



Recycling and Resource Management

RECOMMENDED FY27 BUDGET

\$198,107,311

FULL TIME EQUIVALENTS

116.34

 **JENNIFER MACEDONIA, DIRECTOR**

MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to enhance the quality of life in our community by protecting and improving Montgomery County's air, water, and land in a sustainable, innovative, inclusive, and industry-leading way while fostering smart growth, a thriving more sustainable economy, and healthy communities.

BUDGET OVERVIEW

The total recommended FY27 Operating Budget for the Recycling and Resource Management is \$198,107,311, an increase of \$5,997,190 or 3.12 percent from the FY26 Approved Budget of \$192,110,121. Personnel Costs comprise 9.06 percent of the budget for 76 full-time position(s) and one part-time position(s), and a total of 116.34 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 90.94 percent of the FY27 budget.

The debt service for the Disposal Fund is appropriated in the Debt Service Fund and is, therefore, not displayed in this section. To pay for the debt service, a transfer of funds from the Disposal Fund to the Debt Service Fund is required.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Greener County**
-  **Effective, Sustainable Government**

INITIATIVES

-  Plan to terminate the contract with the Resource Recovery Facility and end operations in January 2027.

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- ★ Implement long-haul of waste to a landfill starting January 2027 while pursuing advanced waste processing initiatives to divert as much waste as possible from landfilling.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Continued Montgomery County's food scraps recycling programs:
 - Public: Offered four Food Scraps Recycling Drop-Off collection points at existing farmers markets. DEP's food scraps recycling program offers weekend drop-off sites in Silver Spring, Bethesda, Derwood, and Olney. Three sites operate year-round, one seasonally.
 - Residential: Phase I and Phase II of the Single-Family Residential Curbside Food Scraps Recycling Pilot Program continued, allowing households in Silver Spring, Potomac, and Bethesda/Rockville to recycle millions of pounds of food scraps.
 - Commercial: DEP supports businesses and government facilities with food scraps recycling through technical assistance, training, and program design.
- ★ Upgraded scale house information technology, relocated the cashier and vehicle processing operations, and installed new network equipment. Enhancements included a new scale weight display system, license plate and overhead cameras for better load verification, and a fifth processing station to improve efficiency and backup support.
- ★ Coordinated, hosted, and/or participated in recycling educational events across the community. Through these FY25 programs, DEP reached people directly and provided education and information on zero waste, waste reduction, reuse, recycling, buying recycled, grasscycling, composting, and food scraps diversion.

PROGRAM CONTACTS

Contact Vicky Wan of the Recycling and Resource Management at 240-777-7722 or Richard H. Harris of the Office of Management and Budget at 240-777-2795 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY26 estimates reflect funding based on the FY26 Approved Budget. The FY27 and FY28 figures are performance targets based on the FY27 Recommended Budget and funding for comparable service levels in FY28.

PROGRAM DESCRIPTIONS

★ Administration and Support

The Strategic and Administrative Services (SAS) Division provides essential support to ensure the department operates efficiently, transparently, and strategically. SAS oversees Fiscal Management, including budget and financial planning, debt management, payroll, accounts receivable and payable, fixed assets, internal controls, compliance, and financial reporting. These functions ensure accountability and sound stewardship of public resources.

Information Technology Operations within SAS manages the department's technology infrastructure, providing reliable systems, cybersecurity, and comprehensive IT support. This includes helpdesk and network services, application management, GIS, equipment and device oversight, and continuity of operations.

Human Resources and the Racial Equity & Social Justice (RESJ) team work together to foster a fair, inclusive, and high-performing workplace. HR supports recruitment, onboarding, performance management, and compliance, while RESJ embeds equity principles into policies, programs, and community engagement efforts.

Procurement manages purchasing, contract administration, vendor relationships, and compliance with County policies, insurance, and bonding requirements. Billing Management ensures accurate and efficient collection of the Solid Waste Fee and the Water Quality Protection Charge, including processing appeals, credits, and customer inquiries. Performance and Data Management drives strategic planning, innovation, and data analysis to inform departmental decision-making, while Administrative Services coordinates daily operations such as facilities management, office administration, fleet oversight, and financial processing support.

Separate from SAS, the DEP Communications team works to engage the public and increase transparency. The team focuses on expanding media coverage, growing the department's social media audience, improving the DEP web experience, and reaching new and diverse audiences through targeted outreach and engagement. Together, SAS and Communications help ensure that the department operates efficiently, serves the public effectively, and communicates its work clearly to the community.

The department of Housing and Community Affairs provides staff to respond to resident complaints dealing with:

- storage and removal of solid waste;
- illegal solid waste dumping activities in the County;
- storage of unregistered vehicles on private property throughout the County;
- storage of inoperable vehicles on private property;
- improper screening of dumpsters, particularly those in shopping areas; and
- control and regulation of weeds throughout the County.

The "Clean or Lien" program provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required.

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	12,588,377	40.04
Increase Cost: Adjustment to Department of Finance Chargeback (Disposal Fund)	6,290	0.00
Shift: Position from Collection Fund to Disposal Fund (Disposal Fund)	5,427	0.02
Increase Cost: Two and a Half Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	4,772	0.00
Increase Cost: Adjustment to Department of Finance Chargeback (Collection Fund)	2,690	0.00
Increase Cost: Adjustment to Department of General Services and Department of Housing and Community Affairs Chargeback	1,207	0.00
Shift: Position from Collection Fund to Disposal Fund (Collection Fund)	(5,427)	(0.02)
Shift: Grants Management Program to Office of Grants Management	(18,597)	0.00
Decrease Cost: Administrative Information Technology Costs	(18,795)	0.00
Decrease Cost: Debt Service Contribution	(175,536)	0.00

FY27 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	664,377	0.00
FY27 Recommended	13,054,785	40.04

Disposal

This program provides for the operation of the Montgomery County Resource Recovery Facility (RRF). The RRF serves as the primary disposal facility for non-recycled waste generated in the County.

Renewable energy in the form of electricity is generated and sold into the competitive energy market. This program also includes costs for related operations at the Transfer Station and for the transportation of waste from the Transfer Station to the RRF. Also, it provides for the operation of the receiving, processing, and shipping facility for municipal solid waste generated within the County.

In addition, the program provides for the rail shipment of ash residue from the RRF to Fulton Rail Yard near Richmond, Virginia, where it is unloaded and transported by truck to the Old Dominion Landfill, a contracted landfill where the ash is processed for further metals removal and recycling. Ash is beneficially reused as alternate daily cover and road base within the lined areas of the Old Dominion Landfill. This program also provides for the shipment of non-processible waste, such as construction material and, if necessary, bypass waste, from the Transfer Station to either recycling facilities, rubble landfills, or other contracted landfills. It provides for the operation of a satellite drop-off site at the Poolesville Highway Services Depot and funds the proper disposal of household hazardous waste such as flammable products, insecticides, mercury, and reactive and corrosive chemicals. The materials are handled through the County's hazardous waste contractor and permitted hazardous waste management facilities.

The program maintains the closed Oaks Landfill in an environmentally sound and cost-effective manner in accordance with applicable State and Federal regulations. Mandated duties under this program include managing landfill gas through collection and flaring, and maintaining leachate storage and pre-treatment facilities. This program also provides for the acceptance and treatment of waste generated by the cleanout of stormwater oil/grit separators. Finally, the program maintains the closed Gude Landfill, including monitoring of air and water quality around the landfill and the post-closure passive amenities that will benefit the community.

Program Performance Measures	Actual FY24	Actual FY25	Estimated FY26	Target FY27	Target FY28
Number of tons of County-wide yard trim and leaves collected	163,447	168,078	161,997	163,617	165,253
Number of tons of County-wide Commingled Recycling collected	31,885	48,850	31,136	33,467	33,802
Number of tons of County-wide Mixed Paper collected	108,382	86,406	109,796	110,894	112,003
Number of tons of County-wide Food Waste collected	14,444	21,894	20,000	20,500	20,500
Number of tons of County-wide Household Hazardous Waste collected	3,991	3,797	3,735	3,772	3,810
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Residential, single family, and townhouse communities	190,642	197,756	199,757	201,755	203,772

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	99,746,580	30.15
Add: Long-Haul Implementation: Six Months of Operating Costs for New Long-Haul Contract	43,932,000	0.00
Increase Cost: Long-Haul Implementation: Six Months of Resource Recovery Facility Contract Termination Fee	3,600,000	0.00

FY27 Recommended Changes	Expenditures	FTEs
Increase Cost: Oaks Landfill and Gude Landfill Planning and Monitoring	787,937	0.00
Decrease Cost: Engineering, Planning, and Construction Support	(20,677)	0.00
Decrease Cost: Transfer Station Operations	(329,486)	0.00
Eliminate: Long-haul Implementation: Six Months of Savings from Ending Out of County Ash Haul	(4,957,049)	0.00
Eliminate: Long-haul Implementation: Six Months of Operating Cost Savings from Closure of Resource Recovery Facility	(10,976,445)	0.00
Eliminate: Long-haul Implementation: Savings on Capital Improvements from Resource Recovery Facility Contract Extension Early Termination	(28,457,938)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(445,447)	(1.00)
FY27 Recommended	102,879,475	29.15

Materials and Collection

This program provides for collection of refuse from single family residences in the southern parts of the County (Subdistrict A) and the funds to secure, administer, monitor, and enforce contracts with private collectors for collection of residential recyclables for the entire County. It also responds to residents' service needs.

In addition, the program enforces the County's recycling regulations as they apply to single-family residences and other waste generators, and the enforcement of requirements outlined in Chapter 48 of the County Code. It also supports solid waste program goals and ensures the success of recycling initiatives and progress to achieve the County's recycling goals. The program also provides for mandatory recycling and waste reduction for multi-family properties, for all businesses, and for broadly educating everyone living, visiting, and working in the County. Program efforts include technical support, assistance, education, outreach, and training.

It provides for the separation, processing, and marketing of recyclable materials at the Materials Recovery Facility (MRF, aka the Recycling Center). The MRF receives recyclable material collected under the County curbside collection program from all single-family residences as well as some materials from municipalities, multi-family properties, and non-residential properties that have established recycling programs. The materials are then sorted, baled, and shipped to markets for recycling. The program also provides for the processing, baling, and shipping of the County's residential and some non-residential mixed paper and corrugated paper (cardboard).

The processing, transporting, composting, and marketing of yard trim received by the County is also included in this program, including leaves received from the County's Leaf Vacuuming program.

Processing includes grinding brush to produce mulch at the Transfer Station and composting of all leaves and grass, which is sold wholesale as Leafgro in bulk and bagged forms.

The program promotes recycling of food scraps as part of the County's overall effort to increase recycling and to reduce the amount of food waste within the County. The program includes initiatives to recycle food scraps and other acceptable organic materials generated by the single-family residential, multi-family residential, and commercial sectors, through composting and/or other technologies.

	FY24	FY25	FY26	FY27	FY28
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Commercial and multi-family buildings	304,514	292,171	287,167	290,039	292,939
Number of business site visits to provide guidance and recycling support	7,988	4,491	6,366	6,282	5,713
Number of recycling informational events	274	375	281	310	322
Number of Multi-Family Building site visits to provide guidance and recycling support	2,568	1,724	2,315	2,202	2,080
Number of properties visited by recycling investigators to determine compliance with recycling laws and regulations	8,413	9,188	7,788	8,463	8,480
Average number of refuse collections missed per week, not picked up within 24 hours	12	10	12	12	12
Average number of recycling collections missed per week, not picked up within 24 hours	18	18	18	18	18

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	79,775,164	47.15
Increase Cost: Residential Recycling Collection Contracts	783,761	0.00
Increase Cost: Paper Recycling Equipment and Operations	655,276	0.00
Increase Cost: Residential Refuse Collection Program	418,658	0.00
Increase Cost: Recycling Center Operations	192,012	0.00
Increase Cost: Residential Recycling Support Program	111,274	0.00
Increase Cost: Yard Trim Composting Operations and Equipment	46,653	0.00
Increase Cost: Food Waste Scraps Collection Program	33,910	0.00
Increase Cost: Commercial Property Recycling Program	20,143	0.00
Increase Cost: Multifamily Recycling Program	10,329	0.00
Increase Cost: Recycling Outreach and Education	7,273	0.00
Increase Cost: Yard Trim Reduction Program	4,402	0.00
Increase Cost: Support for Recycling Volunteers	3,365	0.00
Decrease Cost: Delete Long-term Vacancy (Program Manager II)	(138,798)	(1.00)
Decrease Cost: Zero Waste Strategy Implementation	(500,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	749,629	1.00
FY27 Recommended	82,173,051	47.15

BUDGET SUMMARY

	Actual FY25	Budget FY26	Estimated FY26	Recommended FY27	%Chg Bud/Rec
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	11,326,016	12,117,165	11,730,841	12,492,924	3.1 %
Employee Benefits	2,935,881	3,580,330	3,476,654	3,733,705	4.3 %
Solid Waste Disposal Personnel Costs	14,261,897	15,697,495	15,207,495	16,226,629	3.4 %
Operating Expenses	146,656,788	158,078,449	158,078,447	162,770,757	3.0 %
Capital Outlay	3,855,594	2,064,295	2,064,295	2,531,885	22.7 %
Debt Service Other	0	3,304,000	3,304,000	3,128,464	-5.3 %
Solid Waste Disposal Expenditures	164,774,279	179,144,239	178,654,237	184,657,735	3.1 %
PERSONNEL					
Full-Time	72	73	73	72	-1.4 %

BUDGET SUMMARY

	Actual FY25	Budget FY26	Estimated FY26	Recommended FY27	%Chg Bud/Rec
Part-Time	1	1	1	1	—
FTEs	106.12	107.56	107.56	106.58	-0.9 %
REVENUES					
Other Licenses/Permits	15,326	12,000	12,000	12,000	—
Other Charges/Fees	267,662	190,000	190,000	190,000	—
Sale of Recycled Materials	6,753,312	6,403,034	6,403,034	5,672,911	-11.4 %
Solid Waste Disposal Fees/Operating Revenues	28,181,800	33,551,750	33,551,750	33,106,763	-1.3 %
Systems Benefit Charge	92,488,516	130,142,363	130,142,364	135,185,659	3.9 %
Other Fines/Forfeitures	41,185	22,000	22,000	22,000	—
Miscellaneous Revenues	302,066	37,000	37,000	37,000	—
Property Rentals	7,268	4,000	4,000	4,000	—
Investment Income	3,710,655	3,293,820	2,803,670	2,216,420	-32.7 %
Other Intergovernmental	122,800	0	0	0	—
Solid Waste Disposal Revenues	131,890,590	173,655,967	173,165,818	176,446,753	1.6 %

SOLID WASTE COLLECTION

EXPENDITURES

Salaries and Wages	1,522,417	1,288,507	1,272,499	1,334,096	3.5 %
Employee Benefits	353,338	367,985	363,993	381,661	3.7 %
Solid Waste Collection Personnel Costs	1,875,755	1,656,492	1,636,492	1,715,757	3.6 %
Operating Expenses	10,297,293	11,309,390	11,309,390	11,733,819	3.8 %
Solid Waste Collection Expenditures	12,173,048	12,965,882	12,945,882	13,449,576	3.7 %

PERSONNEL

Full-Time	4	4	4	4	—
Part-Time	0	0	0	0	—
FTEs	11.78	9.78	9.78	9.76	-0.2 %

REVENUES

Other Charges/Fees	25,096	0	0	0	—
Systems Benefit Charge	14,891,095	15,000,000	15,000,000	15,057,600	0.4 %
Investment Income	396,638	601,030	299,690	236,920	-60.6 %
Solid Waste Collection Revenues	15,312,829	15,601,030	15,299,690	15,294,520	-2.0 %

DEPARTMENT TOTALS

Total Expenditures	176,947,327	192,110,121	191,600,119	198,107,311	3.1 %
Total Full-Time Positions	76	77	77	76	-1.3 %
Total Part-Time Positions	1	1	1	1	—
Total FTEs	117.90	117.34	117.34	116.34	-0.9 %
Total Revenues	147,203,419	189,256,997	188,465,508	191,741,273	1.3 %

FY27 RECOMMENDED CHANGES

	Expenditures	FTEs
SOLID WASTE DISPOSAL		
FY26 ORIGINAL APPROPRIATION	179,144,239	107.56
<u>Changes (with service impacts)</u>		
Add: Long-Haul Implementation: Six Months of Operating Costs for New Long-Haul Contract [Disposal]	43,932,000	0.00
Eliminate: Long-haul Implementation: Six Months of Savings from Ending Out of County Ash Haul [Disposal]	(4,957,049)	0.00
Eliminate: Long-haul Implementation: Six Months of Operating Cost Savings from Closure of Resource Recovery Facility [Disposal]	(10,976,445)	0.00
Eliminate: Long-haul Implementation: Savings on Capital Improvements from Resource Recovery Facility Contract Extension Early Termination [Disposal]	(28,457,938)	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Long-Haul Implementation: Six Months of Resource Recovery Facility Contract Termination Fee [Disposal]	3,600,000	0.00
Increase Cost: Oaks Landfill and Gude Landfill Planning and Monitoring [Disposal]	787,937	0.00
Increase Cost: Residential Recycling Collection Contracts [Materials and Collection]	783,761	0.00
Increase Cost: Paper Recycling Equipment and Operations [Materials and Collection]	655,276	0.00
Increase Cost: FY27 Compensation Adjustment	511,230	0.00
Increase Cost: Risk Management Adjustment	304,212	0.00
Increase Cost: Recycling Center Operations [Materials and Collection]	192,012	0.00
Increase Cost: Annualization of FY26 Personnel Costs	188,082	0.00
Increase Cost: Residential Recycling Support Program [Materials and Collection]	111,274	0.00
Increase Cost: Annualization of FY26 Compensation Increases	77,972	0.00
Increase Cost: Yard Trim Composting Operations and Equipment [Materials and Collection]	46,653	0.00
Increase Cost: Food Waste Scraps Collection Program [Materials and Collection]	33,910	0.00
Increase Cost: Printing and Mail	25,977	0.00
Increase Cost: Commercial Property Recycling Program [Materials and Collection]	20,143	0.00
Increase Cost: Multifamily Recycling Program [Materials and Collection]	10,329	0.00
Increase Cost: Recycling Outreach and Education [Materials and Collection]	7,273	0.00
Increase Cost: Adjustment to Department of Finance Chargeback (Disposal Fund) [Administration and Support]	6,290	0.00
Shift: Position from Collection Fund to Disposal Fund (Disposal Fund) [Administration and Support]	5,427	0.02
Increase Cost: Two and a Half Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration and Support]	4,772	0.00
Increase Cost: Yard Trim Reduction Program [Materials and Collection]	4,402	0.00
Increase Cost: Support for Recycling Volunteers [Materials and Collection]	3,365	0.00
Increase Cost: Adjustment to Department of General Services and Department of Housing and Community Affairs Chargeback [Administration and Support]	1,207	0.00
Shift: Grants Management Program to Office of Grants Management [Administration and Support]	(18,597)	0.00
Decrease Cost: Administrative Information Technology Costs [Administration and Support]	(18,795)	0.00
Decrease Cost: Engineering, Planning, and Construction Support [Disposal]	(20,677)	0.00
Decrease Cost: Retirement Adjustment	(31,132)	0.00
Decrease Cost: Lapse Adjustment	(83,647)	0.00

FY27 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Motor Pool Adjustment	(91,908)	0.00
Decrease Cost: Delete Long-term Vacancy (Program Manager II) [Materials and Collection]	(138,798)	(1.00)
Decrease Cost: Debt Service Contribution [Administration and Support]	(175,536)	0.00
Decrease Cost: Transfer Station Operations [Disposal]	(329,486)	0.00
Decrease Cost: Zero Waste Strategy Implementation [Materials and Collection]	(500,000)	0.00
FY27 RECOMMENDED	184,657,735	106.58

SOLID WASTE COLLECTION

	FY26 ORIGINAL APPROPRIATION	12,965,882	9.78
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Residential Refuse Collection Program [Materials and Collection]	418,658	0.00	
Increase Cost: FY27 Compensation Adjustment	48,864	0.00	
Increase Cost: Risk Management Adjustment	26,181	0.00	
Increase Cost: Annualization of FY26 Personnel Costs	15,014	0.00	
Increase Cost: Annualization of FY26 Compensation Increases	3,350	0.00	
Increase Cost: Adjustment to Department of Finance Chargeback (Collection Fund) [Administration and Support]	2,690	0.00	
Decrease Cost: Retirement Adjustment	(2,536)	0.00	
Decrease Cost: Printing and Mail	(3,630)	0.00	
Shift: Position from Collection Fund to Disposal Fund (Collection Fund) [Administration and Support]	(5,427)	(0.02)	
Decrease Cost: Motor Pool Adjustment	(19,470)	0.00	
FY27 RECOMMENDED	13,449,576	9.76	

PROGRAM SUMMARY

Program Name	FY26 APPR Expenditures	FY26 APPR FTEs	FY27 REC Expenditures	FY27 REC FTEs
Administration and Support	12,588,377	40.04	13,054,785	40.04
Disposal	99,746,580	30.15	102,879,475	29.15
Materials and Collection	79,775,164	47.15	82,173,051	47.15
Total	192,110,121	117.34	198,107,311	116.34

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY26 Total\$	FY26 FTEs	FY27 Total\$	FY27 FTEs
SOLID WASTE DISPOSAL					
General Services	General Fund	956,622	0.00	770,925	0.00
Parking District Services	Bethesda Parking	184,748	0.00	148,884	0.00

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY26 Total\$	FY26 FTEs	FY27 Total\$	FY27 FTEs
Parking District Services	Silver Spring Parking	357,949	0.00	288,465	0.00
Parking District Services	Wheaton Parking	34,640	0.00	27,916	0.00
Alcohol Beverage Services	Liquor	49,584	0.00	39,959	0.00
Total		1,583,543	0.00	1,276,149	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
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SOLID WASTE DISPOSAL

EXPENDITURES

FY27 Recommended	184,658	184,658	184,658	184,658	184,658	184,658
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No inflation or compensation change is included in outyear projections.

Annualized Cost of Long Haul Operations	0	49,487	35,037	36,991	38,986	41,021
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The FY27 Recommended budget adds funding for 6 months of long haul operations. Funding is included here to annualize the cost for a full 12 months of long haul operations in FY28-32.

Organics Processing Facility Debt Service and Operations	0	1,833	2,359	2,910	3,500	4,129
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An organics processing facility is part of the County Executive's plan to transition away from the Resource Recovery Facility. Funding for service payments on bonds to construct the facility is added in FY28, and operating funding for the facility is added in FY29.

Remove Six Months of Ash Haul	0	(12,990)	(12,990)	(12,990)	(12,990)	(12,990)
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The County Executive's FY27 Recommended budget funds operations of the ash haul for six months. This annualizes the ending of ash haul in FY28, removing all related funding in FY28.

Remove Six Months of Resource Recovery Facility Operating Costs	0	(24,904)	(24,904)	(24,904)	(24,904)	(24,904)
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The County Executive's FY27 Recommended budget funds operations of the Resource Recovery Facility for six months. This annualizes the facility closure in FY28, removing all operating funding in FY28.

Resource Recovery Facility Termination Fee	0	0	(3,600)	(3,600)	(3,600)	(3,600)
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The County Executive's FY27 Recommended budget assumes the termination fee in the contract with the Resource Recovery Facility (\$7.2 million) is spread over the last six months of FY27 and the first six months of FY28, \$3.6 million in each year. The funding is no longer needed in FY29.

Labor Contracts	0	74	74	74	74	74
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These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

Subtotal Expenditures	184,658	198,158	180,634	183,139	185,724	188,388
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SOLID WASTE COLLECTION

EXPENDITURES

FY27 Recommended	13,450	13,450	13,450	13,450	13,450	13,450
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No inflation or compensation change is included in outyear projections.

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
Labor Contracts	0	7	7	7	7	7
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	13,450	13,457	13,457	13,457	13,457	13,457

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY27-32

Assumptions:

- In FY27, the County Executive recommends the following solid waste system service charges:

Single-Family: \$ 402.05
Multi-Family: \$ 32.70
Non-Residential: \$1,196.35
(Medium category)

- Refuse collection services are maintained at their current levels, with the annual collection charge not increasing. The Refuse Collection Charge will remain unchanged at \$160.00/household for FY27.
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) will remain at \$70/ton. Construction and demolition material and waste material delivered in open-top roll-off boxes will increase to \$105/ton. Tipping fees for concrete rubble known as DOT demolition material will increase to \$75/ton. Yard trim received at the Transfer Station will remain at \$46/ton.
- Expenditures for certain programs/facilities, such as the Resource Recovery Facility, Transfer Station, and Out-of-County Haul are Base Systems Costs and calculated based on waste generation estimates for each sector. Expenditures for programs/facilities such as the Recycling Center, Mixed Paper Facility, Residential Recycling Collection, and Dickerson Compost Facility are Incremental Costs and calculated based on the cost of the incremental services received by each sector. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

FY27- FY32 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation

	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Number of Households (mid-FY)	93,819	94,110	94,383	94,656	94,948	95,203	95,440
Charge Per Household	\$ 160.00						
Percent Rate Increase (Decrease)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Cash	4,910,956	6,128,797	6,945,521	8,095,576	8,393,531	8,144,093	7,529,928
Revenues	15,299,690	15,294,520	15,319,980	15,363,660	15,410,380	15,451,180	15,489,100
Expenses	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
Transfers	(335,967)	(228,220)	(237,662)	(246,503)	(255,342)	(264,630)	(274,314)
Loan Payoff	(800,000)	(800,000)					
Ending Cash Balance	6,128,797	6,945,521	8,095,576	8,393,531	8,144,093	7,529,928	6,537,797
BEGINNING NET ASSETS	2,054,226	4,072,067	5,688,791	6,838,846	7,136,801	6,887,363	6,273,198
REVENUES							
Charges for Services	15,000,000	15,057,600	15,101,280	15,144,960	15,191,680	15,232,480	15,270,400
Investment Income (per Dept. of Finance)	299,690	236,920	218,700	218,700	218,700	218,700	218,700
Subtotal Revenues	15,299,690	15,294,520	15,319,980	15,363,660	15,410,380	15,451,180	15,489,100
INTERFUND TRANSFERS (Net Non-CIP)	(335,967)	(228,220)	(237,662)	(246,503)	(255,342)	(264,630)	(274,314)
TOTAL RESOURCES	17,017,949	19,138,367	20,771,109	21,956,003	22,291,839	22,073,913	21,487,984
OPERATING BUDGET APPROP/EXPENSES							
Personnel Costs	(1,636,492)	(1,715,757)	(1,788,334)	(1,856,290)	(1,924,230)	(1,995,619)	(2,070,056)
Labor Contract Adjustments			(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Refuse Collection Contracts	(10,934,753)	(11,331,225)	(11,725,932)	(12,537,980)	(13,048,803)	(13,366,835)	(13,691,584)
Other Operating Costs	(374,637)	(402,594)	(410,998)	(417,932)	(424,443)	(431,262)	(438,278)
Subtotal PSP Oper. Budget Approp / Exp.	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
TOTAL USE OF RESOURCES	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
YEAR END - NET ASSETS*	4,072,067	5,688,791	6,838,846	7,136,801	6,887,363	6,273,198	5,281,067
End-of-Year Net Assets as a % of Resources	23.9%	29.7%	32.9%	32.5%	30.9%	28.4%	24.6%

FY27-32 DIVISION OF RECYCLING AND RESOURCE MANAGEMENT							
FISCAL PROJECTIONS	ESTIMATED FY26	PROJECTED FY27	PROJECTED FY28	PROJECTED FY29	PROJECTED FY30	PROJECTED FY31	PROJECTED FY32
Single-Family Charges (\$/Household)	387.72	402.05	429.96	461.68	484.53	502.78	525.38
% change in rate from previous year	24.7%	3.7%	6.9%	7.4%	4.9%	3.8%	4.5%
Multi-Family Charges (\$/Dwelling Unit)	29.76	32.70	46.31	53.25	60.22	68.45	78.48
% change in rate from previous year	55.6%	9.9%	41.6%	15.0%	13.1%	13.7%	14.7%
Nonresidential Charges (medium "category" charge)	1,090.30	1,196.35	1,585.24	1,711.20	1,748.26	1,774.14	1,806.92
% change in rate from previous year	72.7%	9.7%	32.5%	7.9%	2.2%	1.5%	1.8%

OPERATIONS CALCULATION

REVENUES							
Disposal Fees	36,802,523	37,886,464	37,887,535	37,803,645	37,718,330	37,631,441	37,542,958
Charges for Services/SBC	117,509,517	121,392,416	143,593,709	157,440,005	165,961,468	173,410,598	182,421,028
Miscellaneous	16,050,108	14,951,452	15,067,007	15,178,558	15,290,855	15,404,460	15,519,965
Investment Income	2,803,670	2,216,420	2,045,930	2,045,930	2,045,930	2,045,930	2,045,930
Subtotal Revenues	173,165,818	176,446,752	198,594,182	212,468,138	221,016,582	228,492,429	237,529,881
INTERFUND TRANSFERS	(466,895)	959,291	795,533	705,717	747,180	1,455,215	1,410,558
EXPENDITURES							
Personnel Costs	(15,207,495)	(16,226,629)	(16,913,015)	(17,555,710)	(18,198,249)	(18,873,404)	(19,577,382)
Operating Expenses	(161,382,447)	(165,899,221)	(186,654,368)	(199,049,792)	(204,510,536)	(209,481,591)	(214,505,820)
Capital Outlay	(2,064,295)	(2,531,885)	(1,232,000)	(2,137,383)	(1,414,662)	(2,740,204)	(2,740,205)
Subtotal Expenditures	(178,654,237)	(184,657,735)	(204,799,383)	(218,742,885)	(224,123,446)	(231,095,199)	(236,823,407)
CURRENT RECEIPTS TO CIP	(10,695,595)	(3,990,000)	(2,560,000)	(2,000,000)	(1,500,000)	(1,000,000)	(1,000,000)
POTENTIAL FUTURE EXP. - LABOR CONTRACTS FFI	-	-	(74,000)	(74,000)	(74,000)	(74,000)	(74,000)
PAYOUT OF GUDE REMEDIATION	4,733,485	748,000	-	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	2,506,950	2,638,238	2,710,273	2,763,968	2,815,716	2,869,655	2,913,569
CY ACCRUED CLOSURE COSTS	(64,443)	(73,864)	(61,808)	(52,504)	(49,956)	(52,293)	(53,910)
NET CHANGE	(9,474,916)	(7,929,319)	(5,395,204)	(4,931,566)	(1,167,924)	595,808	3,902,690

CASH POSITION

ENDING CASH & INVESTMENTS							
Unrestricted Cash	79,455,097	70,402,180	67,435,738	64,292,091	66,004,004	69,457,571	76,111,028
Restricted Cash	45,481,784	50,191,459	53,205,801	56,416,667	57,854,211	59,436,356	61,027,868
Subtotal Cash & Investments	124,936,881	120,593,639	120,641,539	120,708,758	123,858,215	128,893,927	137,138,896
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(38,446,986)	(41,280,171)	(44,184,992)	(47,305,483)	(48,658,181)	(50,151,475)	(51,651,558)
Renewal & Replacement Reserve	(4,774,266)	(4,911,288)	(5,020,809)	(5,111,184)	(5,196,030)	(5,284,882)	(5,376,310)
Stability Reserve	(2,260,532)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Subtotal Reserve Requirements	(45,481,784)	(50,191,459)	(53,205,801)	(56,416,667)	(57,854,211)	(59,436,357)	(61,027,868)
Closure/Postclosure Liability	(20,339,814)	(17,775,440)	(15,126,975)	(12,415,511)	(9,649,751)	(6,832,389)	(3,972,730)
Gude Remediation Liability	(748,000)	-	-	-	-	-	-
Subtotal Reserve & Liability Requirements	(66,569,598)	(67,966,899)	(68,332,776)	(68,832,178)	(67,503,962)	(66,268,746)	(65,000,598)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	58,367,283	52,626,740	52,308,763	51,876,580	56,354,253	62,625,181	72,138,298

Net Assets

ENDING NET ASSETS	83,769,087	78,392,138	75,646,317	73,898,211	74,687,741	78,728,211	86,101,435
Less: Reserve Requirements	(45,481,784)	(50,191,459)	(53,205,801)	(56,416,667)	(57,854,211)	(59,436,357)	(61,027,868)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	38,287,303	28,200,679	22,440,516	17,481,544	16,833,530	19,291,854	25,073,567

FY27 Solid Waste Service Charges

1. **Purpose** - To fund solid waste management services provided to residents and businesses in Montgomery County through service charges to all entities that benefit from such services.

2. **Classification of Service Charges** - There are five basic categories of service charges:

Base Systems Benefit Charge - Paid by all entities to cover costs of solid waste program administration, debt service, zero waste programs, and solid waste disposal programs and facilities.

Incremental Systems Benefit Charge - Paid by entities who receive sector specific services (single-family homeowners pay for curbside recycling collection and processing, businesses pay for the commercial recycling program, technical outreach and enforcement, etc.)

Disposal Charges - Paid as a service charge via the tax bill or at the Transfer Station by all entities who deliver solid waste to Montgomery County for disposal. At the Shady Grove Transfer Station, this charge is referred to as the "Tipping Fee" for accepting municipal solid waste for disposal.

Leaf Vacuuming Charge - Covers the cost of leaf vacuuming service provided in the Leaf Vacuuming District.

Refuse Collection Charge - Paid by homeowners who receive once a week refuse collection service by County contractors.

3. **Implementation of Service Charges** - Service charges are collected from the various sectors in the following manner:

	Base Systems Benefit	Incremental Systems Benefit	Disposal Charge/ Tip Fee	Leaf Vacuuming Charge	Refuse Collection Charge
Unincorporated Single-Family	Via tax bill	Via tax bill	Via tax bill	Via tax bill to those serviced	Via tax bill to those serviced
Incorporated Single-Family	Via tax bill	Not applicable	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Multi-family	Via tax bill	Via tax bill	Charged at Transfer Station	Via tax bill to those serviced	Not applicable
Incorporated Multi-family	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Unincorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
Incorporated Non-Residential	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable

FY27 SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING

Code Reference	Base Charge	x	Billing Rate	=	Disposal Charge	+	Base Systems Benefit Charge	+	Incremental Systems Benefit Charge	+	Refuse Collection Charge	+	Leaf Vacuuming Charge	=	Total Bill
	(\$/ton)		(tons/HH)		\$		\$		\$		\$		\$		\$
SUBDISTRICT A (Refuse Collection District)*															
Inside Leaf Vacuuming District	\$ 70.00		0.87758		\$ 61.43		\$ 83.48		\$ 257.14		\$ 160.00		\$ 123.67		\$ 685.72
Outside Leaf Vacuuming District	\$ 70.00		0.87758		\$ 61.43		\$ 83.48		\$ 257.14		\$ 160.00				\$ 562.05
Incorporated							\$ 83.48								\$ 83.48
SUBDISTRICT B SINGLE-FAMILY**															
Incorporated							\$ 83.48								\$ 83.48
Inside Leaf Vacuuming District							\$ 83.48		\$ 257.14				\$ 123.67		\$ 525.72
Unincorporated	\$ 70.00		0.87758		\$ 61.43		\$ 83.48		\$ 257.14						\$ 402.05
Outside Leaf Vacuuming District							\$ 83.48		\$ 257.14						\$ 402.05
Unincorporated	\$ 70.00		0.87758		\$ 61.43		\$ 83.48		\$ 257.14						\$ 402.05
MULTI-FAMILY RESIDENTIAL**															
Incorporated							\$ 26.94		\$ 5.76						\$ 32.70
Unincorporated							\$ 26.94		\$ 5.76						\$ 32.70
Outside Leaf Vacuuming District							\$ 26.94		\$ 5.76						\$ 32.70
Inside Leaf Vacuuming District							\$ 26.94		\$ 5.76				\$ 4.61		\$ 37.31
NONRESIDENTIAL - \$/2,000 SQ. FT. ***															
Code Reference															
Waste Generation Categories															
Low							\$ 210.14		\$ 29.13						\$ 239.27
Medium Low							\$ 630.41		\$ 87.40						\$ 717.81
Medium							\$ 1,050.68		\$ 145.67						\$ 1,196.35
Medium High							\$ 1,470.95		\$ 203.94						\$ 1,674.89
High							\$ 1,891.23		\$ 262.20						\$ 2,153.43
OTHER FY27 SOLID WASTE CHARGES															
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")					Waste delivered to DOT Pad (Non-Processible)					\$75 / disposal ton					
\$ 70.00 / disposal ton					Solid Waste Service Charges (Section 48-32(a)(2)):										
Waste delivered for disposal <500 lb loads in privately owned and operated vehicles or trailers <1,000 capacity per Section 48-32(c)(2): \$0.00/disposal ton					Paper and Commingled Containers					\$0.00 / ton					
					Solid Waste Service Charges (Section 48-32(b)(2)):										
					All Yard Trim received at the Transfer Station (weighing > 500 pounds/load)					\$46.00 / ton					
Waste delivered in open-top roll-off box and declared C \$ 105.00 / disposal ton					Miscellaneous (48-31(f)):					Compost Bins \$0.00 each					

* Note: Base Systems Benefit Charges are set to cover County Base Systems Costs net of Disposal Charges.
 ** With respect to Base and Incremental Systems Benefit Charges, this category includes dwellings in buildings of six or fewer households.
 *** The Nonresidential rate multiplied by the total number of 2,000 square foot units of enclosed area equals the nonresidential charge.