

MEMORANDUM

April 17, 2014

TO: Health and Human Services Committee

FROM: Vivian Yao, Legislative Analyst *ny*

SUBJECT: **Worksession – FY15 Non-Departmental Account, Takoma Park Library Annual Payment**

Those expected to participate in this worksession include:

- Nic Fontem, Coordinator for Technical Services, Takoma Park Library
- Bruce Meier, Office of Management and Budget

The County Executive's recommendation for the Takoma Park Library Annual Payment Non-Department Account is attached on ©1-2.

Budget Summary

FY10 Budget	\$132,830
FY11 Budget	\$100,950
FY12 Budget	\$95,900
FY13 Budget	\$151,320
FY14 Budget	\$108,810
FY15 CE Rec	\$132,819

The Takoma Park Library Annual Payment is required under County Code Section 2-53 (©3). The amount to be paid is derived by formula based on the City's assessable base multiplied by the County's ad valorem tax rate on real and personal property attributable to the net County library appropriation.

FY15 Recommendation

For FY15, the Executive recommends budgeting \$132,819 for the Takoma Park Library. **The budgeted amount is a placeholder.** The actual annual payment is calculated at the end of each calendar year. Fluctuations in the amount reflect changes in the formula elements (for example, changes in the assessable base, or in the proportion of the County libraries appropriation that is funded by property tax). The actual FY14 payment was \$113,959.

Information on the proposed FY15 Takoma Park Library budget is attached at ©4-6. The FY15 budget for the Takoma Park Library proposed by the City Manager is \$1,179,084 which is \$18,253 or 1.57% higher than the adopted FY14 budget. The recommended funding would be 11.3% of the Library's total budget.

Council staff recommends approval of the County Executive's proposed funding.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	382,250	0.00
Decrease Cost: Revised Estimate	-5,650	0.0
FY15 CE Recommended	376,600	0.0

Snow Removal and Storm Cleanup

This NDA funds the snow removal and storm clean up costs for the Department of Transportation and General Services above the budgeted amounts in these departments for this purpose. This program includes the removal of storm debris and snow from County roadways and facilities. This includes plowing, applying salt and sand, equipment preparation and cleanup from snow storms, and wind and rain storm cleanup.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	5,884,990	0.00
FY15 CE Recommended	5,884,990	0.00

State Positions Supplement

This NDA provides for the County supplement to State salaries and fringe benefits for secretarial assistance for the resident judges of the Maryland appellate courts.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	44,662	0.00
Increase Cost: Annualization of FY14 Personnel Costs	16,094	0.00
FY15 CE Recommended	60,756	0.00

State Property Tax Services

This NDA reimburses the State for three programs that support the property tax billing administration conducted by the Department of Finance: the Montgomery County's Homeowners Credit Supplement, the Homestead Credit Certification Program, and County's share of the cost of conducting property tax assessments by the State Department of Assessments and Taxation (SDAT).

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	3,333,398	0.00
Increase Cost: SDAT Reimbursement	85,912	0.00
Increase Cost: Homestead Tax Credit Certification	45,300	0.00
FY15 CE Recommended	3,464,610	0.00

State Retirement Contribution

This NDA provides for the County's payment of two items to the State Retirement System:

- Maryland State Retirement System: Unfunded accrued liability, as established by the Maryland State Retirement System (MSRS), for employees hired prior to July 1, 1984, who are members of the MSRS (including former Department of Social Services employees hired prior to July 1, 1984), and for those who have retired (all County employees participated in the State Retirement System until 1965.) The County's contribution for this account is determined by State actuaries. Beginning in FY81, the amount due was placed on a 40-year amortization schedule.
- State Library Retirement: Accrued liability for retirement costs for three Montgomery County Public Library retirees who are receiving a State retirement benefit. These were County employees prior to 1966 who opted to stay in the State plan.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	1,192,180	0.00
Increase Cost: Adjustment to Reflect Actuarial Schedule	59,423	0.00
FY15 CE Recommended	1,251,603	0.00

Takoma Park Library Annual Payment

The annual amount provided in this NDA is a function of County expenditures for the Montgomery County Public Libraries (as a share of property tax-funded spending) and the City of Takoma Park's assessable base. The payment is authorized by Section 2-53 of

the Montgomery County Code.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	108,810	0.00
Increase Cost: Formula Increase	24,009	0.00
FY15 CE Recommended	132,819	0.00

Takoma Park Police Rebate

The County provides financial support to the City of Takoma Park for police protection services in accordance with provisions of the County Code. This provision was enacted in 1949 and provides a payment to the City for protective services for the County residents of the City of Takoma Park. The payment is based on a formula, which uses \$0.048 per \$100 of assessable base tax rate with "full value assessment" levied on real property.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	916,295	0.00
Increase Cost: Formula Increase	35,245	0.00
FY15 CE Recommended	951,540	0.00

Working Families Income Supplement

This NDA provides funds to supplement the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses.

FY15 Recommended Changes	Expenditures	FTEs
FY14 Approved	17,657,600	0.00
Increase Cost: Increase Match from 85% to 90% of State Earned Income Tax Credit as Required by Bill 8-13	1,016,800	0.00
Decrease Cost: Revised Baseline Cost Estimate at 85% Match	-332,200	0.00
FY15 CE Recommended	18,342,200	0.00

MONTGOMERY COUNTY CODE

Sec. 2-53. Annual payment of county library tax to certain municipalities.

(a) If the governing body of any municipality in the County which supports or operates a free public library on December 31, 1997 does not transfer that library into the County system, the Director of Finance must pay annually to the governing body of that municipality for library purposes, as soon after the beginning of each fiscal year as possible:

(1) an amount which would be realized if that portion of the general County ad valorem tax rate on real and personal property attributable to the appropriation for the Department of Public Libraries for that fiscal year were levied against the assessed value, on the preceding County date of finality, of the real and personal property in that municipality; or

(2) a lower amount approved in the annual operating budget or a Council resolution.

For the purposes of this subsection, the amount of the appropriation for the Department of Public Libraries in any fiscal year includes the estimated amount of the payment to that municipality in that fiscal year. The amount of payment to any municipality must not exceed in any given fiscal year the amount of revenue derived from taxes levied by that municipality for library purposes for the preceding fiscal year.

(b) If the governing body of a library supported by a municipality indicates a desire to transfer all or part of the library facilities owned by it into the County public library system, the Director of Public Libraries must negotiate for that transfer as provided in this Article. (Mont. Co. Code 1965, § 2-59; 1999 L.M.C., ch. 11, § 1; 2010 L.M.C., ch. 23, § 1.)

Editor's note—2010 L.M.C., ch. 23, § 3, states: The amendments inserted in Section 2-53 in Section 1 expire after June 30, 2012.

Department Summary

Department Overview:

The Takoma Park Library enhances the quality of life in Takoma Park by responding to and inspiring the literary, educational, and informational needs of a diverse community. The Library provides and promotes up-to-date resources, collections, and referrals that match community interests, promote literacy and learning, nurture a love of books and stories, and present a broad range of views within an inviting and safe environment. The Library also operates the City's Computer Learning Center.

<i>Staffing Summary by Division (FTEs)</i>	<i>Actual FY13</i>	<i>Adopted FY14</i>	<i>Proposed FY15</i>
<i>Library</i>	7.88	8.88	9.52
<i>Computer Learning Center</i>	1.12	1.28	1.38
<i>Department Total FTEs</i>	9.00	10.16	10.90

<i>Source of Funds</i>	<i>Actual FY13</i>	<i>Adopted FY14</i>	<i>Estimated FY14</i>	<i>Proposed FY15</i>
<i>Library Aid from County</i>	127,618	108,810	133,959	132,819
<i>Library Fines and Fees</i>	34,405	40,000	33,400	34,000
<i>Subtotal</i>	162,023	148,810	167,359	166,819
<i>General Fund</i>	842,938	1,012,021	973,416	1,012,256
<i>Department Total</i>	1,004,961	1,160,831	1,140,775	1,179,084

Department Summary

<i>Dept. Expenditures by TYPE</i>	<i>Actual FY13</i>	<i>Adopted FY14</i>	<i>Estimated FY14</i>	<i>Proposed FY15</i>
<i>Wages</i>	615,827	697,870	684,000	721,000
<i>Fringe Benefits</i>	220,694	263,262	263,200	272,500
<i>Overtime</i>	621	1,200	1,200	1,200
<i>Employee Recognition</i>	800	250	250	550
<i>Personnel Subtotal</i>	837,942	962,582	948,650	995,250
<i>Supplies</i>	136,062	146,661	144,376	139,960
<i>Services and Charges</i>	22,946	40,088	37,249	33,374
<i>Miscellaneous</i>	8,011	11,500	10,500	10,500
<i>Department Total</i>	1,004,961	1,160,831	1,140,775	1,179,084

<i>Dept. Expenditures by DIVISION</i>	<i>Actual FY13</i>	<i>Adopted FY14</i>	<i>Estimated FY14</i>	<i>Proposed FY15</i>
<i>Library</i>	931,181	1,069,933	1,060,962	1,085,329
<i>Computer Learning Center</i>	73,780	90,898	79,813	93,755
<i>Department Total</i>	1,004,961	1,160,831	1,140,775	1,179,084

Department Summary

Adopted to Estimated Actual FY14:

- *Departmental expenditures are expected to be \$20,056 lower than budget.*
- *The variance is attributable to lower than anticipated costs in personnel and supplies.*

FY15 Budget Highlights:

- *Departmental expenditures are \$18,253 higher – an increase of 1.6 percent – compared to budgeted expenditures for FY14.*
- *Departmental FTEs increase by 0.74.*
- *Approximately 84 percent of departmental expenditures are personnel related.*
- *Personnel costs increase by \$32,668 compared to budgeted expenditures for FY14.*
- *Approximately 12 percent of departmental expenditures are supplies. This category includes the cost of digital and print books, periodicals, reference resources, and media; and computer and office supplies, including all materials needed for processing and circulation.*
- *Services and charges represent about three percent of departmental expenditures. They include contractual costs and support for circulation and cataloging records and functions.*