

Resolution No.: 20-1079  
Introduced: February 10, 2026  
Adopted: April 7, 2026

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the Request of the County Executive

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**SUBJECT:** Supplemental Appropriation #26-59 to the Fiscal Year 2026 Operating Budget  
Montgomery County Government - Department of Recreation  
Arts and Humanities Council of Montgomery County (AHCMC), \$53,788.45

**Background**

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY26 Operating Budget appropriation increases for the Department of Recreation:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$53,788.45	\$53,788.45	General Fund Undesignated Reserves

3. This request represents the remaining balance owed to Metris Arts Consulting for work completed under the AHCMC Cultural Plan. The supplemental is being advanced to allow this outstanding obligation to be resolved so that work already performed is paid in a timely and appropriate manner. The County recognizes the value of the Cultural Plan to the

community and remains committed to seeing it move forward in a way that is both programmatically meaningful and financially compliant.

This request follows the findings of Montgomery County Office of Internal Audit (MCIA)-24-5, Contract Management Audit, which identified issues related to the use of restricted funds and deferred revenue associated with the Public Arts Trust (PAT) and the Cultural Plan. In response, the County issued a cure memorandum on May 14, 2025, outlining corrective steps and reinforcing the requirement that PAT funds be used only for the limited purposes authorized by County Code and the contract, including the purchase and installation of permanent art on public property and the maintenance of County-owned public art.

As part of the County's review of Cultural Plan expenditures, AHCMC has indicated that it believed certain Cultural Plan costs could be paid using deferred Public Arts Trust (PAT) revenue. However, as clarified through the audit and subsequent County review, PAT funds, including deferred balances, may be used only for the limited purposes authorized by County Code and the applicable contract, and Cultural Plan consulting expenses are not among those authorized uses.

The total Cultural Plan contract amount with Metris Arts Consulting was \$371,298. Of that amount, \$86,148.03 was paid prior to issuance of the cure memorandum, \$231,361.52 was paid after the issuance of the cure memorandum and \$53,788.45 remains outstanding. At this time, the County is continuing to reconcile the funding sources used for certain payments and is working with AHCMC to obtain complete documentation to confirm how those expenses were paid.

Concurrently, as prescribed in the audit, the County is requesting that the remaining balance of deferred revenue, of which the majority is restricted in its use, be returned by the AHCMC no later than Feb. 6, 2026. Those funds are broken down as follows:

- \$367,299.96 from the PAT Non-Departmental Account (NDA)
- \$28,598 from the AHCMC NDA

The Department has also requested supporting documentation related to Cultural Plan expenditures to help bring this matter to closure.

In parallel, and while related questions are being reviewed in consultation with the Office of the County Attorney, the Department believes it is appropriate to advance a limited and targeted supplemental appropriation to address the remaining balance owed to Metris Arts Consulting. This approach allows the County to resolve an outstanding payment for work already completed while broader audit follow-up, reconciliation, and oversight measures continue.

Looking ahead, once the County has full clarity regarding funding sources, repayment of restricted funds, and the implementation of strengthened financial controls, the County may

consider restoring Public Arts Trust funds so that they may be used for their intended purposes.

Any such action would be contingent upon resolution of outstanding compliance issues and confirmation that appropriate governance and financial safeguards are in place.

This supplemental request is narrow in scope and is intended solely to address the remaining Cultural Plan obligation to Metris Arts Consulting. It does not resolve all audit-related matters, which are being addressed through ongoing administrative and legal review.

- 4. The County Executive recommends a supplemental appropriation to the FY26 Operating Budget in the amount of \$53,788.45 for the Arts and Humanities Council of Montgomery County (AHCMC) and specifies that the source of funds will be General Fund Undesignated Reserves.
- 5. Notice of public hearing was given, and a public hearing was held.

**Action**

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

A supplemental appropriation to the FY26 Operating Budget of the Department of Recreation is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$53,788.45	\$53,788.45	General Fund Undesignated Reserves

This is a correct copy of Council action.



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Sara R. Tenenbaum  
Clerk of the Council