



Utilities

Recommended FY18 Budget
\$26,385,646

Full Time Equivalents
0.00

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 431 facilities totaling 10,565,056 square feet. The Department of General Services manages the payment for 1,415 separately metered utility accounts for these facilities, streetlights, and traffic-controlled signalized intersections.

Budget Overview

The FY18 Recommended Budget for the tax-supported Utilities NDA is \$26,385,646, an increase of \$605,153 or 2.3 percent above the FY17 Approved Budget of \$25,780,493. Allocation of these utilities expenditures is approximately: electricity, 75.9 percent; natural gas, 7.3 percent; water and sewer, 7.4 percent; fuel oil, 0.8 percent, and propane, 0.2 percent.

The FY18 Recommended 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 \$73,316,759 which includes the entire bi-county area of WSSC.

The FY18 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$26,385,646) and the other tax supported funds (\$3,736,445), is \$30,122,091, an increase of \$505,153 or approximately 1.7 percent above the FY17 Approved utilities budget. The FY18 Recommended Budget for non-tax supported utilities expenditures is \$5,268,645, an increase of \$0 from the FY17 Approved Budget.

Increased utilities expenditures result primarily from 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, energy, and HVAC management systems) help offset increased utility

consumption or unit costs.

Unleaded gasoline, diesel, and compressed natural gas fuels are purchased from various providers, and are budgeted in the Department of General Services, Division of Fleet Management Services; not the General Fund Utilities NDA. The Interagency Committee on Energy and Utilities Management (ICEUM) also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY18 Budget.

The following is a description of utility service requirements for departments which receive tax or non-tax supported appropriations for utilities expenditures. The utilities expenditures for the non-tax supported operations are appropriated within their respective operating funds but are described in the combined utilities presentation for reader convenience.

TAX SUPPORTED

Department of General Services

The Department of General Services is responsible for managing all utilities for general County operations including all County office buildings, police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, and warehouses.

Department of Transportation

The Department of Transportation manages all County streetlights, traffic signals, traffic count stations, and flashing school signs. The utilities expenditures for these devices are budgeted here as this Department designs, installs, controls, and maintains them. In addition, minimal utility costs for the Operations Center and Highway Maintenance Depots are budgeted in the Traffic Engineering component of the General Fund non-departmental account.

Division of Transit Services - Mass Transit

The Department of Transportation Mass Transit Facilities Fund supports all utilities associated with the Ride On transit centers and Park and Ride Lots.

Department of Recreation

The Department of Recreation funds all utility costs for its recreational facilities located throughout the County, such as swimming pools, community recreation centers, and senior centers.

Urban Districts

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services Centers.

NON-TAX SUPPORTED

Fleet Management Services

The Department of General Services - Fleet Management Services utility expenditures are displayed in the Special Fund Agencies - Non-Tax Supported section, to reflect that Fleet Management Services expenditures are not appropriated directly but in the budgets of other departments.

The Department of General Services - Fleet Management Services Motor Pool Internal Service Fund supports all utilities associated with the vehicle maintenance garages in Rockville, Silver Spring, and Gaithersburg. Fuel for the County's fleet is also budgeted in that special fund, but these costs are not included in the utilities expenditures displayed in this section.

Parking Districts

The Parking Districts funds utility expenditures associated with the operation of all County-owned parking garages and parking lots.

Liquor Control

The Department of Liquor Control funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County operated retail liquor stores.

Department of Environmental Protection, Solid Waste Services

Solid Waste Services funds utility expenditures associated with the operation of the County's Solid Waste Management System. Utilities expenditures associated with the operation of the Oaks Sanitary Landfill maintenance building, the County's Recycling Center, the Resource Recovery Facility, and most of the Solid Waste Transfer Station are currently the responsibility of the operators. Only the site office and maintenance depot costs continue to be budgeted as an identifiable utilities expenditure in the Solid Waste Disposal Fund.

Other Agencies

Utilities for MCPS, Montgomery College, WSSC (bi-county), and M-NCPPC are displayed in the charts on the following pages. These are the amounts requested in the budgets of those agencies.

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 FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
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	25,181,827	25,780,493	25,780,493	26,385,646	2.4 %
County General Fund Expenditures	25,181,827	25,780,493	25,780,493	26,385,646	2.3 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY18 RECOMMENDED CHANGES

	Expenditures	FTEs
--	--------------	------

FY18 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY17 ORIGINAL APPROPRIATION	25,780,493	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY 18 Increase due to unit costs and consumption changes	530,885	0.00
Increase Cost: Additional Utilities for 1401 Hungerford Dr, Rockville, MD	74,267	0.00
FY18 RECOMMENDED	26,385,645	0.00

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY18	FY19	FY20	FY21	FY22	FY23
COUNTY GENERAL FUND						
EXPENDITURES						
FY18 Recommended	26,386	26,386	26,386	26,386	26,386	26,386
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	26,386	26,386	26,386	26,386	26,386	26,386

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY DEPARTMENT/AGENCY

	ACTUAL FY14	ACTUAL FY15	APPROVED FY16	ACTUAL FY16	APPROVED FY17	RECOMMENDED FY18	CHANGE BUD/APPR	% CHANGE REC/APPR
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS								
NON-DEPARTMENTAL ACCOUNT								
Facilities	15,372,911	15,809,149	16,128,223	16,370,971	16,786,825	17,668,450	881,625	5.3%
Traffic Signals and Streetlighting	9,126,957	8,741,684	8,993,668	8,264,104	8,993,668	8,717,196	(276,472)	-3.1%
GENERAL FUND NDA EXPENDITURES	24,499,868	24,550,833	25,121,891	24,635,075	25,780,493	26,385,646	605,153	2.3%
OTHER TAX SUPPORTED OPERATIONS								
Transit Services	291,007	180,519	276,200	87,135	276,200	176,200	(100,000)	-36.2%
Recreation	3,116,581	3,272,974	3,433,229	3,473,928	3,560,245	3,560,245	0	0.0%
SUBTOTAL	3,407,588	3,453,493	3,709,429	3,561,063	3,836,445	3,736,445	(100,000)	-2.6%
TOTAL TAX SUPPORTED	27,907,456	28,004,326	28,831,320	28,196,138	29,616,938	30,122,091	505,153	1.7%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS								
Fleet Management Services	1,350,157	628,198	1,089,543	1,089,543	1,630,392	1,630,392	0	0.0%
Parking Districts	2,290,158	2,304,797	2,455,963	2,457,322	2,598,489	2,598,489	0	0.0%
Liquor Control	899,856	748,158	737,033	737,033	865,810	865,810	0	0.0%
Solid Waste Services	156,874	150,030	171,060	154,690	173,954	173,954	0	0.0%
TOTAL NON-TAX SUPPORTED	4,697,045	3,831,183	4,453,599	4,438,588	5,268,645	5,268,645	0	0.0%
SUMMARY - COUNTY GOVERNMENT								
TOTAL TAX SUPPORTED	27,907,456	28,004,326	28,831,320	28,196,138	29,616,938	30,122,091	505,153	1.7%
TOTAL NON-TAX SUPPORTED	4,697,045	3,831,183	4,453,599	4,438,588	5,268,645	5,268,645	0	0.0%
TOTAL COUNTY GOVERNMENT	32,604,501	31,835,509	33,284,919	32,634,726	34,885,583	35,390,736	505,153	1.4%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS								
Montgomery County Public Schools	39,444,381	36,492,289	37,706,974	35,805,654	38,716,618	38,216,588	(500,030)	-1.3%
Montgomery College	6,992,988	7,500,177	7,840,755	7,727,604	8,009,945	8,978,960	969,015	12.1%
Washington Suburban Sanitary Commission	24,934,389	23,246,536	23,783,400	22,482,138	23,992,353	22,447,193	(1,545,160)	-6.4%
M-NCPPC	2,915,931	3,191,795	3,634,166	3,165,699	3,519,447	3,674,018	154,571	4.4%
TOTAL OTHER AGENCIES EXPENDITURES	74,287,689	70,430,797	72,965,295	69,181,095	74,238,363	73,316,759	(921,604)	-1.2%
TOTAL UTILITIES EXPENDITURES	106,892,190	102,266,306	106,250,214	101,815,821	109,123,946	108,707,495	(416,451)	-0.4%

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY ENERGY SOURCE

	ACTUAL FY14	ACTUAL FY15	APPROVED FY16	ACTUAL FY16	APPROVED FY17	RECOMMENDED FY18	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS								
NON-DEPARTMENTAL ACCOUNT								
Electricity	20,756,510	20,615,268	21,446,120	21,238,018	21,765,452	22,240,007	474,555	2.2%
Water & Sewer	1,630,635	1,778,860	1,650,938	1,818,926	1,815,096	1,945,694	130,598	7.2%
Fuel Oil	132,406	183,403	205,905	40,889	205,905	205,905	0	0.0%
Natural Gas	1,928,192	1,921,777	1,760,098	1,514,689	1,930,638	1,930,638	0	0.0%
Propane	52,125	51,525	58,830	22,553	63,402	63,402	0	0.0%
GENERAL FUND NDA EXPENDITURES	24,499,868	24,550,833	25,121,891	24,635,075	25,780,493	26,385,646	605,153	2.3%
OTHER TAX SUPPORTED OPERATIONS								
Electricity	2,126,218	2,257,088	2,436,881	2,421,671	2,563,897	2,518,406	(45,491)	-1.8%
Water & Sewer	539,650	561,637	525,138	661,955	525,138	533,822	8,684	1.7%
Fuel Oil	78,790	9,177	96521	3051	96521	9628	(86,893)	-90.0%
Natural Gas	590,644	559,755	591,314	423,994	591,314	616,679	25,365	4.3%
Propane	72,286	65,836	59,575	50,392	59,575	57,910	(1,665)	-2.8%
SUBTOTAL	3,407,588	3,453,493	3,709,429	3,561,063	3,836,445	3,736,445	(100,000)	-2.6%
TOTAL TAX SUPPORTED	27,907,456	28,004,326	28,831,320	28,196,138	29,616,938	30,122,091	505,153	1.7%
NON-TAX SUPPORTED OPERATIONS								
Electricity	4,179,447	3,391,727	4,049,082	4,036,045	4,603,935	4,603,935	0	0.0%
Water & Sewer	107,825	104,179	138,772	142,969	211,590	211,590	0	0.0%
Fuel Oil	2,918	161	4,000	1279	4,000	4,000	0	0.0%
Natural Gas	406,855	335,116	261,745	258,265	448,080	448,080	0	0.0%
Propane	0	0	0	30	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	4,697,045	3,831,183	4,453,599	4,438,588	5,268,645	5,268,645	0	0.0%
SUMMARY - COUNTY GOVERNMENT								
Electricity	27,062,175	26,264,083	27,932,083	27,695,734	28,933,284	29,362,348	429,064	1.5%
Water & Sewer	2,278,110	2,444,676	2,314,848	2,623,850	2,551,824	2,691,106	139,282	5.5%
Fuel Oil	214,114	192,741	306,426	45,219	306,426	219,533	(86,893)	-28.4%
Natural Gas	2,925,691	2,816,648	2,613,157	2,196,948	2,970,032	2,995,397	25,365	0.9%
Propane	124,411	117,361	118,405	72,975	124,017	122,352	(1,665)	-1.3%
TOTAL COUNTY GOVERNMENT	32,604,501	31,835,509	33,284,919	32,634,726	34,885,583	35,390,736	505,153	1.4%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS								
Electricity	62,598,187	57,271,461	58,448,742	57,131,969	59,600,659	58,776,697	(823,962)	-1.4%
Water & Sewer	3,567,374	4,745,064	5,335,165	5,088,182	5,968,477	6,418,340	449,863	7.5%
Fuel Oil	231,536	256,028	262,734	34,198	115,142	110,342	(4,800)	-4.2%
Natural Gas	7,674,647	7,900,336	8,670,368	6,749,514	8,286,009	7,775,274	(510,735)	-6.2%
Propane	215,945	257,908	248,286	177,232	268,076	236,106	(31,970)	-11.9%
SUBTOTAL	74,287,689	70,430,797	72,965,295	69,181,095	74,238,363	73,316,759	(921,604)	-1.2%
TOTAL UTILITIES EXPENDITURES								
Electricity	89,660,362	83,535,544	86,380,825	84,827,703	88,533,943	88,139,045	(394,898)	-0.4%
Water & Sewer	5,845,484	7,189,740	7,650,013	7,712,032	8,520,301	9,109,446	589,145	6.9%
Fuel Oil	445,650	448,769	569,160	79,417	421,568	329,875	(91,693)	-21.8%
Natural Gas	10,600,338	10,716,984	11,283,525	8,946,462	11,256,041	10,770,671	(485,370)	-4.3%
Propane	340,356	375,269	366,691	250,207	392,093	358,458	(33,635)	-8.6%
TOTAL UTILITIES EXPENDITURES	106,892,190	102,266,306	106,250,214	101,815,821	109,123,946	108,707,495	(416,451)	-0.4%