



MONTGOMERY COUNTY EXECUTIVE ORDER

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

Subject FY 17 Appropriation and Transfer	Executive Order No. 111-16	Subject Suffix
Originating Department Department of Liquor Control	Department Number	Effective Date 7/18/16

BACKGROUND

1. State law provides for the Director of Finance and the Director of the Department of Liquor Control (DLC), with the approval of the County Executive, to determine the amount of working capital required by the Department and to retain from the Department's net profits (before making any deposit into the General Fund of the County) the funds necessary to service DLC-related debt and provide adequate working capital for the operation of the DLC. 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. In FY09, Capital Improvement Project #850900-DLC Liquor Warehouse was approved by the County Executive and the County Council approved the issuance of debt (Resolution 16-683) for the State Transportation Participation project, Bethesda Metro Station South Entrance, and Glenmont Metro Parking Expansion, as well as the Liquor Warehouse. The DLC Liquor Warehouse project provides for the consolidation of all Department of Liquor Control functions into the 200,000 square foot Finmarc building on Edison Park Drive in Gaithersburg, MD.
3. Pursuant to Article 2B, Section 15-207(e) of the Maryland Annotated Code, the County Executive establishes the FY16 Department of Liquor Control working capital and contribution to the County's General Fund, as set forth below.

ACTION

1. It is ordered that the FY16 Department of Liquor Control working capital is as follows: Personnel Costs - \$33,528,815. Operating Expense - \$29,588,446. Total working capital is \$63,117,261.
2. It is ordered that the Director of Finance transfer from the Liquor Control 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 \$20,712,444. This amount includes the transfer for: earnings of \$17,185,388, overhead costs of \$3,358,024, and transfer to the Telecommunications NDA of \$169,032. The County Executive on the advice of the Department of Liquor Control, the Office of Management and Budget, and the Department of Finance will determine 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 debt service (\$10,932,900) payable from DLC pledged revenues, be transferred directly to U.S. Bank National Association, in accordance with the amounts and timeframes stipulated in the Trust Indenture.

Isiah Leggett, County Executive

Approved as to Form and Legality

County Attorney

7/7/2016
Date