
Utilities

MISSION STATEMENT

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

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

HIGHLIGHTS

This budget funds the utility costs for 236 (General Fund) facilities with approximately 5,592,578 total square feet, and over 66,903 streetlights and 791 traffic controlled signalized intersections.

BUDGET OVERVIEW

The FY12 Recommended Budget for the tax-supported Utilities non-departmental account (NDA) is \$28,426,380, a decrease of \$204,060 or -.71 percent from the FY11 Approved Budget of \$28,630,440. Allocation of these utilities expenditures is approximately: electricity, 84.0 percent; natural gas, 8.1 percent; water and sewer, 7.5 percent; and fuel oil, 0.4 percent.

The FY12 Recommended Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax-supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these "outside" agencies is \$79,816,990 which includes the entire bi-county area of WSSC.

The FY12 Recommended tax-supported budget for Utilities Management, including both the General Fund NDA (\$28,426,380) and the other tax supported funds (\$3,289,630), is \$31,716,030, a decrease of \$198,290 or approximately -.6 percent from the FY11 Approved utilities budget. The FY12 Recommended budget for non-tax supported utilities expenditures is \$6,016,040, an increase of \$99,444 or 1.7 percent from the FY11 Approved Budget.

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

The County's Interagency Committee on Energy and Utility Management (ICEUM) is currently projecting a cost change potential for Electricity (10.4%), Fuel Oil (-1.1%), Natural Gas (-6.6%), and Water and Sewer (29.1%). These projections reflect market concern about current world events on the commodities futures markets, or anticipated unit price changes by service providers. According to ICEUM, Motor Fuels, consisting of Unleaded Gasoline, Diesel, and Compressed Natural Gas, are expected to fluctuate upward based on current market trends. These fuels are purchased from various providers, and are budgeted in the Department of General Services, Division of Fleet Management Services; not the General Fund Utilities NDA. ICEUM also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY12 Budget.

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

TAX SUPPORTED

Department of General Services

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

Department of Transportation

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

Division of Transit Services - Mass Transit

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

Department of Recreation

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

Urban Districts

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

NON-TAX SUPPORTED

Fleet Management Services

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

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

Parking Districts

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

Liquor Control

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

Department of Environmental Protection, Solid Waste Services

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

Other Agencies

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

LINKAGE TO COUNTY RESULT AREAS

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

- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Safe Streets and Secure Neighborhoods***

PROGRAM CONTACTS

Contact Adam Damin of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Utilities (for All General Fund Departments)

The Utilities non-departmental account provides the General Fund utilities operating expense appropriations for the facilities maintained by the Department of General Services and the Department of Transportation. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	25,724,051	28,630,440	28,630,440	28,426,380	-0.7%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	25,724,051	28,630,440	28,630,440	28,426,380	-0.7%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—

FY12 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY11 ORIGINAL APPROPRIATION	28,630,440	0.0
Other Adjustments (with no service impacts)		
Increase Cost: Due to Rate Changes: Water and Sewer	244,840	0.0
Increase Cost: East Germantown and Takoma Park Fire Stations Coming Online	160,470	0.0
Increase Cost: Due to Rate Changes: Street Lights and Street Light Maintenance	59,960	0.0
Decrease Cost: Delay in Opening of the Remainder of the GE Building	-120,000	0.0
Decrease Cost: Due to Consumption Changes: Facilities Electricity Conservation Efforts	-549,330	0.0
FY12 RECOMMENDED:	28,426,380	0.0

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY12	FY13	FY14	FY15	FY16	FY17
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY12 Recommended	28,426	28,426	28,426	28,426	28,426	28,426
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	28,426	28,426	28,426	28,426	28,426	28,426

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY DEPARTMENT/AGENCY

	ACTUAL FY09	ACTUAL FY10	BUDGET FY11	RECOMMENDED FY12	CHANGE BUD/APPR	% CHANGE REC/APPR
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	16,070,412	16,394,254	18,539,080	18,275,060	(264,020)	-1.4%
Traffic Signals and Streetlighting	9,450,608	9,329,797	10,091,360	10,151,320	59,960	0.6%
GENERAL FUND NDA EXPENDITURES	25,521,020	25,724,051	28,630,440	28,426,380	(204,060)	-0.7%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	82,504	76,069	109,380	115,130	5,750	5.3%
Recreation	3,439,914	3,307,996	3,174,500	3,174,520	20	0.0%
SUBTOTAL	3,522,418	3,384,065	3,283,880	3,289,650	5,770	0.2%
TOTAL TAX SUPPORTED	29,043,438	29,108,116	31,914,320	31,716,030	(198,290)	-0.6%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	1,062,540	778,004	1,133,120	1,133,120	0	0.0%
Parking Districts	3,029,460	3,385,997	3,459,410	3,718,120	258,710	7.5%
Liquor Control	902,335	902,668	1,117,260	1,000,490	(116,770)	-10.5%
Solid Waste Services	163,632	136,343	206,806	164,310	(42,496)	-20.5%
TOTAL NON-TAX SUPPORTED	5,157,967	5,203,012	5,916,596	6,016,040	99,444	1.7%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	29,043,438	29,108,116	31,914,320	31,716,030	(198,290)	-0.6%
TOTAL NON-TAX SUPPORTED	5,157,967	5,203,012	5,916,596	6,016,040	99,444	1.7%
TOTAL COUNTY GOVERNMENT	34,201,405	34,311,128	37,830,916	37,732,070	(98,846)	-0.3%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	40,350,189	40,664,814	39,740,150	41,687,370	1,947,220	4.9%
Montgomery College	6,236,514	6,906,351	8,321,690	8,467,370	145,680	1.8%
Washington Suburban Sanitary Commission	26,617,000	28,550,000	27,819,000	25,644,000	(2,175,000)	-7.8%
M-NCPPC	3,411,679	3,548,140	4,371,600	4,018,250	(353,350)	-8.1%
TOTAL OTHER AGENCIES EXPENDITURES	76,615,382	79,669,305	80,252,440	79,816,990	(435,450)	-0.5%
TOTAL UTILITIES EXPENDITURES	110,816,787	113,980,433	118,083,356	117,549,060	(534,296)	-0.5%

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY ENERGY SOURCE

	ACTUAL FY09	ACTUAL FY10	APPROVED FY11	RECOMMENDED FY12	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	21,571,183	22,927,239	24,441,500	23,891,280	(550,220)	-2.3%
Water & Sewer	1,675,841	822,039	1,881,230	2,135,590	254,360	13.5%
Fuel Oil	96,935	167,465	106,000	104,000	(2,000)	-1.9%
Natural Gas	2,174,604	1,801,882	2,199,260	2,291,450	92,190	4.2%
Propane	2,457	5,426	2,450	4,060	1,610	65.7%
GENERAL FUND NDA EXPENDITURES	25,521,020	25,724,051	28,630,440	28,426,380	(204,060)	-0.7%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	2,409,720	2,345,720	2,233,060	2,289,530	56,470	2.5%
Water & Sewer	388,402	342,157	460,790	360,090	(100,700)	-21.9%
Fuel Oil	0	351	0	0	0	0.0%
Natural Gas	723,004	651,412	589,610	639,610	50,000	8.5%
Propane	1,292	44,425	420	420	0	
SUBTOTAL	3,522,418	3,384,065	3,283,880	3,289,650	5,770	0.2%
TOTAL TAX SUPPORTED	29,043,438	29,108,116	31,914,320	31,716,030	(198,290)	-0.6%
NON-TAX SUPPORTED OPERATIONS						
Electricity	4,507,096	4,806,060	5,244,870	5,386,835	141,965	2.7%
Water & Sewer	126,454	176,083	219,620	229,010	9,390	4.3%
Fuel Oil	0	0	0	0	0	0.0%
Natural Gas	524,417	411,455	451,066	399,155	(51,911)	-11.5%
Propane	0	0	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	5,157,967	5,203,012	5,916,596	6,016,040	99,444	1.7%
SUMMARY - COUNTY GOVERNMENT						
Electricity	28,487,999	30,079,019	31,919,430	31,567,645	(351,785)	-1.1%
Water & Sewer	2,190,697	1,340,279	2,561,640	2,724,690	163,050	6.4%
Fuel Oil	96,935	167,816	106,000	104,000	(2,000)	-1.9%
Natural Gas	3,422,025	2,864,749	3,239,936	3,330,215	90,279	2.8%
Propane	3,749	49,851	3,910	5,520	1,610	41.2%
TOTAL COUNTY GOVERNMENT	34,201,405	34,501,714	37,830,916	37,732,070	(98,846)	-0.3%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	59,742,640	62,777,317	63,354,708	63,249,890	(104,818)	-0.2%
Water & Sewer	3,462,451	3,858,756	4,362,547	4,790,030	427,483	9.8%
Fuel Oil	397,267	393,954	424,465	413,500	(10,965)	-2.6%
Natural Gas	12,805,883	12,413,348	11,856,598	11,086,670	(769,928)	-6.5%
Propane	207,141	225,929	254,121	276,900	22,779	9.0%
SUBTOTAL	76,615,382	79,669,305	80,252,440	79,816,990	(435,450)	-0.5%
TOTAL UTILITIES EXPENDITURES						
Electricity	88,230,639	92,856,336	95,274,138	94,817,535	(456,603)	-0.5%
Water & Sewer	5,653,148	5,199,035	6,924,187	7,514,720	590,533	8.5%
Fuel Oil	494,202	561,770	530,465	517,500	(12,965)	-2.4%
Natural Gas	16,227,908	15,278,097	15,096,534	14,416,885	(679,649)	-4.5%
Propane	210,890	275,780	258,031	282,420	24,389	9.5%
TOTAL UTILITIES EXPENDITURES	110,816,787	114,171,019	118,083,356	117,549,060	(534,296)	-0.5%