



# MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> FY 23 Appropriation and Transfer	<b>Executive Order No.</b> 202-23	<b>Subject Suffix</b>
<b>Originating Department</b> Alcohol Beverage Services	<b>Department Number</b>	<b>Effective Date</b> 11/16/23

### BACKGROUND

1. State law provides for the Director of Finance and the Director of Alcohol Beverage Services (ABS), with the approval of the County Executive, to determine the adequate balance of working capital for the continued operation of the dispensary system and transfer the remaining net proceeds into the General Fund of the County. Because of this State law, both the County Attorney and the Attorney General have advised that the determination of the amount of funds required for these purposes is within the exclusive province of the County Executive and is not subject to the County budget process.
2. Resolution 16-676 (amended by Resolution 16-863) authorized the issuance of debt to finance the certain capital projects including: DLC Liquor Warehouse, State Transportation Participation, Rapid Transit System, Bethesda Metro Station South Entrance, and Glenmont Metro Parking Expansion. The payment of principal and interest on the bonds issued to finance these projects is secured by the net proceeds of the ABS, as set forth below.
3. Pursuant to Md. Ann. Code art. AB § 25-311 (formerly Article 2B, § 15-207(e)), the County Executive establishes an adequate balance of working capital (ABS Fund Balance) for the continued operation of the dispensary system and a transfer of remaining net proceeds into the General Fund of the County, as set forth below.

### ACTION

1. It is ordered that the FY23 ABS budget is as follows: Personnel Costs: \$37,692,841. Operating Expense (including debt service): \$33,527,248. This appropriation assumes ABS revenues of \$100,533,654 and a balance of working capital (ABS Fund Balance) of \$15,935,371.
2. It is ordered that the Director of Finance transfer from the ABS Fund to the General Fund, at the end of each of the first three quarters of the fiscal year, an amount equal to one fourth of the amount of \$34,917,233 This amount includes the transfer for: earnings of \$31,000,000 and overhead costs of \$3,917,233. The County Executive, on the advice of the ABS and the Department of Finance, will decide the final quarterly transfer at the end of the fiscal year.
3. It is ordered that a portion of the amount transferred to the General Fund relating to bond debt service (\$8,860,940), payable from ABS pledged revenues, will be transferred to U.S. Bank National Association as Trustee in accordance with the amounts and timeframes stipulated in the Trust Agreement and the written directions of the Director of Finance.

Marc Elrich, County Executive

Approved as to Form and Legality

Assistant County Attorney

11/16/2023

Date