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# Fiscal Plan



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# Credits

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Significant contributions have been made by many individuals to the evolution of this Fiscal Plan over recent years through leadership, conceptual development, technical refinement, and persistent questioning. Their support has been essential and is appreciated.

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**TECHNICAL SUPPORT**

David Jeo

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## ADDITIONAL CREDITS

Much of the work on the Fiscal Plan components, especially regarding Special Funds, has been led by specific OMB staff, working with the leadership and staff of other departments and agencies whose contributions have been crucial to both the technical development of the tools and to the substance of recommendations for consideration by the Executive and Council. The names of the respective OMB staff are listed below as points of contact for further information and can be reached at 240.777.2800.

SPECIAL FUND	OMB STAFF
Cable Television	Felicia Hyatt
Montgomery Housing Initiative	Pofen Salem
Community Use of Public Facilities	Deborah Lambert
Economic Development	Pofen Salem
Fire Tax District	Rachel Silberman
Fleet Management Services (Motor Pool)	Gary Nalven
Liquor Control	Estela Boronat de Gomes
Mass Transit Facilities	Derrick Harrigan
M-NCPPC Administration	Richard Harris
M-NCPPC Enterprise	Richard Harris
M-NCPPC Park	Richard Harris
Montgomery College Current Fund	Rafael Murphy
Parking Districts	Taman Morris
Permitting Services	Rafael Murphy
Central Duplicating/Print and Mail	Gary Nalven
Recreation	Anita Aryeetey
Self-Insurance: Liability & Property	Estela Boronat de Gomes
Self-Insurance: Employee Health Benefits	Corey Orlosky
Solid Waste Refuse Collection	Richard Harris
Solid Waste Disposal	Richard Harris
Leaf Vacuuming	Derrick Harrigan
Urban Districts	Lindsay Lucas
Water Quality Protection	Richard Harris
Recreation non-tax supported	Anita Aryeetey
Inmate Advisory Council Fund	Rachel Silberman



## OFFICE OF MANAGEMENT AND BUDGET

Marc Elrich  
*County Executive*

Jennifer Bryant  
*Director*

### MEMORANDUM

19-Apr-21

TO: Interested Readers

FROM: Jennifer Bryant, Director

SUBJECT: FY22-27 Fiscal Plan

#### Executive Summary:

The County Executive's recommended budget, released on March 15, 2021 is a balanced approach that responds to and begins the recovery from the COVID-19 pandemic while remaining focused on the County's long-term goals of social justice, racial equity, and community resiliency in a fiscally responsible manner. Federal aid received by the County through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act, as well as the County aggressively seeking FEMA reimbursement for eligible expenditures, has provided much needed assistance in the County's response to the COVID-19 pandemic and helping close a significant FY22 budget gap. However, due to many economic pressures, the shortfalls between expected budget demands and estimated revenues will likely continue into the foreseeable future even after the County's response to the COVID-19 pandemic is complete. This is evident in the current fiscal plan, which projects a 1.2 percent decrease in resources available to fund agency spending in FY23.

In total, FY22 spending increases 2.2 percent, and tax-supported spending across all agencies increases 1.2 percent, including debt service. This includes funding for all the County's collective bargaining agreements and funds retiree health benefits at the required the level. The County Executive recommends an average weighted property tax rate of \$0.9785 per \$100 of assessed value (which is within the Charter Limit), and a \$692 credit for each owner-occupied residence to support a progressive property tax structure in the County.

The recommended budget fully funds the Board of Education's request and represents a local school funding amount that is \$40.2 million above the State minimum funding requirement. While the enrollment in the County's public schools decreased this year (enrollment is projected to increase in FY23-FY27), the effects of a decade of rapid enrollment growth continues to challenge our school system and our County budget. As the County's total population continues to increase and age, demands on other County services such as home health care, senior transportation, emergency response, libraries, and recreation also increase.

Due to the County's response to COVID-19 pandemic, reserves are estimated to be lower than the 10 percent policy

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target in FY21-FY23. When emergencies require the reserves to go below the 10 percent target, it is the County's policy to ensure reserves achieve the policy target within three years. The tax supported Fiscal Plan shows reserves increasing from 8.9 percent of Adjusted Governmental Revenues (AGR) in FY21 to 9.6 percent in FY22, 9.8 percent in FY23, and 10 percent in FY24-FY27.

As the County Council considers and acts on the operating budget, the County Executive believes it is essential that it adhere to the general parameters of his recommended budget. Additional spending beyond the recommended level or reducing ongoing revenues, without corresponding expenditure reductions, would further increase the gap in FY23. Any new revenues to support additional ongoing spending are likely to be very constrained. Continued adherence to prudent fiscal policies that protect residents and taxpayers will allow the County to maintain current service levels and address important priorities.

## Background:

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The recommended FY22-27 fiscal plans for the tax supported and non-tax supported funds of the agencies of County government are provided for your information. Many of these fiscal plans were initially published in the FY22-27 Recommended Operating Budget and Public Services Program (March 15, 2021) available at <http://montgomerycountymd.gov/operatingbudget>.

As in past years, this information is intended to assist the County Council and other interested parties as the County Executive's recommended budget is considered during the Council's budget work sessions this spring.

Interested readers should note that the fiscal plans included in this publication are not intended to be prescriptive but are instead intended to present one possible outcome of policy choices regarding taxes, user fees, and spending decisions.

Other important assumptions are explained in footnotes at the bottom of each fiscal plan display. One significant benefit of presenting multi-year projections is that the potential future year impacts of current policy decisions can be considered by decision makers when making fiscal decisions in the near term. The County's fiscal policies support:

- prudent and sustainable fiscal management: constraining expenditure growth to expected resources;
- identifying and implementing productivity improvements;
- avoiding the programming of one-time revenues to on-going expenditures;
- growing the local economy and tax base;
- obtaining a fair share of State and Federal Aid; maintaining prudent reserve level;
- minimizing the tax burden on residents; and
- and managing indebtedness and debt service very carefully.

The Recommended Budget is consistent with the County's fiscal policies adopted through March 2021. As stated earlier, due to the County's response to COVID-19 pandemic, reserves are estimated to be lower than the 10 percent policy target in FY21-FY23. In compliance with the County's fiscal policy, reserves are projected to return to the policy level by FY24.

## Fiscal Plan for the Tax Supported Funds:

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The recommended fiscal planning objectives for FY22-27 for the tax supported funds are:

- Adhere to sound fiscal policies;
- Reserves (operating margin and the Revenue Stabilization Fund) will return the policy level by FY24;
- The average weighted property tax rate is \$0.9785 per \$100 of assessed value and assumes a \$692 credit to each



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owner-occupied household;

- Assume property tax revenues at the Charter Limit during FY23-27 in the fiscal plan using the income tax offset credit;
- Manage fund balances in the non-tax supported funds to established policy levels where applicable;
- Assume current State aid formulas but continue vigorous efforts to increase State (and Federal) operating and capital funding;
- Maintain priority to economic development and tax base growth:
  - seize opportunities to recruit and retain significant employers compatible with the County's priorities;
  - give priority to capital investment that supports economic development/tax base growth.
- Maintain essential services;
- Limit exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible;
- Manage all debt service commitments very carefully, consistent with standards used by the County to maintain high credit ratings and future budget flexibility. Recognize the fixed commitment inherent in all forms of multi-year financing (long-term bonds, shorter-term borrowing, and lease-backed revenue bonds) that must be accommodated within limited debt capacity;
- Program PAYGO to be at least 10 percent of anticipated General Obligation Bond levels to contain future borrowing costs in FY23-27 (FY22 is less than the 10 percent policy level due to operating budget fiscal constraints and to begin to restore reserves levels);
- For capital investment, allocate debt, current revenue, and other resources made available by the fiscal objectives above according to priorities established by policy and program agendas; and
- For services, allocate resources consistent with policy and program agendas.

The major challenges for FY22-27 will be to aggressively manage on-going costs; strengthen essential services; and continue making targeted improvements to critical service areas including responding to and recovery from the COVID-19 pandemic, education, economic development, re-imagining public safety, the social safety net, affordable housing, and transportation within projected available resources.

#### Fiscal Plan for the Non-Tax Supported Funds:

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By definition, each of the non-tax supported (fee-supported) funds is independent, covering all operating and capital investment expenses from its designated revenue sources. The fiscal health of each fund is satisfactory; though looking ahead, some funds will need to meet expected challenges by increasing fees and/or reducing expenditures. A Government Accounting Standards Board requirement for OPEB liability reporting is shown in the non-tax supported funds on a multi-year allocation schedule.

#### Conclusion:

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Montgomery County's long-term fiscal health is strong due to its underlying economy and the financial management policies endorsed by its elected officials. Nonetheless, the County will continue to face significant challenges in the years ahead. The FY22-27 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

JB:cm

cc: Marc Elrich, County Executive  
Councilmembers, Montgomery County Council  
Richard S. Madaleno, Chief Administrative Officer  
Fariba Kassiri, Deputy Chief Administrative Officer  
Dr. Jack Smith, Superintendent, Montgomery County Public Schools  
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Marlene Michaelson, Executive Director, Montgomery County Council



# Tax Supported Funds

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## Public Service Program

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- Fiscal Plan Summary

## Capital Improvements Program

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- General Information: CIP
- Debt Capacity Analysis
- General Obligation Bond Adjustment Chart
- Current Revenue Requirements for the CIP

# County Executive's Recommended FY22-27 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)															
	App. FY21	Est. FY21-21	% Chg. FY21-22 App/Rec	% Chg. FY21-22 Est/Rec	Rec. FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
<b>Total Revenues</b>	5-21-20	3-15-21			3-15-21										
Property Tax	1,830.8	1,830.9	2.9%	2.9%	1,884.7	2.5%	1,931.0	2.8%	1,984.4	2.8%	2,040.5	2.8%	2,098.1	2.9%	2,157.9
Income Tax	1,695.4	1,707.7	0.8%	0.1%	1,708.8	3.5%	1,769.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,049.1	6.0%	2,171.1
Transfer/Recordation Tax	181.6	161.9	-6.5%	4.9%	169.8	4.8%	178.0	5.6%	188.1	4.5%	197.9	4.8%	207.5	4.7%	217.3
Other Taxes	273.6	240.3	-10.7%	1.7%	244.4	2.6%	250.6	1.6%	254.6	0.4%	255.7	0.4%	258.8	1.2%	259.9
Other Revenues	1,177.4	1,299.6	1.5%	-8.1%	1,194.8	-6.8%	1,114.1	0.2%	1,116.5	0.2%	1,118.8	0.3%	1,122.7	0.2%	1,126.7
<b>Total Revenues</b>	<b>5,158.7</b>	<b>5,240.4</b>	<b>0.8%</b>	<b>-0.7%</b>	<b>5,202.5</b>	<b>0.8%</b>	<b>5,242.9</b>	<b>3.2%</b>	<b>5,408.7</b>	<b>2.8%</b>	<b>5,560.8</b>	<b>3.1%</b>	<b>5,734.2</b>	<b>3.5%</b>	<b>5,932.8</b>
<b>Net Transfers In (Out)</b>	<b>24.9</b>	<b>22.1</b>	<b>-54.0%</b>	<b>-48.3%</b>	<b>11.5</b>	<b>2.0%</b>	<b>11.7</b>	<b>2.4%</b>	<b>12.0</b>	<b>2.4%</b>	<b>12.3</b>	<b>2.4%</b>	<b>12.6</b>	<b>2.4%</b>	<b>12.9</b>
<b>Total Revenues and Transfers Available</b>	<b>5,183.6</b>	<b>5,262.5</b>	<b>0.6%</b>	<b>-0.9%</b>	<b>5,213.9</b>	<b>0.8%</b>	<b>5,254.6</b>	<b>3.2%</b>	<b>5,420.6</b>	<b>2.8%</b>	<b>5,573.0</b>	<b>3.1%</b>	<b>5,746.7</b>	<b>3.5%</b>	<b>5,945.7</b>
<b>Non-Operating Budget Use of Revenues</b>															
Debt Service	422.5	419.8	1.2%	1.9%	427.7	3.5%	442.8	-0.4%	441.0	2.9%	453.6	1.3%	459.3	0.9%	463.4
PAYGO	32.0	0.0	-51.6%	n/a	15.5	103.2%	31.5	-7.9%	29.0	-3.4%	28.0	-3.6%	27.0	0.0%	27.0
CIP Current Revenue	65.9	71.4	-18.2%	-24.5%	53.9	88.1%	101.4	-7.0%	94.3	-20.8%	74.6	4.8%	78.2	0.0%	78.2
Change in Other Reserves	0.2	18.1	-10393.2%	-228.5%	-23.3	96.8%	-0.7	124.6%	0.2	34.1%	0.2	-1.1%	0.2	6.5%	0.3
Contribution to General Fund Undesignated Reserves	7.2	-22.2	110.4%	168.8%	15.3	-157.6%	-8.8	406.8%	27.0	-35.5%	17.4	-4.2%	16.7	23.8%	20.6
Contribution to Revenue Stabilization Reserves	8.6	27.5	-217.7%	-0.9%	27.3	2.9%	28.1	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0
Set Aside for other uses (supplemental appropriations)	6.8	-4.2	-100.0%	100.0%	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
<b>Total Other Uses of Resources</b>	<b>543.3</b>	<b>510.5</b>	<b>-5.0%</b>	<b>1.2%</b>	<b>516.3</b>	<b>19.0%</b>	<b>614.2</b>	<b>-0.5%</b>	<b>611.4</b>	<b>-2.9%</b>	<b>593.8</b>	<b>1.3%</b>	<b>601.4</b>	<b>1.3%</b>	<b>609.5</b>
<b>Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)</b>	<b>4,640.3</b>	<b>4,752.1</b>	<b>1.2%</b>	<b>-1.1%</b>	<b>4,697.6</b>	<b>-1.2%</b>	<b>4,640.4</b>	<b>3.6%</b>	<b>4,809.2</b>	<b>3.5%</b>	<b>4,979.2</b>	<b>3.3%</b>	<b>5,145.3</b>	<b>3.7%</b>	<b>5,336.2</b>
<b>Agency Uses</b>															
Montgomery County Public Schools (MCPS)	2,562.4	2,544.2	-1.1%	-0.4%	2,534.9										
Montgomery College (MC)	268.9	249.2	-1.3%	6.5%	265.5										
MNCPCC (w/o Debt Service)	137.2	130.6	3.4%	8.6%	141.8										
MCG	1,571.9	1,828.0	5.0%	-4.0%	1,755.4										
<b>Agency Uses</b>	<b>4,640.3</b>	<b>4,752.1</b>	<b>1.2%</b>	<b>-1.1%</b>	<b>4,697.6</b>	<b>-1.2%</b>	<b>4,640.4</b>	<b>3.6%</b>	<b>4,809.2</b>	<b>3.5%</b>	<b>4,979.2</b>	<b>3.3%</b>	<b>5,145.3</b>	<b>3.7%</b>	<b>5,336.2</b>
<b>Total Uses</b>	<b>5,183.6</b>	<b>5,262.5</b>	<b>0.6%</b>	<b>-0.9%</b>	<b>5,213.9</b>	<b>0.8%</b>	<b>5,254.6</b>	<b>3.2%</b>	<b>5,420.6</b>	<b>2.8%</b>	<b>5,573.0</b>	<b>3.1%</b>	<b>5,746.7</b>	<b>3.5%</b>	<b>5,945.7</b>
<b>(Gap)/Available</b>	<b>0.0</b>	<b>0.0</b>			<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>

## Assumptions:

1. FY21 Property taxes are at the previous Charter Limit with a \$692 credit. FY22-FY27 property taxes reflect the passage of Ballot Question A with a \$692 credit. Other taxes are at current rates.
2. Due to the County's response to the COVID-19 pandemic, reserves are estimated to be lower than the 10% policy target in FY21-FY23. When emergencies require reserves to dip below the 10 percent target, it is the County's policy to ensure reserves achieve the policy target within three fiscal years. The fiscal plan shows reserves increasing from 8.9% of Adjusted Governmental Revenue (AGR) in FY20 and FY21 to 9.6% in FY22, 9.8% in FY23, and 10.0% in FY24. The calculation for AGR in FY21 and FY22 excludes the County's allocation of Federal Emergency Grants received through the Coronavirus Relief Fund and the American Rescue Plan Act.
3. PAYGO, debt service, and current revenue reflect the Amended FY21-26 Capital Improvements Program.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY23-27.

# County Executive's Recommended FY22-27 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)															
	App. FY21	Est. FY21	% Chg. FY21-22	% Chg. FY21-22	Rec. FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
<u>Beginning Reserves</u>															
Unrestricted General Fund	154.1	97.7	-51.0%	-22.7%	75.5	20.2%	90.8	-9.7%	82.0	32.9%	109.0	16.0%	126.3	13.2%	143.0
Revenue Stabilization Fund	382.2	376.3	5.7%	7.3%	403.8	6.8%	431.1	6.5%	459.1	0.0%	459.1	0.0%	459.1	0.0%	459.1
Total Reserves	536.3	474.0	-10.6%	1.1%	479.3	8.9%	521.9	3.7%	541.1	5.0%	568.1	3.1%	585.5	2.8%	602.1
<u>Additions to Reserves</u>															
Unrestricted General Fund	7.2	-22.2	110.4%	168.8%	15.3	-157.6%	-8.8	406.8%	27.0	-35.5%	17.4	-4.2%	16.7	23.8%	20.6
Revenue Stabilization Fund	8.6	27.5	217.7%	-0.9%	27.3	2.9%	28.1	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0
Total Change in Reserves	15.8	5.4	168.6%	691.3%	42.5	-54.7%	19.3	39.9%	27.0	-35.5%	17.4	-4.2%	16.7	23.8%	20.6
<u>Ending Reserves</u>															
Unrestricted General Fund	161.4	75.5	-43.8%	20.2%	90.8	-9.7%	82.0	32.9%	109.0	16.0%	126.3	13.2%	143.0	14.4%	163.6
Revenue Stabilization Fund	390.8	403.8	10.3%	6.8%	431.1	6.5%	459.1	0.0%	459.1	0.0%	459.1	0.0%	459.1	0.0%	459.1
Total Reserves	552.1	479.3	-5.5%	8.9%	521.9	3.7%	541.1	5.0%	568.1	3.1%	585.5	2.8%	602.1	3.4%	622.8
Reserves as a % of Adjusted Governmental Revenues	10.2%	8.9%			9.6%		9.8%		10.0%		10.0%		10.0%		10.0%
<u>Other Reserves</u>															
Montgomery College	22.3	33.8	13.1%	-25.2%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3
M-NCPPC	5.0	13.8	20.6%	-56.7%	6.0	-12.6%	5.2	2.8%	5.4	2.8%	5.5	2.8%	5.7	2.8%	5.8
MCPS	0.0	25.0	n/a	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
MCG Special Funds	1.5	-15.7	54.7%	115.1%	2.4	0.4%	2.386	1.6%	2.4	4.0%	2.5	3.4%	2.6	3.8%	2.7
MCG + Agency Reserves as a % of Adjusted Govt Revenues	10.7%	9.9%			10.2%		10.4%		10.6%		10.6%		10.6%		10.6%
<u>Retiree Health Insurance Pre-Funding</u>															
Montgomery County Public Schools (MCPS)	69.4	69.4			73.0		66.2		60.5		53.9		53.9		53.9
Montgomery College (MC)	5.5	5.5			5.6		5.4		5.3		5.2		5.2		5.2
MNCPCC	3.0	3.0			2.7		2.7		2.7		2.8		2.8		2.7
MCG	12.3	12.3			10.8		7.5		4.2		0.7		0.0		0.0
Subtotal Retiree Health Insurance Pre-Funding	90.1	90.1			92.2		81.9		72.8		62.6		61.8		61.8
<u>Adjusted Governmental Revenues</u>															
Total Tax Supported Revenues	5,158.7	5,240.4	0.8%	-0.7%	5,202.5	0.8%	5,242.9	3.2%	5,408.7	2.8%	5,560.8	3.1%	5,734.2	3.5%	5,932.8
Capital Projects Fund	129.4	129.4	1.8%	1.8%	131.7	-7.8%	121.5	1.1%	122.8	6.6%	130.9	0.3%	131.3	0.0%	131.3
Grants	128.0	128.0	1.6%	1.6%	130.1	2.0%	132.7	2.4%	135.9	2.4%	139.2	2.4%	142.6	2.4%	146.1
Total Adjusted Governmental Revenues	5,416.1	5,413.4	0.2%	0.3%	5,427.3	1.3%	5,497.1	3.1%	5,667.4	2.9%	5,830.8	3.0%	6,008.0	3.4%	6,210.1

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# Capital Improvements Program (CIP)

## GENERAL INFORMATION

Investment in the construction of public buildings, roads, and other facilities planned by County public agencies is generally budgeted in the Capital Improvements Program (CIP). The six-year CIP is the County's plan for constructing the infrastructure to implement approved master plans and the facilities required to deliver government programs and services and to complement and support private development. The CIP is a multi-year spending plan, including capital expenditure estimates, funding requirements, and related program data for all County departments and agencies with capital projects. The capital budget includes required appropriation, expenditures, and funding for the upcoming fiscal year.

The CIP is by law (for the first year) and by policy (for the second through sixth years) a balanced plan, where planned expenditures do not exceed anticipated resources to fund them. The CIP is supported by a variety of funding sources.

The tax supported portion of the CIP is funded by General Obligation and other long- and short-term debt (for which debt service is paid from revenues from one of the County taxes), Current Revenues from a County tax source, or an inter-governmental source.

The non-tax supported portion of the CIP may be funded by current revenues from a non-tax source, or debt, with the debt service paid from the non-tax source.

## IMPACT OF THE CIP ON THE PUBLIC SERVICES PROGRAM/OPERATING BUDGET

The CIP impacts the six-year Public Service Program and Operating Budget in several ways.

Debt Service is the annual payment of principal and interest on general obligation bonds and other long- and short-term debt used to finance roads, schools, and other major projects. Debt service is budgeted as a fixed cost or a required expenditure in the Public Services Program and Operating Budgets of the General Fund and various other funds which issue debt.

An additional amount of County current revenues may be included in the operating budget as a direct bond offset to reduce the amount of borrowing required for project financing. This is called Pay-As-You-Go (PAYGO) Financing.

Selected CIP projects are funded directly with County current revenues in order to avoid costs of borrowing. These cash amounts are included in the operating budget as specific transfers to individual projects within the capital projects fund. Planning for capital projects is generally funded with current revenues, as are furniture, equipment and books (as for libraries).

The construction of government buildings and facilities also results in new annual costs for maintenance, utilities, and additional staffing required for facility management and operation. Whenever a new or expanded facility involves program expansion, as with new school buildings, libraries, or fire stations, the required staffing and equipment (principals, librarians, and fire apparatus) represent additional operating budget expenditures. Operating Budget Impacts are calculated to measure the incremental changes in spending against spending that would occur whether or not the capital investment occurs. Hence, for new school facilities, building maintenance and administrative staff are considered to impact the operating budget. Teachers, who would be hired in any case, based on numbers of students, are not considered impacts of the capital improvements program.

The implied Operating Budget Impacts of the Recommended CIP are included among the projected expenditure changes described in the Public Services Program.

## EXPLANATION OF CHARTS:

### Debt Capacity Analysis

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This chart displays the performance of the G.O. bond funded portion of the Capital Improvements Program and various long- and short-term leases, against a variety of economic and fiscal indicators. Taken together, these comparisons are considered, along with other factors, by credit rating agencies in determining the County's G.O. bond rating. Therefore, the County manages its debt-related decisions against these same criteria to ensure continuation of our AAA rating, the best available.

### General Obligation Bond Adjustment Chart

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This chart compares the General Obligation bonds available for programming, with recommended programmed bond funded expenditures for the Capital Improvements Program. The line labeled "Bonds Planned for Issue" generally follows Spending Affordability Guidelines set by the County Council for general obligation debt. Amounts in the line labeled "Less Set Aside: Future Projects" indicate the amount available for possible future expenditures not yet programmed in individual projects. The debt service implied by these planned bond issues is budgeted in both tax supported and non-tax supported operating budgets.

### Schedule A-3, for the Capital Improvements Program Current Revenue Requirements

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This chart displays the CIP current revenue requirements of County agencies, by fund, across the six years of the Capital Improvements Program. Generally, current revenue assumptions made for the January Recommended CIP are conservative, and, if resources allow, additional current revenue may be recommended at the time PSP decisions are made in March. Because of the non-recurring nature of capital projects, the CIP is a good place to invest "one time" funds. The Total Current Revenue Requirement also includes PAYGO contributions made as direct offsets to debt obligations. Inflation and set-asides for future projects are unallocated amounts to cover increased costs due to inflation and for future unprogrammed projects.



# DEBT CAPACITY ANALYSIS

## FY21-26 CAPITAL IMPROVEMENTS PROGRAM

March 15, 2021

GO BOND 6 YR TOTAL = 1,770.0 MILLION

GO BOND FY21 TOTAL = 320.0.0 MILLION

GO BOND FY22 TOTAL = 310.0 MILLION

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
1 GO Bond Guidelines (\$000)	320,000	320,000	310,000	300,000	290,000	280,000	270,000
2 GO Debt/Assessed Value	1.70%	1.72%	1.68%	1.65%	1.61%	1.56%	1.50%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.49%	11.13%	11.36%	11.19%	11.12%	11.15%	10.98%
4 \$ Debt/Capita	3,159	3,204	3,228	3,218	3,193	3,151	3,090
5 \$ Real Debt/Capita (FY20=100%)	3,159	3,204	3,176	3,105	3,008	2,897	2,774
6 Capita Debt/Capita Income	3.36%	3.28%	3.64%	3.47%	3.26%	3.06%	2.87%
7 Payout Ratio	70.18%	71.03%	71.81%	72.60%	73.41%	74.21%	74.72%
8 Total Debt Outstanding (\$000s)	3,439,810	3,460,365	3,491,790	3,504,285	3,499,720	3,476,570	3,435,335
9 Real Debt Outstanding (FY20=100%)	3,439,810	3,460,365	3,436,238	3,381,347	3,297,110	3,197,174	3,083,895
10 Note: OP/PSP Growth Assumption (2)		2.6%	1.3%	2.5%	3.1%	2.8%	3.1%

### Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY21 approved budget to FY22 budget for FY22 and budget to budget for FY23-26.

# GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY21-26 Amended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

January 15, 2021

(\$ millions)	6 YEARS	FY21	FY22	FY23	FY24	FY25	FY26
BONDS PLANNED FOR ISSUE	1,770.000	320.000	310.000	300.000	290.000	280.000	270.000
Plus PAYGO Funded	129.500	-	15.500	30.000	29.000	28.000	27.000
Adjust for Future Inflation **	(66.281)	-	-	(6.439)	(13.615)	(20.168)	(26.059)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,833.219	320.000	325.500	323.561	305.385	287.832	270.941
Less Set Aside: Future Projects	147.002	11.154	22.367	15.733	22.631	35.055	40.062
8.02%							
<b>TOTAL FUNDS AVAILABLE FOR PROGRAMMING</b>	<b>1,686.217</b>	<b>308.846</b>	<b>303.133</b>	<b>307.828</b>	<b>282.754</b>	<b>252.777</b>	<b>230.879</b>
MCPS	(549.411)	(127.622)	(98.952)	(123.347)	(98.411)	(58.790)	(42.289)
MONTGOMERY COLLEGE	(121.142)	(21.198)	(25.236)	(15.339)	(23.434)	(19.963)	(15.972)
M-NCPPC PARKS	(67.845)	(8.500)	(14.408)	(11.597)	(10.787)	(11.033)	(11.520)
TRANSPORTATION	(526.370)	(89.869)	(125.985)	(97.531)	(61.962)	(70.275)	(80.748)
MCG - OTHER	(473.962)	(75.848)	(76.874)	(60.014)	(88.160)	(92.716)	(80.350)
Programming Adjustment - Unspent Prior Years*	52.513	14.191	38.322				-
<b>SUBTOTAL PROGRAMMED EXPENDITURES</b>	<b>(1,686.217)</b>	<b>(308.846)</b>	<b>(303.133)</b>	<b>(307.828)</b>	<b>(282.754)</b>	<b>(252.777)</b>	<b>(230.879)</b>
<b>AVAILABLE OR (GAP) TO BE SOLVED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		1.59%	1.62%	1.99%	2.42%	2.44%	2.44%

# **CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM**

**March 15, 2021**

TAX SUPPORTED APPROPRIATIONS (\$000s)	ACTUAL FY19 Exp	*APPROVED FY20 Approp	ACTUAL FY20 Exp	RECOMMENDED 6 YR	LATEST FY21 APPROVED	RECOMMENDED FY22 Approp	RECOMMENDED FY23	RECOMMENDED FY24	RECOMMENDED FY25	RECOMMENDED FY26
<b>GENERAL REVENUE SUPPORTED</b>										
MCG	12,068	(1,701)	9,847	70,248	9,645	9,106	13,788	13,436	12,356	11,917
M-NCPPC PARKS	2,258	3,612	4,330	25,418	3,913	3,913	4,398	4,398	4,398	4,398
PUBLIC SCHOOLS (MCPS)	3,347	7,369	12,974	118,610	14,770	9,705	27,657	21,602	22,438	22,438
MONTGOMERY COLLEGE	15,302	13,584	15,862	89,571	13,534	12,901	16,434	16,534	15,084	15,084
HOC	-	1,350	-	7,750	1,750	1,000	1,250	1,250	1,250	1,250
CIP PAYGO - REGULAR	33,000	32,000	32,000	131,000	-	15,500	31,500	29,000	28,000	27,000
CIP PAYGO - RSF CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CIP PAYGO</b>	<b>33,000</b>	<b>32,000</b>	<b>32,000</b>	<b>131,000</b>	<b>-</b>	<b>15,500</b>	<b>31,500</b>	<b>29,000</b>	<b>28,000</b>	<b>27,000</b>
<b>SUBTOTAL</b>	<b>65,976</b>	<b>56,214</b>	<b>75,013</b>	<b>442,597</b>	<b>43,612</b>	<b>52,125</b>	<b>95,027</b>	<b>86,220</b>	<b>83,526</b>	<b>82,087</b>
<b>OTHER TAX SUPPORTED</b>										
MASS TRANSIT	4,558	13,889	9,415	99,919	18,001	6,535	30,467	26,219	8,125	10,572
FIRE CONSOLIDATED	1,092	1,011	1,973	30,942	3,933	4,807	4,980	6,345	5,634	5,243
M-NCPPC PARKS	350	350	350	2,600	350	450	450	450	450	450
ECONOMIC DEVELOPMENT FUND	-	-	-	11,000	5,500	5,500	-	-	-	-
<b>SUBTOTAL</b>	<b>6,000</b>	<b>15,250</b>	<b>11,739</b>	<b>144,461</b>	<b>27,784</b>	<b>17,292</b>	<b>35,897</b>	<b>33,014</b>	<b>14,209</b>	<b>16,265</b>
<b>SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:</b>	<b>71,976</b>	<b>71,464</b>	<b>86,751</b>	<b>587,058</b>	<b>71,396</b>	<b>69,417</b>	<b>130,924</b>	<b>119,234</b>	<b>97,735</b>	<b>98,352</b>
<b>INFLATION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,751</b>	<b>-</b>	<b>-</b>	<b>1,976</b>	<b>4,021</b>	<b>4,888</b>	<b>6,867</b>
<b>SUBTOTAL ALLOCATION:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,751</b>	<b>-</b>	<b>-</b>	<b>1,976</b>	<b>4,021</b>	<b>4,888</b>	<b>6,867</b>
<b>TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:</b>	<b>71,976</b>	<b>71,464</b>	<b>86,751</b>	<b>604,809</b>	<b>71,396</b>	<b>69,417</b>	<b>132,900</b>	<b>123,255</b>	<b>102,623</b>	<b>105,219</b>
<b>NON-TAX SUPPORTED EXPENDITURES (\$000s)</b>	<b>ACTUAL FY19 Exp</b>	<b>APPROVED FY20 Exp</b>	<b>ACTUAL FY20 Exp</b>	<b>RECOMMENDED 6 YR</b>	<b>LATEST FY21 APPROVED</b>	<b>RECOMMENDED FY22</b>	<b>RECOMMENDED FY23</b>	<b>RECOMMENDED FY24</b>	<b>RECOMMENDED FY25</b>	<b>RECOMMENDED FY26</b>
<b>NON-TAX SUPPORTED</b>										
PARKING DISTRICTS	10,739	6,033	6,967	39,036	3,794	290	8,647	8,881	9,112	8,312
SOLID WASTE DISPOSAL	8,287	8,989	589	19,787	4,700	13,065	2,022	-	-	-
M-NCPPC ENTERPRISE FUND	3,005	4,000	2,251	3,450	2,550	400	-	-	500	-
CABLE TV FUND	6,602	4,430	4,536	25,129	3,761	4,272	4,568	4,176	4,176	4,176
WATER QUALITY PROTECTION CHARGE	7,137	3,228	4,687	26,807	8,140	4,917	3,640	3,000	4,050	3,060
LIQUOR CONTROL	-	-	-	6,832	1,785	1,267	781	957	1,435	607
CUPF	268	863	372	649	245	(796)	300	300	300	300
<b>SUBTOTAL EXPENDITURES:</b>	<b>36,038</b>	<b>27,543</b>	<b>19,402</b>	<b>121,690</b>	<b>24,975</b>	<b>23,415</b>	<b>19,958</b>	<b>17,314</b>	<b>19,573</b>	<b>16,455</b>
<b>TOTAL CURRENT REVENUE REQUIREMENTS</b>	<b>108,014</b>	<b>99,007</b>	<b>106,154</b>	<b>726,499</b>	<b>96,371</b>	<b>92,832</b>	<b>152,858</b>	<b>140,569</b>	<b>122,196</b>	<b>121,674</b>
<b>*Note - The FY20 Approved does not include supplementals related to General Fund Reserves</b>										

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# Tax Supported: Six Year Fiscal Plans

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## Montgomery County Government

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- Bethesda Urban District Fund
- Silver Spring Urban District Fund
- Wheaton Urban District Fund
- Fire Tax District Fund
- Mass Transit Facilities Fund
- Recreation Fund
- Economic Development Fund

## Montgomery College

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- Montgomery College Current Fund

## Maryland-National Capital Park and Planning Commission

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- M-NCPPC Administration Fund
- M-NCPPC Park Fund

## Debt Service

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- Debt Service Fund

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# Montgomery County Government

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Bethesda Urban District							
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120
Assessable Base: Real Property (000)	5,815,400	5,994,900	6,132,500	6,292,600	6,458,700	6,630,200	6,807,800
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	208,400	211,700	214,000	215,300	218,200	221,200	223,900
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	78,904	(20,560)	52,591	82,816	82,857	82,910	85,156
<b>REVENUES</b>							
Taxes	756,025	778,423	795,525	815,010	835,690	857,044	879,036
Charges For Services	102,384	183,975	187,636	192,177	196,866	201,670	206,591
<b>Subtotal Revenues</b>	858,409	962,398	983,161	1,007,187	1,032,556	1,058,714	1,085,627
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	(20,596)	(21,666)	(22,027)	(22,027)	(22,027)	(22,027)	(22,027)
Indirect Costs	(20,596)	(21,666)	(22,027)	(22,027)	(22,027)	(22,027)	(22,027)
Transfers From The General Fund	750,318	0	0	0	0	0	0
Baseline Services	750,318	0	0	0	0	0	0
Transfers From Special Fds: Non-Tax + ISF	1,609,890	2,408,612	2,352,550	2,303,834	2,281,122	2,262,345	2,240,932
From Bethesda PLD	1,609,890	2,408,612	2,352,550	2,303,834	2,281,122	2,262,345	2,240,932
<b>TOTAL RESOURCES</b>	3,276,925	3,328,784	3,366,276	3,371,809	3,374,508	3,381,942	3,389,688
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(3,297,485)	(3,276,193)	(3,279,700)	(3,285,192)	(3,287,838)	(3,293,026)	(3,302,466)
Labor Contract	n/a	n/a	(1,880)	(1,880)	(1,880)	(1,880)	(1,880)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(3,297,485)	(3,276,193)	(3,283,460)	(3,288,952)	(3,291,598)	(3,296,786)	(3,306,226)
<b>TOTAL USE OF RESOURCES</b>	(3,297,485)	(3,276,193)	(3,283,460)	(3,288,952)	(3,291,598)	(3,296,786)	(3,306,226)
<b>YEAR END FUND BALANCE</b>	(20,560)	52,591	82,816	82,857	82,910	85,156	83,462
<b>PERCENT OF RESOURCES</b>	-0.6%	1.6%	2.5%	2.5%	2.5%	2.5%	2.5%

**Assumptions:**

1. Transfers from the Bethesda Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase during the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY23-27 expenditures are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Silver Spring Urban District			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
Assessable Base: Real Property (000)	3,906,300	4,026,900	4,119,300	4,226,900	4,338,500	4,453,600	4,572,900
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	127,000	129,000	130,400	131,100	132,900	134,800	136,400
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>28,204</b>	<b>502,340</b>	<b>104,429</b>	<b>100,660</b>	<b>101,302</b>	<b>103,076</b>	<b>104,224</b>
<b>REVENUES</b>							
Taxes	1,007,897	1,037,864	1,060,744	1,086,832	1,114,534	1,143,129	1,172,546
Charges For Services	89,211	120,000	122,388	125,350	128,409	131,542	134,752
<b>Subtotal Revenues</b>	<b>1,097,108</b>	<b>1,157,864</b>	<b>1,183,132</b>	<b>1,212,182</b>	<b>1,242,943</b>	<b>1,274,671</b>	<b>1,307,298</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	2,811,630	2,358,336	2,801,911	2,803,833	2,802,734	2,801,650	2,796,086
Indirect Costs	(541,989)	(520,989)	(532,087)	(532,087)	(532,087)	(532,087)	(532,087)
Transfers From The General Fund	(541,989)	(520,989)	(532,087)	(532,087)	(532,087)	(532,087)	(532,087)
Baseline Services	539,660	174,403	529,898	443,339	340,358	238,947	233,384
Transfers From Special Fds: Non-Tax + ISF	539,660	174,403	529,898	443,339	340,358	238,947	233,384
From Silver Spring PLD	2,813,959	2,704,922	2,804,101	2,892,581	2,994,464	3,094,790	3,094,790
	2,813,959	2,704,922	2,804,101	2,892,581	2,994,464	3,094,790	3,094,790
<b>TOTAL RESOURCES</b>	<b>3,936,942</b>	<b>4,018,540</b>	<b>4,089,473</b>	<b>4,116,675</b>	<b>4,146,979</b>	<b>4,179,397</b>	<b>4,207,608</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(3,434,602)	(3,914,111)	(3,930,951)	(3,957,511)	(3,986,041)	(4,017,311)	(4,046,351)
Labor Agreement	n/a	0	(57,862)	(57,862)	(57,862)	(57,862)	(57,862)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(3,434,602)</b>	<b>(3,914,111)</b>	<b>(3,988,813)</b>	<b>(4,015,373)</b>	<b>(4,043,903)</b>	<b>(4,075,173)</b>	<b>(4,104,213)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(3,434,602)</b>	<b>(3,914,111)</b>	<b>(3,988,813)</b>	<b>(4,015,373)</b>	<b>(4,043,903)</b>	<b>(4,075,173)</b>	<b>(4,104,213)</b>
<b>YEAR END FUND BALANCE</b>	<b>502,340</b>	<b>104,429</b>	<b>100,660</b>	<b>101,302</b>	<b>103,076</b>	<b>104,224</b>	<b>103,395</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>12.8%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
<b>Assumptions:</b> 1. Transfers from the Silver Spring District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources. 2. Property tax revenue is assumed to increase during the six years based on an improved assessable base. 3. Large assessable base increases are due to economic growth and new projects coming online. 4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide. 5. The Non-Baseline Services transfer is necessary to maintain fund balance policy. 6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY23-27 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here. 7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.							



**FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN**
**Wheaton Urban District**

FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Real Property (000)	839,200	865,100	884,900	908,000	932,000	956,700	982,400
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	31,200	31,700	32,000	32,200	32,600	33,100	33,500
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>(96,977)</b>	<b>(80,458)</b>	<b>70,411</b>	<b>72,146</b>	<b>71,512</b>	<b>73,681</b>	<b>74,963</b>
<b>REVENUES</b>							
Taxes	273,591	281,689	287,817	294,856	302,311	310,051	318,014
<b>Subtotal Revenues</b>	<b>273,591</b>	<b>281,689</b>	<b>287,817</b>	<b>294,856</b>	<b>302,311</b>	<b>310,051</b>	<b>318,014</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	2,087,768	2,625,220	2,526,202	2,540,674	2,561,811	2,588,675	2,609,213
Indirect Costs	(295,566)	(311,950)	(319,385)	(319,385)	(319,385)	(319,385)	(319,385)
Transfers From The General Fund	2,294,667	2,737,170	2,545,587	2,560,059	2,581,196	2,608,060	2,628,598
Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
Non-Baseline Services	2,218,577	2,661,080	2,469,497	2,483,969	2,505,106	2,531,970	2,552,508
Transfers From Special Fds: Non-Tax + ISF	88,667	200,000	300,000	300,000	300,000	300,000	300,000
From Wheaton PLD	88,667	200,000	300,000	300,000	300,000	300,000	300,000
<b>TOTAL RESOURCES</b>	<b>2,264,382</b>	<b>2,826,451</b>	<b>2,884,430</b>	<b>2,907,676</b>	<b>2,935,635</b>	<b>2,972,407</b>	<b>3,002,189</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(2,344,840)	(2,756,040)	(2,773,520)	(2,797,400)	(2,823,190)	(2,858,680)	(2,887,890)
Labor Agreement	n/a	0	(38,764)	(38,764)	(38,764)	(38,764)	(38,764)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(2,344,840)</b>	<b>(2,756,040)</b>	<b>(2,812,284)</b>	<b>(2,836,164)</b>	<b>(2,861,954)</b>	<b>(2,897,444)</b>	<b>(2,926,654)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(2,344,840)</b>	<b>(2,756,040)</b>	<b>(2,812,284)</b>	<b>(2,836,164)</b>	<b>(2,861,954)</b>	<b>(2,897,444)</b>	<b>(2,926,654)</b>
<b>YEAR END FUND BALANCE</b>	<b>(80,458)</b>	<b>70,411</b>	<b>72,146</b>	<b>71,512</b>	<b>73,681</b>	<b>74,963</b>	<b>75,535</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>-3.6%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>

**Assumptions:**

- Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
- Property tax revenue is assumed to increase during the the six years based on an improved assessable base.
- Large assessable base increases are due to economic growth and new projects coming online.
- The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
- The Non-Baseline Services transfer is necessary to maintain fund balance policy.
- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY23-27 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
- Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Consolidated Fire District Fund							
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.1182	0.1202	0.1078	0.1064	0.1044	0.1016	0.0990
Assessable Base: Real Property (000)	197,017,000	203,097,200	207,759,100	213,185,500	218,812,700	224,622,100	230,638,200
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.2955	0.3005	0.2695	0.2660	0.2610	0.2540	0.2475
Assessable Base: Personal Property (000)	4,198,583	4,265,852	4,311,182	4,336,957	4,395,639	4,457,143	4,510,762
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>(32,824,446)</b>	<b>(24,142,089)</b>	<b>833,919</b>	<b>695,063</b>	<b>721,689</b>	<b>665,454</b>	<b>770,254</b>
<b>REVENUES</b>							
Taxes	243,852,645	255,444,935	234,210,113	236,975,861	238,513,752	238,139,597	238,098,053
Charges For Services	18,000,000	20,000,000	20,398,000	20,891,632	21,401,388	21,923,582	22,458,517
Intergovernmental	2,240,468	198,622	202,575	207,477	212,539	217,725	223,037
Miscellaneous	244,882	244,882	244,882	244,882	244,882	244,882	244,882
<b>Subtotal Revenues</b>	<b>264,337,995</b>	<b>275,888,439</b>	<b>255,055,570</b>	<b>258,319,852</b>	<b>260,372,561</b>	<b>260,525,786</b>	<b>261,024,489</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(11,561,077)	(13,420,365)	(14,541,660)	(15,333,720)	(17,083,790)	(16,297,750)	(15,821,010)
GO Bonds	(11,690,327)	(13,549,615)	(14,670,910)	(15,462,970)	(17,213,040)	(16,427,000)	(15,950,260)
Long Term Leases	(7,640,727)	(7,513,040)	(8,237,060)	(8,723,220)	(9,974,390)	(10,775,500)	(10,450,660)
Transfers To The General Fund	(4,049,600)	(6,036,575)	(6,433,850)	(6,739,750)	(7,238,650)	(5,651,500)	(5,499,600)
DCM	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Transfers From The General Fund	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
EMST Fee Payment	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>TOTAL RESOURCES</b>	<b>219,952,472</b>	<b>238,325,985</b>	<b>241,347,829</b>	<b>243,681,195</b>	<b>244,010,460</b>	<b>244,893,490</b>	<b>245,973,733</b>
<b>CIP CURRENT REVENUE APPROP.</b>							
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>	<b>(3,933,000)</b>	<b>(4,807,000)</b>	<b>(4,980,000)</b>	<b>(6,345,000)</b>	<b>(5,634,000)</b>	<b>(5,243,000)</b>	<b>(5,243,000)</b>
Operating Budget	(240,161,561)	(232,685,066)	(233,444,366)	(234,386,106)	(235,358,606)	(236,354,836)	(237,375,376)
Labor Agreement	n/a	0	(2,678,540)	(2,678,540)	(2,678,540)	(2,678,540)	(2,678,540)
Annualizations and One-Time	n/a	n/a	644,140	644,140	644,140	644,140	644,140
Clarksburg Fire Station	n/a	n/a	(194,000)	(194,000)	(194,000)	(194,000)	(194,000)
White Flint Fire Station	n/a	n/a	0	0	(124,000)	(297,000)	(297,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(240,161,561)</b>	<b>(232,685,066)</b>	<b>(235,672,766)</b>	<b>(236,614,506)</b>	<b>(237,711,006)</b>	<b>(238,880,236)</b>	<b>(239,900,776)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(244,094,561)</b>	<b>(237,492,066)</b>	<b>(240,652,766)</b>	<b>(242,959,506)</b>	<b>(243,345,006)</b>	<b>(244,123,236)</b>	<b>(245,143,776)</b>
<b>YEAR END FUND BALANCE</b>	<b>(24,142,089)</b>	<b>833,919</b>	<b>695,063</b>	<b>721,689</b>	<b>665,454</b>	<b>770,254</b>	<b>829,957</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>-11.0%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
<b>Assumptions:</b> 1. The tax rates for the Consolidated Fire Tax District are adjusted to fund the planned program of public services and maintain a positive fund balance. The County's policy is to maximize tax supported reserves in the General Fund, which results in minimizing reserves in the County's tax supported special revenue funds. 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 not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 3. The cost of capital facilities will be included in future budgets as projects are completed and their costs defined.							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Mass Transit			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0736	0.0524	0.0760	0.0724	0.0624	0.0612	0.0594
Assessable Base: Real Property (000)	197,017,000	203,097,200	207,759,100	213,185,500	218,812,700	224,622,100	230,638,200
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.1840	0.1310	0.1900	0.1810	0.1560	0.1530	0.1485
Assessable Base: Personal Property (000)	4,198,583	4,265,852	4,311,182	4,336,957	4,395,639	4,457,143	4,510,762
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>3,632,409</b>	<b>1,888,342</b>	<b>878,617</b>	<b>317,291</b>	<b>188,006</b>	<b>258,596</b>	<b>149,223</b>
<b>REVENUES</b>							
Taxes	151,840,564	111,358,690	165,120,303	161,250,491	142,559,944	143,446,293	142,858,831
Licenses & Permits	100,000	200,000	203,980	208,916	214,014	219,236	224,585
Charges For Services	5,548,659	20,975,453	21,392,865	21,910,573	22,445,191	22,992,854	23,553,880
Fines & Forfeitures	367,500	418,800	427,134	437,471	448,145	459,080	470,282
Intergovernmental	64,209,984	64,375,774	42,132,925	43,152,542	44,205,464	45,284,077	46,389,009
<b>Subtotal Revenues</b>	<b>222,066,687</b>	<b>197,328,717</b>	<b>229,277,207</b>	<b>226,959,993</b>	<b>209,872,758</b>	<b>212,401,540</b>	<b>213,496,587</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(61,800,200)	(45,583,989)	(49,126,550)	(49,075,405)	(48,281,775)	(46,903,950)	(45,967,005)
GO Bonds	(27,512,187)	(30,114,605)	(33,309,195)	(33,258,050)	(32,464,420)	(31,086,595)	(30,149,650)
Long Term Leases	(19,359,687)	(20,997,580)	(23,883,870)	(24,538,150)	(24,421,720)	(24,340,370)	(24,020,250)
Transfers To The General Fund	(8,152,500)	(9,117,025)	(9,425,325)	(8,719,900)	(8,042,700)	(6,746,225)	(6,129,400)
Indirect Costs	(34,819,323)	(16,000,694)	(16,348,665)	(16,348,665)	(16,348,665)	(16,348,665)	(16,348,665)
Transfers From The General Fund	(15,819,323)	(16,000,694)	(16,348,665)	(16,348,665)	(16,348,665)	(16,348,665)	(16,348,665)
Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
<b>TOTAL RESOURCES</b>	<b>163,898,896</b>	<b>153,633,070</b>	<b>181,029,274</b>	<b>178,201,879</b>	<b>161,778,989</b>	<b>165,756,186</b>	<b>167,678,805</b>
<b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(18,001,000)	(6,535,000)	(30,467,000)	(26,219,000)	(8,125,000)	(10,572,000)	(10,572,000)
Labor Agreement	(144,009,554)	(146,219,453)	(147,469,083)	(149,018,973)	(150,619,493)	(152,259,063)	(153,938,643)
Kids Ride Free	n/a	n/a	(1,814,235)	(1,814,235)	(1,814,235)	(1,814,235)	(1,814,235)
Fareshare	n/a	n/a	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)
Re-imagining Transit Study	n/a	n/a	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Ramp Up Ride On Service	n/a	n/a	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Call N Ride	n/a	n/a	(1,516,665)	(1,516,665)	(1,516,665)	(1,516,665)	(1,516,665)
Subtotal PSP Oper Budget Approp / Exp's	(144,009,554)	(146,219,453)	(150,244,983)	(151,794,873)	(153,395,393)	(155,034,963)	(156,714,543)
<b>TOTAL USE OF RESOURCES</b>	<b>(162,010,554)</b>	<b>(152,754,453)</b>	<b>(180,711,983)</b>	<b>(178,013,873)</b>	<b>(161,520,393)</b>	<b>(165,606,963)</b>	<b>(167,286,543)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,888,342</b>	<b>878,617</b>	<b>317,291</b>	<b>188,006</b>	<b>258,596</b>	<b>149,223</b>	<b>392,262</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>1.2%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>
<b>Assumptions:</b> 1. These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include inflation or unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. The County's policy is to maximize tax supported reserves in the General fund, which is limited by the County Charter to five percent of the prior year's General Fund reserves. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Recreation							
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0260	0.0261	0.0287	0.0298	0.0300	0.0308	0.0316
Assessable Base: Real Property (000)	171,964,500	177,271,600	181,340,700	186,077,100	190,988,700	196,059,400	201,310,500
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0650	0.0653	0.0718	0.0745	0.0750	0.0770	0.0790
Assessable Base: Personal Property (000)	3,490,500	3,546,400	3,584,100	3,605,500	3,654,300	3,705,500	3,750,000
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>5,550,789</b>	<b>6,162,710</b>	<b>436,089</b>	<b>151,829</b>	<b>162,478</b>	<b>165,276</b>	<b>81,503</b>
<b>REVENUES</b>							
Taxes	46,705,658	48,298,521	54,297,675	57,797,652	59,686,703	62,870,079	66,187,527
Charges For Services	1,320,000	770,000	4,822,388	4,958,450	5,098,957	5,242,891	5,390,338
Miscellaneous	129,597	174,829	174,829	174,829	174,829	174,829	174,829
<b>Subtotal Revenues</b>	<b>48,155,255</b>	<b>49,243,350</b>	<b>59,294,892</b>	<b>62,930,931</b>	<b>64,960,489</b>	<b>68,287,799</b>	<b>71,752,694</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(9,846,706)	(10,475,490)	(12,425,330)	(13,367,030)	(14,976,040)	(18,057,280)	(21,135,830)
GO Bonds	(9,846,706)	(10,475,490)	(12,425,330)	(13,367,030)	(14,976,040)	(18,057,280)	(21,135,830)
Transfers To The General Fund	(10,089,602)	(7,207,303)	(7,279,868)	(7,279,868)	(7,279,868)	(7,279,868)	(7,279,868)
Indirect Costs	(5,243,192)	(5,360,893)	(5,433,458)	(5,433,458)	(5,433,458)	(5,433,458)	(5,433,458)
DCM	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)
Custodial Cleaning Costs	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)
General Fund Transfer	(3,000,000)	0	0	0	0	0	0
Maintenance Costs	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)
Transfers From The General Fund	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700
ASACs	120,990	120,990	120,990	120,990	120,990	120,990	120,990
Countywide Services	888,710	888,710	888,710	888,710	888,710	888,710	888,710
Transfers From Special Fds: Non-Tax + ISF	1,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
From Recreation Non-Tax Fund	1,000,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
<b>TOTAL RESOURCES</b>	<b>35,779,436</b>	<b>43,232,967</b>	<b>45,535,483</b>	<b>47,945,562</b>	<b>48,376,759</b>	<b>48,625,627</b>	<b>48,928,199</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(29,616,726)	(42,796,878)	(43,152,318)	(43,538,748)	(43,967,148)	(44,299,788)	(44,561,878)
Labor Agreement	n/a	0	(378,336)	(378,336)	(378,336)	(378,336)	(378,336)
Restoration of Costs to Pre-COVID-19 Levels	n/a	n/a	(520,000)	(520,000)	(520,000)	(520,000)	(520,000)
South County Regional Recreation and Aquatic Center (P721701)	n/a	n/a	(1,333,000)	(3,346,000)	(3,346,000)	(3,346,000)	(3,346,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(29,616,726)</b>	<b>(42,796,878)</b>	<b>(45,383,654)</b>	<b>(47,783,084)</b>	<b>(48,211,484)</b>	<b>(48,544,124)</b>	<b>(48,806,214)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(29,616,726)</b>	<b>(42,796,878)</b>	<b>(45,383,654)</b>	<b>(47,783,084)</b>	<b>(48,211,484)</b>	<b>(48,544,124)</b>	<b>(48,806,214)</b>
<b>YEAR END FUND BALANCE</b>	<b>6,162,710</b>	<b>436,089</b>	<b>151,829</b>	<b>162,478</b>	<b>165,276</b>	<b>81,503</b>	<b>121,985</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>17.2%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Assumptions:</b> 1. The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy. 2. Related revenues, debt service, and operating costs have been incorporated for new facilities between FY22 and FY27. 3. 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 not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 4. Previously, transfers from the Recreation Activities Agency Fund to the Recreation Fund were reflected as Recreation Fund revenues. The transfer from the Recreation Activities Fund is displayed as a transfer to the Recreation Fund. Revenues in the Recreation Fund have been reduced accordingly.							



FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Economic Development Fund				
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	1,108,086	0	0	0	0	0	0
<b>REVENUES</b>							
Miscellaneous	430,000	430,000	430,000	430,000	430,000	430,000	430,000
<b>Subtotal Revenues</b>	430,000	430,000	430,000	430,000	430,000	430,000	430,000
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	9,482,310	9,560,677	4,061,461	4,312,838	4,132,838	4,102,838	4,012,838
Transfers From The General Fund	9,482,310	9,560,677	4,061,461	4,312,838	4,132,838	4,102,838	4,012,838
<b>TOTAL RESOURCES</b>	11,020,396	9,990,677	4,491,461	4,742,838	4,562,838	4,532,838	4,442,838
<b>CIP CURRENT REVENUE APPROP.</b>	(5,500,000)	(5,500,000)	0	0	0	0	0
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(5,020,396)	(4,490,677)	(4,489,300)	(4,740,677)	(4,580,677)	(4,530,677)	(4,440,677)
Labor Agreement	n/a	0	(2,161)	(2,161)	(2,161)	(2,161)	(2,161)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(5,020,396)	(4,490,677)	(4,491,461)	(4,742,838)	(4,562,838)	(4,532,838)	(4,442,838)
<b>OTHER CLAIMS ON FUND BALANCE</b>	(500,000)	0	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(11,020,396)	(9,990,677)	(4,491,461)	(4,742,838)	(4,562,838)	(4,532,838)	(4,442,838)
<b>YEAR END FUND BALANCE</b>	0	0	0	0	0	0	0
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Assumptions:</b> 1. 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 not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. The transfer from the General Fund is adjusted to fund program costs, net of offsetting loan repayments, intergovernmental funding, and investment income. 3. The conditional grant agreement of \$500,000 with FOX TV will be disbursed in late FY21 with the fund balance from prior year.							

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# Montgomery College

## MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY22-27

	FY21 Estimate	FY22 CE Rec.	FY23 Proj.	FY24 Proj.	FY25 Proj.	FY26 Proj.	FY27 Proj.
<b>Beginning Fund Balance</b>	<b>27,756,385</b>	<b>33,110,876</b>	<b>24,710,876</b>	<b>21,661,058</b>	<b>21,503,794</b>	<b>20,396,172</b>	<b>18,448,891</b>
<b>Revenues</b>							
General Fund Contribution	145,149,696	145,649,696	145,649,696	145,649,696	145,649,696	145,649,696	145,649,696
Tuition & Related Fees	68,087,157	68,016,270	66,395,007	65,733,702	66,424,872	67,086,177	67,956,540
Other Student Fees	2,677,689	1,790,467	1,747,789	1,730,381	1,748,575	1,765,983	1,788,895
State Aid	36,758,702	38,846,602	39,619,649	40,578,445	41,568,559	42,582,832	43,621,853
Fed, State & Priv. Gifts/Grants	181,673	300,000	305,970	313,374	321,020	328,853	336,877
Investment Income	100,000	250,000	250,875	251,753	252,634	253,518	254,405
Performing Arts Center	-	115,000	115,000	115,000	115,000	115,000	115,000
Other Revenues (asset sales, lib. fines, rentals)	657,712	1,236,949	1,261,564	1,292,094	1,323,621	1,355,917	1,389,001
Adjustments - Non Mandatory Transfer	325,000	100,000	-	-	-	-	-
<b>Total Revenues</b>	<b>253,937,629</b>	<b>256,304,984</b>	<b>255,345,550</b>	<b>255,664,445</b>	<b>257,403,977</b>	<b>259,137,976</b>	<b>261,112,267</b>
<b>CIP CR</b>	<b>13,534,000</b>	<b>12,901,000</b>	<b>16,434,000</b>	<b>16,534,000</b>	<b>15,084,000</b>	<b>15,084,000</b>	<b>15,084,000</b>
<b>Subtotal Revenues and Transfers</b>	<b>267,471,629</b>	<b>269,205,984</b>	<b>271,779,550</b>	<b>272,198,445</b>	<b>272,487,977</b>	<b>274,221,976</b>	<b>276,196,267</b>
<b>Total Resources Available</b>	<b>295,228,014</b>	<b>302,316,860</b>	<b>296,490,426</b>	<b>293,859,503</b>	<b>293,991,771</b>	<b>294,618,148</b>	<b>294,645,158</b>
County Share	58.4%	55.0%	56.4%	56.9%	56.3%	55.8%	55.1%
State Aid Share	14.8%	14.7%	15.3%	15.9%	16.1%	16.3%	16.5%
Tuition, Fees, Other Share	26.8%	30.3%	28.3%	27.2%	27.6%	27.9%	28.4%
<b>Total Expenditures</b>	<b>(248,583,138)</b>	<b>(264,704,984)</b>	<b>(258,395,368)</b>	<b>(255,821,709)</b>	<b>(258,511,598)</b>	<b>(261,085,257)</b>	<b>(264,472,524)</b>
<b>CIP CR</b>	<b>(13,534,000)</b>	<b>(12,901,000)</b>	<b>(16,434,000)</b>	<b>(16,534,000)</b>	<b>(15,084,000)</b>	<b>(15,084,000)</b>	<b>(15,084,000)</b>
<b>End of year Fund Balance</b>	<b>28,797,891</b>	<b>20,397,891</b>	<b>17,628,856</b>	<b>17,553,519</b>	<b>16,398,430</b>	<b>14,432,358</b>	<b>11,071,290</b>
<b>Reserve</b>	<b>4,312,985</b>	<b>4,312,985</b>	<b>4,032,202</b>	<b>3,950,274</b>	<b>3,997,742</b>	<b>4,016,534</b>	<b>4,017,344</b>
<b>Total End of Year Proj. Fund Bal (Includes Reserve)</b>	<b>33,110,876</b>	<b>24,710,876</b>	<b>21,661,058</b>	<b>21,503,794</b>	<b>20,396,172</b>	<b>18,448,891</b>	<b>15,088,634</b>
<b>Reserve Balance as % of Resources less Contribution</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>

### Assumptions:

1. The table reflects the College's reserve policy, where the college will hold in reserve an amount equal to 3% to 5% of the Current Fund appropriation excluding the County contribution.
2. The County's local out-year contribution is held constant at the County Executive recommended FY22 level.
3. Tuition and related fees revenue change at the rate of full-time equivalent student changes.
4. Other revenues, State aid, and expenditures grow based on CPI.

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# Maryland-National Capital Park and Planning Commission

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				M-NCPPC Administration Fund			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0176	0.0172	0.0178	0.0176	0.0175	0.0174	0.0174
Assessable Base: Real Property (000)	170,871,400	176,144,700	180,188,000	184,894,300	189,774,700	194,813,100	200,030,900
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0440	0.0430	0.0445	0.0440	0.0438	0.0435	0.0435
Assessable Base: Personal Property (000)	3,473,400	3,529,100	3,566,600	3,587,900	3,636,400	3,687,300	3,731,700
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>1,703,589</b>	<b>3,121,084</b>	<b>1,223,338</b>	<b>1,154,722</b>	<b>1,173,881</b>	<b>1,159,920</b>	<b>1,180,759</b>
<b>REVENUES</b>							
Taxes	31,417,401	31,628,826	33,464,192	33,920,877	34,598,257	35,294,061	36,215,775
Charges For Services	204,700	204,700	208,774	213,826	219,043	224,388	229,863
Intergovernmental	415,600	415,600	423,870	434,128	444,721	455,572	466,688
Miscellaneous	13,810	100,000	100,000	250,000	350,000	350,000	350,000
<b>Subtotal Revenues</b>	<b>32,051,511</b>	<b>32,349,126</b>	<b>34,196,836</b>	<b>34,818,831</b>	<b>35,612,021</b>	<b>36,324,021</b>	<b>37,262,326</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Special Fds: Tax Supported	0	(650,000)	0	0	0	0	0
To M-NCPPC Park Fund	0	(150,000)	0	0	0	0	0
To Special Revenue Fund	0	(500,000)	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>33,755,100</b>	<b>34,820,210</b>	<b>35,420,174</b>	<b>35,973,553</b>	<b>36,785,902</b>	<b>37,483,941</b>	<b>38,443,085</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(30,634,016)	(33,596,872)	(34,265,452)	(34,799,672)	(35,625,982)	(36,303,182)	(37,176,792)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(30,634,016)</b>	<b>(33,596,872)</b>	<b>(34,265,452)</b>	<b>(34,799,672)</b>	<b>(35,625,982)</b>	<b>(36,303,182)</b>	<b>(37,176,792)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(30,634,016)</b>	<b>(33,596,872)</b>	<b>(34,265,452)</b>	<b>(34,799,672)</b>	<b>(35,625,982)</b>	<b>(36,303,182)</b>	<b>(37,176,792)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,121,084</b>	<b>1,223,338</b>	<b>1,154,722</b>	<b>1,173,881</b>	<b>1,159,920</b>	<b>1,180,759</b>	<b>1,266,293</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>9.2%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>

**Assumptions:**

1. FY21 Estimate includes the FY21 Approved Savings Plan.
2. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government.
3. Tax rates are adjusted to maintain a fund balance of approximately three percent.
4. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				M-NCPPC Park Fund			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0600	0.0556	0.0586	0.0586	0.0586	0.0582	0.0582
Assessable Base: Real Property (000)	170,871,400	176,144,700	180,188,000	184,894,300	189,774,700	194,813,100	200,030,900
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.1500	0.1390	0.1465	0.1465	0.1465	0.1455	0.1455
Assessable Base: Personal Property (000)	3,473,400	3,529,100	3,566,600	3,587,900	3,636,400	3,687,300	3,731,700
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	3,223,034	10,688,559	4,748,364	4,493,492	4,507,821	4,723,327	4,686,178
<b>REVENUES</b>							
Taxes	107,104,778	102,242,019	110,168,633	112,941,104	115,854,734	118,052,546	121,135,525
Charges For Services	3,233,793	3,240,547	3,305,034	3,385,016	3,467,610	3,552,220	3,638,894
Intergovernmental	3,585,896	3,665,414	3,738,356	3,828,824	3,922,247	4,017,950	4,115,988
Miscellaneous	124,740	140,000	65,000	162,500	227,500	227,500	227,500
<b>Subtotal Revenues</b>	114,049,207	109,287,980	117,277,023	120,317,444	123,472,091	125,850,216	129,117,907
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	0	250,000	0	0	0	0	0
Transfers From The General Fund	0	100,000	0	0	0	0	0
From WIFI in the Parks	0	100,000	0	0	0	0	0
Transfers From Special Fds: Tax Supported	0	150,000	0	0	0	0	0
From M-NCPPC Administration Fund	0	150,000	0	0	0	0	0
<b>TOTAL RESOURCES</b>	117,272,241	120,226,539	122,025,387	124,810,936	127,979,912	130,573,543	133,804,085
<b>CIP CURRENT REVENUE APPROP.</b>	(350,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(99,965,022)	(108,227,117)	(110,280,837)	(113,052,057)	(116,005,527)	(118,636,307)	(121,731,037)
Debt Service: Other (Non-Tax Funds only)	(6,268,660)	(6,801,058)	(6,801,058)	(6,801,058)	(6,801,058)	(6,801,058)	(6,801,058)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(106,233,682)	(115,028,175)	(117,081,895)	(119,853,115)	(122,806,585)	(125,437,365)	(128,532,095)
<b>TOTAL USE OF RESOURCES</b>	(106,583,682)	(115,478,175)	(117,531,895)	(120,303,115)	(123,256,585)	(125,887,365)	(128,982,095)
<b>YEAR END FUND BALANCE</b>	10,688,559	4,748,364	4,493,492	4,507,821	4,723,327	4,686,178	4,821,990
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	9.1%	3.9%	3.7%	3.6%	3.7%	3.6%	3.6%
<b>Assumptions:</b> 1. FY21 Estimate includes the FY21 Approved Savings Plan. 2. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 3. Tax rates are adjusted to maintain a fund balance of approximately three to four percent of resources. 4. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.							



# Debt Service

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT							
	Actual FY19	Actual FY20	Budget FY21	Estimated FY21	Recommended FY22	% Chg App/App	App % GO Bonds
<b>GO BOND DEBT SERVICE EXPENDITURES</b>							
General County	68,386,151	71,597,357	71,740,290	72,123,882	72,736,570		18.9%
Roads & Storm Drains	77,455,210	78,635,886	76,960,090	77,432,472	81,511,740		21.2%
Public Housing	58,334	60,110	54,840	49,823	52,060		0.0%
Parks	9,327,807	9,634,126	9,248,120	9,276,775	9,611,110		2.5%
Public Schools	154,327,680	153,776,579	149,682,120	151,598,620	153,878,840		40.0%
Montgomery College	26,321,750	27,880,119	27,510,250	27,522,871	27,721,800		7.2%
Bond Anticipation Notes/Commercial Paper	5,249,633	4,593,302	5,100,000	1,100,000	1,300,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,418,001	2,427,821	2,450,000	3,250,000	3,400,000		
Cost of Issuance	776,309	768,559	1,025,000	990,000	1,030,000		
Line(s) of Credit				700,000	1,400,000		
<b>Total General Fund</b>	<b>344,320,875</b>	<b>349,373,759</b>	<b>343,770,710</b>	<b>344,044,443</b>	<b>352,642,120</b>	<b>2.6%</b>	<b>89.9%</b>
Fire Tax District Fund	7,819,545	7,866,588	8,355,790	7,640,727	7,513,040		2.0%
Mass Transit Fund	21,468,983	21,710,478	20,686,890	19,369,687	20,997,580		5.5%
Recreation Fund	9,856,079	10,759,993	10,547,570	9,846,706	10,475,490		2.7%
<b>Total Tax Supported Other Funds</b>	<b>39,144,607</b>	<b>40,337,059</b>	<b>39,590,250</b>	<b>36,847,119</b>	<b>38,986,110</b>	<b>-1.5%</b>	<b>10.1%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>383,465,482</b>	<b>389,710,817</b>	<b>383,360,960</b>	<b>380,891,563</b>	<b>391,628,230</b>	<b>2.2%</b>	<b>100.0%</b>
<b>TOTAL GO BOND DEBT SERVICE EXPENDITURES</b>	<b>383,465,482</b>	<b>389,710,817</b>	<b>383,360,960</b>	<b>380,891,563</b>	<b>391,628,230</b>	<b>2.2%</b>	<b>100.0%</b>
<b>LONG-TERM LEASE EXPENDITURES</b>							
Revenue Authority - Conference Center	989,434	991,834	987,710	987,710	991,000		
Revenue Authority - Recreation Pools	1,525,590	-	-	-	-		
Revenue Authority - Crossvines Project - Tax Supported	-	-	250,000	-	250,000		
Fire and Rescue Equipment	2,090,843	2,090,843	3,118,250	1,409,200	1,500,000		
Fleet Equipment	-	-	370,000	-	-		
<b>TOTAL LONG-TERM LEASE EXPENDITURES</b>	<b>4,605,866</b>	<b>3,082,677</b>	<b>4,725,960</b>	<b>2,396,910</b>	<b>2,741,000</b>	<b>-42.0%</b>	
<b>SHORT-TERM LEASE EXPENDITURES / FINANCING</b>							
Technology Modernization Project	4,661,384	3,646,948	3,647,100	3,647,000	3,647,100		
Libraries System Modernization	96,955	96,955	97,000	97,000	46,500		
Corrections Security System	80,901	161,802	162,000	-	-		
Digital Evidence Data Storage	-	-	210,100	154,000	264,000		
Ride On Buses	6,640,713	6,885,469	11,773,900	5,245,000	1,738,200		
Public Safety System Modernization	3,564,498	3,564,498	2,823,500	1,323,000	387,200		
Fire Breathing Apparatus	-	-	1,472,700	736,400	-		
Fuel Management System	829,410	829,410	513,800	415,000	-		
Transit System Radios	-	-	-	-	365,000		
Police Body Armor	-	-	-	-	110,000		
Intelligent Transit System	-	-	-	-	980,000		
Fire Detonators	-	-	-	-	150,000		
Fire and Rescue Equipment	-	-	-	-	-		
<b>TOTAL SHORT-TERM LEASE EXPENDITURES</b>	<b>15,873,861</b>	<b>15,185,082</b>	<b>20,700,100</b>	<b>11,618,400</b>	<b>7,690,000</b>	<b>-62.9%</b>	
<b>OTHER LONG-TERM DEBT</b>							
Silver Spring Music Venue - Tax supported	291,005	290,643	294,100	294,100	292,000		
Incubators - Tax Supported	770,453	926,325	931,500	931,500	936,720		
Site II Acquisition - Tax supported	1,238,855	1,238,855	1,238,900	8,719,800	-		
Rockville Core - Tax Supported	-	-	1,669,000	374,200	1,508,500		
Energy Performance Leases QECBs - Tax supported	727,878	1,075,762	860,270	677,020	660,540		
Energy Performance Leases Other - Tax supported	803,764	1,352,884	1,622,420	1,605,670	1,674,150		
Wheaton Redevelopment - Non-Tax supported	-	-	2,613,500	584,900	2,355,550		
MHI-HUD Loan - Non-Tax supported	56,727	54,396	52,050	52,100	49,650		
Water Quality Protection Charge Bonds - Non-Tax supported	6,148,588	6,149,188	8,172,350	8,172,350	8,887,800		
MHI - Property Acquisition Fund - Non-Tax supported	8,688,335	9,623,486	10,921,700	9,621,700	13,318,400		
MHI - Property Acquisition Fund - HOC - Non-Tax supported	-	-	-	500,000	3,400,000		
COPs - Fire SCBA and Apparatus	-	-	-	1,394,000	4,386,575		
COPs - Fleet Equipment	-	-	-	58,000	329,250		
COPs - Buses	-	-	-	2,906,500	6,033,825		
COPs - Fuel Management	-	-	-	95,000	188,800		
COPs - PSM	-	-	-	1,238,000	2,504,800		
COPs - Corrections	-	-	-	155,000	151,350		
<b>TOTAL OTHER LONG-TERM DEBT</b>	<b>18,725,604</b>	<b>20,711,539</b>	<b>28,175,790</b>	<b>37,379,540</b>	<b>46,677,910</b>	<b>65.7%</b>	
<b>DEBT SERVICE EXPENDITURES</b>							
<b>Tax Supported</b>	<b>407,777,165</b>	<b>412,863,045</b>	<b>415,203,210</b>	<b>413,355,363</b>	<b>420,725,740</b>	<b>1.3%</b>	
<b>Non-Tax Supported - Other Long-term Debt</b>	<b>14,893,649</b>	<b>15,827,070</b>	<b>21,759,600</b>	<b>18,931,050</b>	<b>28,011,400</b>		
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>422,670,814</b>	<b>428,690,115</b>	<b>436,962,810</b>	<b>432,286,413</b>	<b>448,737,140</b>	<b>2.7%</b>	
<b>GO BOND DEBT SERVICE FUNDING SOURCES</b>							
General Funds	312,125,488	327,754,879	343,682,580	341,098,313	349,118,444		
BABs Crossover Funds with Escrow Agent	5,179,100	2,589,550	-	-	-		
Other Interest: Installment Notes, Interest & Penalties	2,715,106	1,465,500	-	-	-		
Federal Subsidy on General Obligation Bonds	5,186,898	3,684,798	-	1,114,100	-		
Premium on General Obligation Bonds	20,400,280	14,745,679	88,130	1,832,030	3,523,676		
<b>Total General Fund Sources</b>	<b>345,606,872</b>	<b>350,240,406</b>	<b>343,770,710</b>	<b>344,044,443</b>	<b>352,642,120</b>		
Fire Tax District Funds	7,598,125	7,689,547	8,355,790	7,640,727	7,513,040		
Mass Transit Fund	20,527,390	21,231,181	20,686,890	19,369,687	20,997,580		
Recreation Fund	9,310,389	10,425,227	10,547,570	9,846,706	10,475,490		
<b>Total Other Funding Sources</b>	<b>37,435,904</b>	<b>39,345,955</b>	<b>39,590,250</b>	<b>36,847,119</b>	<b>38,986,110</b>		
<b>TOTAL GO BOND FUNDING SOURCES</b>	<b>383,042,775</b>	<b>389,586,361</b>	<b>383,360,960</b>	<b>380,891,562</b>	<b>391,628,230</b>		
<b>NON GO BOND FUNDING SOURCES</b>							
General Funds	13,139,780	12,060,682	13,890,670	12,013,462	13,172,930		
MHI Fund - HUD Loan	56,727	54,396	52,050	52,100	49,650		
Water Quality Protection Fund	6,148,588	6,273,645	8,172,350	8,172,350	8,887,800		
MHI - Property Acquisition Fund	8,688,335	9,623,486	10,921,700	10,121,700	16,718,400		
Non-tax funds - Wheaton Redevelopment	-	-	2,613,500	584,900	2,355,550		
Motor Pool Fund	-	-	370,000	58,000	518,050		
Mass Transit Fund	6,640,713	6,885,469	11,773,900	8,152,500	9,117,025		
Recreation Fund	1,525,590	-	-	-	-		
Fire Tax District Fund	2,920,253	2,890,283	5,104,750	4,049,600	6,036,575		
Federal Subsidy - QECBs	277,357	209,993	252,930	259,300	252,930		
Capitalized Interest - Energy Performance Leases	90,107	45,405	-	-	-		
ESCO Pepco and Utility Rebates	140,890	610,395	-	-	-		
Developer Payments - Site II	-	450,000	450,000	7,930,938	-		
<b>TOTAL NON GO BOND FUNDING SOURCES</b>	<b>39,628,039</b>	<b>39,103,754</b>	<b>53,601,850</b>	<b>51,394,850</b>	<b>57,108,910</b>		
<b>TOTAL FUNDING SOURCES</b>	<b>422,670,814</b>	<b>428,690,115</b>	<b>436,962,810</b>	<b>432,286,412</b>	<b>448,737,140</b>		
<b>TOTAL GENERAL OBLIGATION BOND SALES</b>							
Actual and Estimated Bond Sales	340,000,000	340,000,000	320,000,000	320,000,000	310,000,000		
Council SAG Approved Bond Funded Expenditures	340,000,000	340,000,000	320,000,000	320,000,000	310,000,000		



DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended FY22	Projected FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27
<b>GO BOND DEBT SERVICE EXPENDITURES</b>						
General County	72,736,570	71,558,240	74,359,080	76,049,960	77,080,390	79,362,350
Roads & Storm Drains	81,511,740	84,925,240	85,787,110	87,752,580	91,996,160	95,929,690
Public Housing	52,060	50,060	46,650	18,080	33,540	22,890
Parks	9,611,110	10,207,060	10,917,640	11,248,800	11,821,190	12,815,730
Public Schools	153,878,840	155,357,150	155,597,200	161,128,560	159,347,530	154,026,510
Montgomery College	27,721,800	28,767,530	29,467,850	31,050,480	31,224,770	31,510,020
Bond Anticipation Notes/Commercial Paper	1,300,000	1,500,000	2,200,000	2,900,000	3,800,000	4,700,000
Bond Anticipation Notes/Liquidity & Remarketing	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Cost of Issuance	1,030,000	1,050,000	1,080,000	1,100,000	1,150,000	1,200,000
Line(s) of Credit	1,400,000					
<b>Total General Fund</b>	<b>352,642,120</b>	<b>356,815,280</b>	<b>362,855,530</b>	<b>374,648,460</b>	<b>379,853,580</b>	<b>382,967,190</b>
Fire Tax District Fund	7,513,040	8,237,060	8,723,220	9,974,390	10,775,500	10,450,660
Mass Transit Fund	20,997,580	23,883,870	24,538,150	24,421,720	24,340,370	24,020,250
Recreation Fund	10,475,490	12,425,330	13,367,030	14,976,040	18,057,280	21,135,830
<b>Total Tax Supported Other Funds</b>	<b>38,986,110</b>	<b>44,546,260</b>	<b>46,828,400</b>	<b>49,372,150</b>	<b>53,173,150</b>	<b>55,606,740</b>
<b>TOTAL TAX SUPPORTED</b>	<b>391,628,230</b>	<b>401,361,540</b>	<b>409,483,930</b>	<b>424,020,610</b>	<b>433,026,730</b>	<b>438,573,930</b>
<b>TOTAL GO BOND DEBT SERVICE EXPENDITURES</b>	<b>391,628,230</b>	<b>401,361,540</b>	<b>409,483,930</b>	<b>424,020,610</b>	<b>433,026,730</b>	<b>438,573,930</b>
<b>LONG-TERM LEASE EXPENDITURES</b>						
Revenue Authority - Conference Center	991,000	991,600		-	-	-
Fire and Rescue Equipment	1,500,000	1,900,000	2,200,000	2,700,000	3,100,000	3,100,000
Revenue Authority - Crossvines Project	250,000	798,000	797,250	800,750	798,250	800,000
<b>TOTAL LONG-TERM LEASE EXPENDITURES</b>	<b>2,741,000</b>	<b>3,689,600</b>	<b>2,997,250</b>	<b>3,500,750</b>	<b>3,898,250</b>	<b>3,900,000</b>
<b>SHORT-TERM LEASE EXPENDITURES / FINANCING</b>						
Technology Modernization Project	3,647,100	3,647,100	1,823,500			
Libraries System Modernization	48,500		-	-	-	-
Digital Evidence Data Storage	264,000	264,000	264,000	264,000	110,000	
Ride On Buses	1,738,200	712,400	712,400	712,400	712,400	712,400
Intelligent Transit System	980,000	1,980,000	1,980,000	1,980,000	1,980,000	1,980,000
Public Safety System Modernization	387,200	1,114,000	1,114,000	1,114,000	1,114,000	744,000
Transit System Radios	365,000	730,000	730,000	730,000	730,000	365,000
Fire Defibrillators	150,000	150,000	150,000	150,000	150,000	-
Police Body Armor	110,000	220,000	220,000	220,000	220,000	110,000
<b>TOTAL SHORT-TERM LEASE EXPENDITURES</b>	<b>7,690,000</b>	<b>8,797,500</b>	<b>6,973,900</b>	<b>5,150,400</b>	<b>4,996,400</b>	<b>3,891,400</b>
<b>OTHER LONG-TERM DEBT</b>						
Silver Spring Music Venue - Tax supported	292,000	294,100	291,000	292,000	292,500	230,000
Incubators - Tax Supported	936,720	4,244,500				
Rockville Core - Tax Supported	1,508,500	1,508,850	1,508,400	1,507,900	1,505,400	1,505,750
Energy Performance Leases QECBs - Tax supported	660,540	660,820	701,140	695,550	695,030	694,220
Energy Performance Leases Other - Tax supported	1,674,150	1,716,210	1,747,470	1,782,290	1,818,100	1,832,950
Wheaton Redevelopment - Non-Tax Supported	2,355,550	2,358,300	2,358,100	2,354,800	2,358,300	2,358,300
MHI-HUD Loan - Non-Tax supported	49,650	47,230	54,510			
Water Quality Protection Charge Bonds - Non-Tax supported	8,887,800	9,690,600	9,760,150	9,766,850	9,764,550	9,760,400
MHI - Property Acquisition Fund - Non-Tax supported	13,318,400	14,518,500	15,772,900	17,116,800	18,424,200	18,420,900
MHI - Property Acquisition Fund - HOC - Non-Tax supported	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
COPs - Fire SCBA and Apparatus	4,388,575	4,383,850	4,389,750	4,388,650	2,401,500	2,399,600
COPs - Fleet Equipment	329,250	329,100	328,450	327,300	325,850	328,375
COPs - Buses	6,033,825	6,022,925	5,317,500	4,640,300	3,343,825	3,092,000
COPs - Fuel Management	188,800	187,400	185,800	189,000		
COPs - PSSM	2,504,800	2,498,500	-	-	-	-
COPs - Corrections	151,350	151,350	151,150	155,750	73,500	
<b>TOTAL OTHER LONG-TERM DEBT</b>	<b>46,677,910</b>	<b>52,008,235</b>	<b>45,966,320</b>	<b>46,617,190</b>	<b>44,402,555</b>	<b>44,022,495</b>
<b>DEBT SERVICE EXPENDITURES</b>						
Tax Supported	420,725,740	435,842,245	434,075,740	446,650,500	452,376,885	456,448,225
Non-Tax Supported - Other Long-term Debt	28,011,400	30,014,630	31,345,660	32,638,450	33,947,050	33,939,600
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>448,737,140</b>	<b>465,856,875</b>	<b>465,421,400</b>	<b>479,288,950</b>	<b>486,323,935</b>	<b>490,387,825</b>
<b>GO BOND DEBT SERVICE FUNDING SOURCES</b>						
General Funds	349,118,444	353,352,770	361,143,345	374,648,460	379,853,580	382,967,190
Premium on General Obligation Bonds	3,523,676	3,462,510	1,712,185	-	-	-
<b>Total General Fund Sources</b>	<b>352,642,120</b>	<b>356,815,280</b>	<b>362,855,530</b>	<b>374,648,460</b>	<b>379,853,580</b>	<b>382,967,190</b>
Fire Tax District Fund	7,513,040	8,237,060	8,723,220	9,974,390	10,775,500	10,450,660
Mass Transit Fund	20,997,580	23,883,870	24,538,150	24,421,720	24,340,370	24,020,250
Recreation Fund	10,475,490	12,425,330	13,367,030	14,976,040	18,057,280	21,135,830
<b>Total Other Funding Sources</b>	<b>38,986,110</b>	<b>44,546,260</b>	<b>46,828,400</b>	<b>49,372,150</b>	<b>53,173,150</b>	<b>55,606,740</b>
<b>TOTAL GO BOND FUNDING SOURCES</b>	<b>391,628,230</b>	<b>401,361,540</b>	<b>409,483,930</b>	<b>424,020,610</b>	<b>433,026,730</b>	<b>438,573,930</b>
<b>NON GO BOND FUNDING SOURCES</b>						
General Funds	13,172,930	17,861,680	8,096,650	6,061,820	5,711,950	4,913,700
MHI Fund - HUD Loan	49,650	47,230	54,510	0	0	0
Water Quality Protection Fund	8,887,800	9,690,600	9,760,150	9,766,850	9,764,550	9,760,400
MHI - Property Acquisition Fund	16,718,400	17,918,500	19,172,900	20,516,800	21,824,200	21,820,900
Non-tax funds - Wheaton Redevelopment	2,355,550	2,358,300	2,358,100	2,354,800	2,358,300	2,358,300
Motor Pool Fund	518,050	516,500	514,250	516,300	325,850	328,375
Mass Transit Fund	9,117,025	9,425,325	8,719,900	8,042,700	6,746,225	6,129,400
Fire Tax District Fund	6,036,575	6,433,850	6,739,750	7,238,650	5,651,500	5,499,600
Federal Subsidy - QECBs	252,930	243,350	233,260	222,320	210,030	203,220
Revenue Authority - Crossvines Project	-	-	288,000	548,100	704,800	800,000
<b>TOTAL NON GO BOND FUNDING SOURCES</b>	<b>57,108,910</b>	<b>64,495,335</b>	<b>55,937,470</b>	<b>55,268,340</b>	<b>53,297,205</b>	<b>51,813,895</b>
<b>TOTAL FUNDING SOURCES</b>	<b>448,737,140</b>	<b>465,856,875</b>	<b>465,421,400</b>	<b>479,288,950</b>	<b>486,323,935</b>	<b>490,387,825</b>
<b>TOTAL GENERAL OBLIGATION BOND SALES</b>						
Estimated Bond Sales	310,000,000	300,000,000	290,000,000	280,000,000	270,000,000	270,000,000
Council SAG Approved Bond Funded Expenditures	310,000,000	300,000,000	290,000,000	280,000,000	270,000,000	270,000,000
<b>ESTIMATED INTEREST RATE</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>



# Non-Tax Supported: Six Year Fiscal Plans

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## Montgomery County Government

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- Cable Television Communications Plan
- Montgomery Housing Initiative Fund
- Water Quality Protection Fund
- Community Use of Public Facilities Fund
- Parking District Funds
- Solid Waste Collection and Disposal Funds
- Leaf Vacuuming Fund
- Permitting Services Fund
- Liquor Control Fund
- Risk Management Fund
- Central Duplicating, Mail and Records Mgmt. Fund
- Employee Health Benefits Self Insurance Fund
- Motor Pool Fund

## Maryland-National Capital Park and Planning Commission

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- Enterprise Fund

## Washington Suburban Sanitary Commission

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- Water and Sewer Operating Funds

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# Montgomery County Government

## FY22 RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

	ACT FY20	APP FY21	Est FY21	REC FY22	Proj. FY23	Proj. FY24	Proj. FY25	Proj. FY26	Proj. FY27
<b>1 BEGINNING FUND BALANCE</b>	346	1,064	1,844	2,870	200	(4,426)	(10,336)	(17,986)	(26,544)
<b>2 REVENUES</b>									
3 Franchise Fees	15,792	15,185	14,854	13,768	12,687	11,569	10,428	10,103	10,103
4 Gaithersburg PEG Contribution	-	-	-	-	-	-	-	-	-
5 PEG Operating Grant	3,610	3,489	3,625	3,444	3,272	3,108	2,953	2,805	2,665
6 PEG Capital Grant	5,914	5,622	5,530	5,254	4,991	4,741	4,504	4,279	4,065
7 Interest Earned	222	159	222	153	153	153	153	153	153
8 TFCG Application Review Fees	96	250	250	250	250	250	250	250	250
<b>10 TOTAL ANNUAL REVENUES</b>	<b>25,633</b>	<b>24,706</b>	<b>24,481</b>	<b>22,869</b>	<b>21,353</b>	<b>19,822</b>	<b>18,289</b>	<b>17,590</b>	<b>17,236</b>
<b>11 TOTAL RESOURCES-CABLE FUND</b>	<b>25,979</b>	<b>25,769</b>	<b>26,325</b>	<b>25,739</b>	<b>21,553</b>	<b>15,396</b>	<b>7,953</b>	<b>(397)</b>	<b>(9,308)</b>
<b>12 EXPENDITURE OF RESTRICTED FUNDS</b>									
<b>13 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS</b>									
<b>14 Municipal Capital Support</b>									
15 Rockville Equipment	845	847	790	751	713	677	643	611	581
16 Takoma Park Equipment	197	198	184	175	166	158	150	143	136
17 Municipal League Equipment	197	198	184	175	166	158	150	143	136
<b>18 MUNICIPAL PEG/INET CAPITAL SUBTOTAL</b>	<b>1,231</b>	<b>1,243</b>	<b>1,159</b>	<b>1,101</b>	<b>1,046</b>	<b>993</b>	<b>944</b>	<b>897</b>	<b>852</b>
<b>19 PEG Network Capital Grant</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>
<b>20 NON-CIP PEG CAPITAL SUBTOTAL</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>	<b>759</b>
21 ultraMontgomery - CIP	680	680	680	680	680	680	680	680	680
22 FiberNet - CIP	3,856	3,081	3,081	3,592	3,888	3,496	3,496	3,496	3,496
<b>23 CIP EXPENDITURE SUBTOTAL</b>	<b>4,536</b>	<b>3,761</b>	<b>3,761</b>	<b>4,272</b>	<b>4,568</b>	<b>4,176</b>	<b>4,176</b>	<b>4,176</b>	<b>4,176</b>
<b>24 CAPITAL SUBTOTAL (Must be &gt; or = to Line 6)</b>	<b>6,526</b>	<b>5,763</b>	<b>5,678</b>	<b>6,132</b>	<b>6,373</b>	<b>5,928</b>	<b>5,879</b>	<b>5,832</b>	<b>5,787</b>
<b>25 B. EXPENDITURE OF RESTRICTED MUNICIPAL FUNDS</b>									
<b>26 Municipal Franchise Fee Distribution</b>									
27 City of Rockville	725	739	676	626	633	601	569	561	561
28 City of Takoma Park	223	227	208	193	194	184	175	172	172
29 Other Municipalities	246	250	229	212	210	199	189	186	186
<b>30 SUBTOTAL</b>	<b>1,186</b>	<b>1,216</b>	<b>1,113</b>	<b>1,031</b>	<b>1,037</b>	<b>984</b>	<b>932</b>	<b>918</b>	<b>918</b>
<b>31 Municipal Operating Support</b>									
32 Rockville PEG Support	248	250	236	224	246	246	246	246	246
33 Takoma Park PEG Support	423	428	403	383	421	420	420	420	420
34 Muni. League PEG Support	423	428	403	383	421	420	420	420	420
<b>35 SUBTOTAL</b>	<b>1,050</b>	<b>1,105</b>	<b>1,041</b>	<b>989</b>	<b>1,087</b>	<b>1,087</b>	<b>1,086</b>	<b>1,086</b>	<b>1,086</b>
<b>36 SUBTOTAL</b>	<b>2,235</b>	<b>2,321</b>	<b>2,154</b>	<b>2,020</b>	<b>2,124</b>	<b>2,071</b>	<b>2,019</b>	<b>2,005</b>	<b>2,005</b>
<b>37 TOTAL EXPENDITURES OF RESTRICTED FUNDS</b>	<b>8,761</b>	<b>8,083</b>	<b>7,832</b>	<b>8,152</b>	<b>8,497</b>	<b>8,000</b>	<b>7,897</b>	<b>7,836</b>	<b>7,791</b>
<b>38 NET TOTAL ANNUAL REVENUES</b>	<b>16,872</b>	<b>16,622</b>	<b>16,649</b>	<b>14,717</b>	<b>12,856</b>	<b>11,822</b>	<b>10,391</b>	<b>9,754</b>	<b>9,444</b>
<b>39 NET TOTAL RESOURCES-CABLE FUND</b>	<b>17,218</b>	<b>17,686</b>	<b>18,493</b>	<b>17,587</b>	<b>13,056</b>	<b>7,396</b>	<b>56</b>	<b>(8,233)</b>	<b>(17,100)</b>

		ACT	APP	Est	REC	Proj.	Proj.	Proj.	Proj.	Proj.
		FY20	FY21	FY21	FY22	FY23	FY24	FY25	FY26	FY27
40	<b>EXPENDITURES OF NON-RESTRICTED FUNDS</b>									
41	<b>OFFICE BROADBAND PROGRAMS</b>									
42	<b>C. OBP FIBERNET OPERATING</b>									
43	FiberNet - DTS Personnel Charges	627	1,115	1,011	1,157	1,183	1,218	1,255	1,293	1,293
44	FiberNet - DTS Operations & Maintenance	1,417	1,391	1,817	2,486	1,391	1,391	1,391	1,391	1,391
45	FiberNet - DTS Network Operations Center	910	910	1,041	910	910	910	910	910	910
46	FiberNet - DOT Personnel Charges	112	99	108	115	119	122	126	130	130
47	FiberNet - DOT Operations & Maintenance	291	291	190	291	291	291	291	291	291
48	FiberNet - DOT Miss Utility	488	488	395	488	488	488	488	488	488
49	<b>SUBTOTAL</b>	<b>3,845</b>	<b>4,294</b>	<b>4,562</b>	<b>5,447</b>	<b>4,382</b>	<b>4,421</b>	<b>4,461</b>	<b>4,503</b>	<b>4,503</b>
50	<b>D. OBP COMMUNITY TECHNOLOGY</b>									
51	TFCG Application Review	250	230	230	350	350	300	300	250	250
52	<b>B. FRANCHISE ADMINISTRATION</b>									
53	Personnel Costs - Charges for County Atty	804	748	748	771	794	818	842	868	868
54	Personnel Costs - OBP Community Technology	125	114	114	118	121	125	128	132	132
55	Operating	68	144	170	248	248	248	248	248	248
	Engineering & Inspection Services	78	-	-	-	-	-	-	-	-
56	Legal and Professional Services	475	475	345	375	250	250	250	250	250
57	<b>SUBTOTAL</b>	<b>1,799</b>	<b>1,712</b>	<b>1,608</b>	<b>1,861</b>	<b>1,763</b>	<b>1,741</b>	<b>1,769</b>	<b>1,748</b>	<b>1,748</b>
58	<b>E. OBP DIGITAL EQUITY</b>									
59	Personnel Costs	-	200	200	206	212	219	225	232	232
60	Youth and Arts Community Media	-	100	127	100	100	100	100	100	100
61	<b>SUBTOTAL</b>	<b>-</b>	<b>300</b>	<b>327</b>	<b>306</b>	<b>312</b>	<b>319</b>	<b>325</b>	<b>332</b>	<b>332</b>
62	<b>F. OBP COMMUNITY ENGAGEMENT</b>									
63	Personnel Costs	908	546	546	562	579	597	614	633	633
64	Operating Expenses	31	99	99	99	99	99	99	99	99
65	Contracts - TV Production	87	87	87	87	87	87	87	87	87
66	Community Engagement	91	91	91	91	91	91	91	91	91
67	Closed Captioning	-	163	163	163	163	163	163	163	163
	Technical Operations Center (TOC)	-	-	-	-	-	-	-	-	-
	New Media, Webstreaming & VOD Services	58	-	-	-	58	58	58	58	58
68	<b>SUBTOTAL</b>	<b>1,176</b>	<b>986</b>	<b>986</b>	<b>1,002</b>	<b>1,077</b>	<b>1,094</b>	<b>1,112</b>	<b>1,131</b>	<b>1,131</b>
69	<b>G. MEDIA - PEG NETWORK</b>									
70	Operating Expenses	181	181	181	206	206	206	206	206	206
	Community Engagement	-	-	-	-	-	-	-	-	-
	Closed Captioning	-	-	-	-	283	283	283	283	283
	Technical Operations Center (TOC)	-	-	-	-	9	9	9	9	9
	Youth and Arts Community Media	100	-	-	-	31	31	31	31	31
71	<b>SUBTOTAL</b>	<b>281</b>	<b>181</b>	<b>181</b>	<b>206</b>	<b>529</b>	<b>529</b>	<b>529</b>	<b>529</b>	<b>529</b>



		ACT FY20	APP FY21	Est FY21	REC FY22	Proj. FY23	Proj. FY24	Proj. FY25	Proj. FY26	Proj. FY27
72	H. MEDIA - PIO, COUNCIL, M-NCPPC									
73	Public Information Office									
74	Personnel Costs	867	832	832	857	883	909	937	965	965
75	Operating Expenses	11	11	11	11	11	11	11	11	11
76	SUBTOTAL	879	843	843	868	894	921	948	976	976
77	County Council									
78	Personnel Costs	660	663	663	680	700	721	743	765	765
79	Operating Expenses	124	11	11	11	11	11	11	11	11
80	Contracts - TV Production	163	253	175	253	153	153	153	153	153
81	General Sessions and Committee Meetings	-	-	-	-	100	100	100	100	100
82	SUBTOTAL	947	927	850	943	964	985	1,006	1,029	1,029
83	MNCPPC	-	-	-	-	-	-	-	-	-
84	Operating Expenses	24	24	24	24	24	24	24	24	24
85	Contracts - TV Production	99	99	39	99	99	99	99	99	99
86	SUBTOTAL	123	123	64	123	123	123	123	123	123
87	SUBTOTAL	1,949	1,893	1,757	1,935	1,981	2,028	2,077	2,128	2,128
88	I. MEDIA - MONTGOMERY COLLEGE									
89	Personnel Costs	1,555	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588
90	Operating Expenses	209	209	209	209	209	209	209	209	209
91	SUBTOTAL	1,764	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
92	J. MEDIA - MONTGOMERY CO PUBLIC SCHOOLS	-	-	-	-	-	-	-	-	-
93	Personnel Costs	1,678	1,648	1,648	1,694	1,749	1,801	1,855	1,911	1,911
94	Operating Expenses	121	121	121	76	121	121	121	121	121
95	SUBTOTAL	1,800	1,770	1,770	1,770	1,870	1,923	1,977	2,032	2,032
96	K. MEDIA - MONTGOMERY COMMUNITY MEDIA	-	-	-	-	-	-	-	-	-
97	Personnel Costs	2,231	2,240	2,240	2,394	2,463	2,534	2,607	2,682	2,759
98	Operating Expenses	54	54	54	54	54	54	54	54	54
99	Rent & Utilities	502	535	535	383	397	411	425	441	456
	New Media, Webstreaming & VOD Services	23	-	-	-	-	-	-	-	-
100	SUBTOTAL	2,811	2,829	2,829	2,832	2,914	2,999	3,086	3,176	3,269
104	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	15,426	15,763	15,817	17,156	16,626	16,851	17,134	17,376	17,469
105	TOTAL EXPENDITURE OF RESTRICTED FUNDS	8,761	8,083	7,832	8,152	8,497	8,000	7,897	7,836	7,791
106	TOTAL EXPENDITURES - PROGRAMS	24,187	23,846	23,650	25,308	25,123	24,850	25,031	25,212	25,260
107	M. OTHER									
108	Indirect Costs Transfer to Gen Fund	880	843	843	831	856	882	908	935	935
110	Transfer from the General Fund	-	-	-	(700)	-	-	-	-	-
112	Transfer to the Gen Fund-M-NCPPC	100	-	-	100	-	-	-	-	-
113	SUBTOTAL	980	843	843	231	856	882	908	935	935
114	TOTAL EXPENDITURES	25,167	24,689	24,493	25,539	25,978	25,732	25,939	26,147	26,195

		ACT	APP	Est	REC	Proj.	Proj.	Proj.	Proj.	Proj.
		FY20	FY21	FY21	FY22	FY23	FY24	FY25	FY26	FY27
115	<b>N. ADJUSTMENTS</b>									
116	Prior Year Adjustments	(1,033)	-	(1,037)	-	-	-	-	-	-
118	<b>TOTAL ADJUSTMENTS</b>	(1,033)	-	(1,037)	-	-	-	-	-	-
119	<b>FUND BALANCE</b>	<b>1,844</b>	<b>1,080</b>	<b>2,870</b>	<b>200</b>	<b>(4,426)</b>	<b>(10,336)</b>	<b>(17,986)</b>	<b>(26,544)</b>	<b>(35,504)</b>
120	<b>FUND BALANCE PER POLICY GUIDANCE</b>	<b>1,289</b>	<b>1,248</b>	<b>1,226</b>	<b>1,134</b>	<b>1,047</b>	<b>958</b>	<b>867</b>	<b>840</b>	<b>840</b>
121	<b>O. SUMMARY - EXPENDITURES BY FUNDING SOURCE</b>									
122	Transfer to Gen Fund-Indirect Costs	880	843	843	831	856	882	908	935	935
123	Transfer to Gen Fund-Mont College Cable Fund	1,764	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
124	Transfer to Gen Fund-Public Schools Cable Fund	1,800	1,770	1,770	1,770	1,870	1,923	1,977	2,032	2,032
125	Transfer to CIP Fund	4,536	3,761	3,761	4,272	4,568	4,176	4,176	4,176	4,176
126	Transfer from Gen Fund-Other	-	-	-	(700)	-	-	-	-	-
129	Transfer to the Gen Fund-M-NCPPC	100	-	-	100	-	-	-	-	-
130	<b>FUND TRANSFERS SUBTOTAL</b>	<b>9,080</b>	<b>8,171</b>	<b>8,171</b>	<b>8,069</b>	<b>9,091</b>	<b>8,777</b>	<b>8,857</b>	<b>8,940</b>	<b>8,940</b>
131	<b>Cable Fund Expenditure of Unrestricted Funds</b>	<b>11,862</b>	<b>12,196</b>	<b>12,251</b>	<b>13,589</b>	<b>12,959</b>	<b>13,131</b>	<b>13,361</b>	<b>13,547</b>	<b>13,640</b>
132	<b>Cable Fund Direct Expenditures</b>	<b>16,087</b>	<b>16,519</b>	<b>16,322</b>	<b>17,470</b>	<b>16,888</b>	<b>16,955</b>	<b>17,082</b>	<b>17,207</b>	<b>17,255</b>
133	<b>Cable Fund Personnel</b>	<b>4,104</b>	<b>4,318</b>	<b>4,223</b>	<b>4,466</b>	<b>4,591</b>	<b>4,729</b>	<b>4,871</b>	<b>5,017</b>	<b>5,017</b>
134	<b>Cable Fund Operating</b>	<b>11,983</b>	<b>12,200</b>	<b>12,299</b>	<b>13,004</b>	<b>12,296</b>	<b>12,226</b>	<b>12,211</b>	<b>12,190</b>	<b>12,238</b>

Notes:

- These revenues and expenditures are based on the Executive's recommended budget. The projected future expenditures, revenues, transfers, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements and other factors.
- Franchise fees and PEG revenues are subject to municipal pass-through payment. Municipal payments are estimates. Actual payments will be calculated based upon actual revenue received, subscriber numbers and formulas specified within the Municipal MOUs.
- Restricted revenue and expenditures: Certain Cable Fund revenues other than franchise fees, and corresponding expenditures (Municipal Franchise Fees/Pass-throughs, PEG Capital/Equipment Grants, and PEG Operating Revenue) are contractually required by franchise, municipal, and settlement agreements, and by the County Code, and may only be used for permissible federal purposes and in a manner consistent with applicable agreements..
- Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
- Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
- The Cable Television Communications Fund provides a fund transfer to Montgomery County Public Schools and Montgomery College and to support MCP5-TV and Montgomery College Television.
- Subtotals may be adjusted due to rounding.

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Montgomery Housing Initiative				
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>29,438,536</b>	<b>20,635,425</b>	<b>1,330,000</b>	<b>512,458</b>	<b>323,646</b>	<b>669,217</b>	<b>1,144,487</b>
<b>REVENUES</b>							
Taxes	14,168,216	14,853,187	15,687,110	16,857,444	17,605,446	20,040,563	21,583,480
Charges For Services	70,200	70,200	71,597	73,330	75,119	76,952	78,830
Miscellaneous	6,557,056	15,323,239	9,252,236	9,259,516	9,205,006	9,205,006	9,205,006
<b>Subtotal Revenues</b>	<b>20,795,472</b>	<b>30,246,626</b>	<b>25,010,943</b>	<b>26,190,290</b>	<b>26,885,571</b>	<b>29,322,521</b>	<b>30,867,316</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	9,727,880	11,568,462	6,960,648	5,706,248	4,362,348	3,054,948	3,058,248
MHI - Property Acquisition Fund	(10,121,700)	(16,718,400)	(17,918,500)	(19,172,900)	(20,516,800)	(21,824,200)	(21,820,900)
MHI - HOC Housing Production Fund	(9,621,700)	(13,318,400)	(14,518,500)	(15,772,900)	(17,116,800)	(18,424,200)	(18,420,900)
Transfers To The General Fund	(462,465)	(453,967)	(461,681)	(461,681)	(461,681)	(461,681)	(461,681)
Indirect Costs	(462,465)	(453,967)	(461,681)	(461,681)	(461,681)	(461,681)	(461,681)
Transfers From The General Fund	20,312,045	28,740,829	25,340,829	25,340,829	25,340,829	25,340,829	25,340,829
From General Fund	19,812,045	25,340,829	25,340,829	25,340,829	25,340,829	25,340,829	25,340,829
From Designated General Fund Reserve for Affordable Housing	500,000	3,400,000	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>59,961,888</b>	<b>62,450,513</b>	<b>33,301,591</b>	<b>32,408,996</b>	<b>31,571,565</b>	<b>33,046,686</b>	<b>35,070,051</b>
<b>PSP OPER. BUDGET APPROPRIATIONS</b>							
Operating Budget	(5,878,951)	(2,769,776)	(2,769,776)	(2,769,776)	(2,769,776)	(2,769,776)	(2,769,776)
Debt Service: Other (Non-Tax Funds only)	(52,050)	(49,650)	(47,230)	(54,510)	0	0	0
Labor Agreement	n/a	0	(40,222)	(40,222)	(40,222)	(40,222)	(40,222)
Rental Assistance Program (RAP)	(14,088,216)	(14,753,187)	(15,687,110)	(16,857,444)	(17,605,446)	(20,040,563)	(21,583,480)
Affordable Housing Loans	(1,205,743)	(12,551,814)	(639,135)	739,542	2,470,636	3,905,902	4,035,975
HHS Housing Programs	(9,706,200)	(9,706,200)	(9,701,380)	(9,708,660)	(9,708,200)	(9,708,200)	(9,708,200)
Neighborhoods to Call Home	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)
Homeownership Assistance Program	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(34,162,500)</b>	<b>(43,081,967)</b>	<b>(32,136,193)</b>	<b>(31,942,410)</b>	<b>(30,902,348)</b>	<b>(31,902,199)</b>	<b>(33,315,043)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(5,163,963)</b>	<b>(18,038,546)</b>	<b>(652,940)</b>	<b>(142,940)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(39,326,463)</b>	<b>(61,120,513)</b>	<b>(32,789,133)</b>	<b>(32,085,350)</b>	<b>(30,902,348)</b>	<b>(31,902,199)</b>	<b>(33,315,043)</b>
<b>YEAR END FUND BALANCE</b>	<b>20,635,425</b>	<b>1,330,000</b>	<b>512,458</b>	<b>323,646</b>	<b>669,217</b>	<b>1,144,487</b>	<b>1,755,008</b>
Affordable Housing and Acquisition and Preservation CIP Project #P760100	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)
Affordable Housing Opportunity Fund CIP Project #P762101	(8,000,000)	(6,000,000)					
<b>TOTAL ALLOCATION IN AFFORDABLE HOUSING (MHI Fund + CIP Projects)</b>	<b>(69,326,463)</b>	<b>(89,120,513)</b>	<b>(54,789,133)</b>	<b>(54,085,350)</b>	<b>(52,902,348)</b>	<b>(53,902,199)</b>	<b>(55,315,043)</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>34.4%</b>	<b>2.1%</b>	<b>1.5%</b>	<b>1.0%</b>	<b>2.1%</b>	<b>3.5%</b>	<b>5.0%</b>
<b>Assumptions:</b> 1. A total of \$89.1 million will be allocated in affordable housing, including expenditures of \$61.1 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$13.25 million of debt, \$8.75 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY22. The funding provided a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing and a variety of services for permanent supportive housing and community development. 2. A supplemental request for the new Affordable Housing Opportunity Fund CIP was submitted to the Council in December 2020 for approval. The funding will be used to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors. 3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources. <b>Notes:</b> 1. 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 not assumed here to fee or tax rates. 2. The Executive recommends an additional \$5.5 million to be transferred from the General Fund to the MHI fund, compared to \$19.8 million approved for FY21. A combination totaling \$25.3 million transferred from the General Fund, the additional \$6.8 million collected from land sale proceeds, and the projected \$1.77 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal. 3. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Water Quality Protection Fund			
FISCAL PROJECTIONS	FY21 Estimate	FY22 CE Rec.	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Investment Income Yield	0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
Number of Equivalent Residential Units (ERUs) Billed	367,400	367,400	368,000	368,000	369,000	369,000	369,000
Water Quality Protection Charge (\$/ERU)	\$107.60	\$113.50	\$118.00	\$120.00	\$125.00	\$125.00	\$125.00
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
<b>BEGINNING FUND BALANCE</b>	<b>16,507,602</b>	<b>5,304,552</b>	<b>3,184,931</b>	<b>3,064,170</b>	<b>4,233,559</b>	<b>6,287,047</b>	<b>9,331,436</b>
<b>REVENUES</b>							
Charges For Services	38,993,180	41,137,400	42,840,280	43,559,900	45,499,380	45,499,380	45,499,380
Bag Tax Receipts	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous	247,500	347,500	547,500	547,500	547,500	547,500	547,500
<b>Subtotal Revenues</b>	<b>41,740,680</b>	<b>43,984,900</b>	<b>45,887,780</b>	<b>46,607,400</b>	<b>48,546,880</b>	<b>48,546,880</b>	<b>48,546,880</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(10,244,250)</b>	<b>(11,706,830)</b>	<b>(12,577,404)</b>	<b>(12,646,874)</b>	<b>(12,652,254)</b>	<b>(12,651,354)</b>	<b>(12,649,454)</b>
Transfers To General Fund	(1,837,940)	(1,876,810)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)
Indirect Costs	(1,837,940)	(1,876,810)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)	(1,909,540)
Transfers to Debt Service Fund (Non-Tax)	(8,406,310)	(9,830,020)	(10,667,864)	(10,737,334)	(10,742,714)	(10,741,814)	(10,739,914)
<b>TOTAL RESOURCES</b>	<b>48,004,032</b>	<b>37,582,622</b>	<b>36,495,307</b>	<b>37,024,696</b>	<b>40,128,184</b>	<b>42,182,573</b>	<b>45,228,862</b>
<b>CIP CURRENT REVENUE APPROPRIATION</b>	<b>(8,140,000)</b>	<b>(4,917,000)</b>	<b>(3,640,000)</b>	<b>(3,000,000)</b>	<b>(4,050,000)</b>	<b>(3,060,000)</b>	<b>(3,060,000)</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(29,355,150)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)	(29,480,691)
Annualizations and One-Time (PC)	0	0	(30,434)	(30,434)	(30,434)	(30,434)	(30,434)
Labor Contracts	0	0	(141,893)	(141,893)	(141,893)	(141,893)	(141,893)
Labor Contracts Other	0	0	11,881	11,881	11,881	11,881	11,881
Operating Impacts of CIP Projects (CE Recommended FY21-26 PDFs)	0	0	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(29,355,150)</b>	<b>(29,480,691)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>	<b>(29,791,137)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(5,204,330)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(42,699,480)</b>	<b>(34,397,691)</b>	<b>(33,431,137)</b>	<b>(32,791,137)</b>	<b>(33,841,137)</b>	<b>(32,851,137)</b>	<b>(32,851,137)</b>
<b>YEAR END FUND BALANCE</b>	<b>5,304,552</b>	<b>3,184,931</b>	<b>3,064,170</b>	<b>4,233,559</b>	<b>6,287,047</b>	<b>9,331,436</b>	<b>12,377,725</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>11.1%</b>	<b>8.5%</b>	<b>8.4%</b>	<b>11.4%</b>	<b>15.7%</b>	<b>22.1%</b>	<b>27.4%</b>
<b>NET REVENUE</b>	<b>10,547,590</b>	<b>12,627,399</b>	<b>14,187,103</b>	<b>14,906,723</b>	<b>16,846,203</b>	<b>16,846,203</b>	<b>16,846,203</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.25</b>	<b>1.28</b>	<b>1.33</b>	<b>1.39</b>	<b>1.57</b>	<b>1.57</b>	<b>1.57</b>
<b>Assumptions:</b> 1. 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. 2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program. 3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY22 and FY26 have been incorporated in the future fiscal impact (FFI) rows. 4. The operating budget includes planning and implementation costs for compliance with the Municipal Separate Storm Sewer System (MS-4) permit, which was issued by the Maryland Department of the Environment in February 2010 and remains administratively extended until a new permit is in place (expected in summer 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) and \$46.5 million dated April 6, 2016 (Series 2016A). 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 FY21-26 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 FY22 and FY23. 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. 5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs (1.20 in FY21). 6. The Water Quality Protection fund balance minimum policy target is 5% of resources.							



FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Community Use of Public Facilities			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	4,360,222	630,409	(490,133)	(761,687)	167,853	380,150	551,008
<b>REVENUES</b>							
Charges For Services	3,031,085	8,521,854	11,975,233	12,744,043	13,054,998	13,373,540	13,699,854
Miscellaneous	17,240	0	0	26,830	37,560	37,560	37,560
<b>Subtotal Revenues</b>	3,048,325	8,521,854	11,975,233	12,770,873	13,092,558	13,411,100	13,737,414
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	(621,732)	(937,347)	(1,090,084)	(390,056)	(1,089,594)	(1,090,084)	(1,090,084)
Transfers To Debt Service Fund	(81,886)	(329,777)	(330,162)	(330,134)	(329,672)	(330,162)	(330,162)
Long Term Leases - Wheaton	(81,886)	(329,777)	(330,162)	(330,134)	(329,672)	(330,162)	(330,162)
Transfers To The General Fund	(699,846)	(767,570)	(919,922)	(919,922)	(919,922)	(919,922)	(919,922)
Indirect Costs	(667,516)	(610,240)	(712,592)	(712,592)	(712,592)	(712,592)	(712,592)
DCM	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)
CAPP	(25,000)	(150,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Transfers From The General Fund	160,000	160,000	160,000	160,000	160,000	160,000	160,000
After School	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Elections	135,000	135,000	135,000	135,000	135,000	135,000	135,000
General Fund Transfer to Eliminate Negative Fund Balance	0	0	0	700,000	0	0	0
<b>TOTAL RESOURCES</b>	6,786,815	8,214,916	10,395,016	11,619,130	12,170,817	12,701,166	13,198,338
<b>CIP CURRENT REVENUE APPROP.</b>	(245,000)	(176,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(5,580,550)	(8,502,633)	(9,103,445)	(9,270,630)	(9,445,994)	(9,629,144)	(9,820,426)
Labor Agreement	n/a	0	(77,958)	(77,958)	(77,958)	(77,958)	(77,958)
Increase in MCPS Reimbursable Staff Costs	n/a	n/a	(994,373)	(1,073,824)	(1,155,182)	(1,238,492)	(1,323,802)
Utility Reimbursements to MCPS	n/a	n/a	(37,869)	(84,220)	(131,684)	(180,287)	(230,056)
Custodial Supply Reimbursements to MCPS	n/a	n/a	(164,858)	(170,133)	(175,535)	(181,067)	(186,731)
MCPS Maintenance Reimbursements	n/a	n/a	(558,252)	(576,116)	(594,409)	(613,141)	(632,322)
MCPS Equipment Reimbursements	n/a	n/a	(31,927)	(34,481)	(37,096)	(39,774)	(42,516)
ActiveMontgomery Transaction Fees	n/a	n/a	63,902	63,902	63,902	63,902	63,902
New System Annual and Transaction Fees	n/a	n/a	(30,100)	(32,990)	(35,949)	(38,979)	(42,082)
Building Space Expenses	n/a	n/a	241	137	(1,534)	(1,568)	(32,773)
Security Services at Silver Spring Civic Building	n/a	n/a	(35,832)	(38,699)	(41,634)	(44,640)	(47,718)
Maintenance at Silver Spring Civic Building	n/a	n/a	(32,259)	(33,033)	(33,826)	(34,638)	(35,469)
Comcast/Porter Services at Silver Spring Civic Building	n/a	n/a	0	(2,400)	(4,858)	(7,375)	(9,952)
Miscellaneous Operating Expenses	n/a	n/a	(61,786)	(71,911)	(82,279)	(92,896)	(103,768)
Retiree Health Insurance Pre-Funding	n/a	n/a	11,690	23,140	35,430	37,960	37,960
Savings from Replacement of ActiveMontgomery	n/a	n/a	144,791	144,791	144,791	144,791	144,791
ActiveMontgomery Fiscal Assistant	n/a	n/a	83,148	83,148	83,148	83,148	83,148
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(5,580,550)	(8,502,633)	(10,824,887)	(11,151,277)	(11,490,667)	(11,850,158)	(12,255,772)
<b>OTHER CLAIMS ON FUND BALANCE</b>	(330,856)	(26,416)	(31,816)	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(6,156,406)	(8,705,049)	(11,156,703)	(11,451,277)	(11,790,667)	(12,150,158)	(12,555,772)
<b>YEAR END FUND BALANCE</b>	630,409	(490,133)	(761,687)	167,853	380,150	551,008	642,566
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	9.3%	-6.0%	-7.3%	1.4%	3.1%	4.3%	4.9%

#### Assumptions:

- Changes in interfund transfers reflect the election cycle, receipts from the General Fund to offset the cost of free use and unpermitted field use, and technology modernization costs.
- The ICB must review and approve any changes in fees. A 4% fee increase is planned in FY24 in order to eliminate CUPF's negative fund balance.
- A transfer from the General Fund to CUPF is planned in FY24 in order to eliminate CUPF's negative fund balance.
- The fiscal plan assumes a one time use of surplus funds to replace the on-line booking system shared by CUPF, the Recreation Department, and M-NCPPC. This use is shown as a current revenue transfer in FY21 Estimate and FY22 to the CIP project, per the March 15, 2021 amended Shared Agency Booking System Replacement (P722001) Project Description Form (PDF).
- The fiscal plan assumes a one time use of surplus funds for ballfield maintenance. This use is shown as a claim on fund balance in FY21 to the CIP project, Ballfield Initiatives (P008720) and represents the FY20 remaining balance of CUPF Current Revenue in the Ballfield Initiatives CIP project as of June 30, 2020.

#### Notes:

- The fund balance is calculated on a net assets basis.
- 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 not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Community Use of Public Facilities has a fund balance policy target of 10% of resources.

## Bethesda PLD

FY21-26 Public Services Program: Fiscal Plan Bethesda Parking Lot District		Estimated 2021	Recommended 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
<b>Assumptions</b>								
Indirect Cost Rate		18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)		1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Investment Income Yield		0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
<b>Beginning Fund Balance</b>		<b>14,483,508</b>	<b>9,643,894</b>	<b>5,908,008</b>	<b>9,044,435</b>	<b>7,617,918</b>	<b>6,981,008</b>	<b>7,114,242</b>
<b>Revenues</b>								
Charges for Services		12,902,912	13,184,065	16,699,827	16,237,327	16,237,327	16,237,327	16,237,327
Parking Fees Base		15,355,081	15,355,081	15,555,081	14,755,081	14,755,081	14,755,081	14,755,081
Reduced Fees - COVID		(8,407,423)	(3,071,016)	(767,754)	(767,754)	(767,754)	(767,754)	(767,754)
Increased Rates		-	900,000	1,912,500	2,250,000	2,250,000	2,250,000	2,250,000
Additional Revenue (GF)		5,955,254	-	-	-	-	-	-
Fines & Forfeits		1,804,882	2,762,500	3,087,500	3,087,500	3,087,500	3,087,500	3,087,500
Parking Fines		3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
Reduced Fines - COVID		(1,445,118)	(487,500)	(162,500)	(162,500)	(162,500)	(162,500)	(162,500)
Miscellaneous		382,890	365,990	6,704,920	2,396,130	2,410,930	2,410,930	2,410,930
Investment Income		23,770	6,870	14,800	37,010	51,810	51,810	51,810
Property Rentals		75,000	75,000	75,000	2,075,000	2,075,000	2,075,000	2,075,000
G-49 Air Rights		284,120	284,120	284,120	284,120	284,120	284,120	284,120
Land Sales		-	-	6,331,000	-	-	-	-
<b>Subtotal Revenues</b>		<b>15,090,684</b>	<b>16,312,555</b>	<b>26,492,247</b>	<b>21,720,957</b>	<b>21,735,757</b>	<b>21,735,757</b>	<b>21,735,757</b>
<b>Transfers</b>								
Transfers to/from General Fund		(433,485)	(449,122)	100,954	(469,137)	(480,601)	(492,345)	(504,376)
Indirect Costs		(433,485)	(449,122)	(458,046)	(469,137)	(480,601)	(492,345)	(504,376)
Lot 43 Current Appraisal Delta		-	-	559,000	-	-	-	-
Transfers to/from Special Funds : Tax Supported		(1,609,890)	(2,408,612)	(2,352,550)	(2,303,834)	(2,281,122)	(2,262,345)	(2,240,932)
Bethesda Urban District		(1,609,890)	(2,408,612)	(2,352,550)	(2,303,834)	(2,281,122)	(2,262,345)	(2,240,932)
Transfers to/from Other Funds		-	-	(1,500,000)	(1,500,000)	(1,200,000)	(1,090,000)	110,000
Wheaton PLD Transfers		-	-	-	-	-	110,000	110,000
Silver Spring PLD Transfers		-	-	(1,500,000)	(1,500,000)	(1,200,000)	(1,200,000)	-
<b>Subtotal Transfers</b>		<b>(2,043,375)</b>	<b>(2,857,734)</b>	<b>(3,751,596)</b>	<b>(4,272,971)</b>	<b>(3,961,723)</b>	<b>(3,844,690)</b>	<b>(2,635,308)</b>
<b>Total Resources</b>		<b>27,530,816</b>	<b>23,098,715</b>	<b>28,648,658</b>	<b>26,492,421</b>	<b>25,391,952</b>	<b>24,872,075</b>	<b>26,214,691</b>
<b>CIP Current Revenue Appropriation Expenditure</b>								
Facilities Planning Parking: Bethesda PLD		(250,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Parking Bethesda Facilities Renovations		(3,932,000)	(3,958,000)	(6,115,000)	(5,174,000)	(4,465,000)	(3,565,000)	(3,565,000)
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>		<b>(4,182,000)</b>	<b>(4,048,000)</b>	<b>(6,205,000)</b>	<b>(5,264,000)</b>	<b>(4,555,000)</b>	<b>(3,655,000)</b>	<b>(3,655,000)</b>
<b>Appropriations/Expenditures</b>								
Operating Budget		(9,087,293)	(10,045,398)	(10,284,554)	(10,531,703)	(10,787,744)	(11,049,534)	(11,329,491)
Personnel Costs		(2,104,956)	(2,341,618)	(2,388,145)	(2,445,969)	(2,505,739)	(2,566,969)	(2,629,696)
Operating Expenses		(6,982,337)	(7,703,780)	(7,896,409)	(8,085,733)	(8,282,005)	(8,482,565)	(8,699,796)
Existing Debt Service		(4,634,250)	(3,104,200)	(3,091,100)	(3,078,800)	(3,068,200)	(3,053,300)	(1,803,600)
<b>Subtotal PSP Operating Budget Appropriation</b>		<b>(13,721,543)</b>	<b>(13,149,598)</b>	<b>(13,375,654)</b>	<b>(13,610,503)</b>	<b>(13,855,944)</b>	<b>(14,102,834)</b>	<b>(13,133,091)</b>
Other Claims on Fund Balance		16,621	6,891	(23,569)	-	-	-	-
Transfers OPEB		(23,569)	(23,569)	(23,569)	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance		40,190	30,460	-	-	-	-	-
<b>Total Use of Resources</b>		<b>(17,886,922)</b>	<b>(17,190,707)</b>	<b>(19,604,223)</b>	<b>(18,874,503)</b>	<b>(18,410,944)</b>	<b>(17,757,834)</b>	<b>(16,788,091)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>		<b>(4,839,613)</b>	<b>(3,735,887)</b>	<b>3,136,427</b>	<b>(1,426,517)</b>	<b>(636,910)</b>	<b>133,233</b>	<b>2,312,358</b>
<b>Year End Fund Balance</b>		<b>9,643,894</b>	<b>5,908,008</b>	<b>9,044,435</b>	<b>7,617,918</b>	<b>6,981,008</b>	<b>7,114,242</b>	<b>9,426,600</b>
<b>Bond Restricted Reserve</b>		<b>(4,479,896)</b>	<b>(5,203,390)</b>	<b>(5,229,582)</b>	<b>(5,257,609)</b>	<b>(5,285,920)</b>	<b>(5,315,232)</b>	<b>(5,344,026)</b>
<b>Year End Available Fund Balance</b>		<b>5,163,998</b>	<b>704,617</b>	<b>3,814,853</b>	<b>2,360,309</b>	<b>1,695,088</b>	<b>1,799,010</b>	<b>4,082,573</b>
<b>Available Fund Balance as a % of Next Year's PSP Expenses</b>		<b>39%</b>	<b>5%</b>	<b>28%</b>	<b>17%</b>	<b>12%</b>	<b>14%</b>	<b>30%</b>
<b>Target Balance</b>		<b>3,287,399</b>	<b>3,343,914</b>	<b>3,402,626</b>	<b>3,463,986</b>	<b>3,525,708</b>	<b>3,283,273</b>	<b>3,456,288</b>

## Other Assumptions:

- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY22-27 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Projected revenue reduction to Fees and Fines based on COVID.
- Revenue increase of \$5.9 in FY21 from the General Fund to offset some of this loss.
- Reduction to revenues in FY21-22 due to G47 renovation limiting available spaces (\$200K in FY21 and FY22).
- Net Proceeds from the sale of Lot 43 in FY23 in the amount of \$6.33M assuming gross sales price of \$8.44M minus Housing Initiative Fund (HIF) retainage of 25% of the sales amount.
- Transfer from the General Fund to cover the appraisal difference for the Lot 43 sale of \$559K.
- Implement proposed rate increase which will provide additional \$900K in FY22.
- Revenue growth starting in FY24 as a result of increased occupancy associated with the Marriott development (Net increase of \$1.2M per year).
- Transfer to Silver Spring PLD for repayment of loan (\$3M) in the amount of \$1.5M in FY23 and FY24.
- Transfer to Silver Spring PLD which covers half the costs of the new PLD Service Center in the amount of \$1.2M in FY25 and 26 (Service Center costs \$4.8M, Bethesda's share is \$2.4M).
- Transfer from Wheaton PLD in FY26-27 of \$110K to payback the \$220K loan from Bethesda.
- Increase transfer to the Bethesda Urban District in FY22-27 by \$650K to assume the General Funds responsibility for the Urban District.
- Deferment of \$2.8M in capital renovation projects in FY21-22 to future years due to revenue loss from COVID.
- Implemented a savings plan to reduce operating costs of \$1M in FY21 and \$405K in FY22-27.
- Using the Bond Renewal and Restoration Account Reserve (\$1.5M) in FY21 with repayment in FY22.

## Silver Spring PLD

FY21-26 Public Services Program: Fiscal Plan Silver Spring Parking Lot District		Estimated 2021	Recommended 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
<b>Assumptions</b>								
Indirect Cost Rate		18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)		1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Investment Income Yield		0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
<b>Beginning Fund Balance</b>								
		11,551,783	2,972,979	701,670	2,476,628	3,392,496	2,595,741	1,325,384
<b>Revenues</b>								
Charges for Services		4,090,421	11,086,331	14,253,892	14,943,892	14,943,892	14,943,892	14,943,892
Parking Fees Base		12,920,413	12,920,413	12,920,413	12,920,413	12,920,413	12,920,413	12,920,413
Reduced Fees - COVID		(8,139,992)	(2,884,082)	(786,521)	(786,521)	(786,521)	(786,521)	(786,521)
Increased Rates		(690,000)	1,050,000	2,010,000	2,700,000	2,700,000	2,700,000	2,700,000
Discovery G9		-	-	110,000	110,000	110,000	110,000	110,000
Fines & Forfeits		629,501	1,613,036	1,802,805	1,802,805	1,802,805	1,802,805	1,802,805
Parking Fines		1,897,689	1,897,689	1,897,689	1,897,689	1,897,689	1,897,689	1,897,689
Reduced Fines - COVID		(1,268,188)	(284,654)	(94,884)	(94,884)	(94,884)	(94,884)	(94,884)
Miscellaneous		41,270	26,140	33,220	53,050	66,270	66,270	66,270
Investment Income		21,270	6,140	13,220	33,050	46,270	46,270	46,270
Miscellaneous Revenues		20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Subtotal Revenues</b>		<b>4,761,192</b>	<b>12,725,507</b>	<b>16,089,917</b>	<b>16,799,747</b>	<b>16,812,967</b>	<b>16,812,967</b>	<b>16,812,967</b>
<b>Transfers</b>								
Transfers to/from General Fund		(489,681)	(507,278)	(517,258)	(529,662)	(542,482)	(555,616)	(569,071)
Indirect Costs		(484,681)	(502,278)	(512,258)	(524,662)	(537,482)	(550,616)	(564,071)
General Fund - Other		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers to/from Special Funds : Tax Supported		(2,813,959)	(2,704,922)	(2,804,101)	(2,892,581)	(2,994,464)	(3,094,790)	(3,094,790)
Silver Spring Urban District		(2,813,959)	(2,704,922)	(2,804,101)	(2,892,581)	(2,994,464)	(3,094,790)	(3,094,790)
Transfers to/from Other Funds		-	-	1,500,000	1,500,000	1,200,000	1,200,000	-
Bethesda PLD Transfers		-	-	1,500,000	1,500,000	1,200,000	1,200,000	-
<b>Subtotal Transfers</b>		<b>(3,303,640)</b>	<b>(3,212,200)</b>	<b>(1,821,359)</b>	<b>(1,922,243)</b>	<b>(2,336,946)</b>	<b>(2,450,406)</b>	<b>(3,663,861)</b>
<b>Total Resources</b>		<b>13,009,335</b>	<b>12,486,285</b>	<b>14,970,228</b>	<b>17,354,132</b>	<b>17,868,516</b>	<b>16,958,302</b>	<b>14,474,490</b>
<b>CIP Current Revenue Appropriation Expenditure</b>								
Facilities Planning Parking: Silver Spring PLD		-	(115,000)	(115,000)	(135,000)	(204,000)	(155,000)	(90,000)
Parking Silver Spring Facilities Renovations		(656,000)	(1,730,000)	(2,195,000)	(3,370,000)	(4,310,000)	(4,410,000)	(2,610,000)
Parking Lot Districts Service Facility		(260,000)	-	-	-	-	-	-
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>		<b>(916,000)</b>	<b>(1,845,000)</b>	<b>(2,310,000)</b>	<b>(3,505,000)</b>	<b>(4,514,000)</b>	<b>(4,565,000)</b>	<b>(2,700,000)</b>
<b>Appropriations/Expenditures</b>								
Operating Budget		(9,130,601)	(9,942,821)	(10,164,744)	(10,456,636)	(10,758,776)	(11,067,917)	(11,393,147)
Personnel Costs		(2,202,330)	(2,618,761)	(2,670,795)	(2,735,463)	(2,802,306)	(2,870,783)	(2,940,934)
Operating Expenses		(6,928,271)	(7,324,060)	(7,493,950)	(7,721,174)	(7,956,469)	(8,197,134)	(8,452,213)
<b>Subtotal PSP Operating Budget Appropriation</b>		<b>(9,130,601)</b>	<b>(9,942,821)</b>	<b>(10,164,744)</b>	<b>(10,456,636)</b>	<b>(10,758,776)</b>	<b>(11,067,917)</b>	<b>(11,393,147)</b>
Other Claims on Fund Balance		10,245	3,205	(18,855)	-	-	-	-
Transfers OPEB		(18,855)	(18,855)	(18,855)	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance		29,100	22,060	-	-	-	-	-
<b>Total Use of Resources</b>		<b>(10,036,356)</b>	<b>(11,784,616)</b>	<b>(12,493,599)</b>	<b>(13,961,636)</b>	<b>(15,272,776)</b>	<b>(15,632,917)</b>	<b>(14,093,147)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>		<b>(8,576,804)</b>	<b>(2,271,309)</b>	<b>1,774,958</b>	<b>915,867</b>	<b>(796,755)</b>	<b>(1,270,357)</b>	<b>(944,041)</b>
<b>Year End Fund Balance</b>		<b>2,972,979</b>	<b>701,670</b>	<b>2,476,628</b>	<b>3,392,496</b>	<b>2,595,741</b>	<b>1,325,384</b>	<b>381,343</b>
<b>Bond Restricted Reserve</b>								
<b>Year End Available Fund Balance</b>		<b>2,972,979</b>	<b>701,670</b>	<b>2,476,628</b>	<b>3,392,496</b>	<b>2,595,741</b>	<b>1,325,384</b>	<b>381,343</b>
<b>Available Fund Balance as a % of Next Year's PSP Expenses</b>		<b>30%</b>	<b>7%</b>	<b>24%</b>	<b>32%</b>	<b>23%</b>	<b>12%</b>	<b>3%</b>
<b>Target Balance</b>		<b>2,485,705</b>	<b>2,541,186</b>	<b>2,614,159</b>	<b>2,689,694</b>	<b>2,766,979</b>	<b>2,848,287</b>	<b>3,494,081</b>

## Other Assumptions:

1. Phase 2 of incremental rate increase that was approved in FY21 will be implemented in FY22. FY22 revenues are projected to be \$1,050,000.
2. Increase in operating expense starting in FY21 based on the increased hours and rates to cover enforcement, security, and cashier management (\$400K).
3. Transfer from Bethesda for repayment of loan (\$3M) in the amount of \$1.5M in FY23 and FY24.
4. Transfer from Bethesda fund to cover half the costs of the new PLD Service Center in the amount of \$1.2M in FY25 and 26 (Service Center costs \$4.8M, Bethesda's share is \$2.4M).
5. Operational Expenditure savings of \$2.1M in FY21-23 and \$1.9M in FY24-27.
6. Projected Revenue reduction to Fees and Fines based on COVID.
7. Defer CIP renovation expenditures of \$4.5M in FY21, \$2.3M in FY22, and \$2.0M in FY23.
8. Urban District Reduction of \$142K in FY22-27
9. Projected Discovery G9 partial revenue return of \$110K in FY23



## Wheaton PLD

FY21-26 Public Services Program: Fiscal Plan							
Wheaton Parking Lot District	Estimated 2021	Recommended 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
<b>Assumptions</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Investment Income Yield	0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
<b>Beginning Fund Balance</b>	<b>874,605</b>	<b>79,679</b>	<b>109,675</b>	<b>309,615</b>	<b>557,575</b>	<b>854,637</b>	<b>1,014,185</b>
<b>Revenues</b>							
Charges for Services	775,176	1,479,220	1,876,250	1,876,250	1,876,250	1,876,250	1,876,250
Parking Fees Base	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000
Reduced Fees - COVID	(599,824)	(345,780)	(98,750)	(98,750)	(98,750)	(98,750)	(98,750)
Increased Rates	-	450,000	600,000	600,000	600,000	600,000	600,000
Fines & Forfeits	142,956	404,600	452,200	452,200	452,200	452,200	452,200
Parking Fines	476,000	476,000	476,000	476,000	476,000	476,000	476,000
Reduced Fines - COVID	(333,044)	(71,400)	(23,800)	(23,800)	(23,800)	(23,800)	(23,800)
Miscellaneous	960	280	600	1,500	2,100	2,100	2,100
Investment Income	960	280	600	1,500	2,100	2,100	2,100
<b>Subtotal Revenues</b>	<b>919,092</b>	<b>1,884,100</b>	<b>2,329,050</b>	<b>2,329,950</b>	<b>2,330,550</b>	<b>2,330,550</b>	<b>2,330,550</b>
<b>Transfers</b>							
Transfers to/from General Fund	(71,213)	(74,802)	(76,289)	(78,136)	(80,045)	(82,001)	(84,005)
Indirect Costs	(71,213)	(74,802)	(76,289)	(78,136)	(80,045)	(82,001)	(84,005)
Transfers to/from Special Funds : Tax Supported	(88,667)	(200,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Wheaton Urban District	(88,667)	(200,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Transfers to/from Other Funds	-	-	-	-	-	(110,000)	(110,000)
Bethesda PLD Transfers	-	-	-	-	-	(110,000)	(110,000)
<b>Subtotal Transfers</b>	<b>(159,880)</b>	<b>(274,802)</b>	<b>(376,289)</b>	<b>(378,136)</b>	<b>(380,045)</b>	<b>(492,001)</b>	<b>(494,005)</b>
<b>Total Resources</b>	<b>1,633,817</b>	<b>1,688,977</b>	<b>2,062,436</b>	<b>2,261,430</b>	<b>2,508,080</b>	<b>2,693,186</b>	<b>2,850,730</b>
<b>CIP Current Revenue Appropriation Expenditure</b>							
Facilities Planning Parking: Wheaton PLD	(45,000)	(58,000)	(145,000)	(145,000)	(45,000)	(45,000)	(45,000)
Parking Wheaton Facilities Renovations	(71,000)	(34,000)	(12,000)	(12,000)	(112,000)	(112,000)	(112,000)
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>	<b>(116,000)</b>	<b>(92,000)</b>	<b>(157,000)</b>	<b>(157,000)</b>	<b>(157,000)</b>	<b>(157,000)</b>	<b>(157,000)</b>
<b>Appropriations/Expenditures</b>							
Operating Budget	(1,438,762)	(1,486,916)	(1,592,285)	(1,546,855)	(1,496,442)	(1,522,001)	(1,569,338)
Personnel Costs	(354,612)	(390,001)	(397,750)	(407,381)	(417,336)	(427,534)	(437,981)
Operating Expenses	(1,084,150)	(1,096,915)	(1,194,534)	(1,139,474)	(1,079,107)	(1,094,467)	(1,131,357)
<b>Subtotal PSP Operating Budget Appropriation</b>	<b>(1,438,762)</b>	<b>(1,486,916)</b>	<b>(1,592,285)</b>	<b>(1,546,855)</b>	<b>(1,496,442)</b>	<b>(1,522,001)</b>	<b>(1,569,338)</b>
Other Claims on Fund Balance	624	(386)	(3,536)	-	-	-	-
Transfers OPEB	(3,536)	(3,536)	(3,536)	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance	4,160	3,150	-	-	-	-	-
<b>Total Use of Resources</b>	<b>(1,554,138)</b>	<b>(1,579,302)</b>	<b>(1,752,821)</b>	<b>(1,703,855)</b>	<b>(1,653,442)</b>	<b>(1,679,001)</b>	<b>(1,726,338)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>	<b>(794,926)</b>	<b>29,995</b>	<b>199,941</b>	<b>247,959</b>	<b>297,063</b>	<b>159,548</b>	<b>110,208</b>
<b>Year End Fund Balance</b>	<b>79,679</b>	<b>109,675</b>	<b>309,615</b>	<b>557,575</b>	<b>854,637</b>	<b>1,014,185</b>	<b>1,124,393</b>
<b>Bond Restricted Reserve</b>							
<b>Year End Available Fund Balance</b>	<b>79,679</b>	<b>109,675</b>	<b>309,615</b>	<b>557,575</b>	<b>854,637</b>	<b>1,014,185</b>	<b>1,124,393</b>
<b>Available Fund Balance as a % of Next Year's PSP Expenses</b>	<b>5%</b>	<b>7%</b>	<b>20%</b>	<b>37%</b>	<b>56%</b>	<b>65%</b>	<b>65%</b>
<b>Target Balance</b>	<b>371,729</b>	<b>398,071</b>	<b>386,714</b>	<b>374,111</b>	<b>380,500</b>	<b>392,334</b>	<b>435,367</b>

## Other Assumptions:

1. Projected Revenue reduction to Fees and Fines based on COVID.
2. Proposed rate increase in FY22 will generate Revenue an additional \$450,000 in FY22.
3. Increase in operating expense starting in FY22 based on the increased hours and rates to cover enforcement, security (\$50K).
4. Repayment of a Bethesda PLD loan of \$220K will be paid in equal \$110K payments in FY26 and FY27.
5. Reduction to Urban District Transfer in FY22 of 268K and \$168K for FY23-27.
6. Implement ~10% savings plan from FY21-27.
7. Reduction to CIP renovation expenditures of \$612K from FY22-25.



**FY22 - FY27 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation**

	FY21 Estimate	FY22 Projection	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.62%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Number of Households (mid-FY)	92,295	92,750	93,027	93,303	93,580	94,017	94,454
<b>Charge Per Household</b>	<b>\$ 107.00</b>	<b>\$ 117.00</b>	<b>\$ 127.00</b>	<b>\$ 137.00</b>	<b>\$ 147.00</b>	<b>\$ 150.00</b>	<b>\$ 150.00</b>
Percent Rate Increase (Decrease)	12.63%	9.35%	8.55%	7.87%	7.30%	2.04%	0.00%
<b>BEGINNING NET ASSETS</b>	<b>(3,054,679)</b>	<b>(3,676,462)</b>	<b>(3,640,913)</b>	<b>(3,046,272)</b>	<b>(1,742,431)</b>	<b>145,085</b>	<b>1,568,781</b>
<b>REVENUES</b>							
Charges for Services	9,852,988	10,851,750	11,814,429	12,782,511	13,756,260	14,102,550	14,168,100
Investment Income (per Dept. of Finance)	73,220	70,610	70,610	70,610	70,610	70,610	70,611
Miscellaneous	12,000						
<b>Subtotal Revenues</b>	<b>9,938,208</b>	<b>10,922,360</b>	<b>11,885,039</b>	<b>12,853,121</b>	<b>13,826,870</b>	<b>14,173,160</b>	<b>14,238,711</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(314,224)</b>	<b>(313,484)</b>	<b>(325,792)</b>	<b>(339,971)</b>	<b>(354,844)</b>	<b>(370,377)</b>	<b>(386,600)</b>
<b>TOTAL RESOURCES</b>	<b>6,569,305</b>	<b>6,932,414</b>	<b>7,918,334</b>	<b>9,466,878</b>	<b>11,729,595</b>	<b>13,947,868</b>	<b>15,420,892</b>
<b>OPERATING BUDGET APPROP/EXPENSES</b>							
Personnel Costs	(1,511,299)	(1,608,362)	(1,672,536)	(1,746,462)	(1,824,005)	(1,904,990)	(1,989,572)
OMB Adjustments - Labor Adjustments			(28,301)	(28,301)	(28,301)	(28,301)	(28,301)
OMB Adjustments - Labor Contracts other			2,387	2,387	2,387	2,387	2,387
OMB Adjustments - OPEB			(1,510)	(2,990)	(4,570)	(4,900)	(4,900)
Refuse Collection Contracts	(8,729,403)	(8,628,487)	(8,919,008)	(9,092,364)	(9,381,734)	(10,086,835)	(10,418,631)
Other Operating Costs		(330,073)	(335,034)	(341,579)	(348,287)	(356,447)	(365,145)
OMB Adjustments - Retiree Health Insurance OPEB	(10,605)	(10,605)	(10,605)				
OPEB Prepaid	5,540	4,200					
<b>Subtotal PSP Oper. Budget Approp / Exp.</b>	<b>(10,245,767)</b>	<b>(10,573,327)</b>	<b>(10,964,606)</b>	<b>(11,209,309)</b>	<b>(11,584,510)</b>	<b>(12,379,087)</b>	<b>(12,804,162)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(10,245,767)</b>	<b>(10,573,327)</b>	<b>(10,964,606)</b>	<b>(11,209,309)</b>	<b>(11,584,510)</b>	<b>(12,379,087)</b>	<b>(12,804,162)</b>
<b>YEAR END - NET ASSETS*</b>	<b>(3,676,462)</b>	<b>(3,640,913)</b>	<b>(3,046,272)</b>	<b>(1,742,431)</b>	<b>145,085</b>	<b>1,568,781</b>	<b>2,616,730</b>
<b>End-of-Year Earnings as a % of Resources</b>	<b>-56.0%</b>	<b>-52.5%</b>	<b>-38.5%</b>	<b>-18.4%</b>	<b>1.2%</b>	<b>11.2%</b>	<b>17.0%</b>
<b>Beginning Cash</b>	<b>1,965,783</b>	<b>1,344,000</b>	<b>1,379,549</b>	<b>1,174,190</b>	<b>1,678,031</b>	<b>2,765,547</b>	<b>3,389,243</b>
Revenues	9,938,208	10,922,360	11,885,039	12,853,121	13,826,870	14,173,160	14,238,711
Loans							
Expenses	(10,245,767)	(10,573,327)	(10,964,606)	(11,209,309)	(11,584,510)	(12,379,087)	(12,804,162)
Transfers	(314,224)	(313,484)	(325,792)	(339,971)	(354,844)	(370,377)	(386,600)
Change in Asset/Liability Accounts							
Loan Payoff			(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
<b>Ending Cash Balance</b>	<b>1,344,000</b>	<b>1,379,549</b>	<b>1,174,190</b>	<b>1,678,031</b>	<b>2,765,547</b>	<b>3,389,243</b>	<b>3,637,192</b>

**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 FY22-27 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 FY22-27 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.

FISCAL PROJECTIONS	ESTIMATED FY21	PROJECTED FY22	PROJECTED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27
Single-Family Charges (\$/Household)	222.86	239.69	282.46	301.19	317.39	336.46	358.01
% change in rate from previous year	4.5%	7.6%	17.8%	6.6%	5.4%	6.0%	6.4%
Multi-Family Charges (\$/Dwelling Unit)	16.25	17.29	18.39	19.79	21.18	22.69	24.34
% change in rate from previous year	1.2%	6.4%	6.4%	7.6%	7.0%	7.1%	7.2%
Nonresidential Charges (medium "category" charge)	608.79	644.61	679.01	714.88	733.66	748.13	755.59
% change in rate from previous year	2.1%	5.9%	5.3%	5.3%	2.6%	2.0%	1.0%

#### OPERATIONS CALCULATION

<b>REVENUES</b>							
Disposal Fees	33,012,850	29,582,649	30,177,590	31,150,403	32,154,053	33,187,851	34,254,360
Charges for Services/SBC	60,077,164	66,420,223	77,811,897	83,905,248	88,820,483	94,396,833	100,421,966
Miscellaneous	14,873,298	15,149,994	15,272,944	16,100,921	16,218,339	16,343,951	16,499,058
Investment Income	500,000	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230
<b>Subtotal Revenues</b>	<b>108,463,312</b>	<b>112,382,096</b>	<b>124,491,661</b>	<b>132,385,802</b>	<b>138,422,105</b>	<b>145,157,865</b>	<b>152,404,614</b>
<b>INTERFUND TRANSFERS</b>	<b>112,449</b>	<b>215,596</b>	<b>(40,346)</b>	<b>41,114</b>	<b>(122,038)</b>	<b>59,378</b>	<b>(72,360)</b>
<b>EXPENDITURES</b>							
Personnel Costs	(10,638,625)	(11,394,758)	(11,849,409)	(12,373,153)	(12,922,521)	(14,095,515)	(14,095,515)
Operating Expenses	(103,934,338)	(109,832,904)	(113,194,745)	(115,499,768)	(121,046,650)	(131,741,766)	(131,741,766)
Capital Outlay	(3,610,610)	(2,291,444)	(517,610)	(997,998)	(906,488)	(1,384,183)	(1,384,183)
Other Expenditure Restrictions							
<b>Subtotal Expenditures</b>	<b>(118,183,573)</b>	<b>(123,519,106)</b>	<b>(125,561,764)</b>	<b>(128,870,919)</b>	<b>(134,875,659)</b>	<b>(147,221,464)</b>	<b>(147,221,464)</b>
<b>CURRENT RECEIPTS TO CIP</b>	<b>(4,700,000)</b>	<b>(1,933,000)</b>	<b>(177,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER CLAIMS ON FUND BALANCE - OPEB</b>	<b>(84,842)</b>	<b>(84,842)</b>	<b>(84,842)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPEB PREPAID</b>	<b>108,090</b>	<b>81,920</b>					
<b>POTENTIAL FUTURE EXPENDITURES - LABOR CONTR</b>	<b>-</b>	<b>-</b>	<b>(207,793)</b>	<b>(207,793)</b>	<b>(207,793)</b>	<b>(207,793)</b>	<b>(207,793)</b>
<b>POTENTIAL FUTURE EXPENDITURES - OPEB</b>			<b>(29,240)</b>	<b>(58,230)</b>	<b>(89,160)</b>	<b>(95,520)</b>	<b>(95,520)</b>
<b>PAYOUT OF GUDE REMEDIATION</b>	<b>734,215</b>	<b>18,329,000</b>	<b>1,845,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PAYOUT OF CLOSURE COSTS (Non-CIP)</b>	<b>1,858,390</b>	<b>2,071,036</b>	<b>2,114,459</b>	<b>2,167,926</b>	<b>2,223,221</b>	<b>2,279,973</b>	<b>2,338,220</b>
<b>CY ACCRUED CLOSURE COSTS</b>	<b>(41,133)</b>	<b>(32,285)</b>	<b>(43,422)</b>	<b>(53,467)</b>	<b>(55,296)</b>	<b>(56,752)</b>	<b>(58,247)</b>
<b>NET CHANGE</b>	<b>(11,733,091)</b>	<b>7,510,416</b>	<b>2,335,953</b>	<b>5,462,664</b>	<b>5,384,540</b>	<b>11,207</b>	<b>7,182,970</b>

#### CASH POSITION

<b>ENDING CASH &amp; INVESTMENTS</b>							
Unrestricted Cash	49,935,313	16,845,804	19,439,333	23,498,880	27,273,426	31,892,652	38,392,635
Restricted Cash	31,817,919	35,159,557	34,671,778	35,569,676	36,874,019	38,212,312	38,586,395
<b>Subtotal Cash &amp; Investments</b>	<b>81,753,232</b>	<b>52,005,360</b>	<b>54,111,111</b>	<b>59,068,557</b>	<b>64,147,445</b>	<b>70,104,964</b>	<b>76,979,031</b>
<b>RESERVE &amp; LIABILITY REQUIREMENTS</b>							
Management Reserve	(25,733,147)	(25,819,227)	(26,508,233)	(27,759,429)	(29,028,450)	(30,331,597)	(30,671,138)
Debt Service Reserve	-	(2,204,500)	(2,141,000)	(2,063,500)	(1,983,000)	(1,899,500)	(1,812,500)
Renewal & Replacement Reserve	(4,471,720)	(4,544,162)	(4,634,592)	(4,746,747)	(4,862,569)	(4,981,215)	(5,102,757)
Stability Reserve	(1,613,052)	(2,591,668)	(1,387,953)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Subtotal Reserve Requirements</b>	<b>(31,817,919)</b>	<b>(35,159,557)</b>	<b>(34,671,778)</b>	<b>(35,569,676)</b>	<b>(36,874,019)</b>	<b>(38,212,312)</b>	<b>(38,586,395)</b>
Closure/Postclosure Liability	(13,606,843)	(11,568,092)	(9,557,983)	(7,504,452)	(5,397,455)	(3,235,161)	(1,016,117)
Gude Remediation Liability	(59,222,815)	(40,893,815)	(42,738,815)	(42,738,815)	(42,738,815)	(42,738,815)	(42,738,815)
<b>Subtotal Reserve &amp; Liability Requirements</b>	<b>(104,647,577)</b>	<b>(87,621,464)</b>	<b>(86,968,576)</b>	<b>(85,812,943)</b>	<b>(85,010,289)</b>	<b>(84,186,288)</b>	<b>(82,341,327)</b>
<b>CASH &amp; INVESTMENTS OVER/(UNDER) RESERVE &amp; LIABILITY REQUIREMENTS</b>	<b>(22,894,345)</b>	<b>(35,616,103)</b>	<b>(32,857,465)</b>	<b>(26,744,387)</b>	<b>(20,862,844)</b>	<b>(14,081,324)</b>	<b>(5,362,297)</b>
<b>Net Assets</b>							
<b>ENDING NET ASSETS</b>	<b>48,745,268</b>	<b>59,768,514</b>	<b>62,371,154</b>	<b>68,506,076</b>	<b>74,730,498</b>	<b>82,270,782</b>	<b>90,848,279</b>
Less: Reserve Requirements	(31,817,919)	(35,159,557)	(34,671,778)	(35,569,676)	(36,874,019)	(38,212,312)	(38,586,395)
<b>NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS</b>	<b>16,927,349</b>	<b>24,608,958</b>	<b>27,699,376</b>	<b>32,936,400</b>	<b>37,856,479</b>	<b>44,058,471</b>	<b>52,261,883</b>

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Leaf Vacuuming Fund			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Charge per single-family household	116.46	116.46	116.46	119.42	120.87	127.11	132.98
% of leaves attributed to single-family households	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
% of leave attributed to multi-family units and townhome units	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
<b>BEGINNING FUND BALANCE</b>	<b>13,121</b>	<b>1,073,831</b>	<b>749,739</b>	<b>684,303</b>	<b>618,868</b>	<b>553,433</b>	<b>487,997</b>
<b>REVENUES</b>							
Charges For Services	8,591,838	8,600,551	8,882,574	9,224,146	9,331,516	9,792,252	9,948,946
Miscellaneous	2,620	1,630	5,710	5,710	5,710	5,710	5,710
<b>Subtotal Revenues</b>	<b>8,594,458</b>	<b>8,602,181</b>	<b>8,888,284</b>	<b>9,229,856</b>	<b>9,337,226</b>	<b>9,797,962</b>	<b>9,954,656</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	(1,983,075)	(2,235,322)	(2,069,923)	(2,246,351)	(2,183,184)	(2,469,221)	(2,446,954)
Indirect Costs	(663,574)	(636,264)	(660,375)	(676,079)	(692,296)	(708,909)	(725,927)
Transfers To Special Fds: Non-Tax + ISF	(663,574)	(636,264)	(660,375)	(676,079)	(692,296)	(708,909)	(725,927)
To Solid Waste Disposal	(1,319,501)	(1,599,058)	(1,409,548)	(1,570,272)	(1,490,888)	(1,760,312)	(1,721,027)
	(1,319,501)	(1,599,058)	(1,409,548)	(1,570,272)	(1,490,888)	(1,760,312)	(1,721,027)
<b>TOTAL RESOURCES</b>	<b>6,624,504</b>	<b>7,440,690</b>	<b>7,568,100</b>	<b>7,667,808</b>	<b>7,772,910</b>	<b>7,882,174</b>	<b>7,995,699</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(5,550,673)	(6,690,951)	(6,824,101)	(6,989,244)	(7,159,781)	(7,334,481)	(7,513,442)
Labor Agreement	n/a	0	(59,696)	(59,696)	(59,696)	(59,696)	(59,696)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(5,550,673)</b>	<b>(6,690,951)</b>	<b>(6,883,797)</b>	<b>(7,048,940)</b>	<b>(7,219,477)</b>	<b>(7,394,177)</b>	<b>(7,573,138)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(5,550,673)</b>	<b>(6,690,951)</b>	<b>(6,883,797)</b>	<b>(7,048,940)</b>	<b>(7,219,477)</b>	<b>(7,394,177)</b>	<b>(7,573,138)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,073,831</b>	<b>749,739</b>	<b>684,303</b>	<b>618,868</b>	<b>553,433</b>	<b>487,997</b>	<b>422,561</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>16.2%</b>	<b>10.1%</b>	<b>9.0%</b>	<b>8.1%</b>	<b>7.1%</b>	<b>6.2%</b>	<b>5.3%</b>
<u>Assumptions:</u> 1. Leaf Vacuuming rates are adjusted to achieve cost recovery. 2. The Vacuum Leaf Collection fund balance policy target is \$250,000. In future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance.							

**FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN**
**Permitting Services**

FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Enterprise Fund Stabilization Factor (EFSF)	1.05	1.05	1.22	1.27	1.25	1.22	1.20
<b>BEGINNING FUND BALANCE</b>	<b>18,785,764</b>	<b>17,936,964</b>	<b>9,292,876</b>	<b>6,013,648</b>	<b>5,663,054</b>	<b>5,746,414</b>	<b>5,893,389</b>
<b>REVENUES</b>							
Licenses & Permits	41,931,316	35,155,342	35,854,934	36,722,624	37,618,656	38,536,552	39,476,844
Charges For Services	1,249,184	1,313,700	1,339,842	1,372,266	1,405,749	1,440,050	1,475,188
Fines & Forfeitures	74,074	78,300	79,858	81,791	83,787	85,831	87,925
Miscellaneous	408,000	408,000	408,000	408,000	408,000	408,000	408,000
<b>Subtotal Revenues</b>	<b>43,662,574</b>	<b>36,955,342</b>	<b>37,682,634</b>	<b>38,584,681</b>	<b>39,516,192</b>	<b>40,470,433</b>	<b>41,447,967</b>
EFSF Fee Increase		0	5,702,642	7,519,394	7,057,976	6,349,356	5,639,549
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(6,000,638)</b>	<b>(6,740,403)</b>	<b>(6,865,280)</b>	<b>(6,865,206)</b>	<b>(6,864,185)</b>	<b>(6,865,280)</b>	<b>(6,865,280)</b>
Transfers To The General Fund	(5,784,225)	(5,868,849)	(5,992,709)	(5,992,709)	(5,992,709)	(5,992,709)	(5,992,709)
Indirect Costs	(5,784,225)	(5,868,849)	(5,992,709)	(5,992,709)	(5,992,709)	(5,992,709)	(5,992,709)
Transfers To Debt Service Fund	(216,413)	(871,554)	(872,571)	(872,497)	(871,476)	(872,571)	(872,571)
Wheaton Debt Service	(216,413)	(871,554)	(872,571)	(872,497)	(871,476)	(872,571)	(872,571)
<b>TOTAL RESOURCES</b>	<b>56,447,700</b>	<b>48,151,903</b>	<b>40,110,230</b>	<b>37,733,123</b>	<b>38,315,061</b>	<b>39,351,567</b>	<b>40,476,066</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(38,592,536)	(38,901,977)	(39,067,207)	(39,272,147)	(39,483,777)	(39,700,567)	(39,922,647)
FFI - Labor Agreement	0	0	(645,777)	(645,777)	(645,777)	(645,777)	(645,777)
FFI - Retiree Health Insurance Pre-Funding	0	0	165,930	328,460	502,930	538,810	538,810
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(38,592,536)</b>	<b>(38,901,977)</b>	<b>(39,547,054)</b>	<b>(39,589,464)</b>	<b>(39,626,624)</b>	<b>(39,807,534)</b>	<b>(40,029,614)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>81,800</b>	<b>42,950</b>	<b>(252,170)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(38,510,736)</b>	<b>(38,859,027)</b>	<b>(39,799,224)</b>	<b>(39,589,464)</b>	<b>(39,626,624)</b>	<b>(39,807,534)</b>	<b>(40,029,614)</b>
<b>YEAR END FUND BALANCE</b>	<b>17,936,964</b>	<b>9,292,876</b>	<b>6,013,648</b>	<b>5,663,054</b>	<b>5,746,414</b>	<b>5,893,389</b>	<b>6,086,001</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>31.8%</b>	<b>19.3%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>15.0%</b>

**Assumptions:**

1. The Enterprise Fund Stabilization Factor (EFSF) is the factor by which the fee calculation is adjusted to cover DPS labor and operating expenses in accordance with the DPS reserve policy of 15 to 20 percent of total resources, as set by the 2002 Principles of the Fiscal Management of the Permitting Services Fund.
2. It is assumed there will be no change in the EFSF in FY22. The EFSF in FY21 was 1.05, a 0% increase over the previous year.
3. The projections are based on the Executive's recommended budget and include CPI, revenue, and resource assumptions in that budget. The projected future revenues and fund balances may vary based on changes to the EFSF, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here.
4. DPS contributed \$21 million in current revenue in prior years to fund its proportional share of the Wheaton Redevelopment CIP# P361701. DPS will support \$14.6 million in non-taxable debt for this project.
5. Other claims on fund balance represents GASB 75 OPEB liability and Prepays for Retiree Health Insurance.



FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Alcohol Beverage Services				
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	<b>8,550,573</b>	<b>10,332,296</b>	<b>12,313,078</b>	<b>11,964,843</b>	<b>11,563,940</b>	<b>9,347,811</b>	<b>6,907,624</b>
<b>REVENUES</b>							
Licenses & Permits	1,892,222	1,324,555	1,350,913	1,383,606	1,417,366	1,451,949	1,487,376
Charges For Services	23,887	23,887	24,362	24,952	25,561	26,185	26,824
Fines & Forfeitures	316,916	63,383	64,644	66,208	67,823	69,478	71,173
Miscellaneous	94,901,074	99,809,248	99,809,248	99,809,248	99,809,248	99,809,248	99,809,248
<b>Subtotal Revenues</b>	<b>97,134,099</b>	<b>101,221,073</b>	<b>101,249,167</b>	<b>101,284,014</b>	<b>101,319,998</b>	<b>101,356,860</b>	<b>101,394,621</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(31,674,153)</b>	<b>(31,779,243)</b>	<b>(31,867,625)</b>	<b>(31,941,453)</b>	<b>(32,941,453)</b>	<b>(33,941,453)</b>	<b>(33,941,453)</b>
Transfers To The General Fund	(31,674,153)	(31,779,243)	(31,867,625)	(31,941,453)	(32,941,453)	(33,941,453)	(33,941,453)
Indirect Costs	(3,747,981)	(3,853,071)	(3,941,453)	(3,941,453)	(3,941,453)	(3,941,453)	(3,941,453)
Earnings Transfer	(27,926,172)	(27,926,172)	(27,926,172)	(28,000,000)	(29,000,000)	(30,000,000)	(30,000,000)
<b>TOTAL RESOURCES</b>	<b>74,010,519</b>	<b>79,774,126</b>	<b>81,694,620</b>	<b>81,307,404</b>	<b>79,942,485</b>	<b>76,763,218</b>	<b>74,360,792</b>
<b>CIP CURRENT REVENUE APPROP.</b>	<b>(1,785,000)</b>	<b>(1,267,000)</b>	<b>(781,000)</b>	<b>(957,000)</b>	<b>(1,435,000)</b>	<b>(607,000)</b>	<b>(1,149,260)</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(52,887,650)	(55,517,075)	(57,392,480)	(57,811,730)	(58,244,670)	(58,688,180)	(59,142,510)
Debt Service: Other (Non-Tax Funds only)	(9,247,650)	(10,831,000)	(10,831,000)	(10,831,000)	(10,831,000)	(10,831,000)	(10,831,000)
Labor Agreement	n/a	0	(883,824)	(883,824)	(883,824)	(883,824)	(883,824)
Annualizations and One-Time	n/a	n/a	150,000	150,000	150,000	150,000	150,000
Retiree Health Insurance Pre-funding			1,130	2,240	3,430	3,670	3,670
Debt Service	n/a	n/a	375,050	587,850	646,390	1,000,740	1,000,340
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(62,135,300)</b>	<b>(66,348,075)</b>	<b>(68,581,124)</b>	<b>(68,786,464)</b>	<b>(69,159,674)</b>	<b>(69,248,594)</b>	<b>(69,703,324)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>242,077</b>	<b>154,027</b>	<b>(367,653)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(63,678,223)</b>	<b>(67,461,048)</b>	<b>(69,729,777)</b>	<b>(69,743,464)</b>	<b>(70,594,674)</b>	<b>(69,855,594)</b>	<b>(70,852,584)</b>
<b>YEAR END FUND BALANCE</b>	<b>10,332,296</b>	<b>12,313,078</b>	<b>11,964,843</b>	<b>11,563,940</b>	<b>9,347,811</b>	<b>6,907,624</b>	<b>3,508,208</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>14.0%</b>	<b>15.4%</b>	<b>14.6%</b>	<b>14.2%</b>	<b>11.7%</b>	<b>9.0%</b>	<b>4.7%</b>
<b>Assumptions:</b> 1. These projections are based on the Executive's recommended budget. The projected future expenditures, revenues and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors. 2. Fund balance policy equals one month's operating expenses, one payroll, and \$1,500,000 for inventory in cash balance. 3. Operating expenditures grow with CPI. Revenues projections reflect ABS gross profit forecasts. 4. Other claims on fund balance include the OPEB Liability 5 year allocation in FY20-FY23 and Prepaids for Retiree Health Insurance.							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Risk Management				
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	14,425,224	16,567,418	9,913,425	10,876,537	11,846,050	12,813,544	13,776,746
<b>REVENUES</b>							
Charges For Services	77,514,144	77,514,144	90,161,888	95,160,547	100,136,344	104,185,269	109,330,754
Miscellaneous	2,628,727	1,172,690	1,175,000	1,175,000	1,175,000	1,175,000	1,175,000
<b>Subtotal Revenues</b>	80,142,871	78,686,834	91,336,888	96,335,547	101,311,344	105,360,269	110,505,754
<b>TOTAL RESOURCES</b>	94,568,095	95,254,252	101,250,313	107,212,084	113,157,394	118,173,813	124,282,500
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(78,007,166)	(85,343,626)	(90,277,492)	(95,282,561)	(100,264,737)	(104,318,854)	(109,470,936)
Labor Agreement	n/a	0	(91,683)	(91,683)	(91,683)	(91,683)	(91,683)
Retiree Health Insurance Pre-funding			4,150	8,210	12,570	13,470	13,470
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(78,007,166)	(85,343,626)	(90,365,025)	(95,366,034)	(100,343,850)	(104,397,067)	(109,549,149)
<b>OTHER CLAIMS ON FUND BALANCE</b>	6,489	2,799	(8,751)	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(78,000,677)	(85,340,827)	(90,373,776)	(95,366,034)	(100,343,850)	(104,397,067)	(109,549,149)
<b>YEAR END FUND BALANCE</b>	16,567,418	9,913,425	10,876,537	11,846,050	12,813,544	13,776,746	14,733,351
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	17.5%	10.4%	10.7%	11.0%	11.3%	11.7%	11.9%
<b>Assumptions:</b> 1. Risk Management contributions are adjusted as necessary to reflect the County's fiscal policy of maintaining an unrestricted net asset balance, in excess of claims reserves, sufficient to achieve a confidence level in the range of 80 to 85 percent that funding will be sufficient to cover all incurred liabilities. For FY22, the funding is at the 80 percent confidence level, which is within the 80 to 85 percent confidence level that funding will be sufficient to cover all incurred liabilities. 2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses. 3. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75) and Prepaids for Retiree Health Insurance.							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Print and Mail			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Rate Adjustment	0	0	1.0%	3.8%	1.5%	1.3%	1.7%
<b>BEGINNING FUND BALANCE</b>	<b>306,289</b>	<b>674,225</b>	<b>527,608</b>	<b>274,324</b>	<b>265,899</b>	<b>283,087</b>	<b>279,683</b>
<b>REVENUES</b>							
Charges For Services	8,351,742	8,159,467	8,241,062	8,554,222	8,682,535	8,795,408	8,944,930
Miscellaneous	2,380	7,804	16,810	42,030	58,840	58,840	58,840
<b>Subtotal Revenues</b>	<b>8,354,122</b>	<b>8,167,271</b>	<b>8,257,872</b>	<b>8,596,252</b>	<b>8,741,375</b>	<b>8,854,248</b>	<b>9,003,770</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>8,660,411</b>	<b>8,841,496</b>	<b>8,785,480</b>	<b>8,870,576</b>	<b>9,007,274</b>	<b>9,137,335</b>	<b>9,283,453</b>
<b>CIP CURRENT REVENUE APPROP.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(8,010,602)	(8,326,894)	(8,430,728)	(8,559,512)	(8,692,503)	(8,828,738)	(8,968,298)
Labor Agreement	n/a	0	(70,544)	(70,544)	(70,544)	(70,544)	(70,544)
Retiree Health Insurance Pre-funding	n/a	n/a	12,820	25,380	38,860	41,630	41,630
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(8,010,602)</b>	<b>(8,326,894)</b>	<b>(8,488,452)</b>	<b>(8,604,676)</b>	<b>(8,724,187)</b>	<b>(8,857,652)</b>	<b>(8,997,212)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>24,416</b>	<b>13,006</b>	<b>(22,704)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(7,986,186)</b>	<b>(8,313,888)</b>	<b>(8,511,156)</b>	<b>(8,604,676)</b>	<b>(8,724,187)</b>	<b>(8,857,652)</b>	<b>(8,997,212)</b>
<b>YEAR END FUND BALANCE</b>	<b>674,225</b>	<b>527,608</b>	<b>274,324</b>	<b>265,899</b>	<b>283,087</b>	<b>279,683</b>	<b>286,241</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>7.8%</b>	<b>6.0%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>
<b>Notes</b> 1. FY21 Estimate is based on 2nd quarter revenue and expenditure projections. 2. Pricing, Mail, and Records Management/Imaging rates are adjusted achieve cost recovery and maintain the year-end fund balance at the policy level. 3. The fund balance for this internal service should be between three and five percent. 4. The other claims on fund balance represents the OPEB liability allocation (GASB 75) and Prepaids for Retiree Health Insurance.							

FY22-27 FISCAL PROJECTION	Estimate - FY21	Projected - FY22	Projected - FY23	Projected - FY24	Projected - FY25	Projected - FY26	Projected - FY27
<b>BEGINNING BALANCE</b>	<b>816,748</b>	<b>16,961,069</b>	<b>16,962,728</b>	<b>16,468,758</b>	<b>17,559,570</b>	<b>18,728,595</b>	<b>19,981,748</b>
<b>REVENUES</b>							
Premium Contributions	244,448,684	258,277,779	278,897,158	298,204,752	318,551,917	340,382,065	363,809,069
Premium Contributions: Retiree Insurance NDA	47,106,273	50,618,652	49,980,443	54,068,516	57,176,486	60,493,521	64,030,341
Investment Income	5,750	1,660	3,580	8,950	12,530	12,530	12,530
<b>TOTAL REVENUES</b>	<b>291,560,707</b>	<b>308,898,091</b>	<b>328,881,181</b>	<b>352,282,218</b>	<b>375,740,933</b>	<b>400,888,116</b>	<b>427,851,940</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>292,377,455</b>	<b>325,859,161</b>	<b>345,843,910</b>	<b>368,750,976</b>	<b>393,300,503</b>	<b>419,616,711</b>	<b>447,833,688</b>
<b>EXPENDITURES</b>							
Claims, Premiums, & Carrier Administration	269,931,066	303,101,164	323,290,121	344,802,122	367,863,161	392,590,779	419,111,880
Actives	166,000,374	192,839,347	205,506,666	219,006,830	233,441,459	248,878,843	265,392,539
Retirees	103,930,692	110,261,818	117,783,454	125,795,292	134,421,702	143,711,936	153,719,341
In-house expenses	5,485,320	5,795,268	6,085,031	6,389,283	6,708,747	7,044,184	7,396,394
<b>TOTAL EXPENDITURES</b>	<b>275,416,386</b>	<b>308,896,432</b>	<b>329,375,152</b>	<b>351,191,405</b>	<b>374,571,908</b>	<b>399,634,963</b>	<b>426,508,274</b>
<b>ENDING BALANCE</b>	<b>16,961,069</b>	<b>16,962,728</b>	<b>16,468,758</b>	<b>17,559,570</b>	<b>18,728,595</b>	<b>19,981,748</b>	<b>21,325,414</b>
<b>TARGET FUND BALANCE (5% OF EXPENDITURES)</b>	<b>13,770,820</b>	<b>15,444,820</b>	<b>16,468,760</b>	<b>17,559,570</b>	<b>18,728,600</b>	<b>19,981,750</b>	<b>21,325,410</b>
<b>ENDING BALANCE AS % OF EXPENDITURES</b>	<b>6.2%</b>	<b>5.5%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Motor Pool				
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Rate Adjustment	0	0	4.2%	0.6%	1.4%	1.0%	1.6%
<b>BEGINNING FUND BALANCE</b>	<b>15,275,510</b>	<b>4,113,239</b>	<b>2,211,087</b>	<b>2,620,592</b>	<b>2,659,287</b>	<b>2,776,563</b>	<b>2,723,473</b>
<b>REVENUES</b>							
Charges For Services	75,847,254	81,998,284	85,442,212	85,954,865	87,158,233	88,029,815	89,438,292
Miscellaneous	262,730	209,770	217,580	239,460	254,040	254,040	254,040
<b>Subtotal Revenues</b>	<b>76,109,984</b>	<b>82,208,054</b>	<b>85,659,792</b>	<b>86,194,325</b>	<b>87,412,273</b>	<b>88,283,855</b>	<b>89,692,332</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(3,771,312)</b>	<b>(518,050)</b>	<b>(516,500)</b>	<b>(514,250)</b>	<b>(516,300)</b>	<b>(325,650)</b>	<b>(328,375)</b>
Transfers To Debt Service Fund	(58,000)	(518,050)	(516,500)	(514,250)	(516,300)	(325,650)	(328,375)
Long Term Leases	(58,000)	(518,050)	(516,500)	(514,250)	(516,300)	(325,650)	(328,375)
Transfers To The General Fund	(3,713,312)	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>87,614,182</b>	<b>85,803,243</b>	<b>87,354,379</b>	<b>88,300,667</b>	<b>89,555,260</b>	<b>90,734,768</b>	<b>92,087,430</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(83,592,394)	(83,590,037)	(84,542,412)	(85,723,624)	(86,943,420)	(88,192,979)	(89,473,027)
Labor Agreement	n/a	0	(444,809)	(444,809)	(444,809)	(444,809)	(444,809)
Annualizations and One-Time	n/a	n/a	168,000	168,000	168,000	168,000	168,000
Retiree Health Insurance Pre-funding	n/a	n/a	78,440	155,270	237,750	254,710	254,710
Restoration of Costs to Pre-COVID-19 Levels	n/a	n/a	(622,793)	(622,793)	(622,793)	(622,793)	(622,793)
Shop Lift Replacements	n/a	n/a	826,576	826,576	826,576	826,576	826,576
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(83,592,394)</b>	<b>(83,590,037)</b>	<b>(84,536,998)</b>	<b>(85,641,380)</b>	<b>(86,778,696)</b>	<b>(88,011,295)</b>	<b>(89,291,343)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>91,451</b>	<b>(2,119)</b>	<b>(196,789)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(83,500,943)</b>	<b>(83,592,156)</b>	<b>(84,733,787)</b>	<b>(85,641,380)</b>	<b>(86,778,696)</b>	<b>(88,011,295)</b>	<b>(89,291,343)</b>
<b>YEAR END FUND BALANCE</b>	<b>4,113,239</b>	<b>2,211,087</b>	<b>2,620,592</b>	<b>2,659,287</b>	<b>2,776,563</b>	<b>2,723,473</b>	<b>2,796,087</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>4.7%</b>	<b>2.6%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Notes:</b> 1. Motor Pool charges for services are adjusted to achieve cost recovery and maintain a fund reserve of approximately 3 percent of resources. 2. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors. 3. The other claims on fund balance represents the GASB 75 OPEB liability allocation and Prepaids for Retiree Health Insurance.							



FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Recreation Non-Tax Supported			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	(216,450)	24,735	24,735	114,285	314,906	630,218	1,063,029
<b>REVENUES</b>							
Charges For Services	3,500,000	8,100,000	8,261,190	8,461,111	8,667,562	8,879,051	9,095,700
Subtotal Revenues	3,500,000	8,100,000	8,261,190	8,461,111	8,667,562	8,879,051	9,095,700
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	(1,000,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
Transfers To Special Fds: Non-Tax + ISF	(1,000,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
To Recreation Fund	(1,000,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
<b>TOTAL RESOURCES</b>	2,283,550	3,624,735	3,785,925	4,075,396	4,482,468	5,009,269	5,658,729
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(2,258,815)	(3,600,000)	(3,671,640)	(3,760,490)	(3,852,250)	(3,946,240)	(4,042,530)
Subtotal PSP Oper Budget Approp / Exp's	(2,258,815)	(3,600,000)	(3,671,640)	(3,760,490)	(3,852,250)	(3,946,240)	(4,042,530)
<b>TOTAL USE OF RESOURCES</b>	(2,258,815)	(3,600,000)	(3,671,640)	(3,760,490)	(3,852,250)	(3,946,240)	(4,042,530)
<b>YEAR END FUND BALANCE</b>	24,735	24,735	114,285	314,906	630,218	1,063,029	1,616,199
<b>END-OF-YEAR RESERVES AS A</b>							
PERCENT OF RESOURCES	1.1%	0.7%	3.0%	7.7%	14.1%	21.2%	28.6%
<b>Assumptions:</b> 1. Since 1991, Montgomery County has accounted for its non-employee instructor led courses, and related costs, in the Recreation Activities Agency Fund (RAAF). Due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities", the RAAF was discontinued beginning in FY20. Because of Recreation's objective to flexibly respond to customer demands for Recreation activities formerly accounted for in the RAAF, this Non-Tax Supported Recreation Fund was established. 2. Prior to FY20, transfers from the RAAF to the Recreation Fund were reflected as Recreation Fund revenues. Beginning in FY20, the transfer from the							

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Inmate Advisory Council Fund			
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	526,378	385,994	88,059	108,124	128,189	148,254	168,319
<b>REVENUES</b>							
Miscellaneous	84,616	245,065	245,065	245,065	245,065	245,065	245,065
Subtotal Revenues	84,616	245,065	245,065	245,065	245,065	245,065	245,065
<b>TOTAL RESOURCES</b>	610,994	631,059	333,124	353,189	373,254	393,319	413,384
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(225,000)	(543,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Subtotal PSP Oper Budget Approp / Exp's	(225,000)	(543,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
<b>TOTAL USE OF RESOURCES</b>	(225,000)	(543,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
<b>YEAR END FUND BALANCE</b>	385,994	88,059	108,124	128,189	148,254	168,319	188,384
<b>END-OF-YEAR RESERVES AS A</b>							
PERCENT OF RESOURCES	63.2%	14.0%	32.5%	36.3%	39.7%	42.8%	45.6%
<b>Notes:</b> 1. The Inmate Advisory Council Fund was established by supplemental appropriation in FY21. 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 not assumed here to revenues, usage, inflation, and other factors not assumed here.							

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# Maryland-National Capital Park and Planning Commission

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Enterprise Fund					
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
<b>BEGINNING FUND BALANCE</b>	8,498,334	8,666,039	10,288,165	12,344,563	14,443,469	16,086,271	18,274,041
<b>REVENUES</b>							
Charges For Services	6,488,957	11,514,603	11,743,743	12,027,941	12,321,423	12,622,066	12,930,045
Miscellaneous	1,091,654	1,073,461	1,088,853	1,107,943	1,127,657	1,147,852	1,168,540
<b>Subtotal Revenues</b>	7,580,611	12,588,064	12,832,596	13,135,884	13,449,080	13,769,918	14,098,585
<b>TOTAL RESOURCES</b>	16,078,945	21,254,103	23,120,761	25,480,447	27,892,549	29,856,189	32,372,626
<b>CIP CURRENT REVENUE APPROP.</b>							
PSP OPER. BUDGET APPROP/ EXP'S.	0	(400,000)	0	0	(500,000)	0	0
Operating Budget	(7,412,906)	(10,565,938)	(10,776,198)	(11,036,978)	(11,306,278)	(11,582,148)	(11,864,748)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(7,412,906)	(10,565,938)	(10,776,198)	(11,036,978)	(11,306,278)	(11,582,148)	(11,864,748)
<b>TOTAL USE OF RESOURCES</b>	(7,412,906)	(10,965,938)	(10,776,198)	(11,036,978)	(11,806,278)	(11,582,148)	(11,864,748)
<b>YEAR END FUND BALANCE</b>	8,666,039	10,288,165	12,344,563	14,443,469	16,086,271	18,274,041	20,507,878
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	53.9%	48.4%	53.4%	56.7%	57.7%	61.2%	63.3%
<b>Assumptions:</b> 1. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 2. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.							

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# Washington Suburban Sanitary Commission

WSSC Water PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER AND SEWER OPERATING FUNDS							
FISCAL PROJECTIONS	FY21 APPROVED	FY22 CE REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
<b>SPENDING AFFORDABILITY RESULTS</b>							
New Water and Sewer Debt (\$millions)	\$409.9	\$409.7	\$415.6	\$356.4	\$350.0	\$350.0	\$350.0
Total Water and Sewer Operating Expenses (\$millions)	\$836.0	\$842.3	\$879.0	\$929.9	\$994.3	\$1,043.8	\$1,094.5
Debt Service (\$millions)	\$313.9	\$309.0	\$328.5	\$352.2	\$377.5	\$398.4	\$418.5
Average Water and Sewer Rate Increase	6.0%	5.9%	8.0%	8.0%	7.0%	6.5%	6.0%
<b>BEGINNING FUND BALANCE (\$000)</b>	<b>147,605</b>	<b>162,291</b>	<b>162,291</b>	<b>171,665</b>	<b>191,711</b>	<b>205,715</b>	<b>230,353</b>
<b>REVENUES (\$000)</b>							
Water and Sewer Rate Revenue	689,210	717,803	765,097	827,329	886,354	945,173	1,003,177
Interest Income	10,000	1,000	1,000	1,500	2,000	2,500	3,000
Account Maintenance Fee	32,360	31,866	31,930	31,994	32,058	32,122	32,186
Infrastructure Investment Fee	39,410	38,808	38,886	38,963	39,041	39,119	39,198
Miscellaneous	38,271	39,050	39,697	40,358	41,036	41,728	42,438
<b>Total Revenues</b>	<b>809,251</b>	<b>828,527</b>	<b>876,610</b>	<b>940,144</b>	<b>1,000,489</b>	<b>1,060,642</b>	<b>1,119,999</b>
SDC Debt Service Offset	5,772	5,772	5,772	5,772	5,772	5,772	5,748
Reconstruction Debt Service Offset (REDO)	9,500	6,000	4,000	2,000			
Use of Fund Balance	8,000						
Premium Transfer	1,500						
Underwriters Discount Transfer	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Miscellaneous Offset							
<b>TOTAL FUNDS AVAILABLE</b>	<b>836,023</b>	<b>842,299</b>	<b>888,382</b>	<b>949,916</b>	<b>1,008,261</b>	<b>1,068,414</b>	<b>1,127,747</b>
<b>EXPENDITURES (\$000)</b>							
Salaries and Wages	127,726	133,039	138,813	145,059	151,587	158,408	165,537
Heat, Light, and Power	20,423	18,493	19,233	20,003	19,191	18,413	19,278
Regional Sewage Disposal	58,000	59,160	60,343	61,550	62,781	64,037	65,317
Debt Service	313,885	309,045	328,519	352,154	377,451	398,406	418,476
PAYGO	31,016	27,585	31,016	44,000	65,000	80,000	80,000
<b>All Other</b>	<b>284,993</b>	<b>294,977</b>	<b>301,084</b>	<b>307,105</b>	<b>313,247</b>	<b>319,512</b>	<b>325,903</b>
Reserve Contribution							
Unspecified Expenditure Reductions					5,000	5,000	20,000
<b>TOTAL USE OF RESOURCES</b>	<b>836,023</b>	<b>842,299</b>	<b>879,008</b>	<b>929,870</b>	<b>994,257</b>	<b>1,043,776</b>	<b>1,094,511</b>
<b>REVENUE/EXPENDITURE SURPLUS/(GAP)</b>	<b>0</b>	<b>0</b>	<b>9,374</b>	<b>20,046</b>	<b>14,004</b>	<b>24,638</b>	<b>33,236</b>
<b>YEAR END FUND BALANCE w/o additional reserve contribution</b>	<b>147,605</b>	<b>162,291</b>	<b>171,665</b>	<b>191,711</b>	<b>205,715</b>	<b>230,353</b>	<b>263,589</b>
<b>Additional Reserve Contribution</b>	<b>14,686</b>						
<b>TOTAL YEAR END FUND BALANCE</b>	<b>162,291</b>	<b>162,291</b>	<b>171,665</b>	<b>191,711</b>	<b>205,715</b>	<b>230,353</b>	<b>263,589</b>
Debt Service as a Percentage of Water and Sewer Operating Budget	37.5%	36.7%	37.4%	37.9%	38.0%	38.2%	38.2%
Total End of Fiscal Year Operating Reserve	162,291	162,291	171,665	191,711	205,715	230,353	263,589
Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue	20.1%	19.6%	19.6%	20.4%	20.6%	21.7%	23.5%
Total Workyears (all funds)	1,778	1,788	1,788	1,788	1,788	1,788	1,788
<b>Assumptions:</b>							
1. The County Executive's operating budget recommendation is for FY22 only and incorporates the Executive's revenue and expenditure assumptions for that budget.							
2. The FY23-27 projections reflect WSSC Water's multi-year forecast and assumptions, which are not adjusted to conform to the County Executive's Recommended budget for WSSC Water. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the County Executive's Recommended FY22 water and sewer operating budget for WSSC Water.							
3. The FY22 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY21 budget jointly approved by Montgomery and Prince George's counties. The FY22 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC Water's proposed FY21 budget. The FY22 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC Water budget for FY22. The FY23-27 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year and are provided by WSSC Water.							
4. The total FY21 estimated workyears shown correspond to the actual workyears as of December, 2020.							
5. Estimates of revenue in FY23-27 assume the rate increases projected by WSSC Water in the Average Water and Sewer Rate Increase line.							
6. In the projection for FY23-27 additional unspecified expenditure reductions are included to close WSSC Water's projected revenue shortfall in these years.							
7. Totals in this chart and WSSC Water's FY22 Proposed Long-Range Fiscal Plan for Water and Sewer Operating Funds may not match due to rounding.							

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# Department Highlights

Montgomery County strongly encourages its departments and agencies to identify and implement productivity improvements within their budgets. Such initiatives are essential, especially in difficult fiscal times when agencies and departments are called on to significantly reduce costs and preserve essential services. Below is an identification of the accomplishments, initiatives, innovations and productivity improvements implemented by departments. Some examples include:

- Process re-engineering initiatives
- Implementing a new IT application
- Public-private partnerships that maintain services at lower cost or achieve higher service levels
- Consolidating programs
- Reorganizations
- Contracting out services or, alternatively, bringing contracted services in-house, to reduce costs
- Increasing use of volunteers
- Re-negotiating maintenance/license agreements
- Re-configuring programs to generate increased revenues
- Reducing publication costs by placing more information on the web and producing fewer hard copies
- Introducing employee incentives (within personnel guidelines)

## Initiatives

### Agriculture

- ★ The Office of Agriculture is partnering with the Montgomery County Food Council and MANNA Food Bank on the Farm to Foodbank program. Through this program, over 60,000 pounds of food has been provided to local foodbanks during the past 6 months. This program has also provided \$236,805 in grants to 22 farms to expand their growing capacity in order to meet the increased demand for food resulting from the COVID-19 pandemic.
- ★ The first Biennial Report on the Status of Farm Alcohol Production (FAP) in Montgomery County was recently completed and submitted to the County Council as required by Resolution Number 18-1265. The data provided in this report illustrates that there is extensive, untapped economic potential in the Ag Reserve. The Office is working with the Council on amendments to Chapter 50 of the County Code which would assist in the achievement of economic growth in the Agricultural sector.
- ★ The OAG, in partnership with the County's Department of Environmental Protection (DEP) and the Council, is working to expand on farm food composting in the Ag Reserve to assist the County in achieving its zero waste goal. Additionally, the Office also participated, along with the Department of Environmental Protection, private business and non-profits, in applying for a federal grant to expand farm composting in the County. While the initial grant was not selected, this public/private group continues to collaborate and seek out other opportunities to achieve this goal.
- ★ Continue to work with the Department of Technology, Office of Broadband Programs, to expand access to broadband/high speed internet in the rural areas of the County. This initiative is a continuation of the Sugarland Broadband Pilot Program that was accomplished in December 2019.

### Alcohol Beverage Services

- ★ Enhance store operations by renovating select stores, piloting new store concepts, and implementing a retail training program.

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- ★ Implement technology such as Proof of Delivery and Electronic Eyes in our warehouse to improve delivery accuracy and efficiency.
  - ★ Issue temporary permits to allow the sale of carryout drinks for restaurants during the COVID-19 emergency; 460 businesses have been approved through February 2021.
  - ★ Create a COVID-19-specific Safety Alliance to partner with other County agencies to visit and provide resources to businesses.

## **Animal Services**

- ★ Expand shelter operations and field services presence in the community to serve as a valued resource regarding the care and welfare of all animals.
- ★ Create greater partnerships with rescues and other animal welfare resources, both within and outside the Montgomery County community, to further placement alternatives for animals in shelter care.
- ★ Enhance pet licensing compliance rates through legislative and marketing efforts designed to promote compliance.
- ★ Further research into low cost spay/neuter clinic options to help reduce domestic animal pet population in the community and reduce shelter intake numbers.

## **Board of Elections**

- ★ Improve voter satisfaction with the polling place experience during Early Voting and Election Day.
- ★ Monitor and mitigate voter wait time on Election Day.
- ★ Ensure vulnerable populations always have access to various methods of voting: in-person, vote-by-mail, or provisional.
- ★ Expand the use of social media to enhance voter education and community outreach.

## **Cable Television Communications Plan**

- ★ Montgomery County will implement FiberNet3, a third-generation network design which impacts the speed in which digital information travels, for example, the speed of internet and phone services. FiberNet3 builds on the long-term success of County-owned fiber optic communications infrastructure. This initiative provides critical infrastructure for next generation communications and cloud services. FiberNet3 will provide some of the following benefits: reduced costs, improved public Wi-Fi capacity, performance level improvements, support for new customer technologies, emergency demands, improved service availability, and more reliable Voice over Internet Protocol (VoIP). The FiberNet3 upgrades will address emerging and long-term needs - including essential equipment, technology refreshes, and increasingly growing bandwidth demands.
- ★ The Department of Technology Services completed a community engagement information assessment survey. The survey responses will be utilized to develop the Comcast and Verizon cable franchise renewal negotiations.
- ★ Interactive video meetings have been an essential tool to ensure continued County Executive and County Council forums. Interactive video meetings will continue post pandemic to expand public participation in County Executive and County Council community meetings and press briefings.
- ★ MoCoNet, Montgomery County Government's internet service network, will expand services to targeted affordable housing locations throughout Montgomery County.
- ★ Montgomery County will expand ultraMontgomery, a secure high-speed broadband service for businesses, to bio health companies in the I-270 corridor (also known as Great Seneca Highway) to Ashburn, VA data centers. Ninety percent of the East Coast's internet traffic flows through Ashburn, VA centers.



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## Circuit Court

- ★ During the COVID-19 pandemic, implemented remote hearings, court trials, and judicial proceedings. Supported judges, magistrates, attorneys, self-represented litigants, and case parties with new remote technology. Scheduled and facilitated an average of 1,600 remote events per month. Added two Senior Customer Representatives, grade 16 (Remote Proceeding Facilitators) and two Office Assistants, grade 13 (Remote Proceeding Schedulers) to manage the scheduling/facilitation of remote proceedings.

## Community Engagement Cluster

- ★ Converting temporary contractual support into two permanent merit positions to enhance programmatic and administrative support to the Cluster.
- ★ Enhancing the County's multilingual and multicultural outreach efforts, expanding on the successful 2020 Census campaign efforts, including the creation of a permanent Translations unit.

## Community Use of Public Facilities

- ★ Community Use of Public Facilities partnered with Montgomery County Public Schools (MCPS), the Children's Opportunity Fund, the Brown and Black Coalition, and Before and After Care providers to address the need for hub distance learning supports, as a result of COVID-19 related school closures. The immediate response allowed for establishing 54 hubs which were expanded to 71 to ensure the inclusion of children from less affluent areas of Montgomery County.
- ★ In October 2020, \$500,000 in Federal funding was provided to the CUPF Facility Fee Assistance Program (FFAP), via the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The funds support youth outdoor sports programs by subsidizing facility fees. These programs are believed to promote physical and mental well-being. CUPF intends to continue identifying locations owned by MCPS and the Department of Parks to facilitate youth outdoor sports initiatives.
- ★ Ordinarily the Silver Spring Civic Building (SSCB) is a venue which host banquets, performances, weddings, meetings, and presentations; however, due to COVID-19, the SSCB has been repurposed to address new social distance community needs. The repurposed needs support: a COVID-19 testing site, outdoor fitness training through ice skating, tents, and picnic tables to support local restaurant businesses, and other community social distance gatherings.

## Consumer Protection

- ★ The Montgomery County COVID-19 portal added OCP alerts and information regarding consumer scams related to the pandemic. In addition to posting on social media, these alerts received media coverage on WJLA TV-7 and WUSA TV-9.
- ★ OCP alerted consumers and restaurants about the complicated and costly fee structures associated with major food delivery apps, which resulted in media coverage.

## Correction and Rehabilitation

- ★ Provide funds to address structural deficiencies in overtime-lunch and shift differentials.
- ★ Continue year two of three year initiative to retrofit cell vents, bunks, and doors to reduce opportunities for self-harm. Highest priority areas will be addressed first.
- ★ Continue implementation of electronic health records to modernize the correctional health records system.
- ★ Americans with Disabilities Act (ADA) Remediation projects for the Pre-Release Center (PRC) and the Montgomery County Correctional Facility (MCCF). Planned upgrades to housing, medical, lobbies, parking, accessibility routes, and other ADA improvements.
- ★ In collaboration with Department of Health and Human Services, institute a Medication Assisted Treatment program for Opioid Disorders for inmates within DOCR.

## County Attorney

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- ★ OCA successfully pivoted to teleworking during the COVID 19 pandemic by instituting policies and procedures to provide legal services remotely and to limit the number of personnel in the office to meet COVID 19 requirements.
  - ★ Successfully defended a legal challenge in Federal Court brought under the Religious Land Use and Institutionalized Persons Act (RLUIPA) seeking the reversal of the County Council's decision not to extend water and sewer to several parcels of property in Burtonsville to protect the Patuxent River watershed.
  - ★ Provided OCA oversight of an enforcement workgroup to coordinate all citations/closures with SAO related to COVID 19.

## County Executive

- ★ Provide funds to create the Director of Strategic Partnerships position to increase the efficiency of the Executive's work with the County Council and other strategic community partners.
- ★ Add funds to continue critical partnership with Montgomery County Economic Development Corporation that leads the County's efforts to showcase the County as an ideal location to start and grow a business, to support entrepreneurship development through an ecosystem approach, and to strategically promote targeted industries to connect local business network and top talent.
- ★ Increase funding in the Incubator Programs Non-Departmental Account with dedicated County staffing complement tasked to grow the County's entrepreneurial ecosystem and to focus on outreach in the business community.
- ★ Provide increased funding to WorkSource Montgomery (WSM) to support its Summer RISE program, an initiative that will be led again by WSM in partnership with Montgomery County Public Schools to provide rising juniors and seniors with career development experiences in the public and private sectors.
- ★ Continue supporting operational needs of Visit Montgomery by offsetting the projected hotel/motel tax shortfall to help and facilitate the hospitality industry through a recovery.
- ★ Continue funding to support expansion of the Innovation Program that increases participation among County employees and partners to make the County a more effective, efficient, and equitable place to work for and deliver the best results for County taxpayers.

## Economic Development Fund

- ★ Continue funding support to all economic development programs provided through the Economic Development Fund for financial and/or technical assistance to eligible businesses.

## Emergency Management and Homeland Security

- ★ Support an array of COVID-19 pandemic responses such as emergency management group coordination, food distribution, personal protective equipment distribution, communication, and recovery.
- ★ Serve as the liaison to the Federal Emergency Management Agency (FEMA) during COVID-19, and provides guidance to Montgomery County departments and partner agencies to coordinate pandemic response.
- ★ By Summer 2021, become re-accredited by the Emergency Management Accreditation Program.
- ★ Continue to manage Homeland Security grants on behalf of the County in support of disaster recovery planning for the Enterprise Resource Planning system, the Medical Reserve Corps at Montgomery County Health and Human Services, the regional law enforcement information exchange, and enhanced chemical response protective equipment for Montgomery County Fire and Rescue's special operations division.
- ★ Provide support for cyber security response, the Board of Elections Preparedness Guide, and Food Security planning.
- ★ A new Emergency Management Specialist will be assigned to manage the County's Continuation of Operations Plan, the Food Security Taskforce, and the Disaster Assistance Call Center.

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## Environmental Protection

- ★ Initiate a County-wide anti-litter campaign. Based on a pilot in White Oak, the goal of the outreach effort is to reduce material and debris entering the County's sewers and waterways.
- ★ Increase funding for Watershed Grants and RainScapes, the demand for which exceeds available funding. The programs help the County make progress on stormwater management and runoff goals on private property.
- ★ Extensive outreach to property owners with septic systems to assist them with understanding the need to clean the systems and the benefits to groundwater and surface water quality from these efforts.
- ★ Add a new position to enhance enforcement of the laws and regulations the Department of Environmental Protection is tasked with enforcing, such as the bans on polystyrene, single-use plastic straws, and the bag tax.

## Finance

- ★ Develop electronic claim reporting forms to streamline reporting and eliminate significant paper waste in the Claims Section.
- ★ The Partnering Community Banks with the Small Business Plus! Program boost lending to local small businesses and spur job creation in Montgomery County. The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2019 with the program generating over \$2.9 million in interest income and creating an estimated 2,588 jobs. The program is in its 8<sup>th</sup> year in calendar year 2020 with 3 participating banks.
- ★ MCTIME Workforce TimeKeeper on-premise migration to SaaS Strikethrough will provide a single platform for timekeeping, and the County will benefit from enhanced functionality and disaster recovery.
- ★ The Department of Finance worked with the County Council to adopt amendments to the Public Election Fund Program that will improve and enhance the Administration and operations of the Program in the current election cycle. The Department is in the process of adopting Executive Regulations to address improvements that include enhanced clarity and transparency as well as establishing a post-election audit of the public campaign financing system to ensure compliance with County Law.

## Fire and Rescue Service

- ★ Add a daywork ambulance to provide enhanced EMS transport capacity.
- ★ Add a paramedic chase car to improve advanced life support (ALS) emergency medical service delivery in the County. By separating the paramedic from the cot, the advanced medical resource can be redeployed back into the community more quickly, improving ALS availability.
- ★ Add firefighter/rescuer positions to the MCFRS budget to reduce the need for overtime while firefighter/rescuers are engaged in full-time training to become paramedics.
- ★ Add funds to support an audit of MCFRS operations and administration with a focus on optimizing resource deployment to address racial equity and social justice while identifying resource efficiencies.
- ★ Provide funding to continue deployment of cell phone technology on all apparatus to support new alternative destination and telemedicine programs, and to provide backup communication contingency.
- ★ Replace 27 aging heart monitor/defibrillators assigned to advanced life support transport units, paramedic chase cars, and engines to ensure the operability of critical life saving equipment through short term financing. Funds are allocated in the debt service budget.

## Fleet Management Services

- ★ Construct the Brookville Depot P3 Electrification Grid, a large solar array system to be built over the existing parking lot at the

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Brookville Bus Depot. The array will collect sunlight during the day and transfer the energy collected into batteries for future use. The electric buses will be charged using the collected energy stored in the batteries. Additional energy, not needed for the buses, potentially will be sold back to the power company at a predetermined price. If needed, additional power can be purchased from the power company during peak times. This microgrid technology will be part of the County's sustainability plan.

- ★ Initiate a pilot program to evaluate the use of battery-electric vehicles in the County fleet. The Division of Fleet Management Services is purchasing six (6) Mustang Mach E electric vehicles to explore utilization in Police patrol and Ride On incident response applications.
- ★ Accelerate the transition to a zero emissions fleet by piloting an alternative approach to electric vehicle charging infrastructure. The Division of Fleet Management Services is purchasing two portable solar-powered electric vehicle charging stations with battery storage. An off-grid, construction-free power solution that fits in a parking space, the system can be configured for any type of electric vehicle to provide sufficient electricity to drive approximately 245 miles per day. In the event of an emergency, the solar chargers can be used to provide emergency power.

## General Services

- ★ Expand the County's solar energy infrastructure to improve energy resiliency and reduce greenhouse gas emissions. Solar energy projects initiated by the DGS Office of Energy and Sustainability (OES) include the Scotland Resiliency Hub, Brookville Bus Depot Microgrid, and Oaks Landfill solar development.
- ★ Implement energy efficiency initiatives at County facilities, including lighting upgrades at ten facilities and building automation upgrades at six facilities.
- ★ Initiate sustainability projects at the County Executive Office Building (EOB), including an efficiency concept study and a monitoring-based commissioning pilot, to achieve energy reduction and determine a path for a more efficient, sustainable, and productive space.
- ★ Complete inventory of major County capital assets.
- ★ Implementation of new Work Order Management System, integrated with a new Asset Management System and Decision Support System.
- ★ Continued innovation and implementation of Green initiatives throughout the County's inventory of facilities.
- ★ The DGS Office of Real Estate will continue to manage use of leased space to optimize the County's leasing footprint, increase utilization rates, and consolidate and terminate leased spaces to minimize costs and respond to evolving telecommuting trends.

## Health and Human Services

- ★ Public Health Services launched a large-scale public COVID-19 testing program to expand access and combat the spread of COVID-19. Within two months, this public effort ramped up to conduct over five thousand tests each week, equal to about one-fifth of all COVID-19 testing in the County. To promote equity and maximize impact, the Department used community and public health surveillance data to select locations best positioned to reach highly impacted and traditionally underserved communities, including strategic pop-up events and home-based testing for residents experiencing barriers to access. To further support efforts to provide healthcare to residents in the County, Public Health Services is investing in a Mobile Health Unit that will travel around the County and provide health care services that will help address health disparities.
- ★ In response to the disproportionate impact of COVID-19 in the Latino community, the Latino Health Initiative spearheaded the *Por Nuestra Salud y Bienestar Initiative*, a public-private partnership between Montgomery County Government and seven Latino-serving community-based organizations. The initiative developed and deployed an integrated strategy to provide holistic, culturally competent, and linguistically appropriate services in the areas of: prevention information, education, and community mobilization; testing and clinical follow-up; and case management. In response to the disproportionate impact of COVID-19 in the Black and African American community, the African American Health Program (AAHP) launched a collaborative COVID-19 prevention initiative, including testing at multiple locations weekly. AAHP has tested 6,000 residents for COVID-19 as of March 2021, with the goal of testing 15,000

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African American residents by July 2021. The tests are noninvasive and self-administered, and no appointments are needed. AAHP also provides participants with free on-site COVID-19 services such as vaccine preregistration, groceries, other wraparound services, and a pandemic "swag" box containing masks, gloves, a digital thermometer, hand sanitizer, and a stop the spread of COVID postcard. The program outreach provides participants with access to wellness services, mental health counseling, referrals to Black physicians, and other resources.

- ★ Responding to the heavy socio-economic consequences of the COVID-19 pandemic, Children, Youth, and Family Services implemented a suite of emergency programs to support the County's most vulnerable residents. To blunt the impact of the economic recession, the Department provided direct financial assistance to low-income families who did not qualify for the federal stimulus by distributing the \$10 million local Emergency Assistance Relief Payments program. To ensure access to child care for low-income families (including for school-aged children during school closures), the Department disbursed \$10 million in grants from the Early Care and Education Initiative Recovery Fund to help providers cover re-opening expenses and issued \$5.6 million in tuition assistance for families utilizing full-day school-aged child care. For FY22, \$5 million is recommended to be added to the Early Care and Education Non-Departmental Account to provide funds for sustaining and expanding quality child care in the County and to provide greater access to affordable child care for low-income families.
- ★ In April 2020, Aging and Disability Services created a COVID support team to address the surge of outbreaks of COVID-19 in group homes serving developmentally disabled individuals by deploying a team of nurses to provide outreach, outbreak surveillance, guidance, and support to the County's licensed group home providers.
- ★ Behavioral Health and Crisis Services implemented a number of changes to better respond to the complexities of COVID-19. With the advent of the COVID-19 pandemic, the Crisis Center's Mobile Crisis and Outreach Team managed a sharp increase in activity, growing by 37% in July-December compared to the same period in 2019.
- ★ As part of the reimagining public safety efforts, the County Executive is providing additional support to the Crisis Center by adding three Mobile Crisis Outreach Teams to boost the County's behavioral health crisis response to residents with a mental or substance use disorder. To further support residents, the Department is seeking grant funding that will increase access to and improve the quality of community mental and substance use disorder treatment services.
- ★ In response to COVID-19, Services to End and Prevent Homelessness (SEPH) pivoted its approach to sheltering to accommodate physical distancing requirements and protect the health and safety of shelter clients. This included rapidly expanding the number of shelter locations by April 2nd, 2020 including by opening temporary congregate sheltering facilities at two recreation centers, by adding two non-congregate shelters in hotels for those over the age of 62 or with medical conditions that place them at greater risk of COVID-19 complications, and by keeping open hypothermia shelters (usually closed during the warmer seasons) throughout the public health emergency to provide for additional space and capacity. Through these efforts, SEPH kept COVID-19 positivity rates below two percent among the County's single-adult shelter clients. In FY22, additional funding is recommended to operate a new homeless shelter and to provide year-round sheltering to people experiencing homelessness. Additional funding is also recommended in FY22 for the expansion of the Rental Assistance and Rapid Rehousing Programs.

## Housing and Community Affairs

- ★ Provide the highest level of affordable housing funding in the County's history by investing \$89.1 million in affordable housing. This includes \$61.1 million in the Montgomery Housing Initiative (MHI) Fund, \$22 million in the Affordable Housing Acquisition and Preservation CIP project, and \$6 million for the new Affordable Housing Opportunity Fund. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" programs, and creation of mixed-income housing. Since FY08, \$1.14 billion has been invested in support of affordable housing, leveraging \$2.21 billion in non-County funding.
- ★ Continue to protect lower-income residents of the Route 29/Castle Boulevard and Purple Line corridors from rent increases by working with nonprofits to identify and preserve at-risk naturally-occurring affordable housing (NOAH) and actively engaging purchasers with Rental Agreements to preserve affordable rents.
- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Twelve developments, including three senior and eight family projects, have already been identified with another project up for consideration. These developments would preserve or produce over 1,150 total and 899 affordable units.

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- ★ Boost economic growth by funding the Countywide Facade Improvement Program which will revitalize commercial areas throughout Montgomery County with a focus on older commercial property. The objective is to provide support to small business and encourage private investment. Improvements will include gateway signage, pedestrian lighting, connectivity, streetscape elements, plant material installation, acquisition of long term facade and center signage easements, and other amenities. DHCA will initially focus on five targeted commercial areas including Montgomery Village, Hillandale, Downtown Wheaton, the Glenmont, and Layhill Shopping Centers. This program may also be expanded to other areas of the County.
  - ★ Collaborate with Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the residents who need it the most. Over 5,550 households are projected to be assisted in FY22. A renewed focus will be on eviction prevention, including targeted assistance and financial literacy seminars in areas experiencing high evictions.
  - ★ Continue to receive funding from Federal grants (i.e., Community Development Block Grant - CDBG, the HOME Investment Partnership Grant, and the Emergency Solutions Grant), which provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and preventing homelessness.

## Human Resources

- ★ Implementation of an OHR Strategic Plan designed to address service gaps, enhance the customer experience, and strengthen partnerships within the HR Community.

## Human Rights

- ★ Advance racial equity and social justice through the creation of two Investigator positions in the Office of Human Rights.
- ★ Provide funding for education and outreach campaigns in support of racial equity and social justice in addition to support of Council Bill 35-20, Human Rights and Civil Liberties -Fair Criminal Record Screen Standards - Amendments and Bill 49-20, Human Rights and Civil Liberties - Discrimination in Rental Housing - Fair Criminal History and Credit Screenings (Housing Justice Act).

## Inspector General

- ★ The OIG reviewed the Public Health Emergency Grants issued by Montgomery County in response to the COVID-19 public health crisis. OIG assessed the resulting programs and agreements totaling \$20.95M where the risk was high and opportunities for abuse were many. OIG issued a Bulletin to County leadership in October 2020 outlining enhancements that could be instituted to strengthen current and future County grant programs. By reviewing programs at their inception, the OIG can recommend impactful modifications and safeguarding measures to ensure the integrity of County programs.

## Legislative Oversight

- ★ Advance racial equity and social justice through the creation of a Performance Management and Data Analyst III position.

## Parking District Services

- ★ Improve customer service experience by increasing staffing hours in gated facilities.

## Permitting Services

- ★ DPS quickly transitioned its business processes and staffing plan, shifting over 200 employees from an office-based to a telework-based business model to ensure continuity of operations during the COVID-19 health emergency.
- ★ Re-aligned and/ or repurposed one-third of staff within divisions and created the new Customer Service & Outreach division to better coordinate service to customers.
- ★ Initiated a search for a fully integrated and inclusive one stop shop enterprise cloud-based permitting system that is compatible with other departments in Montgomery County to improve customer service delivery.
- ★ Received two achievement awards from the National Association of Counties for the effective delivery of government services in

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implementing its M-NCPPC Certified Site Plan Inspection Program and the free deck safety inspection.

- ★ Division Staff participated in and supported the County Executive's 4 Business Benchmarking initiative to help the Montgomery County business community grow and prosper. DPS has implemented changes to its business process as result of our engagement in these sessions.
- ★ Enhanced sustainability efforts by combining solar, energy, and "green code" requirements and developing strategies to accomplish the County Executive's goal of "Net Zero" by 2035.

## Police

- ★ As part of a major departmental reorganization, the department will redeploy staffing resources to improve the efficiency and effectiveness of the agency.
- ★ Organize department traffic enforcement resources to align with the Vision Zero initiative, including the expansion of the automated traffic enforcement unit.
- ★ New department vehicles will employ hybrid technology when possible to reduce vehicle emissions, improve gas mileage, and aid in reaching the County 2035 emissions goal.
- ★ Increase the number of internal affairs sergeants to reduce the caseload per investigator to allow for a more timely completion of administrative investigations.
- ★ The department will create a new Community Resources Bureau under the command of a civilian assistant chief.
- ★ To address the rate of attrition and increase recruitment in MCPD, the Winter Police Recruitment class will be increased by 12.
- ★ Replace 30-percent, or 200, of their taser inventory that are at the end of their useful life.
- ★ Reclassify four positions in support of the department's reorganization.
- ★ Implement year three of the plan to outfit all vehicles with Mobile Video Recording systems.

## Procurement

- ★ Launched a PROjection forecast webpage for upcoming procurement opportunities and enhancing the information available on that site.
- ★ Developing PROactive launch button to assist contract administrators proactively begin the solicitation replacement cycle.
- ★ Developing 'How To' videos on navigating the PRO website.
- ★ Implementing and rebranding of the PRO website to improve the customer experience through easy navigation and intuitive access to information.

## Public Information

- ★ Progression of MC311's customer-centric business approach for improving service delivery. Plans focus on deepening the collaboration with multiple business units within the departments of Permitting Services, Health and Human Services, Finance, and Human Resources to: reduce call handling complexities by streamlining the database of information about County services (Knowledge Based Articles - KBA - reduction); eliminate internal call transfers within MC311 and non-value additional contacts with the customer (abolish Tier II's and transfers to Department voicemail); change Department websites to be more self-service oriented (IT involvement); and increase CSR's ability to recognize calls that need to be answered by departmental experts (training). Measurable Goal: 20% reduction in call

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handling time for these departments.

## Public Libraries

- ★ Complete migration from SirsiDynix Symphony Integrated Library System to Koha Open Source Integrated Library System.
- ★ Refresh of Maggie Nightingale Library in Poolesville and installation of Bibliotheca's Open Plus building automation software.
- ★ Begin Potomac Library refresh construction and develop Program of Requirements for the Clarksburg Library.
- ★ Implement OrangeBoy Savannah Community Engagement platform. OrangeBoy Savannah provides libraries a data-driven solution to increase organizational productivity and community engagement. It achieves this by linking customer behaviors with outcomes desired by the library, allowing the library to identify and implement the most efficient service model. This helps libraries target communication efforts and allocate resources to customer segments based on what they need and expect from the library, run highly targeted messaging campaigns, and ask for feedback from either a very select or very broad segment of customers. This will replace Libraries' current subscription to Constant Contact.
- ★ Summer Council Fellow will develop a plan to strengthen career paths for library staff.

## Racial Equity and Social Justice

- ★ Add two positions to advance the implementation of Bill 27-19, the Racial Equity and Social Justice Law.

## Recreation

- ★ Montgomery County Recreation's Youth Sports Initiative: This collaborative effort will address barriers to participation and youth sports silos to deliver youth sports in the County in a manner that is equitable and expands participation opportunities.
- ★ The Department implemented a Bike Safety Initiative in Partnership with MCDOT, the Washington Area Bicyclist Association (WABA), and County Government to promote and support Vision Zero.

## Recycling and Resource Management

- ★ Continue to improve the safety and processing efficiency at the Yard Trim Facility and the Compost Facility, using software that allows more accurate load measurements of bulk shipments from the Compost Facility.
- ★ Expand the commercial food scraps recycling program to additional large-scale commercial food scrap generators of food scraps, and expand the pilot of the single-family residential food scraps collection program in FY22.
- ★ Improved partnership with the Bethesda Urban District, the Silver Spring Urban District and the Silver Spring Regional Services Center to address the lack of recycling bins in the downtown areas in Silver Spring. This partnership strives to increase the number
- ★ Initiate the curbside pickup of electronics for recycling in the northern part of the County in FY22 through new recycling contracts.

## Sheriff

- ★ Collaborating with the Montgomery County Department of Technology Services to make Intake and Recordkeeping at the Family Justice Center, fully electronic and paperless.
- ★ Development of a training institute on Domestic Violence Dynamics, Domestic Violence and the Workplace, How to Talk to Children About Dating Violence, and Bystander Intervention at the Family Justice Center.



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- ★ Continue to explore partnerships between the Family Justice Center, the County and other non-profit agencies to provide enhanced services for victims of domestic violence who are also substance abusers.
  - ★ To address attrition and the rate of recruitment, the Sheriff's Office will increase each of the two recruitment classes by one.

## Technology Services

- ★ The Device Client Management (DCM) program intends to complete the replacement of up to 3,000 devices, primarily laptops, for eligible employees. Increase funding to allow the County to establish a 5-year PC replacement policy in contrast to the current 6.5-year policy.
- ★ Create a DTS training strategic plan and associated role-based learning paths, create training content, adopt vendor-based content, and manage the registration process to increase skills, knowledge, and adoption towards strategic priorities departmentally and organizationally. The plan encompasses Microsoft, Oracle, DTS Internal and other IT training portfolios, including training required during IT projects or implementations.
- ★ Implement FiberNet3, a third-generation network design which impacts the speed in which digital information travels. FiberNet3 builds on the long-term success of County-owned fiber optic communications infrastructure to provide critical infrastructure for next generation communications and access to cloud services. Planned upgrades address emerging and long-term needs including: essential equipment and technology refreshes, an increased capacity to support growing bandwidth demands, and design enhancements to expand the breadth of service offerings. FiberNet3 upgrade objectives include: increased capacity access; flexible transport services over Montgomery County Public Libraries and Dense Wavelength Division Multiplexing (DWDM) technology; Tier IV data center connection; more resilient internet services; direct connections to cloud-based service; enhanced quality of service for critical unified communications (VOIP, Video); support for new customer technologies and emergency demand; and growth opportunities for the County.
- ★ Provide Change Management support on enterprise IT projects or implementations that are new or currently in progress.
- ★ Lead business process re-engineering efforts in departmental and enterprise-wide projects and initiatives to increase efficiencies and better support our residents.
- ★ Develop internal training to prevent data leakage, or the transmission of private or sensitive data with unauthorized parties. This training will prepare users to utilize controls and permissions in the MCG data sharing platforms (OneDrive, SharePoint, Teams) to specify user access and prevent unauthorized data access.

## Transit Services

- ★ Re-imagining Ride On Transit System. Re-imagine Ride On Transit Services by implementing a route restructuring study that will examine the entire Ride On transit system's route network looking at changes to the County's population, demographics, employment centers and residential network to determine enhanced optimization of current and proposed transit services and provide recommended changes for a more equitable, efficient, effective and sustainable service delivery of transit services to meet the evolving needs of the community. A variety of route features to be examined include route structure, connectivity, route span, frequency of service, plus deploying zero emission buses to the fleet. The study's recommendation will assist Transit Services to implement key strategies to increase program performance in an equitable and sustainable manner.

## Urban Districts

- ★ Three blocks in downtown Bethesda (Woodmont Avenue, between Bethesda Avenue and Elm Street; and two blocks on Norfolk Avenue) were cordoned off to provide for extended seating and outdoor dining for all downtown Bethesda restaurants; managed and operated by the Bethesda Urban Partnership (BUP). The Bethesda Streeterly was created by BUP to provide additional dining options for the restaurants during the pandemic when their indoor capacity was restricted.
- ★ A new public art mural was installed in August 2020 at the Rugby Avenue/Woodmont public parking garage in partnership with the Department of Transportation (MCDOT) and Park and Planning. The mural significantly improved the aesthetics of one of the oldest county owned garages in downtown Bethesda, and continued our Arts & Entertainment District goal to bring more public art to our

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downtown.

- ★ The Silver Spring Urban District Red Shirt Team is working intensely with MCDOT in collaboration with the State as the work of the Purple Line disrupts business operations and requires substantive directional and information services as pedestrian and vehicular traffic is disrupted.
- ★ The Silver Spring Urban District, through its Arts Consultant, established a weekly 'check-in' with arts organizations to provide relevant updates and information on COVID related matters and collaborate on virtual presence for the arts community.
- ★ The Wheaton Clean & Safe Team supported the opening of the new MNCPPC headquarters in Wheaton by providing increased presence around the building and Plaza, responding to requests from new tenants in the building, and participating in a public safety task force made up of MNCCPPC, Police, WMATA Security, and MCDOT.
- ★ The Wheaton Urban District created an online rebranding and marketing campaign which included a new logo, welcome materials for tenants moving into the new building, incentive program for local businesses and a new website.

## ■ Productivity Improvements

### Agriculture

- ★ The Office of Agriculture has embraced the remote working environment and has been able to effectively utilize the telework tools provided by the County. These tools, especially Microsoft Teams, have enabled the Office of Agriculture to continue its work from day one of the pandemic without lapse. This seamless transition from office to telework has increased productivity.
- ★ Initiated a process to gauge its efficiency and customer service by affixing a link to a customer satisfaction survey to the closing of all staff emails. The survey results received thus far indicate that the OAG is providing superior customer service to County residents.

### Alcohol Beverage Services

- ★ Expanded marketing and outreach efforts to promote many of the existing features of ABS.
- ★ ABS opened its first "spirits only" store to provide convenient spirits access to residents in an underserved area of the County.
- ★ Implemented an online alcohol licensing program.

### Animal Services

- ★ During facility closure in response to the COVID-19 pandemic, the Department developed and implemented a creative adoption program through partnership with a local non-profit organization, while also enhancing transfers of animals to rescue partners throughout the region.
- ★ Initiated a new process for free Rabies vaccination programs through weekly clinics utilizing safety protocols developed in response to the COVID-19 pandemic.
- ★ Revised adoptions customer service operations to improve the customer experience and overall efficiency; enhanced adoption opportunities by reducing barriers to adoption by streamlining and simplifying processes.
- ★ Creative problem-solving for long-term animal residents and those with complex medical and/or behavioral cases resulting in decreased length of shelter stay, promoting live release of animals, and increasing efficiency of shelter operations.

### Board of Elections

- ★ Received the U.S. Election Assistance Commission Award for the Montgomery County Voter App and Short Code that links residents to the Maryland voter registration website, allows voters to request a vote-by-mail application, and allows voters to find the closest voting center to his or her voting location and access its current wait time.

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- ✱ Transitioning from traditional in-person Election Judge training to a hybrid of virtual and on-site instruction, which will reduce training costs.
  - ✱ Creation of a ballot drop box mail system to ensure the secure and expeditious return of cast ballots to the Board of Elections.
  - ✱ Expansion of canvassing capacity using an off-site location that will allow up to 20,000 ballots to be counted per day.

## **Cable Television Communications Plan**

- ✱ Continued commitment to advancing diversity, equity, and inclusion by addressing our community's digital divide. A digital equity pilot program, MoCoNet, was established to provide internet services to low income and special needs residents of Main Street Apartments. MoCoNet has been an essential resource for professional, educational, and social connectivity. MoCoNet has reached over 50% of the Main Street Apartment's eligible units, since its launch in August 2020. Closing the digital equity gap will continue through the expansion of free, reliable internet services to include additional affordable housing properties.
- ✱ Senior Planet Montgomery offers free online technology classes to seniors. The objective of these classes are to help older adults improve their daily lives through the utilization of technology. Montgomery County has expanded these classes to include classes in English, Spanish, and Mandarin. Pre-pandemic participation of 811 has increased to over 10,000 on-line participants.
- ✱ Deployed outdoor WiFi at 14 County library locations to provide broadband access for low income communities of color and small business entrepreneurs without home Internet access.
- ✱ Enhanced Technology Facility Coordination Group (TFCG or "Tower Committee") public awareness and input by revising County regulations, leveraging automated email notification, and online application posting.
- ✱ The Transmission Facilities Coordinating Group application process improvement replaced in person payment submissions with an electronic payment submission.
- ✱ Continued to expand community engagement and content through the following platforms: podcasting, cablecasting CNN new evening, and live social media coverage of County and State meetings and events.

## **Circuit Court**

- ✱ Provided phone consultations and limited in-person appointments for self-represented litigants needing support with family cases and issues such as custody and child support payments during the COVID-19 pandemic.
- ✱ Immediately implemented remote Drug Court and Mental Health Court programs to support vulnerable populations during the pandemic. Retooled both programs policies and procedures to support participants via remote means. Held two virtual Drug Court graduations during the COVID-19 pandemic.
- ✱ Implemented remote custody evaluations, adoption investigations, co-parenting classes, pro bono mediations & custody/access programs, and supervised visitation to ensure these critical services continued virtually throughout the entire COVID-19 pandemic. Implemented online court services and appointments to ensure access to case files, marriage licenses, business licenses, land records, and notary services.
- ✱ Managed critical case backlog through caseload/workload landscape analyses, Alternate Dispute Resolution, an additional family case docket, and recalling retired judges. Modified business practices related to the scheduling and rescheduling of court events.
- ✱ Developed a web-based request system to allow the public to listen to open court proceedings remotely.

## **Community Use of Public Facilities**

- ✱ Community Use of Public Facilities (CUPF), in partnership with the Department of Recreation and the Department of Parks, will replace the shared, on-line booking and sales software application. The new system is expected to cost substantially less than the original estimate, improve efficiency and the customer's experience.

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## Consumer Protection

- ✱ OCP decreased the amount of time that it takes the department to process and issue business registrations and licenses by 22.48 percent (FY19 18.19 days, FY20 14.1 days).
- ✱ OCP increased the percentage of complaint cases resolved by the department by 21.57 percent (FY19 51%, FY20 62%).

## Correction and Rehabilitation

- ✱ In collaboration with Department of General Services, implement the Montgomery County Detention Center (MCDC) Stabilization project to reduce the facility's existing footprint by demolishing unused space that will save on building maintenance, repairs, and energy costs. Initiate planning for a new MCDC.
- ✱ Replace original Key Watcher system at the Montgomery County Correctional Facility to enhance security, accountability, and productivity. Replacement of the Key Watcher system at the Montgomery County Detention Center and the Pre-Release Center is also planned.
- ✱ Realize virtual training that enable employees to participate in the State of Maryland mandated training at Montgomery County Correctional Facility, Montgomery County Detention Center, and Community Corrections.
- ✱ Replace and update aging polycom systems to effectuate legal and court access to inmates via a virtual environment.

## County Attorney

- ✱ Expanded the electronic citation application for use by more departments. Enhanced the application to allow inspectors to save a preview version of the citation ticket before final issuance. Code enforcement supervisors can now review and approve a citation after inspectors update information. Continued to train inspectors in Permitting Services, Health and Human Services, Environmental Protection, Office of Consumer Protection, and Animal Services and Adoption Center on this application.
- ✱ Implemented an online payment portal for debt collection payments including dishonored checks, False Alarm and other miscellaneous payments. Debtors can pay by credit card or personal check via the payment portal and daily payment reports can be viewed online.
- ✱ Migrated all existing non-procurement contracts in Zymaging to SharePoint to create a Non-Procurement Contracts Resource Center to better implement AP2-4. Created a one-stop shop for contract administrators; provided online agreement checklist to create and update contract/MOU/grants information and allow contract administrators to upload support documentation. Created a workflow process for department contract approval, OCA review, and Finance verification.
- ✱ Converted all paper workflows with Child Welfare Service to electronic forms and all court-related forms to electronic format. Established new ad-hoc e-filing procedures to match the changes made by the courts. Enabled all attorneys to appear in 100% remote court appearances. Provided trainings session for HHS on remote court participation.

## County Executive

- ✱ The creation of the Business Advancement Team has consolidated services to the business community by providing a central access point related to business growth and development within the County. Staff are working in a cohesive manner to provide support, assistance, information and guidance to the local business community.
- ✱ The CAO's Office facilitated the development of the County's Climate Action Plan, the roadmap to zero carbon emissions Countywide by 2035, and oversaw the work of the Reimagining Public Safety Task Force.
- ✱ Internal Audit completed and published eight audit reports in FY20 and FY21 to date, including reviews of the following: procure-to-pay operations; warehouse inventory management in Alcohol Beverage Services; risk assessment of the County's information technology (IT) environment; purchasing card operations; IT change management; and IT patch management.
- ✱ Working with Departments, Internal Audit has seen continued progress in closure of open recommendations from Office of the Inspector General, Office of Legislative Oversight, and Internal Audit reviews; with a closure rate of 90 percent.

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- ✱ The Innovation program continues to change culture with action. Staff launched two additional Accelerator cohorts and re-imagined a fully remote experience; delivered human centered improvements to COVID-19 testing and response including rapid delivery of a transitional testing registration system and an improved process to expedite and streamline responses to COVID-19 questions from across the County; and digitized several County systems to bring critical services like housing assistance, emergency relief programs, election services and many more online.

## Economic Development Fund

- ✱ Through the Economic Development Grant & Loan (EDGL) Program, the Economic Development Fund continues to provide support for biotechnology growth, a key strategic economic sector in the County. In FY20, a \$350,000 conditional grant was approved to facilitate establishment of the U.S. Headquarters of Aurinia Pharma and to attract over 200 new jobs to the County. In FY21, the County will provide a \$1 million conditional grant to Novavax, Inc. to support \$80 million in capital investment and create 400 new jobs for COVID-19 vaccine development.
- ✱ In FY20, the Public Health Emergency Grant (PHEG) Program was created to provide assistance to small businesses and nonprofits showing a revenue loss due to the COVID-19 pandemic. In total, 2,344 grant recipients received \$20.9 million, with an average grant award of \$8,923 per business.
- ✱ In FY21, the Reopen Montgomery Grant Program was established to reimburse businesses for expenses incurred to comply with COVID-19-related health & safety requirements for reopening their businesses. A total of 2,491 businesses were awarded \$7.94 million, with an average grant award of \$3,187 per business.

## Emergency Management and Homeland Security

- ✱ During the COVID-19 pandemic, OEMHS has coordinated the emergency management group using a number of virtual tools to maintain situational awareness and respond to resource requests.
- ✱ OEMHS and the Office of Management and Budget are coordinating the compilation, organization, and assessment of costs that are eligible for FEMA reimbursement.
- ✱ The Unmanned Aircraft System (UAS) program has been developed with approval from FEMA and will allow the rapid deployment of UAS to assess damage following a disaster.

## Environmental Protection

- ✱ The compliance rate of commercial property owners reporting energy usage under the County's benchmarking law increased from 58% to 91% for the 2017 to 2019 reporting periods through enhanced outreach and education as well as follow up with the property owners. Properties that have consistently benchmarked during this time period have reported reduced energy use equivalent to an estimated \$3 million in utility cost savings.
- ✱ Improved ability to plant trees on individual properties through one additional staff as well as enhanced procedures for interacting with the property owners (over 750 applications were processed under the Tree Montgomery program in FY20). Improved focus on planting of trees where canopy is lacking due to disturbance and development particularly in dense urban areas and areas where attention is needed to address equity issues. Tree plantings address the goal of greenhouse gas reduction.
- ✱ Extensive outreach with residents and commercial property owners to improve energy efficiency of existing buildings and educate residents about clean energy, working to reach the County's goals of greenhouse gas emissions reduction of 80% by 2027 and 100% by 2035.
- ✱ Continued construction of stormwater management projects, in anticipation of receiving a new MS4 permit from Maryland Department of Environment. Continued outreach and support to property owners to allow for individual actions that contribute to improved water quality through pet waste pick up programs, rebates for RainScapes applications, and awarding of watershed improvement grants to local non-profit organizations.

## Finance

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- ✱ Implemented Simplifile, the online system for e-recording for transfer/recording to increase productivity and allow more staff to work remotely instead of more time-intensive manual processing.
  - ✱ Implemented new software, Gravity, to improve the efficiency and accuracy of the creation and completion of the Comprehensive Annual Financial Report.
  - ✱ With the assistance of the County Executive and Department Directors, created a mandatory Worksite Safety Coordinator Program to improve County safety and health culture. All Departments now have representation and have spent the past several months working on the core elements of the County Occupational Safety and Health Program. The implementation of new training and educational programs has strengthened the County's overall safety culture.

## **Fire and Rescue Service**

- ✱ MCFRS' Emergency Medical and Integrated Healthcare Services section implements the Direct- to-Triage initiative to decrease low-acuity patient hospital transport turnover times by transferring patients who do not require assistance while waiting for an emergency room bed directly to the emergency room triage process. This improves service to the community by decreasing EMS unit total on-call time and increases resource availability.
- ✱ Began pilot program in cooperation with Shady Grove Medical Center (SGMC) and surrounding skilled nursing facilities (SNFs), to assess the effectiveness of a treatment in place program. This program will introduce a Certified Registered Nurse Practitioner (CRNP) into the field, specifically to assess and treat low-acuity patients at SNFs near SGMC. The program goal is to reduce unnecessary hospital transfers by treating the patient at the facility and referring further follow-up to the SNF staff and clinicians.
- ✱ Implement RapidSOS technology to provide improved location information to help first responders find 911 callers who cannot confirm their address.
- ✱ MCFRS operated a COVID-19 surge plan deploying additional resources and enhanced procedures from March 13 to June 10, 2020.
- ✱ Under revised dispatch protocols, units now respond without lights and sirens to low acuity Emergency Medical Service calls to reduce the risk of collision.
- ✱ All 37 fire stations now have at least one mechanical Cardiopulmonary Resuscitation (CPR) device; a proven and effective technology that enhances the quality of CPR and will support MCFRS' already stellar return of spontaneous circulation (ROSC) rates.
- ✱ Nine new EMS units (each with a mechanical load ambulance cot system), four brush engines, one boat support unit, one engine, and one rescue squad have been placed into service in FY21.

## **Fleet Management Services**

- ✱ The Division of Fleet Management Services (DFMS) has developed a technical specification for the County's electric bus program and is developing a Request for Proposals (RFP) to procure ten electric buses as part of a Federal Transit Administration (FTA) Bus and Facilities Grant. Buses will operate out of the Brookville Depot in Silver Spring which will include a solar canopy microgrid that will make the County's electric bus service truly green. The County's first four electric buses went into service in September 2020, with additional electric buses scheduled to be purchased and delivered in FY22.
- ✱ To accelerate the transition to zero emissions of the Ride On Bus fleet, The Division of Fleet Management Services executed a Request for Information (RFI) to gauge market interest in and concept development for procuring transit assets as a service, with an emphasis on Public-Private Partnerships (P3) and Vehicle as a Service procurement models. DFMS is in the process of evaluating responses from interested parties with the goal of developing alternative procurement approaches for electric buses.
- ✱ The Division of Fleet Management Services is developing a Zero Emission Fleet Plan to reduce emissions and streamline the County's fleet of light-duty vehicles and heavy trucks and equipment. Vehicle allocations will be re-examined to leverage the use of telework and reduce vehicle use while maintaining the current level of service delivery. Where practical, County vehicles will be targeted for either elimination due to low utilization or replacement with zero-emissions models. County fleet users will be encouraged to use mobility alternatives such as pooled vehicles, public transportation, or ride-sharing services.

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- ✱ The Division of Fleet Management Services developed and proposed a plan to remove the underground fuel storage tanks at the County Council Office Building (COB) and demolish the current fuel station building. This location will then become an electric vehicle charging station lot with multiple chargers.

## General Services

- ✱ The Department of General Services contributed to the County's response to the COVID pandemic emergency by stocking, staffing, and maintaining a new COVID supply warehouse. DGS established an inventory management system and procedures to ensure seamless delivery of, and accountability for, hundreds of thousands of safety items to County operations, employees, child care service providers, and healthcare providers.
- ✱ To ensure a safer environment for staff and the public at County facilities during the COVID pandemic emergency, the DGS Division of Facilities Management established new COVID-related cleaning protocols and responded to COVID incidents. This effort also included implementation of new and enhanced air filtration and air circulations standards for existing County locations.
- ✱ The DGS Office of Planning and Development (OPD) secured \$103 million in private investment in FY20, and a cumulative investment of \$327 million since FY14, through its public-private partnerships. OPD successfully negotiated for the redevelopment of the former Department of Recreation headquarters to include 196 for-sale homes and rental apartments for very low and low income households.
- ✱ Effectively relocated all homeless residents of Gude Drive shelter to Taft Court, on an emergency basis, which included major renovation of the new location.
- ✱ DGS Central Duplicating Services digitized employee medical records in preparation for the planned physical office move of the Office of Occupational Medical Services. Digitizing employee active records, microfilm/microfiche and x-rays reduced the need for storage space in the new location, allowed for shared accessibility of records with doctors and staff, provided for a more secure solution for maintaining confidentiality, and supported disaster recovery.

## Health and Human Services

- ✱ In order to combat social isolation and boredom, early in the pandemic Aging and Disability Services launched the Engage @ Home YouTube channel which features County staff and community partners presenting health and wellness programs, cultural activities, and caregiver resources. Engage@HOME has reached 116,000 viewers with over 417 hours viewed. To promote this and other resources, staff created Thrive at Home, an initiative that included a page on the County website (highlighting resources for residents looking for someone to talk to, activities for people with memory loss, and other supports) and the mailing of postcards with the "Thrive at Home" theme.
- ✱ To preserve social distancing and shift client interactions and service delivery into a newly virtual environment, the Department utilized its Qless lobby management system to implement a single, streamlined process for virtual client intake to provide safe, equitable, and efficient access to the Department's social safety net programs.
- ✱ The Community Action Agency's Volunteer Income Tax Assistance (VITA) program engaged the Internal Revenue Services (IRS) to develop and receive approval for a safe, virtual tax preparation process through Zoom, with funding from the United Way of the National Capital Area. VITA also expanded multi-lingual Earned Income Tax Credit (EITC) outreach in seven languages and launched a text alert campaign targeting thousands of households.

## Housing and Community Affairs

- ✱ Continued a paperless Energy Efficiency program with streamlined, efficient guidelines and requirements that provides energy-efficient home improvements to income-eligible homeowners.
- ✱ Continued efforts to improve data quality by leveraging external services (e.g. for street address validation) as well as other County data repositories. Work is also being carried out to consolidate data repositories across DHCA's core systems to minimize data maintenance work, improve integration, and support drilling across data models.
- ✱ Developed data models and dashboards to support the department's on-going Business Intelligence initiative.



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- ✱ Committed to using cloud-based services in accordance to the County's own vision. The department is already leveraging the County's Azure file storage instance. DHCA's IT team is also exploring Amazon Web Services (AWS) Elastic Cloud to support its application development's activities.
  - ✱ Planning the deployment of a new Internet-facing affordable housing search application called 'Rental Guide'. The Rental Guide leverages the most recent web application development standards providing users with an intuitive and efficient interface. The application emphasizes speed, accuracy, and responsiveness.

## Inspector General

- ✱ Implemented an outreach program to help educate County Employees on how they can help the OIG to fight fraud, waste and abuse, and improve the effectiveness and efficiency of the programs and operations of the County government and independent County agencies. Outreach efforts resulted in a 92% increase in complaints received between FY19 and FY20.
- ✱ Implemented an Audit Division to conduct systematic risk-based rotating group by group review of the internal accounting and contracting processes and controls for Montgomery County Government departments.
- ✱ Expanded oversight by over \$2 Billion to include Montgomery College, the Housing Opportunities Commission of Montgomery County, the Montgomery County Board of Education, and Montgomery County Public Schools through passage of legislation.
- ✱ Acquired and implemented a critical case management system to support the work of the Audit Division by providing a platform for audit planning, project execution, and report distribution. The software is programmed to assure conformance with the generally accepted governmental auditing standards which is the standard the OIG is required to meet under county law.

## Intergovernmental Relations

- ✱ Enhanced the Office's Legislative Tracking System to maximize its workflow and public information capabilities, as well as reducing publication costs by placing more information on the web and producing fewer hard copies
- ✱ Subscribed to the Federal Funds Information for States (FFIS) service that was shared with our County Partners
- ✱ Utilized a University of Maryland (UMD)/Shady Grove intern during the legislative session
- ✱ Maximized telecommuting and compressed work schedules and utilized Microsoft (MS) Teams and other technology for meetings
- ✱ Expanded the use of the Politico and Politico Pro subscription service which provides the County with in-depth analysis of policies essential to understanding the federal landscape and advancing County priorities

## Parking District Services

- ✱ As part of the Wheaton Revitalization Project, the new garage will feature LED lighting fixtures, Electric Vehicle (EV) charging stations, low emission vehicles preferred parking spaces, and increased security measures through additional cameras and panic buttons. The Wheaton Office building will be the first LEED Platinum certified government facility in Maryland featuring a geothermal system and solar panels in the roof areas.
- ✱ Management of the Bethesda facility improvements to include payment system upgrades, machine location plan, and sign replacements.
- ✱ Installation of new LED light fixtures in additional parking garages to improve lighting and energy efficiency.

## Permitting Services

- ✱ Performed 5,672 Site Plan Inspections on over 150 M-NCPPC Certified Site Plan Construction Projects.

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✱ Fielded 54,898 MC311 inquiries.

✱ Performed 33,894 investigative inspections with alleged code violations.

## Police

✱ Deployed smart phones to all sworn personnel to provide a means to ensure data security, as well as provide a backup to our radio communications system.

✱ Pursue the expansion of less lethal weapons to enhance the ability to subdue individuals while minimizing injuries.

✱ Improve customer service and decrease staff workload by providing a means to obtain vehicle accident reports on-line.

✱ Deploy new software in the crime lab to increase efficiency and effectiveness of the unit by revamping unit-wide workflows with streamlined, paperless processes.

✱ Implement a records management system (RMS) that meets Federal and State requirements that will greatly improve the capability of the department's workflow.

## Procurement

✱ Procurement received three distinguished achievement awards from The National Association of Counties (NACo) in the categories of Information Technology and Transportation. They are Visualizing the Solicitation Process with Kanban, Solicitation Tracker - Transparency in Public Procurement and Construction Manager at Risk (CMAR) Project Delivery System.

✱ Reduced Invitation For Bid (IFB) Boilerplate from 39 pages to 24 pages, a 38 percent reduction.

✱ Implemented the Local Small Business Reserve Program (LSBRP) amendment bill (39-19) to include non-profit organizations and increase the goal from 20% to 25% and the new Local Business Preference Program Legislation (25-19E).

✱ Developed reverse trade show targeting specific industries to meet with using department decision makers & partnered with department stakeholders to initiate a University of Maryland graduate student research project - Green Procurement Opportunities for Montgomery County.

✱ Implemented Microsoft Teams channels and e-signature for PRO Telework.

✱ Piloted eprocurement with a multi-award Local Small Business Reserve Program (LSBRP) technology solicitation and will continue to expand the pilot.

## Public Information

✱ MC311 moved all business functions and approximately 50 employees to 100% telework status on March 17, 2020. This seamless transition at the onset of the COVID-19 pandemic was only possible due to prior years of emergency preparedness planning and simulations that mirrored public safety agency readiness/contingency planning. This process included redesigning the Customer Service Representative (CSR) training program and implementing new technologies.

✱ In early 2021, MC311 implemented early in 2021 a phone-based messaging option that informs callers inquiring about Medicaid and the Supplemental Nutrition Assistance Program (SNAP) information about online resources. This self-service feature on MC311's welcome message diverted more than 750 calls from the queue during the first month.

✱ MC311 early in 2021 implemented an online chatbot pilot to answer the top 24 services requested at MC311.com. This feature will soon be multi-lingual. Usage is starting at roughly 50 interactions a week, and this number is expected to increase.

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- ✱ Service requests handled via MC311.com increased 22% per month so far in FY21 (from 7,600 to 9,250) and an upward trend is expected to continue.
  - ✱ FY22 Recommended Budget provides for one new Merit Full-Time Customer Service Representative I (Grade 13) position; and funding for temporary contractors for six months. MC311 Management plans to hire multi-lingual candidates with an emphasis on Spanish speaking call takers. These personnel hours are expected to decrease the average call wait time, increase the number of answered calls, and decrease the call abandonment rate.

## **Public Libraries**

- ✱ Joined over 285 major public library systems in the US and Canada in no longer charging overdue fines.
- ✱ Pivoted from total traditional in-person library programming to a fully virtual programming model using the Zoom platform. From February 1, 2020 to February 11, 2021, offered 2,416 virtual programs with a total attendance of 91,299 persons.
- ✱ Launched Holds To Go service on July 6, 2020, which is a successful contactless physical materials circulation process. As of February 11, 2021, library users have borrowed 1,391,217 items using this process.
- ✱ Partnered with the Department of Technology Services to install enhanced outdoor wireless at 10 library locations.

## **Recreation**

- ✱ TeenWorks: A tutoring, mentoring and academic support program launched in March that connects referred bilingual students to further support online learning and growth.
- ✱ In response to the coronavirus pandemic (COVID-19), Montgomery County Recreation established "Rec Room", a web-based virtual recreation center that delivers free and affordable recreation resources and opportunities to residents of all ages.
- ✱ Launched the "Rec Your Way" program in January 2021. Rec Your Way is a new, personalized experience that allows customers to create a custom designed class to share with friends and family.

## **Recycling and Resource Management**

- ✱ The capital equipment purchases for FY22 will dramatically improve the operational efficiency and reduce the overall cost per ton of the yard trim grinding operation at the Transfer Station. A low-speed, high torque shredder combined with scalping screen will allow 70% - 80% of material to by-pass the secondary high-speed grinders, increasing production efficiency.
- ✱ Continue efforts to increase recycling awareness including grasscycling, food waste composting as well as waste reduction and reuse. DEP staff continue to create educational materials using software and in-house capabilities providing savings.
- ✱ Automate the process for licensing of Haulers and Collectors allowing the application to be submitted from a mobile phone and reviewed by DEP staff within two days. Payments can be made through credit cards or bank accounts, eliminating the handling of checks. Automated reminders are sent to the licensed companies when it is time to renew. This increases productivity of DEP staff and simplifies the process for the haulers and collectors.
- ✱ Continue the acceptance of credit cards only at the Scale House at the Transfer Station, allowing more efficient transaction time and ability to control transactions associated with the monthly revenues of approximately \$2 million. Additionally, improved infrastructure including new underground fiber cable as well as software upgrades to ensure the point of sale system at the Transfer Station is reliable, reduces loss of revenue, and provides clear accountability.
- ✱ Use of wireless internet (wifi) at the Dickerson compost facility (previously connected with a cellular air card) that allows contractors and DEP staff at the facility to collaborate through use of the county County network, increasing productivity.

## **Sheriff**

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- ✱ The Family Justice Center (FJC) served 1,652 victims of intimate partner violence. The clients ranged in age from 15 to 83, with the majority being between the ages of 18 and 35. The FJC provided the services in 20 different languages (English, Amharic, Arabic, Bengali, Cantonese, Dari, Farsi, French, Haitian Creole, Korean, Latvian, Mandarin, Pashto, Portuguese, Russian, Spanish, Thai, Urdu, Vietnamese, and Yoruba).
  - ✱ Rotational telework, social distancing, and routine disinfecting protocols were immediately put in place at the Family Justice Center to ensure victims could safely receive the same critical, wraparound care that has always been available at the FJC during this time. The Center also set up a dedicated safe e-mail account (safe@montgomerycountymd.gov) so that victims of abuse could discreetly send an e-mail to the FJC if they could not safely make a phone call. A 20% decline in victims seeking services at the FJC was initially observed in April and May of 2020, but by June, the number of clients rebounded back to pre-COVID levels and continued to increase throughout the summer.
  - ✱ In collaboration with the Montgomery County Animal Services and Adoption Center, the FJC finalized and implemented an agreement to expand the Safe Keep Program, which provides emergency shelter for pets of domestic violence victims. Staff from the FJC and from the Animal Services and Adoption Center also participated in a joint training on the link between animal abuse and domestic violence.
  - ✱ In collaboration with Chesapeake Counseling Associates (CCA), FJC adapted the highly successful Safe Start Summer Camp program to a virtual format due to the COVID-19 public health crisis. Since summer camps were widely shut down this year, CCA mailed activity kits to more than 30 children for use in therapeutic, summer camp-style group activities that were done virtually through Zoom.
  - ✱ Utilizing best practices, the FJC revamped its website to make it more user-friendly and accessible to clients and the general public. New features include a quick exit button, resource pages, and embedded links to allied agency websites.
  - ✱ The FJC Volunteer and Internship Program accepted 16 volunteers and interns who completed 558 hours of service until the program was temporarily suspended in March 2020 due to the COVID-19 public health crisis.

## State's Attorney

- ✱ State's Attorney's Office Information Technology staff developed and implemented an online Discovery Request Application in SharePoint for attorneys and administrative staff to request discovery material through a secure site. Some of the key benefits include the following:
  - Provides the Discovery Unit with a complete and accurate information needed for each request.
  - Provides each requester with a complete list of their discovery request.
  - Provides a real-time status dashboard of each requestor's discovery request. The application will also provide email notifications to the requestor as well as anyone else who is identified within the request.
  - Built in workflow that will allow the application to provide email notifications to upper management when requests are designated as a rush, not assigned, or not completed within a specific timeframe.
  - Provide accurate statistics for identifying future resources and staff.
  - Allow for future automation to request evidence through the application for such items as 911 dispatch calls, police crime scene photographs, and circuit court transcript request.

This site has increased efficiency and reduced errors while providing discovery in a timely manner. It has been particularly helpful as the office continues remote operation.

- ✱ Overcome logistical obstacles in providing Court Support to attorneys in the midst of a global pandemic including creating multiple departmental SharePoint sites to assist attorneys and staff in group collaboration tasks as well as the ability to share all documents and files.

## Technology Services

- ✱ Developed several constituent-facing web applications aimed at providing resources to residents and small businesses impacted by the COVID-19 pandemic. Established a strategy to keep the network up during high volume response by applicants.

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- ✱ Established the necessary infrastructure and support to swiftly migrate the organization to a telework environment in support of business continuity during the COVID-19 emergency efforts. Established necessary security and 24/7 help desk support during the critical transition with little to no interruptions in revenue collection or business operations.
  - ✱ Partnered with the Department of Permitting (DPS) to begin a business re-engineering strategy to upgrade their permitting system to include a cloud-based solution with enhanced functionality for permit processing and customer service.
  - ✱ Renegotiated and consolidated the Microsoft Enterprise Agreement (EA). The Microsoft EA provides a comprehensive agreement combining software and services to support Montgomery County's Telework strategic initiatives including improved security, licensing, and required infrastructure for recovery efforts.
  - ✱ To answer the technology needs of the County vaccine distribution program, DTS delivered a pre-registration system to allow County residents and workers to input critical information to determine their tier for vaccination. The system provided a virtual phone agent to automatically address inquiries in both English and Spanish, resolving approximately sixty percent of incoming calls before reaching a human; email and text notifications to keep pre-registrants informed of their vaccination status; and a user-friendly solution to allow public health resources to efficiently manage the large amount of data to process vaccinations.
  - ✱ Managed the development and implementation of web-based, mobile-friendly, COVID-19 testing, and notification solution, which provides an end-to-end service allowing a County resident, worker or employee to register, test and be notified of test results within a 24-48 hour window. Over 10,000 tests have been conducted via this Microsoft solution.

## Transit Services

- ✱ Successfully launched limited stop FLASH service between the Burtonsville Park and Ride Lot and the Silver Spring Transit Center. The FLASH service runs from 5:30 am to midnight seven days a week with 7.5 minutes headways in the morning and afternoon peak periods and 15 minutes all other times. The FLASH service includes 18 unique new station platforms and a fleet of 16 60-foot articulated buses. Travel time is reduced compared to previous bus routes, through limited stops, paying for fares off board at platforms, exclusive transit use of shoulder along the northern portion of US29, and traffic signal priority that allows buses to get through some intersections more efficiently.
- ✱ Successfully introduced the County's first four zero emission buses. The four buses operate on Ride On bus routes serving Silver Spring, Takoma Park, and Langley Park. In Spring 2022, the department expects to deploy ten additional zero emission buses. The 14 zero emission buses put in service in FY21 and FY22 will be responsible for a reduction of 9,568.4 metric tons of carbon dioxide over the next 12 years.

## Urban Districts

- ✱ Restaurant Week in the Bethesda Urban District held a "Savor Bethesda" - in lieu of the annual Taste of Bethesda, Bethesda Urban Partnership held our first Restaurant Week for downtown Bethesda from Oct. 1 - 11, 2020. This initiative was created to drive business to struggling restaurants during the pandemic.
- ✱ The Silver Spring Urban District supported the establishment of the innovative Eatery on Georgia Ave, working with the State Highway Administration starting in the summer of 2020. Additional eateries are planned for Newell Street and at Veterans Plaza.
- ✱ During COVID, the Silver Spring Urban District was able to pivot and readjust operations to continue the critical task of maintaining businesses and residents informed by safely distributing information to storefronts and setting up tents to interact socially distanced.
- ✱ The Wheaton Urban District worked closely with MCDOT, Department of Permitting Services (DPS), Police and local restaurants to create a streetery which was then winterized allowing these restaurants to continue operations amidst restrictions to indoor dining. During the winter months, this streetery have seen a steady flow of customers on a regular basis.
- ✱ The Wheaton Urban District worked closely with MCDOT, DPS, the Montgomery County Police Department and local restaurants to create a streetery which was then winterized allowing these restaurants to continue operations amidst restrictions to indoor dining. During the winter months, this streetery has seen a steady flow of customers on a regular basis, and has allowed businesses to continue operations during this difficult time.



# Appendices

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- Change in Ending Fund Balance
- Trends & Projections
- Changes in Assumptions: Economic, Demographic, and Revenues
- Revenue Summary
- Non Agency Uses of Resources
- Productivity Improvements
- Revenues
- PSP Fiscal Policy
- CIP Fiscal Policy
- Glossary
- Acronyms

Change in Ending Fund Balance				
	FY21 Approved Ending Fund Balance	FY22 Recommended Ending Fund	Change in Fund Balance	% Change
<b>TAX SUPPORTED</b>				
<b>Montgomery County Government</b>				
County General Fund	161,391,947	90,774,285	-70,617,662	-43.8%
Bethesda Urban District	144,519	52,591	-91,928	-63.6%
Silver Spring Urban District	658,899	104,429	-554,470	-84.2%
Wheaton Urban District	286,412	70,411	-216,001	-75.4%
Mass Transit	96,209	878,617	782,408	813.2%
Fire	295,050	833,919	538,869	182.6%
Recreation	54,640	436,089	381,449	698.1%
Revenue Stabilization Fund	390,754,104	431,080,150	40,326,046	10.3%
<b>Montgomery College</b>				
Emergency Repair Fund	492,766	551,494	58,728	11.9%
Current Fund MC	21,844,206	24,710,876	2,866,670	13.1%
<b>Maryland-National Capital Park and Planning Commission</b>				
Administration Fund	1,030,535	1,223,338	192,803	18.7%
Park Fund	3,925,413	4,748,364	822,951	21.0%
<b>NON-TAX SUPPORTED</b>				
<b>Montgomery County Government</b>				
Water Quality Protection Fund	3,975,662	3,184,931	-790,731	-19.9%
Cable Television	1,076,040	200,000	-876,040	-81.4%
Community Use of Public Facilities	1,825,896	-565,832	-2,391,728	-131.0%
Bethesda Parking District	9,173,649	5,908,008	-3,265,641	-35.6%
Silver Spring Parking District	10,079,262	452,670	-9,626,592	-95.5%
Wheaton Parking District	351,026	109,675	-241,351	-68.8%
Permitting Services	5,961,092	9,292,876	3,331,784	55.9%
Solid Waste Collection	-3,774,813	-3,640,914	133,899	N/A
Vacuum Leaf Collection	450,156	749,739	299,583	66.6%
Liquor Control	1,836,960	12,313,078	10,476,118	570.3%

#### Explanation of Changes in Fund Balance Greater Than 10%:

- **County General Fund**

The change in fund balance is due to the County's response to the COVID-19 pandemic.

- **Bethesda Urban District**

The FY21 Approved fund balance was higher than the 2.5% of resources due to a continuity of services budget. The FY22 fund balance is set at the policy level of 2.5% of resources.

- **Silver Spring Urban District**

The FY21 Approved fund balance was higher than the 2.5% of resources due to a continuity of services budget. The FY22 fund balance is set at the policy level of 2.5% of resources.



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- **Wheaton Urban District**

The FY21 Approved fund balance was higher than the 2.5% of resources due to a continuity of services budget. The FY22 fund balance is set at the policy level of 2.5% of resources.

- **Mass Transit**

Mass Transit is projected to end FY21 with greater fund balance than in the FY21 approved budget due to increased Federal aid. The FY22 fund balance is set at the policy level for this fund.

- **Recreation**

Recreation is projected to end FY21 with greater fund balance than in the FY21 approved budget due to less program expenditures as a result of the COVID-19 pandemic. The FY22 fund balance is set at the policy level for this fund.

- **Bethesda Parking District**

The change in fund balance is primarily due to the losses in parking revenue associated with the COVID-19 pandemic.

- **Liquor Control**

The increase in fund balance is due to FY20 closing better than estimated and FY22 revenue that is projected to increase due to the anticipated lifting of COVID-19 restrictions.

- **Current Fund MC**

Montgomery College has adopted austere spending, resulting in fund balance increases, to cushion against future, still unknown long term COVID impacts and the need for post COVID enhancements to facilities and instruction.

- **Administration Fund, Park Fund**

The projected ending fund balance is within the policy level of approximately 3 percent of resources for the Administration Fund and 4 percent of resources for the Park Fund.

- **Revenue Stabilization Fund**

The increase in fund balance is due to legally required contributions of 0.5 percent of Adjusted Governmental Revenues.

- **Fire**

The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.

- **Emergency Repair Fund MC**

The ending fund balance is increasing because FY20 spending was less than anticipated.

- **Water Quality Protection Fund**

The decrease in fund balance is attributed to using existing resources within the fund to support and grow programming in lieu of further increases to the Water Quality Protection Charge. Thus, the fund balance is reduced, though the Water Quality Protection Fund's fiscal health measures are maintained.

- **Cable Television**

The change in fund balance is primarily related to declining revenues due to reductions of Cable TV subscriptions.

- **Community Use of Public Facilities**

The decrease in fund balance is due to the reduction in CUPF's revenues related to COVID-related facility closures. The CUPF fund balance will be restored to the required levels within a three year period.

- **Silver Spring Parking District**

The change in fund balance is primarily due to the losses in parking revenue associated with the COVID-19 pandemic.

- **Wheaton Parking District**

The change in fund balance is primarily due to the losses in parking revenue associated with the COVID-19 pandemic.

- **Permitting Services**

The change in fund balance is due to Permitting Services anticipating immediate COVID-19 impacts to their revenue in FY21 and reducing expenses. These immediate revenue declines never materialized, resulting in an increased fund balance.

- **Vacuum Leaf Collection**

The change in fund balance is due to favorable weather conditions contributing to lower costs and an early end to the leaf collection season.

DEMOGRAPHIC AND PLANNING INDICATORS	TRENDS AND PROJECTIONS									
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27		
<b>POPULATION</b>										
Annual Increase	1,067,624	1,074,693	1,081,809	1,088,972	1,096,182	1,103,440	1,111,738	1,120,098		
Population Growth Since 2012	7,555	7,069	7,116	7,163	7,210	7,258	8,298	8,360		
County Resident Births (Prior Calendar Year) (a)	7.7%	8.4%	9.1%	9.9%	10.6%	11.3%	12.2%	13.0%		
<b>HOUSEHOLDS</b>										
Household Annual Growth (%)	386,285	389,107	391,949	394,811	397,695	400,600	403,839	407,104		
Household Growth Since 2012	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%		
Household Growth Since 1992	5.9%	6.7%	7.5%	8.2%	9.0%	9.7%	10.7%	11.6%		
Household Size	32.7%	33.6%	34.6%	35.6%	36.6%	37.6%	38.7%	39.8%		
<b>RESIDENT EMPLOYMENT (Jan = Calendar Year)</b>										
Resident Employment Annual Growth (%)	523,217	507,200	508,090	519,270	529,830	537,190	543,220	547,510		
Resident Employment Growth Since 2012	-4.8%	-3.1%	0.2%	2.2%	2.0%	1.4%	1.1%	0.8%		
Resident Employment Per Household	1.35	1.30	1.30	1.32	1.33	1.34	1.35	1.34		
Jobs in County	543,500	549,300	555,100	560,900	566,700	572,500	578,900	585,300		
<b>PERSONAL INCOME (\$ Millions)</b>										
Per Capita Personal Income	\$98,000	\$95,200	\$96,300	\$101,000	\$107,200	\$113,600	\$119,800	\$125,600		
Annual Growth (%)	\$91,790	\$88,580	\$88,650	\$92,750	\$97,790	\$102,950	\$107,760	\$112,130		
<b>CONSUMER PRICE INDEX (CPI) - Fiscal Year</b>										
Inflation Growth (Fiscal Year) Since 2012	2.8%	-3.5%	0.1%	4.6%	5.4%	5.3%	4.7%	4.1%		
<b>CONSUMER PRICE INDEX (CPI) - Calendar Year (%)</b>										
Annual Growth (%)	0.95%	1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%		
<b>ASSESSABLE TAX BASE (\$ Millions)</b>										
Annual Growth (%)	-66.8%	-55.4%	-43.7%	-30.8%	-15.6%	-14.9%	-14.9%	-14.9%		
Growth of Base Since 1992 (%)	0.90%	1.86%	1.57%	2.40%	2.44%	2.44%	2.44%	2.44%		
Growth of Base Since 2012 (%)	\$197,588	\$201,216	\$207,363	\$212,070	\$217,522	\$223,208	\$229,079	\$235,148		
<b>INVESTMENT INCOME YIELD (%)</b>										
Annual Increase (Decrease)	2.3%	1.8%	3.1%	2.3%	2.6%	2.6%	2.6%	2.6%		
Annual Growth (%)	230.3%	236.4%	246.6%	254.5%	263.6%	273.1%	282.9%	293.1%		
<b>MCPs ENROLLMENT (Sept = Calendar Year)</b>										
Annual Growth (%)	19.1%	21.3%	25.0%	27.8%	31.1%	34.5%	38.1%	41.7%		
Annual Increase (Decrease)	1.76%	0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%		
Annual Growth (%)	165,267	161,583	164,750	166,055	167,845	168,551	170,382	170,761		
<b>MONTGOMERY COLLEGE ENROLLMENTS (b)</b>										
Annual Growth (%)	1.6%	-2.2%	2.0%	0.8%	1.1%	0.4%	1.1%	0.2%		
Full Time Equivalents (Sept = Calendar Year) (c)	2,587	-3,684	3,167	1,305	1,790	706	1,831	379		
Annual Growth in FTEs (%)	20,038	19,263	18,882	18,998	19,110	19,292	19,292	19,292		
	13,495	13,093	12,431	12,214	12,311	12,402	12,538	12,538		
	-26.4%	-3.0%	-5.1%	-1.7%	0.8%	0.7%	1.1%	0.0%		

- (a) Projections related to County Resident Births are provided by M-NCPPC.
- (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY25.
- (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY26.

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2014 through March 2021**

A	N Projected FY21	M % Chg. FY21-22	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27
<b>Population</b>													
December 2014	1,075,000		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	1,075,000		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	1,075,500	0.8%	1,084,000		n/a		n/a		n/a		n/a		n/a
March 2016	1,075,500	0.8%	1,084,000		n/a		n/a		n/a		n/a		n/a
December 2016	1,084,800	0.7%	1,092,000	0.7%	1,099,200		n/a		n/a		n/a		n/a
March 2017	1,084,800	0.7%	1,092,000	0.7%	1,099,200		n/a		n/a		n/a		n/a
December 2017	1,076,810	0.6%	1,083,520	0.6%	1,090,270	0.6%	1,097,060		n/a		n/a		n/a
March 2018	1,076,810	0.6%	1,083,520	0.6%	1,090,270	0.6%	1,097,060		n/a		n/a		n/a
December 2018	1,099,015	0.9%	1,109,302	0.9%	1,119,686	0.9%	1,130,167	0.9%	1,140,746		n/a		n/a
March 2019	1,099,015	0.9%	1,109,302	0.9%	1,119,686	0.9%	1,130,167	0.9%	1,140,746		n/a		n/a
December 2019	1,079,939	0.8%	1,088,955	0.8%	1,097,899	0.8%	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a
March 2020	1,079,939	0.8%	1,088,955	0.8%	1,097,899	0.8%	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a
December 2020	1,074,693	0.7%	1,081,809	0.7%	1,088,972	0.7%	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098
March 2021	1,074,693	0.7%	1,081,809	0.7%	1,088,972	0.7%	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098
<b>MOE Enrollment</b>													
December 2014	165,358		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	165,358		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	165,634	0.6%	166,598		n/a		n/a		n/a		n/a		n/a
March 2016	165,634	0.6%	166,598		n/a		n/a		n/a		n/a		n/a
December 2016	167,794	0.4%	168,480	0.0%	168,480		n/a		n/a		n/a		n/a
March 2017	167,794	0.4%	168,480	0.0%	168,480		n/a		n/a		n/a		n/a
December 2017	166,435	0.7%	167,552	0.4%	168,283	0.4%	169,012		n/a		n/a		n/a
March 2018	166,435	0.7%	167,552	0.4%	168,283	0.4%	169,012		n/a		n/a		n/a
December 2018	165,446	1.3%	167,594	1.5%	170,118	1.3%	172,303	1.2%	174,322		n/a		n/a
March 2019	165,446	1.3%	167,594	1.5%	170,118	1.3%	172,303	1.2%	174,322		n/a		n/a
December 2019	166,889	1.0%	168,629	1.0%	170,278	0.4%	171,029	0.3%	171,492	-0.1%	171,319		n/a
March 2020	167,041	1.0%	168,629	1.0%	170,278	0.4%	171,029	0.3%	171,492	-0.1%	171,319		n/a
December 2020	161,583	2.0%	164,750	0.8%	166,055	1.1%	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761
March 2021	161,583	2.0%	164,750	0.8%	166,055	1.1%	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2014 through March 2021**

A	N Projected FY21	M % Chg. FY21-22	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27
<b>College Enrollment (FTE)</b>													
December 2014	20,717		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	20,717		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	20,755	0.0%	20,755		n/a		n/a		n/a		n/a		n/a
March 2016	21,011	0.0%	21,011		n/a		n/a		n/a		n/a		n/a
December 2016	19,654	1.6%	19,964	0.0%	19,964		n/a		n/a		n/a		n/a
March 2017	19,654	1.6%	19,964	0.0%	19,964		n/a		n/a		n/a		n/a
December 2017	19,527	2.8%	20,064	2.0%	20,459	0.0%	20,459		n/a		n/a		n/a
March 2018	19,527	2.8%	20,064	2.0%	20,459	0.0%	20,459		n/a		n/a		n/a
December 2018	18,258	0.5%	18,348	1.1%	18,555	1.0%	18,744	0.0%	18,744		n/a		n/a
March 2019	19,527	2.8%	20,064	2.0%	20,459	0.0%	20,459	0.0%	20,459		n/a		n/a
December 2019	18,258	0.5%	18,348	1.1%	18,555	1.0%	18,744	0.0%	18,744	0.0%	18,744		n/a
March 2020	18,066	0.1%	18,092	0.6%	18,201	1.9%	18,541	1.1%	18,747	0.0%	18,747		n/a
December 2020	19,263	-2.0%	18,882	0.6%	18,998	0.6%	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292
March 2021	19,263	-2.0%	18,882	0.6%	18,998	0.6%	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292
<b>CPI (Fiscal Year)</b>													
December 2014	2.4%		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	3.1%		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	2.6%	0.0%	2.6%		n/a		n/a		n/a		n/a		n/a
March 2016	2.7%	0.0%	2.7%		n/a		n/a		n/a		n/a		n/a
December 2016	2.6%	0.0%	2.6%	0.0%	2.6%		n/a		n/a		n/a		n/a
March 2017	2.5%	2.0%	2.5%	0.0%	2.5%		n/a		n/a		n/a		n/a
December 2017	2.4%	0.0%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a		n/a		n/a
March 2018	2.2%	4.5%	2.3%	3.5%	2.4%	2.1%	2.4%		n/a		n/a		n/a
December 2018	2.6%	11.3%	2.9%	0.0%	2.9%	0.0%	2.9%	0.0%	2.9%		n/a		n/a
March 2019	2.5%	6.7%	2.7%	0.0%	2.7%	0.0%	2.7%	0.0%	2.7%		n/a		n/a
December 2019	1.6%	1.6%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a
March 2020	1.6%	1.6%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a
December 2020	1.2%	36.1%	1.6%	22.8%	2.0%	21.6%	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%
March 2021	1.3%	26.6%	1.6%	22.8%	2.0%	21.6%	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2014 through March 2021**

A	N Projected FY21	M % Chg. FY21-22	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27
<b>Growth Resident Employment (%)</b>													
December 2014	0.9%		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	0.7%		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	1.0%	10.0%	1.1%		n/a		n/a		n/a		n/a		n/a
March 2016	0.9%	0.0%	0.9%		n/a		n/a		n/a		n/a		n/a
December 2016	0.8%	12.5%	0.9%	-22.2%	0.7%		n/a		n/a		n/a		n/a
March 2017	0.9%	11.1%	1.0%	10.0%	1.1%		n/a		n/a		n/a		n/a
December 2017	0.7%	28.6%	0.9%	11.1%	1.0%	-10.0%	0.9%		n/a		n/a		n/a
March 2018	0.8%	12.5%	0.9%	0.0%	0.9%	-11.1%	0.8%		n/a		n/a		n/a
December 2018	0.6%	33.3%	0.8%	-12.5%	0.7%	0.0%	0.7%	0.0%	0.7%		n/a		n/a
March 2019	0.6%	50.0%	0.9%	0.0%	0.9%	-11.1%	0.8%	0.0%	0.8%		n/a		n/a
December 2019	0.8%	-0.8%	0.8%	-1.0%	0.8%	-0.6%	0.8%	-0.8%	0.8%	-0.8%	0.8%		n/a
March 2020	1.1%	-32.4%	0.8%	-1.0%	0.8%	6.7%	0.8%	0.1%	0.8%	-0.2%	0.8%		n/a
December 2020	0.2%	300.0%	0.8%	212.5%	2.5%	-28.0%	1.8%	-27.8%	1.3%	-23.1%	1.0%	-30.0%	0.7%
March 2021	-3.1%	-106.5%	0.2%	1000.0%	2.2%	-9.1%	2.0%	-30.0%	1.4%	-21.4%	1.1%	-27.3%	0.8%
<b>Personal Income (CY)</b>													
December 2014	99,920		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	99,870		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	105,690	4.9%	110,830		n/a		n/a		n/a		n/a		n/a
March 2016	103,620	3.5%	107,220		n/a		n/a		n/a		n/a		n/a
December 2016	103,440	4.6%	108,150	4.6%	113,080		n/a		n/a		n/a		n/a
March 2017	103,970	3.9%	108,010	4.2%	112,560		n/a		n/a		n/a		n/a
December 2017	103,470	4.3%	107,870	4.2%	112,440	4.1%	117,080		n/a		n/a		n/a
March 2018	102,630	4.0%	106,730	3.9%	110,940	3.9%	115,230		n/a		n/a		n/a
December 2018	102,280	4.5%	106,870	3.2%	110,330	4.5%	115,310	4.7%	120,760		n/a		n/a
March 2019	106,300	4.2%	110,800	4.2%	115,400	4.2%	120,200	4.3%	125,400		n/a		n/a
December 2019	106,300	4.3%	110,900	4.4%	115,800	3.7%	120,100	4.7%	125,700	4.8%	131,700		n/a
March 2020	105,400	4.4%	110,000	4.3%	114,700	4.4%	119,700	4.6%	125,200	4.8%	131,200		n/a
December 2020	95,900	5.0%	100,700	5.3%	106,000	5.0%	111,300	4.7%	116,500	4.5%	121,800	4.4%	127,200
March 2021	95,200	0.7%	95,900	5.3%	101,000	6.1%	107,200	6.0%	113,600	5.5%	119,800	4.8%	125,600

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2014 through March 2021**

A	N Projected FY21	M % Chg. FY21-22	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27
<b>Property Tax Revenues</b>													
December 2014	1,827.9		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	1,830.9		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	1,784.4	3.3%	1,843.4		n/a		n/a		n/a		n/a		n/a
March 2016	1,951.7	3.3%	2,016.5		n/a		n/a		n/a		n/a		n/a
December 2016	1,941.6	3.2%	2,003.7	3.2%	2,067.9		n/a		n/a		n/a		n/a
March 2017	1,934.1	3.0%	1,992.9	3.1%	2,055.4		n/a		n/a		n/a		n/a
December 2017	1,930.6	3.2%	1,992.1	3.3%	2,057.4	3.2%	2,124.1		n/a		n/a		n/a
March 2018	1,913.1	3.0%	1,970.6	3.2%	2,033.5	3.3%	2,099.6		n/a		n/a		n/a
December 2018	1,909.1	3.2%	1,970.2	3.9%	2,046.2	3.8%	2,124.8	3.6%	2,202.3		n/a		n/a
March 2019	1,893.8	3.1%	1,951.9	3.5%	2,020.5	3.5%	2,091.4	3.3%	2,160.7		n/a		n/a
December 2019	1,831.6	2.2%	1,872.7	2.3%	1,915.7	2.3%	1,959.4	2.3%	2,004.7	2.3%	2,050.8		n/a
March 2020	1,903.6	3.0%	1,961.1	2.3%	2,005.8	2.3%	2,051.4	2.3%	2,098.7	2.3%	2,146.9		n/a
December 2020	1,831.5	2.5%	1,877.3	2.8%	1,930.3	2.8%	1,984.5	2.9%	2,042.0	2.9%	2,101.5	2.9%	2,163.1
March 2021	1,830.9	2.9%	1,884.7	2.5%	1,931.0	2.8%	1,984.4	2.8%	2,040.5	2.8%	2,098.1	2.9%	2,157.9
<b>Income Tax Revenues</b>													
December 2014	1,776.4		n/a		n/a		n/a		n/a		n/a		n/a
March 2015	1,819.1		n/a		n/a		n/a		n/a		n/a		n/a
December 2015	1,771.6	4.8%	1,857.5		n/a		n/a		n/a		n/a		n/a
March 2016	1,792.8	4.2%	1,868.3		n/a		n/a		n/a		n/a		n/a
December 2016	1,764.7	4.8%	1,849.2	5.0%	1,941.2		n/a		n/a		n/a		n/a
March 2017	1,749.9	4.7%	1,832.6	4.5%	1,914.6		n/a		n/a		n/a		n/a
December 2017	1,740.9	3.8%	1,807.1	4.3%	1,884.8	4.9%	1,976.9		n/a		n/a		n/a
March 2018	1,740.8	3.1%	1,794.1	4.2%	1,869.9	4.8%	1,959.3		n/a		n/a		n/a
December 2018	1,737.6	3.2%	1,794.0	4.4%	1,872.2	4.6%	1,958.1	4.3%	2,043.0		n/a		n/a
March 2019	1,702.9	3.5%	1,762.6	4.6%	1,843.2	4.8%	1,930.8	4.7%	2,021.1		n/a		n/a
December 2019	1,664.3	3.6%	1,724.5	4.5%	1,801.6	4.9%	1,890.1	4.6%	1,977.8	5.3%	2,083.2		n/a
March 2020	1,695.4	4.0%	1,763.4	4.6%	1,844.3	5.1%	1,938.8	4.2%	2,020.6	3.8%	2,096.9		n/a
December 2020	1,637.9	0.6%	1,647.2	3.2%	1,699.6	4.4%	1,774.9	5.1%	1,865.0	5.3%	1,964.2	5.5%	2,072.7
March 2021	1,707.7	0.1%	1,708.8	3.5%	1,769.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,049.1	6.0%	2,171.1



**REVENUE SUMMARY  
TAX SUPPORTED BUDGETS  
(\$ Millions )**

KEY REVENUE CATEGORIES	App. FY21	Est. FY21	% Chg. FY21-22	% Chg. FY21-22 Est/Rec.	Rec. FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
<b>TAXES</b>	5-21-20	3-15-21													
1 Property Tax	1,830.8	1,830.9	2.9%	2.9%	1,894.7	2.5%	1,931.0	2.8%	1,964.4	2.8%	2,040.5	2.8%	2,096.1	2.8%	2,157.9
2 Income Tax	1,695.4	1,707.7	0.8%	0.1%	1,708.8	3.5%	1,769.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,046.1	6.0%	2,171.1
3 Transfer Tax	122.4	111.7	-4.3%	4.9%	117.2	4.8%	122.8	5.6%	129.7	5.2%	136.5	4.9%	143.2	4.7%	149.9
4 Recreational Tax	59.2	50.2	-11.0%	4.9%	52.7	4.8%	55.2	5.6%	58.3	5.2%	61.4	4.9%	64.4	4.7%	67.4
5 Energy Tax	191.3	178.9	-8.2%	-1.8%	175.7	1.6%	178.5	0.2%	178.8	1.1%	179.0	0.1%	179.2	0.1%	179.3
6 Telephone Tax	53.8	54.5	2.5%	1.1%	55.1	1.1%	55.7	1.1%	56.3	1.1%	56.9	1.1%	57.5	1.0%	58.1
7 Hotel/Motel Tax	23.3	5.2	-43.3%	127.5%	11.8	22.8%	14.5	20.5%	17.5	1.5%	17.8	1.4%	18.0	12.7%	20.3
8 Admissions Tax	3.4	0.8	-75.6%	2.6%	0.8	3.0%	0.9	3.4%	0.9	3.4%	0.9	3.4%	0.9	3.5%	1.0
9 E-Cigarette Tax	1.8	0.9	-44.5%	3.7%	1.0	3.5%	1.0	3.4%	1.0	3.2%	1.1	3.1%	1.1	3.0%	1.1
10 Total Local Taxes	3,981.3	3,940.7	0.7%	1.7%	4,007.7	3.0%	4,128.8	4.0%	4,292.2	3.5%	4,441.9	3.8%	4,611.5	4.2%	4,806.1
<b>INTERGOVERNMENTAL AID</b>															
11 Highway User	8.4	7.5	-5.9%	5.9%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9
12 Police Protection	14.3	14.3	0.0%	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3
13 Libraries	5.6	5.4	-0.9%	4.8%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6
14 Health Services Case Formula	4.8	4.8	-0.4%	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8
15 Mass Transit	41.3	64.2	55.8%	0.3%	64.4	-36.8%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3
16 Public Schools	781.5	794.6	-3.4%	-3.8%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9
17 Community College	41.8	36.8	-7.2%	5.7%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8
18 Other	47.5	217.4	128.4%	-50.2%	108.4	-56.1%	47.6	-3.7%	45.8	-3.7%	44.1	0.0%	44.1	0.0%	44.1
19 Total Intergovernmental Aid	945.3	1,135.0	5.7%	-12.0%	999.2	-8.4%	915.4	-9.2%	913.6	-0.2%	911.9	0.0%	911.9	0.0%	911.9
<b>FEES AND FINES</b>															
20 Licenses & Permits	13.9	11.3	-2.8%	19.6%	13.5	1.5%	13.7	1.5%	13.9	1.5%	14.1	1.5%	14.3	1.5%	14.5
21 Charges for Services	69.6	42.0	-15.9%	37.7%	57.8	1.6%	58.8	1.9%	59.9	2.0%	61.1	2.0%	62.3	2.0%	63.5
22 Fines & Forfeitures	45.7	19.3	-18.2%	98.1%	38.3	1.6%	38.9	1.6%	39.5	1.6%	40.2	1.6%	40.8	1.6%	41.4
23 Montgomery College Tuition	76.7	70.8	-8.0%	-1.4%	69.8	1.6%	70.9	1.6%	72.3	2.0%	73.7	2.0%	75.1	2.0%	76.6
24 Total Fees and Fines	205.9	143.3	-12.9%	25.2%	179.4	1.6%	182.2	1.6%	185.6	1.8%	189.0	1.8%	192.5	1.8%	196.0
<b>MISCELLANEOUS</b>															
25 Investment Income	5.8	0.3	-90.9%	54.7%	0.5	11.2%	0.6	66.8%	1.0	27.1%	1.2	0.5%	1.2	0.5%	1.2
26 Other Miscellaneous	20.4	20.9	-23.6%	-25.4%	15.6	2.0%	15.9	2.4%	16.3	2.4%	16.7	2.4%	17.1	2.4%	17.5
27 Total Miscellaneous	26.2	21.3	-36.4%	-24.1%	16.1	2.3%	16.5	4.7%	17.3	3.8%	17.9	2.3%	18.4	2.3%	18.8
28 TOTAL REVENUES	5,158.7	5,240.4	0.8%	-0.7%	5,202.5	0.8%	5,242.9	3.2%	5,408.7	2.8%	5,560.8	3.1%	5,734.2	3.5%	5,932.8
<b>Calculation for Adjusted Governmental Revenues</b>															
29 Total Tax Supported Revenues	5,158.7	5,240.4	0.8%	-0.7%	5,202.5	0.8%	5,242.9	3.2%	5,408.7	2.8%	5,560.8	3.1%	5,734.2	3.5%	5,932.8
30 Capital Projects Fund	129.4	129.4	1.8%	1.8%	131.7	-7.8%	121.5	1.1%	122.8	6.6%	130.9	0.3%	131.3	0.0%	131.3
31 Grants	128.0	128.0	1.6%	1.6%	130.1	2.0%	132.7	2.4%	135.9	2.4%	139.2	2.4%	142.6	2.4%	146.1
32 MCG Adjusted Revenues	5,416.1	5,413.4	0.2%	0.3%	5,427.3	1.3%	5,497.1	3.1%	5,667.4	2.9%	5,830.8	3.0%	6,008.0	3.4%	6,210.1



### Non Agency Uses of Resources

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- Capital Investment (CIP Current Revenue and PAYGO) and Debt Service are based on the latest Executive Recommendation (current through March 15, 2021). Additional changes may be transmitted to the County Council in April 2021.
- FY22-27 Retiree Health Insurance Pre-Funding is fully funded based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2019).
- Revenue Stabilization (Rainy Day) Fund balance is projected at \$431.1 million at the end of FY22. The mandatory contribution is estimated to be \$27.1 million in FY22. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- Due to the County's response to the COVID-19 pandemic, reserves are estimated to be lower than the 10 percent policy target in FY21-FY23. When emergencies require reserves to drop below the 10 percent target, it is the County's policy to ensure reserves achieve the policy target within three fiscal years. The fiscal plan shows reserves increasing from 8.9% of Adjusted Governmental Revenues (AGR) in FY20 and FY21, to 9.6% in FY22, 9.8% in FY23, and 10.0% in FY24-FY27.



# Revenues

## INTRODUCTION

This chapter provides demographic and economic assumptions, including detailed discussions of the national, State, and local economies. Revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY22 Operating Budget incorporate policy recommendations.

## ESTIMATING SIX-YEAR COSTS

### Demographic Assumptions

The revenue projections of the Public Services Program (PSP) incorporate demographic assumptions based on data from Moody's Analytics and Metropolitan Washington Council of Governments (COG) and are based on fiscal and economic data and analyses used or prepared by the Department of Finance. A Demographic and Economic Assumptions chart located at the end of this chapter provides several demographic and planning indicators.

- County population will continue to increase from 1,074,693 in 2021 to 1,154,171 by 2031. This reflects an average annual growth rate of 0.72 percent.
- Current projections estimate the number of households to increase from 389,107 in 2021 to 420,430 by 2031. Household growth over that period is projected to grow at an average annual rate of 0.78 percent.
- County births, which are one indicator of future elementary school populations and child day care demand, are projected to gradually increase from an estimated 11,900 in 2020 to 13,100 by 2027.
- The County expects Montgomery County Public School student enrollment to increase by 9,1789 between FY21 and FY27.
- Montgomery College full-time equivalent student enrollments are projected to decrease from 13,093 in FY21 to 12,402 by FY25.

Using moderate economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditure pressures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity; Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local expenditures or devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets; Major demographic changes;
- Military conflicts and acts of terrorism as well as domestic or global health incidences
- Major international economic and political changes.

Note that the total effect of the COVID-19 virus on the County's revenues (and expenditures) is unknown at this date. This public health event is being monitored and further information will be provided to the Executive and the County Council as that information becomes available.

### Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY22 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions,

State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

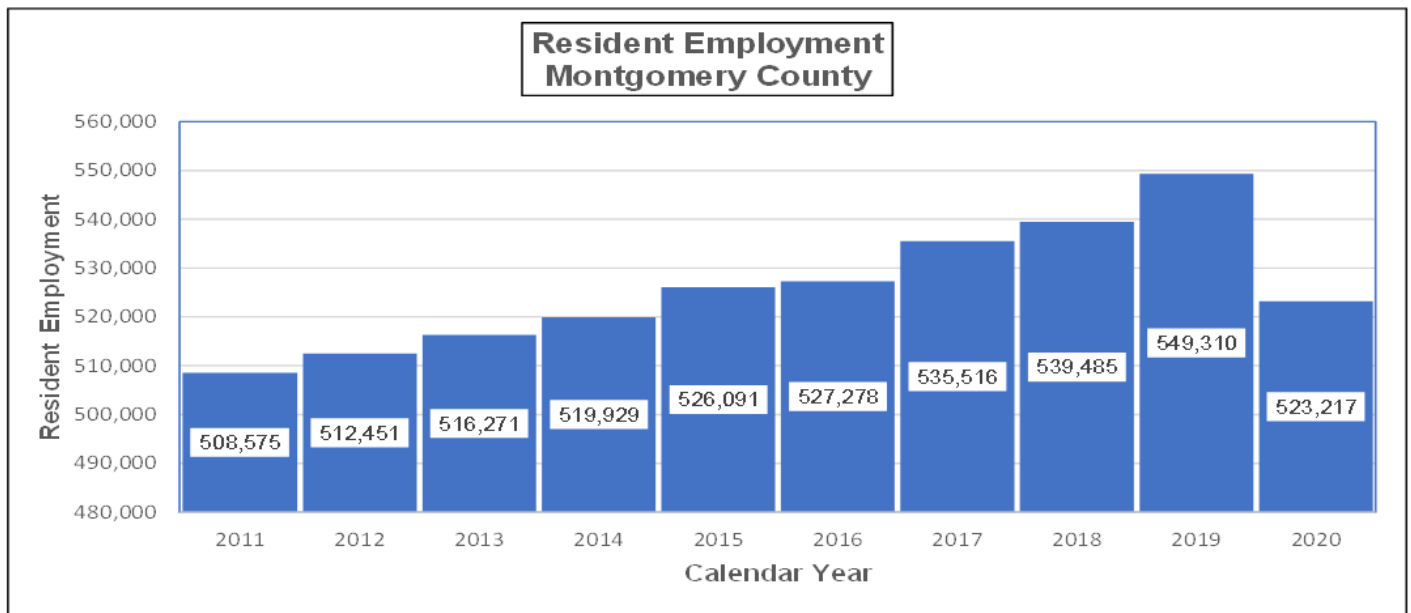
## Economic Assumptions

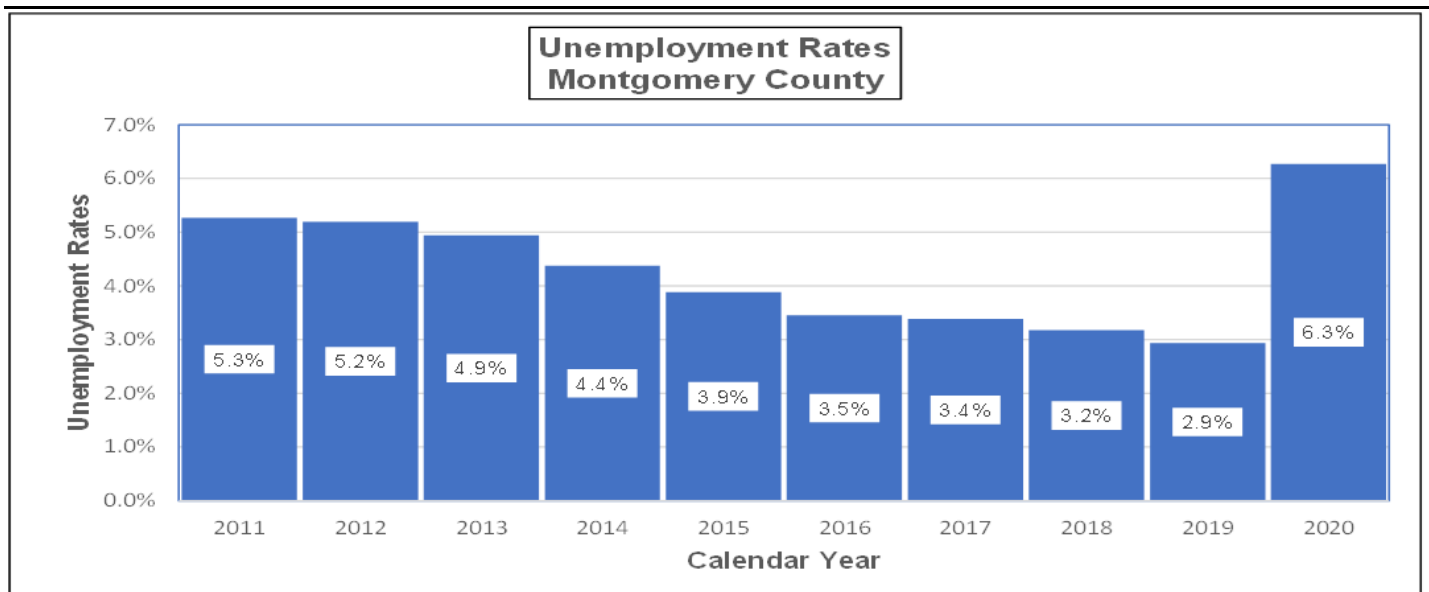
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, retail sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy experienced mixed economic performance during calendar (CY) 2020 attributed to COVID-19. The areas of weakness included a decrease in resident employment, a significant increase in the unemployment rate, a decrease in the construction of residential housing and non-residential projects, and decreases in the added values of new construction for residential and non-residential properties. The areas of strength in the County's economy were an increase in the sales of existing homes and an increase in the median sales price for an existing home.

## Employment Situation

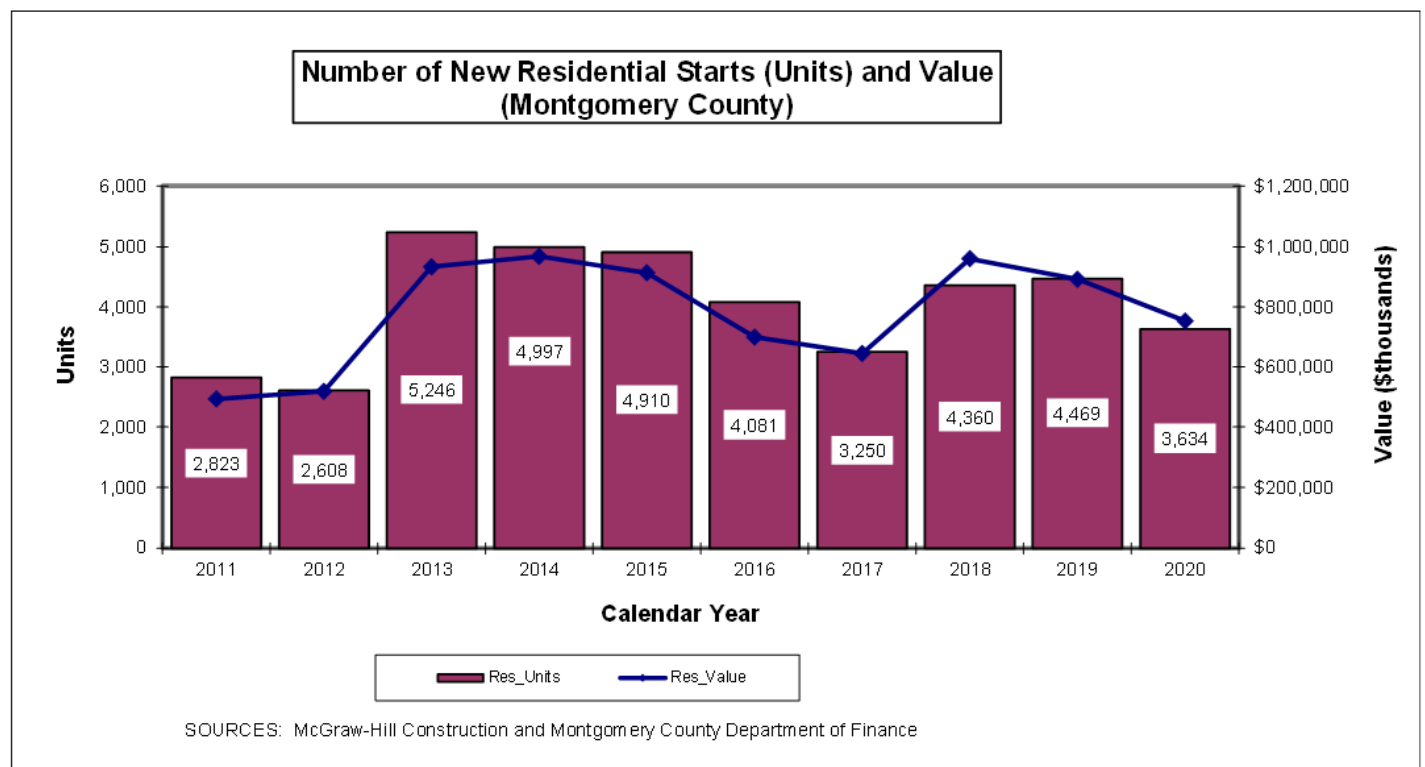
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in CY2020 decreased by 26,000 from CY2019 (down 4.8%). The County's unemployment rate at 6.3 percent was more than twice the rate in CY2019.



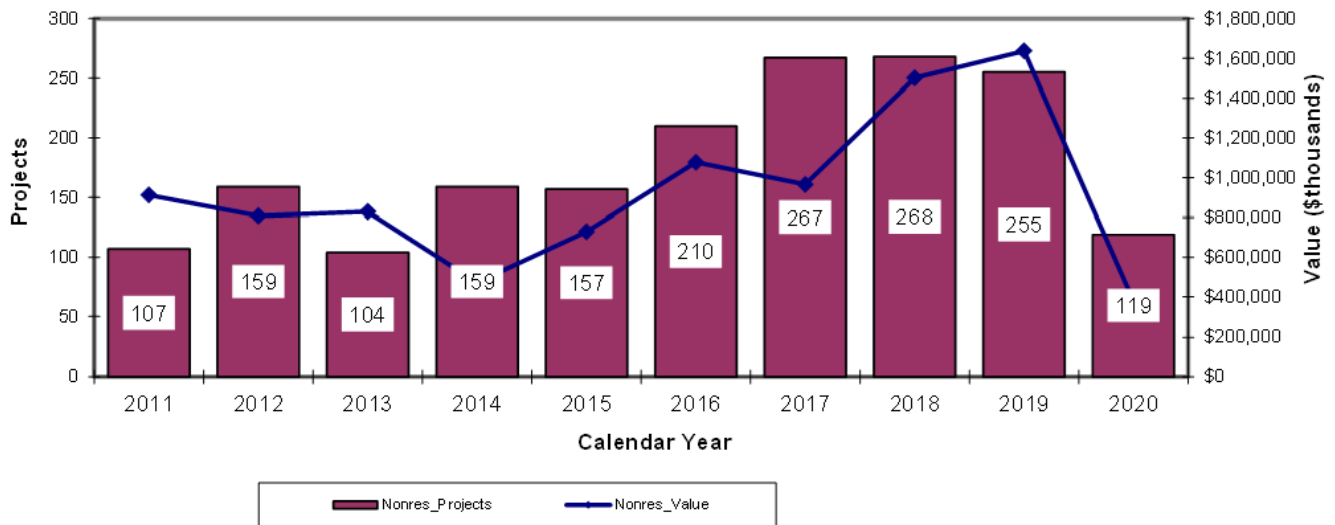


## Construction Activity

The construction of new residential units decreased 18.7 percent in CY2020, and total value added decreased from \$892.1 million in CY2019 to \$752.7 million in CY2020 (down 15.6%). The total value added from non-residential projects decreased from \$1,636.0 million in CY2019 to \$377.3 million (down 77.0%) in CY2020.



**Number of New Non-Residential Starts (Projects) and Value (Montgomery County)**

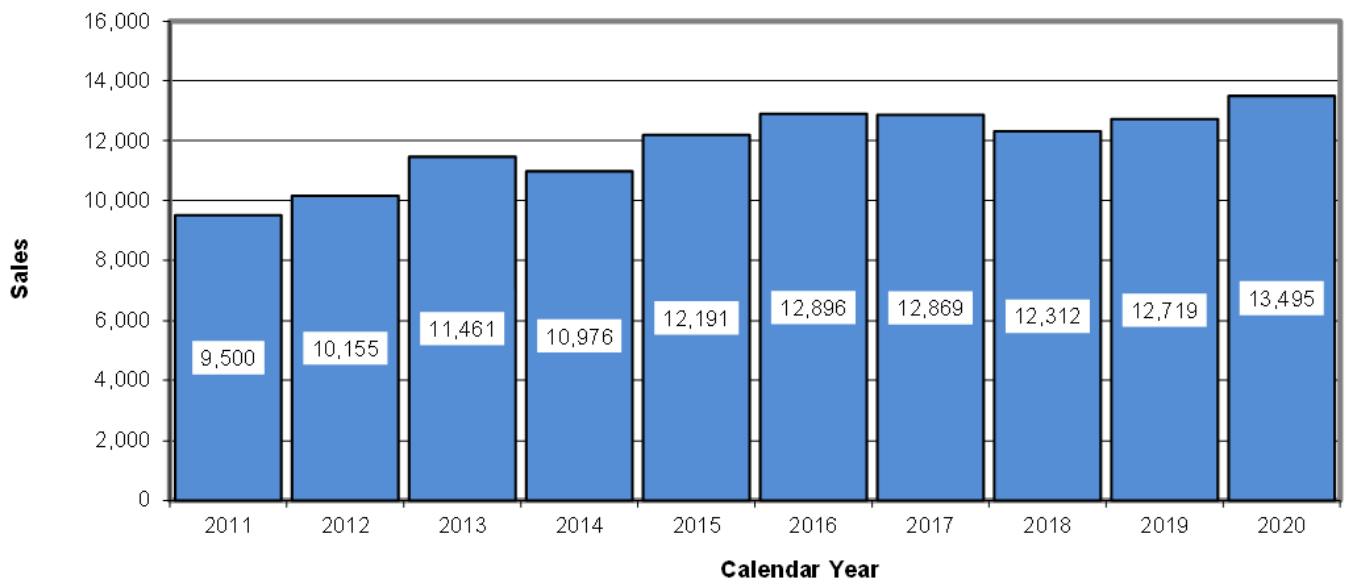


SOURCES: McGraw-Hill Construction and Montgomery County Department of Finance

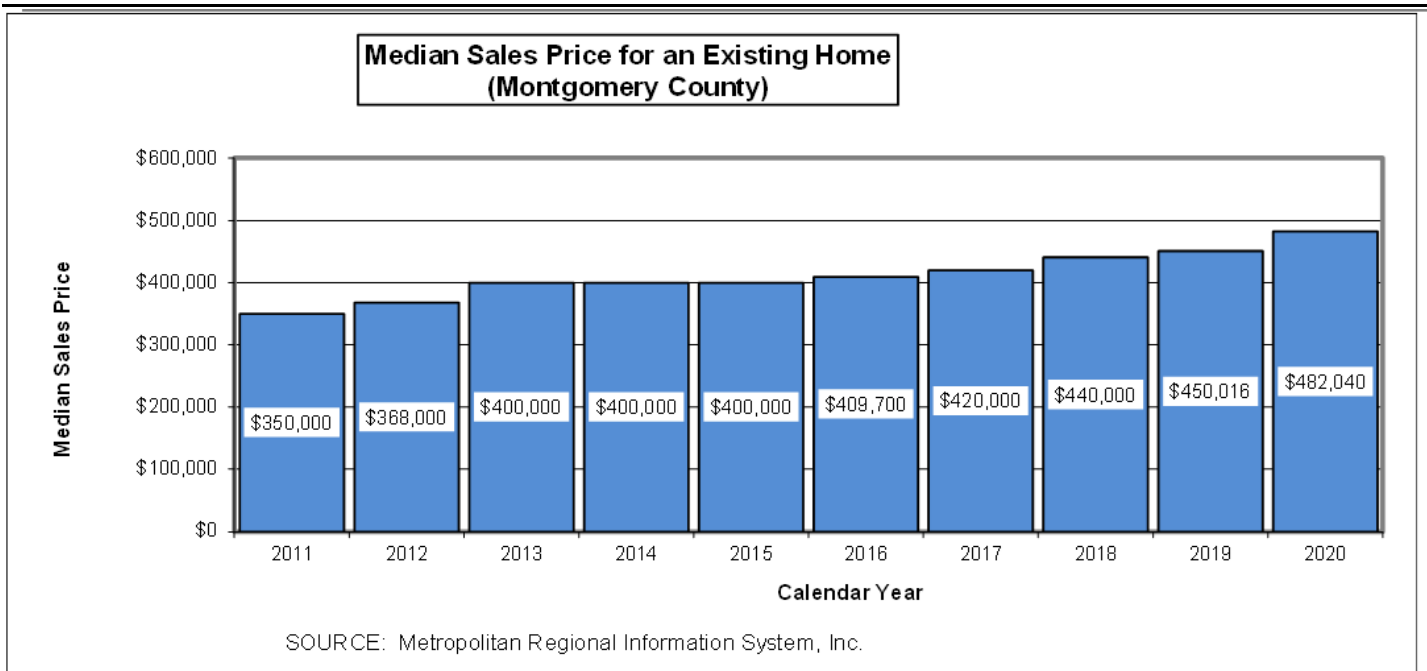
## Residential Real Estate

During calendar year 2020, existing home sales increased 6.1 percent which followed an increase of 3.3 percent in CY2019. The median sales price for existing homes increased 7.1 percent in CY2020 following an increase of 2.3 percent in 2019.

**Sales of Existing Homes (Montgomery County)**



SOURCE: Metropolitan Regional Information System, Inc.



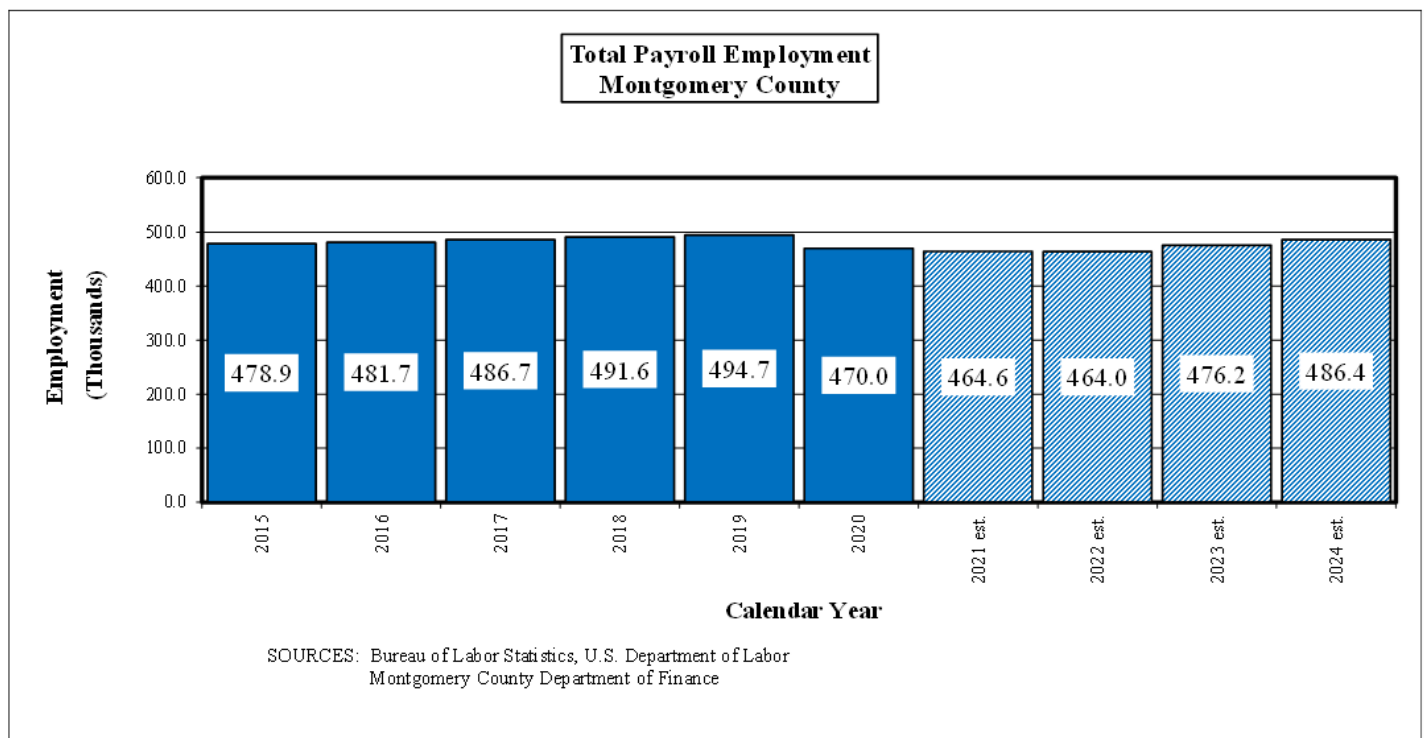
## CONCLUSION

The two economic indicators, employment and construction, confirm that the County's economy experienced weak economic performance attributed to the impact of COVID-19 during CY2020. That performance included a decrease in residential employment, an elevated unemployment rate, and a decrease in residential and non-residential construction. However, the residential real estate market experienced positive performance during COVID-19.

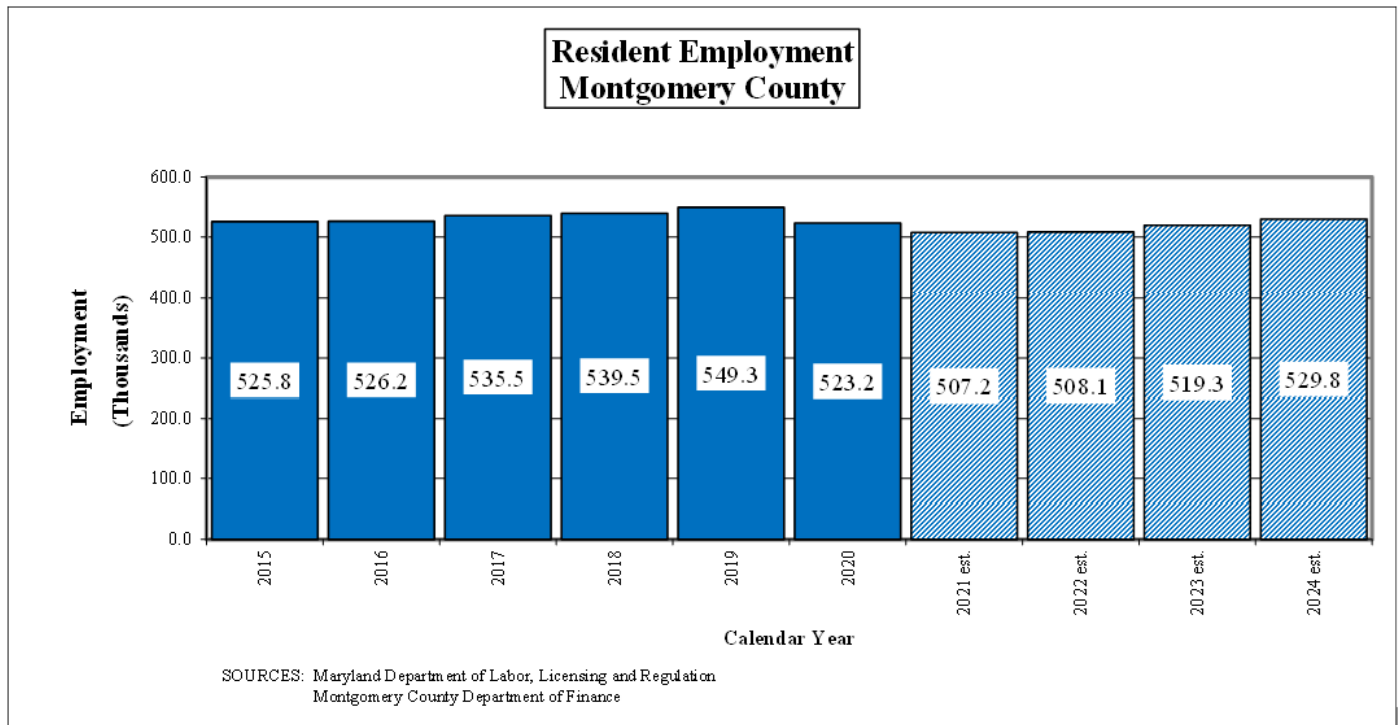
## ECONOMIC OUTLOOK

The Department of Finance (Finance) forecasts that Montgomery County's economy will continue to experience weak economic performance through CY2021 and CY2022.

**Employment.** Finance assumes payroll employment will decrease from CY2019 to CY2022 at an average annual rate of 1.3 percent over that period. This is below the average annual growth rate of 0.8 percent experienced between CY2015 and CY2019. Finance assumes payroll employment will not reach its pre-pandemic level until CY2026.

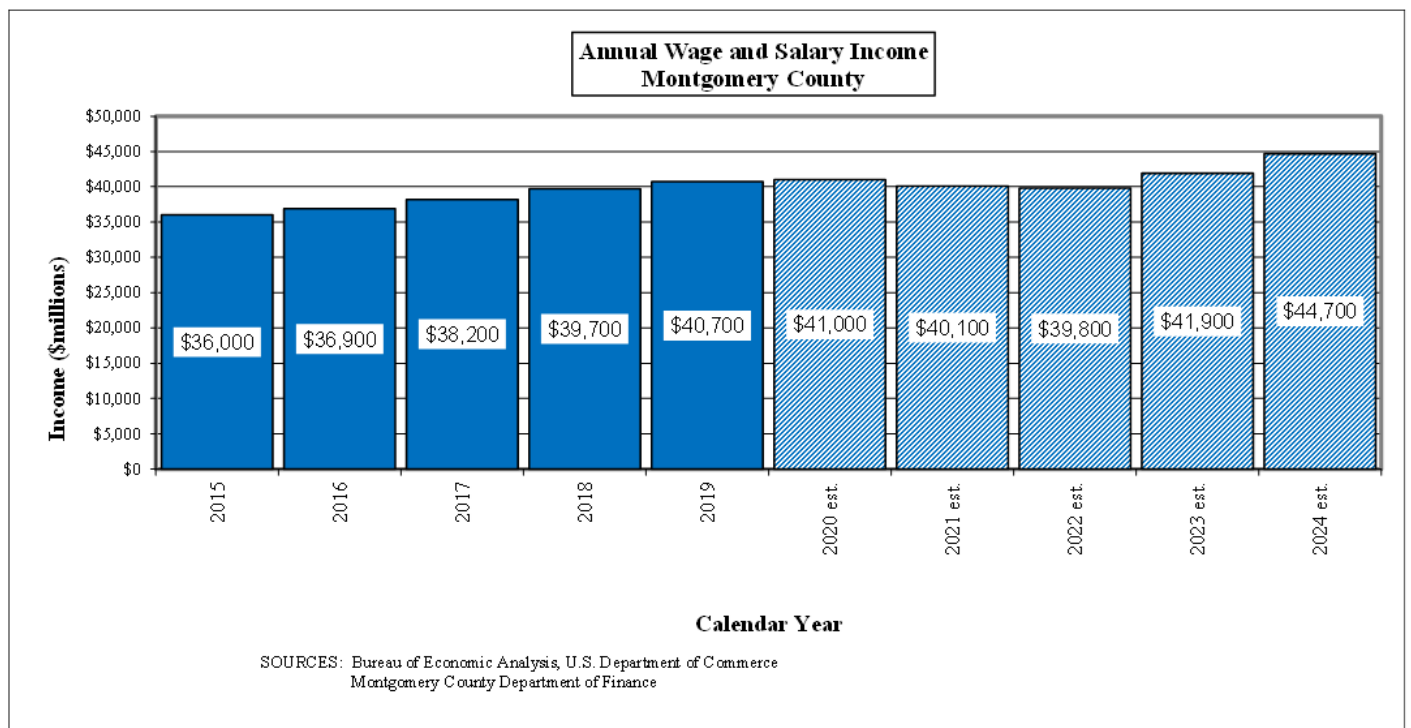


Finance assumes that resident employment will decrease at an average annual rate of 1.5 percent from CY2019 to CY2022. That rate is below the average annual growth rate of 1.1 percent between CY2015 and CY2019. Finance estimates the resident employment will not reach its pre-pandemic level in CY2019 until CY2027-CY2028.

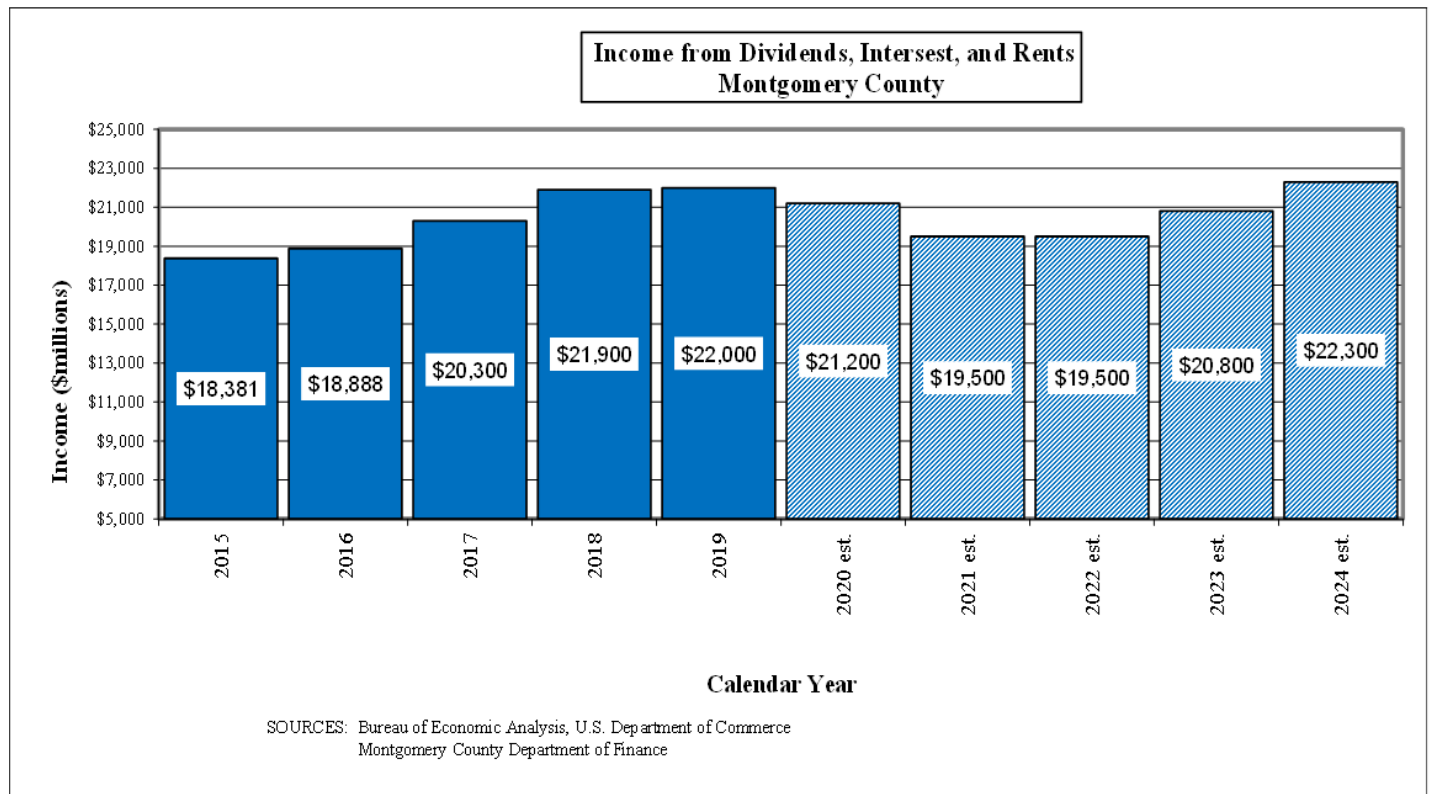


**Wage and Salary Income.** Finance assumes wage and salary income will decrease at an average annual rate of 1.5 percent from CY2020 to CY2022 compared to the average annual growth rate of 2.6 percent from CY2015 to CY2020. Finance estimates that total wage and salary income will not reach its pre-pandemic peak in CY2020 until CY2023.

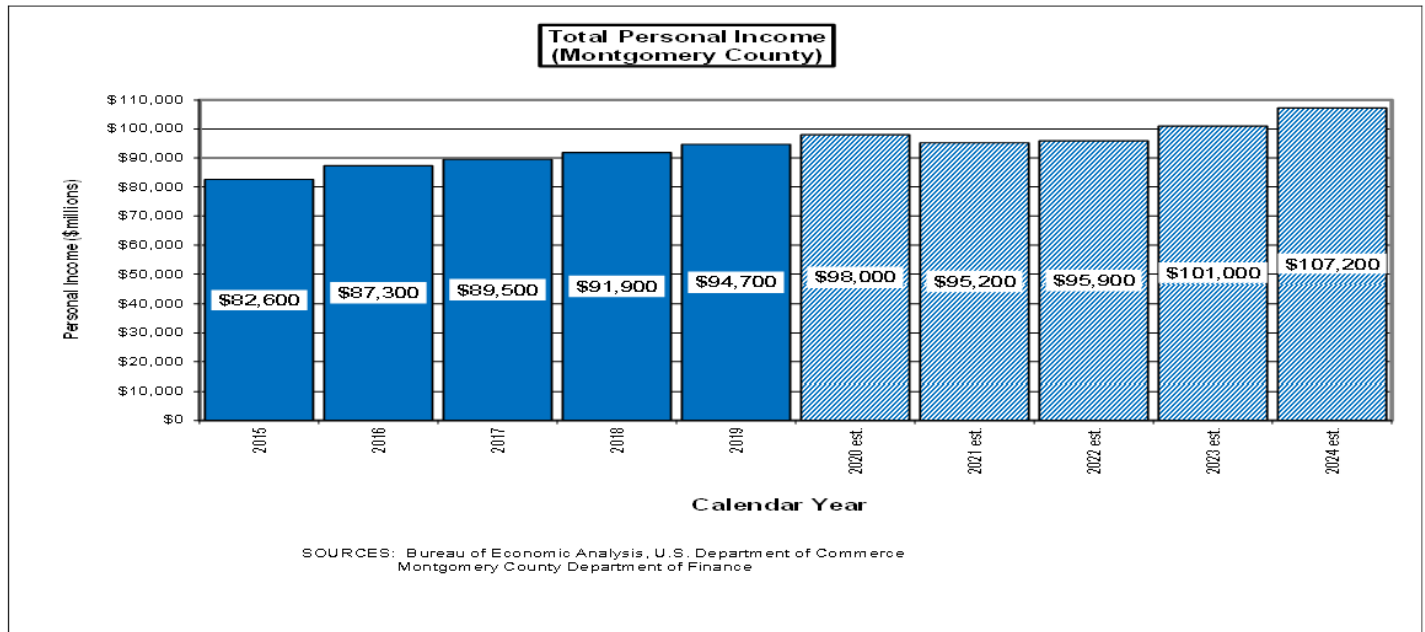




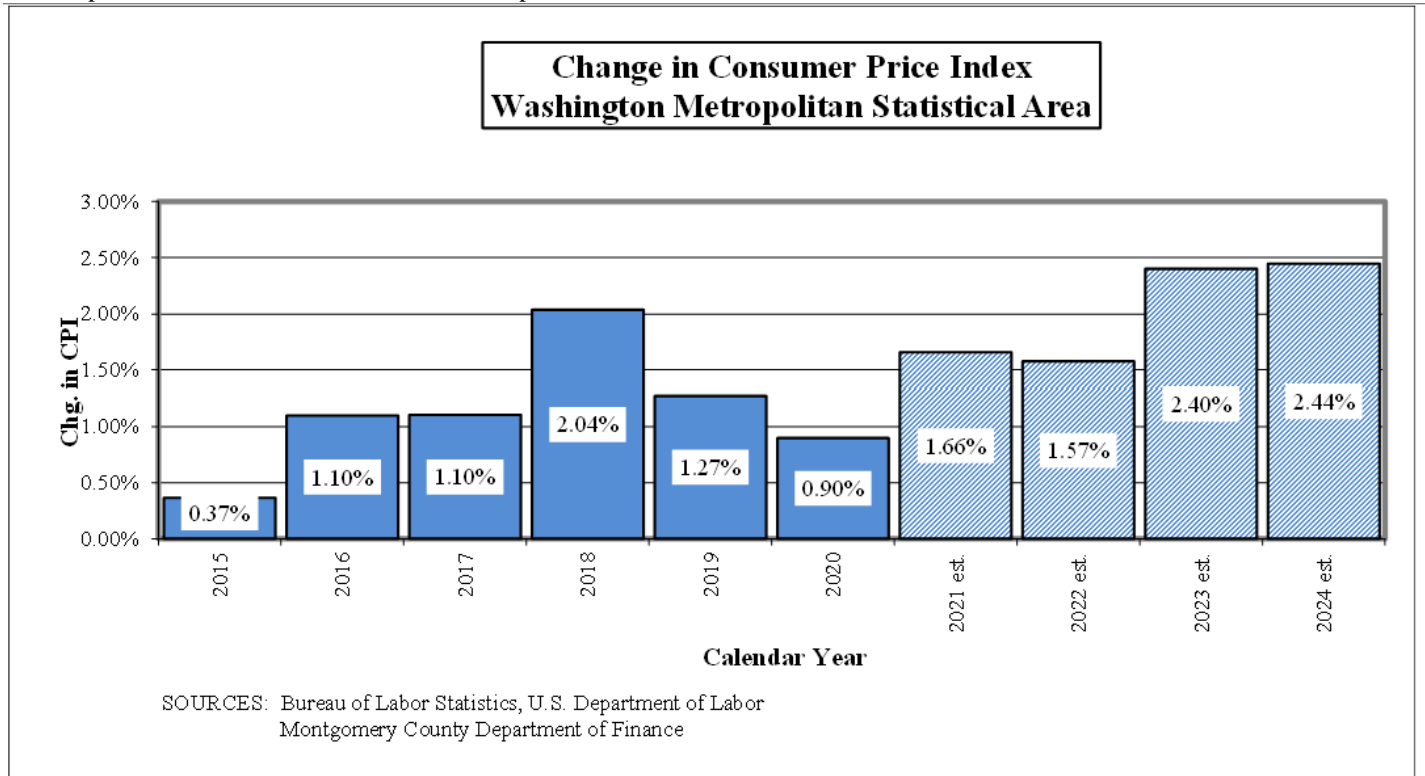
**Income from Dividends, Interest, and Rents.** Finance assumes income from dividends, interest and rents in Montgomery County will decrease at an average annual rate of 5.9 percent from CY2019 to CY2021 compared to the average annual growth rate of 4.6 percent from CY2015 to CY2019. Income from dividends, interest, and rents will not reach its pre-pandemic peak until CY2024.



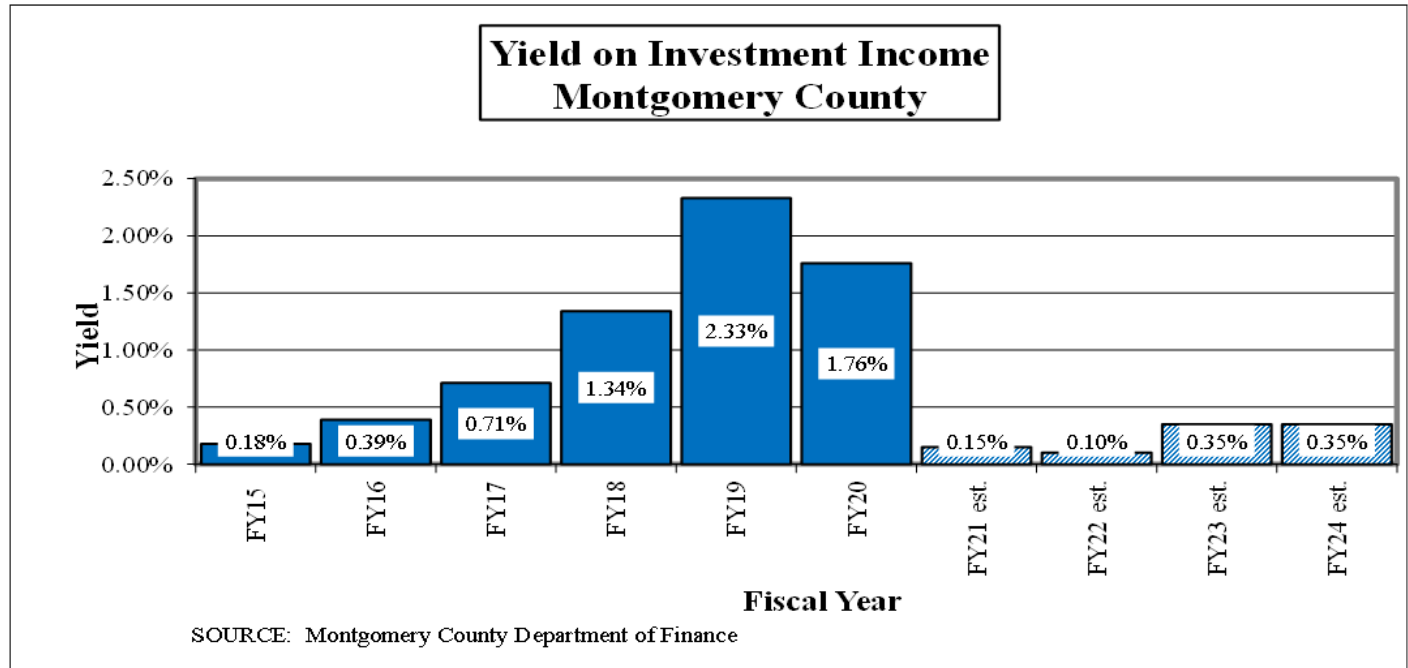
**Personal Income.** Finance assumes that total personal income in Montgomery County will decrease at an average annual rate of 1.1 percent from CY2020 to CY2022 compared to an average annual growth rate of 3.5 percent from CY2015 to CY2020. Total personal income will not reach its pre-pandemic peak until CY2023.



**Inflation (annual average).** Finance assumes that the overall regional inflation index will increase from 0.90 percent in CY2020 to 1.66 percent in CY2021, decelerate to 1.57 percent in CY2022, then increase to 2.40% in CY2023, and 2.44% in CY2024.



**Interest Rates.** Since the yield on the County's short-term investments are highly correlated with the federal funds rate, the County earned an average of 1.76 percent in investment income on its short-term portfolio for fiscal year (FY) 2020 but will only earn an estimated average of 0.15 percent in FY21 and 0.10 percent in FY22 and 0.35 percent in FY23 and FY24 due to the rate cuts to the targeted federal funds by the Federal Open Market Committee of the Board of Governors of the Federal Reserve



## REVENUE SOURCES

The major revenue sources for all County funds of the Operating Budget and the Public Services Program (PSP) are described below. Revenue sources which fund department and agency budgets are included in the respective budget presentations. Six-year projections of revenues and resources available for allocation are made for all County funds. This section displays projections of total revenues available for the tax supported portion of the program. Tax supported funds are those funds subject to the Spending Affordability Guideline (SAG) limitations. The SAG limitations are intended to ensure that the tax burden on residents is affordable. The County Council has based the guidelines on inflation and personal income of County residents.

The PSP also includes multi-year projections of non-tax supported funds. These funds represent another type of financial burden on households and businesses and, therefore, should be considered in determining the "affordability" of all services that affect most of the County's population. Projections for non-tax supported funds within County government are presented in the budget section for each of those funds.

## IMPACT ON REVENUES AND THE CAPITAL BUDGET

The use of resources represented in this section includes appropriations to the operating funds of the various agencies of the County as well as other resource requirements, such as current revenue funding of the Capital Budget, debt service, and fund balance (operating margin). These other uses, commonly called "Non-Agency Uses of Resources," affect the total level of resources available for allocation to agency programs. Some of these factors are determined by County policy or law; others depend, in part, on actual revenue receipts and expenditure patterns.

The level of PSP-related spending indirectly impacts the local economy and, hence, the level of County revenues. However, the effect on revenues from expenditures of the Executive's Recommended Operating Budget and PSP are expected to be minimal. The PSP also impacts revenues available to fund the Capital Budget. The revenue projections included in this section subtract projected uses of current revenues for both debt eligible and non-debt eligible capital investments. Therefore, the Executive's Recommended Operating Budget and PSP provides the allocations of annual resources to the Capital Budget as planned for in the County Executive's Recommended Amended FY21-26 Capital Improvements Program (CIP) (as of January 15, 2021).

Anticipated current revenue adjustments to the January 15, 2021 CIP have been made as part of the Executive's Recommended

## Prior Year Fund Balance

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The prior year fund balance for the previous fiscal year is the audited FY20 closing fund balance for all tax supported funds. The current year fund balance results from an analysis of revenues and expenditures for the balance of the fiscal year. Prior year fund balance for future fiscal years is assumed to equal the target fund balance for the preceding year.

## Net Transfers

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Net transfers are the net of transfers between all tax supported and non-tax supported funds in all agencies. The largest single transfer to the General Fund is the earnings transfer from the Liquor Control Fund to the General Fund. The transfer from the General Fund to Montgomery Housing Initiative to support the Executive's housing policy is the largest transfer to a non-tax supported fund. The payment from the General Fund to the Solid Waste Disposal Fund for disposal of solid waste collected at County facilities is the next largest transfer to a non-tax supported fund. The level of transfers is an estimate based on individual estimates of component transfers.

## Debt Service Obligations

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Debt service estimates are those made to support the County Executive's Recommended Amended FY21-26 Capital Improvements Program (as of January 15, 2021). Debt service obligations over the six years are based on servicing debt issued to fund planned capital projects, as well as amounts necessary for short-term and long-term leases. Debt service requirements have the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization. Approximately 41.6 percent of the CIP is funded with General Obligation (G.O.) bonds. Each G.O. bond issue used to fund the CIP translates to a draw against the Operating Budget each year for 20 years. Debt requirements for past and future G.O. bond issues are calculated each fiscal year, and provision for the payment of Debt Service is included as part of the annual estimation of resources available for other Operating Budget requirements. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The State authorizes borrowing of funds and issuance of bonds up to a maximum of 6.0 percent of the assessed valuation of all real property and 15.0 percent of the assessed value of all personal property within the County. The County's outstanding G.O. debt plus short-term commercial paper as of June 30, 2020, is 1.49 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

## Capital Improvements Program (CIP) Current Revenue and PAYGO

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Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent County Executive recommendations for the Capital Budget and CIP. These estimates are based on programmed current revenue and PAYGO funding in the six years, as well as additional current revenue amounts allocated to the CIP for future projects and inflation.

## Revenue Stabilization

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On June 29, 2010, the Montgomery County Council enacted Bill 36-10 amending the Montgomery County Code (Chapter 20, Finance, Article XII) that repealed the limit on the size of the Revenue Stabilization Fund (Fund), modified the requirement for mandatory County contributions to the Fund, and amended the law governing the Fund. Mandatory contributions to the Fund are the greater of 50 percent of any excess revenue, or an amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Adjusted Governmental Revenues include tax supported County Governmental revenues plus revenues of the County Grants Fund and County Capital Projects Fund; tax supported revenues of the Montgomery County Public Schools, not including the County's local contribution; tax supported revenues of Montgomery College, not including the County's local contribution; and tax supported revenues of the Montgomery County portion of the Maryland-National Capital Park and Planning Commission. All interest earned on the Fund must be added to the Fund. The FY22 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$403.8 million in FY21 and the balance is estimated to increase to \$431.1 million in FY22.

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## Other Uses

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This category is used to set aside funds for such items as possible legal settlement payments and other special circumstances such as set-aside of revenues to fund future years.

## Reserves

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The County will maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of prior year's General Fund revenues and the Revenue Stabilization Fund (or "rainy day fund"). The County had adopted a plan to increase total budgeted reserves of the unrestricted General Fund and Revenue Stabilization Fund to 10 percent of Adjusted Governmental Revenues (AGR) by FY20. Due to the financial impacts of the COVID-19 crisis, FY20 actual reserves were 8.9 percent of AGR, and FY21 estimated reserves are expected to remain at 8.9 percent of AGR. The County must replenish the County Government Reserves to its policy goal within three fiscal years following the decrease. This budget satisfies that policy by increasing the budgeted reserve to 9.6 percent with plans to increase FY23 and FY24 reserves, respectively, to 9.8 percent and 10 percent.

## REVENUE ASSUMPTIONS

Projections for revenues are included in six-year schedules for County Government Special Funds and for Montgomery College, M-NCPPC, and WSSC in the relevant sections of this document. See the MCPS Budget Document for six-year projections of MCPS funds. Projections for revenues funding County government appropriations are provided to the Council and public as fiscal projections. Such projections are based on estimates of County income from its own sources such as taxes, user fees, charges, and fines, as well as expectations of other assistance from the State and Federal government. The most likely economic, demographic, and governmental policy assumptions that will cause a change in revenue projections are included in this section.

## TAX REVENUES

Tax supported revenues come from a number of sources including but not limited to property and income taxes, real estate transfer and recordation taxes, excise taxes, intergovernmental revenues, service charges, fees and licenses, college tuition, and investment income. In order of magnitude, however, the property tax and the income tax are the most important with 47.0 percent and 42.6 percent, respectively, of the estimated total tax revenues in FY22. The third category is the energy tax estimated for the General Fund with 4.4 percent share. In fact, these three revenue sources represent 94.0 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.2 percent and 32.8 percent, respectively. The third category is intergovernmental revenues with a 19.2 percent share of the estimated total tax supported revenues in FY22. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years.

## Property Tax

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Using proposed tax rates (levy year 2021) and a recommended \$692 credit, total estimated FY22 tax supported property tax revenues of \$1,884.7 million are 2.9 percent above the revised FY21 estimate. The general countywide rate for FY22 (Levy Year 2021) is \$0.7180 per \$100 of assessed real property, while a rate of \$1.7950 is levied on personal property. In addition to the general countywide tax rate, there are special district area tax rates. The weighted average real property tax rate for FY22 (Levy Year 2021) is \$0.9785 per \$100 of assessed real property which is the same weighted rate for FY21 (Levy Year 2020). In November 2020, County residents voted to amend Section 305 of the County Charter "to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved the previous year, unless all current Councilmembers vote affirmatively for the increase." The amendment to Section 305 replaces the current Charter Limit that restricts the growth in property tax revenues to the sum of the previous year's estimated revenue, increased by the rate of inflation, and an amount based on the value of new construction and other minor factors.

The countywide total property taxable assessment is estimated to increase approximately 3.1 percent from a revised \$201.2 billion in FY21 to \$207.4 billion in FY22. The base is comprised of real property and personal property. For FY22, the Department of Finance estimates a real property taxable assessment of approximately \$203.1 billion, an increase of 3.1 percent from FY21, with the remaining \$4.3 billion in personal property. This is the ninth consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

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The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The triennial residential property reassessment for Group 1 increased 5.0 percent and commercial property increased 16.5 percent in FY20 and the triennial residential property reassessment for Group 2 increased 4.8 percent and commercial property increased 16.5 percent in FY21. Based on data from SDAT the triennial reassessment for real property is estimated to increase 6.6 percent for residential properties in Group 3 and is estimated to increase 14.1 percent for commercial property in FY22.

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## Income Tax

Estimated FY22 income tax revenues of \$1,708.8 million are 0.07 percent above the revised FY21 estimate. With the 2020 amendment of HB621 by the Maryland General Assembly, reimbursements to the Comptroller of Maryland from the County's quarterly income tax distributions starting in May of FY21 will be eighty equal installments rather than the original twenty. For FY22, the impact of the legislation reduces the amount of the reimbursements from \$29.128 million to \$7.282 million.

A number of economic indicators impact the County's quarterly distribution from withholdings and estimated payments. Those indicators include growth in resident employment; wage and salary income; income from dividends, interest and rents; and capital gains. Based on the economic forecasts provided by Moody's Analytics, Finance assumes County resident employment will decrease at an average annual rate of 1.5 percent from CY2019 to CY2022. Finance estimates that resident employment will not reach its pre-pandemic level until CY2027-CY2028. Finance assumes wage and salary income will decrease at an average annual rate of 1.5 percent from CY2020 to CY2022 and will not reach its CY2020 pre-pandemic peak until CY2023. Finally, Finance assumes income from dividends, interest, and rents in Montgomery County will decrease at an average annual rate of 5.9 percent from CY2019 to CY2021 compared to the average annual growth rate of 24.6 percent from CY2015 to CY2019. Income from dividends, interest, and rents will not reach its pre-pandemic peak until CY2024.

Following the decline of 3.8 percent in Tax Year 2013 (TY2013), income tax revenues increased 6.6 percent in TY2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed in large part to a 50 percent decline in capital gains for the top 100 County taxpayers. The elections of November 2016 raised expectations that tax relief for individuals, especially those individuals with high incomes, would occur in TY2018. As such, those individuals would delay recognizing capital gains until a later tax year. The income tax reduction of 50 percent of the top 100 County taxpayers suggests that is what occurred in the receipts from October 15th filers in 2016 and the reconciling distribution for TY2016 declined 27.5 percent from TY2015. In fact, that delay resulted in a dramatic increase in the November and January FY2019 reconciling distribution of 77.5 percent pertaining to TY2018. The Maryland Comptroller cautioned against assuming a similarly strong reconciling distribution in TY2019 (FY20) and TY2020 (FY21). In fact, the reconciling distributions declined 15.6 percent for TY2019 (FY20) and 8.5 percent for TY2020 (FY21). Because of the impact of COVID-19 beginning in February of 2020, the Comptroller of Maryland allowed the deferral of TY2019 estimated and final payments to the state until July 15, 2020. As such, the deferral reduced both June and July 2020 income tax distributions to the County reducing fourth quarter FY20 income tax and negatively affecting final income tax revenues for FY20. However, the amount of the deferral in the fourth quarter of FY20 was distributed in August and applied to FY21.

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## Transfer and Recordation Taxes

Estimated FY22 revenues for the General Fund of \$169.9 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 4.9 percent above the revised FY21 estimate. This reflects a FY22 estimate of \$117.2 million in the transfer tax and \$52.7 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from \$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property.

Residential transfer tax revenues follow the trends in real estate sales for existing and new homes. Real estate sales, in turn, are highly correlated with specific economic indicators such as growth in employment and wage and salary income, formation of households, mortgage lending conditions, and mortgage interest rates. The same holds true for the commercial sector, which is

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equally affected by business activity and investment, office vacancy rates, property values, and financing costs. Finance estimates the sales of existing homes in the County will increase 3.0 percent in CY21 and 2.5 percent in CY22. Over the same two years, median sales prices will increase 3.2 percent in CY21 and 3.1 percent in CY22

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## Energy Tax

Estimated FY22 revenues of \$175.7 million are 1.8 percent below the revised FY21 estimate. The estimated revenues for FY22 are based on the County Executive's recommendation to continue the FY22 rates at the FY21 level. The fuel-energy tax is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product. Because of the impacts of COVID-19, non-residential tax collections declined 41.9 percent through the first seven months (July-January) of FY21 compared to the same period in FY20 while residential tax collections increased 64.6 percent during the first seven months of FY21 compared to the same period in FY20.

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## Telephone Tax

Estimated FY22 revenues of \$55.1 million are 1.1 percent above the revised FY21 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is \$2.00 per month, while multiple business lines (Centrex) are taxed at \$0.20 per month. The tax rate on wireless communications is \$3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phone usage and by voice-over internet protocol. Over the past decade, approximately 80% of the gross telephone tax is attributed to the cellular wireless component.

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## Hotel/Motel Tax

Estimated FY22 revenues of \$11.8 million are 127.5 percent above the revised FY21 estimate attributed to a significant increase in the occupancy rate. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnB. The current tax rate of 7.0 percent in FY21 is also assumed for FY22. Collections grow with the costs of hotel rooms and the combined effect of room supply and hotel occupancy rate in the County. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Presidential inauguration and related activities, Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods, and during the week prior and the week during the Presidential inauguration. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county. However, because of the impact of COVID-19, tax collections from the hotel/motel tax are estimated to decline 65.0 percent in FY21 but rebound to its pre-pandemic level by FY24.

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## Admissions Tax

Estimated FY22 revenues of \$0.8 million are 2.6 percent above the revised FY21 estimate. Estimated revenues for FY21 are expected to decline 67.5 percent similar to the decline in the hotel/motel tax. Admissions and amusement taxes are State-administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities. Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses, and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect. The estimated increase in FY22 revenues is attributed to a rebound in the growth in the attendance, which is a function of the estimated growth in the County's population in CY2021, and by the COVID-19 vaccinations and federal and state fiscal stimulus.

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## E-Cigarettes Tax



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Estimated FY22 revenues from the E-Cigarettes tax of \$1.0 million are 3.7 percent above the revised FY21 estimate. On March 31, 2020, the Montgomery County Council enacted legislation that prohibited an electronic devices manufacturer from distributing flavored electronic cigarettes to certain retail stores in the County. As such, FY21 revenues are estimated to decline 29.9 percent from FY20.

## ■ NON-TAX REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at \$1.195 billion in FY22. This is a \$104.9 million decrease, or 8.1 percent, from the revised FY21 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

### General Intergovernmental Revenues

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Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY22. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY22 assumes a \$135.8 million, or 12.0 percent, decrease in intergovernmental revenues from the revised FY21 estimate. Total intergovernmental revenue represents an estimated 83.69% percent of the total non-tax revenues for FY22.

### Licenses and Permits

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Licenses and permits include General Fund business licenses (primarily public health, traders, and liquor licenses) and non-business licenses (primarily marriage licenses and Clerk of the Court business licenses). Licenses and permits in the Permitting Services Enterprise Fund, which include building, electrical, and sediment control permits, are Enterprise Funds and thus not included in tax supported projections. The Recommended Budget for FY22 assumes a 19.6 percent increase over the revised estimates for FY21, resulting in \$13.5 million in available resources in FY22.

### Charges for Services (User Fees)

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Excluding intergovernmental revenues to Montgomery County Public Schools and Montgomery College, and College tuition, charges for services, or user fees, are revenues collected that come primarily from fees imposed on the recipients of certain County services including mass transit, human services, use of facilities, and recreation services and are included in the tax supported funds. The Recommended Budget for FY22 assumes an increase of 37.7 percent over the revised estimates for FY21, resulting in \$57.8 million in available resources in FY22.

### Fines and Forfeitures

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Revenues from fines and forfeitures relate primarily to photo red light and speed camera citations, and library and parking fines (excluding the County's four Parking Districts). The Recommended Budget for FY22 assumes that fines and forfeitures will increase 98.1 percent from the revised estimates for FY21, resulting in \$38.3 million in available resources in FY22. It should be noted that COVID-related reductions in overall driving resulted in estimated photo red light and speed camera revenues being significantly reduced in FY21.

### College Tuition

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Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students, number of credit hour enrollments, and the tuition rate. The Recommended Budget for FY22 includes a 0.1 percent decrease in tuition revenue over the revised estimates for FY21, resulting in \$68.0 million in

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available resources in FY22.

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## Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised FY21 tax-supported investment income estimates of \$337,460 assumes a yield of 0.15 percent and an average daily balance of \$750 million. The FY22 projected estimate of tax-supported investment income of \$522,190 assumes a yield of 0.10 percent and an average daily balance of \$650 million. With the action of the Federal Open Market Committee (FOMC) starting in March 2020 in response to the coronavirus pandemic and the dramatic decrease in the targeted federal funds rate, the estimate for FY22 will depend on future actions by the FOMC regarding the federal funds rate.

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## Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY22, miscellaneous revenues will decrease 25.4 percent from the revised estimates for FY21, resulting in \$15.6 million in available resources in FY22.

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# PSP Fiscal Policy

## INTRODUCTION

### Definition and Purpose of Fiscal Policy

Fiscal policy corresponds to the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal planning, generally done within the context of the Public Services Program (PSP)/Operating Budget and the Capital Improvements Program (CIP)/Capital Budget, reflects and helps shape fiscal policy.

The budget process not only reflects those fiscal policies currently in force but is itself a major vehicle for determining and implementing such policies. The fiscal policy statements presented on the following pages are not static. They evolve as the economy and fiscal environment change and as the County's population and requirements for government programs and services change.

The purposes of fiscal policy for the PSP/Operating Budget are:

- **Fiscal Planning for Public Expenditures and Revenues.** Fiscal policy provides guidance for good public practice in the planning of expenditures, revenues, and funding arrangements for public services. It provides a framework within which budget, tax, and fee decisions should be made. Fiscal policy provides guidance towards a balance between program expenditure requirements and available sources of revenue to fund them. Fiscal planning considers long-term trends and projections in addition to annual budget planning.
- **Setting Priorities Among Programs.** Clearly defined and quantified fiscal limits encourage setting priorities by government managers and elected officials, thus helping to ensure that the most important programs receive relatively more funding.
- **Assuring Fiscal Controls.** Fiscal policies relating to County procurement of goods and services, payment of salaries and benefits, debt service, and other expenditures are all essential to maintaining control over government costs over time.

### Organization of this Section

Following are the major fiscal policies currently applied to the PSP/Operating Budget and financial management of Montgomery County (see the Recommended CIP Budget for more detailed policies that relate more directly to the CIP). Numerous other fiscal policies that relate to particular programs or issues are not included here but are believed to be consistent with the guiding principles expressed below.

The presentation of fiscal policies is in the following order:

- Policies for fiscal control
- Policies for expenditures and allocation of costs
- Short-term fiscal and service policies
- Current CIP fiscal policies
- Policies for governmental management
- Policies for revenues and program funding
- Fiscal policies for user fees and charges
- Framework for fiscal policy

## FISCAL CONTROL POLICIES

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## Structurally Balanced Budget

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The County must have a structurally balanced budget. Budgeted expenditures may not exceed projected recurring revenues plus recurring net transfers minus the mandatory contribution to reserves for that fiscal year. Recurring revenues should fund recurring expenses. No deficit may be planned or incurred.

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## Reserves

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The County must have a goal of maintaining an unrestricted General Fund balance of five percent of the prior year's General Fund revenues and a total reserve of ten percent of revenues including the Revenue Stabilization Fund, as defined in the Revenue Stabilization Fund law (Section 20-65, Montgomery County Code). The County had originally planned to achieve the 10 percent target by FY20, but the COVID pandemic has negatively impacted reserves. Actions taken to achieve the 10 percent target by FY24 are outlined in the Short-term Fiscal and Service Policies section below.

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## Use of One-Time Revenues

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One-time revenues and revenues in excess of projections must be prioritized to meet the county's fiscal policy goals or budgeted as required by law. One-time revenues and revenues greater than projected that remain after any contribution required by law will be applied in the following order until the policy goal is met, or the resources are fully utilized: 1) Reserves to policy goal; 2) Retiree health benefits (OPEB) more than the annual actuarial pre-funding contribution and/or pension pre-funding more than the annual actuarial goal, if unfunded liabilities exist; and then 3) for other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP in excess of the County's targeted goal.

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## PAYGO

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The County should allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issuance that year.

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## Fiscal Plan

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The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available resources. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy-level goals.

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## Budgetary Control

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The County will exercise budgetary control (maximum spending authority) over Montgomery County Government through County Council approval of appropriation authority within each department and special fund in two categories: Personnel Costs and Operating Expenses; over the Montgomery County Public Schools and Montgomery College through appropriations in categories set forth by the State; over the County's portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC) activities through approval of work programs and budgets; and over the Washington Suburban Transit Commission through appropriation of an operating contribution.

Budgetary control over the Washington Suburban Sanitary Commission (WSSC) is exercised following joint review with Prince George's County through approval of Operating and Capital Budgets, with recommended changes in sewer usage charges and rates for water consumption.

Budgetary control over the Housing Opportunities Commission (HOC) and the Montgomery County Revenue Authority is limited to approval of their capital improvements programs and to appropriation of an operating contribution to the Housing Opportunities Commission.

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## Financial Management

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The County will manage and account for its Operating and Capital Budgets in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

## Basis of Budgeting/Accounting Method

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The County's basis of accounting used in the preparation and presentation of its Annual Comprehensive Financial Report is consistent with GAAP for governments

The County maintains its accounting records for tax supported budgets (the General Fund, special revenue funds, and Capital Projects fund supported by general tax revenues) and permanent funds on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred.

Accounting records for proprietary funds and fiduciary funds, including private-purpose trust funds, are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. Custodial funds are also accounted for on the full accrual basis of accounting.

The County's basis of budgeting for tax-supported and proprietary and trust fund budgets is consistent with the existing accounting principles except as noted below:

- The County does not legally adopt budgets for trust funds.
- The County legally adopts the budgets for all enterprise funds.
- For the Motor Pool and Central Duplicating Internal Service Funds, the appropriated budgets for those funds are reflected in the appropriated budgets of the operating funds (General Fund, special revenue funds, etc.) that are charged back for such services, and in a reappropriation of the prior year's Internal Service Fund fund balance. For the Liability and Property Coverage Self-Insurance and Health Self-Insurance Internal Service Funds, appropriation exists both in a separate legally adopted budget for each fund, and in the appropriated budgets of the operating departments that are charged back for such services.
- Debt service payments and capital outlay are included in the operating budgets of proprietary funds.
- Proprietary fund budgets do not include depreciation and amortization. Instead, capital outlay and construction costs, as applicable, are budgeted in the operating and capital funds, respectively, at the time of purchase and/or encumbrance. Proprietary fund budgets also do not include bad debts.
- The County does not budget for the retirement of Commercial Paper Bond Anticipation Notes (BANs). The outstanding balance of any BANS issued are retired with the issuance of General Obligation Bonds.
- Certain amounts, such as those relating to the purchase of new fleet vehicles and certain inter-fund services such as permitting and solid waste services, are budgeted as fund expenditures but are reclassified to inter-fund transfers for accounting purposes.
- Year-end GAAP incurred but not reported (IBNR) adjustment amounts in the self-insurance internal service funds are not budgeted; any such adjustments to IBNR claims reserve as of year-end are incorporated into the budget preparation process of the following fiscal year.
- Proprietary fund budgets include the annual required contribution to pre-fund retiree health insurance benefit costs; however, certain pre-funded retiree health insurance-related costs in the proprietary funds and General Fund may be reclassified for accounting purposes.
- Proceeds from debt issued specifically for Montgomery Housing Initiative (MHI) affordable housing/property acquisition is classified as a resource in the MHI fund.
- The County does not budget for the annual change in fair market value of its investments, which is included in revenue for accounting purposes.
- The County does not budget for the operating results of the Montgomery County Conference Center, owned by the County and administered by a third party; instead, the budget includes cash distributions between the parties that represent distribution of net operating revenues and reimbursement for net operating losses.

## Internal Accounting Controls

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The County will develop and manage its accounting system to provide reasonable assurance regarding: (1) the safeguarding of

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assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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## Audits

The County will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the County, its officials, and employees in compliance with local, state, and federal law.

## POLICIES FOR EXPENDITURES AND ALLOCATION OF COSTS

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### Content of Budgets

The County will include in the Operating Budget all programs and facilities which are not included in the Capital Improvements Program. There are three major impacts of the Capital Improvements Program (CIP) on Operating Budgets: debt service; current revenues applied to the CIP for debt avoidance or for projects which are not debt-eligible; and presumed costs of operating newly opened facilities. Please refer to the Capital Improvements Program (CIP) section in this document for more detail.

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### Expenditure Growth

The County Charter (Section 305) requires that the County Council annually adopt and review spending affordability guidelines for the Operating Budget, including guidelines for the aggregate Operating Budget. The aggregate Operating Budget excludes Operating Budgets for: enterprise funds; grants; tuition and tuition-related charges of Montgomery College; and the Washington Suburban Sanitary Commission. County law implementing the Charter requires that the Council set expenditure limits for each agency, as well as for the total, to provide more effective guidance to the agencies in the preparation of their budget requests.

Spending affordability guidelines for the Capital Budget and Capital Improvements Program are adopted in odd-numbered calendar years. They have been interpreted in subsequent County law to be limits on the amount of General Obligation Debt and Park and Planning debt that may be approved for expenditure for the first and second years of the CIP and for the entire six years of the CIP.

Any aggregate budget that exceeds the guidelines then in effect requires the affirmative vote of seven of the nine Councilmembers for approval.

The Executive advises the Council on prudent spending affordability limits and makes budget recommendations for all agencies consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years.

Consistent with the Charter (Section 302) requirement for a six-year Public Services Program, the Executive continues to improve long-range displays for operating programs.

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### Allocation of Costs

The County will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures, the inability of some residents to pay the full costs of certain benefits, and the difficulty of measuring the relationship between public costs and public or private benefits of some services.

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### Tax Duplication Avoidance

In accordance with law, the County will reimburse those municipalities and special taxing districts which provide public services that would otherwise be provided by the County.

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### Expenditure Reduction

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The County will seek expenditure reductions whenever possible through efficiencies, reorganization of services, and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness. The County will seek interagency opportunities to improve productivity.

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## Shared Provision of Service

The County will encourage, through matching grants, subsidies, and other funding assistance, the participation of private organizations in the provision of desirable public services when public objectives can be more effectively met through private activity and expertise and where permitted by law.

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## Public Investment in Infrastructure

The County will, within available funds, plan and budget for those facilities and to the infrastructure necessary to support its economy and public programs determined to be necessary for the quality of life desired by its residents.

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## Cost Avoidance

The County will, within available funds, consider investment in equipment, land or facilities, and other expenditure actions, in the present, to reduce or avoid costs in the future.

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## Procurement

The County will make direct or indirect purchases through a competitive process, except when an alternative method of procurement is specifically authorized by law, is in the County's best interest, or is the most cost-effective means of procuring goods and services.

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## Use of Restricted Funds

In order to align costs with designated resources for specific programs or services, the County will generally first charge expenses against a restricted revenue source prior to using general funds. The County may defer the use of restricted funds based on a review of the specific transaction.

## ■ SHORT-TERM FISCAL AND SERVICE POLICIES

Short-term policies are specific to the budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves the County Executive's priorities within the context of current and expected economic realities.

In May 2015, the Supreme Court upheld the decision of the Maryland Court of Appeals in the Wynne income tax case, which held that the State of Maryland's failure to allow a credit with respect to the County income tax for out-of-state income taxes paid to other states for certain income earned in those states violates the Commerce Clause of the United States Constitution. As a result of the decision, the County's revenue baseline was reduced to reflect the retroactive liability from past income tax filings as well as the ongoing annual impact related to the change in the taxability of this source of income. The annual impact of this ruling is estimated to be approximately \$30.0 million, and the repayment to the State for retroactive liability from past income tax filings is estimated to be \$145.6 million spread over 80 quarters starting in the third quarter of FY21. The County's revenue forecasts reflect this repayment schedule.

The FY22 budget development was impacted by FY20 actuals, increased costs in FY21, and reduced tax and fee revenue estimates for FY21 and FY22 - primarily related to the fiscal impacts of the COVID-19 virus. The FY20 actual General Fund ending fund balance was \$56.6 million less than estimated in May 2020. This resulted in ending reserves of \$474.0 million, or 8.9 percent of Adjusted Governmental Revenues - short of the budgeted target of 10 percent. This was primarily due to COVID-19-related differential pay costs, overspending for Fire and Rescue Services and reduced revenues. Based on the comparison of estimated tax revenues for the FY20 Approved Budget and actual revenues for the property tax, income tax, transfer and general fund portion of the recordation taxes, and other taxes (Fuel Energy, Hotel-Motel, Telephone, Admissions, and E-Cigarettes taxes), actual revenues were \$17.1 million (or 0.43%) below the estimates for the FY20 Approved Budget. The shortfall in the property tax



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was attributed to the differences between the estimated actual value for new construction, the increase in appeals, and revisions by the State in the re-assessments post-adopted budget. The shortfall in the transfer and recordation taxes is due to the decline in collections from commercial transactions because of COVID-19. The impact of COVID-19 also contributed to the decline in non-residential collection from the Fuel and Energy Tax (FET), Hotel-Motel Tax, and Admissions Tax. However, actual income tax revenues were greater than the estimate for the FY20 Approved Budget, largely due to a 77.2% increase in the November 2019 reconciliation distribution compared to the November 2018 distribution. This is due to the earlier delay in revenues from taxpayers filing and extensions as a response to the 2017 Tax Cut and Jobs Act. Finally, the Department of Finance incorporated the shortfall in actual revenues and a decline in the November 2020 distribution from the November 2019 distribution for the income tax along with the economic forecast of a moderate recession provided by Moody's Analytics to derive the revenue estimates for FY21 and FY22. Finance also derived estimates for the property tax under the current Charter Limit for FY21 and the new Charter Limit voted in November 2020 for FY22. In FY21, Transfer/Recordation, Hotel/Motel, Energy, and other minor taxes are estimated to be more than \$50 million below budget, while fees and fines are also projected to be short by \$45.8 million. Similarly, FY21 expenditures are expected to exceed budgeted expenses by almost \$85 million due primarily to the costs of combatting the COVID-19 virus. A significant component of the COVID-19 related costs includes differential pay for front-facing and in-office employees (nearly \$89 million since March 2020). Fortunately, these revenue losses and cost increases were offset primarily by \$168 million in federal pandemic-related grants and Federal Emergency Management Administration (FEMA) grants and modest income tax gains (\$12.3 million).

FY22 expenditure and revenue estimates are challenging to predict. In FY21, the State has allowed taxpayers to defer tax payments and made unemployment benefits exempt from income taxes - making it difficult to estimate income tax revenues. Uncertainties regarding the ability to safely reopen the economy, the level of resident needs, and the rules for FEMA reimbursements and additional federal aid have made the FY22 budget development process very complex. While property taxes and income taxes are estimated to increase compared to FY20 actuals, other taxes and fees and fines are expected to decrease. Assuming an estimated \$85.7 million in COVID-19 federal grants and FEMA reimbursements, total FY22 revenues are estimated to increase to \$5.2 billion compared to FY20 actual revenues of \$5.1 billion. Due to increased costs, the FY22 reserves are expected to be \$521.9 million, or 9.6 percent of adjusted governmental revenues - again below the target of 10 percent, but an improvement over FY21 estimated year-end reserves.

To address the challenges of COVID-19 and its impacts on County residents, business and the County's budget, County leaders have:

- Adopted a "same services budget in FY21" since early in the COVID crisis it was difficult to predict the duration and severity of the virus' budgetary impacts.
- Adopted two mid-year savings plans to reduce FY21 spending when it became obvious that the COVID-19 crisis was going to be prolonged and have a negative impact on County revenues.
- Temporarily waived the policy of using PAYGO (pay-as-you-go) funding for capital expenditures in FY21 and recommended providing only half of the 10 percent of General Obligation debt PAYGO policy level in FY22. This represented \$47.5 million in savings for the Operating Budget.
- Reduced nearly \$18 million of other cash expenditures in the capital budget to support the Operating Budget.
- Renegotiated hazard pay provisions twice. The County's labor agreements did not envision long-lasting general emergencies and the bargained hazard pay provisions were too costly to maintain for an extended period.
- Aggressively pursued FEMA reimbursement for all eligible COVID-19 expenses. This has entailed extensive work with changing and sometimes unclear guidance from FEMA. From March through December 2020, the County incurred \$129.9 million of expenditures that will be submitted to FEMA for reimbursement. To date, \$23.9 million has been received, \$7.2 million is expected shortly, \$61.8 million is currently being reviewed by FEMA, and the remaining \$35.7 million is being prepared for submission. FY21 eligible expenditures will be submitted for reimbursement as well.
- Appropriated more than \$280 million of Federal and County funds to provide relief and support to County residents, businesses, and non-profits impacted by COVID-19. This support helped mitigate the pandemic's local impacts by providing the funds needed to maintain personal incomes and keep businesses open. Funding has supported business assistance, food security, economic and rental assistance to residents, targeted COVID-19 response to the our disproportionately impacted communities of color, childcare assistance, and County government response and service modifications due to COVID-19.
- Used the County's reserves to pay for expenditures related to the public health crisis that were likely to be reimbursed by FEMA or other Federal support. These costs included COVID-19 testing, food security, personal protective equipment acquisition and distribution, cleaning and sanitation supplies. While this meant the County did not achieve its 10 percent reserve target, the County will add funds to the reserves over the next three years to achieve that target by FY24.

- Accessed all available Federal funds to support County services. This included \$183.3 million in Coronavirus Relief Funds; \$53.2 million for transit funding; and over \$30 million for rental assistance with more rental assistance funding expected. The American Rescue Plan Act is expected to provide over \$200 million during FY21 and FY22.
- Refinanced debt to achieve savings.
- Established one-year lines of credit worth \$250 million with two bank providers in August and October of 2020. These lines of credit have not been utilized but are available to ensure that the County has sufficient liquidity to meet its obligations.
- Established a goal to identify budget reductions as the first action to reduce the use of reserves during an economic recession or national emergency. In the event the total reserves fall below 10% of Adjusted Gross Revenues, the County must replenish the County Government Reserves to its policy goal within three fiscal years.
- The County Council has also requested that the County Executive follow a new practice as a means to preserve long-term budget sustainability, such that the annual growth rate of total compensation costs (including all wage and benefit costs) should be similar to the annual growth rate of tax-supported revenues; compensation costs in excess of the projected one-year or six-year rate of revenue growth should be explained as to how they will be affordable in the future.
- Established a goal to identify budget reductions as the first action to reduce the use of reserves during an economic recession or national emergency.

The Office of Management and Budget coordinated with the Office of Racial Equity and Social Justice to incorporate racial equity considerations into the budgeting process, systems, meetings, and decision-making process. This year, this work focused on budget changes but in the future, base budget programs will also be evaluated through this lens.

In addition, the County has begun work on efforts that will improve the County's finances in FY23 and beyond. These include a Cost Containment Project, a reexamination of the County's Other Post-Employment Benefits (OPEB) policies and practices, and approval of a revised charter amendment regarding property tax increase limitations. The Cost Containment initiative is a collaborative effort with the MCGEO employee union to improve County Government functions and services through increased efficiency, use of technology, staffing planning, management streamlining, and collaboration. This project includes a review of all vacant positions, supervisory structures, and process evaluation and improvements. Regarding OPEB expenses, the County has continued its commitment to make the actuarially determined contributions in FY22 and is finalizing an updated OPEB funding policy to take effect after FY22.

In November 2020, County residents voted to amend Section 305 of the County Charter that prohibits the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved the previous year, unless all current Councilmembers vote affirmatively for the increase. The amendment to Section 305 replaces the prior Charter Limit that restricted the growth in property tax revenues to the sum of the previous year's estimated revenue, increased by the rate of inflation, and an amount based on the value of new construction and other minor factors.

There were also challenges in developing the Recommended Amended FY21-26 Capital Improvements Program (CIP) due to funding reductions related to 1) COVID-19 impacts on Recordation Taxes (-\$41.7 million); 2) changes in the Subdivision Staging Growth Policy which resulted in decreases in impact taxes (-\$51.5 million); and the County's decision to reduce PAYGO (-\$47.5 million) and other cash (-18.0 million) funding for the CIP to support the Operating Budget. While priority was given to maintaining support for key priorities such as education, critical transportation projects, core infrastructure, and economic development, given the scale of reduced funding, all agencies had some projects recommended for reduction or deferral. As part of this review, consideration was also given to equitably distributing projects throughout the County and to ensuring that racial equity was a factor in decision-making.

Together with the long-term policies described elsewhere in this chapter, the short-term policies described here have allowed the County to construct a balanced, fiscally responsible FY22 budget consistent with current economic and fiscal realities while achieving the County Executive's key priority outcomes.

## ■ CURRENT CIP FISCAL POLICIES

### Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, add to the physical infrastructure and capital assets of the County, or enhance the

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productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.

- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available in a set-aside for future needs.

## Policy on Funding CIP with Debt

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Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have a useful life at least approximately as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. It is County fiscal policy that financing in partnership situations ensures that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

## Policy on General Obligation Debt Limits

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General Obligation Debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on General Obligation Debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its General Obligation Bonds, AAA. This top rating by Wall Street rating agencies assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

## Debt Capacity

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To maintain our AAA rating, the County considers the following guidelines in deciding how much additional County General Obligation Debt may be issued in the six-year CIP period:

**Overall Debt as a Percentage of Assessed Valuation.** This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

**Debt Service as a Percentage of the General Fund.** This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds.

**Overall Debt per Capita.** This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuer's ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

**Ten Year Payout Ratio.** This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

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**Per Capita Debt to Per Capita Income.** This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit and as needed for fiscal analysis.

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## Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with 5 percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio (see Debt Limits, above). Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, different repayment terms may be used. General Obligation Bonds are secured by the unlimited taxing authority pledge of the County.

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## Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

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## Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

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## Policy on Use of Appropriation-Backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with General Obligation Debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

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## Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds is outweighed by the advantages in relation to the financing objectives to be achieved.

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## Policy on Use of Interim Financing

Interim Financing may be useful in situations where project expenditures are eligible for long-term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified ultimate funding source, and should be repaid within the short-term. An example for interim financing would be in a situation where an offsetting revenue, such

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as land sale proceeds, will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

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## Policy on Use of Short-Term Financing

Short-term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long-term financing is not appropriate. Short-term financings in the CIP are also of a larger size or magnitude than smaller purchases typically financed with short-term Master Lease financing.

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## Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

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## Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

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## Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt-eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

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## Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

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## Policy on Taxing New Private Sector Development

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As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of new and improved transportation and other infrastructure required to serve that development. To implement this policy, the County has established the following taxes:

**Impact Tax - Transportation.** In November 2020, the County Council approved the 2020-2024 Growth and Infrastructure Policy (formerly known as the Subdivision Staging Policy). The new policy continues existing rates but modifies geographic boundaries of the Red Policy Areas to include certain Metro stations. These taxes are levied at four zone rate schedules: transit-oriented and urban Red Policy Areas (former Metro Station Policy Areas); mixed urban/suburban Orange Policy Areas (formerly part of the general impact district); suburban Yellow Policy Areas (formerly part of the general impact tax district); and rural Green Policy areas (e.g., agricultural reserve). The new policy requires that non-exempt dwelling units in a development with at least 25% affordable units must pay a discounted tax rate by housing type applicable in the Red Policy Area. Except for a development located in the City of Rockville, a discounted rate is also applied to development in a Desired Growth and Investment Area within an Orange or Yellow Policy Area. The impact tax exemption is expanded to include development located in a Qualified Opportunity Zone certified by the U.S. Treasury Department.

**Impact Tax - Schools.** Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The Growth and Infrastructure Policy eliminates residential development moratoria and designates neighborhoods by two School Impact Areas - Infill and Turnover - for the school impact taxes that vary by housing, commensurate with the average student generation rates of that type of residential development. Non-exempt dwelling units in a development with at least 25% affordable units must pay a discounted rate by housing type applicable in the Infill School Impact Area. A discounted rate is applied to residential development with multi-family dwelling units or in a Desired Growth and Investment Area. Exemption of school impact tax is applied to development in a Qualified Opportunity Zone.

**Utilization Premium Payments.** The policy also requires developers of new housing to make Utilization Premium Payments (UPP) in areas with overcrowded schools, effective March 9, 2021. Three utilization thresholds for residential development at the individual school level were established; however, the UPP is exempt if any development plan was filed prior to February 26, 2021 that includes 25% affordable units, under a government regulation or binding agreement, or in a former Enterprise Zone that is filed and accepted before January 1, 2021.

**School Facilities Payment.** A school facilities payment is applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment is made on a per-student basis, based upon standard student generation rates of that type of residential development. As of March 1, 2017, the School Facilities Payment only applies to development projects that were included in a preliminary plan of subdivision prior to this date.

**Development Approval Payment (DAP).** In November 1993, the Council created an alternative voluntary review procedure for Metro Station Policy Areas as well as limited residential development. The DAP permits development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates.

**Development Districts.** Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

**Systems Development Charge (SDC).** This charge, enacted by the 1993 Maryland General Assembly, authorized WSSC to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

## GOVERNMENTAL MANAGEMENT POLICIES

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## Productivity

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The County will seek continuous improvement in the productivity of County programs in terms of quantity of services relative to resources expended, through all possible strategies.

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## Employee Involvement

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The County will actively encourage and make use of the experience and expertise of its workforce for optimum program effectiveness and cost-efficiency of public service delivery through training, teamwork, employee empowerment, and other precepts of quality management.

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## Intergovernmental Program Efforts

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The County will seek program efficiencies and cost savings through cooperative agreements and joint program efforts with other County agencies, municipalities, regional organizations, and the State and Federal governments.

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## Alternative Service Delivery

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The County will consider obtaining public service delivery through private or non-profit sectors via contract or service agreement, rather than through governmental programs and employees, when permitted by law, cost-effective, and consistent with other public objectives and policies.

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## Risk Management

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The County will control its exposure to financial loss through a combination of commercial and self-insurance; self-insure against all but the highest cost risks; and aggressively control its future exposure through a risk management program that allocates premium shares among agencies based on loss history.

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## Employee Compensation

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The County will seek to provide total compensation (pay plus employee benefits) that is comparable to jobs in the private sector; comparable among similar jobs in the several County departments and agencies; and comparable between employees in collective bargaining units and those outside such units.

The government will act to contain the growth of compensation costs using various strategies including organizational efficiencies within its departments and agencies, management efficiencies within its operations and service delivery, and productivity improvements within its workforce.

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## Pension Funds

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The County will, to assure the security of benefits for current and future retirees and the solvency of the Employee Retirement System of Montgomery County, provide for the judicious management and investment of the fund's assets through the Board of Investment Trustees (BIT), and strive to increase the funding ratio of assets to accrued liability. The BIT also selects the service providers and investment options available for employees participating in the Retirement Savings Plan and the Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees.

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## Retiree Health Benefits Trust

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The County phased-in full pre-funding of its Actuarially Determined Contribution (ADC), from the previous pay-as-you-go approach, beginning with contributions to one or more trust funds established for that purpose, over an eight-year period beginning with FY08. This approach allows the County to use a discount rate higher than its operating investment rate for accounting and budgeting purposes, which will result in lower costs and liabilities than if the County did not have a Trust in place.

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## Surplus Property

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The County will maximize the residual value of land parcels or buildings declared excess to current public needs through public reuse, lease to appropriate private organizations, or sale, in order to return them to the tax base of the County. Disposition of goods which have become obsolete, unusable, or surplus to the needs of the County will be accomplished through bid, auction, or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.

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## Fiscal Impact Reviews

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The County will review proposed local and State legislation, regulations, and master plans for specific findings and recommendations relative to financial and budgetary impacts and any continuing and potential long-term effects on the operations of government.

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## Economic Impact Statements

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The County will review proposed local and State legislation, and regulations for specific findings and recommendations relative to economic impacts for any continuing and potential long-term effects on the economic well-being of the County.

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## Resource Management

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The County will seek continued improvement in its budgetary and financial management capacity in order to reach the best possible decisions on resource allocation and the most effective use of budgeted resources.

# **■** POLICIES FOR REVENUES AND PROGRAM FUNDING

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## Diversification of Revenues

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The County will establish the broadest possible base of revenues and seek alternative revenues to fund its programs and services, in order to:

- Decrease reliance on general taxation for discretionary but desirable programs and services and rely more on user fees and charges;
- Decrease the vulnerability of programs and services to reductions in tax revenues as a result of economic fluctuations; and
- Increase the level of self-support for new program initiatives and enhancements.

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## Revenue Projections

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The County will estimate revenues in a realistic and conservative manner in order to minimize the risk of a funding shortfall.

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## Property Tax

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The County will, to the fullest extent possible, establish property tax rates in such a way as to:

- Limit annual levies so that tax revenues are held at or below the rate of inflation, or justify exceeding those levels if extraordinary circumstances require higher rates;
- Avoid wide annual fluctuations in property tax revenue as economic and fiscal conditions change; and
- Fully and equitably obtain revenues from new construction and changes in land or property use.

A November 2020 amendment to the County Charter (Section 305), prohibits the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year, unless all current Councilmembers vote affirmatively for the increase. This amendment replaces the previous property tax limit, which required an affirmative vote of all current Councilmembers to levy a tax on real property that would produce total revenue that exceeded the total revenue produced by the tax on real property in the preceding fiscal year plus any increase in the Consumer Price Index (CPI-U for the Washington



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Metropolitan Statistical Area). The previous property tax limit exempted real property tax revenue derived from (1) newly constructed property; (2) newly rezoned property; (3) certain property assessed differently under State law; (4) property that had undergone a change in use; and (5) property in a development tax district to provide funding for capital improvements.

In addition, §5-104 of the State Education Article allows a county to set a property tax rate greater than what would otherwise be allowed under that county's charter limit.

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## County Income Tax

The County will maintain the rate for the local personal income tax within the limits specified in the Maryland Annotated Code, Tax-General Article, Section 10-106.

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## Special Districts

The County has established special districts within which extra services, generally not performed countywide, are provided and funded from revenues generated within those districts. Examples are the Urban, Recreation, and Parking Lot Districts. The County will also abolish special districts when the conditions which led to their creation have changed.

Most special districts have a property tax to pay all or part of the district expenses although some of the existing special districts do not currently impose a tax. Such property taxes are included in the overall limit set on annual real property tax revenue increases by Section 305 of the County Charter.

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## Special Funds

The revenues and expenditures of special districts are accounted for in special revenue funds or, in the case of Parking Lot Districts, in enterprise funds. As a general principle, these special funds pay an overhead charge to the General Fund to cover the management and support services provided by General Fund departments to these special fund programs.

When the fund balances of special funds grow to exceed mandated or otherwise appropriate levels relative to district public purposes, the County may consider transferring part of the fund balance to support other programs, as allowed by law. For example, a portion of the PLDs' fee revenue is transferred to the Urban Districts.

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## Enterprise Funds

The County will, through pricing, inventory control, and other management practices, ensure appropriate fund balances for its enterprise funds while obtaining full cost recovery for direct and indirect government support, as well as optimal levels of revenue transfer for General Fund purposes.

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## One-Time or "Windfall" Revenues

One-time revenues and revenues in excess of projections must be prioritized first to restoring reserves to policy levels or as required by law. If the County determines that reserves have been fully funded, then one-time revenues should be applied to non-recurring expenditures which are one-time in nature in the following priority order: OPEB more than the annual actuarial pre-funding contribution and/or pension prefunding more than the annual actuarial goal, if unfunded liabilities exist and then for other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP in excess of the County's targeted PAYGO goal. This assumes that excess revenues which must go to the Revenue Stabilization Fund (see below) have already been allocated to the RSF.

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## Intergovernmental Revenues

The County will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the County's interest. Where possible, Federal or State funding for the full cost of a program will be requested, including any indirect costs of administering a grant-funded program. For reasons of fiscal prudence, the County may choose not to solicit grants that will require an undeclared fiscal commitment beyond the term of the grant.

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## User Fees and Charges

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The County will charge users directly for certain services and use of facilities where there is immediate and direct benefit to those users, as well as a high element of personal choice or individual discretion involved, rather than fund them through general taxation. Such charges include licenses, permits, user fees, charges for services, rents, tuition, and sales of goods. This policy will also be applied to fines and forfeitures. See also: "Policies for User Fees and Charges," later in this Fiscal Policy section.

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## Cash Management and Investments

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The objective of the County's cash management and investment program is to achieve maximum financial return on available funds while assuring a high level of safety. Cash will be pooled and invested on a daily basis reflecting the investment objective priorities of capital preservation, liquidity, and yield.

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## Reserves and Revenue Stabilization

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The County goal will be to budget for and maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of the prior year's General Fund revenues and the Revenue Stabilization Fund (or, "rainy day"), which together, will represent 10 percent of Adjusted Governmental Revenues, except for a period of economic recession or national emergency. This budget satisfies the County's policy given the current national pandemic emergency. As defined in the Revenue Stabilization Fund law, Adjusted Governmental Revenues include the tax supported revenues of the County government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and Maryland-National Capital Park and Planning Commission, plus the revenues of the County Government's grant fund and capital projects fund.

Reserves in the County Government's other tax supported funds should be minimized to support the policy of maximizing reserves in the General Fund. The County's goal for reserves in funds other than the General Fund and Revenue Stabilization Fund are approved each year with the annual operating budget.

The County's Revenue Stabilization Fund was established to accumulate funds during periods of strong economic growth in order to provide budgetary flexibility during times of funding shortfalls. Contributions of at least 0.5 percent of Adjusted Governmental Revenues up to the 10 percent total reserve goal must be made to the Revenue Stabilization Fund. If greater, 50 percent of certain excess revenues must be transferred to the Fund. By an affirmative vote of six Councilmembers, the Council may transfer any amount from the Fund to the General Fund to support appropriations which have become unfunded.

The County's goal is to identify targeted budget reductions to reduce the use of reserves during an economic recession or national emergency. In the event that total reserves fall below 10 percent of Adjusted Gross Revenues, the County must replenish the County Government Reserves to its policy goal within three fiscal years following the decrease, which must be included in the County's six-year fiscal plan.

The budgeted reserve levels for non-tax supported funds are established by each government agency and vary based on the particular fiscal requirements and business functions of the fund as well as any relevant laws, policies, or bond covenants.

The table at the end of this chapter displays the projected ending fund balance for each major fund in the County's operating budget and includes an explanation of changes greater than ten percent.

## POLICIES FOR USER FEES AND CHARGES

To control the growth of property taxation as the County's principal revenue source, there is a need to closely allocate certain costs to those who most use or directly benefit from specific government programs and services. Fees and charges are those amounts received from consumers of government services or users of facilities on the basis of personal consumption or private benefit rather than individual income, wealth, or property values. Significant government revenues are and should be obtained from licenses, permits, user fees, charges for services, transit fares, rents, tuition, sales, and fines. The terms "fee" and "charge" are used here interchangeably to include each of these types of charges.

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### Purpose of User Fee Policy

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**Access to programs and services.** The imposition of and level of fees and charges should be set generally to ensure economic

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and physical access by all residents to all programs and services provided by the government. Exceptions to this basic public policy are: the pricing of public goods (such as parking facilities) in order to attain other public policy objectives (such as public use and support of mass transit); and using a charge to enforce compliance with laws and regulations, such as fines for parking violations.

**Fairness.** User fees and charges are based on the principle of equity in the distribution of costs for government programs and services, with the objective of sharing those costs with the individual user when there is individual choice in the kind or amount of use, and of adjusting charges in accordance with individual ability to pay when there is no choice.

**Diversification of revenue sources.** User fees and charges enhance the government's ability to equitably provide programs and services which serve specific individuals and groups and for which there is no other alternative provider available. The policy objective is to decrease reliance on general revenues for those programs and services which produce direct private benefits and to fund such programs and services through revenues directly related to their costs and individual consumption.

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## Goals

Goals for the imposition of user fees and charges include:

- Recovery of all, or part, of government costs for the provision of certain programs and services to the extent that they directly benefit private individuals or constituencies rather than the public at large;
- Most efficient allocation of available public resources to those programs meeting the broadest public need or demand;
- More effective planning and alternative choices for future programs, services, and facilities through "market" information from actual user demand;
- Improved cost-effectiveness and accountability for the spending of public funds by allowing individual citizens to choose their level of use from among those programs, services, and facilities where individual choice may be exercised; and
- Ensuring dedicated sources of funds to cover the costs of programs and services of direct benefit to designated special areas or user groups rather than the County as a whole.

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## Criteria

Within these goals, government officials must consider a variety of factors in deciding whether to employ fees and charges and what rates to charge. Each proposal for a new or increased fee is evaluated according to these criteria.

**Public benefit.** Many programs benefit the public as a whole as well as those who directly use the service. By definition, all programs offered by government have some public benefit or they should not be undertaken. However, the rate set must balance the private benefit with the public good so that there is maximum overall benefit to the community, and the costs are fairly allocated.

This balance may be achieved either by specifying a percentage of cost recovery (from users) or by a tax subsidy for each service (from the general public). The greater the public benefit, the lower the percentage of cost recovery that is appropriate. On one end of the scale, public utilities such as water and sewer should be paid for almost entirely on the basis of individual consumption, with full cost recovery from consumer-users; on the other, public education and public safety (police and fire service) are required for the overall public good and so are almost entirely supported through general taxation.

In between are services such as public health inspections or clinic services which protect the public at large but which are provided to specific businesses or individuals; facilities such as parks which are available to and used by everyone; and playing fields, golf courses, or tennis courts which serve only special recreational interests. Services that have private benefit for only a limited number of persons (such as public housing, rent or fuel subsidies) should not be "free" unless they meet very stringent tests of public good, or some related criteria such as essential human needs.

**Ability to pay.** Meeting essential human needs is considered a basic function of government, and for this reason programs or services assisting the very poor are considered a "public good" even though the benefit may be entirely to individuals. Whether to assess fees and how much to charge, depends on the ability to pay by those who need and make use of programs and services provided by government.

Without adjustment, fees are "regressive" because rates do not relate to wealth or income. For this reason, services intended

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mainly for low-income persons may charge less than otherwise would be the case. Policies related to fee scales or waivers should be consistent within similar services or as applied to similar categories of users. Implementation of fee waivers or reductions requires a means for establishing eligibility that is fair and consistent among programs. The eligibility method also must preserve the privacy and dignity of the individual.

**User discretion.** Fees and charges are particularly appropriate if the user has a choice about whether or not to use a particular program or service. Individuals have choices as to: forming a business that requires a license; use of particular recreational facilities; obtaining post-secondary education; or in transportation and related facilities. When fines represent a penalty to enforce public law or regulation, citizens can avoid the charge by compliance; fines should be set at a point sufficient to deter non-compliant behavior. The rates for fines and licenses may exceed the government cost of providing the related "service" when either deterrence or rationing the special "benefit" is desired as a matter of public policy.

**Market demand.** Services which are fee-supported often compete for customer demand with similar services offered by private firms or by other public jurisdictions. Fees for publicly-provided goods cannot be raised above a competitive level without loss of patronage and potential reduction in cost-effectiveness. Transit fares, as a user charge, will compete with the individual's real or perceived cost of alternative choices such as the use of a private automobile. In certain cases, it may be advisable to accept a loss of volume if net revenue increases, while in others it may be desirable to set the fee to encourage use of some other public alternative.

**Specialized demand.** Programs with a narrow or specialized demand are particularly suitable for fees. The fee level or scale may be set to control the expansion of services or programs in which most of the public does not need or elect to participate. Services that have limitations on their availability may use fee structures as a means of rationing available capacity or distributing use over specific time periods. Examples include golf courses, parking fees, and transit fares, all of which have differentiated levels related to time of use. Even programs or services which benefit all or most residents may appropriately charge fees if their benefits are measurable but unequal among individuals. Charges based on consumption, such as water and sewer provision, are examples. In addition, because they do not pay taxes, non-residents may be charged higher rates than residents (as with community college tuition), or they may be charged a fee even if a program is entirely tax supported for County residents.

**Legal constraints.** State law may require, prohibit, regulate, or preempt certain existing or proposed user charges. In general, local government has no authority to tax unless specifically authorized by State law. Localities are generally able to charge for services if those charges are authorized by local ordinance and not prohibited, regulated, or preempted by State law. If a proposed fee is legally construed as a tax, then the fee may be invalidated until authorized as a tax by the State. Federal or State law may also prohibit or limit the use of charges for certain grant programs, and other Federal or State assistance may require the local authority to "match" certain amounts through imposition of charges. It should be noted that law on such issues is frequently in dispute; particular fees, or the level of charge, may be subject to legal challenge.

**Program cost.** The cost of a program or service is an important factor in setting user charges. Costs may include not only the direct personnel and other costs of operating a program, but also indirect costs such as overhead for government support services. In addition, a fee may be set to recover all or part of facilities construction or debt service costs attributable to a program.

Recovery of any part of the costs of programs benefiting specific individuals should identify and consider the full cost of such programs or services to acknowledge the cost share which will be borne by the public at large.

**Reimbursement.** A decision on whether to use fees is influenced by the possibility of reimbursement or shifting of real costs that can lower the net cost to the resident. For example, some County taxes are partially deductible from Federal or State income tax, while fees and charges may not be deducted. Hence, the same revenue to the County may cost less to the resident if it is a tax rather than a fee. Charges may also be reimbursed to (shifted from) the paying individual from (or to) other sources, either governmental or private. For example, ambulance transport charges may be payable under health insurance. In general, the County will use fees to minimize the real cost to residents, within the context of equity and other criteria noted.

**Administrative cost.** The government incurs administrative costs to measure, bill, and collect fee revenues. In general, it is less expensive to collect tax revenue. If a potential user fee revenue will cost more to collect than it will produce, it may not be appropriate to assess a fee even if otherwise desirable and appropriate. It is important to develop ways to measure the use of services which do not cost more than the usefulness or fairness of doing the measurement. For example, "front footage" has been used as a measurement basis for assessing certain charges related to road improvements and supply of water and sewer, to avoid the administrative cost of precisely measuring benefit. Similarly, the cost of effective collection enforcement must be weighed against total benefits of the charge, including the value of deterrence if the charge is punitive.

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**Preserving the real value of the charge.** During the period when a fee has been in effect, costs have usually risen and inflation has cut the real value of revenue produced by the fee. In some instances, adjustments to user charges have either not been imposed or have lagged behind inflation. The rate of the charge should be increased regularly to restore the former value of the revenue involved. Most fees and charges should be indexed so that their per unit revenues will keep up with inflation.

## ■ FRAMEWORK FOR FISCAL POLICY

### Legal Framework

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Fiscal policy is developed and amended, as necessary, according to:

- Federal law and regulation;
- Maryland law and regulation;
- Montgomery County Charter; and
- Montgomery County law and regulation.

### Fiscal Planning Projections and Assumptions

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Various trends and economic indicators are projected and analyzed for their impacts on County programs and services and for their impact on fiscal policy as applied to annual Operating Budgets. Among these are:

- Inflation, as measured by change in the Consumer Price Index (CPI) for the Washington-Arlington-Alexandria, DC-VA-MD-WV area, is an important indicator of future costs of government goods and services, including anticipated wage and salary adjustments.
- Growth of population and jobs, which are principal indicators of requirements for new or expanded programs and services.
- Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of the requirements and costs of various government programs and services.
- The assessable property tax base of the County which is the principal indicator of anticipated property tax collections, a major source of general revenues.
- Personal income earned by County residents, which is a principal basis for projecting income tax revenues as one of the County's major revenue sources, as well as being a basis for determining income eligibility status for certain government programs.
- Employment growth and unemployment rates within the County, as indicators of personal income growth as a revenue source, as well as being indicators of various service or program needs, such as day care or public welfare assistance.

### Generally Accepted Accounting Principles (GAAP)

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The application of fiscal policy in the financial management of annual operating expenditures must be in conformity with GAAP standards. This involves the separate identification of, and accounting for, the various operating funds; adherence to required procedures such as transfers between funds and agencies; and regular audits of general County operations and special financial transactions such as the disbursement of Federal grants.

### Credit Markets and Credit Reviews

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The County's ability to borrow cost-effectively depends upon its credit standing as assessed by the three major credit rating agencies: Moody's, Standard and Poor's, and Fitch. While key aspects of maintaining the highest credit rating are related to the management of the County's Capital Improvements Program (CIP), others are directly applicable to the annual Operating Budgets:

- Maintenance of positive fund balances (reserves) to ensure continued County liquidity for debt repayment; and
- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations.

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## Intergovernmental Agreements

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Fiscal policy for operating budgets must provide guidance for, and be applied within, the context of agreements made between the County and other jurisdictions or levels of government relative to program or service provision. Examples include agreements with:

- Incorporated municipalities or special tax districts for reimbursement of the costs of various services provided by those units for their residents which would otherwise have to be expended by the County;
- State agencies for shared costs of various social service programs and for participation in various grant and loan programs;
- Federal agencies to obtain support to meet mutual program objectives through programs such as the Community Development Block Grant; and
- Prince George's County on the annual approval of the budgets of the Washington Suburban Sanitary Commission and the Maryland-National Capital Park and Planning Commission.

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# CIP Fiscal Policy

## DEFINITION AND PURPOSE OF FISCAL POLICY

Fiscal policy is the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal policy for the Capital Improvements Program (CIP) focuses on the acquisition, construction, and renovation of public facilities and on the funding of such activities, with special attention to both long-term borrowing, and increasingly, short-term debt.

The purposes of the CIP fiscal policy are:

- To encourage careful and timely decisions on the relative priority of programs and projects;
- To encourage cost effectiveness in the type, design, and construction of capital improvements;
- To ensure that the County may borrow readily for essential public improvements; and
- To keep the cost of debt service and other impacts of capital projects at levels affordable in the operating budget.

The County Charter (Article 3, Sections 302 and 303) provides that the County Executive shall submit to the Council, not later than January 15 of each even-numbered calendar year, a comprehensive six-year program for capital improvements. This biennial Capital Improvements Program takes effect for the six-year period which begins in each odd-numbered fiscal year. The Charter provides that the County Executive shall submit a Capital Budget to the Council, not later than January 15 of each year.

The County Executive must also submit to the Council, not later than March 15 of each year, a proposed operating budget, along with comprehensive six-year programs for public services and fiscal policy. The Public Services Program (PSP)/Operating Budget and Capital Improvements Program (CIP)/Capital Budget constitute major elements in the County's fiscal planning for the next six years. Fiscal policies for the PSP and CIP are parts of a single consistent County fiscal policy.

In November 1990, the County's voters approved an amendment to Section 305 of the Charter to require that the Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP are interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first year and the second year of the CIP, and for the entire six years of the CIP. Spending affordability guidelines are adopted in odd-numbered calendar years. Since 1994, the Council, in conjunction with the Prince George's County Council, adopted one-year spending limits for WSSC. These spending control limits include guidelines for new debt and annual debt service.

## CURRENT CIP FISCAL POLICIES

The fiscal policies followed by the Executive and Council are relatively stable, but not static. They evolve in response to changes in the local economy, revenues and funding tools available, and requirements for public services. Also, policies are not absolute; policies may conflict and must be balanced in their application. Presented here are the CIP fiscal policies currently in use by the County Executive.

### Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.
- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable



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expenditures" (as used in the Bond Adjustment Chart) is deliberately left available for future needs.

## **Policy on Funding CIP with Debt**

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

### **Projects deemed to be debt eligible should:**

- Have an approximate useful life at least as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. It is County fiscal policy that when financing in public-private partnership situations, that tax-exempt debt will be issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

## **Policy on General Obligation Debt Limits**

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies, assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

## **Debt Capacity**

To maintain the AAA rating, the County uses the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation - This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund - This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds. If those special funds supported by all County taxpayers were to be included, the ratio would be below ten percent.

Overall Debt per Capita - This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten-year Payout Ratio - This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per Capita Debt to Per Capita Income - This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit, and as needed for fiscal analysis.

## **Policy on Terms for General Obligation Bond Issues**

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Bonds are normally issued in a 20-year series, with five percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio. Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

### **Policy on Other Forms of General Obligation Debt**

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

### **Policy on Use of Revenue Bonds**

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

### **Policy on Use of Appropriation-Backed Debt**

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

### **Policy on Issuance of Taxable Debt**

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

### **Policy on Use of Interim Financing**

Interim Financing may be used in exceptional circumstances where project expenditures are eligible for long term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified and reliable ultimate funding source, and should be repaid within the short term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

### **Policy on Use of Short Term Financing**

Short term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long term financing is not appropriate.

### **Policy on Use of Current Revenues**

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" (PAYGO) financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

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Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

### **Policy on Use of Federal and State Grants and Other Contributions**

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

### **Policy on Minimum Allocation of PAYGO**

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

### **Policy on Operating Budget Impacts**

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

### **Policy on Taxing New Private Sector Development**

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Transportation Impact Tax The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016 and enacted a White Flint impact tax district in 2010. These taxes are levied at rate schedules based on the classification of an area relative to transit service and accessibility. The "Red" policy areas replaced the prior Metro Station Policy Areas (MSPAs). "Orange" policy areas are corridor cities (but not MSPAs), town centers, and emerging transit-oriented development areas where transitways such as the Purple Line and Bus Rapid Transit lines are planned. "Yellow" policy areas are lower density residential neighborhoods with community-serving commercial areas; and "Green" policy areas are the Agricultural Reserve and other rural areas. In related action, the County Council adjusted impact tax rates to replace lost revenue from eliminated transportation mitigation payments. Transportation Impact Taxes are also assessed for projects within the boundaries of Rockville and Gaithersburg. These impact taxes can only be used for projects listed in a Council-approved Memorandum of Understanding with the individual municipalities.

Schools Impact Tax Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same Countywide but vary by housing type, commensurate with the average student generation rates of that type of residential development. In November, 2016, the County Council increased school impact tax rates to replace revenues lost when they eliminated School Facilities Payments and to account for land costs which had previously not been considered when calculating impact tax rates.

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**School Facilities Payment** Prior to County Code changes approved in 2016, a school facilities payment was applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment was made on a per-student basis, based upon standard student generation rates of that type of residential development. While School Facility Payments will not provide additional future capital budget funding, payments collected prior to the change in the law are still programmed in several MCPS projects in the FY19-24 capital budget.

**Development Approval Payment (DAP)** In November 1993, the Council created an alternative voluntary review procedure for Metro station policy areas as well as limited residential development. The DAP permitted development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates. While the DAP payments are no longer being collected, they are reported in some active projects based on past allocations.

**Development Districts** Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

- **Transportation Improvement (Loophole) Credits** Under certain conditions, a developer may choose to pay a transportation improvement credit in lieu of funding or constructing transportation improvements required in order to obtain development approval. These funds are used to offset the cost of needed improvements in the area from which they are paid.
- **Systems Development Charge (SDC)** This charge, enacted by the 1993 Maryland General Assembly, authorized Washington Suburban Sanitation Commission (WSSC) to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

## ■ DETAILED DESCRIPTION OF CIP FUNDING SOURCES

Within each individual capital project, the funding sources for all expenditures are identified. There are three major types of funding for the Capital Improvements Program: current revenues (including PAYGO); proceeds from bonds and other debt instruments; and grants, contributions, reimbursements, or other funds from intergovernmental and other sources.

### Current Revenues

Cash contributions used to support the CIP include: transfers from general revenues, special revenues, and enterprise funds; investment income on working capital or bond proceeds; proceeds from the sale of surplus land; impact taxes, development approval payments, systems development charges, and the expedited development approval excise tax; and developer contributions. The source and application of each are discussed below.

**Current Revenue Transfers.** When this source is used for a capital project, cash is allocated to the capital project directly from the General, Special, or Enterprise Funds to finance direct payment of some or all of the costs of the project. The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Use of current revenues is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time. Current revenues from the General Fund are used for designated projects which involve broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise

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Funds are used if the project is associated with the particular function for which these funds have been established.

PAYGO is current revenue set aside in the operating budget, but not appropriated. PAYGO is used to replace bonds for debt-eligible expenditures. PAYGO is planned to be ten percent of bonds planned for issue.

Recordation Tax Starting in FY03, the County raised the recordation tax rate and earmarked revenues generated from the increase to the Montgomery County Public Schools (MCPS) capital budget and Montgomery College information technology projects. In 2008, the County enacted an additional rate premium with revenues generated from half of that premium allocated to Montgomery County Government capital projects. Effective September 2016, the recordation tax was modified resulting in a lower tax rate for the General Fund, but a higher tax rate for MCPS CIP. At the same time, the Premium tax rate increased with 50 percent of the Premium revenues earmarked for the County Government CIP.

Proceeds from the Sale of Public Property. When the County sells surplus land or other real property, proceeds from the sales are deposited into the Land Sale account, and are then used to fund projects in the CIP. By law, 25 percent of the revenue from land sales must be directed to the Montgomery Housing Initiative (MHI) Fund to promote a broad range of housing opportunities in the County. Properties may be excluded from the 25 percent requirement if they are within an area designated as urban renewal or by a waiver from the County Executive. Generally, land sale proceeds are not programmed in the capital budget until they are received; however, in some instances where signed land sale agreements have been executed, future land sale proceeds may be programmed.

Impact Taxes are specific charges to developers to help fund improvements to transportation and public school infrastructure. School impact taxes are charged one rate Countywide for each type of housing. There are various rates for the transportation impact tax based on the classification of an area relative to transit service and accessibility as previously described.

All new development (residential or commercial) within the designated areas is subject to payment of applicable impact taxes as a condition to receiving building permits. The tax rates are set by law to be calculated at the time a developer pays the tax. This payment would occur by the earlier of two dates - either at the time of final inspection or within six or twelve months after the building permit was issued depending on the type of development.

Since revenues to be obtained from impact taxes may not be paid for a number of years, other funding is sometimes required for funding project construction, predicated on eventual repayment from impact taxes.

Contributions are amounts provided to the County by interested parties such as real estate developers in order to support particular capital projects. Contributions are sometimes made as a way of solving a problem which is delaying development approval. A project such as a road widening or connecting road that specifically supports a particular new development may be fully funded (and sometimes built) by the developer. Other projects may have agreed-upon cost-sharing arrangements predicated on the relationship between public and private benefit that will exist as a result of the project. For stormwater management projects, developer contributions are assessed in the form of fees in lieu of on-site construction of required facilities. These fees are applied to the construction of stormwater facilities within the County.

## **Bond Issues and Other Public Agency Debt**

The County government and four of its Agencies are authorized by State law and/or County Charter to issue debt to finance CIP projects. This debt may be either general obligation or self-supporting debt. General obligation debt is characterized in credit analyses as being either "direct" or "overlapping." Direct debt is the sum of total bonded debt and any unfunded debt (such as short-term notes) of the government, and constitutes the direct obligations of the County government which impact its taxpayers. Overlapping debt includes all other borrowing of County agencies or incorporated municipalities within the County's geographic limits, which may impact those County taxpayers who are residents of those municipalities or those County taxpayers who are ratepayers or users of public utilities. More broadly, overlapping debt can help reveal the degree to which the total economy is being asked to support long-term fixed commitments for government facilities.

Direct General Obligation Debt is incurred by the issuance of bonds by the County government and the Maryland-National Capital Park and Planning Commission (M-NCPPC). Payment of some bonded debt issued by the Washington Suburban Sanitary Commission (WSSC) and the Housing Opportunities Commission (HOC) is also guaranteed by the County government.

County government general obligation bonds are issued for a wide variety of functions such as transportation, public schools, community college, public safety, and other programs. These bonds are legally-binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. The County Code provides for a maximum

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term of 30 years, with repayment in annual serial installments. Typically, County bond issues have been structured for repayment with level annual payments of principal. Bonds are commonly issued for 20 years. The money to repay general obligation debt comes primarily from general revenues, except that debt service on general obligation bonds, if any, issued for projects of Parking Districts, Liquor, or Solid Waste funds is supported from the revenues of those enterprises.

M-NCPPC is authorized to issue general obligation bonds, also known as Park and Planning bonds, for the acquisition and development of local and certain special parks and advance land acquisition, with debt limited to that supportable within mandatory tax rates established for the Commission. Issuance is infrequent, and because repayment is guaranteed by the County, it is considered a form of direct debt. Debt for regional, conservation, and special park facilities is included within County government general obligation bond issues, with debt service included within the County government's annual operating budget.

HOC bonds which support County housing initiatives such as the acquisition of low/moderate-income rental properties may be guaranteed by the County to an aggregate amount not to exceed \$50 million, when individually authorized by the County and, as such, are considered direct debt of the County. The HOC itself has no taxing authority, and its projects are considered to be financed through self-supporting debt as noted below.

Overlapping debt is the debt of other governmental entities in the County that is payable in whole or in part by taxpayers of the County.

WSSC General Construction Bonds finance small diameter water distribution and sewage collection lines and required support facilities. They are considered general obligation bonds because they are payable from unlimited *ad valorem* taxes upon all the assessable property in the WSSC district. They are actually paid through assessments on properties being provided service and are considered to be overlapping debt rather than direct debt of the County government.

WSSC Water Supply and Sewage Disposal Bonds, which finance major system improvements, including large diameter water distribution and sewage collection lines, are paid from non-tax sources including user charges collected through water and sewer rates, which also cover all system operating costs. They are backed by unlimited *ad valorem* taxes upon all the assessable property within the WSSC district in addition to mandated rates, fees, and charges sufficient to cover debt service.

Self-Supporting Debt is authorized for the financing of CIP projects by the County government and its Agencies as follows:

County Revenue Bonds are bonds authorized by the County to finance specific projects such as parking garages and stormwater management and solid waste facilities, with debt service to be paid from pledged revenues received in connection with the projects. Proceeds from revenue bonds may be applied only to costs of projects for which they are authorized. They are considered separate from general obligation debt and do not constitute a pledge of the full faith and credit or unlimited taxing power of the County.

County revenue bonds have been used in the Bethesda and Silver Spring Parking Districts, supported by parking fees and fines together with parking district property taxes. County revenue bonds have also been issued for County Solid Waste Management facilities, supported with the revenues of the Solid Waste Disposal system.

HOC Mortgage Revenue Bonds are issued to support HOC project initiatives and are paid through mortgages and rents. HOC revenue bonds, including mortgage purchase bonds for single family housing, are considered fully self-supporting and do not add to either direct or overlapping debt of the County.

The Montgomery County Revenue Authority has authority to issue revenue bonds and to otherwise finance projects through notes and mortgages with land and improvements thereon serving as collateral. These are paid through revenues of the Authority's several enterprises, which include golf courses and the Montgomery County Airpark.

The County has also used the Revenue Authority as a conduit for alternative CIP funding arrangements. For example, swim centers, a building to house County and State Health and Human Services functions, and the construction of the Montgomery County Conference Center are financed through revenue bonds issued by the Revenue Authority. The County has entered into long-term leases with the Revenue Authority, and the County lease payments fund the debt service on these Revenue Authority bonds. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

## **Intergovernmental Revenues**

CIP projects may be funded in whole or in part through grants, matching funds, or cost sharing agreements with the Federal

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government, the State of Maryland, regional bodies such as Washington Metropolitan Area Transit Authority (WMATA), or the County's incorporated municipalities.

Federal Aid. Major projects that involve Federal aid include Metro, commuter rail, interstate highway interchanges and bridges (noted within the CIP Transportation program), and various environmental construction or planning grants under WSSC projects in the Sanitation program. Most Federal aid is provided directly to the State, for redistribution to local jurisdictions.

Community Development Block Grant (CDBG). CDBG funds are a particular category of Federal aid received through annual formula allocations from the U.S. Department of Housing and Urban Development in response to a County application and are identified as CIP revenues in the Housing and Community Development program. The County has programmed eligible projects for CDBG funding since 1976, with expenditures programmed within both capital and operating budgets. CDBG funds are used to assist in the costs of neighborhood improvements and facilities in areas where there is significant building deterioration, economic disadvantage, or other need for public intervention in the cycles of urban growth and change. In addition, CDBG funding is used as "seed money" for innovative project initiatives, including redevelopment and rehabilitation loans toward preserving and enhancing older residential and commercial areas and low/moderate-income housing stock. Beginning in FY15, CDBG funds were shifted from the capital budget to the operating budget for ease of administration. Once CDBG-funded projects are closed out, CDBG funding will be eliminated from the capital budget funding sources.

State Aid. This funding source includes grants, matching funds, and reimbursements for eligible County expenditures for local projects in public safety, environmental protection, courts and criminal justice, transportation, libraries, parkland acquisition and development, mental health, community college, and K-12 public education, notably in school construction.

State Aid consistently falls short of funding needs predicated on State mandates or commitments. Although the State of Maryland is specifically responsible for the construction and maintenance of its numbered highways and for the construction and renovation of approved school projects, the County has in fact advance-funded projects in both categories either through cost-sharing agreements or in anticipation of at least partial reimbursements from the State. Because large County fiscal liabilities are taken on when assuming any or all project costs of State-mandated or obligated facilities, State reimbursement policies and formulas for allocation of funds are important to CIP fiscal planning.

State Aid for School Construction. State funding for school construction, initiated in FY72, is determined annually by the General Assembly on a Statewide basis.

State Aid for Higher Education. State Aid is also a source of formula matching funds for community college facilities design, construction, and renovation. Funds are applied for through the Higher Education Commission for inclusion in the State Bond Bill. Approved projects may get up to 50 percent State funding for eligible costs. The total amount of aid available for all projects Statewide is determined based on yearly allocations of available bond proceeds to all Maryland jurisdictions.

State Aid for Transportation. Within the Transportation program, State contributions fund the County's local share of WMATA capital costs for Metrorail and Metrobus, as well as traffic signals and projects related to interconnecting State and local roads. Most State road construction is done under the State Consolidated Transportation Program and is not reflected in the CIP.

State Aid for Public Safety. Under Article 27, Sec. 705 of the Maryland Code, when the County makes improvements to detention and correctional centers resulting from the adoption of mandatory or approved standards, the State, through the Board of Public Works, pays for 50 percent of eligible costs of approved construction or improvements. In addition, financial assistance may be requested from the State for building or maintenance of regional detention centers, and, under 1986 legislation, the State will fund up to half the eligible costs to construct, expand, or equip local jails in need of additional capacity.

Municipal Financing. Some projects with specific benefits to an incorporated municipality within the County may include funding contributions or other financing assistance from that jurisdiction. These include road construction agreements such as with the City of Rockville, wherein the County and City share costs of interconnecting or overlapping road projects. Incorporated towns and municipalities within the County, specifically Rockville, Gaithersburg, and Poolesville, have their own capital improvements programs and may participate in County projects where there is shared benefit. The use of municipal funding in County CIP projects depends upon the following:

- Execution of cost-sharing or other agreements between the County and the municipality, committing each jurisdiction to specific terms, including responsibilities, scheduling, and cost-shares for implementation and future operation or maintenance of the project;
- Approval of appropriations for the project by the legislative body of each jurisdiction; and

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- Resolution of any planning or zoning issues affecting the project.

## Other Revenue Sources

The use of other revenue sources to fund CIP projects are normally conditioned upon specific legislative authority or project approval, including approval of appropriations for the projects. Approval of a project may be contingent upon actual receipt of the revenues planned to fund it, as in the case of anticipated private contributions that are not subject to particular law or agreement. Other CIP funding sources and eligibility of projects for their use include:

Revolving funds including the revolving loan fund authorized to cover HOC construction loans until permanent financing is obtained. Funds are advanced from County current revenues and repaid at interest rates equivalent to those the County earns on its investments. The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land in advance of project implementation. Revolving fund appropriations are then normally repaid from the actual project after necessary appropriation is approved.

Agricultural land transfer tax receipts payable to the State but authorized to be retained by the County. These are used to cover local shares in the State purchase of agricultural land easements and for County purchase of or loan guarantees backed by transferable development rights (TDRs).

Private grants such as were provided under profit-sharing agreements with the County's Cable TV corporation, for use in developing public access facilities; and

Insurance or self-insurance proceeds for projects being renovated or replaced as a result of damage covered by the County's self-insurance system.

## THE FRAMEWORK OF FISCAL POLICY

This section presents information on a variety of information sources and factors that are considered in developing and applying fiscal policy for the CIP.

### Legal Mandates

State Law. The Annotated Code of Maryland provides the basis for fiscal policy related to debt, real property assessments, and other matters:

- Article 25A (Section 5P) authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County. Article 25A, Section 5(P) provides that obligations having a maturity not in excess of twelve months shall not be subject to, or be included in, computing the County's legal debt limitation. However, the County includes its BANs/Commercial Paper in the calculation because it intends to repay the notes with the proceeds of long-term debt to be issued in the near future.
- State of Maryland Chapter 693 of the Laws of 2009 requires that each local government adopt a debt policy and submit it to the State Treasurer. In October 2009 the County Council for Montgomery County adopted resolution 16-1173 outlining the County's debt policy.
- Section 8-103 provides for updated assessments of property in three-year (triennial) cycles. The amount of the change in the established market value of the one-third of the properties reassessed each year is phased in over a three-year period (although a decrease in value is reflected in the first year of the triennial cycle). State law also created a maximum ten percent assessment limitation tax credit (homestead credit) for owner occupied residential properties. This program provides an automatic credit against property taxes equal to the applicable tax rate (including the State rate) times that portion of the current assessment which exceeds the previous year's assessment increased by ten percent. This benefit only applies to owner-occupied residential property. The homestead credit is ten percent for property taxes levied for the State of Maryland, Montgomery County, and all municipalities in Montgomery County (with the exception of the Town of Kensington which is five percent). Taxpayers have the ability to appeal their assessment through SDAT and the MD Tax Court which could lower the total assessable base and property tax revenues.
- Other provisions of State law mandate requirements for environmental review, permits, stormwater management, and controls for public facilities, such as solid waste disposal sites, affecting both the cost and scheduling of these facilities.
- State law mandates specific facility standards such as requirements for school classroom space to be provided by the County



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for its population and may also address funding allocations to support such requirements.

- State law provides for specific kinds of funding assistance for various CIP projects. In the area of public safety, for example, Article 27, Section 705 of the Maryland Code, provides for matching funds up to 50 percent of the cost of detention or correctional facilities.
- The Maryland Economic Growth Resource Protection and Planning Act requires the County to certify that all construction projects financed with any type of State funding are in compliance with local land use plans, including specific State-mandated environmental priorities.

County Law. Article 3 of the County Charter provides for the issuance of public debt for other than annual operating expenditures and imposes general requirements for fiscal policy:

- The capital improvements program must provide an estimate of costs, anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget.
- Bond issues may not be for longer than 30 years.
- Capital improvement projects which are estimated to cost in excess of an annually-established amount (for FY19, \$16,000) or which have unusual characteristics or importance, must be individually authorized by law, and are subject to referendum.
- In November 1990, County voters approved an amendment to the Montgomery County Charter, Section 305, to require that the County Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP have been interpreted in subsequent County law to be limits on the amount of County general obligation debt which may be approved for the first and second years of the CIP and for the entire six-year period of the CIP. Similar provisions apply to debt of the Maryland-National Capital Park and Planning Commission (M-NCPPC). These limits may be overridden by a vote of seven of the nine Councilmembers.
- In April 1994, the Council adopted Resolution No. 12-1558 establishing a spending affordability process for WSSC. The process limits WSSC new debt, debt service, water/sewer operating expenses, and rate increases.
- Section 305 of the County Charter includes a limit on the annual increase in property tax revenues. An amendment approved in 2008 requires that real property tax revenues, with the exception of new construction and property whose zoning or use has changed, may not increase by more than the prior year revenues plus the percentage increase in the Washington-Baltimore Metropolitan area CPI-U unless there is a unanimous vote of nine Councilmembers to exceed that limit. This revenue limit affects CIP fiscal policy by constraining revenue available for future debt service on bond issues and for current revenue contributions to capital projects.
- Chapter 20 of the Montgomery County Code sets various financial guidelines in law such as the deposit of funds, the borrowing of money generally, the activities of the Department of Finance, revenue bonds, and spending affordability.

Federal Law. Policies of the Federal Government affect County fiscal policies relative to debt issuance, revenue expectations, and expenditure controls. Examples of Federal policies that impact County fiscal policy include:

- Internal Revenue Service rules under the Tax Reform Act of 1986, as amended, provide limits on the tax-exempt issuance of public debt, and limit the amount of interest the County can earn from investment of the bond proceeds.
- County shares of costs for some major projects, such as those relating to mass transit and highway interchanges, are dependent upon Federal appropriations and allocations.
- Federal Office of Management and Budget circular A-87 prescribes the nature of expenditures that may be charged to Federal grants.
- Federal legislation will influence the planning and expenditures of specific projects, such as requirements for environmental impact statements for Federally-assisted road projects and the Davis-Bacon Act, which requires local prevailing wage scales in contracts for Federally-assisted construction projects.
- The American Recovery and Reinvestment Act (ARRA) created a number of additional tax-advantaged forms of governmental debt. These forms of debt resulted in lower costs and therefore savings to taxpayers. The County utilized beneficial provisions of the act and issued these new forms of debt where appropriate and advantageous to the County. One example is a qualified energy conservation bond (QECB) that the County issued in 2013 to take advantage of a federal tax credit that lowered the cost of debt service for an energy savings project on a county facility.

## **Fiscal Planning Projections and Assumptions**

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Several different kinds of trends and economic indicators are reviewed, projected, and analyzed each year for their impacts on County programs and services and for their impact on fiscal policy as applied to the Capital Improvements Program. Among these are:

Inflation, which is important as an indicator of future project costs or the costs of delaying capital expenditures;

Population growth, which provides an indicator of the size or scale of required facilities and services, as well as the timing of population-driven project requirements;

Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of requirements and costs of specific public facilities;

Annual Growth Policy thresholds and other land use indicators, which are a determinant of major public investment in the infrastructure required to enable implementation of land use plans and authorized development within the County;

The assessable property tax base of the County, which is a major indicator for projections of revenue growth to support funding for public facilities and infrastructure;

Residential construction activity and related indicators, which provide early alerts to the specific location and timing of future public facilities requirements. It is also the most important base for projecting growth in the County's assessable property tax base and estimating property tax levels;

Nonresidential construction activity, which is the indicator of jobs, commuters, and requirements for housing and transit-related public investment. It is also one of the bases for projecting the growth of the County's assessable tax base and property tax revenues;

Employment and job growth within the County, which provide indicators for work-related public facilities and infrastructure;

Personal income earned within the County, which is the principal basis for projecting income tax revenues as one of the County's major revenue sources; and

### **Generally Accepted Accounting Principles (GAAP)**

The application of fiscal policy in the financial management of the CIP must be in conformity with GAAP standards. This involves the separate identification and accounting of the various funds which cover CIP expenditures; adherence to required procedures, such as transfers between funds and agencies; and regular audits of CIP transactions, such as the disbursement of bond proceeds and other funds to appropriate projects.

### **Credit Markets and Credit Reviews**

The County's ability to borrow at the lowest cost of funds depends upon its credit standing as assessed by major credit rating agencies such as Moody's Investors Service, Standard & Poor's, and Fitch. Key aspects of the County's continued AAA credit ratings include:

- Adherence to sound fiscal policy relative to expenditures and funding of the CIP;
- Maintain debt at prudent and sustainable levels;
- Maintain adequate fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates;
- Appropriate levels of public investment in the facilities and infrastructure required for steady economic growth;
- Effective production of the necessary revenues to fund CIP projects and support debt service generated by public borrowing;
- Facility planning, management practices and controls for cost containment, and effective implementation of the capital program;
- Planning and programming of capital projects to allow consistent levels of borrowing;
- Appropriate use and levels of revenues other than general obligation bond proceeds to fund the capital program;
- Appropriate levels of CIP funding from annual current tax revenues in order to reduce borrowing needs; and
- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations

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related to public facilities and infrastructure.

## **Intergovernmental Agreements**

Fiscal policy for the CIP must provide guidance for and be applied within the context of agreements made between the County and other jurisdictions or levels of government. Examples include:

- Agreements with municipalities for cost shares in the construction of inter-jurisdictional roads and bridges;
- Agreements with adjacent jurisdictions related to mass transit or water supply and sewerage; and
- Agreements with the State of Maryland for cost shares in the construction of transportation and other vital inter-jurisdictional infrastructure.
- Agreements with Federal agencies involving projects related to Federal facilities within the County.

## **Compatibility with Other County Objectives**

Fiscal policy, to be effective, must be compatible with other policy goals and objectives of government. For example:

- Growth management within the County reflects a complex balance among the rights of property owners; the cost of providing infrastructure and services to support new development; and the jobs, tax revenues, and benefits that County growth brings to its residents. Fiscal policy provides guidance for the allocation of public facility costs between the developer and the taxpayer, as well as for limits on debt-supported costs of development relative to increasing County revenues from a growing assessable tax base.
- Government program and service delivery objectives range from conveniently located libraries, recreation centers, and other amenities throughout the County to comprehensive transportation management and advanced waste management systems. Each of these involves differing kinds and mixes of funding and financing arrangements that must be within the limits of County resources as well as acceptable in terms of debt management.
- Planning policies of the County affect land use, zoning and special exceptions, and economic development, as well as the provision of public services. All are interrelated, and all have implications both in their fiscal impacts (cost/revenue effects on government finances) and in economic impacts (effects on the economy of the County as a whole).
- Capital improvement projects have a direct impact on the future operating budgets in the form of debt service and ongoing operating costs. As such, capital needs must be balanced with the need to fund vital services in the operating budget.



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# Glossary

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**ACTIVITY** - A subdivision of a service. Some services require only one activity while other services require two or more activities.

**ADEQUATE PUBLIC FACILITY (APF)** - Any infrastructure improvement required by the Montgomery County Planning Board as a condition of approving a preliminary subdivision plan under the County's adequate public facilities ordinance.

**ADJUSTED GOVERNMENTAL REVENUES (AGR)** - Include the tax supported revenues of the County Government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and the Montgomery County portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC), plus the revenues of the County Government's grant fund and capital projects fund.

**AGENCY** - One of the major organizational components of government in Montgomery County; for example, Montgomery County Government (executive departments, legislative offices and boards, Circuit Court, and judicial offices); Montgomery County Public Schools (MCPS); Montgomery College (MC); Maryland-National Capital Park and Planning Commission (M-NCPPC); Washington Suburban Sanitary Commission (WSSC); Housing Opportunities Commission (HOC); and Montgomery County Revenue Authority.

**AGENCY FUND** - A fiduciary fund which accounts for assets received and held by the County in a purely custodial capacity. The County uses this type of fund to account for property taxes, recreation activities, and other miscellaneous resources held temporarily for disbursement to individuals, private organizations, or other governments.

**AGGREGATE OPERATING BUDGET** - The total Operating Budget, exclusive of enterprise funds, the budget of the WSSC, expenditures equal to tuition and tuition-related charges received by Montgomery College (MC), and grants. As prescribed in the Charter of Montgomery County, Maryland (Section 305), "An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than that of the Consumer Price Index for all urban consumers of the Washington metropolitan area for the 12 months preceding December first of each year requires the affirmative vote of six Councilmembers." See also, Spending Affordability Guideline or Net Budget.

**AMENDMENTS TO THE CIP** - Changes to project scope, schedule, or funding which require County Council action. Proposals must meet strict criteria to be considered for amendment. Six Councilmember votes are required to approve an amendment.

**APPROPRIATION** - Authority to spend money within a specified dollar limit for an approved work program during the fiscal year. The County Council makes separate appropriations to each capital project and to Personnel Costs and Operating Expense for each County operating department.

**APPROPRIATION CATEGORY** - One of the expenditure groupings in the appropriation for a County department; that is, Personnel Costs or Operating Expenses.

**ASSESSABLE BASE** - The value of all real and personal property in the County, which is used as a basis for levying taxes. Tax-exempt property is excluded from the assessable base.

**ASSESSED VALUATION** - The value assigned to real estate or other property by the State through its Department of Assessment and Taxation. This value is multiplied by the tax rates set annually by the Council to determine taxes due. Assessed value is less than market value.

**AUTHORIZED POSITIONS** - The number of positions allowed by the budget in the approved personnel complement.

**BALANCED BUDGET** - It is the fiscal policy of Montgomery County to balance the budget. A balanced budget has its funding sources (revenues, undesignated carryover, and other resources) equal to its funding uses (expenditures, reserves, and other allocations). No deficit may be planned or incurred.

**BENCHMARK** - A standard or point of reference against which things may be compared or assessed.

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**BIENNIAL CIP** - See Capital Improvements Program.

**BOND ANTICIPATION NOTES (BAN)** - Short-term, interim financing techniques, such as variable rate notes and commercial paper, issued with the expectation that the principal amount will be refunded with long-term bonds.

**BOND RATING** - An evaluation by investor advisory services indicating the probability of timely repayment of principal and interest on bonded indebtedness. These ratings significantly influence the interest rate that a borrowing government must pay on its bond issues. Montgomery County bonds are rated by three major advisory services: Moody's, Standard and Poor's, and Fitch. The County continues to have the highest possible rating from each of these services.

**CAPITAL ASSETS** - Assets of a long-term character which are intended to continue to be held or used. Examples of capital assets include items such as infrastructure, land, buildings, machinery, furniture, and other equipment.

**CAPITAL BUDGET** - The annual request for capital project appropriations. Project appropriations are normally for only that amount necessary to enable the implementation of the next year of the capital program expenditure plan. However, if contracted work is scheduled that will extend beyond the upcoming fiscal year, the entire contract appropriation is required, even if the work and expenditures will be spread over two or more fiscal years.

**CAPITAL EXPENDITURE** - Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

**CAPITAL IMPROVEMENTS PROGRAM (CIP)** - The comprehensive presentation, submitted in even-numbered calendar years, of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all public buildings, roads, and other facilities planned by County agencies over a six-year period. The CIP constitutes a fiscal plan for proposed project expenditures and funding, and includes the annual capital budget for appropriations to fund project activity during the next fiscal year of the plan.

**CAPITAL LEASE** - A long-term rental agreement which transfers substantial rights and obligations for the use of an asset to the lessee and, generally, ownership at the end of the lease. Similar to an installment purchase, a capital lease may also represent the purchase of a capital asset. A capital lease results in the incurrence of a long-term liability.

**CAPITAL OUTLAY** - An appropriation and expenditure category for government assessed with a value of \$10,000 or more and a useful economic lifetime of more than one year.

**CAPITAL PROJECT** - A governmental effort involving expenditures and funding for the creation, expansion, renovation, or replacement of permanent facilities and other public assets having relatively long life. Expenditures within capital projects may include costs of planning, design, and construction management; land; site improvements; utilities; construction; and initial furnishings and equipment required to make a facility operational.

**CARRYOVER** - The process in which, at the end of one fiscal year, appropriation authority for previously-approved encumbrances and unexpended grant and capital funds are carried forward to the next fiscal year.

**CHARGEBACKS / CHARGES TO OTHERS** - In the budget presentation, costs which are chargeable to another agency or fund.

**CHARTER** - The Charter of Montgomery County is the constitution of this jurisdiction and sets out its governmental structure and powers. It was approved by the voters in 1968 and went into effect in 1970. The Charter provides for a County Council and Executive form of government.

**CHARTER LIMIT** - Limitations on the Operating Budget and on tax levies prescribed in the Charter of Montgomery County Maryland (Section 305). The affirmative votes of seven Councilmembers are required to exceed spending limits, and the unanimous vote of all nine members is needed to exceed the limit on tax levies. See also Spending Affordability Guideline (SAG).

**COLLECTIVE BARGAINING AGREEMENT** - A legal contract between the County Government or an agency as employer and a certified representative of a recognized bargaining unit of a public employee organization for specific terms and conditions of employment; for example, hours, working conditions, salaries, or employee benefits.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** - Annual funding from the Federal government for use in capital projects or operating programs such as neighborhood or business area revitalization, housing rehabilitation, and activities on

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behalf of older- and lower-income areas of the County.

**COMPENSATION** - Payment made to employees in return for services performed. Total compensation includes salaries, wages, employee benefits (Social Security, employer-paid insurance premiums, disability coverage, and retirement contributions), and other forms of remuneration when these have a stated value.

**CONSTANT YIELD TAX RATE** - A rate which, when applied to the coming year's assessable base, exclusive of the estimated assessed value of property appearing on the tax rolls for the first time (new construction), will produce tax revenue equal to that produced in the current tax year. State law prohibits local taxing authorities from levying a tax rate in excess of the Constant Yield Tax Rate, unless they advertise and hold public hearings on their intent to levy a higher rate.

**CONSTITUENT RELATIONSHIP MANAGEMENT (CRM) / MONTGOMERY COUNTY (MC311)** - An organizational philosophy that places emphasis on serving constituents by providing easy access to the information and service channels of the County Government. County residents are able to dial 311 for all non-emergency requests for information, service, or complaints.

**CONSUMER PRICE INDEX-URBAN (CPI-U)** - A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the County. When projecting costs in outyears, expenditures are estimated to grow at the rate of inflation as measured on a fiscal year basis using the CPI-U for the Washington-Baltimore Consolidated Metropolitan Statistical Area. For purposes of the Charter limitation on the property tax, the November to November CPI-U for the preceding year is used.

**COSTS** - Funding required to delivering the services described in the program.

**COUNCIL TRANSFER OF APPROPRIATION** - A transfer of unencumbered appropriation balance by the County Council between agencies or departments or to any new account, or between agency capital projects. The total cumulative transfer from any one appropriation may not exceed ten percent of the original appropriation.

**COUNTYSTAT** - An internal performance management and data analytics approach used to examine issues in detail by means of accurate and timely information. It seeks to improve performance by creating greater accountability, providing transparency into County operations, applying data analysis to decision making, and ensuring decisions are implemented.

**CURRENT REVENUE** - A funding source for the Capital Budget which is provided annually within the Operating Budget from general, special, or enterprise revenues. Current revenues are used for funding project appropriations that are not eligible for debt financing or to substitute for debt-eligible costs.

**DEBT SERVICE** - The annual payment of principal, interest, and issue costs for bonded indebtedness. Debt service is presented both in terms of specific bond allocations by category and fund and by sources of revenues used.

**DEBT SERVICE FUND** - A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

**DEPARTMENT** - A primary organizational unit within Montgomery County Government. For presentation purposes, "Department" includes the principal offices, boards, and commissions.

**DEPRECIATION** - The decline in value of a capital asset over a predetermined period of time attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. Also, the portion of the cost of a capital asset charged as an expense during a particular period.

**DEVELOPMENT DISTRICT** - A special taxing district created to finance the costs of infrastructure improvements necessary for the development of land in areas of the County having a high priority for new development or redevelopment, especially in areas for which approved master plans recommend significant development.

**DIVISION** - A primary organizational unit within a government department or agency. Divisions are usually responsible for administering basic functions or major programs of a department.

**EFFECTIVENESS** - A type of performance measure used to track the quality, timeliness, and accuracy of service delivery.

**EFFICIENCY** - Outputs per unit of input, inputs per unit of output, and similar measures of how well resources are being used to produce goods and services.

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**EMINENT DOMAIN** - The power of a government to acquire real property when the owner of that property is unwilling to negotiate a sale. The Maryland State Constitution delegates authority to the County and the County Code allows for the taking of private property by the County. The taking must serve a public purpose and the government must provide the owner with just compensation for the property taken. Any dispute regarding whether the taking will serve a public purpose or the amount of compensation is resolved by the courts.

**EMPLOYEE BENEFITS** - For budgeting purposes, employee (fringe) benefits are payments by the employer for Social Security, retirement, and group insurance.

**EMPLOYEE - MERIT SYSTEM** - Any person employed by Montgomery County Government who is subject to the provisions of the Merit System.

**EMPLOYEE - TEMPORARY** - An individual occupying a position required for a specific task for a period not to exceed 12 months or a position that is used intermittently on an as-needed basis (seasonal, substitute, etc.).

**EMPLOYEE - TERM** - An individual occupying a position created for a special term, project, or program. Any person acting in a term position also receives County benefits.

**ENCUMBRANCE** - An accounting commitment that reserves appropriated funds related to unperformed contracts for goods or services. The total of all expenditures and encumbrances for a department or agency in a fiscal year, or for a capital project, may not exceed its total appropriation.

**ENTERPRISE FUND** - A fund used to record the fiscal transactions of government activities financed and operated in a manner similar to private enterprise, with the intent that the costs of providing goods and services, including financing, are wholly recovered through charges to consumers or users. Examples include Alcohol Beverage Services (ABS), parking facilities, and solid waste activities.

**ENTERPRISE RESOURCE PLANNING (ERP)** - An integrated suite of software modules that support the management of the County's financial, procurement, human resources, and budgeting systems, and which streamlines business operations by using recognized best practices in each of those areas.

**EXECUTIVE TRANSFER OF APPROPRIATION** - A transfer of unencumbered appropriation balance by the County Executive between appropriation categories (for example, from Personnel Costs to Operating Expense) within the same department and fund, or between capital projects in the same category. The total cumulative transfers from any one appropriation may not exceed ten percent of the original appropriation as prescribed in the Charter of Montgomery County Maryland (Section 309).

**EXPEDITED DEVELOPMENT APPROVAL EXCISE TAX (EDAET)** - A tax assessed on a development project based on the intended use of the building, the square footage of the building, and whether the building is in a moratorium policy area. The purpose of the EDAET is to act as a stimulus to residential and commercial construction within the County by making the development approval process more certain.

**EXPENDITURE** - A decrease in the net financial resources of the County generally due to the purchase of goods and services, the incurrence of salaries and benefits, and the payment of debt service.

**FEE** - A charge for service to the user or beneficiary of the service. According to State law, charges must be related to the cost of providing the service. See the Fiscal Policy section for the Executive policy on user fees.

**FIDUCIARY FUNDS** - Assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds. In Montgomery County, these include Agency Funds, Pension and Other Employee Benefit Trust Funds, Investment Trust Fund, and Private Purpose Trust Funds.

**FINES/PENALTIES** - Charges levied for violation of laws, regulations, or codes. They are established through Executive Regulation as provided for in County law.

**FISCAL PLAN** - Estimates of revenues, based on recommended tax policy and moderate economic assumptions, and projections of currently known and recommended commitments for future uses of resources.

**FISCAL POLICY** - The County Government's policies with respect to revenues, expenditures, and debt management as these relate to County services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and

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programming of budgets, uses of revenues, and financial management.

**FISCAL YEAR** - The 12-month period to which the annual operating and capital budgets and their appropriations apply. The Montgomery County fiscal year starts on July 1 and ends on June 30.

**FIXED ASSETS** - See Capital Assets.

**FULL-TIME EQUIVALENT (FTE) - MONTGOMERY COLLEGE** - A standardized measurement of student enrollment at the community college to account for attendance on less than a full-time basis. An FTE is defined as a course load of 15 credit hours per semester.

**FULL-TIME EQUIVALENT (FTE) - PERSONNEL** - An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, 1.0 FTE equals 2,080 hours (or 2,496 hours for fire fighters) and .50 FTE equals 1,040 hours.

**FUND** - Resources segregated for the purpose of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

**FUND BALANCE** - Undesignated reserves in a fund, or the amount by which assets exceed the obligations of the fund. Fund balance may be measured as a percentage of resources or expenditures.

**GENERAL FUND** - The principal operating fund for the County Government. It is used to account for all financial resources except those required by law, County policy, and Generally Accepted Accounting Principles (GAAP) to be accounted for in another fund.

**GENERAL OBLIGATION (G.O.) DEBT** - Bonded debt backed by the full faith and credit of the County to pay the scheduled retirement of principal and interest.

**GENERAL REVENUES** - Money received which may be used to fund general County expenditures such as education, public safety, public welfare, debt service, etc. Funds received which are restricted as to use (such as recreation) are not general revenues and are accounted for in other funds.

**GENERAL WAGE ADJUSTMENT (GWA)** - An increase in salaries other than seniority-based merit increases (increments). GWA has been referred to as Cost-of-Living Adjustment (COLA) in the past.

**GOVERNMENTAL FUNDS** - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: The general fund, special revenue funds, debt service fund, capital projects fund, and permanent funds.

**GRANT** - A payment from one level of government to another or from a private organization to a government. Grants are made for specified purposes and must be spent only for that purpose. See also Grants to Others.

**GRANTS TO OTHERS** - A payment by the County to a public or private nonprofit organization for a specific purpose; generally, to provide services in support of, or compatible with, government program objectives.

**GROSS BUDGET** - The total cost of a department's operation (not necessarily equal to the appropriation), including those expenditures that are charged to and paid by other funds, departments, agencies, or CIP projects. See also Net Budget.

**GROUP POSITIONS** - Jobs filled by multiple incumbents used to streamline administrative processes for hiring staff for training or for seasonal or temporary positions. Examples include Police, Fire, and Sheriff Department recruits, substitute library assistants, and seasonal recreation employees.

**GROWTH POLICY** - A planning tool used by the County to manage the location and pace of private development and identify the need for public facilities that support private development. The growth policy tests the adequacy of transportation, schools, water and sewerage facilities, police, fire, and health services to guide subdivision approvals. See also Adequate Public Facility.

**IMPACT TAXES** - A tax charged to developers that varies depending on land use. The revenues are used to pay for the transportation and school construction projects necessary to serve new development.

**IMPLEMENTATION RATE** - The estimated average annual percentage of capital projects completed that is used to calculate available bond funding. This rate reflects both the County's actual experience in meeting project schedules and anticipated events



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that may affect construction in the future.

**INDIRECT COSTS** - That component of the total cost for a service which is provided by and budgeted within another department (for example, legal support and personnel). In Montgomery County, indirect costs are calculated as a percentage of the personnel costs of the organization receiving the service, according to a formula approved by the Department of Housing and Urban Development for Federal grants. For special revenue and enterprise funds, indirect costs are transferred to the General Fund. Indirect costs are charged to grants to cover the costs of administrative, financial, human resource, and legal support.

**INITIATIVES** - Results to be achieved through additional resources for new services or service enhancements for the next fiscal year directed toward achieving progress in one of the County Executive's priority outcome areas.

**INPUT** - Resources used to produce an output or outcome, such as work years or expenditures.

**INTERFUND TRANSFER** - A transfer of resources from one fund to another as required by law or appropriation. The funds are initially considered revenues of the source fund, not the receiving fund.

**INTERGOVERNMENTAL REVENUE** - Funds received from Federal, State, and other local government sources in the form of grants, shared taxes, reimbursements, payments in lieu of taxes, and formula funding.

**INTERNAL SERVICE FUNDS** - Proprietary funds used to record activity (primarily goods and services) provided by one department to other departments of the County government on a cost-reimbursable basis. The County uses this type of fund to account for Motor Pool, Central Duplicating, and Liability and Property Coverage Self-Insurance.

**INVESTMENT TRUST FUND** - A fiduciary fund that accounts for the external portion of the County's investment pool that belongs to legally separate entities and non-component units.

**KEY INDICATOR** - A measure which helps to quantify the achievement of an outcome on a population wide level. It is a benchmark which helps to quantify the achievement of a result and is used to track the progress of the County Executive's Seven Priority Outcomes.

**LAPSE** - The reduction of budgeted gross personnel costs by an amount believed unnecessary because of turnover, vacancies, and normal delays in filling positions. The amount of lapse will differ among departments and from year to year.

**LEASE-PURCHASE AGREEMENT** - A contractual agreement which, although termed a "lease," is in effect a purchase contract with payments made over time.

**LEVEL OF SERVICE** - The current services, programs, and facilities provided by a government to its citizens. The level of service may increase, decrease, or remain the same depending upon needs, alternatives, and available resources.

**LICENSES AND PERMITS** - Documents issued in order to regulate various kinds of businesses and other activities within the community. Inspection may accompany the issuance of a license or permit, as in the case of food vending licenses or building permits. In most instances, a fee is charged in conjunction with the issuance of a license or permit, generally to cover all or part of the related cost.

**LOCAL EARNED INCOME TAX CREDIT** - Low-income workers who qualify for the Federal earned income tax credit may also be entitled to a similar tax credit for their State of Maryland and Montgomery County income tax liabilities. Montgomery County matches the State credit for eligible residents.

**MASTER PLAN** - Each community within Montgomery County falls within a master plan area. Master plans include a comprehensive view of land-use trends and future development as they relate to community concerns such as housing, transportation, stormwater management, historic preservation, pedestrian and trail systems, environmental factors like air, water and noise pollution, and the preservation of agricultural lands. Plans outline recommended land uses, zoning, transportation facilities, and recommended general locations for such public facilities as schools, parks, libraries, and fire and police stations.

**MISSION STATEMENT** - The desired end result of an activity. Missions are generally broad and long range in nature compared to goals which are more specific and immediate. An example of a mission is: "To provide safe, reliable, and cost-efficient public transportation to the residents of Montgomery County." See also Program Mission.

**MONTGOMERY COUNTY GOVERNMENT** - The departments and offices included in the County's executive, legislative, and judicial branches, including related boards and commissions. It excludes Montgomery County Public Schools (MCPS),

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Montgomery College (MC), Maryland-National Capital Park and Planning Commission (M-NCPPC), Washington Suburban Sanitary Commission (WSSC), and other agencies. See also Agency.

**NET ASSETS** - See Fund Balance.

**NET BUDGET** - The legal appropriation requirement to finance a fund, department, account, agency, or CIP project. The net budget includes the funds required for charges from other funds, departments and agencies, or CIP projects for services rendered, but does not include charges made to other departments for services rendered. See also Gross Budget.

**NON-DEPARTMENTAL ACCOUNT** - A budget category used to account for resources used for County-funded activities that do not fall within the functional assignment of any department, or for expenditures related to more than one department.

**NON-TAX SUPPORTED FUND** - A fund supported by revenues other than taxes and not included in the Spending Affordability Guidelines. The exception is Parking Lot Districts that collect property taxes but, as Enterprise Funds, are not considered tax supported.

**OPERATING AND CAPITAL EXPENSE** - Those costs, other than expenditures for Personnel Costs, which are necessary to support the operation of the organization, such as charges for contractual services, telephones, printing, motor pool, office supplies, and government assets. See also Expenditure.

**OPERATING BUDGET** - A comprehensive plan by which the County's operating programs are funded for a single fiscal year. The Operating Budget includes descriptions of programs, appropriation authority, and estimated revenue sources, as well as related program data and information on the fiscal management of the County. See also Public Services Program (PSP).

**OPERATING BUDGET IMPACT** - The change in operating budget expenditures associated with the construction or improvement of government buildings or facilities. See the discussion of this subject in the CIP Planning chapter of the Recommended CIP for more information.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB)** - Employee benefits, such as health and life insurance, associated with current and future retirees and their beneficiaries. See also Retirees Health Benefits Trust Fund.

**OUTCOME BASED BUDGETING** - A method of preparing budgets that moves away from a traditional, incremental way of allocating funds to a department to allocating funds for programs and services that will achieve desired results. When allocating resources under this approach, outcome based budgeting maximizes the value of the dollars that are spent.

**OUTCOMES** - The results of a program or program element on clients, users, or some other target group; the degree to which the program mission is achieved.

**OUTPUT** - The amount of services provided, units produced, or work accomplished.

**PARTIAL CAPITALIZATION** - The process of either expensing or transferring to capital assets the prior fiscal year expenditures for ongoing capital projects.

**PAYGO** - "Pay as you go" funding; that is, current revenue substituted for debt in capital projects that are debt eligible, or used in projects that are not debt eligible or qualified for tax-exempt financing.

**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS** - The fiduciary fund used to account for all activities of the Employees' Retirement System of Montgomery County, Employees' Retirement Savings Plan, and Deferred Compensation Plan, including the accumulation of resources for, and payment of, retirement annuities and/or other benefits and administrative costs.

**PERFORMANCE MEASURES** - The quantitative means to know how well a program is working at providing services and improving the lives of those served. It provides the ability to make changes and determine whether those changes improved the program's performance, essentially improving the customer's quality of life.

**PERMANENT FUNDS** - These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support government programs.

**PERSONAL PROPERTY** - Furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory, and any other property not classified as real property. See also Real Property.

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**PERSONNEL COMPLEMENT** - The full- and part-time positions, work years or full-time equivalents, and costs related to employees of the departments and agencies of the County.

**PERSONNEL COSTS** - Expenditures for salaries, wages, and benefits payable to County employees.

**POSITIONS** - Identified jobs into which persons may be hired on either a part- or full-time basis.

**PRIORITY OUTCOME** - A condition of well being for a population or subpopulation in a geographic area. Within this discussion, a Priority Outcome refers to a condition of well being for Montgomery County residents.

**PRIVATE PURPOSE TRUST FUNDS** - A fiduciary fund that involves trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

**PRODUCTIVITY IMPROVEMENT** - Increased quantity or improved quality of goods or services using the same or fewer resources. Productivity improvement can be achieved through cost efficiencies, alternative means of delivering services, streamlining organizational structures, making use of automation and other time- or labor-saving innovations, and eliminating unnecessary procedures or requirements.

**PROGRAM** - A primary service, function, or set of activities which address a specific responsibility or goal within an agency's or department's mission. A program encompasses all associated activities (services) directed toward the attainment of established objectives; for example, the School Health Program. A program will have clearly defined, attainable objectives, which may be short- or long-term in nature, and will have measurable outputs and outcomes. A program should be discrete enough to be able to be summed up in five or fewer performance measures.

**PROGRAM PROPOSAL** - A request for funding a program in the County's Outcome Based Budgeting process. It includes a description of how a program aligns with the County Executive's Seven Priority Outcomes and Key Indicators, evidence to support the service impact, performance measures, and an explanation of performance and how it will be improved.

**PUBLIC HEARINGS** - Opportunities for citizens and constituent groups to voice opinions and concerns to public officials. During the annual budget process, the County Charter requires that public hearings be conducted by the County Council not earlier than 21 days after receipt of the County Executive's Recommended Budget.

**PUBLIC SERVICES PROGRAM (PSP)** - A forecast of public service requirements over the next six years, submitted annually by the Executive to the County Council. Its purpose is to provide guidance for the orderly planning of services with regard to population changes, socio-economic variables, potentially needed public facilities, and anticipated new or changing needs of County citizens. The PSP includes the County Executive's fiscal policy statements. The first year of the PSP is referred to as the operating budget.

**REAL PROPERTY** - Real estate, including land and improvements (buildings, fences, pavements, etc.), classified for purposes of assessment. See also Personal Property.

**REALLOCATION OF APPROPRIATION** - The transfer of unencumbered appropriations (expenditure authority) within the same appropriation category and within the same department and fund.

**RECORDATION TAX** - Tax levied when changes occur in deeds, mortgages, leases, and other contracts pertaining to the title of either real or personal property. The revenues are used to pay for school CIP projects, housing rental assistance for low to moderate income households, and other government activities.

**RESERVE** - An account used either to set aside legally budgeted resources, that are not required for expenditure in the current budget year, or to earmark resources for a specific future purpose. See also Fund Balance.

**RESOURCES** - Units of input such as work years, funds, material, equipment, facilities, or other elements supplied to produce and deliver services required to meet program objectives. From a fiscal point of view, resources include revenues, net transfers, and available fund balance. See also Inputs.

**RESULTS** - A term used to describe what you are trying to accomplish.

**RETIREE'S HEALTH BENEFITS TRUST FUND** - One or more funds used to support the expenses associated with retiree health benefits.

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**REVENUE** - All funds that the County receives, including tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

**REVENUE BONDS** - An obligation issued to finance a revenue-producing enterprise, with principal and interest payable exclusively from the earnings and other revenues of the enterprise. See also Enterprise Fund.

**REVENUE STABILIZATION FUND** - A special revenue fund that accounts for the accumulation of resources during periods of economic growth and prosperity when revenue collections exceed estimates. These funds may then be drawn upon during periods of economic slowdown when collections fall short of revenue estimates. See also Special Revenue Fund.

**RISK MANAGEMENT** - A process used to identify and measure the risks of accidental loss, to develop and implement techniques for handling risk, and to monitor results. Techniques used can include self-insurance, commercial insurance, and loss control activities.

**SALARIES AND WAGES** - An expenditure category for monetary compensation to employees in the form of annual or hourly rates of pay for hours worked.

**SALARY SCHEDULE** - A listing of minimum and maximum salaries for each grade level in a classification plan for merit system positions.

**SCHOOL FACILITIES PAYMENTS** - A fee charged to developers of residential subdivisions if school enrollment five years in the future is estimated to exceed 105 percent, but is less than 120 percent, of cluster-wide program capacity at any school level. The fee level depends on both the school level involved and the type of housing unit to be constructed.

**SELF-INSURANCE** - The funding of liability, property, workers' compensation, unemployment, and life and health insurance needs through the County's financial resources, rather than commercial insurance plans.

**SERVICE PROPOSAL** - See Program Proposal.

**SERVICES** - An activity or set of activities that are the means for achieving desired outcomes, performed by County government that has identifiable costs for budgeting purposes; a clear public purpose and measurable results; and clear lines of accountability for its performance and financial management. A service is discrete in that it is not overly dependent on other services to achieve its results and does not combine activities with substantially differing results, funding streams, and/or lines of accountability.

**SET-ASIDE** - See Unappropriated Reserves.

**SOLID WASTE DISPOSAL FEE** - See Tipping Fee.

**SOLID WASTE (REFUSE) CHARGE** - The annual charge, appearing on the County's Consolidated Tax Bill, applied to residences in the Solid Waste Collection District for the collection and disposal of solid waste for each household in the district. The charge includes a collection fee to cover hauling costs paid to collection contractors, a service charge which includes a charge based on the tipping fee, and a systems benefit charge.

**SPECIAL APPROPRIATION** - Additional spending authority approved by the County Council (Charter, Section 308). The appropriation must state "that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest." There must be approval by not less than six members of the Council. "The Council may make a special appropriation any time after public notice by news release." See also Supplemental Appropriation.

**SPECIAL REVENUE FUNDS** - A governmental fund used to record the receipt and use of resources which, by law, Generally Accepted Accounting Principles (GAAP), or County policy, must be kept distinct from the general revenues of the County. Revenues for Special Revenue Funds are generally from a special tax on a specific geographical area.

**SPECIAL TAXING DISTRICT** - A geographic area that is established by legislation within which a special tax is levied to provide for specific services to the area.

**SPENDING AFFORDABILITY GUIDELINE (SAG)** - An approach to budgeting that assigns expenditure ceilings for the forthcoming budget year, based on expected revenues and other factors. Under the Charter of Montgomery County Maryland (Section 305), the County Council is required to establish spending affordability guidelines for both the capital and operating budgets. Spending affordability limits are also set for WSSC by the Councils of Montgomery and Prince George's Counties.

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**STRUCTURAL BUDGET DEFICIT** - The excess of spending over revenue due to an underlying imbalance between the ongoing cost of government operations and predicted revenue collections.

**SUPPLEMENTAL APPROPRIATION** - An appropriation of funds above amounts originally appropriated which authorizes expenditures not anticipated in the adopted budget. A supplemental appropriation is required to enable expenditure of reserves or additional revenues received by the County through grants or other sources. See also Special Appropriation.

**TAX SUPPORTED FUND** - A fund, either the General Fund or a Special Revenue Fund, supported in part by tax revenues and included in Spending Affordability Guidelines (SAG).

**TIPPING FEE** - A fee charged for each ton of solid waste disposed of, or "tipped," at the Solid Waste Transfer Station. Each year the County Executive recommends, and the County Council approves, a tipping fee based on a projection of costs for solid waste disposal as well as the tonnage of solid waste generated.

**TRANSFER OF APPROPRIATION** - See Council Transfer of Appropriation and Executive Transfer of Appropriation.

**TRANSFER OF FUNDS** - See Interfund Transfer.

**UNAPPROPRIATED RESERVES** - The planned-for excess of revenues over budgeted expenditures, within any of the various government funds, that provides funding for unexpected and unbudgeted expenditures that may be required during the fiscal year following budget approval. Use of this reserve requires County Council appropriation prior to its expenditure. The Charter of Montgomery County Maryland (Section 310) requires that unappropriated surplus within the General Fund may not exceed five percent of General Fund revenue for the preceding fiscal year. Also referred to as the Set-Aside for future projects in the capital program.

**VALUE** - Results per dollar spent.

**WATER QUALITY PROTECTION CHARGE** - An excise tax imposed on each residential property and associated nonresidential property which is used for the construction, operation, and maintenance of stormwater management facilities and related expenses.

**YEAR END BALANCE** - See Fund Balance.

*Readers not finding a term in this glossary are invited to call the Office of Management and Budget at 240.777.2800.*



# Acronyms

Abbreviation	Description	Abbreviation	Description
<b>ABS</b>	Alcohol Beverage Services	<b>COB</b>	Council Office Building
<b>ADA</b>	Americans with Disabilities Act	<b>COBRA</b>	Consolidated Omnibus Budget Reconciliation Act
<b>AHCMC</b>	Arts and Humanities Council of Montgomery County	<b>COC</b>	Common Owner Community
<b>ALARF</b>	Advance Land Acquisition Revolving Fund	<b>COG</b>	Council of Governments
<b>APFO</b>	Adequate Public Facilities Ordinance	<b>COMAR</b>	Code of Maryland Annotated Regulations
<b>ATMS</b>	Advanced Transportation Management System	<b>CPI-U</b>	Consumer Price Index - Urban
<b>BAN</b>	Bond Anticipation Note	<b>CR</b>	Current Revenue
<b>BHI</b>	BioHealth Innovation	<b>CRIMS</b>	Correction and Rehabilitation Information Management System
<b>BIT</b>	Board of Investment Trustees	<b>CUPF</b>	Community Use of Public Facilities
<b>BOA</b>	Board of Appeals	<b>CVB</b>	Conference and Visitors Bureau
<b>BOE</b>	Board of Education (MCPS)	<b>DBM</b>	Maryland State Department of Budget and Management
<b>BOE</b>	Board of Elections (MCG)	<b>DCM</b>	Device Client Management
<b>CAFR</b>	Comprehensive Annual Financial Report	<b>DFMS</b>	Division of Fleet Management Services
<b>CAO</b>	Chief Administrative Officer	<b>DGS</b>	Department of General Services
<b>CABLE TV</b>	Cable Television	<b>DEP</b>	Department of Environmental Protection
<b>CBD</b>	Central Business District	<b>DHCA</b>	Department of Housing and Community Affairs
<b>CC</b>	County Council	<b>DOCR</b>	Department of Correction and Rehabilitation
<b>CCM</b>	County Cable Montgomery	<b>DOT</b>	Department of Transportation
<b>CDBG</b>	Community Development Block Grant	<b>DPS</b>	Department of Permitting Services
<b>CE</b>	County Executive	<b>DTS</b>	Department of Technology Services
<b>CEX</b>	County Executive's Office	<b>ECC</b>	Emergency Communications Center
<b>CIP</b>	Capital Improvements Program	<b>EDAET</b>	Expedited Development Approval Excise Tax
<b>CEC</b>	Community Engagement Cluster	<b>EDF</b>	Economic Development Fund
<b>CJCC</b>	Criminal Justice Coordinating Commission	<b>EEOC</b>	Equal Employment Opportunity Commission
<b>CJIS</b>	Criminal Justice Information System	<b>EITC</b>	Earned Income Tax Credit
<b>CNG</b>	Compressed Natural Gas	<b>EMOC</b>	Equipment and Maintenance Operations Center

Abbreviation	Description	Abbreviation	Description
<b>EOB</b>	Executive Office Building	<b>HVAC</b>	Heating, Ventilation, and Air Conditioning
<b>EOC</b>	Emergency Operations Center	<b>IAFC</b>	International Association of Fire Chiefs
<b>ERP</b>	Enterprise Resource Planning	<b>IAFF</b>	International Association of Fire Fighters
<b>ERS</b>	Employee Retirement System	<b>ICEUM</b>	Interagency Committee on Energy and Utility Management
<b>ESOL</b>	English for Speakers of Other Languages	<b>IJIS</b>	Integrated Justice Information System
<b>FEMA</b>	Federal Emergency Management Agency	<b>IT</b>	Information Technology
<b>FFI</b>	Future Fiscal Impact	<b>ITPCC</b>	Interagency Technology Policy and Coordination Committee
<b>FIN</b>	Department of Finance	<b>LEP</b>	Limited English Proficiency
<b>FLSA</b>	Fair Labor Standards Act	<b>LER</b>	Labor and Employee Relations
<b>FOP</b>	Fraternal Order of Police	<b>LFRD</b>	Local Fire and Rescue Department
<b>FRC</b>	Fire and Rescue Commission	<b>LSBRP</b>	Local Small Business Reserve Program
<b>FTE</b>	Full-Time Equivalent	<b>MACo</b>	Maryland Association of Counties
<b>FY</b>	Fiscal Year	<b>MC</b>	Montgomery College
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>MCAASP</b>	Montgomery County Association of Administrative and Supervisory Personnel
<b>GASB</b>	Government Accounting Standards Board	<b>MCCF</b>	Montgomery County Correctional Facility
<b>GDA</b>	General Development Agreement	<b>MCCSSE</b>	Montgomery County Council of Supporting Service Employees
<b>GDP</b>	Gross Domestic Product	<b>MCDC</b>	Montgomery County Detention Center
<b>GFOA</b>	Government Finance Officers Association	<b>MCEA</b>	Montgomery County Education Association
<b>GIS</b>	Geographic Information Systems	<b>MCEDC</b>	Montgomery County Economic Development Corporation
<b>GO Bonds</b>	General Obligation Bonds	<b>MCERP</b>	Montgomery County Employee Retirement Plans
<b>GRIP</b>	Guaranteed Retirement Income Plan	<b>MCFRS</b>	Montgomery County Fire and Rescue Service
<b>GWA</b>	General Wage Adjustment	<b>MCG</b>	Montgomery County Government
<b>HHS</b>	Health and Human Services	<b>MCGEO</b>	Municipal and County Government Employees Organization
<b>HIPAA</b>	Health Insurance Portability and Accountability Act	<b>MCPD</b>	Montgomery County Police Department
<b>HOC</b>	Housing Opportunities Commission	<b>MCPL</b>	Montgomery County Public Libraries
<b>HUD</b>	U.S. Department of Housing and Urban Development	<b>MCPS</b>	Montgomery County Public Schools

Abbreviation	Description	Abbreviation	Description
<b>MCT</b>	Montgomery Community Television	<b>PIO</b>	Office of Public Information
<b>MFD</b>	Minority, Female, and Disabled	<b>PLAR</b>	Planned Lifecycle Asset Replacement
<b>MHI</b>	Montgomery Housing Initiative	<b>PLD</b>	Parking Lot District
<b>MLS</b>	Management Leadership Service	<b>POR</b>	Program of Requirements
<b>M-NCPPC</b>	Maryland-National Capital Park and Planning Commission	<b>PRO</b>	Office of Procurement
<b>MOU</b>	Memorandum of Understanding	<b>PSCC</b>	Public Safety Communications Center
<b>MPDU</b>	Moderately Priced Dwelling Unit	<b>PSP</b>	Public Services Program
<b>MSPB</b>	Merit System Protection Board	<b>PSTA</b>	Public Safety Training Academy
<b>MTA</b>	Maryland Transit Administration	<b>RMS</b>	Records Management System
<b>NACo</b>	National Association of Counties	<b>RRF</b>	Resource Recovery Facility
<b>NDA</b>	Non-Departmental Account	<b>RSP</b>	Retirement Savings Plan
<b>NTS</b>	Non-Tax Supported	<b>SAG</b>	Spending Affordability Guidelines
<b>OAG</b>	Office of Agriculture	<b>SBAP</b>	Small Business Assistance Program
<b>OAS</b>	Office of Animal Services	<b>SHA</b>	State Highway Administration
<b>OBI</b>	Operating Budget Impact	<b>SWM</b>	Stormwater Management
<b>OCA</b>	Office of County Attorney	<b>TMC</b>	Transportation Management Center
<b>OCP</b>	Office of Consumer Protection	<b>TMD</b>	Transportation Management District
<b>OHR</b>	Office of Human Resources	<b>TS</b>	Tax Supported
<b>OIG</b>	Office of the Inspector General	<b>WMATA</b>	Washington Metropolitan Area Transit Authority
<b>OIR</b>	Office of Intergovernmental Relations	<b>WQPB</b>	Water Quality Protection Bond
<b>OEMHS</b>	Office of Emergency Management and Homeland Security	<b>WQPC</b>	Water Quality Protection Charge
<b>OLO</b>	Office of Legislative Oversight	<b>WSM</b>	WorkSource Montgomery
<b>OLR</b>	Office of Labor Relations	<b>WSSC</b>	Washington Suburban Sanitary Commission
<b>OMB</b>	Office of Management and Budget	<b>WSTC</b>	Washington Suburban Transit Commission
<b>OPEB</b>	Other Post Employment Benefits	<b>WY</b>	Work Year
<b>OSHA</b>	Occupational Safety and Health Administration		
<b>OZAH</b>	Office of Zoning and Administrative Hearings		
<b>PAYGO</b>	Pay-as-you-go financing		
<b>PDF</b>	Project Description Form		
<b>PEG</b>	Public, Educational, and Governmental Cable Programming		
<b>PEPCO</b>	Potomac Electric Power Company		
<b>PILOT</b>	Payment in Lieu of Taxes		



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