



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 FY20 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 Woods & Poole Economics 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 1,078,725 in 2019 to 1,140,746 by 2025. This reflects an average annual growth rate of 0.9 percent.
- Current projections estimate the number of households to increase from 383,632 in 2019 to 410,219 by 2025. Household growth over that period is projected to grow at an average annual rate of 1.1 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 12,545 in 2018 to 13,100 by 2025.
- The County expects Montgomery County Public School student enrollment to increase by 11,199 between FY19 and FY25.
- Montgomery College full-time equivalent student enrollments are projected to increase from 18,624 in FY19 to 18,744 in FY24.

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;
- Devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets;
- Major demographic changes;

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- Military conflicts and acts of terrorism; and
 - Major international economic and political changes.

Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY20 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.

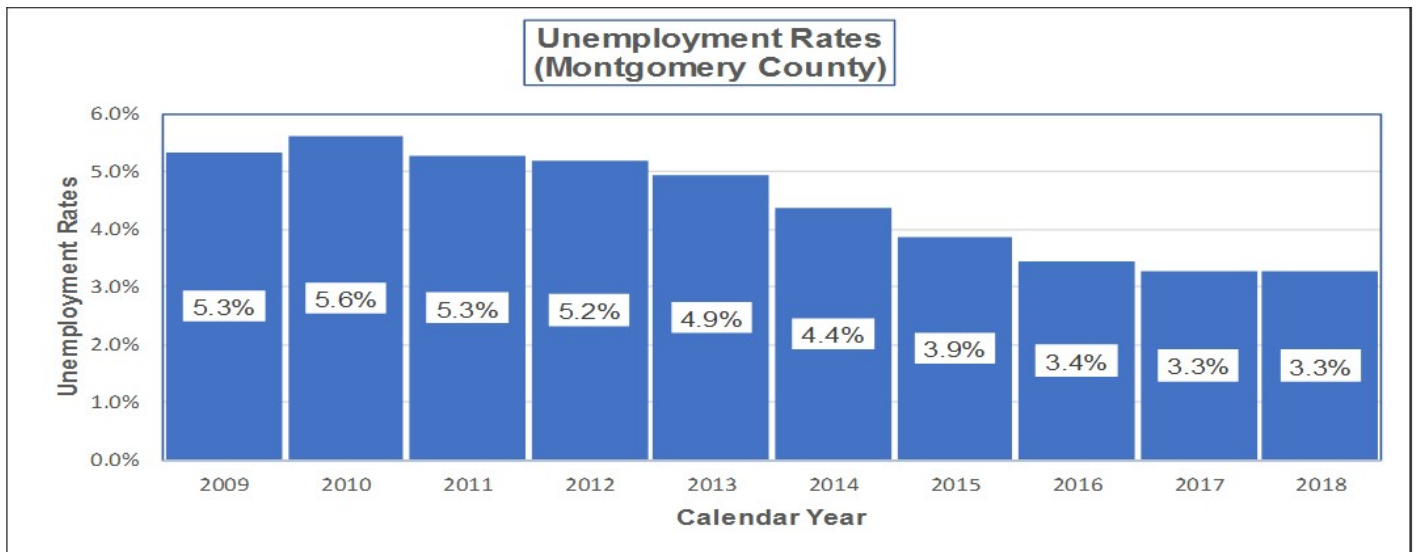
Economic Assumptions

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 generally experienced positive economic performance during 2018. Some of the areas of strength included an increase in resident employment, a decline in the unemployment rate, an increase in the median sales price for an existing home, an increase in the construction of residential housing, an increase in the added values of new construction for residential and non-residential properties, and a modest increase in retail sales. However, partially offsetting those increases, the County experienced a decline in the number of sales of existing homes.

Employment Situation

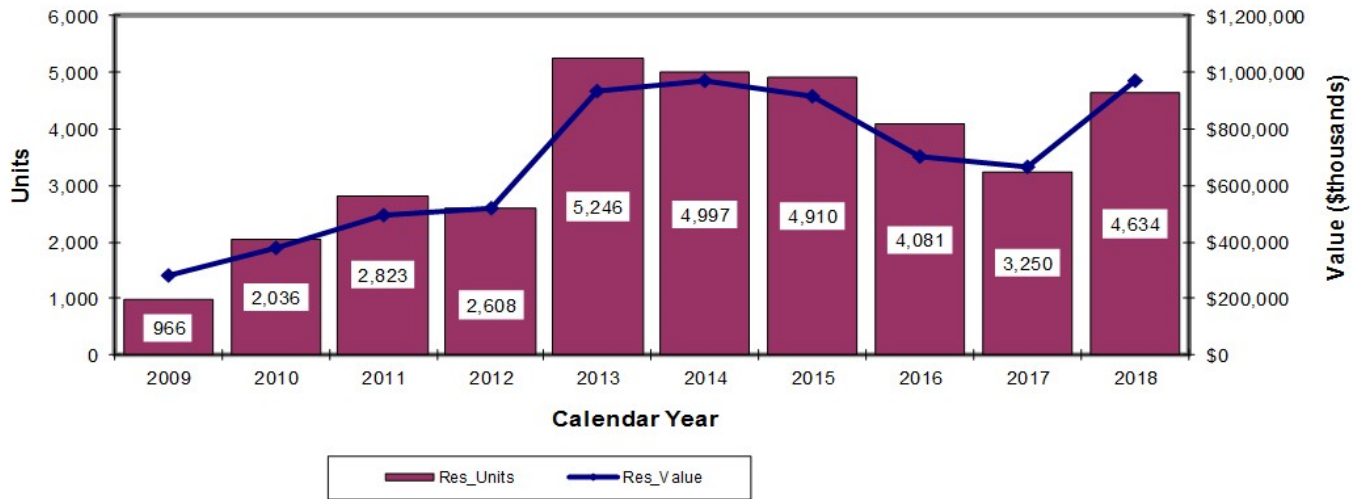
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in 2018 increased by nearly 4,300 from 2017 (↑ 0.8%). The County's unemployment rate at 3.3 percent was the lowest rate and remained at its lowest level in the past ten years.



Construction Activity

The construction of new residential units increased nearly 43 percent in 2018 and total value added increased from \$664.7 million in 2017 to \$972.6 million in 2018 (↑ 46.3%). The total value added from non-residential projects increased from \$965.8 million in 2017 to \$1,581.2 million (↑ 63.7%).

Number of New Residential Starts (Units) and Value (Montgomery County)

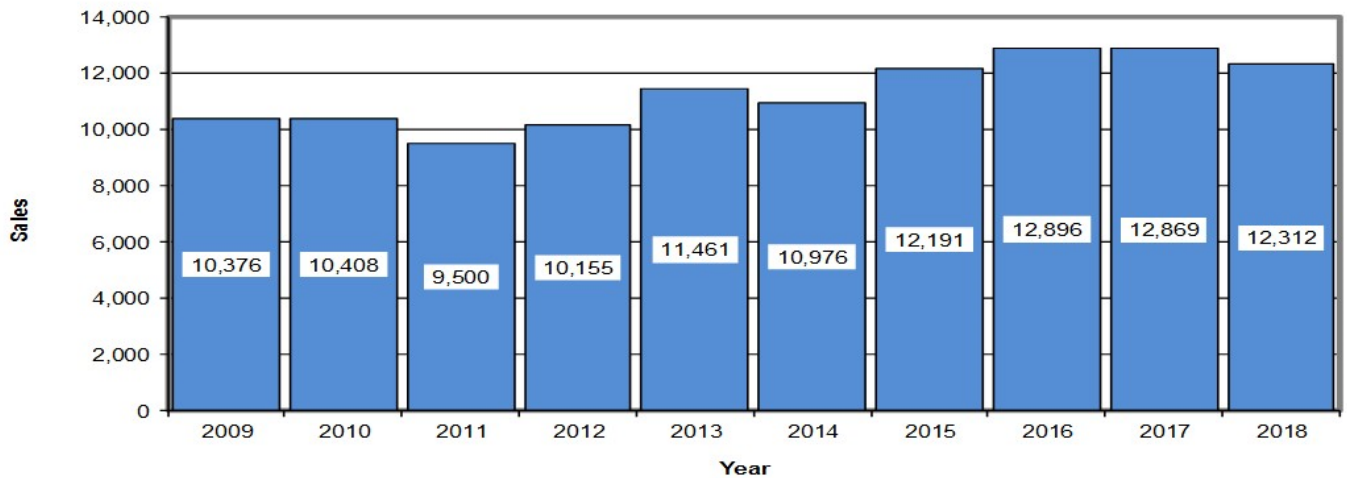


SOURCES: McGraw-Hill Construction and Montgomery County Department of Finance

Residential Real Estate

During calendar year 2018, existing home sales decreased 4.3 percent which followed a modest 0.3 percent decrease in 2017. The median sales price for existing homes increased 4.8 percent in 2018 following an increase of 2.5 percent in 2017.

Sales of Existing Homes (Montgomery County)



SOURCE: Metropolitan Regional Information System, Inc.



Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, retail sales, including assessment collections, increased 0.8 percent in 2018 from 2017. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, increased a modest 0.1 percent during this period while sales of durable goods were up 2.8 percent. The increase in nondurable goods purchases was solely attributed to the increase in apparel goods (↑ 4.8%), while the increase in purchases of durable goods was largely attributed to an increase in automobile sales and products (↑ 5.7%), and building and industrial supplies (↑ 3.7%).

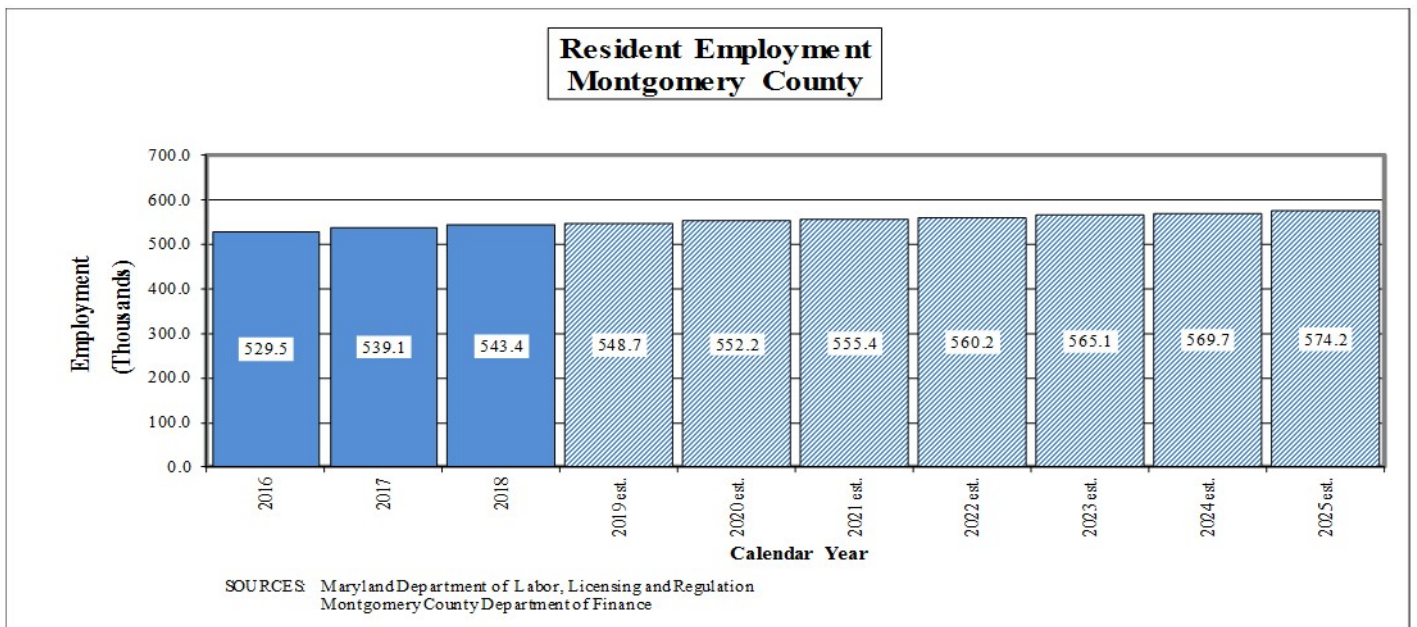
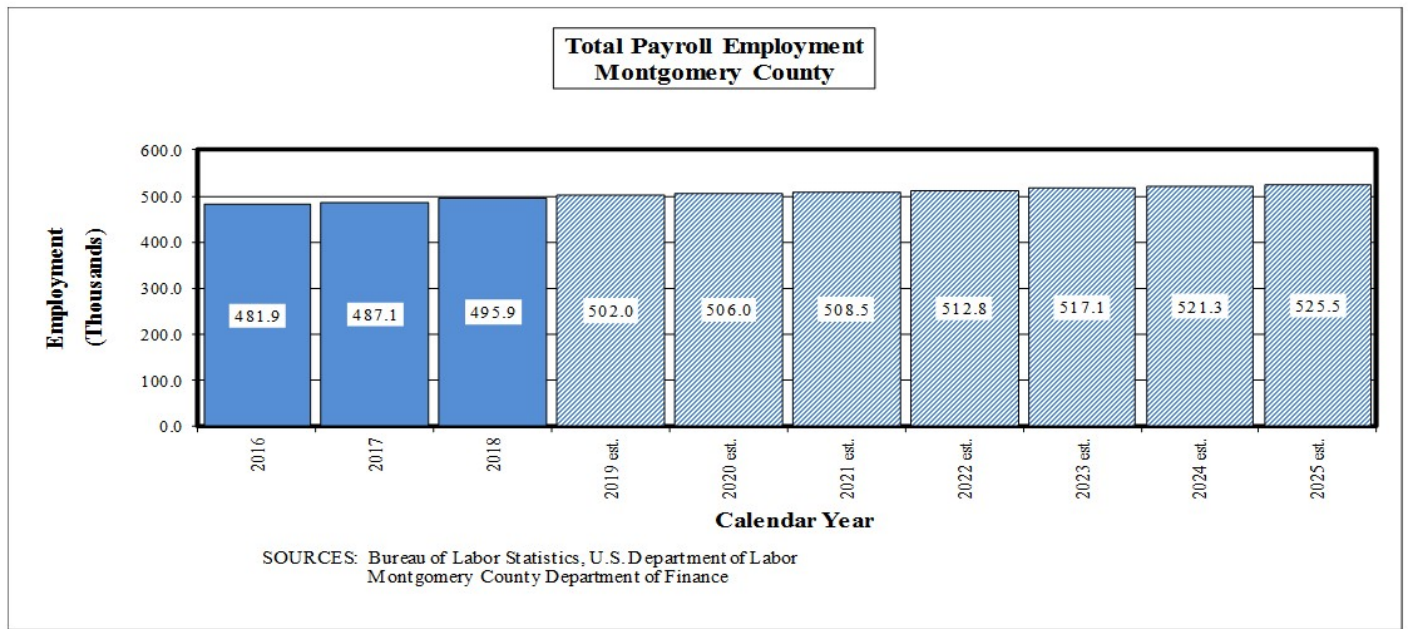
CONCLUSION

The major economic indicators confirm that the County's economy experienced generally positive performance during 2018. That performance included a strong increase in residential employment, a decline in the unemployment rate, and an increase in the median sales price for an existing home, and increases in added value of new residential and non-residential construction but partially offset by a decline in the number of sales of existing homes.

ECONOMIC OUTLOOK

The Department of Finance (Finance) forecasts that Montgomery County's economy will continue to improve through the next six years.

Employment. Finance assumes payroll employment will continue to increase from CY2018 to CY2025 and grow at an average annual rate of 0.8 percent over that period. This is same average annual rate growth rate of 0.8 percent experienced between CY2011 and CY2018.



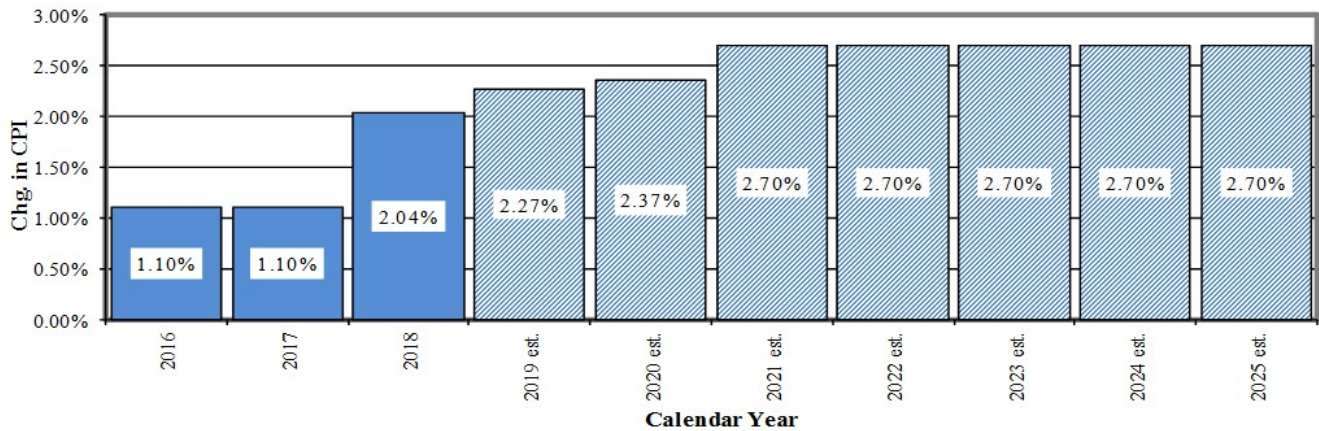
Finance assumes that resident employment will also increase at an average annual rate of 0.8 percent from CY2018 to CY2025. However, that rate is slightly below the average annual rate of 1.0 percent between CY2011 and CY2018.

Personal Income. Finance assumes that total personal income in Montgomery County will grow at an average annual rate of 4.1 percent from CY2015 to CY2024. By CY2025, total personal income will reach \$125.4 billion.

Wage and Salary Income. Finance assumes that wage and salary income will grow at an average annual rate of 3.6 percent between CY2017 and CY2025. Total wage and salary income are estimated to reach \$50.7 billion by CY2025.

Inflation (annual average). Finance assumes that the overall regional inflation index will steadily increase from 2.04 percent in CY2018 to 2.70 percent by CY2025.

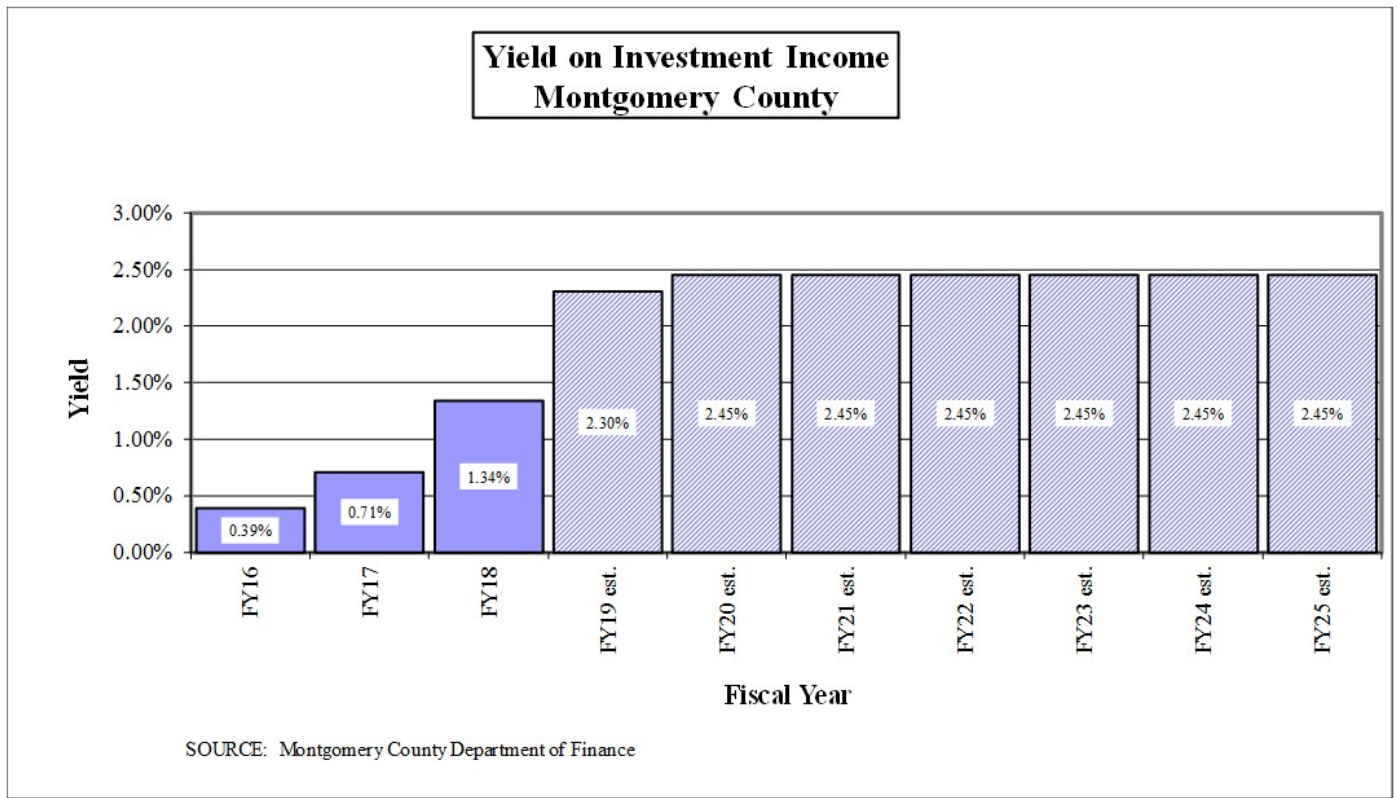
Change in Consumer Price Index Washington Metropolitan Statistical Area



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor
Montgomery County Department of Finance

Interest Rates

The target federal funds rates were increased by the Federal Open Market Committee (FOMC) of the Federal Reserve System three times in 2017 by 25 basis points to reach 1.25-1.50 by December 2017 and four times in 2018 to reach 2.25-2.50 by December 2018. Since the yield on the County's short-term investments is highly correlated with the federal funds rate, the County earned an average of 0.39 percent in investment income on its short-term portfolio for fiscal year (FY) 2016, an average of 0.71 percent in FY2017, and an average of 1.34 percent in FY2018 with estimated increases to 2.30 percent for FY2019 and to 2.45 percent by FY2025. This assumption is based on no rate increases in the targeted federal funds rate by the FOMC for the remainder of FY19.



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 FY19-24 Capital Improvements Program (CIP) (as of January 15, 2019). Anticipated current revenue adjustments to the January 15, 2019 CIP have been made as part of the Executive's Recommended Operating Budget.

Prior Year Fund Balance

The prior year fund balance for the previous fiscal year is the audited FY18 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

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

Debt service estimates are those made to support the County Executive's Recommended Amended FY19-24 Capital Improvements Program (as of January 15, 2019). 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 43.1 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, 2018, is 1.91 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

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

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 FY20 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$340.8 million in FY19 and the balance is estimated to increase to \$361.0 million in FY20.

Other Uses

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

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"). This budget satisfies the County's policy to increase and maintain the budgeted total reserve of the unrestricted General Fund and Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues by FY20.

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 46.6 percent and 41.6 percent, respectively, of the estimated total tax revenues in FY20. The third category is the energy tax estimated for the General Fund with 5.0 percent share. In fact, these three revenue sources represent 93.2 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.3 percent and 32.4 percent, respectively. The third category is intergovernmental revenues with a 17.8 percent share of the estimated total tax supported revenues in FY20. 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

Using proposed tax rates (levy year 2019) and a recommended \$692 credit, total estimated FY20 tax supported property tax revenues of \$1,836.8 million are 2.8 percent above the revised FY19 estimate. The general countywide rate for FY20 is \$0.7202 per \$100 of assessed real property, while a rate of \$1.8005 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 FY20 is \$0.9786 per \$100 of assessed real property which is 0.0028 cents below the levy year 2018 (FY2019) weighted rate. The 1990 Charter amendment (FIT) limits 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. *As a result of a Charter amendment approved by the voters, this limit may not be overridden unless approved by an affirmative vote of all current Council members.*

The countywide total property taxable assessment is estimated to increase approximately 3.5 percent from a revised \$195.1 billion in FY19 to \$202.1 billion in FY20. The base is comprised of real property and personal property. For FY20, the Department of Finance estimates a real property taxable assessment of approximately \$197.6 billion, an increase of 3.6 percent from FY19, with the remaining \$4.5 billion in personal property. This is the seventh consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

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 real property reassessment for Group 2 increased 4.8 percent for residential and 17.8 percent for commercial in FY18. The real property taxable assessment for Group 3 increased 3.9 percent for residential property and 17.4 percent for commercial property in FY19. Based data from the provided by SDAT, reassessment for real property for Group 1 is estimated to increase 5.0 percent and commercial property is estimated to increase 16.5 percent in FY20.

Income Tax

Estimated FY20 income tax revenues of \$1,640.3 million are 6.3 percent above the revised FY19 estimate. Previously, future income tax estimates starting in FY19 incorporated the impact of the Wynne vs. Comptroller decision by the U.S. Supreme Court on May 18, 2015. However, with the passage of legislation by the Maryland General Assembly, the impact of Wynne repayments will start in FY21 rather than FY19. The estimated FY20 income tax revenues do not include the impact of the Tax Cut and Jobs Act (TCJA, or H.R.1) on the County's estimated FY20 income tax revenues. Because of the proposed legislation by the Maryland General Assembly, actions by State of Maryland officials and regulations issued by the Internal Revenue Service, U.S. Treasury Department, as well as the effect of the federal tax law on business income that may have a fiscal impact on the County, the final "net" impact of the federal tax bill on the County's income tax revenues is uncertain at this time. In lieu of such uncertainty, Finance estimates FY20 income tax revenues based in part on the December 2018 income tax estimate by the Board of Revenue Estimates.

During any one fiscal year, the County receives income tax distributions pertaining to at least three different tax years. With the stock market crash of 2008 and subsequent severe recession, withholdings, estimated payments, and extended filings declined 11.9 percent in tax year (TY) 2008, and decreased 4.9 percent in TY2009, but increased 7.2 percent in TY2010, 6.2 percent in TY2011, and 10.0 percent in TY2012, before declining 3.8 percent in TY2013 attributed to the decline in capital gains. Following the decline in TY2013, income tax revenues increased 6.6 percent in 2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed 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 tax year 2017. 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 that is what occurred as noted below in our receipts from October 15th filers in 2016.

In addition to the quarterly distributions that represent withholdings and estimated payments, receipts from October 15th filers and adjustments to prior year distributions by the Maryland Comptroller revenues from October 15th filers and distribution adjustments experienced a decline of 85.9 percent in tax year 2008 and a modest increase in 2009. However, from tax year 2010 to tax year 2012, revenues increased sharply to \$144.7 million in 2010 and to \$174.2 million in 2012, but below the pre-recession level, decreased to \$96.8 million in 2013 (▼ 44.4%) attributed to the "fiscal cliff" tax policy enacted by the U.S. Congress, increased to \$142.8 million in 2014 (▼ 47.5%), increased to \$149.3 million in 2015 (▲ 4.6%), declined to \$108.3 million (▼ 27.5%) in 2016, but increased to \$130.6 million in 2017 (▲ 20.6%).

Transfer and Recordation Taxes

Estimated FY20 revenues for the General Fund of \$182.8 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 1.2 percent above the revised FY19 estimate. This reflects an FY20 estimate of \$126.3 million in the transfer tax and \$56.5 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. During the first seven months of FY19, the number of transactions for the residential transfer tax increased 7.8 percent and the amount of collections from the residential transfer tax increased 7.7 percent over the same seven-month period in FY18. Over the same seven-month period, the number of transactions for the non-residential transfer tax excluding farms decreased 4.2 percent but the amount of collections increased 56.0 percent compared to FY18. Activity for the recordation tax experienced similar trends during the seven-month period. The number of residential recordation tax transactions for the General Fund have increased 2.7 percent through the first seven months of FY19, and the General Fund collections for the residential recordation tax increased 9.2 percent.

Transactions for the transfer and recordation tax revenues have fluctuated greatly over time and primarily reflect shifting trends in the real estate market. The transfer tax rate is generally one percent of the value of the property transferred to a new owner. This applies to both improved (i.e., building) and unimproved (i.e., land) residential and commercial properties. The recordation tax is levied when changes occur in deeds, mortgages, leases, and other contracts pertaining to the title of either real or personal property.

Effective September 1, 2016, the recordation tax rate for School CIP was raised from 0.250 percent to 0.474 percent of which net revenues must be reserved for and allocated to the cost of capital improvements to schools. Also, if the consideration payable or principal amount of debt secured exceeds \$500,000 the rate increased from \$1.55 to \$2.30 for each fraction of \$500 of the amount over \$500,000 and that revenue must be reserved for the cost of County government capital improvements and rental assistance for low and moderate income households

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 equally affected by business activity and investment, office vacancy rates, property values, and financing costs.

After three consecutive years of decline from FY07 to FY09 attributed to the decline in home sales and the peak in the housing bubble in FY06, the number of residential transfers increased 30.8 percent in FY10 attributed to the federal government first-time homebuyers credit, then decreased for two consecutive years - 22.3 percent in FY11 (12,779) and 5.6 percent in FY12 (12,060). Since FY12, residential transfers increased 11.3 percent in FY13, 8.6 percent in FY14, 1.5 percent in FY15, 8.4 percent in FY16, 2.1 percent in FY17, but declined 8.3 percent in FY18.

Since the peak in the housing bubble in FY06, transfer tax revenues from residential transactions declined 23.3 percent in FY07, 26.5 percent in FY08, and 18.1 percent in FY09 reflecting the decline in the number of transactions, but increased 20.9 percent in FY10 then declined 15.1 percent in FY11, decreased 5.1 percent in FY12, increased 21.2 percent in FY13, 9.8 percent in FY14, 2.4 percent in FY15, 7.7 percent in FY16, 3.6 percent in FY17, and then decreased 1.5 percent in FY18.

The decline in transfer taxes between FY07 and FY09 is attributed to both a decline in home sales that began in the summer of 2005 and in average sales price for existing homes that began in late summer of 2007. Home sales declined 23.3 percent in 2007, declined 17.7 percent in 2008, increased 21.8 percent in 2009, increased a modest 0.3 percent in 2010, decreased 8.7 percent in 2011, increased 6.9 percent and 12.8 percent in 2012 and 2013, respectively. They then decreased 4.2 percent in 2014, increased 11.1 percent in 2015, 5.8 percent in 2016, and then declined a modest 0.2 percent in 2017. Home sales decreased by 4.3 percent in 2018, but the median sales price increased 4.8 percent in 2018.

Beginning in FY06, revenues from non-residential property transfers experienced dramatic volatility over the next eleven years. After increasing 13.4 percent in FY06, transfer tax revenues from non-residential properties declined 49.2 percent in FY07, increased a modest 1.8 percent in FY08, declined 25.7 percent in FY09, but increased 12.9 percent in FY10, 45.9 percent in FY11, and 57.7 percent in FY12, then declined 3.9 percent in FY13 and 17.9 percent in FY14. Revenues increased 13.7 percent in FY15 and 12.6 percent in FY16, before jumping a near-term record 72.0 percent in FY17, but declined 20.0 percent in FY18.

Revenues from residential recordation tax revenues increased 20.1 percent in FY06, before declining 19.4 percent in FY07, 21.1 percent in FY08, and 18.3 percent in FY09, increasing 25.3 percent in FY10, decreasing 18.3 percent in FY11, and 4.2 percent in FY12, increasing 23.4 percent in FY13, 9.4 percent in FY14, 6.4 percent in FY15, and 9.0 percent in FY16. Revenue then declined 16.7 percent due to the rate cut in the General Fund and declined 13.5 percent in FY18.

Energy Tax

Estimated FY20 revenues of \$198.9 million are 0.5 percent above the revised FY19 estimate. The estimated revenues for FY20 are based on the County Executive's recommendation to continue the FY20 rates at the FY19 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

Telephone Tax

Estimated FY20 revenues of \$56.3 million are 5.7 percent above the revised FY19 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.

Hotel/Motel Tax

Estimated FY20 revenues of \$22.6 million are 2.4 percent above the revised FY19 estimate. 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 FY19 is also assumed for FY20. 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.

Admissions Tax

Estimated FY20 revenues of \$3.9 million are 7.3 percent above the revised FY19 estimate. 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.

E-Cigarettes Tax

Estimated FY20 revenues from the E-Cigarettes tax of \$1.4 million are 3.9 percent above the revised FY19 estimate.

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 \$1.124 billion in FY20. This is a \$13.8 million increase, or 1.2 percent, from the revised FY19 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

General Intergovernmental Revenues

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 FY20. 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 FY20 assumes a \$18.7 million, or 2.1 percent, increase in intergovernmental revenues from the revised FY19 estimate, of which 81.3 percent is allocated to the Montgomery County Public Schools, 4.1 percent to Montgomery Community College, and 4.6 percent to Mass Transit. Total intergovernmental revenue represents an estimated 80.4 percent of the total non-tax revenues for FY20.

Licenses and Permits

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 FY20 assumes a 3.8 percent increase over the revised estimates for FY19, resulting in \$13.3 million in available resources in FY20.

Charges for Services (User Fees)

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 FY20 assumes a decrease of 6.0 percent over the revised estimates for FY19, resulting in \$67.8 million in available resources in FY20.

Fines and Forfeitures

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 FY20 assumes that fines and forfeitures will increase 2.9 percent from the revised estimates for FY19, resulting in \$36.0 million in available resources in FY20.

College Tuition

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 and the tuition rate. The Recommended Budget for FY20 includes a 0.6 percent increase in tuition revenue over the revised estimates for FY19, resulting in \$75.9 million in available resources in FY20.

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 FY19 tax-supported investment income estimate of \$8.1 million assumes a yield on equity of 2.30 percent and an average daily balance of \$1 billion. The FY20 projected estimate of tax-supported investment income of \$8.6 million assumes a yield on equity of 2.45 percent. Yields have fluctuated significantly over time due to changes in the targeted federal funds rate set by the Federal Open Market Committee (FOMC) of the Federal Reserve System. In calendar year 2019, the federal funds futures market as of March 9, 2019, expects the FOMC will not raise the rate for the current target range on federal funds at 2.25-2.50 percent for the remainder of CY2019.

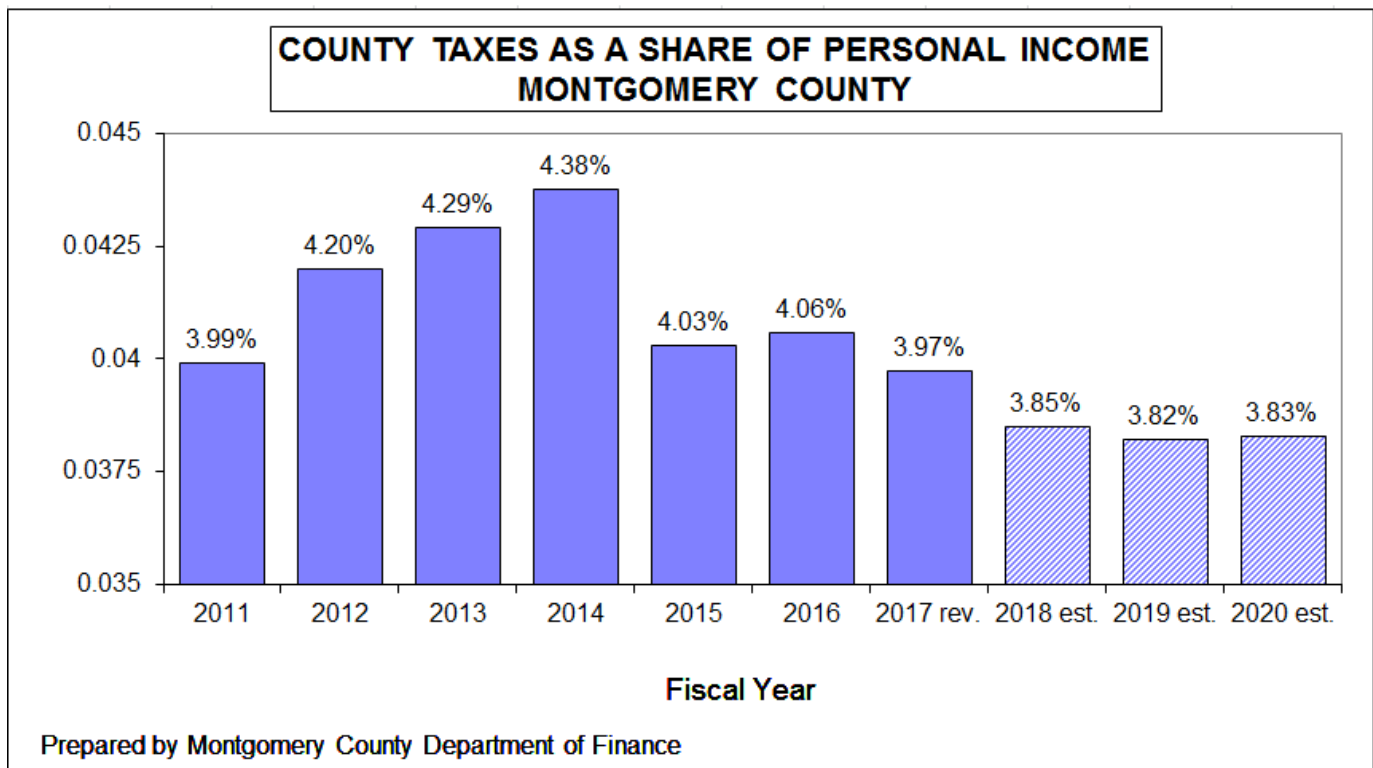
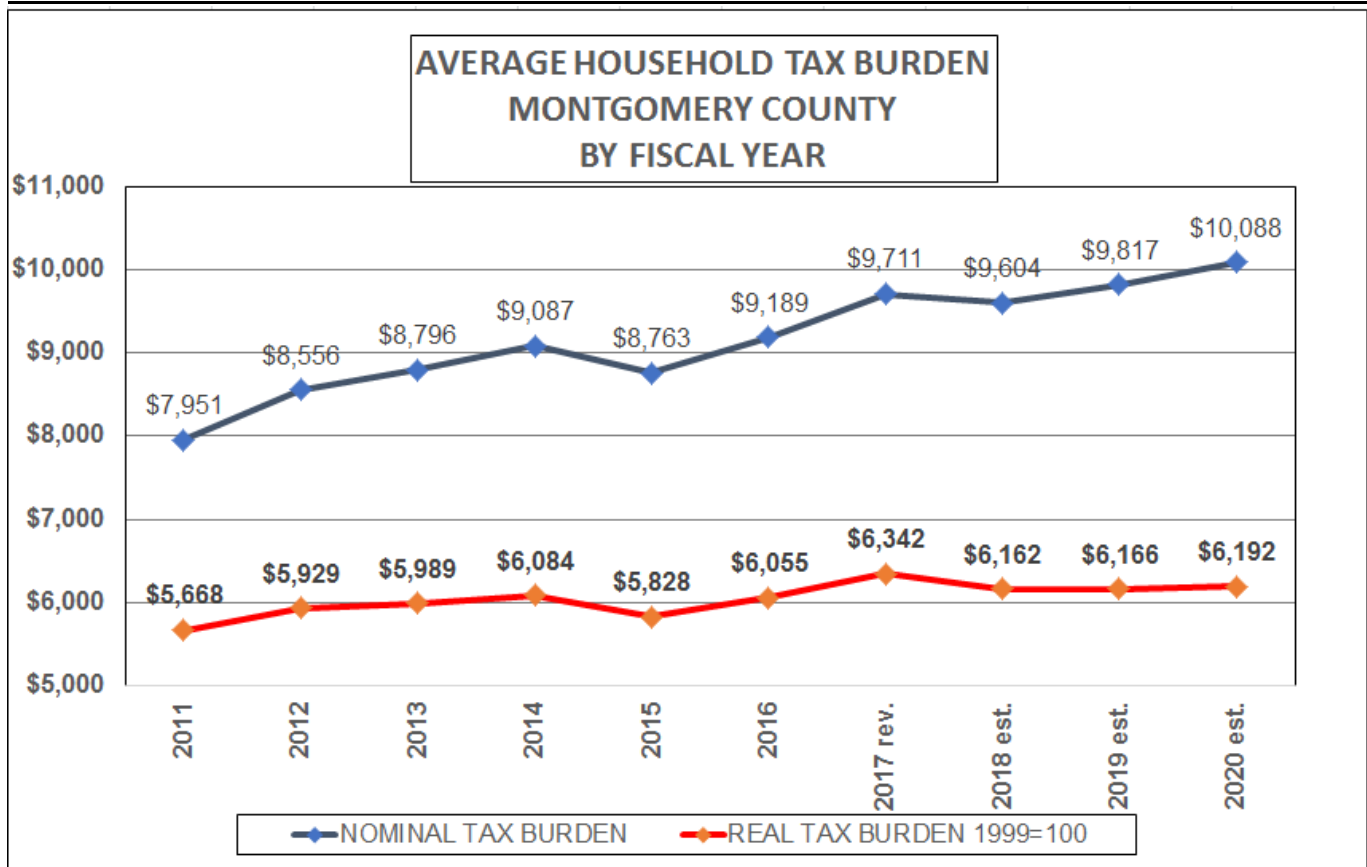
Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY20, miscellaneous revenues will decrease 13.8 percent from the revised estimates for FY19, resulting in \$18.7 million in available resources in FY20.

TRENDS AND PROJECTIONS

DEMOGRAPHIC AND PLANNING INDICATORS	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
POPULATION								
Annual Increase	1,068,721	1,078,725	1,088,823	1,099,015	1,109,302	1,119,686	1,130,167	1,140,746
Population Growth Since 2009	18,351	10,004	10,098	10,192	10,287	10,384	10,481	10,579
County Resident Births (Prior Calendar Year) (a)	11.7%	12.7%	13.8%	14.8%	15.9%	17.0%	18.1%	19.2%
HOUSEHOLDS								
Household Annual Growth (%)	378,205	383,632	388,621	393,216	397,642	401,918	406,063	410,219
Household Growth Since 2009	0.6%	1.4%	1.3%	1.2%	1.1%	1.1%	1.0%	1.0%
Household Growth Since 1992	5.7%	7.2%	8.6%	9.9%	11.1%	12.3%	13.5%	14.6%
Household Size	29.9%	31.7%	33.5%	35.0%	36.6%	38.0%	39.4%	40.9%
RESIDENT EMPLOYMENT (Jan = Calendar Year)								
Resident Employment Annual Growth (%)	543,410	548,730	552,150	555,390	560,210	565,060	569,670	574,190
Resident Employment Growth Since 2009	-0.6%	1.0%	0.6%	0.6%	0.9%	0.8%	0.8%	0.8%
Resident Employment Per Household	11.7%	12.8%	13.5%	14.2%	15.2%	16.2%	17.1%	18.1%
Jobs in County	1.44	1.43	1.42	1.41	1.41	1.41	1.40	1.40
PERSONAL INCOME (\$ Millions)								
Per Capita Personal Income	534,180	538,840	543,500	549,300	555,100	560,900	566,700	572,500
Annual Growth (%)	\$94,300	\$98,500	\$102,400	\$106,300	\$110,800	\$115,400	\$120,200	\$125,400
CONSUMER PRICE INDEX (CPI) - Fiscal Year								
Inflation Growth (Fiscal Year) Since 2009	\$88,240	\$91,310	\$94,050	\$96,720	\$99,880	\$103,060	\$106,360	\$109,930
Annual Growth (%)	1.79%	2.15%	2.32%	2.53%	2.70%	2.70%	2.70%	2.70%
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)								
Annual Growth (%)	-16.7%	0.0%	7.9%	17.7%	25.6%	25.6%	25.6%	25.6%
ASSESSABLE TAX BASE (\$ Millions)								
Growth of Base Since 1992 (%)	2.04%	2.27%	2.37%	2.70%	2.70%	2.70%	2.70%	2.70%
Growth of Base Since 2009 (%)	\$188,182	\$195,137	\$202,062	\$208,919	\$215,483	\$222,113	\$229,022	\$236,720
INVESTMENT INCOME YIELD (%)								
Annual Increase (Decrease)	3.7%	3.7%	3.5%	3.4%	3.1%	3.1%	3.1%	3.4%
MCPs ENROLLMENT (Sept = Calendar Year)								
Annual Growth (%)	214.6%	226.2%	237.8%	249.2%	260.2%	271.3%	282.8%	295.7%
Annual Increase (Decrease)	16.1%	20.4%	24.7%	28.9%	33.0%	37.1%	41.3%	46.1%
MONTGOMERY COLLEGE ENROLLMENTS (b)								
Annual Growth (%)	1.34%	2.30%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%
Full Time Equivalents (Sept = Calendar Year) (c)	161,546	163,123	164,296	165,446	167,594	170,118	172,303	174,322
Annual Growth in FTEs (%)	1.6%	1.0%	0.7%	0.7%	1.3%	1.5%	1.3%	1.2%
	2,536	1,577	1,173	1,150	2,148	2,524	2,185	2,019
	21,720	21,041	21,009	21,001	21,174	21,331	21,331	21,331
	-5.0%	-3.1%	-0.2%	0.0%	0.8%	0.7%	0.0%	0.0%
	19,052	18,624	18,186	18,258	18,348	18,555	18,744	18,744
	-3.5%	-2.2%	-2.4%	0.4%	0.5%	1.1%	1.0%	0.0%

- (a) Projections related to County Resident Births are provided by MNCPPC.
 (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY23.
 (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY24.



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

KEY REVENUE CATEGORIES	App. FY19	Est. FY19	% Chg. FY19-20 Rec/App	Rec. FY20 3-15-19	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25
TAXES														
1 Property Tax	1,808.4	1,788.5	1.6%	1,836.8	3.1%	1,893.8	3.1%	1,951.9	3.5%	2,020.5	3.5%	2,091.4	3.3%	2,160.7
2 Income Tax	1,585.2	1,542.5	3.5%	1,640.3	3.8%	1,702.9	3.5%	1,762.8	4.6%	1,843.2	4.8%	1,930.8	4.7%	2,021.1
3 Transfer Tax	109.5	124.8	15.3%	126.3	0.5%	127.0	2.1%	129.7	3.0%	133.6	4.8%	140.1	4.5%	146.4
4 Recordation Tax	53.4	55.8	5.7%	56.5	0.5%	56.8	2.1%	58.0	3.0%	59.7	4.9%	62.6	4.5%	65.4
5 Energy Tax	194.0	197.9	2.5%	198.9	-2.0%	195.0	2.0%	188.9	-2.1%	194.8	2.1%	198.9	-1.3%	198.3
6 Telephone Tax	53.3	53.3	5.8%	56.3	-0.8%	55.8	-0.3%	55.7	0.3%	55.9	-0.1%	55.8	-0.1%	55.7
7 Hotel/Motel Tax	22.2	22.1	1.8%	22.6	0.8%	23.2	0.8%	23.0	0.8%	23.2	0.8%	23.3	0.8%	23.5
8 Admissions Tax	3.6	3.8	8.1%	3.9	7.8%	4.2	7.8%	4.5	7.9%	4.9	7.8%	5.3	7.9%	5.7
9 E-Cigarette Tax	0.7	1.4	120.3%	1.4	3.8%	1.5	3.7%	1.5	3.8%	1.6	3.5%	1.7	3.5%	1.7
10 Total Local Taxes	3,830.2	3,788.3	2.9%	3,943.1	3.0%	4,059.7	3.1%	4,185.8	3.6%	4,337.3	4.0%	4,509.8	3.7%	4,676.7
INTERGOVERNMENTAL AID														
11 Highway User	3.8	3.8	118.3%	8.2	0.0%	8.2	0.0%	8.2	0.0%	8.2	0.0%	8.2	0.0%	8.2
12 Police Protection	14.2	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2
13 Libraries	6.4	6.4	3.9%	6.7	0.0%	6.7	0.0%	6.7	0.0%	6.7	0.0%	6.7	0.0%	6.7
14 Health Services Case Formula	4.6	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6
15 Mass Transit	40.3	41.3	2.5%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3
16 Public Schools	706.9	706.9	3.9%	734.6	0.0%	734.6	0.0%	734.6	0.0%	734.6	0.0%	734.6	0.0%	734.6
17 Community College	36.6	36.6	1.7%	37.2	0.0%	37.2	0.0%	37.2	0.0%	37.2	0.0%	37.2	0.0%	37.2
18 Other	87.7	71.1	-16.1%	56.8	-29.5%	40.0	-0.2%	39.9	0.0%	39.9	0.0%	39.9	0.0%	39.9
19 Total Intergovernmental Aid	880.5	884.9	2.6%	903.6	-1.5%	886.8	0.0%	886.7	0.0%	886.7	0.0%	886.7	0.0%	886.7
FEES AND FINES														
20 Licenses & Permits	13.1	12.8	1.6%	13.3	1.5%	13.5	1.5%	13.7	1.5%	13.9	1.5%	14.1	1.5%	14.3
21 Charges for Services	72.7	72.2	-6.7%	67.8	2.0%	68.2	2.2%	70.7	2.2%	72.2	2.2%	73.8	2.2%	75.3
22 Fines & Forfeitures	26.1	35.0	23.7%	36.0	1.6%	36.6	1.6%	37.1	1.6%	37.7	1.6%	38.3	1.6%	38.9
23 Montgomery College Tuition	78.2	75.4	-3.0%	75.9	2.0%	77.4	2.2%	79.1	2.2%	80.8	2.2%	82.5	2.2%	84.3
24 Total Fees and Fines	193.0	195.4	0.0%	193.0	1.5%	196.6	2.0%	200.6	2.0%	204.6	2.0%	208.7	2.0%	212.9
MISCELLANEOUS														
25 Investment Income	5.3	8.1	61.3%	8.6	0.0%	8.6	0.1%	8.6	0.0%	8.6	0.0%	8.6	0.0%	8.6
26 Other Miscellaneous	19.2	21.7	-2.77%	18.7	2.5%	19.2	2.7%	19.7	2.7%	20.2	2.7%	20.8	2.7%	21.3
27 Total Miscellaneous	24.6	29.8	11.1%	27.3	1.7%	27.8	1.9%	28.3	1.9%	28.8	1.9%	29.4	1.9%	29.9
28 TOTAL REVENUES	4,928.3	4,898.4	2.8%	5,066.9	2.1%	5,170.9	2.5%	5,301.4	2.9%	5,457.5	3.2%	5,634.6	3.0%	5,806.3
Calculation for Adjusted Governmental Revenues														
29 Total Tax Supported Revenues	4,928.3	4,898.4	2.8%	5,066.9	2.1%	5,170.9	2.5%	5,301.4	2.9%	5,457.5	3.2%	5,634.6	3.0%	5,806.3
30 Capital Projects Fund	187.2	187.2	-22.2%	145.7	-15.0%	123.9	1.2%	125.4	1.3%	126.9	1.7%	129.1	0.0%	129.1
31 Grants	118.5	118.5	0.4%	119.0	2.5%	122.0	2.7%	125.3	2.7%	128.7	2.7%	132.2	2.7%	135.7
32 MCO Adjusted Revenues	5,234.0	5,204.1	1.9%	5,331.7	1.6%	5,416.8	2.5%	5,552.1	2.9%	5,713.1	3.2%	5,895.9	3.0%	6,071.1

County Executive's Recommended FY20-25 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)															
	App. FY19	Est. FY19	% Chg. FY19-20	Rec. FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	
	5-24-18	3-15-19	App/Rec	3-15-19											
Total Revenues															
1	Property Tax	1,808.4	1,786.5	1.6%	1,836.8	3.1%	1,893.8	3.1%	1,951.9	3.5%	2,020.5	3.5%	2,091.4	3.3%	2,180.7
2	Income Tax	1,585.2	1,542.9	3.5%	1,640.3	3.8%	1,702.9	3.6%	1,762.6	4.6%	1,843.2	4.8%	1,930.8	4.7%	2,021.1
3	Transfer/Recordation Tax	162.9	180.6	12.2%	182.8	0.5%	183.7	2.1%	187.7	3.0%	193.3	4.9%	202.7	4.5%	211.8
4	Other Taxes	273.7	278.3	3.5%	283.2	-1.4%	279.3	1.6%	283.7	-1.2%	280.3	1.6%	284.9	-0.7%	283.0
5	Other Revenues	1,068.1	1,110.1	2.3%	1,123.9	-1.1%	1,111.2	0.4%	1,115.6	0.4%	1,120.2	0.4%	1,124.8	0.4%	1,129.6
6	Total Revenues	4,928.3	4,898.4	2.8%	5,066.9	2.1%	5,170.9	2.5%	5,301.4	2.9%	5,457.5	3.2%	5,634.6	3.0%	5,806.3
7															
8	Net Transfers In (Out)	34.9	26.1	-54.2%	16.0	2.5%	16.4	2.7%	16.8	2.7%	17.3	2.7%	17.8	2.7%	18.2
9	Total Revenues and Transfers Available	4,963.3	4,924.4	2.4%	5,082.9	2.1%	5,187.3	2.5%	5,318.3	2.9%	5,474.8	3.2%	5,652.4	3.0%	5,824.5
10															
Non-Operating Budget Use of Revenues															
11	Debt Service	420.0	416.5	2.5%	430.5	4.4%	449.4	2.7%	461.7	3.3%	476.9	0.0%	477.1	1.8%	485.9
12	PAYGO	33.0	33.0	-3.0%	32.0	-3.1%	31.0	-3.2%	30.0	0.0%	30.0	0.0%	30.0	0.0%	30.0
13	CIP Current Revenue	35.6	26.3	3.6%	36.9	137.3%	87.5	-14.3%	75.0	30.4%	97.8	0.8%	98.7	0.0%	98.7
14	Change in Other Reserves	-17.8	-17.8	40.4%	-22.2	100.8%	0.2	-2.8%	0.2	15.2%	0.2	6.0%	0.2	-0.7%	0.2
15	Contribution to General Fund Undesignated Reserves	21.1	63.7	-72.6%	5.8	23.5%	7.1	-26.2%	5.3	6.1%	5.8	20.1%	6.7	15.2%	7.7
16	Contribution to Revenue Stabilization Reserves	29.7	32.1	-31.8%	20.2	-80.2%	32.1	4.0	91.2%	7.8	25.0%	7.8	12.2	-15.6%	10.3
17	Set Aside for other uses (supplemental appropriations)	-4.0	-4.0	450.0%	14.0	42.8%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
18	Total Other Uses of Resources	498.2	549.8	3.8%	517.2	15.9%	599.2	0.1%	599.8	6.7%	640.1	0.8%	644.9	1.2%	652.8
19	Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)	4,465.1	4,374.6	2.3%	4,565.7	0.5%	4,588.1	2.8%	4,718.5	2.5%	4,834.7	3.6%	5,007.5	3.3%	5,171.7
20															
Agency Uses															
21	Montgomery County Public Schools (MCPS)	2,444.1	2,425.9	1.6%	2,483.7										
22	Montgomery College (MC)	285.5	281.2	-1.2%	282.4										
23	MNCPPC (w/o Debt Service)	128.3	126.5	0.8%	129.3										
24	MCG	1,627.2	1,580.9	3.6%	1,680.4										
25	Agency Uses	4,465.1	4,374.6	2.3%	4,565.7	0.5%	4,588.1	2.8%	4,718.5	2.5%	4,834.7	3.6%	5,007.5	3.3%	5,171.7
26	Total Uses	4,963.3	4,924.4	2.4%	5,082.9	2.1%	5,187.3	2.5%	5,318.3	2.9%	5,474.8	3.2%	5,652.4	3.0%	5,824.5
27	(Gap)/Available	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0
28															
29															
30															

Assumptions:

1. Property taxes are at the Charter Limit with a \$692 credit. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target.
3. PAYGO, debt service, and current revenue reflect the County Executive's Amendments to the FY19-24 Capital Improvements Program and additional proposed current revenue amendments.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY20-25.

County Executive's Recommended FY20-25 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)													
	App. FY19	Est. FY19	% Chg. FY19-20 App/Rec	Rec. FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25 Projected FY25
Beginning Reserves													
31 Unrestricted General Fund	133.0	102.7	25.1%	186.4	3.5%	172.2	4.1%	179.3	2.9%	184.6	3.0%	190.2	3.5%
32 Revenue Stabilization Fund	308.3	308.7	10.8%	340.8	5.8%	301.0	1.1%	386.0	2.1%	372.7	2.6%	382.3	3.2%
33 Total Reserves	441.2	411.4	15.0%	507.2	5.1%	533.2	2.1%	544.4	2.4%	557.3	2.7%	572.5	3.3%
Additions to Reserves													
36 Unrestricted General Fund	21.1	63.7	-72.6%	5.8	23.5%	7.1	-26.2%	5.3	6.1%	5.6	20.1%	6.7	15.2%
37 Revenue Stabilization Fund	29.7	32.1	-31.8%	20.2	-80.2%	4.0	91.2%	7.6	25.0%	9.6	27.6%	12.2	-15.6%
38 Total Change in Reserves	50.8	95.8	-48.8%	26.0	-57.2%	11.1	16.0%	12.9	17.3%	15.2	24.6%	18.9	-4.6%
Ending Reserves													
41 Unrestricted General Fund	154.1	166.4	11.8%	172.2	4.1%	179.3	2.9%	184.6	3.0%	190.2	3.5%	196.9	3.9%
42 Revenue Stabilization Fund	338.0	340.8	6.8%	361.0	1.1%	365.0	2.1%	372.7	2.6%	382.3	3.2%	394.5	2.6%
43 Total Reserves	492.0	507.2	8.4%	533.2	2.1%	544.4	2.4%	557.3	2.7%	572.5	3.3%	591.4	3.1%
Reserves as a % of Adjusted Governmental Revenues	9.4%	9.7%		10.0%	10.0%	10.0%		10.0%	10.0%	10.0%		10.0%	10.0%
Other Reserves													
46 Montgomery College	4.7	7.5	-3.8%	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5	0.0%	4.5	0.0%
47 MNCPPC	4.3	5.6	14.1%	4.9	3.1%	5.1	3.1%	5.3	3.5%	5.4	3.5%	5.6	3.3%
48 MCPS	0.0	25.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a
49 MCG Special Funds	0.8	-5.8	-18.1%	0.7	4.1%	0.7	2.9%	0.7	3.0%	0.7	3.5%	0.8	3.9%
MCG + Agency Reserves as a % of Adjusted Govt Revenues	9.6%	10.4%		10.2%	10.2%	10.2%		10.2%	10.2%	10.2%		10.2%	10.2%
Retiree Health Insurance Pre-Funding													
52 Montgomery County Public Schools (MCPS)	79.4	27.2		78.5		85.0		89.2		88.2		87.7	81.1
53 Montgomery College (MC)	2.8	0.0		5.4		5.5		5.6		5.4		5.3	5.2
54 MNCPPC	3.0	3.0		2.8		2.7		2.6		2.6		2.5	2.5
55 MCG	43.6	9.0		34.7		34.5		34.3		31.7		29.9	28.6
56 Subtotal Retiree Health Insurance Pre-Funding	128.8	39.2		121.4		127.7		131.6		128.0		125.5	117.4
Adjusted Governmental Revenues													
58 Total Tax Supported Revenues	4,928.3	4,898.4	2.8%	5,066.9	2.1%	5,170.9	2.5%	5,301.4	2.9%	5,457.5	3.2%	5,634.6	3.0%
59 Capital Projects Fund	187.2	187.2	-22.2%	145.7	-15.0%	123.9	1.2%	125.4	1.3%	126.9	1.7%	129.1	0.0%
60 Grants	118.5	118.5	0.4%	119.0	2.5%	122.0	2.7%	125.3	2.7%	128.7	2.7%	132.2	2.7%
61 Total Adjusted Governmental Revenues	5,234.0	5,204.1	1.9%	5,331.7	1.6%	5,416.8	2.5%	5,552.1	2.9%	5,713.1	3.2%	5,895.9	3.0%
62													6,071.1

FY20 FEE AND FINE CHANGES*			
DEPARTMENT/FEE AND FINE	FY20 REVENUE CHANGE	METHOD OF CHANGE	NOTE
MONTGOMERY COLLEGE			
Tuition and Related Fees	\$2,618,784	Board of Trustees Action	Increase per semester hour rate from \$128 to \$132 for County residents; \$261 to \$269 for in-State and out-of-County residents; and \$362 to \$374 for out-of-State residents.
DEPARTMENT OF PERMITTING SERVICES			
Commercial and Residential Permits and Fees	\$2,000,000	Council Resolution	Increase the Enterprise Fund Stabilization Factor by five percent to cover costs and meet reserve policy.
DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS			
Rental License Fee	\$321,420	Executive Regulation	Increase Rental License Fee for multifamily from \$44 to \$47; single family from \$101 to \$104; and condos from \$59 to \$62.
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Solid Waste Disposal Charge	\$1,609,786	Council Resolution	Increase the single family charge per household from \$205.11 to \$213.26.
Refuse Collection Charge	\$1,670,940	Council Resolution	Increase charge from \$77 to \$95.
DEPARTMENT OF TRANSPORTATION			
Leaf Vacuuming Charge	\$392,926	Council Resolution	Increase leaf vacuum charge from \$102.93 to \$108.16 for a single-family household and from \$4.08 to \$4.26 for a multi-family unit.
Parking Fees- Bethesda	\$5,400	Council Resolution	Increase maximum fees for on-street parking from \$2.25 to \$4.00 for parking spaces within the right-of-way on public streets.
Parking Fees- Silver Spring	\$2,600,000	Council Resolution	Create daily maximum and lost ticket fee of \$15.00 per day, increase Monthly Access Card from \$123 to \$195, and increase Parking Convenience Sticker from \$123 to \$132 per month at gated garages. Increase daily parking permit from \$7.80 to \$12.00. Increase maximum hourly rates in parking spaces within public street right-of-way from \$1.00 to \$2.25. Increase maximum hourly rates for surface parking lots from \$.80 to \$1.25. Increase maximum hourly rates in garages from \$.70 to \$1.25.
Parking Fees- Wheaton	\$125,000	Council Resolution	Increase hours of on-street meters, parking lots, and garages from 9:00 am to 6:00 pm to 9:00 am to 10:00 pm, Monday through Saturday.
Parking Fees- Temporary Parking Meter Removal and Bagging	\$10,000	Council Resolution	Create new fee of \$350 per meter to temporarily remove or re-install parking meters and create fee of \$100 per meter to be bagged for the first hour and an additional \$2 per meter for each additional hour.
GRAND TOTAL	11,354,256		

* All changes are assumed to be effective July 1, 2019 except as noted.