

T&E COMMITTEE #1
April 14, 2011

Worksession

MEMORANDUM

April 12, 2011

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Susan J. Farag, Legislative Analyst *SJF*

SUBJECT: **Worksession: FY12 Operating Budget: Department of General Services:
Fleet Management Services (DFMS)
Motor Pool Fund Contribution (NDA)**

Those expected for this worksession:

David Dise, Director, Department of General Services
Millie Souders, Chief, Fleet Management Services
Maggie Orsini, Administrative Services Manager, Fleet
Tammy Mulford, Management and Budget Specialist, Fleet
Bruce Meier, Office of Management and Budget

Major Issue: The recommended budget includes \$3.625 million for the replacement of some heavy equipment and public safety vehicles. Council staff recommends delaying some vehicle replacements, for a savings of \$1.465 million.

The Executive's recommendation for Fleet Management Services is attached at ©1-5. The Executive's recommendation for the Motor Pool Fund Contribution (NDA) is attached at ©6. The FY12-17 Public Services Program: Fiscal Plan for the Motor Pool Fund is attached at ©7.

Overview

For FY12, the Executive recommends total expenditures of \$61,691,920 for Fleet Management Services, an increase of \$3,887,220 or 6.7% from the FY11 approved budget of \$57,804,700.

	FY10 Actual	FY11 Approved	FY12 CE Recommended	% Change FY11-FY12
Expenditures:				
Motor Pool Internal Services Fund	\$63,435,121	\$57,804,700	\$61,691,920	6.7%
TOTAL Expenditures	\$63,435,121	\$57,804,700	\$61,691,920	6.7%
Positions:				
Full-time	202	199	201	1.0%
Part-time	0	0	0	0.0%
TOTAL Positions	202	199	201	1.00%
WORKYEARS	202	194.3	205.6	5.8%

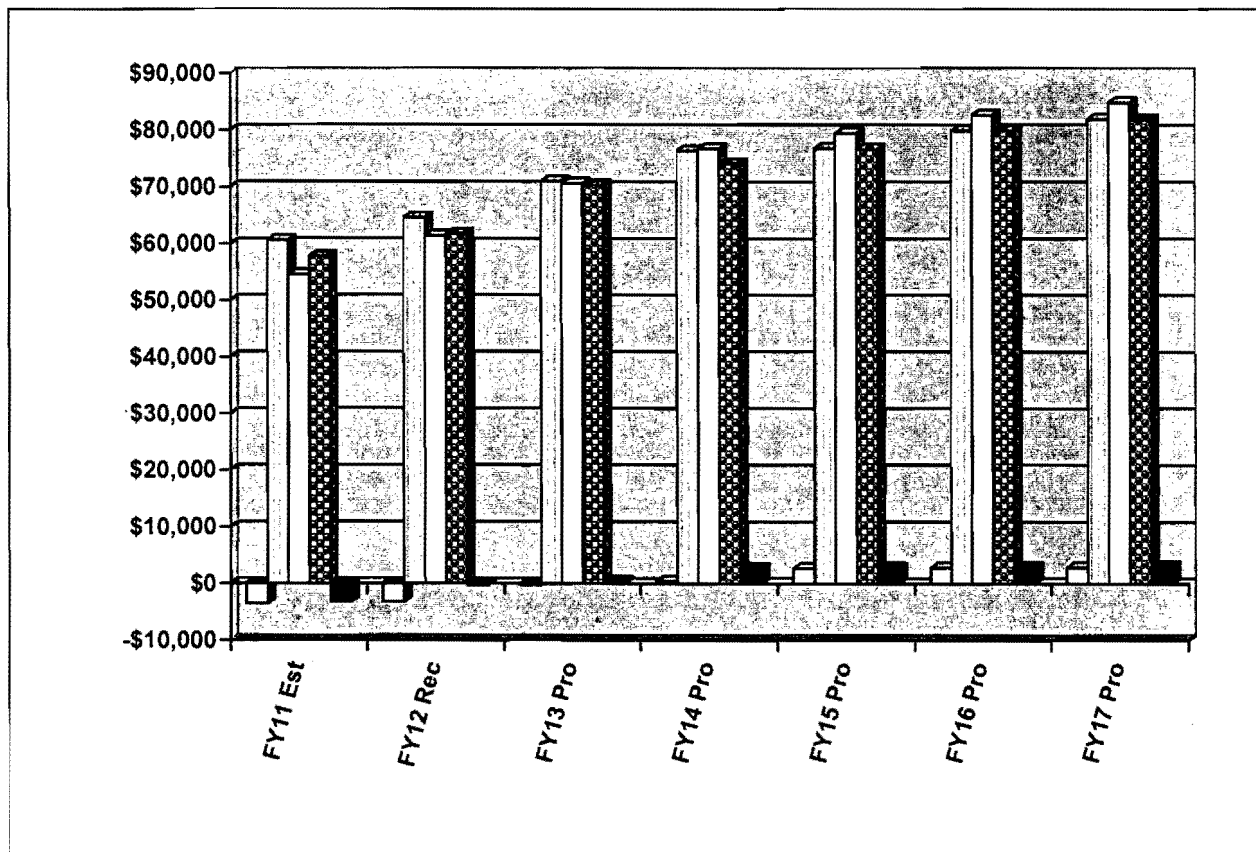
The FY12 County Executive's recommendation is a net increase of \$3,887,220, stemming from the following identified same services adjustments.

Identified Same Services Adjustments	
Increase Cost: Replace some public safety and heavy equipment	\$2,641,000
Increase Cost: Retiree Health Insurance Pre-Funding (OPEB)	\$999,980
Increase Cost: Fuel costs	\$351,220
Increase Cost: Adjustment for net-to-gross change (Highway Services)	\$346,040
Increase Cost: Maintain and improve fuel sites to meet State Stds.	\$310,290
Increase Cost: Risk Management Adjustment	\$259,920
Increase Cost: Restore Personnel Costs - Furloughs	\$254,420
Increase Cost: Transit Bus Service Lane Contract	\$219,680
Increase Cost: Alternative Corrections Service team	\$119,330
Increase Cost: Transit Bus Enhanced Cleaning Contract	\$61,660
Increase Cost: Printing and Mail Adjustment	\$6,770
Increase Cost: Other Contract CPI Increases	\$3,710
Total Increases:	\$5,574,020
Decrease Cost: Occupational Medical Services Adjustment	(\$9,390)
Decrease Cost: Leased Tire Contract	(\$100,000)
Decrease Cost: Use retreads on rear bus tires	(\$100,000)
Decrease Cost: Retirement Adjustment	(\$155,270)
Decrease Cost: Group Insurance Adjustment	(\$379,900)
Decrease Cost: Redundant transit fleet inspections	(\$942,240)
Total Decreases:	(\$1,686,800)
Net Same Services Adjustment Total:	\$3,887,220

FY12 Motor Pool Fund Internal Services Fund Cash Balance

The following chart identifies the cash balance for the Motor Pool Fund from FY11 to FY17 (detail provided on ©7). In FY12, the projected beginning fund balance falls to -\$3.19 million, even though its projected balance at the time the FY11 budget was approved was \$4.1 million. OMB advises that this revenue shortfall was due primarily to three accounting errors within DFMS that have now been corrected. In FY12, the projected ending fund balance is -\$300,670. The fund is expected to be in the black by the end of FY13, with an estimated ending fund balance of \$379,740.

When fund balance policies for the non-tax supported funds were examined in 2006, the County policy for the Motor Pool Fund stated the vehicle replacement policy does not set a particular targeted ending balance in terms of amount or a ratio, but it does provide that there should be an ending cash “balance adequate to protect against unanticipated expenditures requirements, such as necessary involuntary upgrades, price increases, etc., for each year.” *The Committee should understand why the fund balance is in the red for FY12, what the risk is of this happening in FY13 and beyond, and what operational implications this may have.*



FY12 Expenditure Issues

ADMINISTRATIVE SERVICES

REPLACE SOME PUBLIC SAFETY AND HEAVY EQUIPMENT (\$2,641,000)

The proposed replacements for FY12 include both public safety and heavy equipment that DFMS has determined to be necessary as priority replacements. For FY12, approximately \$1.625 million is allocated to public safety replacements, while approximately \$2 million is allocated to heavy equipment.

Department of Transportation Replacements: The DOT recommended FY12 operating budget currently includes the replacement of 24 dump trucks at a cost of \$2,016,000, or \$84,000 per dump truck. In the April 7, 2011 DOT FY12 operating budget packet, Council staff recommends replacing only 14 of the proposed 24 dump trucks, for a savings of \$840,000. *The Committee voted in favor of this reduction (3-0) during its April 11 worksession.*

Public Safety Replacements: As stated above, DFMS indicates that \$1.625 million is slated for public safety vehicle replacements. This assumes the replacement of 65 public safety vehicles at a cost of \$25,000 per vehicle.

DFMS' official replacement schedule for public safety vehicles is six years or 120,000 miles. According to OMB, specific vehicles to be replaced have not yet been identified; this process will be completed later this year. *Council staff recommends replacing only 40 public safety vehicles instead of 65, for a savings of \$650,000. This figure would permit DFMS to replace the highest mileage vehicles and allow some flexibility to replace others that are or become beyond repair.*

TRANSIT EQUIPMENT SERVICES

Redundant Transit Fleet Inspections (-\$942,240)

Currently, a DFMS contractor performs a circle check (vehicle inspection) daily on each Transit Bus. Transit Bus Operators are also required to perform a circle check prior to operating the bus, as a condition of maintaining a Commercial Drivers License (CDL). DFMS will revise the current contract so that redundant circle checks are not performed on a daily basis. Instead, the driver will perform the daily circle check, and the contractor will maintain a minimal circle check schedule. These checks include inspecting fluid levels, gauges, lights, and other safety equipment. *The Committee may wish to ask if there are any measures in place to ensure that drivers actually perform this circle check on a daily basis. How will DFMS ensure that all safety measures are being met?*

MANAGEMENT SERVICES

Retiree Health Insurance Pre-Funding (OPEB) (\$999,980)

This item shows the increased cost to fund the Retiree Health Benefits Trust in FY12. The total proposed Motor Pool Fund contribution is \$2,097,810 for FY12.

Maintaining and Improving Fuel Sites to Meet State Standards (\$310,290)

DFMS is required to meet current Maryland Department of Environment (MDE) standards for fuel sites. If the County fails to meet these standards, it could face fines or be shut down. This budget item is not related to the current upgrade of the fuel management system that is contained within the Capital Budget; however, the maintenance and improvement efforts will be coordinated with the CIP project.

Fuel Costs (\$351,220)

For FY12, DFMS projects the following fuel purchases:

Fuel Type	Gallons	Budgeted \$/Gallon	Total
Unleaded	2,667,827	\$2.37	\$6,322,750
ULS Diesel	2,826,786	\$2.55	\$7,208,304
E-85 (Ethanol)	24,931	\$2.38	\$59,336
Compressed Natural Gas (CNG)	1,123,837	\$2.04	\$2,293,751
			\$15,884,141

For FY11 Estimates for the Approved FY11 Budget were:

Fuel Type	Gallons	Budgeted \$/Gallon	Total
Unleaded	2,557,202	\$2.35	\$6,009,425
ULS Diesel	2,871,785	\$2.50	\$7,179,463
E-85 (Ethanol)	23,630	\$2.49	\$58,839
Compressed Natural Gas (CNG)	1,120,193	\$2.04	\$2,285,194
			\$15,532,921

MOTOR POOL FUND NDA

This account funds the acquisition of new, additional motor pool vehicles, as opposed to replacement vehicles that are financed through an established chargeback mechanism (©6). For FY12, the fund recommendation is \$511,110 for 10 new Police Department Personal Patrol Vehicles (PPVs) related to the proposed 3rd District Staffing Enhancement. This is the first fiscal year since FY09 that includes funds for additional vehicles.

COUNCIL STAFF RECOMMENDATION

Council Staff recommends delaying the replacement of 25 public safety vehicles, for a savings of \$625,000. Council staff recommends approval of the rest of the FY12 operating budget as submitted by the Executive.

This packet contains:

Recommended FY12 Budget: Fleet Management Services	<u>©</u> 1-5
Recommended FY12 Budget: Motor Pool Fund (NDA)	6
FY12-17 Public Services Program: Fiscal Plan for the Motor Pool Fund	7

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Fleet Management Services

MISSION STATEMENT

The mission of the Department of General Services- Fleet Management Services (Motor Pool Internal Service Fund) is to plan for, acquire, maintain, and dispose of the County's fleet of motor vehicles, buses, heavy equipment, and other vehicular equipment in support of the transportation and service delivery needs of all County departments.

BUDGET OVERVIEW

The total recommended FY12 Operating Budget for the Division of Fleet Management Services is \$61,691,920, an increase of \$3,887,220 or 6.7 percent from the FY11 Approved Budget of \$57,804,700. Personnel Costs comprise 30.1 percent of the budget for 201 full-time positions for 205.6 workyears. Operating Expenses and Capital Outlay account for the remaining 69.9 percent of the FY12 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *A Responsive, Accountable County Government*
- ❖ *An Effective and Efficient Transportation Network*
- ❖ *Healthy and Sustainable Neighborhoods*

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the recommended FY12 budget and FY13 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *In FY10 the Division of Fleet Management Services (DFMS) began the fueling support for 28 compressed natural gas (CNG) refuse trucks operated by a contractor for Solid Waste Services. In addition, DFMS is supporting a second contractor operating an additional 33 CNG refuse trucks. DFMS currently supports CNG fueling operations for 61 refuse trucks as well as 92 transit buses daily. The refuse trucks are displacing the use of approximately 1,100 diesel gallon equivalents daily.*
- ❖ *The Division of Fleet Management is currently training key personnel for underground storage tank inspection and testing to enhance compliance with Maryland Department of Environment regulations.*
- ❖ *Productivity Improvements*
 - *Working towards an overall reduction in fleet size through assessment, collection, and reallocation of both under-utilized vehicles and vehicles turned in by end-user agencies due to budget reductions.*
 - *In the parts section, the Division of Fleet Management Services (DFMS) is now moving to bulk buying of like commodities stored at a central location and distributed to the storerooms for improved cost control. DFMS is testing dilution equipment for controlling the use of concentrated chemicals which will ensure proper mixture resulting in possible cost savings. Additionally, monthly spot checks have been updated to include a rotation of personnel making certain proper counts are being logged.*
 - *As a pilot project, the EMOC Transit shop location has created a new Preventive Maintenance inspection form condensing requirements to one page. The new form has resulted in lower inspection times and has allowed more time to be allocated for corrective maintenance. It has also helped in the reduction of overdue Preventative Maintenance at this location.*

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PROGRAM CONTACTS

Contact Tammy Mulford of the Division of Fleet Management Services at 240.777.5733 or Bruce R. Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Heavy Equipment and Automotive Services

This program is responsible for the maintenance and repair of the heavy equipment fleet which includes heavy dump trucks, construction equipment, snow plows, leafers, mowers, backhoes, gradalls, and other specialized pieces of heavy equipment. In addition, this program is responsible for the maintenance and repair of the automotive fleet which includes administrative vehicles, police vehicles, vans, and light trucks. The maintenance and repair service for the automotive and light truck fleet is provided through contractual service at the Seven Locks Maintenance facility.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Heavy Equipment Fleet Availability	95.0	94.7	94.7	94.7	94.7
Percentage of Customer Satisfaction for Police Vehicle Maintenance	99.0	98.2	99.0	99.0	99.0
Percentage of Fleet Availability for Police Vehicle Maintenance	98.0	97.3	98.0	98.0	98.0
Mean Distance Between Failure: Heavy Equipment (in miles) ¹	1,559	5,100	5,610	5,610	5,610
Mean Distance Between Failure: Administrative Light Equipment (in miles) ²	2,906	8,926	9,246	9,246	9,246
Mean Distance Between Failure: Public Safety Light Equipment (in miles) ³	2,848	11,833	12,970	12,970	12,970
Turnaround Time - Average amount of time equipment is unavailable for operations during each shop visit: Heavy Equipment (in days) ⁴	10.2	8.0	8.6	8.6	8.6
Turnaround Time - Average amount of time equipment is unavailable for operations during each shop visit: Administrative Vehicles (in days)	1.1	2.8	2.0	2.0	2.0
Turnaround Time - Average amount of time equipment is unavailable for operations during each shop visit: Public Safety light equipment (in days)	3.0	3.3	2.2	2.2	2.2

¹ Data regarding mean miles between service interruptions will be collected for all classes of vehicles. Fleet has refined measure to exclude small or incidental parts failures beginning November 2009.

² Fleet has refined measure to exclude small or incidental parts failures beginning November 2009.

³ Fleet has refined measure to exclude small or incidental parts failures beginning November 2009.

⁴ Turnaround data for all classes of vehicles will be collected.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	8,787,810	38.5
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	198,920	0.0
FY12 CE Recommended	8,986,730	38.5

Transit Equipment Services

This program is responsible for the maintenance and repair of the transit equipment fleet which includes Ride On transit buses.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Average Days Out of Service per Bus for Parts	4.0	3.9	3.9	3.9	3.9
Mean Distance Between Failure: Transit equipment (in miles) ¹	2,847	18,195	18,195	18,195	18,195
Turnaround Time - Average amount of time equipment is unavailable for operations during each shop visit: Transit equipment (in days)	6.5	5.0	4.8	4.8	4.8

¹ Fleet has refined measure to exclude small or incidental parts failures beginning November 2009.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	19,389,210	112.4
Increase Cost: Transit Bus Service Lane Contract	219,680	0.0
Increase Cost: Transit Bus Enhanced Cleaning Contract	61,660	0.0
Decrease Cost: Leased Tire Contract	-100,000	0.0
Decrease Cost: Use retreads on rear bus tires	-100,000	0.0
Decrease Cost: Redundant transit fleet inspections	-942,240	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-45,120	7.3
FY12 CE Recommended	18,483,190	119.7

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Management Services

This program provides policy development and planning; operational, personnel, and administrative oversight; and support for division activities. This program is also the central coordinator for the County on energy-related matters pertaining to emissions and motor fuel to include alternative fuels and applicable State and Federal legislation.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Clean Air Commitment - Gallons Alternative Fuels Used ¹	3,442,832	1,0461,38	1,587,064	1,587,064	1,587,064
Clean Air Commitment - Gallons Diesel/Unleaded Used ²	2,818,881	5,670,480	5,494,613	5,494,613	5,494,613
Fiscal Inventory Parts Turn Rate	2.4	1.95	2.0	2.0	2.0
Percentage of workorders completed without delay for parts	89.5	89.4	90	90	90

¹ Alternative fuels include E-85 Ethanol and Compressed Natural Gas. The decrease in FY10 is due to the need for the department to determine the optimal blend for bio diesel.

² The increase in FY10 is due to the need for the department to determine the optimal blend for bio diesel.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	2,206,330	8.3
Increase Cost: Retiree Health Insurance Pre-Funding (OPEB)	999,980	0.0
Increase Cost: Fuel costs	351,220	0.0
Increase Cost: Maintain and improve fuel sites to meet State standards	310,290	1.0
Increase Cost: Other Contract CPI Increases	3,710	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	207,080	0.8
FY12 CE Recommended	4,078,610	10.1

Administrative Services

This program includes the preparation and monitoring of the Operating and CIP Budgets; financial management of the Motor Pool Internal Service Fund; fuel management; payment processing; solicitations, and contracts; inventory and facility management; and the management and administration of computer and office automation system activities.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	27,421,350	35.1
Increase Cost: Replace some public safety and heavy equipment	2,641,000	0.0
Increase Cost: Alternative Corrections Service team	119,330	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-38,290	2.2
FY12 CE Recommended	30,143,390	37.3

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BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
MOTOR POOL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	14,153,633	13,554,500	13,486,370	14,001,200	3.3%
Employee Benefits	4,559,267	5,063,530	5,055,800	4,550,570	-10.1%
Motor Pool Internal Service Fund Personnel Costs	18,712,900	18,618,030	18,542,170	18,551,770	-0.4%
Operating Expenses	40,412,559	38,005,420	39,186,670	39,317,900	3.5%
Capital Outlay	4,309,662	1,181,250	0	3,822,250	223.6%
Motor Pool Internal Service Fund Expenditures	63,435,121	57,804,700	57,728,840	61,691,920	6.7%
PERSONNEL					
Full-Time	202	199	199	201	1.0%
Part-Time	0	0	0	0	—
Workyears	202.0	194.3	194.3	205.6	5.8%
REVENUES					
Charges For Services	59,143,979	58,780,430	58,780,430	63,067,650	7.3%
State Fuel Tax	-3,234	0	0	0	—
Warranty Claims	10,264	50,000	50,000	50,000	—
Disposal of Fixed Assets Gain/(Loss)	234,424	400,000	400,000	400,000	—
Enterprise Rental Vehicles	109,942	200,000	200,000	50,000	-75.0%
Insurance Recoveries	955,305	1,080,000	1,080,000	1,000,000	-7.4%
Other Revenue	118,597	0	0	0	—
Take Home Vehicle Charges	0	20,000	20,000	15,000	-25.0%
Interest Income - Pooled Investments	-177	10,000	0	0	—
Motor Pool Internal Service Fund Revenues	60,569,100	60,540,430	60,530,430	64,582,650	6.7%

FY12 RECOMMENDED CHANGES

	Expenditures	WYs
MOTOR POOL INTERNAL SERVICE FUND		
FY11 ORIGINAL APPROPRIATION	57,804,700	194.3
Other Adjustments (with no service impacts)		
Increase Cost: Replace some public safety and heavy equipment [Administrative Services]	2,641,000	0.0
Increase Cost: Retiree Health Insurance Pre-Funding (OPEB) [Management Services]	999,980	0.0
Increase Cost: Fuel costs [Management Services]	351,220	0.0
Increase Cost: Adjustment for net-to-gross change (Highway Services)	346,040	0.0
Increase Cost: Maintain and improve fuel sites to meet State standards [Management Services]	310,290	1.0
Increase Cost: Risk Management Adjustment	259,920	0.0
Increase Cost: Restore Personnel Costs - Furloughs	254,420	7.3
Increase Cost: Transit Bus Service Lane Contract [Transit Equipment Services]	219,680	0.0
Increase Cost: Alternative Corrections Service team [Administrative Services]	119,330	0.0
Increase Cost: Transit Bus Enhanced Cleaning Contract [Transit Equipment Services]	61,660	0.0
Increase Cost: Printing and Mail Adjustment	6,770	0.0
Increase Cost: Other Contract CPI Increases [Management Services]	3,710	0.0
Increase Cost: Annualization of FY11 Lapsed Positions	0	3.0
Decrease Cost: Occupational Medical Services Adjustment	-9,390	0.0
Decrease Cost: Leased Tire Contract [Transit Equipment Services]	-100,000	0.0
Decrease Cost: Use retreads on rear bus tires [Transit Equipment Services]	-100,000	0.0
Decrease Cost: Retirement Adjustment	-155,270	0.0
Decrease Cost: Group Insurance Adjustment	-379,900	0.0
Decrease Cost: Redundant transit fleet inspections [Transit Equipment Services]	-942,240	0.0
FY12 RECOMMENDED:	61,691,920	205.6

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PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Heavy Equipment and Automotive Services	8,787,810	38.5	8,986,730	38.5
Transit Equipment Services	19,389,210	112.4	18,483,190	119.7
Management Services	2,206,330	8.3	4,078,610	10.1
Administrative Services	27,421,350	35.1	30,143,390	37.3
Total	57,804,700	194.3	61,691,920	205.6

FUTURE FISCAL IMPACTS

Title	CE REC.		(S000's)			
	FY12	FY13	FY14	FY15	FY16	FY17
This table is intended to present significant future fiscal impacts of the department's programs.						
MOTOR POOL INTERNAL SERVICE FUND						
Expenditures						
FY12 Recommended	61,692	61,692	61,692	61,692	61,692	61,692
No inflation or compensation change is included in outyear projections.						
Retiree Health Insurance Pre-Funding	0	-98	-249	-604	-623	-630
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	61,692	61,594	61,443	61,088	61,069	61,062

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Montgomery Coalition for Adult English Literacy (MCAEL)

This NDA provides funding for the Montgomery Coalition for Adult English Literacy (MCAEL). MCAEL's mission is to strengthen the countywide adult English literacy community of providers' network with resources, training, collaborations, and advocacy to support a thriving community and an optimal workforce. Funding for MCAEL supports program grants to organizations that provide adult English literacy services; technical assistance, training, and networking opportunities that improve program quality and coordination; information resources for the community; and operating expenses to administer the grants and provide the support services. The County's contribution is implemented by a contract between the Department of Public Libraries and MCAEL.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	717,850	0.0
Reduce: MCAEL support by 5% similar to other contract reductions	-35,890	0.0
FY12 CE Recommended	681,960	0.0

Motor Pool Fund Contribution

This NDA funds the acquisition of new, additional Motor Pool fleet vehicles, as opposed to replacement vehicles, which are financed through an established chargeback mechanism.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	0	0.0
Add: Ten new Police Cars for 3rd District Staffing Enhancement	511,110	0.0
FY12 CE Recommended	511,110	0.0

Municipal Tax Duplication

The Montgomery County Tax Duplication Program, authorized by Chapter 30A of the Montgomery County Code, reimburses municipalities for those public services they provide that would otherwise be provided by the County. County Council Resolution No. 9-1752, enacted April 27, 1982, increased the scope of program coverage from street-related expenditures to include other public services, such as police supplemental aid; animal control; elderly transportation; parks maintenance; Board of Appeals; and Human Rights.

This program was reviewed in FY96 and technical formula amendments proposed. The changes were approved, and payment calculations since then are prepared in accordance with County Council Resolution No. 13-650, adopted September 10, 1996. Specifically, as the exact payment amount for the current year cannot be determined until both municipal and County books are closed, reimbursements are based on the final audited cost of performing eligible services during the fiscal year two years prior to the budget year. Also, reimbursements are now made at the County's cost and not at "the lesser of County or Municipal costs" of eligible service provision.

Finally, payments to municipalities are also made from other sources, including Cable TV Franchise Fees, Grants in Lieu of Shares Tax, Non-Departmental Accounts, and as part of the County's Community Development Block Grant.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	6,662,120	0.0
Decrease Cost: Reduction in Municipalities' Speed Camera Allocation	-61,890	0.0
Decrease Cost: Reduce by 5 Percent	-318,250	0.0
FY12 CE Recommended	6,281,980	0.0

Prisoner Medical Services

This NDA provides reimbursements to physicians and hospitals for medical care provided to individuals in the custody of any Montgomery County law enforcement agency, with the following exceptions:

- Offenders committed to the custody of the Department of Correction and Rehabilitation (DOCR) and receiving medical treatment paid for by the budget of that department,
- Medical treatment expenses covered by Workers' Compensation,
- Medical treatment expenses covered by personal medical insurance,
- Medical treatment expenses covered by the Federal government,
- Medical treatment expenses covered by other appropriate and available outside resources.

The Department of Police will manage this account, and, with the assistance of the County Attorney, will determine costs for which the County is responsible. All bills are to be reviewed for appropriateness of cost by a private contractor prior to payment.

FY12-17 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Motor Pool Fund			
FISCAL PROJECTIONS	FY11 ESTIMATE	FY12 REC	FY13 PROJECTION	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.0%	2.4%	2.7%	3.0%	3.2%	3.4%	3.6%
Investment Income Yield	0.14%	0.40%	0.90%	2.00%	2.75%	3.50%	4.00%
Rate Adjustment	0	0	10.0%	7.6%	0.5%	4.0%	2.6%
BEGINNING FUND BALANCE	(3,492,990)	(3,191,400)	(300,670)	379,740	2,656,650	2,792,340	2,852,550
REVENUES							
Charges For Services	58,780,430	63,067,650	69,374,420	74,674,630	75,048,000	78,049,920	80,079,220
Miscellaneous	1,750,000	1,515,000	1,553,200	1,631,200	1,697,080	1,763,270	1,809,030
Subtotal Revenues	60,530,430	64,582,650	70,927,620	76,305,830	76,745,080	79,813,190	81,888,250
INTERFUND TRANSFERS (Net Non-CIP)	(2,500,000)	0	0	0	0	0	0
Transfers To The General Fund	(2,500,000)	0	0	0	0	0	0
TOTAL RESOURCES	54,537,440	61,391,250	70,626,950	76,685,570	79,401,730	82,605,530	84,740,800
PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(57,728,840)	(61,691,920)	(63,625,430)	(65,808,000)	(68,199,440)	(70,817,370)	(73,681,470)
Vehicle Replacement	n/a	0	(6,720,000)	(8,470,000)	(9,170,000)	(9,715,000)	(8,873,000)
Retiree Health Insurance Pre-funding	n/a	n/a	98,220	249,080	603,810	623,150	629,830
Master Lease	n/a	n/a	0	0	156,240	156,240	156,240
Subtotal PSP Oper Budget Approp / Exp's	(57,728,840)	(61,691,920)	(70,247,210)	(74,028,920)	(76,609,390)	(79,752,980)	(81,768,400)
TOTAL USE OF RESOURCES	(57,728,840)	(61,691,920)	(70,247,210)	(74,028,920)	(76,609,390)	(79,752,980)	(81,768,400)
YEAR END FUND BALANCE	(3,191,400)	(300,670)	379,740	2,656,650	2,792,340	2,852,550	2,972,400
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	-5.9%	-0.5%	0.5%	3.5%	3.5%	3.5%	3.5%

Assumptions:

1. This projection for the Motor Pool Fund represents the County Executive's Recommended Fiscal Plan for the purchase, maintenance, and replacement of the County's fleet in light and heavy equipment and the maintenance of transit equipment and buses.
2. Fleet Management Services operates the Motor Pool Fund, an Internal Services Fund, to account for the financing of services it provides other Departments or agencies of the County on a cost reimbursement basis.

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