



Recycling and Resource Management

RECOMMENDED FY24 BUDGET

\$142,665,704

FULL TIME EQUIVALENTS

116.60

✦ ADRIANA HOCHBERG, ACTING 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, innovative, inclusive, and industry-leading way while fostering smart growth, a thriving more sustainable economy, and healthy communities.

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Recycling and Resource Management is \$142,665,704, an increase of \$27,809 or 0.02 percent from the FY23 Approved Budget of \$142,637,895. Personnel Costs comprise 10.34 percent of the budget for 80 full-time position(s) and one part-time position(s), and a total of 116.60 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 89.66 percent of the FY24 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

- ★ Add new positions to accelerate the County's waste reduction efforts, including new reuse initiatives, adding to the kinds of materials that can be recycled, and increasing recycling at multi-family properties.
- ★ Expand the residential curbside food scraps collection pilot project with additional homes in the Potomac and Montgomery Village areas, and expand the residential backyard and commercial food scraps recycling programs by adding more partners. Continue to increase edible food donations and channel edible food to residents with needs via a food recovery organization.

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- ★ Finalize the Save as You Throw program feasibility study for a Unit-based pricing for County-Provided Residential Solid Waste Collection Services, and analyze a unit-based pricing structure for a Save-as-You-Throw pilot program (charge customers based on the amount of waste they generate) for single-family homes in subdistricts A and B).
 - ★ Develop and issue a Request for Proposal (RFP) for the Development of a Plan for Organics Management, including siting, technology, and capacity planning.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Develop RFP for solid waste collection contracts for areas 6 and 8 to incorporate e-waste (electronics) in the new curbside collection contract, incorporate the replacement of the small blue bins with 32-gallon wheeled carts, and study the possibility of using smaller non-CDL vehicles to collect commingled materials.
- ★ Continue the Recycle Right program to reduce contamination in the recycling bins and show a reduction of rejected bins between the start of enforcement in an area until its completion.

PROGRAM CONTACTS

Contact Vicky Wan of the Recycling and Resource Management at 240.777.7722 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 FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

PROGRAM DESCRIPTIONS

★ Administration and Support

Administration and Support program provides support to the Department of Environmental Protection's operations, programs, mission and policy directives. This program is responsible for operating and capital budget development and overall financial management. DEP's programs and operations are funded through the General Fund, the Water Quality Protection Fund and the Solid Waste Enterprise Funds.

The work of the program includes the following focus areas:

- Maintain all funds in a financially prudent manner and maintain structural stability given the responsibilities and risks associated with all programs and operations.
- Develop and evaluate capital and operating budgets in a strategic and economically responsible manner.
- Perform detailed financial analysis during the annual rate calculation process for a more equitable rate structure, structural stability, budget flexibility, and financial risk mitigation.
- Review and develop policies and procedures that strengthen internal controls.

- Collaborate with organization stakeholders using metrics that assess the strategic health of the business, the alignment of programs with the business strategy, and the balance of the program relative to business needs.
- Use quantitative and financial models and forecasting tools to analyze the fiscal impact of proposed strategic changes.
- Assist with execution of procurement actions on a timely basis and at the best possible value.
- Facilitate funding for the maintenance of computer/automation equipment, and related technologies in a cost-effective and efficient manner.
- The DEP Communications team is responsible for increasing media hits, growing our social media audience, improving the DEP web experience, and reaching new and diverse audiences through public engagement.

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 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.

"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.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	9,668,524	40.81
Increase Cost: Automation Efforts	118,945	0.00
Increase Cost: Adjustment of Position Salaries	37,529	0.00
Decrease Cost: Reallocation of Position Based on Actual Work Activities	(1,059)	(0.01)
Decrease Cost: Turnover of Positions	(6,725)	0.00
Decrease Cost: Decrease in Administrative Costs	(8,456)	0.00
Decrease Cost: Finance Chargeback (Collection Fund)	(40,680)	0.00
Decrease Cost: Finance Chargeback (Disposal Fund)	(67,420)	0.00
Decrease Cost: Revenue Analysis and System Evaluation	(416,910)	0.00
Decrease Cost: Debt Service Payment Delay	(1,629,474)	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.	759,465	0.00
FY24 Recommended	8,413,739	40.80

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 for the 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 the

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 stormwater 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of tons of County-wide yard trim and leaves collected	175,821	155,966	179,622	181,419	183,233
Number of tons of County-wide Commingled Recycling collected	40,136	33,821	34,049	34,390	34,734
Number of tons of County-wide Mixed Paper collected	98,788	107,310	106,879	107,947	109,027
Number of tons of County-wide Food Waste collected	3,269	4,386	8,400	14,200	20,000
Number of tons of County-wide Household Hazardous Waste collected	3,083	3,598	2,942	2,972	3,002
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Residential, single family, and townhouse communities	208,462	210,791	213,606	215,742	217,899

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	63,307,875	21.65
Increase Cost: Out-of-County Haul	1,723,463	0.00
Increase Cost: Oaks Landfill Improvements	887,316	0.00
Increase Cost: Transfer Station Operations	743,918	0.00
Increase Cost: Dickerson Master Plan Environmental Assessments	333,802	0.00
Increase Cost: Household Hazardous Waste	152,758	0.00
Increase Cost: Site 2 Building Maintenance and Facilities Costs	56,010	0.00
Increase Cost: Gude Landfill	34,122	0.00
Increase Cost: Adjustment of Position Salaries	15,029	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	4,997	0.00
Decrease Cost: Resource Recovery Facility Revenue Operating Offset	(1,846,591)	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.	(3,227,420)	0.00
FY24 Recommended	62,185,279	21.65

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 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 the 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 Materials Recovery Facility (MRF, aka the Recycling Center). 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Commercial and multi-family buildings	202,671	257,706	221,224	223,436	225,670
Number of business site visits to provide guidance and recycling support	413	3,144	5,000	10,000	10,000
Number of Multi-Family Building site visits to provide guidance and recycling support	461	1,038	1,700	2,500	2,500
Recycling Reports compliance rate for businesses: % of businesses required to submit a report and plan that have done so	100%	100%	100%	100%	100%
Recycling Reports compliance rate for multi-family buildings: % of buildings required to submit a report and plan that have done so	100%	100%	100%	100%	100%
Average number of refuse collections missed per week, not picked up within 24 hours	9	13	10	10	10
Average number of recycling collections missed per week, not picked up within 24 hours ¹	51	58	15	15	15

¹ Recycling misses were higher in FY22 because a new contractor took over five areas, resulting in a temporary spike in misses.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	69,661,496	51.15
Increase Cost: Yard Trim Program	1,156,084	0.00
Increase Cost: Residential, Commercial, and Multi-family Recycling Programs	539,767	0.00
Add: New Positions for Waste Reduction Efforts (Environmental Planning Policy Analyst & Senior Planning Specialist)	258,606	2.00
Increase Cost: Residential Refuse Collection Program	180,614	0.00
Increase Cost: Paper Recycling	175,537	0.00
Add: New Position for Multi-family Recycling (Program Specialist II)	128,293	1.00
Increase Cost: Food Waste Organics Program	97,062	0.00
Increase Cost: Adjustment of Position Salaries	37,238	0.00
Increase Cost: Waste System Program Development	479	0.00

FY24 Recommended Changes	Expenditures	FTEs
Decrease Cost: Turnover of Positions	(14,367)	0.00
Decrease Cost: Recycling Outreach, Education, and Volunteers	(14,770)	0.00
Decrease Cost: Recycling Center Bypass Reduction	(650,069)	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.	510,716	0.00
FY24 Recommended	72,066,686	54.15

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	8,807,400	9,104,945	8,662,679	10,089,242	10.8 %
Employee Benefits	2,355,292	2,601,275	2,473,901	2,881,410	10.8 %
Solid Waste Disposal Personnel Costs	11,162,692	11,706,220	11,136,580	12,970,652	10.8 %
Operating Expenses	120,776,205	115,721,813	114,991,813	115,652,428	-0.1 %
Capital Outlay	1,834,512	2,315,605	2,315,605	2,685,199	16.0 %
Debt Service Other	0	1,629,474	1,629,474	0	-100.0 %
Solid Waste Disposal Expenditures	133,773,409	131,373,112	130,073,472	131,308,279	—
PERSONNEL					
Full-Time	79	73	73	76	4.1 %
Part-Time	2	1	1	1	—
FTEs	100.28	101.53	101.53	104.52	2.9 %
REVENUES					
Other Licenses/Permits	14,129	10,111	14,129	14,129	39.7 %
Other Charges/Fees	155,994	209,242	155,994	155,994	-25.4 %
Sale of Recycled Materials	10,764,407	4,961,166	7,238,624	6,566,067	32.3 %
Solid Waste Disposal Fees/Operating Revenues	26,742,456	30,497,324	27,819,471	34,454,679	13.0 %
Systems Benefit Charge	77,478,925	89,053,430	88,359,985	88,528,968	-0.6 %
Other Fines/Forfeitures	43,195	30,090	43,195	43,195	43.6 %
Miscellaneous Revenues	6,016,715	55,000	103,913	103,913	88.9 %
Property Rentals	1,128	10,198	1,128	1,128	-88.9 %
Investment Income	135,850	592,670	3,193,360	5,045,640	751.3 %
Solid Waste Disposal Revenues	121,352,799	125,419,231	126,929,799	134,913,713	7.6 %

SOLID WASTE COLLECTION

EXPENDITURES					
Salaries and Wages	1,286,067	1,329,210	1,251,062	1,405,341	5.7 %
Employee Benefits	291,903	358,168	339,068	378,476	5.7 %
Solid Waste Collection Personnel Costs	1,577,970	1,687,378	1,590,130	1,783,817	5.7 %
Operating Expenses	8,719,422	9,577,405	9,507,405	9,573,608	—

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
Solid Waste Collection Expenditures	10,297,392	11,264,783	11,097,535	11,357,425	0.8 %
PERSONNEL					
Full-Time	4	4	4	4	—
Part-Time	0	0	0	0	—
FTEs	11.78	12.08	12.08	12.08	—
REVENUES					
Other Charges/Fees	17,708	0	0	0	—
Systems Benefit Charge	10,778,699	11,890,756	11,719,814	14,882,400	25.2 %
Investment Income	(2,772)	24,770	65,160	102,960	315.7 %
Miscellaneous Revenues	0	0	15,000	0	—
Solid Waste Collection Revenues	10,793,635	11,915,526	11,799,974	14,985,360	25.8 %
DEPARTMENT TOTALS					
Total Expenditures	144,070,801	142,637,895	141,171,007	142,665,704	—
Total Full-Time Positions	83	77	77	80	3.9 %
Total Part-Time Positions	2	1	1	1	—
Total FTEs	112.06	113.61	113.61	116.60	2.6 %
Total Revenues	132,146,434	137,334,757	138,729,773	149,899,073	9.1 %

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
SOLID WASTE DISPOSAL		
	FY23 ORIGINAL APPROPRIATION	131,373,112 101.53
<u>Changes (with service impacts)</u>		
Add: New Positions for Waste Reduction Efforts (Environmental Planning Policy Analyst & Senior Planning Specialist) [Materials and Collection]	258,606	2.00
Add: New Position for Multi-family Recycling (Program Specialist II) [Materials and Collection]	128,293	1.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Out-of-County Haul [Disposal]	1,723,463	0.00
Increase Cost: Yard Trim Program [Materials and Collection]	1,156,084	0.00
Increase Cost: Oaks Landfill Improvements [Disposal]	887,316	0.00
Increase Cost: Transfer Station Operations [Disposal]	743,918	0.00
Increase Cost: Residential, Commercial, and Multi-family Recycling Programs [Materials and Collection]	539,767	0.00
Increase Cost: Annualization of FY23 Compensation Increases	470,626	0.00
Increase Cost: FY24 Compensation Adjustment	455,142	0.00
Increase Cost: Risk Management Adjustment	407,825	0.00
Increase Cost: Dickerson Master Plan Environmental Assessments [Disposal]	333,802	0.00
Increase Cost: Motor Pool Adjustment	196,490	0.00

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Paper Recycling [Materials and Collection]	175,537	0.00
Increase Cost: Household Hazardous Waste [Disposal]	152,758	0.00
Increase Cost: Automation Efforts [Administration and Support]	118,945	0.00
Increase Cost: Food Waste Organics Program [Materials and Collection]	97,062	0.00
Increase Cost: Site 2 Building Maintenance and Facilities Costs [Disposal]	56,010	0.00
Increase Cost: Adjustment of Position Salaries [Administration and Support]	37,529	0.00
Increase Cost: Adjustment of Position Salaries [Materials and Collection]	37,238	0.00
Increase Cost: Gude Landfill [Disposal]	34,122	0.00
Increase Cost: Adjustment of Position Salaries [Disposal]	15,029	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Disposal]	4,997	0.00
Increase Cost: Waste System Program Development [Materials and Collection]	479	0.00
Increase Cost: Annualization of FY23 Personnel Costs	50	0.00
Decrease Cost: Reallocation of Position Based on Actual Work Activities [Administration and Support]	(1,059)	(0.01)
Decrease Cost: Printing and Mail	(2,606)	0.00
Decrease Cost: Recycling Outreach, Education, and Volunteers [Materials and Collection]	(14,770)	0.00
Decrease Cost: Retirement Adjustment	(17,022)	0.00
Decrease Cost: Finance Chargeback (Disposal Fund) [Administration and Support]	(67,420)	0.00
Decrease Cost: Revenue Analysis and System Evaluation [Administration and Support]	(416,910)	0.00
Decrease Cost: Recycling Center Bypass Reduction [Materials and Collection]	(650,069)	0.00
Decrease Cost: Debt Service Payment Delay [Administration and Support]	(1,629,474)	0.00
Decrease Cost: Resource Recovery Facility Revenue Operating Offset [Disposal]	(1,846,591)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY23	(3,450,000)	0.00
FY24 RECOMMENDED	131,308,279	104.52

SOLID WASTE COLLECTION

	FY23 ORIGINAL APPROPRIATION	11,264,783	12.08
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Residential Refuse Collection Program [Materials and Collection]	180,614	0.00	
Increase Cost: FY24 Compensation Adjustment	62,114	0.00	
Increase Cost: Annualization of FY23 Compensation Increases	56,324	0.00	
Increase Cost: Annualization of FY23 Personnel Costs	659	0.00	
Increase Cost: Printing and Mail	75	0.00	
Decrease Cost: Retirement Adjustment	(1,566)	0.00	
Decrease Cost: Turnover of Positions [Administration and Support]	(6,725)	0.00	
Decrease Cost: Decrease in Administrative Costs [Administration and Support]	(8,456)	0.00	
Decrease Cost: Turnover of Positions [Materials and Collection]	(14,367)	0.00	
Decrease Cost: Finance Chargeback (Collection Fund) [Administration and Support]	(40,680)	0.00	
Decrease Cost: Risk Management Adjustment	(58,907)	0.00	

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Motor Pool Adjustment	(76,443)	0.00
FY24 RECOMMENDED	11,357,425	12.08

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Administration and Support	9,668,524	40.81	8,413,739	40.80
Disposal	63,307,875	21.65	62,185,279	21.65
Materials and Collection	69,661,496	51.15	72,066,686	54.15
Total	142,637,895	113.61	142,665,704	116.60

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
SOLID WASTE DISPOSAL					
General Services	General Fund	322,697	0.00	389,899	0.00
Parking District Services	Bethesda Parking	70,046	0.00	75,299	0.00
Parking District Services	Silver Spring Parking	135,714	0.00	145,893	0.00
Parking District Services	Wheaton Parking	13,134	0.00	14,119	0.00
Alcohol Beverage Services	Liquor	17,800	0.00	20,210	0.00
Total		559,391	0.00	645,420	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
SOLID WASTE DISPOSAL						
EXPENDITURES						
FY24 Recommended	131,308	131,308	131,308	131,308	131,308	131,308
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY24	0	88	88	88	88	88
New positions in the FY24 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 FY24	0	(120)	(120)	(120)	(120)	(120)
Items recommended for one-time funding in FY24, including vehicles for new positions, will be eliminated from the base in the outyears.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
Labor Contracts	0	426	426	426	426	426
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	131,308	131,703	131,703	131,703	131,703	131,703

SOLID WASTE COLLECTION

EXPENDITURES

FY24 Recommended	11,357	11,357	11,357	11,357	11,357	11,357
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	108	108	108	108	108
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	11,357	11,465	11,465	11,465	11,465	11,465

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY24 Recommended		FY25 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
New Position for Multi-family Recycling (Program Specialist II)	78,293	1.00	103,713	1.00
New Zero Waste Planner (Environmental Planning Policy Analyst)	97,888	1.00	130,695	1.00
New Zero Waste Planning Position (Senior Planning Specialist)	90,718	1.00	120,822	1.00
Total	266,899	3.00	355,230	3.00

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY24-29

Assumptions:

- In FY24, the County Executive recommends the following solid waste system service charges:

Single-Family: \$293.26

Multi-Family: \$18.04

Non-Residential: \$627.68

(Medium category)

- Refuse collection services are maintained at their current levels, with the annual collection charge increasing \$33.00 (25.98%) from \$127.00/ household in FY23 to \$160.00/household in FY24.
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) will increase to \$70 per ton. Construction and demolition material and waste material delivered in open-top roll-off boxes will increase to \$84 per ton. Tipping fees for concrete rubble known as DOT demolition material will remain at \$70 per ton.
- 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.

FY24 - FY29 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation							
	FY23	FY24	FY25	FY26	FY27	FY28	FY29
	Estimate	Projection	Projection	Projection	Projection	Projection	Projection
ASSUMPTIONS							
Indirect Cost Rate	18.35%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%
CPI (Fiscal Year)	3.04%	2.11%	2.18%	2.21%	2.23%	2.34%	2.33%
Number of Households (mid-FY)	92,747	93,015	93,302	93,678	94,143	94,591	95,039
Charge Per Household	\$ 127.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 165.00	\$ 173.00	\$ 175.00
Percent Rate Increase (Decrease)	8.55%	25.98%	0.00%	0.00%	3.13%	4.85%	1.16%
Beginning Cash	1,934,765	1,446,805	3,949,366	5,470,371	4,584,211	3,639,773	3,848,798
Revenues	11,734,814	14,985,360	15,010,690	15,060,550	15,595,365	16,416,063	16,683,995
Expenses	(11,108,140)	(11,357,425)	(12,350,920)	(14,793,893)	(15,372,274)	(15,823,775)	(16,280,722)
Transfers	(314,634)	(325,374)	(338,765)	(352,817)	(367,529)	(383,263)	(399,642)
Loan Payoff	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)		
Ending Cash Balance	1,446,805	3,949,366	5,470,371	4,584,211	3,639,773	3,848,798	3,852,429
BEGINNING NET ASSETS	(2,892,579)	(2,515,379)	787,182	3,108,187	3,022,027	2,877,589	3,086,614
REVENUES							
Charges for Services	11,719,814	14,882,400	14,928,320	14,988,480	15,533,595	16,364,243	16,631,825
Investment Income (per Dept. of Finance)	65,160	102,960	82,370	72,070	61,770	51,820	52,170
Miscellaneous	15,000						
Subtotal Revenues	11,799,974	14,985,360	15,010,690	15,060,550	15,595,365	16,416,063	16,683,995
INTERFUND TRANSFERS (Net Non-CIP)	(314,634)	(325,374)	(338,765)	(352,817)	(367,529)	(383,263)	(399,642)
OMB Transfer Change	-	-	-	-	-	-	-
TOTAL RESOURCES	8,592,761	12,144,607	15,459,107	17,815,920	18,249,863	18,910,389	19,370,967
OPERATING BUDGET APPROP/EXPENSES							
Personnel Costs	(1,590,130)	(1,783,817)	(1,858,381)	(1,936,618)	(2,018,537)	(2,106,142)	(2,197,338)
OMB Adjustments - Labor Adjustments			(107,377)	(107,377)	(107,377)	(107,377)	(107,377)
OMB Adjustments Labor Contracts other			(690)	(690)	(690)	(690)	(690)
Refuse Collection Contracts	(9,507,405)	(9,179,338)	(9,982,169)	(12,338,582)	(12,826,461)	(13,181,150)	(13,537,519)
Other Operating Costs		(394,270)	(402,304)	(410,626)	(419,208)	(428,415)	(437,797)
OMB Adjustments - OPEB	(10,605)						
Subtotal PSP Oper. Budget Approp / Exp.	(11,108,140)	(11,357,425)	(12,350,920)	(14,793,893)	(15,372,274)	(15,823,775)	(16,280,722)
TOTAL USE OF RESOURCES	(11,108,140)	(11,357,425)	(12,350,920)	(14,793,893)	(15,372,274)	(15,823,775)	(16,280,722)
YEAR END - NET ASSETS*	(2,515,379)	787,182	3,108,187	3,022,027	2,877,589	3,086,614	3,090,245
End-of-Year Net Assets as a % of Resources	-29.3%	6.5%	20.1%	17.0%	15.8%	16.3%	16.0%

FY24-29 DIVISION OF RECYCLING AND RESOURCE MANAGEMENT							
FISCAL PROJECTIONS	ESTIMATED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27	PROJECTED FY28	PROJECTED FY29
Single-Family Charges (\$/Household)	288.20	293.26	307.53	325.28	344.58	362.65	379.16
% change in rate from previous year	17.7%	1.8%	4.9%	5.8%	5.9%	5.2%	4.6%
Multi-Family Charges (\$/Dwelling Unit)	17.83	18.04	18.34	18.51	18.72	19.35	20.42
% change in rate from previous year	3.1%	1.2%	1.7%	0.9%	1.1%	3.4%	5.5%
Nonresidential Charges (medium "category" charge)	664.76	627.68	611.11	618.97	628.02	670.72	721.88
% change in rate from previous year	3.1%	-5.6%	-2.6%	1.3%	1.5%	6.8%	7.6%

OPERATIONS CALCULATION

REVENUES							
Disposal Fees	27,912,822	36,036,643	36,030,768	35,880,515	35,725,150	35,565,349	35,331,365
Charges for Services/SBC	77,480,523	75,210,041	78,383,684	83,263,685	88,667,984	95,427,587	102,145,307
Miscellaneous	18,343,094	18,621,389	19,188,068	19,476,207	19,769,768	20,068,393	20,372,377
Investment Income	3,193,360	5,045,640	4,036,510	3,531,950	3,027,390	2,539,700	2,556,680
Subtotal Revenues	126,929,799	134,913,713	137,639,030	142,152,357	147,190,292	153,601,029	160,405,729
INTERFUND TRANSFERS	(273,126)	(121,216)	(177,323)	(94,864)	(296,679)	(319,182)	7,254
EXPENDITURES							
Personnel Costs	(11,136,580)	(12,970,652)	(13,512,825)	(14,081,715)	(14,677,372)	(15,314,370)	(15,977,482)
Operating Expenses	(116,621,287)	(115,652,427)	(122,259,901)	(134,199,097)	(138,159,678)	(144,702,472)	(150,117,650)
Capital Outlay	(2,315,605)	(2,685,199)	(2,223,863)	(2,120,043)	(1,466,932)	(1,276,795)	(2,415,184)
Other Expenditure Restrictions							
Subtotal Expenditures	(130,073,472)	(131,308,279)	(137,996,589)	(150,400,855)	(154,303,982)	(161,293,637)	(168,510,315)
CURRENT RECEIPTS TO CIP	(21,300,907)	(805,460)	-	-	-	-	-
OTHER CLAIMS ON FUND BALANCE - LABOR CONTRACTS	-	-	(3,609)	(3,609)	(3,609)	(3,609)	(3,609)
REMOVAL OF ONE-TIME ITEMS	-	-	120,000	120,000	120,000	120,000	120,000
POTENTIAL FUTURE EXP. - LABOR CONTRACTS FUTURE	-	-	(422,823)	(422,823)	(422,823)	(422,823)	(422,823)
POTENTIAL FUTURE EXP. - OPEB	(84,842)	-	-	-	-	-	-
PAYOUT OF GUDE REMEDIATION	19,703,302	21,753,000	10,687,000	5,858,000	748,000	-	-
CY GUDE REMEDIATION	-	-	-	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	2,290,056	2,334,284	2,387,585	2,442,864	2,499,960	2,561,190	2,623,715
CY ACCRUED CLOSURE COSTS	(49,231)	(50,582)	(53,300)	(55,280)	(57,096)	(61,230)	(62,525)
SET-ASIDE: FUTURE NEEDS	-	-	-	-	-	-	-
NET CHANGE	(2,858,420)	26,715,459	12,179,970	(404,209)	(4,525,936)	(5,818,262)	(5,842,574)

CASH POSITION

ENDING CASH & INVESTMENTS							
Unrestricted Cash	47,631,249	48,084,585	38,611,317	29,365,239	20,118,971	13,372,150	9,742,963
Restricted Cash	35,314,264	38,781,246	49,007,228	51,731,721	54,756,421	54,170,808	50,451,816
Subtotal Cash & Investments	82,945,513	86,865,831	87,618,545	81,096,960	74,875,392	67,542,958	60,194,779
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(27,355,891)	(28,195,904)	(30,116,584)	(30,929,215)	(32,385,028)	(33,888,347)	(34,914,779)
Debt Service Reserve	-	-	(5,843,750)	(5,845,500)	(5,846,250)	(5,846,250)	(5,846,250)
Renewal & Replacement Reserve	(5,050,692)	(5,157,261)	(5,269,689)	(5,386,149)	(5,506,260)	(5,635,107)	(5,766,405)
Stability Reserve	(2,907,681)	(5,428,081)	(7,777,205)	(9,570,857)	(11,018,883)	(8,801,105)	(3,924,382)
Subtotal Reserve Requirements	(35,314,264)	(38,781,246)	(49,007,228)	(51,731,721)	(54,756,421)	(54,170,809)	(50,451,816)
Closure/Postclosure Liability	(16,015,737)	(13,732,035)	(11,397,750)	(9,010,166)	(6,567,301)	(4,067,341)	(1,506,151)
Gude Remediation Liability	(39,046,000)	(17,293,000)	(6,606,000)	(748,000)	-	-	-
Subtotal Reserve & Liability Requirements	(90,376,001)	(69,806,281)	(67,010,978)	(61,489,887)	(61,323,722)	(58,238,150)	(51,957,967)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	(7,430,488)	17,059,550	20,607,567	19,607,073	13,551,670	9,304,808	8,236,812

Net Assets

ENDING NET ASSETS	65,721,994	95,446,322	110,677,048	113,760,877	111,480,432	108,020,756	105,669,060
Less: Reserve Requirements	(35,314,264)	(38,781,246)	(49,007,228)	(51,731,721)	(54,756,421)	(54,170,809)	(50,451,816)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	30,407,730	56,665,076	61,669,820	62,029,156	56,724,011	53,849,947	55,217,244

FY24 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

FY24 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	\$ 70.00		0.85550		\$ 59.89		\$ 22.57		\$ 210.80		\$ 160.00		\$ 123.67		\$ 576.93
Outside Leaf Vacuuming District	\$ 70.00		0.85550		\$ 59.89		\$ 22.57		\$ 210.80		\$ 160.00				\$ 453.26
Incorporated							\$ 22.57								\$ 22.57
SUBDISTRICT B SINGLE-FAMILY**															
Incorporated							\$ 22.57								\$ 22.57
Inside Leaf Vacuuming District															
Unincorporated	\$ 70.00		0.85550		\$ 59.89		\$ 22.57		\$ 210.80				\$ 123.67		\$ 416.93
Outside Leaf Vacuuming District															
Unincorporated	\$ 70.00		0.85550		\$ 59.89		\$ 22.57		\$ 210.80						\$ 293.26
MULTI-FAMILY RESIDENTIAL**															
Incorporated							\$ 0.34		\$ 17.70						\$ 18.04
Unincorporated															
Outside Leaf Vacuuming District							\$ 0.34		\$ 17.70						\$ 18.04
Inside Leaf Vacuuming District							\$ 0.34		\$ 17.70				\$ 4.61		\$ 22.65
NONRESIDENTIAL - \$/2,000 SQ. FT. ***															
Code Reference															
Waste Generation Categories															
Low							\$ 82.99		\$ 42.55						\$ 125.54
Medium Low							\$ 248.97		\$ 127.64						\$ 376.61
Medium							\$ 414.95		\$ 212.73						\$ 627.68
Medium High							\$ -		\$ -						
High							\$ 746.91		\$ 382.91						\$ 1,129.82
OTHER FY24 SOLID WASTE FEES															
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")					\$ 70.00 / disposal ton	Waste delivered to DOT Pad (Non-Processible)					\$70 / 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 and declared C&D					\$ 84.00 / 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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