



Utilities

Mission Statement

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

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

HIGHLIGHTS

The County owns, operates, and/or maintains 426 facilities totaling 9,912,251 square feet. The Department of General Services manages the payment for 743 separately metered utility accounts for these facilities. The Utilities non-departmental account (NDA) budget funds 488 of these accounts, in addition to 64,700 streetlights, and 833 traffic-controlled signalized intersections.

In FY16, department staff negotiated lower rates for the contracted purchase of electricity. This results in an overall decrease in contract costs of nearly \$570,000 in FY17, which will partially offset changes in consumption.

Budget Overview

The FY17 Approved Budget for the tax supported Utilities non-departmental account (NDA) is \$25,780,493 an increase of \$658,602 or 2.6 percent from the FY16 Approved Budget of \$25,121,891. Allocation of these utilities expenditures is approximately: electricity, 84.4 percent; natural gas, 7.5 percent; water and sewer, 7.0 percent; fuel oil, 0.8 percent; and propane, 0.2 percent. The County Council imposed a cost reduction of \$150,000 for assumed non-specific energy savings. The approved budget for utilities is \$150,000 below the amount recommended by the County Executive.

The FY17 Approved Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these "outside" agencies is \$74,281,760 which includes the entire bi-county area of WSSC.

The FY17 Approved tax supported budget for Utilities Management, including both the General Fund NDA (\$25,780,493) and the other tax supported funds (\$3,836,445), is \$29,616,938, an increase of \$785,618 or approximately 2.7 percent from the FY16 Approved utilities budget. The FY17 Approved budget for non-tax supported utilities expenditures is \$5,268,645, a \$21 increase from the FY16 Approved Budget.


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

Linkage to County Result Areas

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

 **An Effective and Efficient Transportation Network**

 **Safe Streets and Secure Neighborhoods**

 **Program Contacts**

Contact Angela Dizelos of the Department of General Services/Utilities Management at 240.777.6028 or Jed Millard of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

Budget Summary

| | Actual FY15 | Budget FY16 | Estimate FY16 | Approved FY17 | %Chg Bud/App |
|--|-------------------|-------------------|-------------------|-------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 0 | 0 | 0 | 0 | --- |
| Employee Benefits | 0 | 0 | 0 | 0 | --- |
| County General Fund Personnel Costs | 0 | 0 | 0 | 0 | --- |
| Operating Expenses | 24,534,314 | 25,121,891 | 25,121,891 | 25,780,493 | 2.6 % |
| County General Fund Expenditures | 24,534,314 | 25,121,891 | 25,121,891 | 25,780,493 | 2.6 % |
| PERSONNEL | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | --- |
| Part-Time | 0 | 0 | 0 | 0 | --- |
| FTEs | 0.00 | 0.00 | 0.00 | 0.00 | --- |

FY17 Approved Changes

| | Expenditures | FTEs |
|---|-------------------|-------------|
| COUNTY GENERAL FUND | | |
| FY16 ORIGINAL APPROPRIATION | 25,121,891 | 0.00 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: Unit costs and consumption changes | 966,402 | 0.00 |
| Increase Cost: New Buildings Opening in FY17 | 519,728 | 0.00 |
| Decrease Cost: ESCO Utility Savings | (4,972) | 0.00 |
| Decrease Cost: Clean Energy Purchase (Bill 9-14, Environmental Sustainability - Renewable Energy - County Purchase) | (102,803) | 0.00 |
| Decrease Cost: \$150,000 Council Assumed Cost Reduction for Energy Savings | (150,000) | 0.00 |
| Decrease Cost: Savings from Contract Negotiations | (569,753) | 0.00 |
| FY17 APPROVED | 25,780,493 | 0.00 |

Future Fiscal Impacts

| Title | CC APPROVED (\$000s) | | | | | |
|---|----------------------|---------------|---------------|---------------|---------------|---------------|
| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY17 Approved | 25,780 | 25,780 | 25,780 | 25,780 | 25,780 | 25,780 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| ESCO Utility Savings | 0 | (5) | (10) | (16) | (21) | (21) |
| ESCO Utility Savings | | | | | | |
| Subtotal Expenditures | 25,780 | 25,775 | 25,770 | 25,764 | 25,759 | 25,759 |

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