



# Utilities

## RECOMMENDED FY19 BUDGET

\$26,552,746

## FULL TIME EQUIVALENTS

0.00

 DAVID DISE, DIRECTOR

## 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 Department of General Services manages the payment for 1,504 separately metered utility accounts for these facilities, streetlights, and traffic-controlled signalized intersections.

## BUDGET OVERVIEW

The FY19 Recommended Budget for the tax-supported Utilities NDA is \$26,552,746, an increase of \$317,100 or 1.2 percent above the FY18 Approved Budget of \$26,235,645. Allocation of these utilities expenditures is approximately: electricity, 77.8 percent; natural gas, 7.3 percent; water and sewer, 11.9 percent; other utilities, 1.5 percent; fuel oil, 0.3 percent; and propane, 0.2 percent.

The FY19 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 \$71,903,356 which includes the entire bi-county area of WSSC.

The FY19 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$26,552,746) and

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the other tax supported funds (\$3,758,445), is \$30,311,191, an increase of \$339,100 or approximately 1.1 percent above the FY18 Approved utilities budget. The FY19 Recommended Budget for non-tax supported utilities expenditures is \$5,143,533, a decrease of \$127,359 or approximately 2.4 percent from the FY18 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, increased rates, 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 FY19 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 NDA.

### **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.

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## **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 fund 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 Bruce Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

## **BUDGET SUMMARY**

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	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>County General Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	25,603,043	26,235,645	25,835,645	26,552,746	1.2 %
<b>County General Fund Expenditures</b>	<b>25,603,043</b>	<b>26,235,645</b>	<b>25,835,645</b>	<b>26,552,746</b>	<b>1.2 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

### FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY18 ORIGINAL APPROPRIATION</b>	<b>26,235,645</b>	<b>0.00</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: FY19 Increase due to unit costs and consumption changes [Utilities]	707,101	0.00
Decrease Cost: Savings from Energy Conservation CIP projects [Utilities]	(40,000)	0.00
Decrease Cost: Oaks Landfill Solar Savings [Utilities]	(150,000)	0.00
Decrease Cost: Utility Budget Rate, Commodity, and Consumption Savings [Utilities]	(200,000)	0.00
<b>FY19 RECOMMENDED</b>	<b>26,552,746</b>	<b>0.00</b>

### FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY19 Recommended</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>
No inflation or compensation change is included in outyear projections.						
<b>Subtotal Expenditures</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>	<b>26,553</b>

**COUNTY UTILITIES EXPENDITURES**

EXPENDITURES BY DEPARTMENT/AGENCY							
ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	APPROVED FY18	RECOMMENDED FY19	CHANGE BUD/REC	% CHANGE BUD/REC	
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>							
<b>NON-DEPARTMENTAL ACCOUNT</b>							
Facilities	15,809,149	16,370,971	16,610,750	17,518,450	17,835,550	317,100	1.8%
Traffic Signals and Streetlighting	8,741,684	8,264,104	8,992,294	8,717,196	8,717,196	0	0.0%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>24,550,833</b>	<b>24,635,075</b>	<b>25,603,044</b>	<b>26,235,646</b>	<b>26,552,746</b>	<b>317,100</b>	<b>1.2%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>							
Transit Services	180,519	87,135	147,363	176,200	176,200	0	0.0%
Recreation	3,272,974	3,473,928	3,675,506	3,560,245	3,582,245	22,000	0.6%
<b>SUBTOTAL</b>	<b>3,453,493</b>	<b>3,561,063</b>	<b>3,822,869</b>	<b>3,736,445</b>	<b>3,758,445</b>	<b>22,000</b>	<b>0.6%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>28,004,326</b>	<b>28,196,138</b>	<b>29,425,913</b>	<b>29,972,091</b>	<b>30,311,191</b>	<b>339,100</b>	<b>1.1%</b>
<b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>							
Fleet Management Services	628,198	1,089,543	997,885	1,630,392	1,630,392	0	0.0%
Parking Districts	2,304,797	2,457,322	2,441,011	2,600,196	2,609,921	9,725	0.4%
Liquor Control	748,158	737,033	713,674	865,810	725,810	(140,000)	-16.2%
Solid Waste Services	150,030	154,690	160,147	174,494	177,410	2,916	1.7%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>3,831,183</b>	<b>4,438,588</b>	<b>4,312,717</b>	<b>5,270,892</b>	<b>5,143,533</b>	<b>(127,359)</b>	<b>-2.4%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>							
TOTAL TAX SUPPORTED	28,004,326	28,196,138	29,425,913	29,972,091	30,311,191	339,100	1.1%
TOTAL NON-TAX SUPPORTED	3,831,183	4,438,588	4,312,717	5,270,892	5,143,533	(127,359)	-2.4%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>31,835,509</b>	<b>32,634,726</b>	<b>33,738,630</b>	<b>35,242,983</b>	<b>35,454,724</b>	<b>211,741</b>	<b>0.6%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>							
Montgomery County Public Schools	36,492,289	35,805,654	37,634,363	38,216,588	38,957,476	740,888	1.9%
Montgomery College	7,500,177	7,727,604	7,540,902	8,978,960	8,714,025	(264,935)	-3.0%
Washington Suburban Sanitary Commission	23,246,536	22,482,138	22,510,591	22,505,393	20,635,149	(1,870,244)	-8.3%
M-NCPPC	3,191,795	3,165,699	3,182,797	3,525,973	3,596,706	70,733	2.0%
<b>TOTAL OTHER AGENCIES EXPENDITURES</b>	<b>70,430,797</b>	<b>69,181,095</b>	<b>70,868,653</b>	<b>73,226,914</b>	<b>71,903,356</b>	<b>(1,323,558)</b>	<b>-1.8%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>102,266,306</b>	<b>101,815,821</b>	<b>104,607,283</b>	<b>108,469,897</b>	<b>107,358,080</b>	<b>(1,111,817)</b>	<b>-1.0%</b>

<b>COUNTY UTILITIES EXPENDITURES</b>							
<b>EXPENDITURES BY ENERGY SOURCE</b>							
	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	APPROVED FY18	RECOMMENDED FY19	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>							
<b>NON-DEPARTMENTAL ACCOUNT</b>							
Electricity	20,615,268	21,238,018	21,301,895	22,090,007	21,313,761	0	-3.5%
Water & Sewer	1,778,860	1,818,926	2,470,869	1,945,694	3,153,116	1,207,422	62.1%
Fuel Oil	183,403	40,889	51,196	205,905	91,829	(114,076)	-55.4%
Natural Gas	1,921,777	1,514,689	1,747,702	1,930,638	1,930,638	0	0.0%
Propane	51,525	22,553	31,382	63,402	63,402	0	0.0%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>24,550,833</b>	<b>24,635,075</b>	<b>25,603,044</b>	<b>26,235,646</b>	<b>26,552,746</b>	<b>317,100</b>	<b>1.2%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>							
Electricity	2,257,088	2,421,671	2,655,166	2,518,406	2,540,406	22,000	0.9%
Water & Sewer	561,637	661,955	670,521	533,822	533,822	0	0.0%
Fuel Oil	9,177	3,051	4,791	9,628	9,628	0	0.0%
Natural Gas	559,755	423,994	449,634	616,679	616,679	0	0.0%
Propane	65,836	50,392	42,757	57,910	57,910	0	0.0%
<b>SUBTOTAL</b>	<b>3,453,493</b>	<b>3,561,063</b>	<b>3,822,869</b>	<b>3,736,445</b>	<b>3,758,445</b>	<b>22,000</b>	<b>0.6%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>28,004,326</b>	<b>28,196,138</b>	<b>29,425,913</b>	<b>29,972,091</b>	<b>30,311,191</b>	<b>339,100</b>	<b>1.1%</b>
<b>NON-TAX SUPPORTED OPERATIONS</b>							
Electricity	3,391,727	4,036,045	3,831,897	4,606,182	4,561,911	(44,271)	-1.0%
Water & Sewer	104,179	142,969	179,439	211,590	222,009	10,419	4.9%
Fuel Oil	161	1,279	1,592	4,000	4,078	78	2.0%
Natural Gas	335,116	258,265	299,544	448,080	354,495	(93,585)	-20.9%
Propane	0	30	245	1,040	1,040	0	0.0%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>3,831,183</b>	<b>4,438,588</b>	<b>4,312,717</b>	<b>5,270,892</b>	<b>5,143,533</b>	<b>(127,359)</b>	<b>-2.4%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>							
Electricity	26,264,083	27,695,734	27,788,958	29,214,595	28,416,078	(798,517)	-2.7%
Water & Sewer	2,444,676	2,623,850	3,320,829	2,691,106	3,908,947	1,217,841	45.3%
Fuel Oil	192,741	45,219	57,579	219,533	105,535	(113,998)	-51.9%
Natural Gas	2,816,648	2,196,948	2,496,880	2,995,397	2,901,812	(93,585)	-3.1%
Propane	117,361	72,975	74,384	122,352	122,352	0	0.0%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>31,835,509</b>	<b>32,634,726</b>	<b>33,738,630</b>	<b>35,242,983</b>	<b>35,454,724</b>	<b>211,741</b>	<b>0.6%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>							
Electricity	57,271,461	57,131,969	57,578,814	58,763,602	56,923,898	(1,839,704)	-3.1%
Water & Sewer	4,745,064	5,088,182	6,484,799	6,370,300	6,890,669	520,369	8.2%
Fuel Oil	256,028	34,198	57,738	131,042	131,042	0	0.0%
Natural Gas	7,900,336	6,749,514	6,504,738	7,735,364	7,732,641	(2,723)	0.0%
Propane	257,908	177,232	242,564	226,606	225,106	(1,500)	-0.7%
<b>SUBTOTAL</b>	<b>70,430,797</b>	<b>69,181,095</b>	<b>70,868,653</b>	<b>73,226,914</b>	<b>71,903,356</b>	<b>(1,323,558)</b>	<b>-1.8%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>							
Electricity	83,535,544	84,827,703	85,367,772	87,978,197	85,339,976	(2,638,221)	-3.0%
Water & Sewer	7,189,740	7,712,032	9,805,628	9,061,406	10,799,616	1,738,210	19.2%
Fuel Oil	448,769	79,417	115,317	350,575	236,577	(113,998)	-32.5%
Natural Gas	10,716,984	8,946,462	9,001,618	10,730,761	10,634,453	(96,308)	-0.9%
Propane	375,269	250,207	316,948	348,958	347,458	(1,500)	-0.4%
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>102,266,306</b>	<b>101,815,821</b>	<b>104,607,283</b>	<b>108,469,897</b>	<b>107,368,080</b>	<b>(1,111,817)</b>	<b>-1.0%</b>