
Utilities

MISSION STATEMENT

The goals of the County Government relating to utility consumption are to:

- achieve energy savings by the elimination of wasteful or inefficient operation of building systems;
- continue improvements in energy efficiency in all County operations; and
- obtain required energy fuels at the most favorable cost to the County.

HIGHLIGHTS

This budget funds the utility costs for 236 (General Fund) facilities with approximately 5,592,578 total square feet, and over 66,752 streetlights and 772 traffic controlled signalized intersections.

BUDGET OVERVIEW

The FY11 Recommended Budget for the tax supported Utilities non-departmental account (NDA) is \$29,823,370, an increase of \$2,540,470 or 9.3 percent from the FY10 Approved Budget of \$27,282,900. Allocation of these utilities expenditures is approximately: electricity, 86.0 percent; natural gas, 7.4 percent; water and sewer, 6.3 percent; and fuel oil, 0.3 percent. The total increase is due to unit rate cost increases, and from new or annualized facilities, streetlights, or traffic signals.

The FY11 Recommended Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these "outside" agencies is \$80,185,760 which includes the entire bi-county area of WSSC.

The FY11 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$29,823,370) and the other tax supported funds (\$3,276,000), is \$33,099,370, an increase of \$3,009,020 or approximately 10.0 percent from the FY10 Approved utilities budget. The FY11 Recommended budget for non-tax supported utilities expenditures is \$5,428,550, an increase of \$462,270 or 9.3 percent from the FY10 Approved Budget.

In both the tax and non-tax supported funds, increased utilities expenditures result primarily from higher commodity unit costs due to market price fluctuations; greater consumption due to new facilities or services; and in some cases, a more precise alignment of budgeted costs with actual prior-year expenditures by utility type. Energy conservation and cost-saving measures (e.g., new building design, lighting technology, energy and HVAC management systems) help offset increased utility consumption or unit costs.

The Executive is recommending an energy tax increase to generate \$50 million in additional revenue in FY11. The County's Interagency Committee on Energy and Utility Management (ICEUM) is currently projecting a cost change potential for Electricity (7.7%), Fuel Oil (-18.3%), Natural Gas (-12.8%), and Water and Sewer (-2.6%). These projections reflect market concern about current world events on the commodities futures markets, or anticipated unit price changes by service providers. According to ICEUM, Motor Fuels, consisting of Unleaded Gasoline, Diesel, and Compressed Natural Gas, are expected to fluctuate upward based on current market trends. These fuels are purchased from various providers, and are budgeted in the Department of General Services, Division of Fleet Management Services; not the General Fund Utilities NDA. ICEUM also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY11 Budget.

The following is a description of utility service requirements for departments which receive tax or non-tax supported appropriations for utilities expenditures. The utilities expenditures for the non-tax supported operations are appropriated within their respective operating funds but are described in the combined utilities presentation for reader convenience.

TAX SUPPORTED

Department of General Services

The Department of General Services is responsible for managing all utilities for general County operations including all County office buildings, police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, and warehouses.

Department of Transportation

The Department of Transportation manages all County streetlights, traffic signals, traffic count stations, and flashing school signs. The utilities expenditures for these devices are budgeted here as this Department designs, installs, controls, and maintains them. In addition, minimal utility costs for the Operations Center and Highway Maintenance Depots are budgeted in the Traffic Engineering component of the General Fund non-departmental account.

Division of Transit Services - Mass Transit

The Department of Transportation Mass Transit Facilities Fund supports all utilities associated with the Ride On transit centers and Park and Ride Lots.

Department of Recreation

The Department of Recreation funds all utility costs for its recreational facilities located throughout the County, such as swimming pools, community recreation centers, and senior citizen centers.

Urban Districts

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services Centers.

NON-TAX SUPPORTED

Fleet Management Services

The Department of General Services - Fleet Management Services utility expenditures are displayed in the Special Fund Agencies - Non-Tax Supported section, to reflect that Fleet Management Services expenditures are not appropriated directly but in the budgets of other departments.

The Department of General Services - Fleet Management Services Motor Pool Internal Service Fund supports all utilities associated with the vehicle maintenance garages in Rockville, Silver Spring, and Gaithersburg. Fuel for the County's fleet is also budgeted in that special fund, but these costs are not included in the utilities expenditures displayed in this section.

Parking Districts

The Parking Districts funds utility expenditures associated with the operation of all County-owned parking garages and parking lots.

Liquor Control

The Department of Liquor Control funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County-owned and contractor-operated retail liquor stores.

Department of Environmental Protection, Solid Waste Services

Solid Waste Services funds utility expenditures associated with the operation of the County's Solid Waste Management System. Utilities expenditures associated with the operation of the Oaks Sanitary Landfill maintenance building, the County's Recycling Center, the Resource Recovery Facility, and most of the Solid Waste Transfer Station are currently the responsibility of the operators. Only the site office and maintenance depot costs continue to be budgeted as an identifiable utilities expenditure in the Solid Waste Disposal Fund.

Other Agencies

Utilities for MCPS, Montgomery College, (bi-county) WSSC, and M-NCPPC are displayed in the charts on the following pages. These are the amounts requested in the budgets of those agencies.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Safe Streets and Secure Neighborhoods***

PROGRAM CONTACTS

Contact Adam Damin of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Utilities (for All General Fund Departments)

The Utilities non-departmental account provides the General Fund utilities operating expense appropriations for the facilities maintained by the Department of General Services and the Department of Transportation. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	25,521,020	27,282,900	27,682,900	29,823,370	9.3%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	25,521,020	27,282,900	27,682,900	29,823,370	9.3%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	27,282,900	0.0
Changes (with service impacts)		
Enhance: Renewable Energy (30% for FY11)	16,350	0.0
Other Adjustments (with no service impacts)		
Increase Cost: Due to Rate and Consumption Changes	1,675,400	0.0
Increase Cost: Recommended Energy Tax Increase	996,030	0.0
Increase Cost: Silver Spring Civic Building/Skate House Coming Online	209,270	0.0
Increase Cost: Annualization of GE Building Electricity	120,000	0.0
Decrease Cost: Reduce Energy Consulting	-50,000	0.0
Decrease Cost: Energy Efficiency Related to LED Traffic Signals	-426,580	0.0
FY11 RECOMMENDED:	29,823,370	0.0

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY11	FY12	FY13	(\$000's)		
	FY14	FY15	FY16			
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY11 Recommended	29,823	29,823	29,823	29,823	29,823	29,823
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	29,823	29,823	29,823	29,823	29,823	29,823

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY DEPARTMENT/AGENCY

	ACTUAL FY08	ACTUAL FY09	BUDGET FY10	RECOMMENDED FY11	CHANGE BUD/APPR	% CHANGE REC/APPR
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	14,890,780	16,070,412	16,745,850	19,314,490	2,568,640	15.3%
Traffic Signals and Streetlighting	9,365,246	9,450,608	10,537,050	10,508,880	(28,170)	-0.3%
GENERAL FUND NDA EXPENDITURES	24,256,026	25,521,020	27,282,900	29,823,370	2,540,470	9.3%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	86,831	82,504	102,400	102,400	0	0.0%
Recreation	3,099,038	3,439,915	2,705,050	3,173,600	468,550	17.3%
Urban Districts Funds	0	0	0	0	0	0.0%
SUBTOTAL	3,185,869	3,522,419	2,807,450	3,276,000	468,550	16.7%
TOTAL TAX SUPPORTED	27,441,895	29,043,439	30,090,350	33,099,370	3,009,020	10.0%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	753,812	1,062,540	1,047,460	1,047,460	0	0.0%
Parking Districts	2,520,175	3,029,459	2,738,780	3,205,180	466,400	17.0%
Liquor Control	733,515	902,335	969,340	970,890	1,550	0.2%
Solid Waste Services	169,659	163,631	210,700	205,020	(5,680)	-2.7%
TOTAL NON-TAX SUPPORTED	4,177,161	5,157,965	4,966,280	5,428,550	462,270	9.3%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	27,441,895	29,043,439	30,090,350	33,099,370	3,009,020	10.0%
TOTAL NON-TAX SUPPORTED	4,177,161	5,157,965	4,966,280	5,428,550	462,270	9.3%
TOTAL COUNTY GOVERNMENT	31,619,056	34,201,404	35,056,630	38,527,920	3,471,290	9.9%
OTHER AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	40,005,101	40,350,189	44,834,460	39,818,960	(5,015,500)	-11.2%
Montgomery College	5,488,169	6,236,514	7,153,430	7,764,200	610,770	8.5%
Washington Suburban Sanitary Commission	23,338,000	26,617,000	28,908,000	28,231,000	(677,000)	-2.3%
M-NCPPC	3,344,700	3,411,679	4,340,250	4,371,600	31,350	0.7%
TOTAL OTHER AGENCIES EXPENDITURES	72,175,970	76,615,382	85,236,140	80,185,760	(5,050,380)	-5.9%
TOTAL UTILITIES EXPENDITURES	103,795,026	110,816,786	120,292,770	118,713,680	(1,579,090)	-1.3%

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY ENERGY SOURCE

	ACTUAL FY08	ACTUAL FY09	APPROVED FY10	RECOMMENDED FY11	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	21,187,956	21,571,183	22,992,350	25,634,430	2,642,080	11.5%
Water & Sewer	1,056,152	1,675,841	1,444,950	1,881,230	436,280	30.2%
Fuel Oil	0	96,935	128,270	106,000	(22,270)	-17.4%
Natural Gas	2,011,668	2,174,604	2,716,270	2,199,260	(517,010)	-19.0%
Propane	250	2,457	1,060	2,450	1,390	131.1%
GENERAL FUND NDA EXPENDITURES	24,256,026	25,521,020	27,282,900	29,823,370	2,540,470	9.3%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	2,246,202	2,409,720	1,945,300	2,225,180	279,880	14.4%
Water & Sewer	276,316	388,402	401,190	460,790	59,600	14.9%
Fuel Oil	0	0	19,930	0	(19,930)	-100.0%
Natural Gas	663,287	723,004	440,610	589,610	149,000	33.8%
Propane	64	1,293	420	420	0	
SUBTOTAL	3,185,869	3,522,419	2,807,450	3,276,000	468,550	16.7%
TOTAL TAX SUPPORTED	27,441,895	29,043,439	30,090,350	33,099,370	3,009,020	10.0%
NON-TAX SUPPORTED OPERATIONS						
Electricity	3,711,869	4,507,096	4,358,420	4,820,380	461,960	10.6%
Water & Sewer	113,158	126,454	221,760	220,290	(1,470)	-0.7%
Fuel Oil	0	0	0	0	0	0.0%
Natural Gas	352,134	524,415	385,060	386,840	1,780	0.5%
Propane	0	0	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	4,177,161	5,157,965	4,966,280	5,428,550	462,270	9.3%
SUMMARY - COUNTY GOVERNMENT						
Electricity	27,146,027	28,487,999	29,296,070	32,679,990	3,383,920	11.6%
Water & Sewer	1,445,626	2,190,697	2,067,900	2,562,310	494,410	23.9%
Fuel Oil	0	96,935	148,200	106,000	(42,200)	-28.5%
Natural Gas	3,027,089	3,422,023	3,541,940	3,175,710	(366,230)	-10.3%
Propane	314	3,750	2,520	3,910	1,390	55.2%
TOTAL COUNTY GOVERNMENT	31,619,056	34,201,404	35,056,630	38,527,920	3,471,290	9.9%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	56,349,380	59,742,640	67,005,205	63,281,710	(3,723,495)	-5.6%
Water & Sewer	3,540,512	3,462,451	4,443,150	4,362,550	(80,600)	-1.8%
Fuel Oil	364,622	397,267	651,480	422,190	(229,290)	-35.2%
Natural Gas	11,635,278	12,805,883	12,825,675	11,864,658	(961,017)	-7.5%
Propane	286,178	207,141	310,630	254,651	(55,979)	-18.0%
SUBTOTAL	72,175,970	76,615,382	85,236,140	80,185,760	(5,050,380)	-5.9%
TOTAL UTILITIES EXPENDITURES						
Electricity	83,495,407	88,230,639	96,301,275	95,961,700	(339,575)	-0.4%
Water & Sewer	4,986,138	5,653,148	6,511,050	6,924,860	413,810	6.4%
Fuel Oil	364,622	494,202	799,680	528,190	(271,490)	-33.9%
Natural Gas	14,662,367	16,227,906	16,367,615	15,040,368	(1,327,247)	-8.1%
Propane	286,492	210,891	313,150	258,561	(54,589)	-17.4%
TOTAL UTILITIES EXPENDITURES	103,795,026	110,816,786	120,292,770	118,713,680	(1,579,090)	-1.3%