

PS COMMITTEE #3  
April 18, 2016

**WORKSESSION**

**MEMORANDUM**

April 14, 2016

TO: Public Safety Committee

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

SUBJECT: **WORKSESSION**: FY17 Operating Budget  
**Prisoner Medical Services NDA**

For FY17, the County Executive is recommending \$20,000 in funding for this NDA (©1-2). The NDA provides reimbursements for medical costs incurred by persons under arrest but not under the custody of the Department of Correction and Rehabilitation. The Department of Police administers this NDA. The spending history for this NDA is:

FY05	\$1,558
FY06	\$647
FY07	\$47,234
FY08	\$10,434
FY09	\$27,313
FY10	\$99,611
FY11	\$0
FY12	\$14,121
FY13	\$13,535
FY14	\$0
FY15	\$0

The costs for this responsibility are unpredictable. Annual expenditures over the past 10 years have ranged from a low of \$0 in FY11 up to a high of \$99,611 in FY10. The County will have to provide for whatever costs are incurred no matter how much is in the initial budget of this NDA. While FY10 have exceeded the appropriation, a majority of the last ten years has been below this amount. **Council staff recommends approval of \$20,000, as submitted by the Executive.**

Also budgeted here are payments to Municipalities of a share of the net revenues from County operated Speed Cameras in their jurisdictions. Payments are based on Memoranda of Understanding with each Municipality.

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.

<b>MUNICIPAL TAX DUPLICATION - FY17 COUNTY EXECUTIVE RECOMMENDED</b>			
<b>Municipality</b>	<b>FY17 Property Tax Duplication</b>	<b>Additional County Grant</b>	<b>FY17 Total*</b>
Brookeville	\$8,067	\$0	\$8,067
Chevy Chase, Sec. III	\$31,513	\$0	\$31,513
Chevy Chase View	\$41,184	\$91	\$41,275
Chevy Chase Village	\$98,358	\$2,167	\$100,524
Drummond	\$4,603	\$10	\$4,613
Friendship Heights	\$95,245	\$0	\$95,245
Gaithersburg	\$1,206,567	\$0	\$1,206,567
Garrett Park	\$48,367	\$0	\$48,367
Glen Echo	\$20,713	\$49	\$20,762
Kensington	\$156,809	\$0	\$156,809
Laytonsville	\$14,293	\$0	\$14,293
Martin's Additions	\$26,770	\$63	\$26,832
North Chevy Chase	\$25,195	\$0	\$25,195
Oakmont	\$3,271	\$7	\$3,278
Poolesville	\$228,936	\$0	\$228,936
Rockville	\$2,409,750	\$0	\$2,409,750
Somerset	\$56,173	\$0	\$56,173
Takoma Park	\$985,610	\$2,528,033	\$3,513,643
Washington Grove	\$44,818	\$104	\$44,922
<b>TOTAL</b>	<b>\$5,506,242</b>	<b>\$2,530,524</b>	<b>\$8,036,766</b>

\* This does not include the estimated Municipalities' Speed camera allocation of \$268,930.

<b>FY17 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY16 Approved</b>	<b>7,884,184</b>	<b>0.00</b>
Increase Cost: Property Tax Duplication Payments to Municipalities	380,583	0.00
Increase Cost: Speed Camera Payment to Municipalities	40,929	0.00
<b>FY17 Recommended</b>	<b>8,305,696</b>	<b>0.00</b>

### **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 with the assistance of the County Attorney. All bills will be reviewed to determine the appropriateness of the medical expense reimbursement and to assess the responsible party for the medical expense.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	20,000	0.00
FY17 Recommended	20,000	0.00

### Public Election Fund

Article IV of Chapter 16 of the County Code requires the Director of Finance to create a Public Election Fund to provide public campaign financing for qualified candidates for County Executive or County Council. The law is intended to encourage more candidates who do not have access to large contributions from interest groups or individuals to run for County elective offices. This NDA provides for the distribution of public contributions to qualified candidates in a contested election.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	1,000,000	0.00
FY17 Recommended	1,000,000	0.00

### Public Technology, Inc.

Funds are budgeted each year to continue membership in Public Technology, Inc. (PTI) as the County's research and development link with the National Association of Counties. Annual dues cover research and development assistance for innovative projects; access to a computerized information-sharing network; and membership in the Urban Consortium. The County participates in, and has received grants as a result of, initiatives in task forces on energy, solid waste, and telecommunications. PTI, as an organization, specializes in the research and assessment of ideas of interest to local governments for increasing efficiency, reducing costs, improving services, and solving problems. A current emphasis is on public enterprise, toward helping local governments identify and capture potential sales from products and information that are outcomes of government investment.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	20,000	0.00
FY17 Recommended	20,000	0.00

### Retiree Health Benefits Trust

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. The reasons for doing this are simple: Due to exponential growth in expected retiree health costs, the cost of funding these benefits, which were being paid out as the bills came due, would soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Annual OPEB Cost or "AOC", consists of two pieces - the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County has committed to an approach of "ramping up" to the AOC amount over several years, with the amount set aside each year increasing steadily until the full AOC is reached. In FY 2011, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The bill amended existing law and provided a funding mechanism to pay for other post employment benefits for employees of Montgomery County Public Schools and Montgomery County College. In FY15, the County and all other agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This will reduce retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY16, these contributions were \$43.5 million (County General Fund), \$61.7 million (MCPS Consolidated Trust), and \$1.4 million (Montgomery College Consolidated Trust).