



Recycling and Resource Management

RECOMMENDED FY21 BUDGET

\$131,231,547

FULL TIME EQUIVALENTS

114.56

 ADAM ORTIZ, DIRECTOR

MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to enhance the quality of life in our community by protecting and improving Montgomery County's air, water, and land in a sustainable way while fostering smart growth, a thriving economy, and healthy communities.

BUDGET OVERVIEW

The total recommended FY21 Operating Budget for the Recycling and Resource Management is \$131,231,547, an increase of \$15,497,722 or 13.39 percent from the FY20 Approved Budget of \$115,733,825. Personnel Costs comprise 10.06 percent of the budget for 86 full-time position(s) and two part-time position(s), and a total of 114.56 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 89.94 percent of the FY21 budget.



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

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Greener County**
-  **Effective, Sustainable Government**

INITIATIVES

-  Continues to implement initiatives and programs that resulted from the Strategic Plan to Advance Composting, Compost Use, and Food Scraps Diversion in Montgomery County. The department is currently implementing a composting program for major producers of food scraps, and in FY21 is both planning a pilot residential food scraps collection program as well as provide compost bins for interested homeowners throughout the County.
-  Partner with the Wheaton Urban District as well as the Mid-County Regional Services Center to address the lack of recycling bins in the Urban Districts. This partnership strives to increase the number of recycling bins along the streetscapes and

sidewalks to improve compliance with recycling mandates, set an example for others in the public and private sector to follow.

- ★ Reduce contamination and increase recycling, DEP is fully implementing a program that sends DEP field inspectors out to communities to monitor customers' blue bins prior to collection. Recycling staff provide educational materials to the target area, while personnel at the Materials Recovery Facility to sort material from the targeted area to determine if our efforts reduced contamination over time. This program yielded positive results in its pilot phase, showing a decrease in contamination and an increase in recycling.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Installed a new electric screening system at the Dickerson Compost Facility. This new system has no hydraulic lines or motors, consumes less diesel fuel, and is projected to increase in LeafGro production and reduce screening costs. The department estimates a gain in production hours and an increase in LeafGro sales.
- ★ Established a Safety and Health Work Group for the Transfer Station. The purpose of this work group is to coordinate with the contractors responsible for operations at the facility to address safety issues and initiatives across the site, and to make health and safety an integral part of standard operating procedures, cultures, and programs. Three positions are added to ensure County oversight of the property during all hours of operation as well.
- ★ Relocate Department of Environmental Protection offices to Wheaton as part of a Countywide initiative to centralize government services to support business growth and development. This move was planned as part of the Wheaton Redevelopment Program, which will encourage private reinvestment in Wheaton through targeted, complementary public investment.

PROGRAM CONTACTS

Contact Patrice Bubar of the Recycling and Resource Management at 240.777.7786 or Richard H. Harris of the Office of Management and Budget at 240.777.2795 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

PROGRAM DESCRIPTIONS

★ Administration and Support

This program provides support to the Department's Division of Resource Recovery and Management's operations, programs, and mission, and overall management and policy direction to the core professional services of budget and financial management. The program

- develops and evaluates CIP and operating budgets in a strategic and economically responsible manner for fair and equitable rate structures;

- maintains solid waste enterprise funds in a financially prudent manner through efficient financial management;
- assists with execution of procurement actions on a timely basis and at the best possible value;
- reviews and develops policies and procedures that strengthen internal controls; and
- identifies efficiencies across the department using metrics, quantitative and financial models, and forecasting tools to analyze the fiscal impact of proposed changes to the solid waste management activities.

The Department of Housing and Community Affairs provides staff to respond to resident complaints dealing with storage and removal of solid waste, illegal solid waste dumping, storage of unregistered or inoperable vehicles on private property, improper screening of dumpsters (particularly those in shopping areas), and control and regulation of weeds throughout the County.

Furthermore, "Clean or Lien" provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required. Department of Environmental Protection staff in Energy and Environment Compliance Division provide surface and subsurface environmental compliance monitoring at all County solid waste facilities, and reviews reports air monitoring at the Resource Recovery Facility (RRF).

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	0	0.00
Realignment of Programs	5,620,249	35.95
Increase Cost: Revenue Analysis and System Evaluation	266,172	0.00
Increase Cost: Wheaton Building Operating Costs	220,493	0.00
Decrease Cost: Reduced Finance Chargeback	(13,636)	0.00
Decrease Cost: FY20 Budgeted Debt Service for a Project That Will Not Move Forward	(1,817,000)	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.	2,354,096	3.21
FY21 Recommended	6,630,374	39.16

Disposal

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. Renewable energy in the form of electricity is generated and sold into the competitive energy market. This program also includes costs for related operations at the Transfer Station and for the transportation of waste from the Transfer Station to the RRF. Also, it provides for the operation of the receiving, processing, and shipping facility for municipal solid waste generated within the County.

In addition, the program provides for the rail shipment of ash residue from the RRF to Fulton Rail Yard near Richmond, Virginia, where it is unloaded and transported by truck to the Old Dominion Landfill, a contracted landfill where the ash is processed for further metals removal and recycling. Ash is beneficially reused as alternate daily cover and road base within the lined areas of Old Dominion Landfill. This program also provides for the shipment of non-processible waste, such as construction material and, if necessary, bypass waste, from the Transfer Station to either recycling facilities, rubble landfills, or other contracted landfills. It provides for the operation of a satellite drop-off site at the Poolesville Highway Services Depot and funds the proper disposal of household hazardous waste such as flammable products, insecticides, mercury, and reactive and corrosive chemicals. The materials are handled through the County's hazardous waste contractor and permitted hazardous waste management facilities.

The 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 managing landfill gas through collection, flaring, and gas-to-energy systems, and maintaining leachate storage and pre-treatment facilities. This program also provides for the acceptance and treatment of waste generated by the cleanout of storm water oil/grit separators. Finally, the program maintains the closed Gude Landfill, including monitoring of air and water quality around the landfill. In addition, planning for remediation mandated by the Maryland Department of the Environment to minimize potentially adverse environmental impacts and the design of post-completion uses for the site that serve the community are part of this program.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of customers dropping off household hazardous waste at the Transfer Station	125,160	113,985	119,684	125,668	131,952
Percent of total municipal solid waste sent to landfill	11.7%	9.7%	10.1%	10.1%	10.8%
Percent of non-residential municipal solid waste recycled	57.9%	58.5%	59.6%	60.6%	61.8%

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	0	0.00
Realignment of Programs	53,874,995	21.04
Increase Cost: Change Order and other Contract Increases	12,372,628	0.00
Increase Cost: Funding for Out of County Haul	1,293,632	0.00
Enhance: Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station	196,847	3.00
Increase Cost: Landfill Maintenance (Gude, Oaks, and Site 2)	174,886	0.00
Increase Cost: Recycling Outreach and Education	12,797	0.00
Increase Cost: Other Miscellaneous Adjustments	1,437	0.00
Shift: Reduced Department of Environmental Protection Chargebacks Following Reorganization	(27,772)	0.00
Decrease Cost: Adjustment to Household Hazard Waste Program	(30,271)	0.00
Decrease Cost: Adjustment to Transfer Station Based on Experience	(731,949)	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.	(178,455)	0.11
FY21 Recommended	66,958,775	24.15

Materials and Collection

This program provides for collection of refuse from single family residences in the southern parts of the County (Subdistrict A) and the funds to secure, administer, monitor, and enforce contracts with private collectors for collection of residential refuse and recyclables for the entire County. It also responds to the residents' service needs.

In addition, the program enforces the County's recycling regulations as they apply to single-family residences, and other waste generators, and enforcement of requirements of Chapter 48 of the County Code. It also supports solid waste program goals and ensures the success of recycling initiatives and progress to achieve the County's recycling goal. Also, the program provides for mandatory recycling and waste reduction for multi-family properties, for all businesses, and for broadly educating everyone living, visiting, and working in the County. Program efforts include technical support, assistance, education, outreach, and training.

It provides for the separation, processing, and marketing of recyclable materials at the Recycling Center (MRF). The MRF receives recyclable material collected under the County curbside collection program from all single-family residences as well as some materials from municipalities, multi-family properties, and non-residential properties that have established recycling

programs. The materials are then sorted, baled, and shipped to markets for recycling. The program also provides for the processing, baling, and shipping of the County's residential and some non-residential mixed paper and corrugated paper (cardboard) as well.

The processing, transporting, composting, and marketing of yard trim received by the County is also included in this program, including leaves received from the County's Leaf Vacuuming Program. Processing includes grinding brush to produce mulch at the Transfer Station and composting of all leaves and grass, sold wholesale as LeafGro in bulk and bagged forms.

The program promotes recycling of food scraps as part of the County's overall effort to increase recycling and to reduce the amount of food waste within the County. The program includes initiatives to recycle food scraps and other acceptable organic materials generated by the single-family residential, multi-family residential, and commercial sectors, through composting and/or other technologies.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of site visits to provide recycling assistance to businesses	5,378	5,365	4,680	4,680	4,680
Average number of refuse collections missed per week, not picked up within 24 hours	11.9	10.5	9.9	9.8	9.7
Average number of recycling collections missed per week, not picked up within 24 hours	20.3	14.2	14.1	14.0	13.9
Percent of single-family municipal solid waste recycled	66.7%	67.8%	68.1%	68.3%	68.6%
Percent of multi-family municipal solid waste recycled ¹	30.3%	30.3%	30.7%	30.9%	31.4%
Percent of total municipal solid waste recycled ²	61.6%	62%	63%	63.5%	64%
Single-family recycling (tonnages)	268,765	273,359	275,531	276,111	278,996
Multi-family recycling (tonnages)	28,551	29,495	30,741	31,999	32,788
Non-residential recycling (tonnages)	323,195	329,563	339,120	349,102	360,089
Total recycling (tonnage)	620,510	632,417	645,392	657,213	671,874

¹ 1. This reporting is performed on a calendar year basis. 2. CY18 data has been submitted on the MRA Tonnage Report to the State of Maryland, Maryland Department of the Environment (MDE) for their review.

² CY18 data has been submitted on the MRA Tonnage Report to the State of Maryland, Maryland Department of the Environment (MDE) for their review.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	0	0.00
Realignment of Programs	56,238,581	49.25
Increase Cost: Collection Contracts for Refuse	832,478	0.00
Increase Cost: Miscellaneous Recycling Program Adjustment (Residential, Multi-family, Commercial)	684,316	0.00
Increase Cost: Recycling Center Operations Contracts	422,999	0.00
Add: Implementation of the Commercial Food Waste Program	417,599	0.00
Enhance: Pilot of Single Family Food Waste Program	408,000	0.00
Enhance: Provide Three Field Inspectors to Reduce Recycling Contamination in the Field	341,439	3.00
Decrease Cost: Adjustment in Cost for Mixed Paper Recycling	94,837	0.00
Enhance: Recycling Bins for Wheaton	78,000	0.00
Add: Provide Bins to Single Family Homes for At-Home Food Waste Composting	40,000	0.00
Increase Cost: Volunteer Program Adjustment	2,120	0.00
Increase Cost: Yard Trim Reduction Program	1,910	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.	(1,919,881)	(1.00)
FY21 Recommended	57,642,398	51.25

REALIGNED PROGRAMS

Funding in the following programs has been realigned to other programs within this department.

Administration and Support

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	3,780,732	20.02
Realignment of Programs	(3,780,732)	(20.02)
FY21 Recommended	0	0.00

Commercial Recycling

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	2,008,483	10.00
Realignment of Programs	(2,008,483)	(10.00)
FY21 Recommended	0	0.00

Dickerson Compost Facility

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	5,329,030	1.15
Realignment of Programs	(5,329,030)	(1.15)
FY21 Recommended	0	0.00

Dickerson Master Plan Implementation

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	84,301	0.51
Realignment of Programs	(84,301)	(0.51)
FY21 Recommended	0	0.00

Enforcement

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,355,947	9.93
Realignment of Programs	(1,355,947)	(9.93)
FY21 Recommended	0	0.00

Food Waste Organics Recycling

FY21 Recommended Changes	Expenditures	FTEs
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FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,002,280	1.00
Realignment of Programs	(1,002,280)	(1.00)
FY21 Recommended	0	0.00

Gude Landfill

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	755,541	1.00
Realignment of Programs	(755,541)	(1.00)
FY21 Recommended	0	0.00

Household & Small Quantity Hazardous Waste Management

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,179,946	0.00
Realignment of Programs	(1,179,946)	0.00
FY21 Recommended	0	0.00

Multi-Family Recycling

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	991,876	5.00
Realignment of Programs	(991,876)	(5.00)
FY21 Recommended	0	0.00

Oaks Landfill

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	2,141,939	1.23
Realignment of Programs	(2,141,939)	(1.23)
FY21 Recommended	0	0.00

Out Of County Refuse Disposal

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	13,903,133	1.00
Realignment of Programs	(13,903,133)	(1.00)
FY21 Recommended	0	0.00

Recycling Center

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	10,152,280	4.50
Realignment of Programs	(10,152,280)	(4.50)
FY21 Recommended	0	0.00

Recycling Outreach And Education

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	589,863	2.00
Realignment of Programs	(589,863)	(2.00)
FY21 Recommended	0	0.00

Residential Collection

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	36,028,007	29.00
Realignment of Programs	(36,028,007)	(29.00)
FY21 Recommended	0	0.00

Resource Recovery Facility & Related Waste Transfer

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	26,985,832	1.20
Realignment of Programs	(26,985,832)	(1.20)
FY21 Recommended	0	0.00

Satellite Sites

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	248,667	1.70
Realignment of Programs	(248,667)	(1.70)
FY21 Recommended	0	0.00

Site 2

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	159,366	0.40
Realignment of Programs	(159,366)	(0.40)
FY21 Recommended	0	0.00

Support for Recycling Volunteers

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	146,681	0.00
Realignment of Programs	(146,681)	0.00
FY21 Recommended	0	0.00

Transfer Station

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	8,416,270	14.00
Realignment of Programs	(8,416,270)	(14.00)
FY21 Recommended	0	0.00

Waste System Planning

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	398,147	2.60
Realignment of Programs	(398,147)	(2.60)
FY21 Recommended	0	0.00

Yard Trim Reduction

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	75,504	0.00
Realignment of Programs	(75,504)	0.00
FY21 Recommended	0	0.00

BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	7,689,139	8,004,639	7,493,109	8,812,998	10.1 %
Employee Benefits	2,391,149	2,791,967	2,618,247	2,731,801	-2.2 %
Solid Waste Disposal Personnel Costs	10,080,288	10,796,606	10,111,356	11,544,799	6.9 %
Operating Expenses	83,330,740	90,374,283	90,374,283	105,597,810	16.8 %
Capital Outlay	3,577,111	4,979,216	4,979,216	3,610,610	-27.5 %
Solid Waste Disposal Expenditures	96,988,139	106,150,105	105,464,855	120,753,219	13.8 %
PERSONNEL					
Full-Time	76	76	76	82	7.9 %
Part-Time	2	2	2	2	—
FTEs	94.78	94.78	94.78	102.78	8.4 %

BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
REVENUES					
Investment Income	2,015,311	1,719,840	1,684,500	1,274,760	-25.9 %
Miscellaneous Revenues	1,007,288	45,000	45,000	320,000	611.1 %
Other Charges/Fees	272,013	190,000	190,000	295,000	55.3 %
Other Fines/Forfeitures	33,669	35,000	35,000	36,000	2.9 %
Other Licenses/Permits	10,440	10,000	10,000	12,000	20.0 %
Property Rentals	0	38,500	38,500	5,000	-87.0 %
Sale of Recycled Materials	3,984,055	6,149,327	6,149,327	3,977,791	-35.3 %
Solid Waste Disposal Fees/Operating Revenues	29,359,385	29,119,333	27,893,752	29,019,751	-0.3 %
Systems Benefit Charge	66,376,952	68,439,293	68,427,348	71,088,902	3.9 %
Solid Waste Disposal Revenues	103,059,113	105,746,293	104,473,427	106,029,204	0.3 %

SOLID WASTE COLLECTION

EXPENDITURES

Salaries and Wages	1,266,256	1,187,740	1,189,768	1,268,724	6.8 %
Employee Benefits	330,244	404,544	404,544	390,201	-3.6 %
Solid Waste Collection Personnel Costs	1,596,500	1,592,284	1,594,312	1,658,925	4.2 %
Operating Expenses	7,193,005	7,991,436	7,989,408	8,819,403	10.4 %
Solid Waste Collection Expenditures	8,789,505	9,583,720	9,583,720	10,478,328	9.3 %

PERSONNEL

Full-Time	4	4	4	4	—
Part-Time	0	0	0	0	—
FTEs	11.46	11.46	11.46	11.78	2.8 %

REVENUES

Investment Income	115,756	65,540	96,760	73,220	11.7 %
Miscellaneous Revenues	20,794	0	12,000	0	—
Other Charges/Fees	13,841	0	0	0	—
Systems Benefit Charge	7,089,239	8,818,850	8,736,845	9,885,837	12.1 %
Solid Waste Collection Revenues	7,239,630	8,884,390	8,845,605	9,959,057	12.1 %

DEPARTMENT TOTALS

Total Expenditures	105,777,644	115,733,825	115,048,575	131,231,547	13.4 %
Total Full-Time Positions	80	80	80	86	7.5 %
Total Part-Time Positions	2	2	2	2	—
Total FTEs	106.24	106.24	106.24	114.56	7.8 %
Total Revenues	110,298,743	114,630,683	113,319,032	115,988,261	1.2 %

FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
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FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
SOLID WASTE DISPOSAL		
	FY20 ORIGINAL APPROPRIATION	106,150,105 94.78
<u>Changes (with service impacts)</u>		
Add: Implementation of the Commercial Food Waste Program [Materials and Collection]	417,599	0.00
Enhance: Pilot of Single Family Food Waste Program [Materials and Collection]	408,000	0.00
Enhance: Provide Three Field Inspectors to Reduce Recycling Contamination in the Field [Materials and Collection]	341,439	3.00
Enhance: Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station [Disposal]	196,847	3.00
Enhance: Recycling Bins for Wheaton [Materials and Collection]	78,000	0.00
Add: Provide Bins to Single Family Homes for At-Home Food Waste Composting [Materials and Collection]	40,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Change Order and other Contract Increases [Disposal]	12,372,628	0.00
Increase Cost: Funding for Out of County Haul [Disposal]	1,293,632	0.00
Increase Cost: Miscellaneous Recycling Program Adjustment (Residential, Multi-family, Commercial) [Materials and Collection]	684,316	0.00
Increase Cost: Recycling Center Operations Contracts [Materials and Collection]	422,999	0.00
Increase Cost: Revenue Analysis and System Evaluation [Administration and Support]	266,172	0.00
Increase Cost: Annualization of FY20 Personnel Costs	236,982	2.00
Increase Cost: Wheaton Building Operating Costs [Administration and Support]	220,493	0.00
Increase Cost: FY21 Compensation Adjustment	189,341	0.00
Increase Cost: Landfill Maintenance (Gude, Oaks, and Site 2) [Disposal]	174,886	0.00
Increase Cost: Annualization of FY20 Compensation Increases	95,177	0.00
Decrease Cost: Adjustment in Cost for Mixed Paper Recycling [Materials and Collection]	94,837	0.00
Increase Cost: Risk Management Adjustment	77,251	0.00
Increase Cost: Recycling Outreach and Education [Disposal]	12,797	0.00
Increase Cost: Volunteer Program Adjustment [Materials and Collection]	2,120	0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	2,099	0.00
Increase Cost: Yard Trim Reduction Program [Materials and Collection]	1,910	0.00
Increase Cost: Other Miscellaneous Adjustments [Disposal]	1,437	0.00
Increase Cost: Print and Mail Adjustment	1,262	0.00
Decrease Cost: Reduced Finance Chargeback [Administration and Support]	(13,636)	0.00
Shift: Reduced Department of Environmental Protection Chargebacks Following Reorganization [Disposal]	(27,772)	0.00
Decrease Cost: Motor Pool Adjustment	(29,910)	0.00
Decrease Cost: Adjustment to Household Hazard Waste Program [Disposal]	(30,271)	0.00
Decrease Cost: Retirement Adjustment	(177,192)	0.00
Decrease Cost: OPEB Adjustment	(201,380)	0.00
Decrease Cost: Adjustment to Transfer Station Based on Experience [Disposal]	(731,949)	0.00
Decrease Cost: FY20 Budgeted Debt Service for a Project That Will Not Move Forward [Administration and Support]	(1,817,000)	0.00

FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
FY21 RECOMMENDED	120,753,219	102.78
SOLID WASTE COLLECTION		
FY20 ORIGINAL APPROPRIATION	9,583,720	11.46
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Collection Contracts for Refuse [Materials and Collection]	832,478	0.00
Increase Cost: Annualization of FY20 Personnel Costs	55,696	0.32
Increase Cost: FY21 Compensation Adjustment	25,171	0.00
Increase Cost: Risk Management Adjustment	24,506	0.00
Increase Cost: Annualization of FY20 Compensation Increases	14,314	0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	1,108	0.00
Increase Cost: Print and Mail Adjustment	32	0.00
Decrease Cost: OPEB Adjustment	(10,330)	0.00
Decrease Cost: Motor Pool Adjustment	(18,719)	0.00
Decrease Cost: Retirement Adjustment	(29,648)	0.00
FY21 RECOMMENDED	10,478,328	11.78

PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Administration and Support	0	0.00	6,630,374	39.16
Administration and Support	3,780,732	20.02	0	0.00
Commercial Recycling	2,008,483	10.00	0	0.00
Dickerson Compost Facility	5,329,030	1.15	0	0.00
Dickerson Master Plan Implementation	84,301	0.51	0	0.00
Disposal	0	0.00	66,958,775	24.15
Enforcement	1,355,947	9.93	0	0.00
Food Waste Organics Recycling	1,002,280	1.00	0	0.00
Gude Landfill	755,541	1.00	0	0.00
Household & Small Quantity Hazardous Waste Management	1,179,946	0.00	0	0.00
Materials and Collection	0	0.00	57,642,398	51.25
Multi-Family Recycling	991,876	5.00	0	0.00
Oaks Landfill	2,141,939	1.23	0	0.00
Out Of County Refuse Disposal	13,903,133	1.00	0	0.00
Recycling Center	10,152,280	4.50	0	0.00
Recycling Outreach And Education	589,863	2.00	0	0.00
Residential Collection	36,028,007	29.00	0	0.00

PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Resource Recovery Facility & Related Waste Transfer	26,985,832	1.20	0	0.00
Satellite Sites	248,667	1.70	0	0.00
Site 2	159,366	0.40	0	0.00
Support for Recycling Volunteers	146,681	0.00	0	0.00
Transfer Station	8,416,270	14.00	0	0.00
Waste System Planning	398,147	2.60	0	0.00
Yard Trim Reduction	75,504	0.00	0	0.00
Total	115,733,825	106.24	131,231,547	114.56

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY20 Total\$	FY20 FTEs	FY21 Total\$	FY21 FTEs
SOLID WASTE DISPOSAL					
General Services	General Fund	254,618	0.00	287,570	0.00
Parking District Services	Bethesda Parking	68,959	0.00	64,324	0.00
Parking District Services	Silver Spring Parking	129,559	0.00	124,627	0.00
Parking District Services	Montgomery Hills Parking	0	0.00	0	0.00
Parking District Services	Wheaton Parking	12,538	0.00	12,061	0.00
Alcohol Beverage Services	Liquor	20,069	0.00	16,603	0.00
Total		485,743	0.00	505,185	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
SOLID WASTE DISPOSAL						
EXPENDITURES						
FY21 Recommended	120,753	120,753	120,753	120,753	120,753	120,753
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY21	0	134	134	134	134	134
New positions in the FY21 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY21	0	(192)	(192)	(192)	(192)	(192)
Items recommended for one-time funding in FY21, including vehicles for Field Inspector positions and recycling bins for downtown Wheaton, will be eliminated from the base in the outyears.						
Retiree Health Insurance Pre-funding	0	(13)	(29)	(29)	(31)	(6)

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
Labor Contracts	0	38	38	38	38	38
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	120,753	120,720	120,704	120,704	120,702	120,727

SOLID WASTE COLLECTION

EXPENDITURES

FY21 Recommended	10,478	10,478	10,478	10,478	10,478	10,478
No inflation or compensation change is included in outyear projections.						
Retiree Health Insurance Pre-funding	0	(1)	(2)	(1)	(2)	0
Labor Contracts	0	6	6	6	6	6
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	10,478	10,483	10,482	10,483	10,482	10,484

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY21 Recommended		FY22 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Provide Three Field Inspectors to Reduce Recycling Contamination in the Field	204,939	3.00	273,252	3.00
Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station	196,847	3.00	262,463	3.00
Total	401,786	6.00	535,715	6.00

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY21-26

Assumptions:

- In FY21, the County Executive recommends the following solid waste system service charges:

Single-Family: \$223.26
Multi-Family: \$16.45
Non-Residential: \$611.48
(medium category)
- Refuse collection services are maintained at their current levels, with the annual collection charge increasing \$12.00 (12.6%) from \$95.00/ household in FY20 to \$107.00/household in FY21.
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) and waste delivered in open-top roll-off boxes is unchanged at \$60 per ton, and \$70 per ton, respectively.
- Expenditures for certain programs, such as the Resource Recovery Facility, Transfer Station, and Out-of-County Haul are Base Systems Costs and calculated based on waste generation estimates for each sector. Expenditures for programs such as the Recycling Center, Recycling Collection, and Dickerson Compost Facility are Incremental Costs and calculated based on the cost of the incremental services received by each sector. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

RESOURCES & USE OF RESOURCES		Solid Waste Collection					
	FY20 Estimate	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection
ASSUMPTIONS							
Indirect Cost Rate	20.45%	18.64%	18.64%	18.64%	18.64%	18.64%	18.64%
CPI (Fiscal Year)	2.32%	1.59%	1.61%	1.60%	1.58%	1.56%	1.54%
Number of Households (mid-FY)	92,115	92,391	92,667	92,943	93,219	93,495	93,932
Charge Per Household	\$ 95.00	\$ 107.00	\$ 122.00	\$ 137.00	\$ 146.00	\$ 146.00	\$ 146.00
Percent Rate Increase (Decrease)	23.38%	12.63%	14.02%	12.30%	6.57%	0.00%	0.00%
BEGINNING NET ASSETS	(1,875,686)	(2,956,311)	(3,800,411)	(3,601,005)	(2,390,431)	(626,298)	746,589
REVENUES							
Charges for Services	8,736,845	9,885,837	11,305,374	12,733,191	13,609,974	13,650,270	13,714,072
Investment Income (per Dept. of Finance)	96,760	73,220	70,610	70,610	70,610	70,610	70,610
Miscellaneous	12,000						
Subtotal Revenues	8,845,605	9,959,057	11,375,984	12,803,801	13,680,584	13,720,880	13,784,682
INTERFUND TRANSFERS (Net Non-CIP)	(331,905)	(314,224)	(325,387)	(336,921)	(348,803)	(361,043)	(373,647)
TOTAL RESOURCES	6,638,014	6,688,523	7,250,186	8,865,875	10,941,350	12,733,539	14,157,624
OPERATING BUDGET APPROP/EXPENSES							
Operating Budget	(9,583,720)	(10,478,328)	(10,803,419)	(11,209,403)	(11,531,321)	(11,950,722)	(12,626,087)
OMB Adjustments - Labor Adjustments			(71,724)	(71,724)	(71,724)	(71,724)	(71,724)
OMB Adjustments Labor Contracts other			33,916	33,916	33,916	33,916	33,916
OMB Adjustments - Retiree Health Insurance OPEB			640	1,510	1,480	1,580	330
Other Claims against Net Assets	(10,605)	(10,605)	(10,605)	(10,605)			
Subtotal PSP Oper. Budget Approp / Exp.	(9,594,325)	(10,488,933)	(10,851,191)	(11,256,306)	(11,567,648)	(11,986,950)	(12,663,565)
TOTAL USE OF RESOURCES	(9,594,325)	(10,488,933)	(10,851,191)	(11,256,306)	(11,567,648)	(11,986,950)	(12,663,565)
YEAR END - NET ASSETS*	(2,956,311)	(3,800,411)	(3,601,005)	(2,390,431)	(626,298)	746,589	1,494,058
End-of-Year Earnings as a % of Resources	-44.5%	-56.8%	-49.7%	-27.0%	-5.7%	5.9%	10.6%
Ending Cash Balance	2,127,427	1,283,327	682,733	1,093,308	2,057,440	2,630,327	2,577,797

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 percent and 15 percent of resources at the end of the six-year planning period. Year-end fund balances in FY21-26 are projections only and will change with the change in the underlying assumptions (ie. growth in house counts, CPI, investment income yield) in future fiscal plans.
2. These 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 to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
3. The fund balance is negative in FY21-23 because of a \$4 million liability that results from a FY18 loan from the Disposal Fund. This \$4 million loan was executed to more gradually phase in the increases in collection contract costs. The cash balance of the fund remains positive across the six-year period. Refuse collection charges will be adjusted annually to achieve cost recovery, pay back the loan, and progress toward the fund balance policy target of between 10 percent and 15 percent.

FY21-26 DIVISION OF SOLID WASTE SERVICES							
FISCAL PROJECTIONS	PROJECTED FY20	PROJECTED FY21	PROJECTED FY22	PROJECTED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26
Single-Family Charges (\$/Household)	213.26	223.26	245.47	288.27	324.72	350.92	373.78
% change in rate from previous year	4.0%	4.7%	9.9%	17.4%	12.6%	8.1%	6.5%
Multi-Family Charges (\$/Dwelling Unit)	16.06	16.45	16.70	16.87	17.17	17.37	17.80
% change in rate from previous year	0.0%	2.4%	1.5%	1.1%	1.8%	1.2%	2.4%
Nonresidential Charges (medium "category" charge)	596.13	611.48	625.86	637.41	640.89	641.19	643.38
% change in rate from previous year	0.0%	2.6%	2.4%	1.8%	0.5%	0.0%	0.3%
OPERATIONS CALCULATION							
REVENUES							
Disposal Fees	35,747,454	33,553,289	34,250,045	34,978,532	36,087,698	37,230,495	38,405,432
Charges for Services/SBC	56,524,189	59,903,457	65,685,956	75,981,620	85,067,577	91,251,350	96,384,231
Miscellaneous	10,517,284	11,297,698	11,315,822	11,340,233	11,359,640	11,379,056	11,403,410
Investment Income	1,684,500	1,274,760	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230
Subtotal Revenues	104,473,427	106,029,204	112,481,053	123,529,615	133,744,145	141,090,131	147,422,303
INTERFUND TRANSFERS	(600,945)	112,449	434,338	418,425	102,597	113,289	409,132
EXPENDITURES							
Personnel Costs	(10,111,356)	(11,544,799)	(11,980,955)	(12,412,269)	(12,856,628)	(13,180,957)	(13,647,563)
Operating Expenses	(90,374,283)	(105,597,810)	(111,578,204)	(115,081,581)	(120,365,152)	(127,386,882)	(131,519,233)
Capital Outlay	(4,979,216)	(3,610,610)	(2,519,634)	(1,048,826)	(1,186,442)	(1,301,118)	(1,081,562)
Other Expenditure Restrictions							
Subtotal Expenditures	(105,464,855)	(120,753,219)	(126,078,793)	(128,542,676)	(134,408,222)	(141,868,957)	(146,248,358)
CURRENT RECEIPTS TO CIP	(707,000)	(456,000)	(18,329,000)	(7,845,000)	-	-	-
OTHER CLAIMS ON FUND BALANCE - OPEB	-	-	12,570	29,420	28,810	30,930	6,360
POTENTIAL FUTURE EXPENDITURES - LABOR CONTRACTS	-	-	(37,808)	(37,808)	(37,808)	(37,808)	(37,808)
PAYOUT OF GUDE REMEDIATION	707,000	456,000	18,329,000	7,847,815	-	-	-
CY GUDE REMEDIATION	-	-	-	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	1,815,518	1,858,390	1,840,526	1,872,232	1,904,152	1,936,280	1,968,608
CY ACCRUED CLOSURE COSTS	(38,575)	(31,612)	(32,099)	(31,706)	(31,920)	(32,128)	(32,328)
SET ASIDE: FUTURE NEEDS	(84,842)	(84,842)	(84,842)	(84,842)			
NET CHANGE	99,728	(12,869,630)	(11,465,057)	(2,844,527)	1,301,752	1,231,736	3,487,908
CASH POSITION							
ENDING CASH & INVESTMENTS							
Unrestricted Cash	65,982,619	52,218,368	20,316,518	9,058,127	7,288,955	8,043,494	9,739,283
Restricted Cash	30,884,328	32,485,985	33,014,812	33,752,001	35,197,486	36,182,269	36,254,862
Subtotal Cash & Investments	96,866,947	84,704,353	53,331,330	42,810,129	42,486,441	44,225,763	45,994,145
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(25,156,921)	(26,266,415)	(26,779,724)	(28,001,713)	(29,556,033)	(30,468,408)	(30,468,408)
Debt Service Reserve	-	-	-	-	-	-	-
Future System Contingency Reserve	-	-	-	-	-	-	-
Research & Development Reserve	-	-	-	-	-	-	-
Renewal & Replacement Reserve	(4,356,771)	(4,426,044)	(4,497,303)	(4,569,261)	(4,641,453)	(4,713,861)	(4,786,454)
Stability Reserve	(1,370,636)	(1,793,526)	(1,737,784)	(1,181,027)	(1,000,000)	(1,000,000)	(1,000,000)
Subtotal Reserve Requirements	(30,884,328)	(32,485,985)	(33,014,812)	(33,752,001)	(35,197,486)	(36,182,269)	(36,254,862)
Closure/Postclosure Liability	(14,422,354)	(12,595,577)	(10,787,151)	(9,007,553)	(7,196,249)	(5,353,025)	(3,477,673)
Gude Remediation Liability	(26,632,815)	(26,176,815)	(7,847,815)	(0)	(0)	(0)	(0)
Current Liabilities Not Including Debt/Closure	-	-	-	-	-	-	-
Subtotal Reserve & Liability Requirements	(71,939,497)	(71,258,377)	(51,649,778)	(42,759,554)	(42,393,735)	(41,635,294)	(39,732,535)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	24,927,450	13,445,976	1,681,552	50,575	92,706	2,690,469	6,261,610
Net Assets							
ENDING NET ASSETS							
Less: Reserve Requirements	(30,884,328)	(32,485,985)	(33,014,812)	(33,752,001)	(35,197,486)	(36,182,269)	(36,254,862)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	57,942,394	46,501,252	35,782,893	31,899,180	31,803,994	32,384,494	35,720,429

FY21 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	Incremental Systems Benefit	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

FY21 SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING																				
	Base Charge (\$/ton)	x	Billing Rate (tons/HH)	=	Disposal Charge	+	Base Systems Benefit Charge	+	Incremental Systems Benefit Charge	+	Refuse Collection Charge	+	Leaf Vacuuming Charge	=	Total Bill					
Code Reference	48-32(a)(1)				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	\$ 60.00		0.84838		\$ 50.90		\$ 31.10		\$ 141.26		\$ 107.00		\$ 116.46		\$ 446.72					
Outside Leaf Vacuuming District	\$ 60.00		0.84838		\$ 50.90		\$ 31.10		\$ 141.26		\$ 107.00				\$ 330.26					
Incorporated							\$ 31.10								\$ 31.10					
SUBDISTRICT B SINGLE-FAMILY**																				
Incorporated							\$ 31.10								\$ 31.10					
Inside Leaf Vacuuming District																				
Unincorporated	\$ 60.00		0.84838		\$ 50.90		\$ 31.10		\$ 141.26				\$ 116.46		\$ 339.72					
Outside Leaf Vacuuming District																				
Unincorporated	\$ 60.00		0.84838		\$ 50.90		\$ 31.10		\$ 141.26						\$ 223.26					
MULTI-FAMILY RESIDENTIAL**																				
Incorporated							\$ 4.87		\$ 11.58						\$ 16.45					
Unincorporated																				
Outside Leaf Vacuuming District							\$ 4.87		\$ 11.58						\$ 16.45					
Inside Leaf Vacuuming District							\$ 4.87		\$ 11.58				\$ 4.54		\$ 20.99					
NONRESIDENTIAL - \$/2,000 SQ. FT. ***																				
Code Reference																				
Waste Generation Categories																				
Low							\$ 87.59		\$ 34.71						\$ 122.30					
Medium Low							\$ 262.77		\$ 104.12						\$ 366.89					
Medium							\$ 437.94		\$ 173.54						\$ 611.48					
Medium High							\$ -		\$ -						\$ -					
High							\$ 788.29		\$ 312.37						\$ 1,100.66					
OTHER FY21 SOLID WASTE FEES																				
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")					\$ 60.00	/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):					\$0.00/disposal ton	Solid Waste Service Charges (Section 48-32(a)(2)):					Paper and Commingled Containers					\$0.00	/ton			
						Solid Waste Service Charges (Section 48-32(b)(2)):					All Yard Trim received at the Transfer Station									
						(weighing > 500 pounds/load)										\$46.00	/ton			
Waste delivered in open-top roll-off box					\$ 70.00	/disposal ton										Miscellaneous (48-31(f)):		Compost Bins	\$0.00	each

* Note: Base Systems Benefit Charges are set to cover County Base Systems Costs net of Disposal Charges.

** With respect to Base and Incremental Systems 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.

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