate to be determined by the County Executive/Council – i.e. 7% for that year; (b) a grandfather clause was included in the Plan enabling NSO, BSO, and Glen Echo Park to never receive less from the County (via AHCMC) than they received the base line year of FY 2007. An example of the way the grandfather clause works is: if in year one, organization X receives \$100,000

from County Transition Funds; and in year two, the 7% (or whatever % was selected) formula amounted to \$90,000 for that organization, then the AHCMC would provide an additional \$10,000 to organization X by reducing the amount allotted to others, so X would be made whole.

When the County made this switch from Transition Funding to allocating general operating support to County arts organizations on a percentage basis, unlike other arts organizations who gave up budget line items intended to cover their transition debts, at the insistence of the AHCMC, ISI agreed not to be grandfathered into future budgets. In return, ISI was to receive \$1.25 million as an upfront earmark in the County Executive's budget, to reduce its bond debt. AHCMC assured ISI that if ISI failed to receive the \$1.25 million upfront earmark from the County Executive's budget, AHCMC would include ISI in the grandfather distribution, recognizing that if it didn't, ISI would more than likely be in default to M&T Bank on the bond note.

The County Executive was unable to provide ISI with the \$1.25 million upfront, but he informally stated he would budget the \$1.25 million bond principal reduction, over a three to five year period with \$400,000 in year one. Based on this, ISI alerted Council Member Roger Berliner, the members of the HHS Committee, and the full County Council of the situation and requested an additional \$200,000 as "grandfather" funding in the reconciliation list to make up for the shortfall based on the 7% allocation. The result of this for ISI's FY 2007 was ISI receiving from the County \$400,000 for debt reduction and \$200,000 for debt servicing.

Recognizing that the reconciliation approach was an uncertain one, especially in light of the need to reduce County budgets, ISI visited the County Executive and met with Kim Mayo (OMB) at his request. The result of those meetings for ISI's FY 2008 was the substantial reduction of the \$600,000 that ISI received in FY 2007 to \$400,000 -- a 33 1/3% cut --- recognizing that the original agreed upon bond principal reduction of \$1.25 million could be accomplished over a longer period of time than originally planned. The language agreed upon for the \$400,000 for ISI in the County Executive's budget was that ISI would receive \$400,000 to contribute to the retirement of the facilities debt and for expenses associated with retiring and servicing the debt. Of the \$400,000 received, ISI used approximately \$200,000 to reduce the bond debt and \$200,000 to pay for bond carrying costs, thus helping ISI to not default on its debt.

The situation that ISI faces for its FY 2009 is as follows: The County Executive's budget for the past 2 years has included a total payment to ISI of \$600,000 to reduce the bond debt. The balance remaining on the County Executive's informal pledge to ISI (\$1.25 million) is \$650,000. ISI has budgeted to receive \$400,000 --- the same amount for its FY 2009 as it did for its FY 2008: (a) \$200,000 will be used for principal bond reduction; and, (b) \$200,000 for grandfather carrying cost payments that help keep ISI out of default.



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www.pyramidatlanticartcenter.org

Monday, December 1, 2008

The Honorable Isiah Leggett
County Executive
Office of the County Executive
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

Dear Mr. Leggett:

Pyramid Atlantic Arts Center respectfully submits this letter requesting financial assistance in FY2010 from the County in the form of a grant for \$120,000. This assistance will enable our organization to effectively pay down our mortgage liability to Eagle Bank and operate at full strength providing valuable first-rate artistic and educational programs to residents of Montgomery County.

Background

In November 2001 Pyramid Atlantic embraced the opportunity to become an early partner in the redevelopment of the Silver Spring Arts & Entertainment District by acquiring a building space located at 8230 Georgia Avenue. The building space would accommodate administrative offices and allow us to build an addition with a lecture hall, café and large gallery/public space. Following the purchase, we began a Capital Campaign to raise the necessary funds to build out the existing space and the additions.

In 2002 we completed the needed renovations to the original building on time and on budget. The preparations for the construction of the lecture hall, café and public space were well underway when we received unexpected news from the County Council. We were informed that our property had been determined by the Council to fall within a future transportation route. Ripley Street, which is adjacent to our building, was planned for widening to accommodate additional bus traffic and alignment. In light of this decision, we were prohibited from making any further applications for exterior alterations to the physical building. We reached a final settlement allowing us to stay in the building, but prohibiting us from building onto it at all. This was a devastating blow and ended all Capital Campaign efforts. Due to the decisions made by the County Council, we found ourselves in a very difficult position and our long-term growth remains thwarted by the following circumstance: we are faced with a mortgage (an amount that represents about 20% of the organization's annual budget) but with no significant means to generate the earned income that we had planned to raise from rentals and other public space opportunities. Our current financial position is not borne out of bad management, but due to external matters over which we exert little control.

Current Financial Position of Pyramid Atlantic

Last year, the County awarded Pyramid Atlantic Art Center with a generous assistance package of \$165,000. On our end, we followed through with the intent of the agreement with the County and used the grant funds to recast our debt instruments into one long-term mortgage fully amortized over 10 years and at a very favorable interest rate. In addition, the grant gave us the financial leverage necessary to pay off approximately \$50,000 in principal. We are grateful for the County's assistance as it enabled us to refinance our Eagle Bank mortgage agreement and provided us with the critical financial wherewithal to offer our first-rate artistic and educational programs to residents of Montgomery County.

Request from Pyramid Atlantic Art Center

Our request to the county for FY2010 is considerably less than last fiscal year. A grant of \$120,000 from the County would provide us with financial assistance vital to our continued operation. The County's support would enable us to continue to pay down our mortgage and operate our first rate artistic and educational programs. We are keenly aware, as you no doubt are as well, that we face uncertain economic times. However, we are confident that this investment in Pyramid Atlantic Art Center fits with your vision for Montgomery County as a place for residents of all backgrounds to be served by first-rate artistic and educational programs and as a community filled with creativity, vitality and excellence for all.

We look forward to hearing from you and continuing to work with you on assisting Pyramid Atlantic Art Center so we can continue to serve, enrich and showcase the tremendous artistic and cultural diversity of Montgomery County.

Sincerely,

Jose Dominguez
Executive Director
Pyramid Atlantic Art Center

Jackie Ogg
Co-Chair, Board of Directors

Cc: Mr. Chuck Short
Ms. Diane Schwartz-Jones
The Honorable Valerie Ervin
The Honorable Sheila Hixson
Pyramid Atlantic Board of Directors



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

NANCY FLOREEN
COUNCILMEMBER AT-LARGE

MEMORANDUM

August 4, 2005

TO: Arthur Holmes, Jr., Director
Department of Public Works and Transportation

FROM: Nancy Floreen, Chair
Transportation and Environment Committee

SUBJECT: Ripley District Streets and Chapman Avenue Extended projects

On June 30, 2005 the T&E Committee reviewed the results of Phase I facility planning for the Ripley District Streets and Chapman Avenue Extended projects. For the Ripley District project, the Committee recommends that the Department of Public Works and Transportation (DPWT) not proceed to Phase II of facility planning. For Chapman Avenue Extended the Committee concurs with DPWT and the Planning Board that Concept B in the Project Planning Prospectus should proceed to Phase II of facility planning.

The Committee appreciates the work the Department of Public Works and Transportation has completed to date on both projects. We look forward to the completion of Phase II facility planning for the Chapman Avenue Extended project in 2007 so that we can consider the project for funding as an amendment to the FY 2007-2012 Capital Improvements Program.

cc: Councilmembers
Derick Berlage, Chair, Montgomery County Planning Board

ROUND HOUSE THEATRE

The Round House Theatre building in Bethesda, built as part of a public-private partnership between Chevy Chase Bank and Montgomery County, was given to the County who, in turn, leases it to Round House Theatre. According to the terms of the lease, Round House pays \$1.00 per year in rent but is wholly responsible for the utilities, maintenance, and cleaning of the facility. In addition, Round House pays annually into an escrow fund, held at the Office of Real Estate, to cover unforeseen future repairs.

In the face of rising utility and maintenance costs, Round House Theatre has entered into discussion with the County Executive's office to alter the lease agreement so as to defray the cost of utilities, maintenance, and repair at the Bethesda facility. County Executive Leggett has indicated that his office will work with us over the next 4-6 months to explore the possibilities.

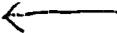
There is ample precedent for facility support of arts organizations in County-associated facilities. Utilities and maintenance are fully covered by the County at Strathmore and at both of Round House Theatre's facilities in Silver Spring. In the long term, we seek the same arrangement in Bethesda.

As an interim measure, the Executive's budget includes \$75,000 of facility support to Round House, so that we may focus more of our precious resources on artistic and educational programming in this difficult economic climate. It is a one-time community grant that will sustain our mission, while we seek a long-term solution to our Bethesda facility costs with the County Executive and County Council. It should be noted that capital and facility requests remain outside of the grant process of the Arts and Humanities Council. Thus, Round House is following the standard protocol for funding of this nature (in the same way in which other organizations have and continue to deal with long-term facility funding issues directly with the County government).

The need is genuine, and it is unique to Round House due to the public-private nature of our lease agreement with Montgomery County. Below, please find a table demonstrating the increased costs of Round House's Bethesda facility since the building opened:

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Utilities	\$74,352	\$93,363	\$110,548	\$106,907	\$175,423	\$161,313	\$167,000	\$180,000
Building Maintenance	\$75,693	\$64,226	\$50,132	\$61,159	\$55,891	\$54,319	\$51,800	\$54,000
Repair	\$21,057	\$20,469	\$33,949	\$30,261	\$36,897	\$39,423	\$40,418	\$45,000
Escrow		\$12,500	\$15,500	\$25,000	\$25,000	\$30,000	\$35,000	\$40,000
	\$171,102	\$178,058	\$194,629	\$198,327	\$268,211	\$255,055	\$294,218	\$319,000

FY07 GRANTS STRUCTURE	TYPE OF ORGANIZATION OR INDIVIDUAL	FY08 GRANTS STRUCTURE
<p><u>Cultural Facilities Improvements Grants</u></p> <ul style="list-style-type: none"> Available through line item grants awarded by the County Council 	<p>All Organizations</p>	<ul style="list-style-type: none"> Small facilities grants available in separate category For large organizations, <i>Advancement Grant</i> application may include request of up to \$250,000 for facilities and/or equipment (CE does not recommend funding in FY08) For small to mid-size organizations, grant application may include up to \$30,000 for space improvements and/or equipment All requests for facilities and improvements more than \$250,000 must go to County Executive and County Council for direct funding
<p><u>Transition Grants</u></p> <ul style="list-style-type: none"> Available through line item grants awarded by the County Council 	<p>All Organizations</p>	<ul style="list-style-type: none"> Not offered this year because no funding is available Proposed--For large organizations, <i>Advancement Grant</i> application could include request of up to \$250,000 for stabilization funds (CE does not recommend funding in FY08) Transition funds for three organizations (BSO at Strathmore, Glen Echo Park Partnership for Arts and Culture, and National Philharmonic) are grandfathered into <i>General Operating Support</i> funding in FY08 and future years until GOS equals FY07 operating plus transition awards

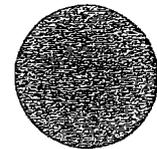


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OFFICE OF MANAGEMENT AND BUDGET



Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

030297

September 4, 2007

TO: Marilyn J. Praisner, County Council President

FROM: Joseph F. Beach, Director, Office of Management and Budget 

SUBJECT: Arts and Humanities Organizations in County Owned Facilities

During the May 9th session of the County Council's review of the FY08 Operating Budget for the Arts and Humanities Council Non-Departmental Account, you requested an inventory of arts and humanities organizations that are housed in county-owned buildings. The Department of Public Works and Transportation researched and completed this inventory. The report provides the following information for each organization:

- o Facility location
- o Rent
- o Other Considerations (including a note on the level of operating support received from either the Arts and Humanities Council or from the County directly).
- o Utilities
- o Maintenance Responsibilities
- o Occupant's Long Term Responsibility
- o Insurance
- o Parking
- o Other lease features

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Please direct any clarifications to OMB staff, Kim Mayo, at 240-777-2775.

JFB:km

Attachment

cc: Harold Adams, Department of Public Works and Transportation
 Cynthia Brenneman, Department of Public Works and Transportation
 Beryl Feinberg, Office of Management and Budget
 Theresa Cameron, Arts and Humanities Council of Montgomery County

Office of the Director

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Arts and Humanities Groups in County-Owned Space, July 2007.

Organization	Facility	a) Rent	b) Other Considerations	c) Utilities	d & e) Maintenance Responsibilities	f) Occupant's long-term responsibility	g) Insurance	h) Parking	i) Other features of lease
Germantown Cultural Arts Center, Inc.	Black Rock Center for the Arts 12901 Town Commons Drive Germantown, Maryland G#7309 Occupancy Date: 8/28/03	\$1.00 annually	County paid \$4M for a facility that appraised at \$10M. Tenant to provide programs, services and education to the community and operate the facility as an arts center. Tenant will receive \$52,922 for operating support in FY08 from the Arts and Humanities Council.	Tenant pays telephone and internet; County pays all others. (\$135,221)	Tenant is responsible for the maintenance, repair and replacement of furniture, fixtures and equipment used on the property. County is responsible for preventive, corrective and emergency repairs and maintenance to building systems and equipment typically found in a commercial office building. (\$58,831)	Must contribute \$108k to a capital fund during the initial 7 year term; \$1.9 million over 17 years if renewed.	By Tenant: General Commercial Liability (with County as additional insured) Workers' Compensation, All Risk covering Tenant's property. By County: Property and Improvements through self-insurance.	Tenant manages on-site parking.	- County Review Panel must convene and review operations and recommend lease renewal. - County can use facility 4 times/yr rent free. - County has representation on Board of Trustees and on BlackRock's Finance Committee. - Naming Rights with County approval. - 7 year Initial term; may renew for five year periods to a maximum of 10 Renewal Terms.
Imagination Stage, Inc.	Parking Garage 36 4910 Auburn Aves. Bethesda, Maryland G#5436 Occupancy Date: 8/03 This is in a PLD property so tenant is required to pay the PLD fair market rental value.	\$40,000/yr; increased by CPI after 5 years.	Tenant designed and built the two story arts facility from the structural shell provided by the County in Garage 36. Tenant will receive \$309,850 for operating support from the Arts and Humanities Council and \$600,000 for debt retirement in FY08 for a total of \$909,830.	Demised Premises is separately metered - Tenant pays own utilities. (\$0)	Tenant is responsible for all repairs and maintenance to the Demised Premises. County is responsible for structural repairs and maintenance of the garage. (\$0)		Tenant during construction of Tenant's improvements: Builder's Risk, All Risk; During occupancy: Commercial General Liability naming County as additional insured. By County: Self insure Public Garage	Lease contains no parking provisions. Patrons use public parking.	- 30 year Initial Term; four 5 year options to extend. County can terminate after 28 th year.

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Note: Maintenance and utilities costs are for FY07

Organization	Facility	a) Rent	b) Other Considerations	c) Utilities	d & e) Maintenance Responsibilities	f) Occupant's long-term responsibility	g) Insurance	h) Parking	i) Other features of lease
American Film Institute (A.F.I.) Approx: 37,566 sf	Silver Theatre and Cultural Center 8633 Colesville Road Silver Spring, Maryland G#7305 Occupancy Date:4/04	"In-kind" services	Tenant will provide 6 tickets to the County for all "Invitation Only" events. Any tickets sold to the County will be at the lowest ticket price then in effect. Tenant will receive \$500,000 for operating support in FY08.	County pays Utilities. Tenant pays telephone and internet. (\$324,611)	Tenant is responsible for the maintenance, repair and replacement of furniture, fixtures and specialty equipment used on the property. Tenant responsible for security and access control. County is responsible for preventive, corrective and emergency repairs and maintenance to building systems and equipment typically found in a commercial office building. (\$385,483)	Operating Fund funded by Net Revenues	By Tenant: General Commercial Liability (with County as additional insured) Workers' Compensation, All Risk covering Tenant's property. By County: Property and Improvements through self-insurance.	No parking conveys with lease. Patrons use Public Parking	- Ten year Initial Term; Nine 10 year renewal terms. - Naming Rights; Theater structure naming will require County approval. - County can use facility 2 times/yr rent free. - Tenant will confer with Silver Spring Citizen's Advisory Board once per year.
Strathmore Hall Foundation, Inc.	Strathmore Mansion and Venue 10701 Rockville Pike Rockville, Maryland G#7302- Mansion G#7307-Venue	\$1.00	Ensure Department of Recreation has access at lowest rental rate. Tenant will receive \$430,934 for operating support in FY08 from the Arts and Humanities Council. Strathmore also houses 1) Maryland Youth Orchestra; 2) National Philharmonic; 3) Levine School of Music; 4) CityDance Ensemble; 5) Baltimore Symphony.	County pays all utilities. Tenant pays telephone and internet. (\$1,111,487)	Tenant is responsible for the maintenance, repair and replacement of furniture, fixtures and specialty equipment used on the property. Tenant responsible for security beyond County standard. County is responsible for preventive, corrective and emergency repairs and maintenance to building systems and equipment typically found in a commercial office building. (\$949,958)	Tenant contributes to a sinking fund for capital replacements as well as makes payments on a defrayment schedule. Tenant maintains an endowment fund.	By Tenant: General Commercial Liability (with County as additional insured), All Risk covering Tenant's property, and Auto. By County: Property and Improvements through self-insurance	Tenant manages on-site parking. Patrons use public parking.	- Fifteen year Initial Term; Four 10 year renewals. - Landlord may convey a Review Board prior to renewals to make renewal recommendations. - Naming Rights with County approval. - Termination for Convenience of Government - County can use facility 4 times/yr rent free.

67 Note: Maintenance and utilities costs are for FY07

Organization	Facility	a) Rent	b) Other Considerations	c) Utilities	d & e) Maintenance Responsibilities	f) Occupant's long-term responsibility	g) Insurance	h) Parking	i) Other features of lease
Arts and Humanities Council	Town Sq Garage #61 801 Ellsworth Drive Silver Spring, Maryland G#5461 Right of Entry Agreement Occupancy Date: 7/04	\$0.00	Tenant will receive \$333,810 for administration support in FY08.	(\$0)	(\$1,121)		By Tenant: Commercial General Liability, Workers' Compensation, and Auto	Public Parking	
Round House Theatre – Education Center	Silver Spring/Wayne Garage #60, Wayne Avenue, SS G#5460 Occupancy Date: 6/04 Education Center and Black Box share same lease.	\$0.00	Tenant to provide two free tickets to Public Programs; Tenant will provide County with 5% of the tickets at the lowest rate for programs running 7 days or more. Round House Theatre (as an organization) will receive \$253,212 for operating support in FY08 from the Arts and Humanities Council	County pays for all utilities. Tenant pays for telephone and internet. (\$20,081)	(\$15,234)	Tenant to establish an Operating Reserves Fund of up to six months operating expenses from Net Revenues.	By Tenant: General Commercial Liability (with County as additional insured), Workers' Compensation, All Risk covering Tenant's property, and Auto. By County: Property and Improvements through self-insurance	Public Parking	- Ten year Initial term; four 10 year renewal options. - Naming Rights with County approval on structural items. - County can use facility 4 times/yr for public events;

89 Note: Maintenance and utilities costs are for FY07

Organization	Facility	a) Rent	b) Other Considerations	c) Utilities	d & e) Maintenance Responsibilities	f) Occupant's long-term responsibility	g) Insurance	h) Parking	i) Other features of lease
Round House Theatre- Black Box	Silver Theatre and Cultural Center, Colesville Road, SS G#7305 Occupancy Date: 5/03	\$0.00	Tenant to provide two free tickets to Public Programs; Tenant will provide County with 5% of the tickets at the lowest rate for programs running 7 days or more.	County pays for all utilities. Tenant pays for telephone and internet. (\$132,856)	(\$0)	Tenant to establish an Operating Reserves Fund of up to six months operating expenses from Net Revenues	By Tenant: General Commercial Liability (with County as additional insured), Workers' Compensation, All Risk covering Tenant's property, and Auto. By County: Property and Improvements through self-insurance	Public Parking	- Ten year Initial term; four 10 year renewal options. - Naming Rights with County approval on structural items. - County can use facility 2 times/yr for public events;
Round House Theatre – Main Stage	7501 Wisconsin Avenue Bethesda, Maryland G#7305A Occupancy Date: 1/02 This is not a County owned facility, but the County has a use license for a Theater as part of the Optional Method Development plan. The County transferred that use license to Roundhouse Theater, the only organization to bid on it.	\$1.00		Tenant pays all utilities. (\$0)	Tenant is responsible for all maintenance and repairs. County: None (\$0)	Tenant contributes \$50,000 annually to a Reserve Fund.	By Tenant: General Commercial Liability (with County as additional insured), All Risk covering Tenant's property, Auto, Workers' Compensation and Boiler and Machinery. By County: None	Public Parking	- Chevy Chase Bank agrees to build the theater in its building as part of an Optional Method of Development. The County transferred its "exclusive use license" to Roundhouse Theater. - Two year Initial Term; two year renewals during 65 year Ground lease with Chevy Chase Bank.

(69) Note: Maintenance and utilities costs are for FY07

Organization	Facility	a) Rent	b) Other Considerations	c) Utilities	d & e) Maintenance Responsibilities	f) Occupant's long-term responsibility	g) Insurance	h) Parking	i) Other features of lease
Glen Echo Park Partnership for Arts and Culture, Inc.	Glen Echo Park Town of Glen Echo G#7308 This is not a County Owned facility. The County entered into a coop agreement regarding Glen Echo Park. The County designated the organization to manage, market & operate the Park. Occupancy Date: 9/02	N/A	Organization is paid a management fee by the County. Tenant will receive \$115,212 for operating support in FY08 from the Arts and Humanities Council.	(\$0)	(\$0)				There is no lease. The Initial Agreement dated September 5, 2002 expires June 30, 2006 at which time a Memorandum of Understanding takes effect and expires June 30, 2017. The MOU does not require contributions from the County.
The Writer's Center 12,425 sq. ft.	4506 Walsh Street Bethesda, Maryland G#7306 Occupancy Date: 8/1/92	\$28,109/yr less \$11k credit (for improvements) rent abatement 8/1/06-7/31/09	Community groups can use meeting rooms for a nominal fee. Tenant will receive \$49,511 for operating support in FY08 from the Arts and Humanities Council.	Tenant pays all utilities. (\$0)	Tenant is responsible for all costs of maintenance and repairs. (\$0)	Tenant obtained a grant for improvements to the building.	By Tenant: Liability, Fire and Extended coverage. By County: Property through self-insurance.	Tenant has on-site parking	- Expires 12/31/2013. - County can terminate with one year's notice. - First Right of Refusal to purchase should County sell property.

Note: Maintenance and utilities costs are for FY07