




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 25, 2024

TO: Andrew Friedson, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendments to the FY25 Recommended Operating Budget

In addition to the amendment package that was sent to Council on March 27, 2024, I am recommending two additional amendments to my FY25 Recommended Operating Budget.

CHANGES IN RESOURCES

Additional FY24 Surplus Reserves

In the development of the FY25 Recommended Operating Budget, based on data available at that time, both the Office of Management and Budget and the Office of Human Resources believed that a \$10.0 million supplemental appropriation would be needed to cover the costs for the remainder of FY24 for the Employee Health Benefit Self Insurance Fund. The FY25 Recommended Budget included the assumption that a \$10.0 million supplemental would be needed. However, as we have moved farther into the fiscal year, actual health insurance claims have not kept pace with prior assumptions, and we now believe that a supplemental appropriation of only \$5.2 million is needed. This is the amount of the supplemental appropriation that I transmitted to Council on April 12, 2024. The remaining \$4.8 million that was assumed in FY25 Recommended Operating Budget is not needed and would increase the assumed FY24 ending reserves accordingly.

CHANGES IN EXPENDITURES

The two amendments following total \$242,158.

Department of Finance

Increased Costs Related to Armored Vehicle Transportation Services

Since submitting the recommended budget, one of the County's banking partners, CapitalOne, who has been contracting for armored vehicle services on the County's behalf, will no longer be doing so. Thus, the Department of Finance must contract directly with an armored vehicle service to transport cash and other payments received to the bank. The annual cost for this service is \$200,000 beginning in FY25.

Office of Food Systems Resilience

Inflationary Adjustment for Nonprofit Service Provider Contracts

As a result of contracts shifting from other departments to the Office of Food Systems Resilience, several contracts were inadvertently excluded from the calculation of the recommended inflationary adjustment. As a result of this oversight, I am recommending an additional \$42,158 to provide the inflationary adjustment to those contracts with nonprofit providers in the Office of Food Systems Resilience's base budget that were inadvertently excluded from the calculation.

I appreciate the Council considering these proposed amendments to my FY25 Recommended Operating Budget, as if they were part of the original submission. An updated report on all proposed FY25 amendments is enclosed. Should you have any questions, please reach out to Jennifer Bryant or Joshua Watters in the Office of Management and Budget.

ME:jw

Enclosure: Detail on Recommended FY25 County Executive Amendments Report

cc: Cindy Gibson, Chief of Staff to the Council President, Montgomery County Council
Marlene Michaelson, Executive Director, Montgomery County Council
Craig Howard, Deputy Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Ken Hartman Espada, Assistant Chief Administrative Officer, Office of the County Executive
Sonia Mora, Assistant Chief Administrative Officer, Office of the County Executive
Earl Stoddard, Assistant Chief Administrative Officer, Office of the County Executive
Heather Bois Bruskin, Director, Office of Food Systems Resilience
Jennifer R. Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance

Detail on Recommended FY25 CE Amendments

Tax Supported

EXPENDITURE AMENDMENTS

Food Systems Resilience

Enhance: Additional Support for Food Staples Program	3,500,000
Increase Cost: Inflationary Adjustment for Nonprofit Service Provider Contracts	42,158

Finance

Increase Cost: Armored Vehicle Transportation Services	200,000
--	---------

Technology and Enterprise Business Solutions

Enhance: Customer Relationship Management (CRM) Software Project	400,000
Enhance: Web 2.0 Initiative	1,500,000

General Services

Increase Cost: Support for BlackRock Center for the Arts	260,000
Restore: Tree Removal Services	120,000

Police

Add: Equipment Maintenance and Refresh Planned Life Cycle Replacement Account	500,000
Enhance: Public Safety Training Academy Cadet Program	495,498
Increase Cost: Technology Maintenance Contract	1,600,000

Emergency Management and Homeland Security

Enhance: Additional Non-profit Security Grants for Organizations and Facilities At High Risk of Hate Crimes	300,000
---	---------

Health and Human Services

Increase Cost: Newcomers Initiative	7,155,143
-------------------------------------	-----------

Recreation

Enhance: Damascus Senior Center Rental Space and Storage	74,472
Enhance: IT Enhancement for ePact Software and Equipment	145,100

Detail on Recommended FY25 CE Amendments

Tax Supported

NDA - Leases

Enhance: Board of Elections Space Expansion 305,322

NDA - Vision Zero

Enhance: La Abuelina Outreach Program 50,000

NDA - KID Museum

Enhance: STEM Educational Programming and Teacher Professional Development 1,145,366

NDA - Children’s Opportunity Alliance (COA)

Enhance: One-time Enhancements for Children's Opportunity Alliance 231,200

Economic Development Fund

Add: Fund for High Growth Small Businesses 7,500,000

Add: Grant Program for Small Businesses Impacted by Purple Line Construction 900,000

Total Tax Supported Expenditures **26,424,259**