

May 12, 2011

**MEMORANDUM**

May 12, 2011

TO: Montgomery County Council  
Prince George's County Council

FROM: Stephen B. Farber, Montgomery County Council Staff Director  
Robert J. Williams, Jr., Prince George's County Council Administrator

SUBJECT: Bi-County Meeting Issues for FY 2012

Our joint staff recommendations for the May 12 bi-county meeting are as follows:

**1. WSSC Budget and Capital Program**

We recommend approval of the joint staff recommendations attached on ©1-3.

**2. Bi-County Central Administrative Services (CAS) Budget (M-NCPPC)**

We recommend a \$939,700 reduction for the Montgomery County portion of CAS and a \$266,050 reduction for the Prince George's County portion, for a total bi-county reduction of \$1,205,750. We further recommend no COLA or merit increases in FY2012 for any of the Commission's departments because of the severe resource constraints the Commission faces. In view of the Commission-wide budget reductions caused by these constraints, we also recommend that the Commission explore making changes to its group insurance and retirement benefits that are comparable to the two counties' changes.

**3. WSTC Budget**

We recommend approval of the amounts proposed for Montgomery County (\$105,880) and Prince George's County (\$83,380).

The letters on these issues from President Ervin and Chair Turner are on ©4-8.

**WSSC FY'12 PROPOSED BUDGET  
COUNTY COUNCIL RECOMMENDATIONS**

<b><i>MONTGOMERY COUNTY COUNCIL</i></b>	<b><i>PRINCE GEORGE'S COUNTY COUNCIL</i></b>	<b><i>JOINT STAFF RECOMMENDATIONS</i></b>
Supports an 8.5% rate increase.	Supports an 8.5% rate increase.	Adopt both Councils' actions.
Concurs with increasing the water and sewer operating reserve by \$3.4 million in FY'12.	Concurs with increasing the water and sewer operating reserve by \$3.4 million in FY'12.	Adopt both Councils' actions.
Supports WSSC's proposal of no COLAs for non-represented employees and no pay incentives for FY'12.	Supports WSSC's proposal of no COLAs for non-represented employees and no pay incentives for FY'12.	Adopt both Councils' actions.
Concurs with the proposal of no merit increases for non-represented employees for FY'12.	Concurs with the proposal of no merit increases for non-represented employees for FY'12.	Adopt both Councils' actions.
Recommends no COLAs for represented employees. Savings to go to fund balance.	Supports WSSC's proposal of a 2% COLA for represented employees.	Agree to disagree.
Recommends no merits for represented employees. Savings to go to fund balance.	Supports WSSC's proposal of merits for eligible represented employees.	Agree to disagree.
Concurs with the proposed water production estimate of 170.0 MGD.	Concurs with the proposed water production estimate of 170.0 MGD.	Adopt both Councils' actions.
Concurs with the proposed level of 1,681 authorized workyears.	Concurs with the proposed level of 1,681 authorized workyears.	Adopt both Councils' actions.
Concurs with the proposal to reinstate the high bill adjustment program for customers.	Concurs with the proposal to reinstate the high bill adjustment program for customers.	Adopt both Councils' actions.
Concurs with WSSC's proposal to maintain current SDC rates but to increase the maximum allowable rate.	Concurs with WSSC's proposal to maintain current SDC rates but to increase the maximum allowable rate.	Adopt both Councils' actions.



**WSSC FISCAL YEARS 2012-2017 CIP  
COUNTY COUNCIL RECOMMENDATIONS**

**CIP PROJECTS – ADDITIONS & CHANGES**

<b>PROJECT NAME</b>	<b>MONTGOMERY COUNTY COUNCIL</b>	<b>PRINCE GEORGE'S COUNTY COUNCIL</b>	<b>JOINT STAFF RECOMMENDATIONS</b>
<p>S-22.06, Blue Plains WWTP: Liquid Train Projects, Part 2</p> <p>S-22.07, Blue Plains WWTP: Biosolids Management, Part 2</p> <p>S-22.08, Blue Plains WWTP: Biological Nutrient Removal</p> <p>S-22.09, Blue Plains WWTP: Plant-wide Projects</p> <p>S-22.10, Blue Plains WWTP: Enhanced Nutrient Removal</p> <p>S-22.11, Blue Plains: Pipelines &amp; Appurtenances</p>	<p>Concurs with revising the Blue Plains PDF amounts based on updated DC Water budget information, consistent with the FY'12 Capital &amp; Operating Budget as detailed in the Mid-Cycle Update changes dated January 19, 2011.</p>	<p>Concurs with revising the Blue Plains PDF amounts based on updated DC Water budget information, consistent with the FY'12 Capital &amp; Operating Budget as detailed in the Mid-Cycle Update changes dated January 19, 2011.</p>	<p>Adopt both Councils' actions.</p>

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MONTGOMERY COUNTY COUNCIL  
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

May 10, 2011

The Honorable Ingrid M. Turner  
Chair, Prince George's County Council  
County Administration Building  
Upper Marlboro, Maryland 20772

Dear Chair Turner:

I am pleased to send you the Montgomery County Council's recommendations on the FY2012 Operating Budget and FY2012-2017 Capital Improvements Program (CIP) of the Washington Suburban Sanitary Commission (WSSC), the bi-county portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC).

**WSSC Operating Budget**

We recommend approval of the FY2012 WSSC Operating Budget with the following changes to the budget proposed by WSSC on March 1:

- Remove \$674,530 in operating expenditures associated with cost of living adjustments (COLAs) and merit pay. Given current fiscal conditions and our support for equitable treatment of the employees of all agencies, we do not support pay increases for any agency employees in FY2012.
- Place this expenditure savings in WSSC's fund balance, which is available to address any future urgent issues, subject to approval by both Councils of a WSSC budget supplement request.

**WSSC Capital Program**

We recommend approval of WSSC's FY2012-2017 Capital Improvements Program with the changes proposed by WSSC on January 19, 2011 in its "midcycle" update. This update revises WSSC's Blue Plains Wastewater Treatment projects based on more recent budget information available from the District of Columbia Water and Sewer Authority (DCWater).

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Ingrid M. Turner  
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### **Bi-County Portion of the M-NCPPC Budget**

We recommend a \$939,700 reduction in funding for the Montgomery County portion of Central Administrative Services (CAS). With regard to compensation and benefit adjustments in FY2012, the Council's goal, given current fiscal conditions, is equitable treatment of employees of all agencies, including no cost of living increases or merit increases for FY2012.

### **Washington Suburban Transit Commission**

We recommend approval of \$105,880 as Montgomery County's estimated share of the WSTC budget.

We look forward to meeting with the Prince George's County Council on May 12 to review and act on these issues.

Sincerely,



Valerie Ervin  
Council President



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700

County Council

MAY 11 2011

The Honorable Valerie Ervin  
President, Montgomery County Council  
100 Maryland Avenue, 6<sup>th</sup> Floor  
Rockville, MD 20850

Dear President Ervin:

The Prince George's County Council has reviewed the FY'12 Operating and Capital budgets of the Washington Suburban Sanitary Commission (WSSC), the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Washington Suburban Transit Commission (WSTC). The Council's recommendations on each of these budgets are provided for your information.

## WASHINGTON SUBURBAN SANITARY COMMISSION

### WSSC Operating Budget:

We are proposing some amendments to the WSSC operating budget. Listed below is a summary of recommended actions taken by the Council:

- Accept the Commissions' Proposed 8.5% Increase in water and sewer rates for FY 2012.
- Approve the Commission's water production estimate of 170 million gallons per day in FY'12.
- Approve the Commission's proposed billing factor of \$7.10 per 1,000 gallons of water used.
- Approve the Commission's proposed level of authorized work-years at 1681.
- The Council concurs with no COLAs, Merits or Pay Incentives for FY 2012 for non represented employees.
- Approve Commission's proposal to increase the water and sewer operating reserve by \$3.4 million.

County Administration Building — Upper Marlboro, Maryland 20772

(6)

- Approve Commission's proposed \$29.1 million for Health Care Costs.
- Approve the Operating Budget of \$626.1 million.

WSSC Capital Budget:

The Council recommends WSSC's six-year Capital Improvement Program totaling \$1.7 billion, with an FY'12 Budget Year total of \$421 million, a \$88 million increase from WSSC's FY'11 Approved Budget. Specifically, the Council endorses the following recommendations to the WSSC FY 2012-2017 Capital Improvement Program:

System Development Charge

- The Council concurs with WSSC's recommendations to maintain the SDC combined rate at \$203 per fixture. The Council also approved the Commission's proposal to increase to \$266 per fixture the maximum allowable ceiling for the SDC based on the Consumer Price Index (1.6%) for the preceding 12 months to preserve the option of maximizing the fee's yield in future years.

Capital Support Programs (in thousands)

System Reconstruction Programs	\$115,420
Engineering Support Program	10,000
General Construction	2,666
Other Capital Support Programs	21,183
Capitalized Interest	100

Other Capital Support Programs (in thousands)

The Council recommends the Other Capital Support Programs as submitted by WSSC in the amount of \$21.2 million, specifically as follows:

Other Information Only Projects	\$12,121
New House Connections	1,350
Facility Relocations	3,000
Water Meters	2,272
Basic Ordering Agreements	2,440



### New CIP Projects

- The Council supports WSSC's three (3) new proposed projects in the FY 2012 CIP, which reflect a total estimated cost of \$67 million over the six-year program period.
- Of the three (3) projects, two (2) are in Prince George's County: Water Transmission Improvements 385 Pressure Zone (water project) and Piscataway WWTP Facility Upgrades (sewer project)

### CIP Revisions

The changes included in the update increased the Blue Plains WWTP projects based upon revised information from DCWASA and deferral of some costs in the new Trunk Sewer Reconstruction Program due to anticipated permitting delays. The changes were required to align the CIP with the capital program incorporated in the FY2012 Proposed Budget.

The Council concurs with all other projects as proposed in WSSC' FY 2012-2017 Capital Improvement Program.

### MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

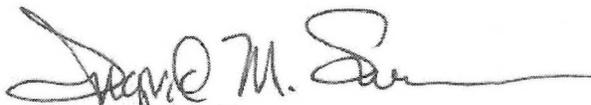
We recommend a \$266,050 reduction in the Commission's FY 2012 proposed budget for the Central Administrative Services (CAS) Departments. We recommend that the Commission work with the appropriate managers to identify the appropriate means to achieve these expenditure reductions which total \$266,050 for the Prince George's portion of the FY 2012 CAS budget.

In addition, for all of the Commission's Departments, we are also recommending no merits and COLAs for these Departments due to the revenue constraints being faced by the Commission as a result of significantly lower tax revenue.

### WASHINGTON SUBURBAN TRANSIT COMMISSION

The Council recommends the amount of \$83,380 be appropriated for the Prince George's County portion of the Fiscal Year 2012 Washington Suburban Transit Commission budget.

Sincerely,



Ingrid M. Turner  
Chairperson