



Environmental Protection

RECOMMENDED FY25 BUDGET

\$46,713,516

FULL TIME EQUIVALENTS

133.69

 JON I. MONGER, 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 FY25 Operating Budget for the Department of Environmental Protection is \$46,713,516, an increase of \$3,699,694 or 8.60 percent from the FY24 Approved Budget of \$43,013,822. Personnel Costs comprise 35.30 percent of the budget for 130 full-time position(s) and one part-time position(s), and a total of 133.69 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 64.70 percent of the FY25 budget.

The debt service for the Water Quality Protection Fund is appropriated in the Debt Service Fund and is, therefore, not displayed in this section. To pay for the debt service, a transfer of funds from the Water Quality Protection Fund to the Debt Service Fund of \$10,388,020 is required in FY25 for Water Quality Protection Bonds and long-term financing offered by the State of Maryland.


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

-  Enhance efforts to combat climate change by adding funds to build out the County's electric vehicle charging infrastructure, assist under-resourced building owners comply with Building Energy Performance Standards (BEPS) with subsidized energy audits, and contractual support to help low-income residents access federal incentives and tax credits newly-available under the Inflation Reduction Act. A position and operating funds are added to develop a solar power strategic plan as well.

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- ★ Increase funding for Clean Water Montgomery grants (previously Watershed Grants), which earn credit toward the County's MS4 permit on private property.
 - ★ Create new positions for inspections and maintenance of stormwater management facilities throughout the County, including for environmental site designs, above ground structures, and tree plantings.
 - ★ Add funds to implement a ban on the sale and use of gas-powered leaf blowers, including outreach to affected retailers and lawn care companies, and to fund an electric leaf blower rebate program.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ The Energy, Climate, and Compliance Division developed and issued Executive Regulations to implement the BEPS Law, a cornerstone County climate policy. DEP also onboarded new BEPS staff and is expanding the software platform to manage benchmarking data to accommodate the expanded scope of the Law.
- ★ Expand the Charge Montgomery program plan for the expansion of electric vehicle (EV) charging infrastructure across Montgomery County. This program helps the County educate and engage with the public on EV charging, including a survey and GIS map to visualize current and future charging station locations relative to points of interest and equity census tracts.
- ★ Through its Montgomery Energy Connection program, DEP launched Electrify MC pilot program, a residential electrification help desk and direct incentives to encourage residents to switch from fossil fuels to efficient electric options in their home, in advance of the incentives that will be available through the Inflation Reduction Act.
- ★ The DEP Communications and Public Engagement team led and participated in more than 80 community events to inform and educate the public about DEP practices and ways the public can help address climate change and reduce, reuse, and recycle more. In order to meet the needs of the entire County, the department held events in and with frontline communities that are traditionally underserved.

PROGRAM CONTACTS

Contact Vicky Wan of the Department of Environmental Protection 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 FY24 estimates reflect funding based on the FY24 Approved Budget. The FY25 and FY26 figures are performance targets based on the FY25 Recommended Budget and funding for comparable service levels in FY26.

PROGRAM DESCRIPTIONS

★ Administration

The Office of the Director provides for overall management of departmental programs to ensure safe and efficient operations, including contract administration management for the department, continuity of operations, oversight of operational programs at the County's Integrated Solid Waste Management System (ISWMS), and communications and public engagement.

The Office provides strategic direction and support on IT systems and infrastructure for departmental operations and programs, oversees the human resources, contract management, and communication and engagement activities. The Office provides for management of partnerships with multiple County departments with which the department cooperates, including Permitting Services, Transportation, and General Services, as well as external groups including faith-based institutions, the Maryland National Capital Park and Planning Commission, and the Washington Suburban Sanitary.

The Office is responsible for operating and capital budget development, revenue generation from the Water Quality Protection Charge and Solid Waste Fees, 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 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.

FY25 Recommended Changes	Expenditures	FTEs
FY24 Approved	1,935,693	9.70
Shift: Move Position from Gneral Fund to Water Quality Protection Fund	75,865	0.50
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	11,509	0.00
Increase Cost: Arlington ACCS contract	1,731	0.00
Re-align: Elimination of Long-Term Vacancy (General Fund)	(51,053)	(0.40)
Re-align: Elimination of Long-Term Vacancy (Water Quality Protection Fund)	(51,053)	(0.40)
Shift: Realign Positions Based on Workload	(188,678)	(1.25)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	311,170	0.90
FY25 Recommended	2,045,184	9.05

Energy, Climate and Compliance

The Energy, Climate, and Compliance Division develops and implements policies and programs focused on reducing greenhouse

gas emissions and enhancing the resilience of the County in the face of a changing climate, and enforces County laws and regulations related to air and water pollution, illegal dumping, noise control, and other environmental laws. The Division engages with, and provides programs for, residential and commercial properties related to energy efficiency and the use of renewable energy, including the Benchmarking Law and Building Energy Performance Standards; engages with County residents through Montgomery Energy Connection to provide customized education on the benefits of energy efficiency, availability of energy-related programs, and opportunities for energy assistance; promotes the adoption of electric and other low-emission vehicles; advocates for energy policies at the State and Federal level that support the County's climate goals; and works to ensure that the needs of underserved communities that will feel the impacts of climate change more acutely are considered in all aspects of the Division's work. In addition, the Division works with other County departments and agencies, community-based organizations, and others to increase their capacity to develop and implement climate solutions as part of their operations.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Percent of commercial buildings in compliance with the building benchmarking law ¹	91%	85%	89%	87%	86%
Average days to close environmental cases	34	36	33	34	34
Percent of customers rating themselves as satisfied with DEP's response to environmental complaints	82%	86%	83%	84%	84%

¹ Amendments to the benchmarking law doubled the number of covered buildings in FY 23.

FY25 Recommended Changes	Expenditures	FTEs
FY24 Approved	5,578,248	21.01
Add: Bill 18-22 Implementation for Electric Leaf Blower Incentive Program	625,000	0.00
Add: New Position and Operating Support for Solar Strategic Plan Development (Senior Planning Specialist)	345,354	1.00
Add: Energy Audits for Under-Resourced Buildings Subject to BEPS	275,000	0.00
Add: Inflation Reduction Act Incentive Energy Ambassadors	200,000	0.00
Add: Technical Support and Incentives for Electric Vehicle Community Charging Infrastructure Deployment	200,000	0.00
Decrease Cost: Reduce Contractual Support for Climate Communications and Data	(97,968)	0.00
Shift: Transfer Position to Office of Grants Management to Increase Climate Grants Capacity	(114,576)	(1.00)
Re-align: One-time Adjustment to General Climate Program Funding for Capacity	(136,345)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	303,985	0.00
FY25 Recommended	7,178,698	21.01

Watershed Restoration

The Watershed Restoration Division leads the County's efforts to improve stream health and water quality through the targeted planning, design, construction, inspection, and maintenance of best management practices (BMP) built to manage stormwater runoff. The Watershed Restoration Division supports watershed-based monitoring and reporting to achieve County stream protection goals (Montgomery County Code Chapter 19, Article IV) and comply with the Federal Clean Water Act NPDES Municipal Separate Storm Sewer System (MS4) permit. Staff conduct baseline stream monitoring, storm drain discharge monitoring, and public outreach activities that increase awareness and promote citizen involvement in stream stewardship. The program also assesses land development impacts on water resources and the effectiveness of BMPs that mitigate those impacts within the County's designated "Special Protection Areas." The Division implements programs to extend stewardship and BMPs beyond streams and facilities by targeting private property owners. These programs include Tree Montgomery (Chapter 55,

Article 3), RainScapes, and pet waste. The Division oversees the carry out bag tax program, which helps address issues with litter in streams.

The Watershed Restoration Division successfully implements these programs through extensive partnerships with the Maryland Department of Natural Resources; Maryland Department of the Environment; Maryland Department of Agriculture; Montgomery County Public Schools; Montgomery County Departments of Transportation and General Services; Maryland-National Capital Park and Planning Commission; the Towns of Chevy Chase, Kensington, Somerset and Poolesville; the Villages of Chevy Chase and Friendship Heights; watershed organizations; homeowner associations; businesses; and private property owners. The long-term goal is to protect and improve water resources for Montgomery County residents and the Chesapeake Bay.

Revenue for this program is generated by the Water Quality Protection Charge, applied to all residential and non-residential properties except for those owned by the State and County government and those in the cities of Gaithersburg, Rockville, and Takoma Park. Revenue from the carry out bag tax is also provided to support these programs.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Percent of stormwater management triennial inspections completed ¹	94%	99.6%	99%	100%	100%
Percent of stormwater management facility maintenance work orders completed	82%	85%	85%	90%	100%

¹ Does not include triennial inspections of BMPs on Single Family Residential (SFR) properties, which are covered under a separate inspection program.

FY25 Recommended Changes	Expenditures	FTEs
FY24 Approved	35,499,881	102.78
Increase Cost: Maintenance and Inspections for Growing Best Management Practice Inventory	858,357	0.00
Increase Cost: Support for M-NCPPC Water Quality Efforts	182,568	0.00
Enhance: Clean Water Montgomery Grant	150,000	0.00
Enhance: Bag Tax Outreach	100,000	0.00
Enhance: New Position for Above Ground Maintenance Split with Capital Budget (Construction Representative III)	69,404	0.50
Increase Cost: Office of Agriculture Chargeback	67,777	0.00
Increase Cost: Follow-up Inspections for the Tree Montgomery Program	67,000	0.00
Shift: Adjust Position from General Fund to Water Quality Protection Fund	36,948	0.25
Increase Cost: Information Technology Support Contract	31,300	0.00
Enhance: New Vehicle for Reclassed Position Within the Environmental Site Design Program	30,000	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	28,622	0.00
Enhance: New Position for Tree Montgomery and MS4 Inspections (Construction Representative II)	17,092	1.00
Increase Cost: Department of Transportation Chargeback	7,046	0.00
Increase Cost: Adjustment to Wheaton Office Building Expenses	6,659	0.00
Increase Cost: Agreements with Metropolitan Council of Governments	2,557	0.00
Decrease Cost: Dept. of Finance Chargeback	(15,057)	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.	349,480	(0.90)
FY25 Recommended	37,489,634	103.63

BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,816,289	2,981,983	2,493,547	3,218,762	7.9 %
Employee Benefits	450,149	792,133	635,808	825,702	4.2 %
County General Fund Personnel Costs	2,266,438	3,774,116	3,129,355	4,044,464	7.2 %
Operating Expenses	5,062,645	5,309,731	5,604,731	6,658,811	25.4 %
County General Fund Expenditures	7,329,083	9,083,847	8,734,086	10,703,275	17.8 %
PERSONNEL					
Full-Time	61	64	64	63	-1.6 %
Part-Time	0	0	0	0	—
FTEs	25.64	31.65	31.65	30.00	-5.2 %
REVENUES					
Other Licenses/Permits	13,275	20,000	20,000	20,000	—
Other Charges/Fees	114,800	60,400	60,400	60,400	—
Other Fines/Forfeitures	20,273	15,000	15,000	15,000	—
Tree Canopy	654,250	1,500,000	1,500,000	1,500,000	—
County General Fund Revenues	802,598	1,595,400	1,595,400	1,595,400	—
WATER QUALITY PROTECTION FUND					
EXPENDITURES					
Salaries and Wages	7,389,471	8,884,109	8,357,478	9,519,933	7.2 %
Employee Benefits	2,135,085	2,785,666	2,611,303	2,924,749	5.0 %
Water Quality Protection Fund Personnel Costs	9,524,556	11,669,775	10,968,781	12,444,682	6.6 %
Operating Expenses	20,660,749	22,260,200	22,260,200	23,565,559	5.9 %
Water Quality Protection Fund Expenditures	30,185,305	33,929,975	33,228,981	36,010,241	6.1 %
PERSONNEL					
Full-Time	60	65	65	67	3.1 %
Part-Time	1	1	1	1	—
FTEs	96.84	101.84	101.84	103.69	1.8 %
REVENUES					
Bag Tax	2,904,096	2,500,000	2,500,000	2,700,000	8.0 %
Water Quality Protection Charge	45,003,919	45,794,760	45,794,760	49,639,440	8.4 %
Investment Income	1,409,687	1,266,820	2,241,260	1,987,000	56.8 %
Other Charges/Fees	369,929	47,500	47,500	47,500	—
Water Quality Protection Fund Revenues	49,687,631	49,609,080	50,583,520	54,373,940	9.6 %
GRANT FUND - MCG					
EXPENDITURES					

BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	0	0	0	0	—
Operating Expenses	239,395	0	0	0	—
Grant Fund - MCG Expenditures	239,395	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
State Grants	118,855	0	0	0	—
Federal Grants	123,423	0	0	0	—
Grant Fund - MCG Revenues	242,278	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	37,753,783	43,013,822	41,963,067	46,713,516	8.6 %
Total Full-Time Positions	121	129	129	130	0.8 %
Total Part-Time Positions	1	1	1	1	—
Total FTEs	122.48	133.49	133.49	133.69	0.1 %
Total Revenues	50,732,507	51,204,480	52,178,920	55,969,340	9.3 %

FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY24 ORIGINAL APPROPRIATION	9,083,847	31.65
<u>Changes (with service impacts)</u>		
Add: Bill 18-22 Implementation for Electric Leaf Blower Incentive Program [Energy, Climate and Compliance]	625,000	0.00
Add: New Position and Operating Support for Solar Strategic Plan Development (Senior Planning Specialist) [Energy, Climate and Compliance]	345,354	1.00
Add: Energy Audits for Under-Resourced Buildings Subject to BEPS [Energy, Climate and Compliance]	275,000	0.00
Add: Technical Support and Incentives for Electric Vehicle Community Charging Infrastructure Deployment [Energy, Climate and Compliance]	200,000	0.00
Add: Inflation Reduction Act Incentive Energy Ambassadors [Energy, Climate and Compliance]	200,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY24 Personnel Costs	409,309	0.00
Increase Cost: FY25 Compensation Adjustment	177,148	0.00
Increase Cost: Annualization of FY24 Compensation Increases	153,955	0.00
Increase Cost: Annualization of FY24 Lapsed Positions	57,753	0.00

FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Motor Pool Adjustment	15,529	0.00
Increase Cost: Retirement Adjustment	15,497	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	11,509	0.00
Increase Cost: Printing and Mail	6,355	0.00
Re-align: Elimination of Long-Term Vacancy (General Fund) [Administration]	(51,053)	(0.40)
Decrease Cost: Reduce Contractual Support for Climate Communications and Data [Energy, Climate and Compliance]	(97,968)	0.00
Shift: Transfer Position to Office of Grants Management to Increase Climate Grants Capacity [Energy, Climate and Compliance]	(114,576)	(1.00)
Re-align: One-time Adjustment to General Climate Program Funding for Capacity [Energy, Climate and Compliance]	(136,345)	0.00
Shift: Realign Positions Based on Workload [Administration]	(188,678)	(1.25)
Decrease Cost: Lapse Adjustment	(284,361)	0.00
FY25 RECOMMENDED	10,703,275	30.00

WATER QUALITY PROTECTION FUND

	FY24 ORIGINAL APPROPRIATION	33,929,975	101.84
<u>Changes (with service impacts)</u>			
Enhance: Clean Water Montgomery Grant [Watershed Restoration]	150,000	0.00	
Enhance: Bag Tax Outreach [Watershed Restoration]	100,000	0.00	
Enhance: New Position for Above Ground Maintenance Split with Capital Budget (Construction Representative III) [Watershed Restoration]	69,404	0.50	
Enhance: New Vehicle for Reclassed Position Within the Environmental Site Design Program [Watershed Restoration]	30,000	0.00	
Enhance: New Position for Tree Montgomery and MS4 Inspections (Construction Representative II) [Watershed Restoration]	17,092	1.00	
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Maintenance and Inspections for Growing Best Management Practice Inventory [Watershed Restoration]	858,357	0.00	
Increase Cost: FY25 Compensation Adjustment	356,627	0.00	
Increase Cost: Annualization of FY24 Compensation Increases	321,743	0.00	
Increase Cost: Annualization of FY24 Personnel Costs	203,910	0.00	
Increase Cost: Support for M-NCPPC Water Quality Efforts [Watershed Restoration]	182,568	0.00	
Increase Cost: Annualization of FY24 Lapsed Positions	133,993	0.00	
Shift: Move Position from Gneral Fund to Water Quality Protection Fund [Administration]	75,865	0.50	
Increase Cost: Office of Agriculture Chargeback [Watershed Restoration]	67,777	0.00	
Increase Cost: Follow-up Inspections for the Tree Montgomery Program [Watershed Restoration]	67,000	0.00	
Shift: Adjust Position from General Fund to Water Quality Protection Fund [Watershed Restoration]	36,948	0.25	
Increase Cost: Information Technology Support Contract [Watershed Restoration]	31,300	0.00	
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Watershed Restoration]	28,622	0.00	

FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Department of Transportation Chargeback [Watershed Restoration]	7,046	0.00
Increase Cost: Adjustment to Wheaton Office Building Expenses [Watershed Restoration]	6,659	0.00
Increase Cost: Printing and Mail	3,998	0.00
Increase Cost: Agreements with Metropolitan Council of Governments [Watershed Restoration]	2,557	0.00
Increase Cost: Arlington ACCS contract [Administration]	1,731	0.00
Decrease Cost: Retirement Adjustment	(12,880)	0.00
Decrease Cost: Dept. of Finance Chargeback [Watershed Restoration]	(15,057)	0.00
Re-align: Elimination of Long-Term Vacancy (Water Quality Protection Fund) [Administration]	(51,053)	(0.40)
Decrease Cost: Motor Pool Adjustment	(54,329)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY24	(70,000)	0.00
Decrease Cost: Lapse Adjustment	(469,612)	0.00
FY25 RECOMMENDED	36,010,241	103.69

PROGRAM SUMMARY

Program Name	FY24 APPR Expenditures	FY24 APPR FTEs	FY25 REC Expenditures	FY25 REC FTEs
Administration	1,935,693	9.70	2,045,184	9.05
Energy, Climate and Compliance	5,578,248	21.01	7,178,698	21.01
Watershed Restoration	35,499,881	102.78	37,489,634	103.63
Total	43,013,822	133.49	46,713,516	133.69

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY24 Total\$	FY24 FTEs	FY25 Total\$	FY25 FTEs
WATER QUALITY PROTECTION FUND					
CIP	Capital Fund	2,627,566	18.40	2,912,717	18.90

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
COUNTY GENERAL FUND						
EXPENDITURES						
FY25 Recommended	10,703	10,703	10,703	10,703	10,703	10,703
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY25	0	32	32	32	32	32

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
New positions in the FY25 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 FY25	0	(394)	(394)	(394)	(394)	(394)
Items recommended for one-time funding in FY25, including for funds for a pilot program for outreach surrounding federal energy incentives, implementing a electric leaf blower incentive program, and development of a solar strategic plan, will be eliminated from the base in the outyears. A one-time reduction to climate programs accounting for prior year capacity is restored as well.						
Electric Leaf Blower Incentive Program and Outreach	0	(80)	(430)	(550)	(550)	(550)
Restore One-Time Lapse Increase	0	284	284	284	284	284
Restores in FY26 the one-time lapse increase made in the FY25 budget.						
Labor Contracts	0	79	79	79	79	79
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	10,703	10,624	10,274	10,154	10,154	10,154

WATER QUALITY PROTECTION FUND

EXPENDITURES

FY25 Recommended	36,010	36,010	36,010	36,010	36,010	36,010
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY25	0	41	41	41	41	41
New positions in the FY25 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 FY25	0	(110)	(110)	(110)	(110)	(110)
Items recommended for one-time funding in FY25, including outreach regarding the County's bag tax program and vehicles for three new positions, will be eliminated from the base in the outyears.						
Restore One-Time Lapse Increase	0	470	470	470	470	470
Restores in FY26 the one-time lapse increase made in the FY25 budget.						
Labor Contracts	0	177	177	177	177	177
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	36,010	36,588	36,588	36,588	36,588	36,588

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY25 Recommended		FY26 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
New Position for Above Ground Maintenance Split with Capital Budget (Construction Representative III)	44,404	0.50	59,071	0.50

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY25 Recommended		FY26 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
New Position for Tree Montgomery and MS4 Inspections (Construction Representative II)	80,092	1.00	105,958	1.00
New Position and Funding for Solar Strategic Plan Development (Senior Planning Specialist)	95,354	1.00	127,291	1.00
Total	219,850	2.50	292,320	2.50

FY24-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN

FISCAL PROJECTIONS	FY24 Estimate	FY25 CE Rec	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection
ASSUMPTIONS							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Investment Income Yield	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
Number of Equivalent Residential Units (ERUs) Billed	368,000	368,000	368,000	368,000	368,000	368,000	368,000
Water Quality Protection Charge (\$/ERU)	\$126.00	\$136.50	\$147.00	\$157.50	\$168.00	\$178.50	\$189.00
Target Debt Service Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25
BEGINNING FUND BALANCE	20,104,923	16,655,431	4,057,150	2,637,388	4,993,337	7,007,956	6,146,651
REVENUES							
Charges For Services	45,794,760	49,639,440	53,484,120	57,328,800	61,119,880	64,964,560	68,809,240
Bag Tax Receipts	2,500,000	2,700,000	2,700,000	2,700,000	2,500,000	2,500,000	2,500,000
Miscellaneous	2,288,760	2,034,500	1,706,520	1,698,120	1,697,030	1,490,840	1,387,740
Subtotal Revenues	50,583,520	54,373,940	57,890,640	61,726,920	65,316,910	68,955,400	72,696,980
INTERFUND TRANSFERS (Net Non-CIP)	(12,262,031)	(12,871,980)	(13,638,980)	(16,407,160)	(20,884,400)	(26,740,300)	(28,638,310)
Transfers To General Fund	(2,095,891)	(2,483,960)	(2,583,810)	(2,586,590)	(2,584,580)	(2,586,860)	(2,587,490)
Transfers to Debt Service Fund (Non-Tax)	(10,166,140)	(10,388,020)	(11,055,170)	(13,820,570)	(18,299,820)	(24,153,440)	(26,050,820)
WQPF Required Debt Service	(9,222,900)	(9,446,100)	(10,111,850)	(12,877,250)	(17,357,900)	(23,210,400)	(25,108,300)
TOTAL RESOURCES	58,426,412	58,157,391	48,308,810	47,957,148	49,425,847	49,223,056	50,205,321
CIP CURRENT REVENUE APPROPRIATION	(8,542,000)	(18,090,000)	(8,736,000)	(6,000,000)	(5,483,000)	(6,109,000)	(5,137,000)
PSP OPER. BUDGET APPROP / EXP'S.							
Operating Budget	(33,228,981)	(36,010,241)	(36,935,422)	(36,963,811)	(36,934,890)	(36,967,405)	(36,976,432)
FFIs (Future Fiscal Impacts) Requested & Projected							
CPI - OE Adjustment			(534,938)	(549,382)	(530,509)	(551,623)	(557,485)
Elimination of one-time Items			110,000	110,000	110,000	110,000	110,000
CPI - PC Adjustment			(282,494)	(296,439)	(286,391)	(297,792)	(300,957)
Annualizations of New Positions			(40,533)	(40,533)	(40,533)	(40,533)	(40,533)
Labor Contracts			(177,216)	(177,216)	(177,216)	(177,216)	(177,216)
Subtotal PSP Oper Budget Approp / Exp's	(33,228,981)	(36,010,241)	(36,935,422)	(36,963,811)	(36,934,890)	(36,967,405)	(36,976,432)
TOTAL USE OF RESOURCES	(41,770,981)	(54,100,241)	(45,671,422)	(42,963,811)	(42,417,890)	(43,076,405)	(42,113,432)
ACFR YEAR END FUND BALANCE	16,655,431	4,057,150	2,637,388	4,993,337	7,007,956	6,146,651	8,091,889
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	28.5%	7.0%	5.5%	10.4%	14.2%	12.5%	16.1%
NET REVENUE	15,258,648	15,879,739	18,371,408	22,176,519	25,797,440	29,401,135	33,133,058
DEBT SERVICE COVERAGE RATIO	1.65	1.68	1.82	1.72	1.49	1.27	1.32

Assumptions:

- These projections are based on the County Executive's Recommended operating 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.
- Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
- Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY25 and FY30 have been incorporated in the future fiscal impact (FFI) rows.
- The Operating Budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in 2021. Debt service on bonds and loans that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued \$37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A), \$46.5 million dated April 6, 2016 (Series 2016A) and \$28.6M Series 2023. In December 2019, the County closed on \$50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY25-30 are included in the fiscal plan, as well as anticipated debt payments for loans issued to the Maryland-National Capital Park and Planning Commission issued in FY24. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
- Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
- The Water Quality Protection fund balance minimum policy target is 5% of resources.