

MEMORANDUM

April 20, 2022

TO: Transportation & Environment (T&E) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **FY23 Recommended Operating Budget – Motor Pool Fund Contribution
Non-Departmental Account (NDA)**

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- Gary Nalven, Fiscal and Policy Analyst, Office of Management and Budget (OMB)

A. Staff Recommendations

- 1) Approve the Executive’s Recommended FY23 Operating Budget request for the Motor Pool NDA.

B. Fiscal Summary

Motor Pool Fund	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
Motor Pool NDA	\$87,032	\$66,490	-23.6 %
Operating Costs	\$83,032	\$66,940	-23.6%
Total Expenditures (All Funds)	\$87,032 00.00 FTEs	\$66,940 00.00 FTEs	-23.6% 0.0%

C. Discussion Items

New vehicles requested by departments are typically funded through this NDA whereas replacement vehicles are covered through the Fleet Management budget through chargebacks to individual departments/funds.

For FY23, the CE is recommending one-time funding of \$66,490 to fund the purchase of two new electric vehicles for the Department of Corrections and Rehabilitation (DOCR) to serve as perimeter patrol vehicles. Both vehicles will be pickup trucks in order to transport/accommodate equipment needs and be assigned at the Montgomery County Correctional Facility (MCCF).

Varying from typical practice, this purchase will **replace** two existing vehicles from the administrative fleet and will not add to the overall fleet for DOCR.

Council staff recommendation: Approve as submitted by the County Executive.

This packet contains:

1. NDA Page from FY23 Recommended Operating Budget Book

Circle Page #

1

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.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	87,032	0.00
Add: Correction and Rehabilitation - Two Perimeter Patrol Vehicles	66,490	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.	(87,032)	0.00
FY23 Recommended	66,490	0.00

Payments to Municipalities

The Montgomery County Municipal Revenue 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. The current reimbursement policy goes beyond State law, Section 6-305 of the Tax-Property Article, which requires the County to provide to municipalities only the Property Tax-funded portion of those costs. The County Executive negotiated a new formula with the County's municipal partners over the course of 2021. Changes to the calculation formula were adopted by the County Council on March 1, 2022, with the enactment of Expedited Bill 2-22.

Under Expedited Bill 2-22, a municipality would be reimbursed by the County based upon the County Executive's approximation of the costs that the County would incur if it were to provide the municipality with transportation, police, crossing guards, and park maintenance services. 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. The new law also provides for a phased-in implementation of the new formula calculation for FY23 (80 percent of the calculation), FY24 (90 percent of the calculation), and FY25 (100 percent of the calculation). The amounts included in the FY23 budget for this program reflect the required 80 percent phased-in payment.

Finally, the new calculation formula incorporates payments to Takoma Park under the separate Takoma Park Police Rebate Non-Departmental Account into this budget beginning in FY23.