



Committee: PHED
Committee Review: Completed
Staff: Gene Smith, Legislative Analyst
Purpose: To make initial decisions – straw vote expected
Keywords: FY22 budget

AGENDA ITEM #27
 May 12, 2021
Worksession

SUBJECT

FY22 Operating Budget – Conference Center Non-Departmental Account (NDA)

EXPECTED ATTENDEES

None

FY22 COUNTY EXECUTIVE RECOMMENDATION

Conference Center NDA	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
Total Expenditures (General Fund)	\$535,405	\$590,420	10.3%
Personnel Costs	\$119,668 1.00 FTEs	\$124,683 1.00 FTEs	4.2% 0.00 FTEs
Operating Costs	\$415,737	\$465,737	12.0%

COMMITTEE RECOMMENDATIONS

- The Planning, Housing, and Economic Development Committee recommends approval of the subject appropriation as recommended by the Executive.

This report contains:

Staff Report
 Executive’s recommended FY22 budget

Pages 1
 © #1

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FY22 Operating Budget: Committee Consent Calendar

PHED Committee #8F

April 22, 2021

Department/Office: Conference Center Non-Departmental Account (NDA)

Staff: Gene Smith, Legislative Analyst

1. Staff Recommendation

Council staff recommends approval of the FY22 Conference Center NDA budget as submitted by the Executive.

2. Summary of FY22 Recommended Budget

The Executive’s FY22 Recommended Operating Budget is attached at ©1.

Conference Center NDA	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
General Fund	\$535,405	\$590,420	10.3%
Personnel Costs	\$119,668 1.00 FTEs	\$124,683 1.00 FTEs	4.2% 1.00 FTEs
Operating Costs	\$415,737	\$465,737	12.0%
Total Expenditures	\$535,405 1.00 FTEs	\$590,420 1.00 FTEs	10.3% 0.0%

3. Summary of FY22 Recommended Changes/Adjustments

General Fund - With Service Impact

- An increase of \$50,000 is recommended for the biennial management audit. This budget increases or decreases by \$50,000 each year, depending on whether it is an audit year.

General Fund - No Service Impact

- An increase of \$5,015 is recommended for the compensation adjustments of 1.00 FTEs.

4. Suggested Discussion Items for Fall Overview Session

- A follow up discussion may be necessary in the fall if additional funding is required in FY22. The Conference Center’s venue capacity is limited due to the health orders, and the County, as the owner, is responsible for any operating losses.

Conference Center

Prior to FY06, the Conference Center NDA primarily provided for pre-opening expenses. Since the Conference Center opened in November 2004, the NDA has expanded its scope to fund:

- a full-time position to manage the operational and fiscal oversight of the Conference Center complex;
- non-routine repairs, alterations, improvements, renewals, and replacements; and
- the designated reserve required by the management agreement with Marriott International, Inc.

Funding is also included to reimburse the contractor for costs not covered by operations during accounting periods when losses occur. These costs will be offset by contractor payments to the County during accounting periods with operating gains. To ensure fiscal and operational accountability, a management audit is conducted every two years and the program budget is increased by \$50,000 during the year such audit is scheduled. Revenues consisting of net operating income from the Conference Center and land rent from the hotel are deposited into the general fund. Twenty percent of the County's net proceeds from Conference Center operations is retained for investment in marketing and facility improvements to increase Conference Center usage. All proposed investment expenditures are reviewed and approved by the Conference Center Management Committee.

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	535,405	1.00
Enhance: Conference Center Management Audit	50,000	0.00
Increase Cost: FY22 Compensation Adjustment	1,417	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	3,598	0.00
FY22 Recommended	590,420	1.00