

MEMORANDUM

April 17, 2013

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY14 Operating Budget:** Department of Environmental Protection (DEP)-Division of Solid Waste Services Operating Budget and FY14 Solid Waste Charges

Council Staff Recommendations:

- Approve the DEP-Division of Solid Waste Services FY14 Operating Budget as recommended by the County Executive.
- Approve the FY14 Solid Waste charges as recommended by the County Executive.
- Recommended follow-up items (with suggested timeframe) include:
 - Food waste composting pilot project results (Summer or Fall)
 - Gude Drive Landfill remediation update (Prior to June 1st)

Attachments to this memorandum include:

- DSWS Excerpt from the County Executive's FY14 Recommended Budget (©1-17)
- Material Flow Diagram Fiscal Year 2011 (©18)
- FY09 Waste Composition Study Summary Table: Waste Recycling by Material Type (©19)
- Solid Waste System Disposal Fund, Rate Setting Methodology, FY14 Rate Case (©20)
- Resolution to Approve FY14 Solid Waste Service Charges (©21-24)
- Solid Waste Advisory Committee Comments on the FY14 Recommended Budget (©25)

The following officials and staff are expected to attend this worksession:

- Bob Hoyt, Director, Department of Environmental Protection (DEP)
- Dan Locke, Chief, Division of Solid Waste Services (DSWS), DEP
- Anthony Skinner, Business Manager, DSWS, DEP
- Eileen Kao, Chief, Waste Reduction and Recycling Section, DSWS, DEP
- Bill Davidson, Chief, Northern Operations and Strategic Planning Section, DSWS, DEP
- Peter Karasik, Chief, Central Operations Section, DSWS, DEP
- Robin Ennis, Chief, Collections Section, DSWS, DEP
- Alex Espinosa, Office of Management and Budget (OMB)
- Matt Schaeffer, OMB

OVERVIEW

Expenditure Summary

For FY14, the Executive recommends total expenditures of \$101.4 million for the Division of Solid Waste Services, a \$7.05 million decrease (-6.5%) from the FY13 approved budget. The overall reduction is primarily related to savings in Out-of-County Haul contract costs and debt service savings.

**Table #1
DPW&T-Solid Waste Services (All Funds)**

	Approved FY13	Rec FY14	Change from FY13	
			\$\$\$	%
Personnel Costs	10,415,770	10,366,175	(49,595)	-0.5%
Operating Expenses	97,368,616	90,567,567	(6,801,049)	-7.0%
Capital Outlay	628,500	428,829	(199,671)	-
Total	108,412,886	101,362,571	(7,050,315)	-6.5%
Full-Time Positions	79	79	-	0.0%
Part-Time Positions	-	-	-	n/a
Workyears/FTEs	103.4	102.2	(1.2)	-1.1%

The Division budget is funded entirely by the Solid Waste Collection and Solid Waste Disposal Funds. Both funds are supported through various Solid Waste charges discussed later. As Enterprise Funds, these funds are self-supporting, and revenues and expenditures within these funds are kept distinct from the General Fund. Any cost savings or cost increases that may be identified in these funds have no impact on the General Fund.

Positions

For FY14, DSWS' recommended position complement is 79 full time positions, the same as for FY13. Full time equivalents (FTEs) are down slightly (-1.2) as a result of technical adjustments and not related to changes in actual staffing.

Much of the direct service provided by DSWS is done via contracts (such as for refuse and recycling collection and contract staff at the Transfer Station, Materials Recovery Facility, RRF, and Compost Facility). DSWS provides contract oversight and manages the overall operations at the various facilities.

TONNAGE AND RECYCLING ASSUMPTIONS

Below are some important assumptions that drive much of the Solid Waste budget. In general, tonnages have been down as a result of economic conditions and have been slow to return to pre-downturn conditions.

DSWS includes a material flow diagram on the DEP website that shows the many streams involved with regard to County waste and the volumes (by fiscal year) for each stream. The calculations of recycling rates under various assumptions are included as well. The most recent diagram (for FY11) is attached on ©18.

Resource Recovery Facility

Processible Tons of Waste to the Resource Recovery Facility (RRF) for FY14: 550,000 tons (a decrease of 20,000 tons from what is projected for FY13). The permit level is 657,000 tons per year. The policy goal is 85 percent to 92 percent of the RRF permit capacity (i.e., 558,450 to 604,000 tons per year). Economic conditions resulted in a significant downward trend in tonnages in FY09, and tonnages have not returned to prior levels yet. Table 2 (below) shows the RRF tonnage throughput calculation from the FY11 actual through the FY14 projection.

**Table #2
Resource Recovery Facility (RRF) Throughput Assumptions**

	FY11 Actual		FY12 Actual		FY13 Projected		FY14 Projected	
	% of MSW	Tons	% of MSW	Tons	% of MSW	Tons	% of MSW	Tons
Total Municipal Solid Waste (MSW) (in tons)*		1,120,143		1,066,674		1,112,503		1,124,165
Recycling Rate/Tons	44.4%	496,953	42.7%	455,761	42.8%	476,150	43.3%	486,368
Exportation Rate/Tons	13.2%	148,296	14.8%	158,337	11.9%	132,525	13.6%	153,109
Processable Waste to RRF	42.4%	474,894	42.4%	452,576	45.3%	503,828	43.1%	484,688
addback metals from ash (counted in recycling)	1.1%	12,575	1.3%	13,463	1.0%	11,172	0.9%	10,285
Total RRF MSW Burned	43.5%	487,469	43.7%	466,039	46.3%	515,000	44.0%	494,972
Construction/Demolition Debris (C/D) Burned		77,971		74,742		55,000		55,028
Total RRF Throughput (MSW+C/D)		565,440		540,781		570,000		550,000
% of permit level (permit level = 657,000)		86.1%		82.3%		86.8%		83.7%

Recycling Rate

The County’s long-time recycling goal for many years had been to recycle 50 percent of our municipal solid waste by 2010. While we did not achieve that goal, our recycling numbers stack up well with comparable jurisdictions throughout the country.

In October 2012, the Council approved Executive Regulation 7-12, which created a new recycling rate methodology and recycling goal for the County of 70% by 2020.

The new recycling rate methodology (which is consistent with how the State of Maryland calculates its recycling rate and waste diversion rate) varies in two major respects from the County’s long-time rate methodology:

- Ash generated at the RRF that is ultimately recycled is now included in the recycling rate.
- The County had previously used estimates of source reduction, but is now using the State’s percentage credit (up to 5%) and will include this credit in the overall recycling rate calculation, making the County’s recycling rate consistent with the State’s waste diversion rate.

The FY14 Budget includes \$507,246 in one-time funds for a new recycling goal media campaign. DSWS provided the following additional information regarding this campaign:

The major elements of the multi-media education campaign to establish awareness of the County’s new goal to reduce waste and recycle 70 percent of waste generated by 2020 cover a six-month duration of placement; labor and production for two sets of creative content relevant to the single-family, multi-family and non-residential sectors, utilizing:

- Cable TV
- Radio
- Limited print publications

- *Web-based media*
- *Ride On interior bus cards*
- *Transit media: signage on bus shelters in the County*
- *Montgomery County Red Line Metro station platform dioramas*
- *Metro Bus taillight signs and king-size side panel signs*
- *Editorial content presentations to editorial boards by staff*
- *Negotiated Added Value Elements*

Table #3 below shows recycling rates by sector from FY06 through FY14 projected. For purposes of comparison to past years, Council Staff is showing the recycling rate without ash or source reduction credit. Under this methodology, the recycling rate increased in FY11 after a slight dip in FY10 but then dropped again in FY12, with incremental increases assumed in FY13 and FY14. The recent economic downturn has resulted in reduced trash volumes and recycled materials volumes and also in a reduction in the demand and price for recycled materials.

Table #3
County Recycling Rate

Category (FY12 % of waste generated)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 Proj	FY14 Proj
Single Family (37.6%)	55.7%	56.2%	55.8%	54.3%	52.1%	52.2%	48.2%	48.4%	48.6%
Multi-Family (9.2%)	12.1%	13.5%	13.7%	14.1%	14.0%	14.4%	10.3%	12.0%	12.5%
Non-Residential (53.2%)	34.7%	37.3%	40.0%	40.1%	40.8%	42.4%	44.0%	44.2%	44.8%
COMBINED County Rate	41.7%	43.2%	44.3%	44.2%	43.6%	44.4%	42.7%	42.8%	43.3%
COMBINED County Rate with Ash*						54.4%	55.4%	56.3%	56.1%

*NOTE: State Waste Diversion Rate includes the recycling rate with ash plus a source reduction credit (up to 5%)

DSWS estimates that under current strategies, the recycling rate (under the old methodology) will rise to approximately 45.5 percent by FY19. Under the new methodology, this would be about 64% (including ash and the source reduction credit).

Every few years, DSWS does a waste composition study to better understand the mix of different materials in the County's waste stream. Based on this study, DSWS can extrapolate recycling percentages for different materials and identify opportunities where improvement is possible. The most recent study was done in FY09. A new study was funded in FY13. Since that information is not available yet, Council Staff has included summary information from the FY09 study (attached on ©19). Non-residential recycling and food waste recycling continue to be two areas of opportunity for increasing the recycling rate.

DSWS implemented a one-year food waste composting pilot project at the Executive Office Building in November 2011 and has continued the program beyond the initial pilot period. DSWS estimates that, each month, approximately 1.33 tons of food waste is diverted from the waste stream.

As DSWS staff noted at last year's budget discussion, the goals of the food waste pilot are to:

“increase the amount of material recycled by the EOB, educate DEP staff on the best ways to establish and advise future customers on food waste recycling program start-ups, develop and produce an implementation ready set of “best management practice guidelines” that we hope will be deployed to start up additional food waste composting programs in County businesses.”

One major issue that must be addressed before there can be a major expansion in food waste recycling is the general lack of capacity of acceptance facilities in the State of Maryland for food

waste. DSWS cannot utilize its existing compost facility because the facility was not designed or permitted to handle food waste and is nearly at capacity for its yard trim composting. Therefore, the County's food waste must go elsewhere. DSWS continues to work with the Maryland Department of the Environment as well as the Metropolitan Washington Council of Governments on the broader issue of regional capacity for food waste recycling.

Council Staff suggests that the T&E Committee receive a briefing from DSWS on the food waste pilot project and local and regional efforts to expand food waste recycling.

The Solid Waste Advisory Committee's (SWAC) comments on the FY14 Recommended Budget are attached on ©25. SWAC is supportive of the FY14 Solid Waste budget, especially with regard to the DSWS food waste recycling pilot, which SWAC notes is key to meeting the County's recycling goal of 70% by 2020.

Compost Facility

Compost Facility Tonnage for FY14: 72,827 tons (an increase from estimated FY13 tonnage of 72,116 tons). The operating limit (based on an agreement with the Sugarloaf Citizens Association) is 77,000 tons per year. Two years ago, commercial yard trim tipping fees were increased (from \$40 to \$46) to slow the curve of any tonnage increases by encouraging more "grasscycling." The commercial yard trim tipping fee is recommended to remain unchanged at \$46 per ton for FY14.

SOLID WASTE COLLECTION FUND EXPENDITURES

The Solid Waste Services budget is divided into two enterprise funds: Collection and Disposal. These are non-tax-supported funds for which revenues and expenditures are directly connected. Additions to or subtractions from the DSWS budget may change solid waste charges but will not affect General Fund resources.

Summary tables for each of the funds follow, along with some major highlights.

**Table #4
DPW&T-Solid Waste Services (Collection)**

	Approved FY13	Rec FY14	Change from FY13 \$\$\$	%
Personnel Costs	1,232,121	1,200,024	(32,097)	-2.6%
Operating Expenses	4,934,170	4,979,950	45,780	0.9%
Capital Outlay	-	-	-	-
Total	6,166,291	6,179,974	13,683	0.2%
Full-Time Positions	5	4	(1)	-20.0%
Part-Time Positions			-	n/a
Workyears/FTEs	11.19	10.43	-0.76	-6.8%

The bulk of costs in this fund are for residential refuse collection within Subdistrict A.¹ DSWS currently has 3 contractors providing service to 13 service areas.

Solid Waste Collection Fund expenditures are recommended to increase by 0.2 percent (\$13,683). Other than a slight increase in residential refuse collection costs (related to anticipated CPI increases in contracts and house counts), all of the changes in FY14 are technical adjustments, as shown on ©10. No changes in service levels are assumed. The FTE reduction results from technical adjustments and the shifting of .5 FTE from the Collection Fund to the Disposal Fund.

Council Staff recommends approval of the Executive’s Recommended Budget for the Solid Waste Collection Fund.

SOLID WASTE DISPOSAL FUND EXPENDITURES

**Table #5
DPW&T-Solid Waste Services (Disposal)**

	Approved	Rec	Change from FY3	
	FY13	FY14	\$\$\$	%
Personnel Costs	9,183,649	9,166,151	(17,498)	-0.2%
Operating Expenses	92,434,446	85,587,617	(6,846,829)	-7.4%
Capital Outlay	628,500	428,829	(199,671)	-
Total	102,246,595	95,182,597	(7,063,998)	-6.9%
Full-Time Positions	74	75	1	1.4%
Part-Time Positions	0	0	-	n/a
Workyears/FTEs	92.20	91.78	-0.42	-0.5%

Solid Waste Disposal Fund expenditures are recommended to decrease by 6.9 percent (\$7.06 million). There are a number of cost changes (both increases and decreases) recommended in the Solid Waste Disposal Fund. None are assumed to have service impacts. These items are individually listed on ©10-11 (see the “FY12 Recommended Changes” section from the Executive’s Recommended Operating Budget.) Some of the major items are discussed below.

There are a number of technical adjustments common to other County Government budgets (such as compensation changes, benefits, and annualizations, and printing and mail adjustments). In addition, the Disposal Fund has a number of other items that often appear, including: contractual cost changes in various areas, and equipment replacement costs. One-time items (mainly for equipment replacements and studies) are also removed.

DSWS’ new recycling goal media campaign (\$507,000 in one-time dollars) was discussed earlier. Some other major changes are noted by program below.

¹ The collection district is divided into two collection subdistricts for residential trash collection. In Subdistrict A, trash collection for single-family residences and multi-family residences with six or fewer units is managed by the County, which contracts with haulers. In Subdistrict B, haulers contract directly with residents.

Debt Service – Disposal Fund

Disposal Fund debt service related to the Materials Recovery Facility (MRF) is zeroed out for FY14 (-\$2.8 million), as the revenue bonds will be paid off by FY14.

Resource Recovery Facility & Related Waste Transfer

This is the biggest program in the Disposal Fund (over 40 percent of the total). The following chart breaks out the major cost changes in this program. Overall, program expenditures are down about \$2.7 million from FY13.

**Table #6
RRF Program Costs**

	FY13 Approved	Rec FY13	Change
Net Debt Service	26,068,481	22,889,834	(3,178,647)
Operating Contract	25,600,506	26,806,185	1,205,679
Rail Engine Service Fee	3,044,772	3,142,039	97,267
Non-Processible Waste	157,588	57,469	(100,119)
Waste Processed >558,450 tons	351,247	-	(351,247)
Electric Sales Revenue	(14,962,141)	(16,273,189)	(1,311,048)
Recycled Ferrous Revenue	(592,116)	(545,105)	47,011
Other NMWDA Contract Costs	3,116,066	3,973,080	857,014
Charges from Risk Management	707,000	727,503	20,503
Other Miscellaneous	265,240	264,394	(846)
Totals	43,080,506	41,042,210	(2,714,433)

Some highlights of these changes include:

- Debt service costs are based on a set amortization schedule. Debt service is dropping substantially in FY14 (by \$3.2 million), although it will increase again in FY15 and then decline again in FY16. All debt service payments will end in April 2016.
- Electric sales revenue is expected to increase by \$1.3 million in FY14, based on DSWS and Covanta maximizing revenues by regulating RRF throughput based on the day-ahead and real time (spot) electricity markets. Electricity revenue is affected by a number of factors, including: tonnage levels, waste composition, electric market rates, and operations. Electricity revenue is reflected as a negative (an offset to expenditures) in this program.
- The operating contract with Covanta for the RRF and related transfer station activities is up 4.7 percent because of contract defined inflationary adjustments.
- “Other” Northeast Maryland Waste Disposal Authority contract costs are up \$857,000 (27.5 percent). This is primarily the result of the County removing the “ash reduction target shortfall fee” (a credit of \$505,701) that the RRF operator (Covanta) would have to pay the County if it failed to achieve its ash reduction target. Covanta is expected to achieve its target in FY14. The benefits of the ash reduction are seen in reduced out of County haul costs. The County is also experiencing legislated increases in Title V Air permit and Chesapeake Bay Fees Northeast Authority (\$151,563).

Residential Recycling Collection

DSWS contracts with haulers to provide curbside recycling collection for all unincorporated areas of the County (both in Subdistricts A and B). This program is the second largest program in the Solid Waste budget (behind the RRF). For FY14, \$17.1 million is budgeted for contracts with three haulers. Costs are up about \$281,000 in these contracts, due to house counts and CPI adjustments.

Gude Landfill

Remediation planning in coordination with the Maryland Department of the Environment (MDE) is ongoing.

An update on the planning work, from DSWS staff, is provided below.

The \$400k in FY13 will not be spent as progress with the consent order and remediation is taking longer than anticipated. These activities are being budgeted again in the FY14 budget. The FY14 budget for the Gude Landfill contains funding to be dedicated to the remediation design and permitting work. It is important to have this funding available for FY14 as there is the potential for Maryland Department of the Environment (MDE) to approve the Assessment of Corrective Measures (ACM) report that will include recommendations for the remediation of the Gude Landfill with or without further comments to be addressed.

The following work related to the future remediation of the site has been done since 2009:

- Aerial/Field Survey and Waste Delineation Study in the amount of approximately \$187,000.*
- Nature and Extent Study Plan, Report and Amendment No. 1 report in the amount of approximately \$728,000.*
- Field Survey associated with the Land Exchange with M-NCPPC in the amount of approximately \$34,000.*
- Miscellaneous engineering and community meeting support in the amount of approximately \$30,000.*

Regarding schedule the ACM report is due to MDE on June 1, 2013. MDE may take up to six (6) months to review the original ACM report, which would potentially require available funding around January 2014 (of FY14) to initiate remediation design and permitting work. However, MDE may have comments that need to be addressed, which would require an ACM report amendment and a subsequent review period by MDE. Therefore, MDE review time and whether they accept the ACM report as submitted will have a substantial effect on when expenditures on remediation design and permitting work begins and whether additional funds need to be spent on the ACM report.

Once MDE approves the ACM report, which contains the a proposed remediation alternative (made up of remedial technologies) and schedule, we will begin preparation of engineering design and specification documents as well as permit applications for the remediation work. Concurrently, once MDE approves a proposed remediation alternative, we will provide an estimate of remediation costs and include these costs in future budgets. The remediation work

will likely be bid in phases of work, so the initial funding will need to be encumbered at the same time the bidding documents are ready for solicitation.

DEP is available and willing to provide an update on the consent order as well as progress on the remediation at a time of your choosing. Regarding remediation options there are several being considered:

- *Enhanced Bioremediation*
- *Pump and Treat Systems*
- *Partial Capping*
- *Monitored natural attenuation*
- *Partial and full waste excavation*

Cost estimates are being developed with the ACM report, and they will vary widely depending upon which combination of options MDE approves. With respect to land reuse options, during the ACM report preparation and approval process, the focus as directed by MDE is on regulatory compliance and achieving the remedial objective goals of no groundwater exceedences, no landfill gas exceedences and no non-stormwater (i.e. leachate) discharges. Once the ACM report and the proposed remediation alternative and the remediation schedule are approved by MDE, land reuse options can be then assessed as the remediation work will be defined. DEP meets with the neighboring community monthly (approximately 25-30 meetings so far) and they prefer mostly passive land reuse options, such as walking trails, low-impact recreational and park-like activities. Potential restrictions on reuse will be considered as a factor when evaluating remediation options.

As noted in the update above, DEP intends to forward an assessment of corrective measures (ACM) report to the State by June 1. Council Staff recommends that DEP brief the T&E Committee on this report prior to the June 1 submittal to the State, since this report will include the County's recommendations for remediation work and would presumably commit the County to doing at least the work identified. Depending on the State's response to the report, a future CIP amendment to begin the work may be requested during FY14.

Council Staff recommends approval of the Executive's Recommended Budget for the Solid Waste Disposal Fund.

SOLID WASTE CHARGES

The County's solid waste programs are primarily supported by various solid waste charges that support the dedicated enterprise funds (see ©16 for descriptions of the different charges). Solid waste charges are established through an annual Council resolution (introduced on April 2 and attached on ©21-24). A public hearing is scheduled for April 23. The Council will take action on the solid waste charges in mid-May.

Refuse collection charges (i.e., for Subdistrict A where the County contracts directly with haulers) support the Solid Waste Collection Fund and are set with a policy goal of keeping retained earnings at a level of 10 percent to 15 percent of resources across the six-year fiscal period. See ©14.

The Solid Waste Disposal Charges are developed through a complex rate model (see summary document on ©20). DSWS calculates the necessary rates for each sector to cover both base and incremental costs. Rate smoothing with available fund balance is also done across a six-year projection period, both at the macro level and within each sector. The policy goal is to have positive cash balances over reserve and liability requirements in the Disposal Fund.

The FY13 approved charges and the FY14 recommended charges are presented below:

**Table #7
Solid Waste Charges (FY13 and FY14)**

Charge	Approved FY13	CE Rec. FY14	Percent Change
SINGLE FAMILY			
Base Systems Benefit Charge	\$55.77	\$37.41	-32.9%
Incremental Systems Benefit Charge	\$109.22	\$129.39	18.5%
Disposal Fee	\$48.77	\$46.95	-3.7%
Leaf Vacuuming Charge	\$88.91	\$88.91	0.0%
Refuse Collection Charge	\$66.00	\$66.00	0.0%
Total Charges, Households Receiving:			
Recycling Collection Only	\$213.76	\$213.76	0.0%
Recycling and Leaf Collection	\$302.67	\$302.66	0.0%
Recycling and Refuse Collection	\$279.76	\$279.75	0.0%
Recycling, Leaf and Refuse Collection	\$368.67	\$368.66	0.0%
MULTI-FAMILY			
Base Systems Benefit Charge	\$16.66	\$18.31	9.9%
Incremental Systems Benefit Charge	\$0.074	-\$1.58	-2235.1%
Leaf Vacuuming Charge	\$3.83	\$3.54	-7.6%
Total Charges			
Units inside Leaf Vacuuming District	\$20.56	\$20.27	-1.4%
Units outside Leaf Vacuuming District	\$16.73	\$16.73	0.0%
NONRESIDENTIAL			
(by waste generation category per 2,000 sq. feet of gross floor area)			
Low	\$117.97	\$124.24	5.3%
Medium Low	\$353.90	\$372.72	5.3%
Medium	\$589.84	\$621.21	5.3%
Medium High	\$825.77	\$869.69	5.3%
High	\$1,061.70	\$1,118.18	5.3%
TIPPING FEES			
Refuse (weighing >500 lbs per load)	\$56.00	\$56.00	0.0%
Refuse (weighing <500 lbs per load)	\$0.00	\$0.00	n/a
Refuse in Open Top Containers	\$66.00	\$66.00	0.0%
Commercial Yard Trim	\$46.00	\$46.00	0.0%
Other Recyclables	\$0.00	\$0.00	n/a

1. System Benefit Charges

Base System Benefit Charges cover the cost of general solid waste system infrastructure and administration and are allocated among the single-family residential, multi-family residential, and non-residential sectors in proportion to each sector's estimated waste generation. For FY14, base system costs are about \$56.1 million and are allocated to single-family, multi-family, and non-residential

properties based on waste generation assumptions for each sector. These charges appear on all property tax bills (residential and non-residential properties, both within and outside municipalities).

The Incremental System Benefit Charge (ISBC) is assessed on the different sectors based on actual services received (mostly related to curbside recycling and composting services). For FY14, incremental systems benefit costs are about \$29.1 million. These charges are also adjusted from year to year, partly as a result of increased costs in recycling and composting, but also because DSWS works to smooth overall impacts within the different rate categories (single-family, multi-family, and non-residential) across the six-year fiscal plan period. This stabilization effort is accomplished by the different categories either borrowing or paying back the fund balance reserve in different years over the six-year period. The net change over the six-year period is zero, but changes can be substantial in a given year and can result in the charge going up or down in the different sectors.

For purposes of considering the total impact on ratepayers, one needs to look at the “Total Charges” lines in the chart. DSWS’ goal is to try to smooth increases and decreases in these overall charges over time.

For FY14, single-family properties are recommended to be charged the same rates as in FY13. Multi-family charges will remain the same or go down slightly (depending on whether those properties are within the leaf vacuuming district or not).

2. Non-Residential (Commercial) Charges

The charges for the non-residential sector are comprised of the Base System Benefit Charges (BSBC) and the Incremental System Benefit Charges (ISBC). These charges are computed based on Gross Floor Area Unit (GFAU) data from the State Department of Assessments and Taxation (SDAT) records. These charges are recommended to increase 5.3 percent for FY14, primarily because of the increased share of waste generation assumed for the non-residential sector (from 52 percent to 53.2 percent). This increase in share means more base system benefit costs are allocated to this sector, and rates for this sector have to increase to cover those increased costs.

3. Refuse Disposal Tip Fees

The tip fee is the per ton fee charged businesses, institutions, and residents that dispose refuse at the County’s Transfer Station. No change is assumed in the standard refuse tipping fee (\$56 per ton for weights exceeding 500 pounds). Loads weighing less than 500 pounds are still free.

Tipping fees for both the refuse “in open top containers” and commercial yard trim were increased two years ago (from \$60 to \$66 per ton and \$40 to \$46 per ton respectively). No increases were approved in FY13 or recommended this year. Open top containers tend to contain construction and demolition (C/D) debris, some of which can be processed at the RRF and some of which must be sent to other facilities for processing.

4. Recycling Tip Fees

The Executive continues to recommend no fee for recyclable newspaper and mixed paper dropped off at the County’s Recycling Center.

5. Refuse Collection Charge

The Executive proposes the same charge (\$66.00) as approved in FY13. The FY13 charge reflects a \$4.00 decrease from FY12. This fee is paid by homeowners in Subdistrict A for once weekly refuse collection service by County contractors.

6. Leaf Vacuuming Charge

This program is managed by the Department of Transportation. A leaf vacuuming fund covers the costs for the program through fees paid by residents in the leaf vacuuming district (via property tax bills). The Leaf Vacuuming Fund is charged for a portion of its costs associated with the composting of leaves collected by leaf vacuuming services.

For FY13, the charge is recommended to remain unchanged for single-family homes in the leaf vacuuming district and to go down slightly for multi-family properties.

With the exception of the non-residential charges (which are increasing by 5.3 percent from FY13), the charges are mostly unchanged or down slightly for FY14 and are reflective of an FY13 Solid Waste budget request that includes only modest incremental changes as well. Council Staff supports the FY13 Solid Waste charges as recommended by the Executive.

NOTE: In tandem with the Solid Waste charges resolution, the Executive transmits an Executive Regulation each year, setting residential waste estimates. The current regulation for FY14 is advertised in the April register and will be acted upon by the Council in May.

Summary of Council Staff Recommendations

- **Approve the Division of Solid Waste Services FY14 Budget as recommended by the County Executive.**
- **Approve the FY14 Solid Waste Charges as recommended by the County Executive.**
- **Recommended follow-up items (with suggested timeframe) include:**
 - **Food waste composting pilot project results (Summer or Fall)**
 - **Gude Drive Landfill remediation update (Prior to June 1st)**

Attachments

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Solid Waste Services

MISSION STATEMENT

Provide world-class solid waste management for the people living and working in Montgomery County, in an environmentally progressive and economically sound manner, striving to reduce and recycle 70 percent of our waste. Vision: We aspire to provide the best solid waste services in the nation, meeting the needs of our diverse community.

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Division of Solid Waste Services is \$101,362,571, a decrease of \$7,050,315 or 6.5 percent from the FY13 Approved Budget of \$108,412,886. Personnel Costs comprise 10.2 percent of the budget for 79 full-time positions. A total of 102.21 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses and Capital Outlay account for the remaining 89.8 percent of the FY14 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

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**
- ❖ **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 FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Procured the final 13 collection contracts resulting in an overall 4% decrease in costs. All 132 Compressed Natural Gas (CNG)-powered trucks are deployed and expected to reduce the Division's carbon footprint.**
- ❖ **Surveying work at the Gude Landfill was completed in August 2012 for a planned land exchange between Department of Environmental Protection (DEP) and the Maryland-National Capital Park and Planning Commission (M-NCPPC). DEP is exchanging an equivalent amount of land for approximately 17 acres of land where Gude Landfill operations extended beyond the County's property boundary onto M-NCPPC property. This land exchange is necessary for DEP to control all property with buried trash to enable future remediation as required by Maryland Department of the Environment (MDE).**
- ❖ **Productivity Improvements**
 - **As a result of a new ash management system being used at the Resource Recovery Facility (RRF), there will be less water in the ash residue, reducing its weight. Weight reduction is estimated to be about 2 percent by weight of incoming tons processed at the RRF. This will reduce the weight of ash managed under the Out-of-County haul program resulting in an annual savings of \$400,000 to \$500,000 per year.**
 - **The County Council has approved Executive Regulation 7-12 which sets a new recycling goal for the County to recycle 70 percent of waste generated by 2020. The regulation specifies that the County will adopt the State of Maryland methodology per the Maryland Recycling Act to measure the County's recycling, and will include the Source Reduction Credit used to calculate the Waste Diversion Rate.**
 - **Coordinated and integrated whenever feasible the execution and completion of recycling outreach, education, training, and evaluation tasks. Designed the majority of all artwork and other educational materials internally using InDesign software. Total estimated savings for FY13 and FY14 is approximately \$56,000.**

- The Transfer Station now markets and sells used vehicle batteries and used oil. Revenues from the sales of these commodities are estimated to be over \$50,000 per year.
- Began issuing tickets to individuals caught scavenging scrap metal from the curbside collection program. Individuals are assessed a \$600 fine for the violation.
- Continue to work with non-profit organizations to give away usable latex and blended bulked paint. Additionally, there is a no cost "paint store" where residents can pick up free paint. This effort helps reduce the overall cost of the program.

PROGRAM CONTACTS

Contact Scott McClure of the Division of Solid Waste Services at 240.777.6436 or Matt Schaeffer of the Office of Management and Budget at 240.777.2751 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Administration and Support

This program provides budget management, program and management analysis, contract administration, and administrative support; manages enterprise fund business processes and supports solid waste policy issues through system evaluation and analyses which includes rate setting and fiscal health management; performs financial analysis of enterprise funds, revenue forecasting and enhancement, ratepayer database management, hauler billing processing, and system-wide tonnage tracking and reporting; maintain statistical waste generation data, headline performance measures, and County Stat data; provide for the overall operation and maintenance of existing computer equipment, as well as the purchase of any new automation equipment and technology to support effective and efficient achievement of the Division's mission.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Single-Family Solid Waste Charge: System Benefit Charge, covers the portion of the County costs of providing basic solid waste services for single-family waste not covered by disposal and tipping fees (dollars per household)	209.85	214	214	214	218

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	3,102,216	17.46
Increase Cost: Risk Management Adjustment	95,660	0.00
Increase Cost: Contractor Assistance for Oracle Data Entry	69,295	0.00
Increase Cost: Printing and Mail Adjustment	9,148	0.00
Increase Cost: Printing and Mail Adjustment	2,337	0.00
Increase Cost: Automation costs for Administration and Support program	850	0.00
Increase Cost: Risk Management Adjustment	590	0.00
Increase Cost: Charges from Finance	389	-0.10
Decrease Cost: Charges from County Attorney	-2,459	0.00
Decrease Cost: Operating Expenses for Administration and Support	-3,785	0.00
Decrease Cost: Charges from Finance	-4,011	0.10
Decrease Cost: Charges from County Attorney	-7,375	-0.50
Decrease Cost: Retiree Health Insurance Pre-Funding	-7,430	0.00
Decrease Cost: Operating Expenses for Administration and Support program	-75,277	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-120,040	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.	43,998	0.02
FY14 CE Recommended	3,104,106	16.98

Commercial Recycling and Waste Reduction

This program provides for mandatory commercial sector recycling and waste reduction and the review of recycling and waste reduction plans and annual reports from all large and medium-sized businesses, as well as targeted small businesses. Through this program, technical support, assistance, education, outreach, and training is provided to the commercial sector in the areas of recycling, reuse, buying recycled products, and waste reduction. This program also provides for enforcement of the County's recycling regulations and other requirements of the County Code as they apply to non-residential waste generators. All program initiatives and services apply to not-for-profit organizations, as well as federal, state and local government facilities.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,792,972	10.50
Increase Cost: New County Recycling Goal Media Campaign	253,623	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.	-44,515	0.00
FY14 CE Recommended	2,002,080	10.50

Debt Service - Disposal Fund

This program contains principal and interest payments for general obligation bonds and revenue bonds used to fund the construction of solid waste facilities and other major improvements.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,819,250	0.00
Decrease Cost: Reduction to Debt Service for Revenue Bonds	-2,819,250	0.00
FY14 CE Recommended	0	0.00

Dickerson Compost Facility

This program includes all processing, transporting, composting, and marketing of yard trim received by the County, including leaves received via the Leaf Vacuuming Program. Processing includes grinding brush to produce mulch at the Transfer Station, as well as composting all leaves and grass at the County's Composting Facility in Dickerson. Transportation includes all shipping into and out of the Compost Facility. Leaves and grass, after processing at Dickerson, are sold as high-quality compost soil amendment in bulk and bags.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	3,676,530	1.15
Increase Cost: Capital Equipment replacement purchases	458,829	0.00
Decrease Cost: Yard Trim Reduction contract costs	-71,106	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	-628,500	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.	59,036	0.00
FY14 CE Recommended	3,494,789	1.15

Dickerson Master Plan Implementation

This program provides for the implementation of the Dickerson Solid Waste Facilities Master Plan. This plan identifies the environmental, community, and operational effects of solid waste facilities in the Dickerson area (the RRF, the Site 2 Landfill, and the Compost Facility) and outlines policies and actions to mitigate those effects.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	94,634	0.57
Decrease Cost: Operating Expenses for Dickerson Master Plan Implementation	-6,155	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.	3,877	0.00
FY14 CE Recommended	92,356	0.57

Gude Landfill

The purpose of this program is to monitor air and water quality around the landfill, maintain stormwater management and erosion control structures, maintain site roads, and manage the landfill gas through collection, flaring, and gas-to-energy systems. In addition, it encompasses all operational functions necessary to maintain the Gude Landfill, which closed in 1982, in an environmentally sound and cost-effective manner. In addition, planning for further remediation mandated by the Maryland Department of the Environment to minimize potentially adverse environmental impacts and the design of post-closure uses for the site that serve the community are part of this program.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	887,762	1.31
Increase Cost: Gude Landfill Assessment of Corrective Measures (ACM) Report	336,830	0.00
Increase Cost: Charges from other departments	42,865	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.	-4,045	0.00
FY14 CE Recommended	1,263,412	1.31

Household and Small Quantity Household Hazardous Materials

This program funds a contractor to receive, sort, pack, ship, and properly dispose of household hazardous waste such as flammable products, insecticides, mercury, and reactive and corrosive chemicals. These products are brought in by residents and processed at State and Federally-approved hazardous waste treatment, storage, and disposal facilities. This program also includes outreach to educate residents regarding the potential dangers of certain household products and to reduce generation of hazardous waste; it also provides assistance to businesses that qualify as small-quantity generators of hazardous waste by providing them with an economical and environmentally safe disposal option. The materials are handled through the County's hazardous waste contractor and permitted hazardous waste management facilities.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	976,812	0.00
Increase Cost: Household Hazardous Waste Program contract costs	58,288	0.00
Decrease Cost: Program Consolidation - Waste Detoxification program to Hazardous Waste program	-30,100	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.	2	0.00
FY14 CE Recommended	1,005,002	0.00

Housing and Environmental Permit Enforcement

Enforcement provided by the Department of Housing and Community Affairs under this program consists of six related components. Staff respond to resident complaints dealing with: storage and removal of solid waste; illegal solid waste dumping activities in the County; storage of unregistered vehicles on private property throughout the County; storage of inoperable vehicles on private property; improper screening of dumpsters, particularly those in shopping areas; and control and regulation of weeds throughout the County. The program includes a "Clean or Lien" component, which provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required. Also under this program,

the Department of Environmental Protection provides surface and subsurface environmental compliance monitoring at all County solid waste facilities, and reviews reports of air monitoring of the Resource Recovery Facility (RRF).

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,137,439	10.33
Decrease Cost: Charges from Environmental Protection	-5,224	0.00
Decrease Cost: Charges from Housing and Community Affairs	-8,343	-0.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	10,437	0.00
FY14 CE Recommended	1,134,309	9.93

Oaks Landfill

This program maintains the closed Oaks Landfill in an environmentally sound and cost-effective manner in accordance with applicable State and Federal regulations. Mandated duties under this program include maintaining monitoring wells for landfill gas and water quality around the landfill; managing landfill gas through collection, flaring, and gas-to-energy systems; maintaining leachate storage and pre-treatment facilities; and performing other required site maintenance. This program also provides for the acceptance and treatment of waste generated by the cleanout of storm water oil/grit separators.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,550,049	0.52
Shift: Collection fund position to Disposal fund - Oaks Landfill	49,363	0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-132,156	0.50
FY14 CE Recommended	1,467,256	1.52

Out-of-County Refuse Disposal

This program provides for the rail shipment of ash residue that is designated for recycling or disposal from the Resource Recovery Facility (RRF) to Petersburg, Virginia, where it is unloaded and transported by truck to a contracted landfill facility where the ash is processed for further metals removal and recycling. Ash may be beneficially reused as alternate daily cover and road base within the lined areas of modern landfill facilities owned by Republic Services. The dedicated landfill in Brunswick County, Virginia is available for ash or other materials that cannot be recycled. This program also provides for the shipment of nonprocessible waste, such as construction material and, if necessary, bypass waste, from the Transfer Station to either recycling facilities or the contracted landfill in Brunswick County.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	11,185,197	1.00
Decrease Cost: Out-of-County Haul contract costs	-2,329,175	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.	-5,598	0.00
FY14 CE Recommended	8,850,424	1.00

Recycling & Waste Reduction - Multi-Family Dwellings

This program provides for mandatory recycling and waste reduction for multi-family properties. Program efforts include technical support, assistance, education, outreach and training on recycling, reuse, buying recycled products, and waste reduction, in addition to the review and monitoring of waste reduction and recycling plans and annual reports. This program also provides for enforcement of the County's recycling regulations and other requirements of the County Code, as they apply to multi-family waste generators.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	830,816	4.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	50,859	0.00
FY14 CE Recommended	881,675	4.50

Recycling Center

This program provides for the separation, processing, and marketing of recyclable materials (glass, metal, and plastic). The Recycling Center also serves as a transfer point for shipping residential mixed paper for processing. The Recycling Center receives recyclable material collected under the County curbside collection program, as well as from municipalities and multi-family properties which have established similar types of programs. The materials are then sorted and shipped to markets for recycling; also provides for the management of the County's residential mixed paper. Residential mixed paper includes newspaper, corrugated containers, kraft paper bags, magazines, telephone directories, and unwanted mail.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	5,971,152	3.00
Increase Cost: Recycle Center contract costs	2,017,508	0.00
Decrease Cost: Paper Recycling contract costs	-1,831,976	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.	-8,383	0.00
FY14 CE Recommended	6,148,301	3.00

Recycling Outreach & Education

This program provides for broadly educating the general public about recycling, reuse, buying recycled products, composting, grasscycling, and waste reduction, and the need to comply with applicable County laws. Public education is an important tool supporting solid waste program goals and ensuring the success of recycling initiatives and working to achieve the County's recycling goal.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Percent of Total Municipal Solid Waste Recycled ¹	44.4	**60%	**61%	**62%	**63%
Percent of Multi-family Municipal Solid Waste Recycled ²	14.4	**28%	**28%	**28%	**29%
Percent of Single-family Municipal Solid Waste Recycled ³	52.2	**66%	**66%	**66%	**67%
Percent of Non-residential Municipal Solid Waste Recycled ⁴	42.4	**57%	**57%	**58%	**58%
Multi-Family Recycling (tonnages)	11,988	24,989	26,509	27,094	28,213
Non-Residential Recycling (tonnages)	242,380	297,202	305,422	311,529	319,945

	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Number of Site Visits to Provide Recycling Assistance to Businesses	11,074	8,896	10,000	10,000	10,000
Single-Family Recycling (tonnages)	242,585	264,026	267,374	270,571	277,150
Tons Recycled Overall	496,954	586,217	599,305	609,194	625,308

¹**Adopted the State of Maryland methodology for measuring the County's recycling rate; Beginning with CY12 this measure is the Waste Diversion Rate (Recycling Rate + Source Reduction Credit)

²**Adopted the State of Maryland methodology for measuring the County's recycling rate; Beginning with CY12 this measure is the Waste Diversion Rate (Recycling Rate + Source Reduction Credit)

³**Adopted the State of Maryland methodology for measuring the County's recycling rate; Beginning with CY12 this measure is the Waste Diversion Rate (Recycling Rate + Source Reduction Credit)

⁴**Adopted the State of Maryland methodology for measuring the County's recycling rate; Beginning with CY12 this measure is the Waste Diversion Rate (Recycling Rate + Source Reduction Credit)

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	299,598	1.00
Increase Cost: New County Recycling Goal Media Campaign	291,101	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.	76,392	1.00
FY14 CE Recommended	667,091	2.00

Residential Collection

This program provides for securing, administering, monitoring, and enforcing countywide contracts with private collectors for collection of residential refuse and responding to the service needs of residents. Staff processes service requests from MC311 to ensure timely fulfillment by collection contracts. This program also provides for enforcement of the County's recycling regulations as they apply to single-family waste generators, and enforcement of relevant parts of Chapter 48 of the County Code. Staff maintains the database of households served and administers the billing of that service.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Average number of recycling collections missed per week, not picked up within 24 hours	9	7	7	7	7
Average number of refuse collections missed per week, not picked up within 24 hours	4	3	3	3	3
Single-family Solid Waste Charge: Refuse Collection Fee, charged for once per week curbside collection including on-call bulk pickups (dollars per household)	74	70	66	66	68

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	24,964,082	28.00
Increase Cost: Residential Recycling Collection contract costs	281,919	0.00
Increase Cost: Residential Refuse Collection	39,167	0.00
Increase Cost: Motor Pool Adjustment	11,061	0.00
Increase Cost: Charges from Public Information Office for MC311 overtime	2,660	0.00
Decrease Cost: Public Information Office Chargeback	-4,955	-0.10
Shift: Collection fund position to Disposal fund - Oaks Landfill	-49,363	-0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	7,169	-0.60
FY14 CE Recommended	25,251,740	26.80

Resource Recovery Facility & Related Waste Transfer

This program provides for the operation of the Montgomery County Resource Recovery Facility (RRF). The RRF serves as the primary disposal facility for non-recycled waste generated in the County. Electricity generated by the combustion of municipal solid waste is sold into the competitive energy market. Extensive environmental and operational monitoring is conducted, to meet contractual obligations and all applicable regulatory standards regarding the facility. This program also includes costs for related operations at the Transfer Station and for transportation of waste from the Transfer Station to the RRF.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	43,756,642	1.25
Increase Cost: Resource Recovery Facility contract costs	550,177	0.00
Decrease Cost: Savings From RRF Bond Refinancing	-3,261,180	0.00

	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-3,429	0.00
FY14 CE Recommended	41,042,210	1.25

Satellite Site

This program operates a satellite drop-off site at the Poolesville Highway Services Depot. Residents can bring bulky materials to this site. The site, which operates only on weekends, provides drop-off for trash items as a convenience to County residents and reduces the incidence of roadside dumping. Material that is collected is then transported to the Transfer Station in Rockville.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	224,249	1.70
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,063	0.00
FY14 CE Recommended	225,312	1.70

Site 2

This program provides for the management of properties acquired for a potential future landfill. All properties are leased and/or used by private residents. Management activities include the inspection, evaluation, and maintenance of leased agricultural land, single-family dwellings, and agricultural buildings. Activities are coordinated with the Division of Operations as needed.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	204,589	0.40
Decrease Cost: Site 2 Landfill contract costs	-53,345	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.	-1,846	0.00
FY14 CE Recommended	149,398	0.40

Solid Waste Transfer Station

The purpose of this program is to provide a receiving, processing, and shipping facility for municipal solid waste generated within the County. Yard waste is also received, processed, and shipped to the Compost Facility, mulch preserves, or other outlets. Other waste is handled or recycled including scrap metal, oil and anti-freeze, textiles, car batteries, and construction material. County staff operate the scale-house and oversee general operations, while contractors provide for the receipt and transfer of waste and operate the public unloading facility and recycling drop-off areas. This program includes enforcement of the County's ban on delivery of recyclables mixed with trash delivered for disposal and the inspection and licensing of waste collection vehicles; and it provides for the regulation and enforcement of certain provisions of Chapter 48 of the County Code, including licensing requirements for refuse and recycling commercial collectors, and haulers of solid waste and recyclables.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Number of Visits Related To Household Hazardous Waste Disposal	80,000	80,674	81,481	82,296	83,119

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	3,971,261	17.10
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	81,204	-0.10
FY14 CE Recommended	4,052,465	17.00

Support for Recycling Volunteers

The mission of this program is to recruit and retain resident volunteers to augment available staff resources to educate the general public and thereby improve participation in waste reduction, recycling, and buying recycled programs. This resident-to-resident and peer-to-peer contact is very effective in motivating people living and working in the County to actively participate in recycling.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	178,479	0.50
Increase Cost: Operating Expenses for recycling volunteers program	4,094	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.	-45,924	-0.50
FY14 CE Recommended	136,649	0.00

Waste Reduction

Waste reduction is at the top of the County's waste management hierarchy. The purpose of this program is to encourage efforts and actions by residents, employees, and visitors to reduce the amount of solid waste generated in the County. Included within this program area are efforts to recover textiles and building and construction materials, recycle propane tanks, and recover bicycles for reuse, as well as efforts to reduce the use of hazardous materials by substituting nonhazardous alternative products through outreach and public education.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	191,684	0.50
Increase Cost: New County Recycling Goal Media Campaign	50,725	0.00
Decrease Cost: Waste Reduction contract costs	-148,279	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.	-94,130	-0.50
FY14 CE Recommended	0	0.00

Waste System Planning

This program supports the planning and development of solid waste programs in accordance with the mandates of the County's Ten Year Comprehensive Solid Waste Management Plan. This may include evaluating existing source reduction, recycling, composting, collection, and disposal programs and policies with the intent of achieving solid waste program goals.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	517,120	2.60
Decrease Cost: Waste System Program Development reduction for completed Tip and Sort Study	-192,179	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.	-11,298	0.00
FY14 CE Recommended	313,643	2.60

Yard Trim Reduction Program

The purpose of this program is to provide education and training to residents, multi-family properties, and businesses to reduce the amount of yard trim materials (grass, leaves, and brush) generated and also to manage what is generated on-site through both grasscycling and composting, thus reducing the amount of yard trim materials that must be collected, transported, and managed at the County's Compost Facility in Dickerson or at private compost facilities.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	80,353	0.00
FY14 CE Recommended	80,353	0.00

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
SOLID WASTE COLLECTION					
EXPENDITURES					
Salaries and Wages	876,514	913,816	913,816	885,941	-3.1%
Employee Benefits	261,213	318,305	318,305	314,083	-1.3%
Solid Waste Collection Personnel Costs	1,137,727	1,232,121	1,232,121	1,200,024	-2.6%
Operating Expenses	4,890,407	4,934,170	4,877,170	4,979,950	0.9%
Capital Outlay	0	0	0	0	—
Solid Waste Collection Expenditures	6,028,134	6,166,291	6,109,291	6,179,974	0.2%
PERSONNEL					
Full-Time	5	5	5	4	-20.0%
Part-Time	0	0	0	0	—
FTEs	11.80	11.19	11.19	10.43	-6.8%
REVENUES					
Investment Income	20	0	0	0	—
Systems Benefit Charge	6,374,291	6,032,860	6,017,480	6,039,660	0.1%
Other Charges/Fees	13,825	0	0	0	—
Solid Waste Collection Revenues	6,388,136	6,032,860	6,017,480	6,039,660	0.1%
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	6,379,660	6,815,533	6,815,533	6,722,643	-1.4%
Employee Benefits	2,171,687	2,368,116	2,368,116	2,443,508	3.2%
Solid Waste Disposal Personnel Costs	8,551,347	9,183,649	9,183,649	9,166,151	-0.2%
Operating Expenses	84,050,984	89,615,196	87,924,486	85,587,617	-4.5%
Debt Service Other	4,008,750	2,819,250	2,819,250	0	—
Capital Outlay	0	628,500	0	428,829	-31.8%
Solid Waste Disposal Expenditures	96,611,081	102,246,595	99,927,385	95,182,597	-6.9%
PERSONNEL					
Full-Time	74	74	74	75	1.4%
Part-Time	0	0	0	0	—
FTEs	91.10	92.20	92.20	91.78	-0.5%
REVENUES					
Investment Income	23,517	103,390	74,640	0	—
Miscellaneous Revenues	-21,448	6,321,941	6,009,998	6,103,913	-3.4%
Other Intergovernmental	25	0	0	0	—
Property Rentals	55,655	0	0	0	—
Sale of Recycled Materials	4,772,042	4,808,934	4,388,682	4,676,147	-2.8%
Solid Waste Disposal Fees/Operating Revenues	18,727,651	26,631,970	26,018,550	25,693,030	-3.5%
Systems Benefit Charge	65,992,279	56,775,600	58,056,840	58,204,150	2.5%
Other Charges/Fees	337,723	0	0	0	—
Other Fines/Forfeitures	27,215	0	0	0	—
Other Licenses/Permits	7,435	3,335	7,500	7,500	124.9%
Solid Waste Disposal Revenues	89,922,094	94,645,170	94,556,210	94,684,740	0.0%
DEPARTMENT TOTALS					
Total Expenditures	102,639,215	108,412,886	106,036,676	101,362,571	-6.5%
Total Full-Time Positions	79	79	79	79	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	102.90	103.39	103.39	102.21	-1.1%
Total Revenues	96,310,230	100,678,030	100,573,690	100,724,400	0.0%

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
SOLID WASTE COLLECTION		
FY13 ORIGINAL APPROPRIATION	6,166,291	11.19
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Residential Refuse Collection [Residential Collection]	39,167	0.00
Increase Cost: FY14 Compensation Adjustment	33,622	0.00
Increase Cost: Motor Pool Adjustment [Residential Collection]	11,061	0.00
Increase Cost: Annualization of FY13 Personnel Costs	8,719	0.00
Increase Cost: Retirement Adjustment	6,898	0.00
Increase Cost: Printing and Mail Adjustment [Administration and Support]	2,337	0.00
Increase Cost: Other Labor Contract Costs	1,103	0.00
Increase Cost: Automation costs for Administration and Support program [Administration and Support]	850	0.00
Increase Cost: Risk Management Adjustment [Administration and Support]	590	0.00
Increase Cost: Charges from Finance [Administration and Support]	389	-0.10
Technical Adj: Adjust FTEs due to rounding	0	-0.06
Decrease Cost: Charges from County Attorney [Administration and Support]	-2,459	0.00
Decrease Cost: Group Insurance Adjustment	-3,383	0.00
Decrease Cost: Operating Expenses for Administration and Support [Administration and Support]	-3,785	0.00
Decrease Cost: Public Information Office Chargeback [Residential Collection]	-4,955	-0.10
Decrease Cost: Retiree Health Insurance Pre-Funding [Administration and Support]	-7,430	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-19,678	0.00
Shift: Collection fund position to Disposal fund - Oaks Landfill [Residential Collection]	-49,363	-0.50
FY14 RECOMMENDED:	6,179,974	10.43
SOLID WASTE DISPOSAL		
FY13 ORIGINAL APPROPRIATION	102,246,595	92.20
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Recycle Center contract costs [Recycling Center]	2,017,508	0.00
Increase Cost: Resource Recovery Facility contract costs [Resource Recovery Facility & Related Waste Transfer]	550,177	0.00
Increase Cost: Capital Equipment replacement purchases [Dickerson Compost Facility]	458,829	0.00
Increase Cost: Gude Landfill Assessment of Corrective Measures (ACM) Report [Gude Landfill]	336,830	0.00
Increase Cost: New County Recycling Goal Media Campaign [Recycling Outreach & Education]	291,101	0.00
Increase Cost: Residential Recycling Collection contract costs [Residential Collection]	281,919	0.00
Increase Cost: FY14 Compensation Adjustment	271,388	0.00
Increase Cost: New County Recycling Goal Media Campaign [Commercial Recycling and Waste Reduction]	253,623	0.00
Increase Cost: Risk Management Adjustment [Administration and Support]	95,660	0.00
Increase Cost: Contractor Assistance for Oracle Data Entry [Administration and Support]	69,295	0.00
Increase Cost: Household Hazardous Waste Program contract costs [Household and Small Quantity Household Hazardous Materials]	58,288	0.00
Increase Cost: Retirement Adjustment	54,122	0.00
Increase Cost: New County Recycling Goal Media Campaign [Waste Reduction]	50,725	0.00
Shift: Collection fund position to Disposal fund - Oaks Landfill [Oaks Landfill]	49,363	0.50
Increase Cost: Charges from other departments [Gude Landfill]	42,865	0.00
Increase Cost: Printing and Mail Adjustment [Administration and Support]	9,148	0.00
Increase Cost: Other Labor Contract Costs	8,428	0.00
Increase Cost: Operating Expenses for recycling volunteers program [Support for Recycling Volunteers]	4,094	0.00
Increase Cost: Charges from Public Information Office for MC311 overtime [Residential Collection]	2,660	0.00
Technical Adj: Adjust FTEs due to rounding	0	-0.12
Decrease Cost: Charges from Finance [Administration and Support]	-4,011	0.10
Decrease Cost: Charges from Environmental Protection [Housing and Environmental Permit Enforcement]	-5,224	0.00
Decrease Cost: Operating Expenses for Dickerson Master Plan Implementation [Dickerson Master Plan Implementation]	-6,155	0.00
Decrease Cost: Charges from County Attorney [Administration and Support]	-7,375	-0.50
Decrease Cost: Charges from Housing and Community Affairs [Housing and Environmental Permit Enforcement]	-8,343	-0.40
Decrease Cost: Program Consolidation - Waste Detoxification program to Hazardous Waste program [Household and Small Quantity Household Hazardous Materials]	-30,100	0.00
Decrease Cost: Site 2 Landfill contract costs [Site 2]	-53,345	0.00
Decrease Cost: Yard Trim Reduction contract costs [Dickerson Compost Facility]	-71,106	0.00
Decrease Cost: Operating Expenses for Administration and Support program [Administration and Support]	-75,277	0.00
Decrease Cost: Annualization of FY13 Personnel Costs	-103,559	0.00
Decrease Cost: Group Insurance Adjustment	-115,070	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding [Administration and Support]	-120,040	0.00
Decrease Cost: Waste Reduction contract costs [Waste Reduction]	-148,279	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-159,877	0.00

	Expenditures	FTEs
Decrease Cost: Waste System Program Development reduction for completed Tip and Sort Study [Waste System Planning]	-192,179	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13 [Dickerson Compost Facility]	-628,500	0.00
Decrease Cost: Paper Recycling contract costs [Recycling Center]	-1,831,976	0.00
Decrease Cost: Out-of-County Haul contract costs [Out-of-County Refuse Disposal]	-2,329,175	0.00
Decrease Cost: Reduction to Debt Service for Revenue Bonds [Debt Service - Disposal Fund]	-2,819,250	0.00
Decrease Cost: Savings From RRF Bond Refinancing [Resource Recovery Facility & Related Waste Transfer]	-3,261,180	0.00
FY14 RECOMMENDED:	95,182,597	91.78

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Administration and Support	3,102,216	17.46	3,104,106	16.98
Commercial Recycling and Waste Reduction	1,792,972	10.50	2,002,080	10.50
Debt Service - Disposal Fund	2,819,250	0.00	0	0.00
Dickerson Compost Facility	3,676,530	1.15	3,494,789	1.15
Dickerson Master Plan Implementation	94,634	0.57	92,356	0.57
Gude Landfill	887,762	1.31	1,263,412	1.31
Household and Small Quantity Household Hazardous Materials	976,812	0.00	1,005,002	0.00
Housing and Environmental Permit Enforcement	1,137,439	10.33	1,134,309	9.93
Oaks Landfill	1,550,049	0.52	1,467,256	1.52
Out-of-County Refuse Disposal	11,185,197	1.00	8,850,424	1.00
Recycling & Waste Reduction - Multi-Family Dwellings	830,816	4.50	881,675	4.50
Recycling Center	5,971,152	3.00	6,148,301	3.00
Recycling Outreach & Education	299,598	1.00	667,091	2.00
Residential Collection	24,964,082	28.00	25,251,740	26.80
Resource Recovery Facility & Related Waste Transfer	43,756,642	1.25	41,042,210	1.25
Satellite Site	224,249	1.70	225,312	1.70
Site 2	204,589	0.40	149,398	0.40
Solid Waste Transfer Station	3,971,261	17.10	4,052,465	17.00
Support for Recycling Volunteers	178,479	0.50	136,649	0.00
Waste Reduction	191,684	0.50	0	0.00
Waste System Planning	517,120	2.60	313,643	2.60
Yard Trim Reduction Program	80,353	0.00	80,353	0.00
Total	108,412,886	103.39	101,362,571	102.21

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY13		FY14	
		Total\$	FTEs	Total\$	FTEs
SOLID WASTE DISPOSAL					
General Services	County General Fund	215,054	0.00	227,957	0.00
Liquor Control	Liquor Control	15,976	0.00	16,934	0.00
Parking District Services	Bethesda Parking District	57,230	0.00	60,665	0.00
Parking District Services	Montgomery Hills Parking District	1,786	0.00	1,893	0.00
Parking District Services	Silver Spring Parking District	109,103	0.00	115,650	0.00
Parking District Services	Wheaton Parking District	10,728	0.00	11,372	0.00
Total		409,877	0.00	434,471	0.00

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY14	FY15	FY16	(5000's)		
	FY17	FY18	FY19			
This table is intended to present significant future fiscal impacts of the department's programs.						
SOLID WASTE COLLECTION						
Expenditures						
FY14 Recommended	6,180	6,180	6,180	6,180	6,180	6,180
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	46	59	59	59	59
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-1	-1	-1	-1
These figures represent other negotiated items included in the labor agreements.						
Retiree Health Insurance Pre-Funding	0	-1	-2	-3	-5	-6
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	6,180	6,225	6,236	6,234	6,233	6,231
SOLID WASTE DISPOSAL						
Expenditures						
FY14 Recommended	95,183	95,183	95,183	95,183	95,183	95,183
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY14	0	-507	-507	-507	-507	-507
Items recommended for one-time funding in FY14, including New County Recycling Goal Media Campaign, will be eliminated from the base in the outyears.						
Labor Contracts	0	374	478	478	478	478
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-9	-9	-9	-9
These figures represent other negotiated items included in the labor agreements.						
Retiree Health Insurance Pre-Funding	0	-14	-32	-48	-68	-96
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Savings From Resource Recovery Facility (RRF) Bond Refinancing	0	-3,263	-3,262	3,261	3,261	3,261
Ongoing savings related to RRF Bond Refinancing.						
Subtotal Expenditures	95,183	91,772	91,849	98,357	98,337	98,309

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY14-19

Assumptions:

- Refuse collection services are maintained at their current level, with the annual household collection charge remaining at \$66.00.
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) is unchanged at \$56.00 per ton.
- Solid waste system service charges are adjusted to ensure the fiscal health of the fund (i.e., positive cash and retained earnings). The Executive recommends no change in the single-family service charge of \$213.76.
- Expenditures for certain programs, such as the Resource Recovery Facility, Out-of-County Haul, and Mixed Paper Recycling, are calculated based on waste generation, disposal, and recycling estimates, as well as inflation. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

FY14-19 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Solid Waste Collection

FISCAL PROJECTIONS	FY13 ESTIMATE	FY14 REC	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION	FY19 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	12.13%	15.69%	15.69%	15.69%	15.69%	15.69%	15.69%
CPI (Fiscal Year)	2.3%	2.3%	2.4%	2.7%	3.2%	3.5%	3.7%
Investment Income Yield	0.00%	0.19%	0.36%	0.75%	1.35%	1.80%	2.15%
Number of Households	91,174	91,510	91,846	92,233	92,621	93,008	93,396
Charge per Household (once-weekly refuse collection)	\$66.00	\$66.00	\$68.00	\$71.00	\$74.00	\$77.00	\$81.00
BEGINNING FUND BALANCE	2,406,487	2,146,106	1,802,982	1,495,322	1,290,486	1,162,380	1,084,854
REVENUES							
Charges For Services	6,017,480	6,039,660	6,245,530	6,548,540	6,853,950	7,161,620	7,565,080
Subtotal Revenues	6,017,480	6,039,660	6,245,530	6,548,540	6,853,950	7,161,620	7,565,080
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(168,570)	(202,810)	(208,382)	(202,340)	(202,340)	(202,340)	(202,340)
Indirect Costs	(149,530)	(188,280)	(195,540)	(197,340)	(197,340)	(197,340)	(197,340)
Technology Modernization CIP	(14,040)	(9,530)	(7,842)	0	0	0	0
Desktop Computer Modernization	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL RESOURCES	8,255,397	7,982,956	7,840,130	7,841,522	7,942,096	8,121,660	8,447,594
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,109,291)	(6,179,974)	(6,299,494)	(6,495,474)	(6,725,214)	(6,983,664)	(7,272,024)
Labor Contracts	n/a	0	(46,264)	(57,732)	(57,732)	(57,732)	(57,732)
Retiree Health Insurance Pre-Funding	0	0	950	2,170	3,230	4,590	6,470
Subtotal PSP Oper Budget Approp / Exp's	(6,109,291)	(6,179,974)	(6,344,808)	(6,551,036)	(6,779,716)	(7,036,806)	(7,323,286)
TOTAL USE OF RESOURCES	(6,109,291)	(6,179,974)	(6,344,808)	(6,551,036)	(6,779,716)	(7,036,806)	(7,323,286)
YEAR END FUND BALANCE	2,146,106	1,802,982	1,495,322	1,290,486	1,162,380	1,084,854	1,124,308
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	26.0%	22.6%	19.1%	16.5%	14.6%	13.4%	13.3%

Assumptions:

1. Refuse collection charges are adjusted to achieve cost recovery.

Notes:

1. The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 10% and 15% of resources at the end of the six-year planning period. The fund balance policy for the Collection Fund was approved in August 2004
 2. The projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here.

FY14-19 DIVISION OF SOLID WASTE SERVICES

FISCAL PROJECTIONS	ESTIMATED FY13	RECOMMENDED FY14	PROJECTED FY15	PROJECTED FY16	PROJECTED FY17	PROJECTED FY18	PROJECTED FY19
Single-Family Charges (\$/Household)	213.76	213.76	217.76	218.72	217.71	212.78	211.35
% change in rate from previous year	0.0%	0.0%	1.9%	0.4%	-0.5%	-2.3%	-0.7%
Multi-Family Charges (\$/Dwelling Unit)	16.73	16.73	17.04	17.08	17.02	16.95	16.93
% change in rate from previous year	0.0%	0.0%	1.9%	0.2%	-0.4%	-0.4%	-0.1%
Nonresidential Charges (medium "category" charge)	589.04	621.21	634.23	635.23	634.13	629.67	600.85
% change in rate from previous year	5.5%	5.5%	2.1%	0.2%	-0.2%	-0.7%	-4.6%
Nonresidential Charges (average \$/2000 sq. ft.)	220.98	239.72	244.75	245.13	244.71	242.99	231.86

OPERATIONS CALCULATION

Goal is maintain net change near zero

REVENUES							
Disposal Fees	26,018,550	25,693,030	26,241,400	26,792,970	27,355,910	27,930,530	28,559,530
Charges for Services/SBC	58,056,840	58,204,150	60,417,540	60,742,630	60,849,020	59,648,840	58,801,980
Miscellaneous	10,406,180	10,787,560	10,810,960	10,864,390	10,918,460	10,963,410	10,980,360
Investment Income	74,640	-	-	-	-	-	-
Subtotal Revenues	94,556,210	94,684,740	97,469,900	98,399,990	99,123,390	98,542,780	98,341,870
INTERFUND TRANSFERS	832,230	404,020	936,660	1,067,970	907,890	733,030	605,710
EXPENDITURES							
Personnel Costs	(9,183,650)	(9,166,150)	(9,569,460)	(10,019,230)	(10,540,230)	(11,119,940)	(11,753,780)
Operating Expenses	(90,155,855)	(85,587,617)	(92,260,720)	(89,683,690)	(74,110,370)	(75,077,350)	(78,401,400)
Capital Outlay	(587,880)	(428,830)	(2,578,240)	(2,528,780)	(3,847,090)	(1,810,650)	(1,730,640)
Subtotal Expenditures	(99,927,385)	(95,182,597)	(104,408,420)	(102,231,700)	(88,497,690)	(88,007,940)	(91,885,820)
POTENTIAL FUTURE EXPENDITURES*	-	-	(625,000)	(500,000)	(6,063,000)	(5,687,500)	(5,687,500)
PAYOUT OF CLOSURE COSTS (Non-CIP)	1,349,550	1,418,830	1,455,950	1,498,450	1,549,750	1,607,510	1,670,700
CY ACCRUED CLOSURE COSTS	(40,430)	(32,840)	(37,270)	(42,580)	(49,460)	(55,310)	(61,390)
NET CHANGE	(3,229,825)	1,292,153	(5,208,180)	(1,807,870)	6,970,880	7,132,570	2,983,570

*Extraordinary Expenditure Charges to Stability Fund

CASH POSITION

Goal is to maintain cash and investments over/(under) reserve requirements greater than zero.

ENDING CASH & INVESTMENTS							
Unrestricted Cash	21,214,960	17,637,800	14,507,340	13,964,620	22,461,540	29,663,820	34,045,420
Restricted Cash	29,756,830	33,656,630	32,460,300	30,618,470	31,344,850	34,095,850	35,796,590
Subtotal Cash & Investments	50,971,790	51,294,430	46,967,640	44,583,090	53,806,390	63,759,670	69,842,010
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(23,795,650)	(26,102,110)	(25,557,920)	(22,124,420)	(22,001,980)	(22,971,450)	(23,660,600)
Debt Service Reserve	(255,500)	-	-	-	-	-	-
Future System Contingency Reserve	(1,000,000)	(1,000,000)	(1,000,000)	(1,601,520)	(2,214,270)	(2,838,470)	(3,474,360)
Research & Development Reserve	(100,000)	(366,520)	(639,100)	(917,140)	(1,200,760)	(1,490,040)	(1,785,080)
Renewal & Replacement Reserve	(4,105,680)	(4,200,930)	(4,301,750)	(4,419,190)	(4,558,400)	(4,715,660)	(4,891,550)
Stability Reserve	(500,000)	(1,987,070)	(961,520)	(1,556,210)	(1,369,450)	(2,080,230)	(1,985,010)
Subtotal Reserve Requirements	(29,756,830)	(33,656,630)	(32,460,290)	(30,618,480)	(31,344,860)	(34,095,850)	(35,796,600)
Closure/Postclosure Liability	(15,690,590)	(14,304,600)	(12,885,920)	(11,430,040)	(9,929,750)	(8,377,550)	(6,768,240)
Subtotal Reserve & Liability Requirements	(45,447,420)	(47,961,230)	(45,346,210)	(42,048,520)	(41,274,610)	(42,473,400)	(42,564,840)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	5,524,370	3,333,200	1,621,430	2,534,570	12,531,780	21,286,270	27,277,170

Net Assets

ENDING NET ASSETS	70,071,660	70,087,450	66,972,260	66,373,400	74,943,460	82,733,800	86,730,440
Less: Reserve Requirements	(29,756,830)	(33,656,630)	(32,460,290)	(30,618,480)	(31,344,860)	(34,095,850)	(35,796,600)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	40,314,830	36,430,820	34,511,970	35,754,920	43,598,600	48,637,950	50,933,840

FY14 Solid Waste Service Charges

1. **Purpose** - To fund solid waste management services provided to residents and businesses in Montgomery County through service charges to all entities that benefit from such services.

2. **Classification of Service Charges** - There are five basic categories of service charges:

Base Systems Benefit Charge - Paid by all entities to cover costs of system administration, historical debt service, waste reduction, and "stand-by" disposal capacity.

Incremental Systems Benefit Charge - Paid by entities based on sector-specific services they receive (single-family homeowners pay for curbside recycling collection and processing, businesses pay for the commercial recycling program, etc.)

Disposal Charges - Paid as a service charge via the tax bill or at the Transfer Station by all entities who deliver solid waste to Montgomery County for disposal. At the Solid Waste Transfer Station, this charge is referred to as the "Tipping Fee" for accepting municipal solid waste for disposal.

Leaf Vacuuming Charge - Covers the cost of leaf vacuuming service provided in the Leaf Vacuuming District.

Refuse Collection Charge - Paid by homeowners who receive once weekly refuse collection service by County contractors.

3. **Implementation of Service Charges** - Service charges are collected from the various sectors in the following manner:

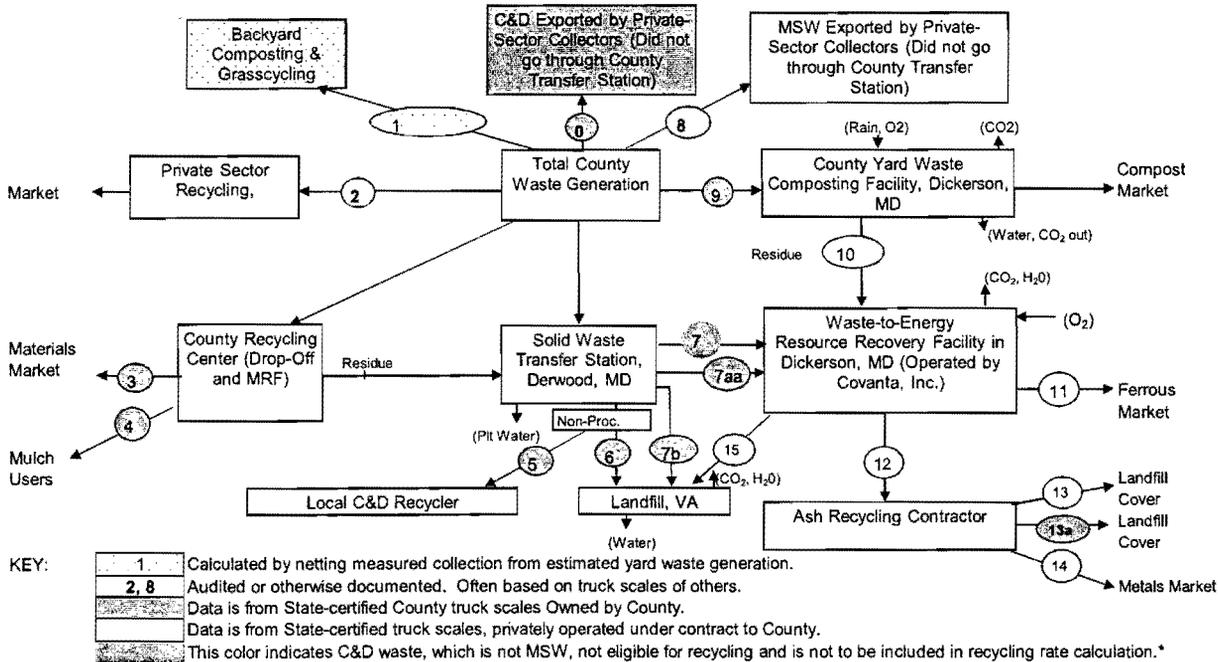
	Base Systems Benefit Charge	Incremental Systems Benefit Charge	Disposal Charge	Leaf Vacuuming Charge	Refuse Collection Charge
Unincorporated Single-Family	Via tax bill	Via tax bill	Via tax bill	Via tax bill to those serviced	Via tax bill to those serviced
Incorporated Single-Family	Via tax bill	Not applicable	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Multi-Family	Via tax bill	Via tax bill	Charged at Transfer Station	Via tax bill to those serviced	Not applicable
Incorporated Multi-Family	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Incorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable

FY14 RECOMMENDED SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING

Code Reference	Base Charge (\$/ton)	Billing Rate (tons/HH)	Disposal Charge	Base Systems Benefit Charge	Incremental Systems Benefit Charge	Refuse Collection Charge	Leaf Vacuuming Charge	Total Bill
	48-32(a)(1)	x	48-32(c)(2)	48-8A(b)(2)(A)	48-8A(b)(2)(B)	48-29	48-47	=
SUBDISTRICT A (Refuse Collection District)*								
Inside Leaf Vacuuming District	\$ 56.00	0.83842	\$ 46.95	\$ 37.41	\$ 129.39	\$ 66.00	\$ 88.91	\$ 368.66
Outside Leaf Vacuuming District	\$ 56.00	0.83842	\$ 46.95	\$ 37.41	\$ 129.39	\$ 66.00		\$ 279.75
Incorporated				\$ 37.41				\$ 37.41
SUBDISTRICT B SINGLE-FAMILY**								
Incorporated				\$ 37.41				\$ 37.41
Inside Leaf Vacuuming District								
Unincorporated	\$ 56.00	0.83842	\$ 46.95	\$ 37.41	\$ 129.39		\$ 88.91	\$ 302.66
Outside Leaf Vacuuming District								
Unincorporated	\$ 56.00	0.83842	\$ 46.95	\$ 37.41	\$ 129.39			\$ 213.76
MULTI-FAMILY RESIDENTIAL**								
Incorporated				\$ 18.31	\$ (1.58)			\$ 16.73
Unincorporated								
Outside Leaf Vacuuming District				\$ 18.31	\$ (1.58)			\$ 16.73
Inside Leaf Vacuuming District				\$ 18.31	\$ (1.58)		\$ 3.54	\$ 20.27
NONRESIDENTIAL - \$/2,000 SQ. FT. ***								
Code Reference								
Waste Generation Categories								
Low				\$ 113.04	\$ 11.20			\$ 124.24
Medium Low				\$ 339.12	\$ 33.60			\$ 372.72
Medium				\$ 565.20	\$ 56.01			\$ 621.21
Medium High				\$ 791.28	\$ 78.41			\$ 869.69
High				\$ 1,017.37	\$ 100.81			\$ 1,118.18
OTHER RECOMMENDED FY 14 SOLID WASTE FEES								
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")				\$56.00 /disposal ton				
Waste delivered for disposal <500 lb loads in privately owned and operated vehicles or trailers <1,000 capacity per Section 48-32(c)(2):				Recyclable Materials Acceptance Fees (Section 48-32(a)(2)):				
\$0.00 /disposal ton				Paper and Commingled Containers			\$0.00 /ton	
				Yard Trim			\$46.00 /ton	
Waste delivered in open-top roll-off box				Miscellaneous (48-31(f)):		Compost Bins		
\$66.00 /disposal ton						\$0.00 each		

* Note: Base System Benefit Charges are set to cover County Base System Costs net of Disposal Charges.
 ** With respect to Base and Incremental System Benefit Charges, this category includes dwellings in buildings of six or fewer households.
 *** The Nonresidential rate multiplied by the total number of 2,000 square foot units of enclosed area equals the nonresidential charge.

MATERIAL FLOW DIAGRAM Fiscal Year 2011



Total Waste Generation, Including C&D Exported by Private Sector	1,342,836
County-Managed Waste (CMW) = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 7a + 7b + 8 + 9 =	1,236,539
MSW Generated (above less streams 5, 6 and 7a)	1,120,143

Stream No.	Material Description	Sources of Data	Total (tons/yr)	Comments
0	Construction & Demo Debris Private Export	Licensed Collector Reports under ER 92-59	108,297	Not County-managed and not eligible for recycling
1	Yard Waste Source Reduction	Calculated w/ estimates & measurements	35,600	17.5% of MSW less leakage less yard waste facility tons
2	Recycled via non-County Facilities	Collector, Processor, Business & Self-Hauler Rpts.	229,044	Filtered to avoid double-counting
3	County Recycling Facility Material Sales	County TS & MRF Scales, Outbound	87,515	Outgoing to Market from County Recycling Center
4	Mulch Loaded Out From TS	County Transfer Station (TS) Scale Records	66,827	Scaled Out As Taken to Mulch Preserve Locations
5	Non-Processibles Recycled**	County TS Scale Out Records	36,782	
6	Non-Processibles Land filled**	County Trans. Statn. & Covanta Scale Records	1,643	
7	Loaded on Rail to RRF (MSW burned)	Covanta Scales as Loaded	487,468	Total Tons Loaded on Rail to RRF Net of 7a
7a	Loaded on Rail to RRF (C&D Burned)	County Transfer Station (TS) Scale Records	77,971	In-Bound C&D less Outbound Non-Processibles Landfilled
7b	By-pass (Accepted Processible Land filled)	County TS Scale Out Records	-	
8	Refuse Disposed Out of County	Audited 6-Mo. Hauler Reports	148,296	Private Sector MSW Collection not delivered to County TS
9	All Incoming Leaves and Grass	Compost Facility & TS Scale Records	65,393	Includes 0 to Backup Composters
10	Composting Residue to RRF	Covanta Scale Records	-	
11	Ferrous recovered at RRF	Covanta Scale Records	10,853	
12	Ash Loaded to Ash Recycling Contractor	Covanta Scale Records	135,678	
13	Non-Metal Outgoing from Ash Recycler	Allied Monthly Report	112,314	
13a	Non-Metal Outgoing from Ash Recycler (C&D residue)	Allied Monthly Report	23,391	
14	Metals (Fe, Cu, Brass, Coins)	Allied Monthly Report	1,722	
15	All ash not recycled	Covanta Scale Records	31,951	

Recycling Rate Calculations

	Numerator	Denominator	Rate	
County Recycling Rate "With Ash"	(1 + 2 + 3 + 4 + 9 - 10 + 11 + 13 + 14) / (CMW - 5 - 6 - 7a) =	609,269	1,120,143	54.4%
County Recycling Rate "Without Ash"	(1 + 2 + 3 + 4 + 9 - 10 + 11 + 14) / (CMW - 5 - 6 - 7a) =	496,954	1,120,143	44.4%
State Recycling Rate	(2 + 3 + 4 + 9 - 10 + 11 + 13 + 14) / (CMW - 1 - 5 - 6 - 7a) =	567,121	1,078,736	52.6% ***
State Recycling & Reduction Rate	(2 + 3 + 4 + 9 - 10 + 11 + 13 + 14) / (CMW - 1 - 5 - 6 - 7a) + 5.0% =	567,121	1,078,736	57.6% ***
EPA Recycling Rate	(2 + 3 + 4 + 9 - 10 + 11 + 14) / (CMW - 1 - 5 - 6 - 7a) =	455,547	1,078,736	42.2% ***

Notes:

** Nonprocessibles are Construction & Demolition-type materials: not eligible for recycling credit, but are County-managed solid waste.

*** For State and EPA methods, numerator and denominator exclude motor oil and source reduction.

Nomenclature:

"C&D" means "Construction and Demolition" waste, exclusive of MSW, traditionally managed by the private sector, but much now comes to County TS.

"CMW" means "County Management Waste". It includes all MSW, whether or not exported by private sector collectors, but only C&D delivered to TS.

"MSW" stands for "Municipal Solid Waste", and represents the waste eligible for recycling under the State recycling law, regulations and guidelines.

"TS" stands for the County's "Transfer Station", located in Derwood, Maryland, just south of Gaithersburg.

rev 120911

Waste Recycling by Material Type: Achievement, Opportunity and Challenge

Basis for composition of disposed waste is the FY09 waste sorts recoupled to system-wide FY09 tonnage*.	FY09 Actuals															Opportunity	Success Scenario To Reach 50% Overall Recycling Rate				
	Single-Family			Multi-Family			Non-Residential			Multi-Family & Non-Residential			Aggregate Actual FY09			Currently Disposed (Tons)	Disposed Tons Targeted	Additional Capture (tons)	Generated		
	Generated (tons)	Captured (tons)	Capture Rate %	Generated (tons)	Captured (tons)	Capture Rate %	Generated (tons)	Captured (tons)	Capture Rate %	Generated (tons)	Captured (tons)	Capture Rate %	Generated (tons)	Captured (tons)	Capture Rate %				Generated (tons)	Captured (tons)	Capture Rate %
Subtotal, Banned Components	295,000	238,980	81.0%	26,659	9,155	34.3%	295,832	191,899	64.9%	322,491	201,054	62.3%	617,491	440,034	71.3%		177,457	65,317	617,491	505,351	81.8%
Paper	94,939	62,687	66.0%	11,912	1,890	15.9%	153,383	87,077	56.8%	165,295	88,967	53.8%	260,234	151,655	58.3%	108,579	108,579	39,965	260,234	191,620	73.6%
Glass	19,859	15,140	76.2%	3,233	763	23.6%	12,131	3,728	30.7%	15,365	4,491	29.2%	35,223	19,631	55.7%	17,992	15,592	5,739	35,223	25,370	72.0%
Other Ferrous	15,533	10,609	68.3%	2,749	1,307	47.6%	64,263	57,151	88.9%	67,011	58,458	87.2%	82,544	69,067	83.7%	13,477	13,477	4,960	82,544	74,028	89.7%
Yardwaste	151,625	144,270	95.1%	5,880	4,645	79.0%	50,244	39,584	78.8%	56,124	44,229	78.8%	207,749	188,499	90.7%	19,250	19,250	7,085	207,749	195,584	94.1%
Narrow-Neck Plastics	6,869	3,701	53.9%	1,105	132	12.0%	5,277	100	1.9%	6,382	232	3.6%	13,250	3,933	29.7%	9,318	9,318	3,430	13,250	7,362	55.6%
Ferrous/Bimetal Containers	2,940	1,690	57.5%	837	318	38.0%	2,976	379	12.7%	3,813	697	18.3%	6,752	2,387	35.4%	4,365	4,365	1,607	6,752	3,994	59.1%
Aluminum Beverage Cans	1,271	706	55.5%	443	33	7.3%	2,181	214	9.8%	2,624	246	9.4%	3,895	952	24.4%	2,943	2,943	1,083	3,895	2,035	52.3%
Other Aluminum (Foil)	648	21	3.2%	226	1	0.3%	1,360	1	0.0%	1,585	1	0.1%	2,233	22	1.0%	2,211	2,211	814	2,233	836	37.4%
Other Non-Ferrous Metal	1,317	157	11.9%	275	65	23.8%	4,017	3,665	91.2%	4,293	3,731	86.9%	5,610	3,888	69.3%	1,722	1,722	634	5,610	4,522	80.6%
Banned ER15-04																					
Potential and Encouraged																					
Food Waste	43,291	17	0.0%	12,252	1	0.0%	69,724	5,685	8.2%	81,976	5,686	6.9%	125,267	5,703	4.6%	119,564			125,267	5,703	4.6%
Shopping Bags	2,327	-	0.0%	514	-	0.0%	1,210	197	16.3%	1,724	197	11.4%	4,051	197	4.9%	3,854			4,051	197	4.9%
Other Film Plastic	13,506	-	0.0%	2,851	-	0.0%	23,035	-	0.0%	25,886	-	0.0%	39,392	-	0.0%	39,392			39,392	-	0.0%
Plastic Flower Pots	260	21	8.1%	28	1	3.6%	86	1	1.2%	114	2	1.8%	374	23	6.2%	351			374	23	6.2%
Plastic Tubs and Lids	1,491	121	8.1%	418	4	1.0%	2,297	3	0.1%	2,715	7	0.3%	4,205	128	3.0%	4,077			4,205	128	3.0%
Other Rigid Plastic	9,409	369	3.9%	3,001	61	2.0%	14,705	1,678	11.4%	17,706	1,739	9.8%	27,116	2,108	7.8%	25,008			27,116	2,108	7.8%
Textiles & Leather (no Rugs)	9,958	113	1.1%	3,584	4	0.1%	16,375	5,858	35.8%	19,959	5,862	29.4%	29,917	5,975	20.0%	23,942			29,917	5,975	20.0%
Carpets / Rugs	2,646	-	0.0%	2,390	-	0.0%	12,310	-	0.0%	14,701	-	0.0%	17,346	-	0.0%	17,346			17,346	-	0.0%
Wood Waste (including Pallets)	4,778	4,501	94.2%	1,565	80	5.1%	36,942	21,145	57.2%	38,507	21,225	55.1%	43,285	25,726	59.4%	17,559			43,285	25,726	59.4%
Whole Tires (as Rubber)	1,909	1,747	91.5%	561	434	77.5%	4,369	2,184	50.0%	4,930	2,618	53.1%	6,839	4,365	63.8%	2,473			6,839	4,365	63.8%
Lubricants (e.g. Motor Oil)	3,445	3,377	98.1%	970	895	92.3%	2,436	2,153	88.4%	3,405	3,048	89.5%	6,850	6,425	93.8%	425			6,850	6,425	93.8%
Electronics	6,382	1,587	24.9%	2,574	57	2.2%	5,483	759	13.9%	6,057	816	10.1%	14,439	2,403	16.6%	12,036			14,439	2,403	16.6%
Batteries	211	201	95.3%	170	7	4.2%	1,451	1,400	96.5%	1,620	1,407	86.8%	1,831	1,608	87.8%	223			1,831	1,608	87.8%
Latex Paint	241	47	19.6%	15	2	11.1%	192	1	0.7%	207	3	1.4%	448	50	11.2%	398			448	50	11.2%
Tire Steel	486	247	50.9%	132	62	46.8%	855	309	36.1%	987	370	37.5%	1,472	617	41.9%	855			1,472	617	41.9%
No Markets																					
Other Wood	3,966	-	0.0%	1,745	-	0.0%	8,763	-	0.0%	10,508	-	0.0%	14,474	-	0.0%	14,474			14,474	-	0.0%
Other Glass	231	-	0.0%	318	-	0.0%	543	-	0.0%	861	-	0.0%	1,092	-	0.0%	1,092			1,092	-	0.0%
Disposable Diapers	11,640	-	0.0%	2,543	-	0.0%	2,843	-	0.0%	5,386	-	0.0%	17,025	-	0.0%	17,025			17,025	-	0.0%
Other Waste	52,032	-	0.0%	14,088	-	0.0%	82,327	-	0.0%	96,414	-	0.0%	148,447	-	0.0%	148,447			148,447	-	0.0%
TOTAL	463,206	251,330	54.3%	76,377	10,762	14.1%	581,778	233,272	40.1%	658,156	244,034	37.1%	1,121,361	495,364	44.2%	625,997	177,457	65,317	1,121,361	560,681	50.0%

Notes:
 Banned ER15-04
 *These materials are required to be recycled under Executive Regulation 15-04, and are banned from disposal in waste from all sectors.
 Potential and Encouraged

Increased Capture Needed as % of Banned Tons Disposed	36.8%
Overall Capture Rate Necessary for Banned Materials	81.8%
Current Capture Rate of Banned Materials	71.3%

Solid Waste System Disposal Fund, Rate Setting Methodology

Item	Amount	Notes
Total Budgetary Operating Costs for the Year	\$ 95,507,699	a
CIP Expen. (Current Receipts, Non-Closure)	\$ -	b
Contingency Funds	\$ -	c
Closed landfill Expenses (inflation only)	\$ 32,843	d
Material Sales Revenue	\$ (4,676,147)	e
Miscellaneous Revenues	\$ (6,111,409)	f
Investment income	\$ -	g
Sector-Specific Stability Fund Contributions (Draw)	\$ 520,750	h
Fund Balance Adjusting Contribution (Draw)	\$ (2,200,000)	i
Transfer to Disposal Fund From Leaf Vacuuming Fund	\$ (885,196)	j
Fund Contribution for Small Loads (e.g. <500 lbs)	\$ 3,102,892	k
Net Revenues Required from Service Charges	\$ 85,291,432	
Incremental Systems Benefit Charges	\$ (29,142,117)	l
BASE SYSTEM COSTS	56,149,315	
BASE SYSTEM BENEFIT CHARGES		
Service Sector		
Proportion of Total Waste Generation	37.6%	m
Sector Share of Base Costs	\$ 21,133,578	n
Offsets from Refuse Disposal Fees Tipping Fees	(11,763,613)	o
Base Costs to Collect on Property Levy	\$ 9,369,965	p
Households (HH) or Commercial Gross Floor Area Units (GFAU)	250,549	q
Base System Benefit Charge on Property Levy (\$/HH, \$/GFAU)	\$ 37.41 /HH	r
Fraction of Base Costs Paid on Tax Bill	44%	s
INCREMENTAL SYSTEM BENEFIT CHARGES (ISBC)		
Recycling	\$ 24,350,608	t
Satellite Sites	220,172	u
Studies Specifics to the Nonresidential Sector		v
Stabilization	2,259,000	w
Composting	745,848	x
Total	\$ 27,575,628	y
Households (HH) or Commercial Gross Floor Area Units (GFAU)	213,087	z
ISCB to be Charged on Property Levy	\$ 129.39 /HH	aa
DISPOSAL FEES (Charged on Property Levy (In-Lieu of Tipping Fee))		
Tons of Refuse Disposed by Subdistrict A & B Households	178,655 tons	ab
Single-Family Households in Sub-Districts A & B (Non-Municipal)	213,087 HH	ac
Disposal Tons Per Household	0.8384 ton/HH	ad
County Tipping Fee for Accepting Refuse at its Transfer Station	\$ 56.00 /ton	ae
Disposal Fee Levied on Subdistrict A & B Households on Tax Bill	\$ 46.95 /HH	af
Total System Benefit Charges Levied on Tax Bill		
Non-Municipal Single-Family Homes	\$ 213.75 /HH	ag
Municipal Single-Family Homes	\$ 37.41 /HH	ah
Multi-Family Dwellingss	\$ 16.73 /HH	ai
	\$ 239.72 /GFAU	aj

- a Does not include cost of maintaining closed landfill, which costs are paid from Landfill Post Closure Reserves (GASB18)
- b Current Receipts to fund solid waste projects financed by County's Long Term Capital Improvements Program (CIP)
- c Toward unplanned research and capital needs contingencies
- d Amount that GASB 18 does not permit to be reserved for landfill post closure costs (inflation).
- e Revenue from recyclables materials sold into secondary markets
- f From fees charged to accept commingled containers, yard trim, waste delivered in open top roll-off boxes, licence fees & rent
- g Pooled and non-pooled investment income as determined by the County Department of Finance
- h Sum of sector-specific rate stabilization contributions (see also note v)
- i Non-sector-specific contribution to (draw) to adjust oveall fund balance
- j To pay for composting leaves collected by leaf vacuuming services (separate sub-fund)
- k Charge to fund balance to account for non-chargable refuse deliveries (e.g. <500 lb loads per SS 48-32(c)(2) & MRF residue)
- l Revenue from Incremental System Benefit Charges
- m Single-family detached, townhouse, and multifamily dwellings in buildings comprised of 6 or fewer dwellings
- n Based on County's annual materials flow analysis.
- o (n) x (BASE SYSTEM COSTS)
- p Off-Sets Against Sector's Share of System Base Costs

	Single-Family	Multi-Family	Non-Residential
Disposed into County System	230,919	58,016	247,827
Non-Charged Loads (<500 lbs, PUF, Beauty-Spots, MRF Residue)	(20,855)	(5,075)	(29,479)
Off-Setting Tonnage	210,065	52,941	218,348
Tipping Fee	\$ 56.00 /ton	\$ 56.00 /ton	\$ 56.00 /ton
Sector Off-Sets for Refuse Disposal Fees and Tipping Fees	\$ 11,763,613	\$ 2,964,683	\$ 12,227,498

- q County tax account database, growth trends reconciled to Md. National Capital Park & Planning Commission (MNCPPC) projections.
- r 1 GFAU = 2000 sq. ft. improved property. NA for < \$5,000 improvement. State tax account data, inflated by MNCPPC employment.
- s Curbside recycling collection & processing costs net of material sales, outreach, household haz. waste, and recycling volunteers.
- t Recyclable Materials processing costs net of material sales revenue, outreach and education.
- u Recyclable Materials processing costs net of material sales revenue, outreach and education, commercial hazardous waste disposal.
- v Sector-specific contribution to (draw from) the rate Stabilization Reserve.
- w Sector share (tonnage proportional) of the yard waste composting facility operation, net of revenue.
- x Same as g, but without municipal households

Resolution No.: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

SUBJECT: Solid Waste Service Charges

Background

1. Under County Code Section 48-31, each fiscal year, the County Council must, by resolution, set the base solid waste charges, the residential system benefit charges, and the nonresidential system benefits charges and all other solid waste service, collection, and disposal charges and fees.
2. Under County Code Section 48-8A(b)(1), the County Council must set, each fiscal year, by resolution, the rates for the residential and nonresidential systems benefit charges.
3. Under County Code Section 48-47(c)(1) and (2), the County has established a Leaf Recycling Service Area in which special fees are charged for leaf recycling services.
4. On March 15, 2013, the County Executive recommended, effective July 1, 2013, solid waste charges including residential Base Systems Benefit Charges which when multiplied by the generation rates (set by Executive Regulation 3-13) yield household charges for FY 2014:

Refuse Collection Charge:

For single-family households and dwellings in buildings with six or fewer dwelling units located within Sub-district A, the Solid Waste Refuse Collection District:

Once weekly refuse collection charge \$66.00 / Household

Disposal Fee (Applies to All Single-Family Households and Dwellings in Buildings Comprised of Six or Fewer Dwelling Units Outside of Municipalities)

Disposal fee (tip fee * tons disposed per household) $\$56.00 \times 0.83842 =$
 $\$46.95 / \text{Household}$

Systems Benefit Charges for Single-Family Households and Dwellings in Buildings Comprised of Six or Fewer Dwelling Units:

Base Systems Benefit Charges =

Base costs / Ton x Generation / Household - Offset from Disposal Fees:
 $\$46.054 / \text{Ton} \times 1.8315 \text{ Ton} / \text{Household (ER 3-13)} - \$46.95 / \text{Household} =$
 $\$37.41 / \text{Household}$

Incremental Systems Benefit Charges =

Charge Rate (\$ / Ton Waste Generated) x Generation / Household:
 $\$70.6470 \times 1.8315 = \$129.39 / \text{Household}$

Systems Benefit Charges for Multi-Family Properties in Buildings Comprised of Seven or Greater Dwelling Units (Charge per Dwelling Unit):

Base Systems Benefit Charges =

Base Cost / Ton x Tons Generated / Dwelling - Tip Fee Offsets
 $\$46.054 / \text{Ton} \times 0.9384 \text{ Ton} / \text{Dwelling (ER 3-13)} - \$24.91 / \text{Dwelling} =$
 $\$18.31 / \text{Dwelling}$

Incremental Systems Benefit Charges =

Charge Rate (\$/Ton Waste Generated) x Generation / Dwelling:
 $(\$1.680) \times 0.9384 = (\$1.58) / \text{Dwelling}$

Total multi-family Systems Benefit Charges on property bill \$ 16.73 / Dwelling

Nonresidential Properties:

Base and Incremental System Benefit Charge rates by waste generation category per billable unit of 2,000 square feet of gross floor area of property improvement on real property as reported by the State Department of Assessments and Taxation:

<u>Generator Category</u>	<u>Base (\$/GFA Unit)</u>	<u>Incremental (\$/GFA Unit)</u>	<u>Total (\$/GFA Unit)</u>
Low	\$ 113.04	\$ 11.20	\$ 124.24
Medium Low	\$ 339.12	\$ 33.60	\$ 372.72
Medium	\$ 565.20	\$ 56.01	\$ 621.21
Medium High	\$ 791.28	\$ 78.41	\$ 869.69
High	\$1,017.37	\$ 100.81	\$1,118.18

Base Solid Waste Charges per ton for solid waste:

Refuse received at the Transfer Station (weighing > 500 pounds/load)	\$ 56.00
Refuse received at the Transfer Station (weighing < 500 pounds/load)	\$ 0.00
Materials delivered for disposal in open-top roll-off boxes	\$ 66.00
Commercial Yard Trim received at the Transfer Station	\$ 46.00
Scrap metal delivered to the Transfer Station	\$ 0.00
Recyclable paper received at the County's Recycling Center	\$ 0.00
Commingled containers received at the County's Recycling Center	\$ 0.00
Source separated recyclable materials dropped off at the recycling drop-off area of the Transfer Station	\$ 0.00

Leaf Vacuuming charge in the Leaf Recycling Service Area:

Single-family Household	\$ 88.91
Multi-family Residential Unit	\$ 3.54

Resolution No.:

Action

The County Council approves the above solid waste charges, effective July 1, 2013.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

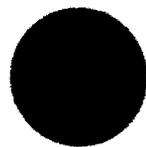


SOLID WASTE ADVISORY COMMITTEE

April 10, 2013

The Honorable Nancy Navarro
President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

072175



Dear Ms. Navarro:

The Montgomery County Solid Waste Advisory Committee appreciates this opportunity to comment on the County Executive's Recommended FY14 Operating Budget for the Department of Environmental Protection's Division of Solid Waste Services.

We acknowledge that the County Council again faces some tough choices in this very difficult financial climate, but urge you to approve the County Executive's request for funding of the Division of Solid Waste Services. As you know, during the past year, the Division exceeded the County's goal of recycling 50 percent of the total waste stream, and is already exploring new ways to achieve the County's new goal of 70 percent. One exciting initiative is the Division's pilot program for food composting. Beginning in November 2011, Division staff has been working closely with the managers of the Executive Office Building's cafeteria to implement a food composting system. The Division will use what it has learned in the pilot to develop best practices for food handlers (such as grocery stores and restaurants) County-wide. Food composting will be key to achieving the 70% goal and SWAC encourages DSWS to explore opportunities to expand food recycling across the county. The Division also continues its targeted outreach programs to encourage higher recycling rates at multi-family housing and business sites, continues to work to find more ways in which it may be economically feasible to recycle additional materials.

We urge the County Council to approve the County Executive's Recommended FY14 Operating Budget for the Division of Solid Waste Services as submitted. The Solid Waste Advisory Committee believes that in doing so the County creates the conditions for sustainable growth necessary to meet the increasing need and demand for solid waste services.

Sincerely,

Paula Jenson
Chair, Solid Waste Advisory Committee

cc: Isiah Leggett, County Executive
Robert Hoyt, Director, DEP
Daniel Locke, Chief, DSWS
Keith Levchenko, Senior Legislative Analyst, Montgomery County Council

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