AGENDA ITEM #6
May 11, 2009

Worksession

MEMORANDUM

April 30, 2009

TO: County Council

CHS

FROM: Charles H. Sherer, Legislative Analyst

SUBJECT: Recommendations from the Management and Fiscal Policy Committee regarding FY10 Operating Budget the Lease NDA (section 68 in the budget)

Committee recommendation The Committee met on April 14 and 28 and recommends approval of the lease budget as summarized in the table below and as explained in the text following the table.

CE's March 15th Recommendation	21,723,050
1. Reduce for 6th District Police Station	(133,000)
2. Reduce for GE Tech Park	(158,000)
3. Do not close the Piney Branch Police satellite facility	75,000
4. Do not move the Outpatient Addiction Services clinic from Broome School to Rollins Avenue (as explained below, Mrs. Trachtenberg supports the move)	(2,281,250)
Total Committee Changes	(2,497,250)
Total Committee budget after changes	19,225,800

1. Reduce the cost for the Sixth District Police Station $133,000. The station will move into a new location effective January 1, 2010. The savings is from the 6 month cost of the old lease which was inadvertently left in the FY10 budget but will not be needed in the last 6 months of FY10.

2. Reduce the cost for the GE Tech Park lease $158,000. Assuming the Council approves the lease/purchase of this facility, a number of programs will move out of lease space elsewhere and into the Park. There will be $1.294 million decrease from lease terminations, the amount in the FY09 budget, but the increase in lease costs of the Park will be only $1.136 million. The $158,000 savings is the difference between the decrease and the increase, which was inadvertently left in the FY10 budget.

3. Do not close the Piney Branch Police Satellite facility and increase the lease cost by $75,000. The Executive proposed closing it to save money. Executive staff explained that "This 1900 sq. ft. facility is a "drop-in" satellite office that is staffed with MCP personnel only when field officers stop in to complete paperwork or handle other administrative duties. In addition, an office in this facility is used to perform administrative functions for DHCA and HHS. DHCA uses the facility for the Longbranch Redevelopment Office. HHS uses the facility for the Public Inebriate Initiative Team (PIIT). Both DHCA and HHS staff have indicated that their functions can be relocated elsewhere although DHHS has not yet identified a site. Police Officers will either use the computer in their cars to complete paperwork or will return to 3rd District Station. DGS Real Estate staff has confirmed that the lease can be terminated at the end of FY09 if funds are not appropriated for the lease in FY10."

However, the Committee believes that a police presence is important because of gang activities, burglaries, and other crimes in the area and recommends keeping the facility open.

4. Do not move the Outpatient Addiction Services clinic from Broome school to Rollins Avenue, to save $2,281,250. See the discussion starting on page 5 for the explanation.

Background (©1) Most County employees and services are in County-owned facilities, but some are in leased space. This NDA provides the funds to pay for the leases. The NDA provides an increase for **new** leases and for increases for **existing** leases for annual increases in rent, real estate taxes and operating expenses, including higher energy costs.

Starting in FY05, leases were shifted from DPWT and from the Police Department to this NDA. (Similarly, utilities have long been accounted for in an NDA.) Removing leases from the Department's budget eliminates the possibility that other items in the budget would be forced to compete with a cost that cannot arbitrarily be reduced. However, the cost of leasing space is still a cost that is attributable to the using department.

The Real Estate Office provided the following description of each of the new leases. Other Committees may have comments or recommendations on the new leases.

MC311 Constituent Resource Management Call Center – 10,511sf - This new lease has already been signed and will provide space for a new call center. The $255,260 cost represents a full year of rent.

6th District Police Station – 18,924sf – This lease will provide interim space for the 6th District Police Station, which has outgrown its current leased space and is several years away from a permanent home built through the CIP. The $208,160 represents 6 months of rent, commencing January 1, 2010, and operating expenses, like janitorial and utilities. The cost of the tenant improvements is being paid by the landlord. **The lease has not been signed.**

Due to an oversight, the Executive's FY10 lease budget was not, but should be, reduced by $133,000. This is the 6 month cost of the old lease which is in the FY09 budget but will not be needed in the last 6 months of FY10.

If the cost of the Interim Gaithersburg Library (see below) can be charged to the CIP, why not charge the Interim 6th District Police Station to the CIP also? OMB explained that:

"The charging of the 6th District Police Station to the CIP is not feasible for the following reasons:

1. The CIP project cost of the 6th District Police Station does not include any leasing expenses for an interim facility.

2. The project is totally funded by county bonds and the use of county bonds to cover leasing expenses is not an allowable charge.

3. The situation with respect to the Gaithersburg Library is not the same in that the CIP project includes a total of $481,000 in current revenue. The leasing cost for the Interim Gaithersburg Library is being charged to current revenue, not to county bonds.

Interim Gaithersburg Library – location and size TBD – This lease will provide a storefront interim library during the renovation/expansion of the existing Gaithersburg Library. The costs associated with this lease will be charged to the CIP project. The estimated lease cost in FY10 is $400,000.

11 N. Washington Street – HHS expansion – 3,834sf – this expansion provides space for the relocation of Montgomery Cares staff to 11 N. Washington Street from 401 Hungerford, as well as expansion space for Aging and Disability staff, who have outgrown their current space as the State continues to expand their grant funded positions. In FY10, 75% of the increase in costs will be paid through the grant. 25%, or $38,000 will be charged to the NDA.

Close the Piney Branch Police Satellite facility, to save $75,000. This 1900 sq. ft. facility is a "drop-in" satellite office that is staffed with MCP personnel only when field officers stop in to complete paperwork or handle other administrative duties. In addition, an office in this facility is used to perform administrative functions for DHCA and HHS. DHCA uses the facility for the Longbranch Redevelopment Office. HHS uses the facility for the Public Inebriate Initiative Team (PIIT). Both DHCA and HHS staff have indicated that their functions can be relocated elsewhere although DHHS has not yet identified a site. Police Officers will either use the computer in their cars to complete paperwork or will return to 3rd District Station. DGS Real Estate staff has confirmed that the lease can be terminated at the end of FY09 if funds are not appropriated for the lease in FY10.

GE Tech Park (GE Building/GE Technology Park) and the budget for leases. Linda McMillan provided the following description and explanation of this item.

"The County Executive is proposing that the Council approved a capital lease/purchase agreement for the GE Tech Park building (also referred to as the old National Geographic Headquarters). The programs that are expected to be relocated to this building are:

- Police Headquarters
- Police 1st District Police Station
- Police Background Investigations
- Police Special Operations Division
- Police Internal Affairs
- Police Fraud, False Alarm, Pawn, and Traffic Units
- Public Safety 2000 (radio/data) Training Center (police and fire/rescue)
- Fire and Rescue Headquarters
- Fire and Rescue Service Bomb Squad and Self Contained Breathing Apparatus Unit
- Fire and Rescue Internal Affairs
- Department of Correction and Rehabilitation Headquarters

"On March 26, 2009, Executive staff provided the Public Safety and T&E Committees (which are reviewing the Property Use Study/Smart Growth Initiative) with information showing that in FY10, lease costs are proposed to be $1.136 million, maintenance and operating expenses $1.836 million, and utilities $979,200. There are offsetting savings from lease terminations of $1.294 million. **Due to an oversight, the Executive's FY10 lease budget was not, but should be, reduced by $158,000, the difference between the increase and decrease.**

"Because the lease savings from the programs to be relocated are greater than the new lease cost in FY10 no new additional monies are requested in the lease NDA. The net new amount needed for FY10 is $2.6 million. The County Executive has included the following in his FY10 Recommended Operating Budget:

Maintenance, in DGS Budget for maintenance of facility	$1,600,000
Electricity	749,110
Natural Gas	158,920
Water and Sewer	84,390
Fuel Oil	7,520
Propane	60
Total	$2,600,000

"On March 29, 2009, the Council introduced the Executive's supplemental appropriation and CIP amendment for lease/purchase and renovation of the GE Tech Park Building. The public hearing was held on April 21. The Public Safety and T&E Committee worksessions will be on May 8 and May 15. Action is tentatively scheduled for May 21.

If the Council approves the lease/purchase, then the above appropriations will be required. If the Council disapproves the lease/purchase, then the above appropriations will NOT be required. If the Council has not made its decision by May 21, then the FY10 appropriation should be reduced by the above amount, and that amount should instead be put in designated reserve. If the FY10 lease budget had been reduced by $158,000 for the savings from relocating programs, then this amount would have to be restored.

Broome School and Rollins Avenue The Executive's FY10 operating budget for leases included $2,281,250 to relocate the DHHS Outpatient Addiction Services (OAS) methadone clinic from the Broome School to a 24,166 square foot building on Rollins Avenue near the Twinbrook Metrorail station in Rockville.

The MFP Committee discussed this lease on April 14. At that meeting, the MFP Committee noted the staff suggestion that a joint meeting with the HHS Committee might be scheduled so that the two committees could make a recommendation to the Council, which is scheduled for May 5, along with all other leases.

The HHS and MFP Committees met jointly on April 28 to discuss the Executive's recommendation. The detail of the $2,281,250 cost for FY10 is shown below. Note that there is no rent/lease expense in FY10. For FY10, the landlord agreed to abate the rent, but the unpaid rent will be spread over the remaining nine years of the lease. **The lease has not been signed.**

County Portion of Build-out	$1,689,545
Fiber/Data (one-time)	223,255
Telephone (one-time)	110,800
Taxes and operating (ongoing)	211,000
Network Circuit (ongoing)	26,646
Moving	20,000
FY10 TOTAL	$2,281,246

This additional cost at Rollins would be partially offset by the following reductions at Broome:

Janitorial	34,000
Maintenance	10,000k
Utilities	1,790
Total	45,790

Due to an oversight, these savings were not reflected in the Executive's FY10 budget but should be, if the Council approves the lease.

Starting in FY11 and for the remaining nine years of the lease, the annual cost will be:

Rent	$695,000
Property tax	66,000
Operating costs, such as maintenance and utilities	145,000
IT costs	27,000
TOTAL annual cost	$933,000

The leased space will not have any new services or expansion of services. Rather, the following Department of Health and Human Services programs would relocate from Broome to Rollins:

1. Outpatient Addiction Services and Intensive Outpatient Services
2. Community Re-entry Services
3. Medication Assisted Treatment
4. Adult Drug Court
5. Under One Roof Clinic

The following services will remain in the Broome School after these programs are relocated:
(1) Core Service Agency
(2) Threshold Services
(3) Recreation warehouse
(4) Roundhouse Theater prop shop
(5) Interfaith Clothing Closet and Distribution Center
(6) Gym and fields used by the City of Rockville.

Note: most of the property taxes come back to the County, and at least some of the operating and IT costs would presumably be incurred whether the program moves or not. Therefore, the incremental cost is roughly the rent plus some but not all of the other costs.

Rationale for the relocation Executive staff explained that the proposed new site has all the characteristics of an ideal site compared to the current site, and finding another site comparable to Rollins would be difficult if not impossible:

1. The Rollins site is in a commercial area, not in a residential area, and is not near a school. The Rollins site is surrounded by Rollins Avenue, a car wash, railroad tracks, and a State building that provides parole and probation services. The nearest housing is a condominium building more than a block away, separated by the car wash. The Flagship and Pike shopping centers are a block away.

   In contrast, Broome is in a residential area and is next to the Meadow Hall elementary school. Although Executive staff are not aware of any major incidents attributable to the clinic patients, the Executive has received some complaints from the surrounding neighbors and the Broome location is not ideal for such a clinic.

2. The building is the right size for the clinic, 24,000 square feet, slightly larger than the space at Broome, roughly 22,000 square feet. Because the program will occupy the entire space, there will be no conflicts with or complaints from other tenants, who might not want to be in the same building as a methadone clinic. Obviously, the owner is willing to lease the building to the County for this use.

3. The Rollins site is close to the Twinbrook Metrorail station, which is also served by various Metro and County bus routes. The Broome site is not close to any Metrorail site but is served by

Ride-on bus service. Both sites have ample parking, and both sites are reasonably "centrally" located in the County.

4. Executive staff noted that the Broome School needs renovation and it could be renovated to provide space for Health and Human Services programs that are currently in leased space that is unlikely to be available in two years and that a Department of Health and Human Services strategic facilities plan has been completed that concludes that DHHS programs need an additional 160,000 square feet of space. The County could transfer services currently in leased space to owned space and save the lease expense. If the County is going to renovate Broome, then the current tenants must be moved out. As described above, Rollins is an appropriate site and it is available now, but might not be in a few years if the County does not take advantage of the opportunity now.

The Committees noted the following arguments **against** approving the proposed new lease:

1. The clinic has been housed at Broome School for many years. While there are concerns from the some in the community there is no evidence that those using the clinic or the other programs in the Broome School are the cause of any serious problems. If the location of the current bus stop is a concern, the County should look for an alternative location for the bus stop for those going to the clinic.

2. It is "expensive", $2.3 million in FY10 and more than $900,000 in the next 9 years. An alternative to this expense is to maintain other services that will otherwise be cut, including programs in the Department of Health and Human Services.

3. The owner of the proposed new site is unwilling to sell the building, so the County will have to pay additional lease costs at a time when the County is trying to reduce its use of leased space.

4. Executive staff believe that the owner is not likely to extend the lease beyond the 10 year period, so the County will have to find suitable space again in 10 years. The County should instead wait until we have suitable owned space, either in a building we can buy or in an owned building that we renovate.

5. There is currently no project in the CIP to renovate the Broome School so it is not clear that this relocation will necessarily lead to the renovation of the school in the next few years. There was previously a project related to renovations for the Board of Elections which is instead moving to leased space.

Potential Alternative to Moving into Leased Space The County Executive is recommending that the Council approve the purchase of the GE Tech Park building. The main purposes for the purchase are to relocate Police Headquarters from Research Boulevard to an appropriate sized space, relocate the Montgomery County Police Department's 1st District Station to an appropriate sized space, consolidate certain public safety uses, and reduce reliance on leased space by relocating other non-public safety programs from leased space to the GE Tech Park or to county owned space that is free-

up when public safety function are moved to the GE Tech Park. The value of the lease savings from moving programs to the GE Tech Park is estimated to be about $2.6 million.

If the Council approves the purchase of the GE Tech Park building, then the current Police Headquarters will be empty and could potentially be reused to house Outpatient Addiction Services and the other uses that are proposed to move from the Broome School into leased space. The current Police Headquarters building is just over 40,000 square feet. The proposed Broome School relocations require about 24,000 square feet.

Council staff acknowledged the concerns from the neighborhood surrounding the Broome School. **Council staff suggested the Research Boulevard alternative primarily because it seems inconsistent to buy the GE Tech Park building based in part on the argument that the County will achieve long term savings through lease terminations, while at the same time spending a substantial amount on a new lease on Rollins Avenue that is likely to be in place for no more than 10 years.**

The general advantages and disadvantages of the Executive's recommendation were provided earlier in this memo. The following are some points specific to this alternative.

1. The Council has not yet decided to purchase the GE Tech Park building. If it does not, then this option does not exist (moving the clinic from Broome to Research Boulevard after the Police headquarters moves to the GE Tech Park).

2. The Research Boulevard building will have to be renovated and renovation could not start until after February 2011. If renovation took an additional year, the programs at Broome School would not be relocated until spring of 2012 rather than late 2009 or early 2010. The uses at the Broome School have been in their current location since the 1980s and 1990s and there would be a plan in place to see that they are moved.

3. Like the Rollins site, the Research Boulevard site is not near residences nor schools.

4. The cost to renovate the Research Boulevard building can be funded through the CIP rather than having to allocate lease dollars through the operating budget.

5. The Research Boulevard building when renovated could also provide an additional 16,000 square feet that could be used for additional lease termination.

6. The Research Boulevard building would be accessible by Ride-on bus.

7. The Research Boulevard building is located near other DHHS programs at Piccard Drive.

8. The Research Boulevard building provides a permanent relocation rather than an interim solution.

Other background information Executive staff have prepared a report showing that DHHS has a shortage of space of 160,000 square feet. They have not yet sent the report to the Council nor briefed the Council. DHHS is leasing 15,000 square feet at 1335 Picard Drive for the program for maternal and child health. The lease expires in January 2010 and there is a possibility that the landlord will not extend the lease, in which case DHHS will need to find space elsewhere. One possibility would be at Broome if the OAS clinic moved to Rollins Avenue.

Executive staff has met several times with residents of the Broome community. The neighborhood has changed in that more children now live there. Parents are concerned about patients from the clinic, and there have been incidents involving patients passing out in the neighborhood. Other patients have bothered residents walking by the Broome school. Mr. Leventhal noted that such incidents happen in various parts of the County, including parts that do not have clinics. To reduce the number of incidents, the County assigned several security guards and moved the bus stop.

MFP and HHS Committees' recommendation from the joint meeting on April 28, 2009 All five members of the two Committees attended: Mr. Andrews, Mr. Berliner, Ms. Ervin, Mr. Leventhal, and Mrs. Trachtenberg. All members supported moving the OAS clinic out of Broome, the only question was when and to where. Mrs. Trachtenberg recommended approving the lease, and the other four did not. The main points of the Committee discussion are summarized below.

The members opposing the lease made the following points. The County is trying to reduce the use of leased space. Relocating to Rollins Avenue will increase rather than decrease the use of leased space. Since the landlord is only willing to lease for 10 years, and since he has indicated he will not extend the lease beyond 10 years, the Rollins Avenue site is only a temporary and expensive solution. They fully support moving the OAS clinic out of Broome, and the County should so inform the Broome community. However, the move must be to a permanent home in County owned space, not a temporary (10 years) home in leased space. The County should "do it right the first time."

If the Council approves the purchase of the GE Tech Park building, then the police headquarters on Research Boulevard will move and the Research Boulevard building could be used for the clinic. If public transportation to Research Boulevard is not adequate, then the County could improve it.

One of the reasons for moving the OAS clinic out of Broome is that the clinic is incompatible with the residential neighborhood. However, one of the programs that will remain at Broome — Threshold Services — may also be incompatible, although Executive staff stated that Threshold is less of a problem than the OAS clinic.

The $2.3 million that would be saved by not approving the lease for Rollins would be better used for items on the reconciliation list.

In supporting the lease, Mrs. Trachtenberg noted that the move to Rollins could be done in FY10, but the move to Research Boulevard could not occur until the facility had been renovated, which would not be until FY12 or FY13, 2 – 3 years later. There is no project for this renovation, nor

to renovate Broome. The patients from the OAS clinic which could move are more of an issue for the Broome community than the patients for Threshold Services which would stay at Broome.

The ability of clients to easily get to treatment services is an important factor in getting clients to stay in and complete treatment. Public transportation to Rollins is available from Metrobus, Metrorail, and Ride On. This location is much better served than both Broome and Research Boulevard, which are served by Ride On only.

Moving the clinic to Rollins Avenue will give the County more time to assess the Research Boulevard facility, would eliminate the need to rush the renovation of the Research Boulevard facility for the clinic, would allow phased renovation of the Broome school, and would make space available for the program for Maternal and Child Health if it has to move out of 1335 Piccard Drive.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	0	0.0
FY10 CE Recommended	0	0.0

Independent Audit

Section 315 of the County Charter requires the County Council to contract with a Certified Public Accountant for an independent post audit of all financial records and actions of the County, its officials, and employees. By County Resolution, the Office of Legislative Oversight is the designated administrator for this contract, which also includes an independent audit of the basic financial statement of the Employee Retirement Plans; additional services related to reviews, tests, and certifications; and audits of tax-funded expenditures by the independent Fire and Rescue Corporations.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	394,000	0.0
FY10 CE Recommended	394,000	0.0

Interagency Technology, Policy, & Coordinating Comm.

This NDA supports the operation of the Interagency Technology, Policy, and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology among County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	30,000	0.0
Decrease Cost: Reduce expenditures to be in line with historical spending levels	-25,000	0.0
FY10 CE Recommended	5,000	0.0

Judges Retirement Contributions

This NDA provides pensions for retired Judges who were on the bench prior to 1968 in the Circuit Court and the People's Court (District Court) of Montgomery County and for their surviving spouses.

The Circuit Court pension is calculated at one percent of the net supplement paid by the County to the salaries of the Circuit Court Judges as of May 31, 1968, multiplied by the number of years of active service as a Judge (up to a maximum of 20 years). The surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Section 12-10 of the Montgomery County Code.

The People's Court (District Court) pension is based on the current salary of a District Court Judge. A retired Judge receives 60 percent of the current salary of a District Court Judge, while a surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Article 73B, Section 63(b) of the Annotated Code of Maryland. This NDA may be increased to include a cost of living adjustment at a rate equal to that approved for District Court Judges by the General Assembly. If a cost of living adjustment is approved next fiscal year, the NDA will be adjusted as necessary by a year-end transfer.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	3,740	0.0
FY10 CE Recommended	3,740	0.0

Leases

This NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Real property leased by the County includes office, warehouse, and retail space; hangar facilities; child care space in schools; parking spaces; and space for communication antennas. Leasing property allows the County the flexibility to locate programs in the communities they serve and provides space for programs to operate when there is no County-owned space available. Further, it is an economical way to procure highly specialized, location sensitive, or temporary space. Currently, there are approximately 80 leased facilities. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**18,455,210**	**0.0**
Add: Build-out cost for new location of Outpatient Addiction Services (OAS)	2,281,250	0.0
Increase Cost: Lease increases	889,030	0.0
Add: MC311 Constituent Resource Management Call Center Lease at 51 Monroe Street	255,260	0.0
Add: Prorated six month cost of new location for Sixth District Police Station	208,160	0.0
Decrease Cost: Close Piney Branch Road Police Satellite Facility	-75,000	0.0
Decrease Cost: Adjustment for a 2% inflation factor	-290,860	0.0
FY10 CE Recommended	**21,723,050**	**0.0**

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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**745,000**	**0.0**
FY10 CE Recommended	**745,000**	**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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**1,332,650**	**0.0**
Decrease Cost: Elimination of One-Time Items Approved in FY09	-1,332,650	0.0
FY10 CE Recommended	**0**	**0.0**

Notes: No new vehicle purchases are proposed for FY10

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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	**7,488,240**	**0.0**
FY10 CE Recommended	**7,488,240**	**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 exception that offenders committed to the custody of the Department of Correction and Rehabilitation (DOCR) receive medical treatment paid for by the budget of that department (to the degree not paid for