

Please bring the April 26 Worksession Packet to the Meeting.

PHED Item 4
April 30, 2012
Worksession 3

MEMORANDUM

April 27, 2012

TO: Planning, Housing and Economic Development Committee

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Worksession 3:** Bill 5-12, Administration – Small Business Navigator -
Established

Bill 5-12, Administration – Small Business Navigator - Established, sponsored by Council President Berliner, was introduced on February 7, 2012. A public hearing was held on February 28 and Planning, Housing and Economic Development Committee worksessions were held on March 19 and April 26.

Background

Bill 5-12 would require the Executive to designate an employee in the Office of the Executive or the Office of the Chief Administrative Officer as the Small Business Navigator. Among other duties, the Navigator must:

- (1) advise the Executive, the Council, the Chief Administrative Officer, County Department heads, the Planning Board, and any other appropriate government agency, of any action needed to assist small businesses to comply with County requirements and regulations;
- (2) serve as primary point of contact between a small business and each County department or agency that the small business must interact with;
- (3) develop and maintain a database of information necessary for a small business to comply with County requirements and regulations; and
- (4) advise small businesses on how to comply with County requirements and regulations.

March 19 PHED Worksession

Council President Roger Berliner attended the worksession along with the Committee members. DED Director Steve Silverman, Peter Bang, DED, and Katie Knowlin, DED, represented the Executive Branch. The Committee reviewed the Bill and discussed the potential

fiscal impact. The Executive had not yet submitted a fiscal impact statement for this Bill. The Committee decided to consider this Bill along with the budget review of the DED and DPS budgets. The Committee did not vote on the Bill.

April 26 PHED Worksession

The Committee discussed the Bill with DED Director Steve Silverman. Mr. Silverman said that the Executive generally supported the Bill if the Council appropriated funding for new staff to implement it, but raised concerns over the requirement in the Bill that the Executive designate an employee in the Office of the County Executive to be the small business navigator. The Executive supports adding the small business navigator to the Department of Economic Development. The Committee also questioned the requirement in lines 19-21 of the Bill that the small business navigator “serve as a primary point of contact between a small business and each County department or agency that the small business must interact with.” The Committee agreed that funding for new staff would be necessary to implement the Bill.

The Committee asked Council staff to work with DED Director Silverman to draft amendments that would address the issues raised at the worksession. Council staff worked with Mr. Silverman to draft proposed amendments. The proposed amendments on lines 11-12, 19, and 25-26 on the draft Bill at ©10-12 would address the concerns raised by Mr. Silverman at the April 26 worksession. If the Committee recommends approval of the Bill, funding for the new staff in DED would have to be put on the reconciliation list to implement it in FY13.

This packet contains:	<u>Circle #</u>
Bill 5-12	1
Legislative Request Report	4
Fiscal and Economic Impact Statement	5
Draft Bill 5-12	10

Bill No. 5-12
Concerning: Administration – Small
Business Navigator – Established
Revised: February 2, 2012 Draft No. 5
Introduced: February 7, 2012
Expires: August 7, 2013
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Berliner

AN ACT to:

- (1) establish a program to assist certain small businesses located in the County;
- (2) require the appointment of a dedicated staff member to assist small businesses to comply with County requirements and regulations; and
- (3) generally amend the law concerning small businesses.

By adding

Montgomery County Code
Chapter 2. Administration.
Section 2-25B

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

1 **Sec. 1. Section 2-25B is added as follows:**

2 **2-25B. Small Business Navigator.**

3 (a) Definitions. As used in this Section:

4 Navigator means the Small Business Navigator.

5 Small business means a privately owned business that meets the
6 requirements of Section 11B-65(a).

7 (b) Establishment of Program. The Executive must create and administer a
8 Small Business Assistance Program with a Small Business Navigator to
9 help small businesses comply with County policies and regulations.

10 (c) Small Business Navigator. The Executive must designate an employee
11 in the Office of the Executive or the Office of the Chief Administrative
12 Officer as the Small Business Navigator. Among other duties, the
13 Navigator must:

14 (1) advise the Executive, the Council, the Chief Administrative
15 Officer, County Department heads, the Planning Board, and any
16 other appropriate government agency, of any action needed to
17 assist small businesses to comply with County requirements and
18 regulations;

19 (2) serve as primary point of contact between a small business and
20 each County department or agency that the small business must
21 interact with;

22 (3) develop and maintain a database of information necessary for a
23 small business to comply with County requirements and
24 regulations; and

25 (4) advise small businesses on how to comply with County
26 requirements and regulations.

27 (d) Reports. On or before September 15 of each year, the Executive must
28 report to the Council on the activities of the Navigator.

29 *Approved:*

30

Roger Berliner, President, County Council

Date

31 *Approved:*

32

Isiah Leggett, County Executive

Date

33 *This is a correct copy of Council action.*

34

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 5-12

Administration – Small Business Navigator - Established

DESCRIPTION: This Bill would require the Executive to appoint a dedicated staff member to assist small businesses to comply with County requirements and regulations.

PROBLEM: Small businesses often have trouble understanding and complying with County requirements and regulations. Currently, there is no dedicated staff member available to help small businesses meet County requirements.

GOALS AND OBJECTIVES: To help small businesses comply with County requirements and regulations.

COORDINATION: CAO, DED Director, DGS Director

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney, 240-777-7895

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: Not applicable.

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ROCKVILLE, MARYLAND

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MEMORANDUM

March 23, 2012



TO: Roger Berliner, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
 Joseph F. Beach, Director, Department of Finance *JFH*

SUBJECT: Bill 5-12 - Administration -Small Business Navigator -Established

Attached please find the fiscal and economic impact statements for the above-referenced legislation.

JAH:bh

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Lisa Austin, Offices of the County Executive
- Joy Nurmi, Special Assistant to the County Executive
- Patrick Lacefield, Director, Public Information Office
- Alex Espinosa, Office of Management and Budget
- Sonetta Neufville, Offices of the County Executive
- Pam Jones, Office of Procurement
- Peter Bang, Department of Economic Development
- Bryan Hunt, Office of Management and Budget
- Angela Dizelos, Office of Management and Budget
- Naeem Mia, Office of Management and Budget
- Michael Coveyou, Department of Finance

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Fiscal Impact Statement
Bill 5-12, Administration – Small Business Navigator – Established

1. Legislative Summary

Bill 5-12 would require the Executive to appoint a dedicated staff member to assist small businesses to comply with County requirements and regulations, and to serve as the primary point of contact between a small business and each County department or agency with which the small business must interact. Small businesses often have trouble understanding and complying with County requirements and regulations. Currently, there is no dedicated staff member available in the Offices of the County Executive to help small businesses meet County requirements.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

No change in County revenues is anticipated or assumed as a result of this bill.

Assumed expenditures for one (1) new Manager II position and one (1) new Principal Administrative Aide (PAA) to administer the program are shown in item 3 below. A senior-level position is necessary as the position is assumed to require at least ten years of experience in working with small business firms.

This individual will advise the Executive, the Council, the Chief Administrative Officer, County Department heads, the Planning Board, and any other appropriate government agency, of any action needed to assist small businesses; assess issues; receive complaints; and, be the point of contact for a universe of about 30,000 small businesses in the County.

The position will also need to coordinate with the Department of Economic Development, Department of Permitting Services, and the Office of Procurement in providing assistance to small businesses. The PAA position will provide general administrative support and assist with database development and maintenance.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Continued on next page

(New) Manager II	Full Year Reference Cost	First Year <u>FY13</u> at .8 FTE	2nd Year <u>FY14</u> 1.0 FTE	3rd Year <u>FY15</u>	4th Year <u>FY16</u>	5th Year <u>FY17</u>	6th Year <u>FY18</u>
Salary & Wages (c)	\$ 104,000	\$ 83,200	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Fringes 30% (c)	\$ 31,200	\$ 24,960	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200
Sum (PCs)	\$ 135,200	\$ 108,160	\$ 135,200	\$ 135,200	\$ 135,200	\$ 135,200	\$ 135,200
OE - OTO (a)	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
OE - Ongoing (b)	\$ 1,000	\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Subtotal ->		\$ 112,760	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200

(New) Principal Administrative Aide	Full Year Reference Cost	First Year FY13 at .6 FTE	2nd Year FY14 .75 FTE	3rd Year FY15	4th Year FY16	5th Year FY17	6th Year FY18
Salary & Wages (c)	\$ 43,300	\$ 25,980	\$ 32,475	\$ 32,475	\$ 32,475	\$ 32,475	\$ 32,475
Fringes 30% (c)	\$ 12,990	\$ 7,794	\$ 9,743	\$ 9,743	\$ 9,743	\$ 9,743	\$ 9,743
Sum (PCs)	\$ 56,290	\$ 33,774	\$ 42,218	\$ 42,218	\$ 42,218	\$ 42,218	\$ 42,218
OE - OTO (a)	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
OE - Ongoing (b)	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Subtotal ->		\$ 36,524	\$ 42,968	\$ 42,968	\$ 42,968	\$ 42,968	\$ 42,968
Total Cost Estimate		\$ 149,284	\$ 180,168	\$ 180,168	\$ 180,168	\$ 180,168	\$ 180,168

(a) One-time only office furniture, laptop w/ docking station, office phone costs, wireless data device.

(b) Office phone, IT support, wireless data plan, miscellaneous office supplies, and mileage reimbursements.

(c) S & W and Fringes flatlined due to unknown future wage agreement, health care, retirement costs.

Notes: 0.8 FTE for the MII position is assumed in FY13 due to the time it will take to recruit and hire this position.

The PAA position will only be funded at 0.75 FTE based on anticipated job duties and responsibilities.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Personnel costs for this position are currently flat lined due to uncertainty about future wage agreement, health care, and retirement costs.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable. Bill 5-12 does not authorize future spending.

6. An estimate of the staff time needed to implement the bill.

The new MII position is estimated at 0.8 FTE in the first year of implementation (FY13) due to the time necessary for recruitment and hiring. On-going funding will be at 1.0 FTE.

The new Principal Administrative Aide (PAA) position will be funded at 0.6 FTE in the first year of implementation (FY13), based on anticipated job duties and responsibilities. On-going future funding will be at .75 FTE.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

These would be new positions hired specifically to perform the duties and tasks set forth in Bill 5-12. The current staff at the Offices of the County Executive could not absorb this new workload within their presently assigned job duties.

8. An estimate of costs when an additional appropriation is needed.

An additional appropriation of \$149,284 would be needed in FY13, as detailed in item 3.

9. A description of any variable that could affect revenue and cost estimates.

Variables that impact collected revenue are not applicable. Variables that impact the position's cost estimates are future wage agreements, health care, and retirement costs.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Future wage agreements, health care, and retirement costs (for all employees) are uncertain or difficult to project.

11. If a bill is likely to have no fiscal impact, why that is the case.

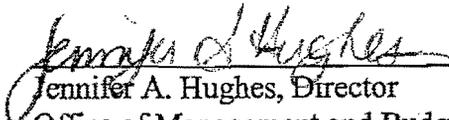
An impact on expenditures will occur due to the creation and filling of a new position.

12. Other fiscal impacts or comments.

The new Manager II and Principal Administrative Aide positions are the minimum required resources to support the program established by this bill. If demand for services increase, then additional resources and staffing will be required for continued support.

13. The following contributed to and concurred with this analysis:

Sonetta Neufville, Offices of the County Executive
Peter Bang, Department of Economic Development
Michael Coveyou, Department of Finance
Angela Dizelos, Office of Management and Budget
Bryan Hunt, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Pam Jones, Office of Procurement



Jennifer A. Hughes, Director
Office of Management and Budget

3/22/12
Date

Economic Impact Statement
Bill 5-12, Administration -Small Business Navigator -Established

Background:

This legislation would require the Executive to designate an employee in the Office of the Executive or the Office of the Chief Administrative Officer as the Small Business Navigator. The Small Business Navigator would advise of any action needed to assist small businesses to comply with County requirements and regulations; serve as the primary point of contact between a small business and the County; develop and maintain a database of information necessary for a small business to comply with County requirements and regulations; and advise small businesses on how to comply with County requirements and regulations

1. The sources of information, assumptions, and methodologies used.

Not applicable—this legislation is administrative only.

2. A description of any variable that could affect the economic impact estimates.

Not applicable—this legislation is administrative only.

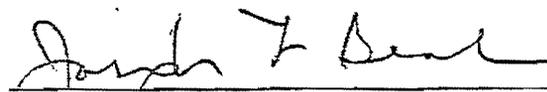
3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

While this legislation is predominantly administrative in nature, its intent is to authorize support for local small businesses which are an important part of the local economy. However, since the role of the authorized position of Small Business Navigator is to support local small businesses it is not possible to reliably quantify its impact on local economic factors such as employment or investment.

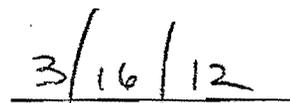
4. If a Bill is likely to have no economic impact, why is that the case?

Not applicable—this legislation is administrative only.

5. The following contributed to and concurred with this analysis: David Platt and Mike Coveyou, Finance



Joseph F. Beach, Director
Department of Finance


Date

Bill No. 5-12
Concerning: Administration – Small
Business Navigator – Established
Revised: April 27, 2012 Draft No. 6
Introduced: February 7, 2012
Expires: August 7, 2013
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

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