
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 67,359 streetlights and 822 traffic controlled signalized intersections.

BUDGET OVERVIEW

The FY13 Recommended Budget for the tax-supported Utilities non-departmental account (NDA) is \$26,159,860, a decrease of \$2,366,520 or -8.3 percent from the FY12 Approved Budget of \$28,526,380. Allocation of these utilities expenditures is approximately: electricity, 86.5 percent; natural gas, 4.5 percent; water and sewer, 8.0 percent; fuel oil, 0.8 percent, and propane, .2 percent.

The FY13 Recommended Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax-supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these "outside" agencies is \$73,288,642 which includes the entire bi-county area of WSSC.

The FY13 Recommended tax-supported budget for Utilities Management, including both the General Fund NDA (\$26,159,860) and the other tax supported funds (\$2,830,922), is \$28,990,782, a decrease of \$2,902,848 or approximately -9.0 percent from the FY12 Approved utilities budget. The FY13 Recommended budget for non-tax supported utilities expenditures is \$4,674,200, a decrease of \$1,341,840 or -22.3 percent from the FY12 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 (-19.5%), Fuel Oil (-5.4%), Natural Gas (-6.7%), and Water and Sewer (11.2%). 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 FY13 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 FY11	Budget FY12	Estimated FY12	Recommended FY13	% 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	26,800,937	28,526,380	28,355,024	26,159,860	-8.3%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	26,800,937	28,526,380	28,355,024	26,159,860	-8.3%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY12 ORIGINAL APPROPRIATION	28,526,380	0.00
Changes (with service impacts)		
Add: Outside Attorney Representation- Public Service Commission	100,000	0.00
Other Adjustments (with no service impacts)		
Increase Cost: Electricity Consumption Increase Due to Gray Courthouse and the Public Safety Headquarters Coming Online	3,008,500	0.00
Increase Cost: Imagination Stage Utilities	100,000	0.00
Increase Cost: Round House Theatre Utilities	50,000	0.00
Decrease Cost: Due to Consumption and Rate Changes: Water and Sewer, Fuel Oil, and Natural Gas	-496,380	0.00
Decrease Cost: Natural Gas Rate Savings	-500,000	0.00
Decrease Cost: Due to Rate Changes: Street Lights and Street Light Maintenance	-657,760	0.00
Decrease Cost: Electricity Rate Savings	-3,970,880	0.00
FY13 RECOMMENDED:	26,159,860	0.00

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY13	FY14	FY15	FY16	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY13 Recommended	26,160	26,160	26,160	26,160	26,160	26,160
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	26,160	26,160	26,160	26,160	26,160	26,160

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY DEPARTMENT/AGENCY

	ACTUAL FY10	ACTUAL FY11	BUDGET FY12	RECOMMENDED FY13	CHANGE BUD/APPR	% CHANGE REC/APPR
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	16,394,254	18,539,080	18,375,060	17,126,420	(1,248,640)	-6.8%
Traffic Signals and Streetlighting	9,329,797	10,091,360	10,151,320	9,033,440	(1,117,880)	-11.0%
GENERAL FUND NDA EXPENDITURES	25,724,051	28,630,440	28,526,380	26,159,860	(2,366,520)	-8.3%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	76,069	89,089	115,130	91,730	(23,400)	-20.3%
Recreation	3,307,996	3,547,595	3,252,120	2,739,192	(512,928)	-15.8%
SUBTOTAL	3,384,065	3,636,684	3,367,250	2,830,922	(536,328)	-15.9%
TOTAL TAX SUPPORTED	29,108,116	32,267,124	31,893,630	28,990,782	(2,902,848)	-9.1%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	778,004	899,648	1,133,120	916,010	(217,110)	-19.2%
Parking Districts	3,385,997	3,730,870	3,718,120	2,860,708	(857,412)	-23.1%
Liquor Control	902,668	945,997	1,000,490	765,810	(234,680)	-23.5%
Solid Waste Services	136,343	143,428	164,310	131,672	(32,638)	-19.9%
TOTAL NON-TAX SUPPORTED	5,203,012	5,719,943	6,016,040	4,674,200	(1,341,840)	-22.3%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	29,108,116	32,267,124	31,893,630	28,990,782	(2,902,848)	-9.1%
TOTAL NON-TAX SUPPORTED	5,203,012	5,719,943	6,016,040	4,674,200	(1,341,840)	-22.3%
TOTAL COUNTY GOVERNMENT	34,311,128	37,987,067	37,909,670	33,664,982	(4,244,688)	-11.2%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	40,664,814	41,329,506	41,687,370	38,315,819	(3,371,551)	-8.1%
Montgomery College	6,906,351	7,711,568	8,467,370	6,560,471	(1,906,899)	-22.5%
Washington Suburban Sanitary Commission	28,550,000	28,527,669	25,644,000	24,582,052	(1,061,948)	-4.1%
M-NCPPC	3,548,140	3,432,845	4,018,250	3,830,300	(187,950)	-4.7%
TOTAL OTHER AGENCIES EXPENDITURES	79,669,305	81,001,588	79,816,990	73,288,642	(6,528,348)	-8.2%
TOTAL UTILITIES EXPENDITURES	113,980,433	118,988,655	117,726,660	106,953,624	(10,773,036)	-1.1%

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY ENERGY SOURCE

	ACTUAL FY10	ACTUAL FY11	APPROVED FY12	RECOMMENDED FY13	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	22,927,239	24,441,500	23,991,280	22,630,630	(1,360,650)	-5.7%
Water & Sewer	822,039	1,881,230	2,135,590	2,090,500	(45,090)	-2.1%
Fuel Oil	167,465	106,000	104,000	210,000	106,000	101.9%
Natural Gas	1,801,882	2,199,260	2,291,450	1,168,730	(1,122,720)	-49.0%
Propane	5,426	2,450	4,060	60,000	55,940	1377.8%
GENERAL FUND NDA EXPENDITURES	25,724,051	28,630,440	28,526,380	26,159,860	(2,366,520)	-8.3%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	2,345,720	2,661,046	2,289,530	1,831,222	(458,308)	-20.0%
Water & Sewer	342,157	384,417	360,090	360,090	0	0.0%
Fuel Oil	351	29,622	29,622	0	(29,622)	0.0%
Natural Gas	651,412	513,201	639,610	639,610	0	0.0%
Propane	44,425	48,398	48,398	0	(48,398)	-100.0%
SUBTOTAL	3,384,065	3,636,684	3,367,250	2,830,922	(536,328)	-15.9%
TOTAL TAX SUPPORTED	29,108,116	32,267,124	31,893,630	28,990,782	(2,902,848)	-9.1%
NON-TAX SUPPORTED OPERATIONS						
Electricity	4,615,427	5,156,063	5,386,835	4,009,122	(1,377,713)	-25.6%
Water & Sewer	176,083	110,704	229,010	212,274	(16,736)	-7.3%
Fuel Oil	0	3,122	0	0	0	0.0%
Natural Gas	411,455	450,054	399,155	451,764	52,609	13.2%
Propane	0	0	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	5,203,012	5,719,943	6,016,040	4,674,200	(1,341,840)	-22.3%
SUMMARY - COUNTY GOVERNMENT						
Electricity	29,888,386	32,258,609	31,667,645	28,470,974	(3,196,671)	-10.1%
Water & Sewer	1,340,279	2,376,351	2,724,690	2,662,864	(61,826)	-2.3%
Fuel Oil	167,816	138,744	133,622	210,000	76,378	57.2%
Natural Gas	2,864,749	3,162,515	3,330,215	2,260,104	(1,070,111)	-32.1%
Propane	49,851	50,848	53,498	61,040	7,542	14.1%
TOTAL COUNTY GOVERNMENT	34,311,081	37,987,067	37,909,670	33,664,982	(4,244,688)	-11.2%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	62,777,317	65,754,128	63,249,890	58,565,480	(4,684,410)	-7.4%
Water & Sewer	3,858,756	3,382,270	4,790,030	4,934,907	144,877	3.0%
Fuel Oil	393,954	192,498	413,500	864,780	451,280	109.1%
Natural Gas	12,413,348	11,432,376	11,086,670	9,221,505	(1,865,165)	-16.8%
Propane	225,929	240,316	276,900	257,370	(19,530)	-7.1%
SUBTOTAL	79,669,305	81,001,588	79,816,990	73,844,042	(5,972,948)	-7.5%
TOTAL UTILITIES EXPENDITURES						
Electricity	92,665,703	98,012,737	94,917,535	87,036,454	(7,881,081)	-8.3%
Water & Sewer	5,199,035	5,758,621	7,514,720	7,597,771	83,051	1.1%
Fuel Oil	561,770	331,242	547,122	1,074,780	527,658	96.4%
Natural Gas	15,278,097	14,594,891	14,416,885	11,481,609	(2,935,276)	-20.4%
Propane	275,780	291,164	330,398	318,410	(11,988)	-3.6%
TOTAL UTILITIES EXPENDITURES	113,980,386	118,988,655	117,726,660	107,509,024	(10,217,636)	-8.7%