Fiscal Plan

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Credits

Significant contributions have been made by many individuals to the evolution of this Fiscal Plan over recent years through leadership, conceptual development, technical refinement, and persistent questioning. Their support has been essential and is appreciated.

COUNTY EXECUTIVE
Isiah Leggett

CHIEF ADMINISTRATIVE OFFICER
Timothy L. Firestine

COUNTY COUNCIL GOVERNMENT OPERATIONS AND FISCAL POLICY COMMITTEE
Nancy Navarro, Chair
Sidney Katz
Hans Riemer

DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
Jennifer A. Hughes

DIRECTOR, DEPARTMENT OF FINANCE
Alexandre A. Espinosa

COUNCIL ADMINISTRATOR
Stephen Farber

PUBLIC SERVICES PROGRAM COORDINATOR
Chris Mullin

OMB / FINANCE
Mary Beck, Jennifer Bryant, Scott Coble, Amy Wilson
Robert Hagedoorn, Karen Hawkins, Lenny Moore,
Glenn Orlin, David Platt, Crystal Sallee

MONTGOMERY COUNTY PUBLIC SCHOOLS
Thomas Klausing

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
John Kroll

WASHINGTON SUBURBAN SANITARY COMMISSION
Letitia Carolina-Powell

MONTGOMERY COLLEGE
Linda Hickey

TECHNICAL SUPPORT
David Jeo

ADDITIONAL CREDITS

Much of the work on the Fiscal Plan components, especially regarding Special Funds, has been led by specific OMB staff, working with the leadership and staff of other departments and agencies whose contributions have been crucial to both the technical development of the tools and to the substance of recommendations for consideration by the Executive and Council. The names of the respective OMB staff are listed below as points of contact for further information and can be reached at 240.777.2800.

SPECIAL FUND	OMB STAFF
Cable Television	Naeem Mia
Montgomery Housing Initiative	Pofen Salem
Community Use of Public Facilities	Deborah Lambert
Economic Development	Pofen Salem
Fire TaxDistrict	Bruce Meier
Fleet Management Services (Motor Pool)	Jedediah Millard
Liquor Control	Jennifer Nordin
Mass TransitFacilities	Brady Goldsmith
M-NCPPCAdministration	Jennifer Nordin
M-NCPPC Enterprise	Jennifer Nordin
M-NCPPC Park	Jennifer Nordin
Montgomery CollegeCurrent Fund	Rich Harris
Parking Districts	Corey Orlosky
Permitting Services	Jennifer Nordin
Central Duplicating/Print and Mail	Jedediah Millard
Recreation	Deborah Lambert
Self-Insurance: Liability & Property	Jane Mukira
Self-Insurance: Employee Health Benefits	Corey Orlosky
Solid Waste Refuse Collection	Matt Schaeffer
Solid Waste Disposal	Matt Schaeffer
Leaf Vacuuming	Brady Goldsmith
Urban Districts	Corey Orlosky
Water Quality Protection	Matt Schaeffer

OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Jennifer Hughes
Director

MEMORANDUM

April 05, 2017

TO: Interested Readers

FROM: Jennifer Hughes, Director

SUBJECT: FY18-23 Fiscal Plan

Executive Summary:

The County Executive's recommended budget, released on March 14, 2017, closed a $138 million budget gap, raising the cumulative amount of budgetary shortfalls resolved in County Executive Leggett's proposed budgets to more than $3.5 billion. Due to a number of economic pressures, the shortfalls between projected budget demands and projected revenues will likely continue into the foreseeable future. Our income tax revenues are projected to grow only modestly and the economic recovery continues to be modest and fitful. Additionally, we have not yet adjusted our revenue projections to reflect the disruptions to our economy caused by the change in Administration at the Federal level. Regardless of whether any of the President's budget proposals are approved by Congress, the uncertainty his proposals have created for the Federal workforce are likely to impact our regional economy. The County will also begin making quarterly payments to the State for refunds pertaining to the Wynne case starting in 2019 totaling $27 million annually through the first half of FY24.

The County's K-12 student population continues to grow at a rate of more than 2,000 students per year, challenging the school system to maintain class sizes and address the achievement gap. As the County's population continues to increase and grow older, demands on other County services such as home health care, senior transportation, emergency response, libraries, and recreation also continue to increase.

The County Executive recommends an average weighted property tax rate of $1.0013 per $100 of assessed value, which is a decrease of 2.51 cents below the current rate, and a $692 credit for each owner-occupied residence to support a progressive property tax structure in the County. The average County homeowner will see a $1.67 increase per month in property taxes in FY18. This recommendation maintains overall property tax revenues at the limit allowed by the County's Charter. In total, spending increases 2.7 percent in FY18, and tax supported spending across all agencies increases 2.7 percent, including debt service.

The recommended budget increases local school funding by $25.0 million above the State minimum funding requirement to meet the needs of a rapidly growing and changing student population. Of the $25 million, $19.0 million is an increase in the local contribution; $6 million represents the additional use of fund balance or year-end transfer.

The recommended budget provides strategic increases to meet heightened demand for critical services in public safety and programs serving the County's vulnerable populations, including seniors and at-risk youth. While this budget addresses some unmet needs in these areas, it also identifies additional efficiencies and cost savings. In addition, the recommended budget includes funding for all of the County's collective bargaining agreements, increases reserves to the policy level of 8.9 percent of total revenues (on track to reaching the policy goal of 10 percent by FY20), and funds retiree health benefits at the required level. Finally, the energy tax rates the Council approved in May 2015 are maintained in the recommended budget. The energy tax is more broad-based than either property or income taxes since it includes taxes on energy usage of institutions and facilities, such as the federal government, that otherwise would not pay taxes. Because of its broader base, the energy tax lowers the overall tax burden on residents and businesses in the County.

The County Executive's recommended budget is a balanced approach to meet the expanding needs of a growing population in a fiscally responsible manner. This approach is also necessary to continue to provide the Council with the flexibility to meet future, sometimes unforeseen, challenges. While this budget moves the County forward in addressing some of its long-term pressures, additional measures to rebalance revenues and spending may be necessary. This challenge is evident in the current fiscal plan, which projects a 0.4 decrease in resources available to fund agency spending in FY19. Again, this projection does not yet factor in any reductions to our revenues due to the changing Federal Government landscape.

As the County Council considers and adopts the operating budget, the County Executive believes it is essential that it adhere to the general parameters of his recommended budget. Additional spending beyond the recommended level or reducing ongoing revenues, without corresponding expenditure reductions, would further increase the gap in FY19. The Executive has also stated that he will not recommend property tax increases that exceed the County's Charter Limit. Therefore, any new revenues to support additional ongoing spending are likely to be very constrained. Continued adherence to prudent fiscal policies that protect residents and taxpayers will allow the County to maintain current service levels and address important priorities.

Background:

The recommended FY18-23 fiscal plans for the tax supported and non-tax supported funds of the agencies of County government are provided for your information. Many of these fiscal plans were initially published in the FY18-23 recommended Operating Budget and Public Services Program (March 14, 2017) available here https://reports.data.montgomerycountymd.gov/omb.

As in past years, this information is intended to assist the County Council and other interested parties as the County Executive's recommended budget is considered during the Council's budget worksessions this spring.

Interested readers should note that the fiscal plans included in this publication are not intended to be prescriptive, but are instead intended to present one possible outcome of policy choices regarding taxes, user fees, and spending decisions. Other important assumptions are explained in footnotes at the bottom of each fiscal plan display. One significant benefit of presenting multi-year projections is that the potential future year impacts of current policy decisions can be considered by decision makers when making fiscal decisions in the near term. The County's fiscal policies support:

- prudent and sustainable fiscal management: constraining expenditure growth to expected resources;
- identifying and implementing productivity improvements;
- avoiding the programming of one-time revenues to on-going expenditures;
- growing the local economy and tax base;
- obtaining a fair share of State and Federal Aid;

- maintaining prudent reserve levels;
- minimizing the tax burden on residents; and
- managing indebtedness and debt service very carefully.

The Recommended Budget is consistent with the fiscal policies recommended by the County Executive and approved by the County Council in June 2010 and amended in November 2011. These policies include building total reserves to ten percent of Adjusted Governmental Revenues by 2020 (including mandatory contributions to the Revenue Stabilization Fund), fully funding PAYGO, and increasing contributions to fully fund the retiree health insurance trust at the annual required contribution.

Fiscal Plan for the Tax Supported Funds:

The recommended fiscal planning objectives for FY18-23 for the tax supported funds are:

- Adhere to sound fiscal policies.
- Tax supported reserves (operating margin and the Revenue Stabilization Fund) are at the policy level.
- The average weighted property tax rate is $1.0013 per $100 of assessed value, 2.51 cents lower than current rates, and assumes a $692 credit to each owner-occupied household.
- Assume property tax revenues at the Charter Limit during FY19-23 in the fiscal plan using the income tax offset credit.
- Manage fund balances in the non-tax supported funds to established policy levels where applicable.
- Assume current State aid formulas, but continue successful strategies to increase State (and federal) operating and capital funding.
- Maintain priority to economic development and tax base growth:
  - Seize opportunities to recruit and retain significant employers compatible with the County's priorities;
  - Give priority to capital investment that supports economic development/tax base growth.
- Maintain essential services.
- Limit exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible.
- Manage all debt service commitments very carefully, consistent with standards used by the County to maintain high credit ratings and future budget flexibility. Recognize the fixed commitment inherent in all forms of multi-year financing (long-term bonds, shorter-term borrowing, and lease-backed revenue bonds) that must be accommodated within limited debt capacity.
- Program PAYGO to be at least 10 percent of anticipated General Obligation Bond levels to contain future borrowing costs in FY19-23. PAYGO is consistent with the General Obligation Bond levels recommended by the County Executive in his FY17-22 Amended Capital Improvements Program.
- For capital investment, allocate debt, current revenue, and other resources made available by the fiscal objectives above according to priorities established by policy and program agendas.
- For services, allocate resources consistent with policy and program agendas.

The major challenges for FY18-23 will be to contain on-going costs, preserve essential services, and continue making targeted improvements to critical service areas including education, economic development, public safety, the social safety net, affordable housing, and transportation within projected available resources.

Fiscal Plans for the Non-Tax Supported Funds:

By definition, each of the non-tax supported (fee-supported) funds is independent, covering all operating and capital investment expenses from its designated revenue sources. The fiscal health of each fund is satisfactory, though looking ahead some funds will need to meet expected challenges by increasing fees and/or reducing expenditures. A new Government Accounting Standards Board requirement for OPEB liability reporting may have a negative effect on non-tax supported fund balances in future years.

Conclusion:

Montgomery County's long term fiscal health is strong as a result of its underlying economy and the financial management policies endorsed by its elected officials. Nonetheless, the County will continue to face significant challenges in the years ahead. The FY18-23 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

JAH:cm
Attachment: FY18-23 Fiscal Plan for Montgomery County, Maryland

c: Isiah Leggett, County Executive
Councilmembers, Montgomery County Council
Timothy L. Firestine, Chief Administrative Officer
Jack Smith, Superintendent, Montgomery County Public Schools
Dr. DeRionne P. Pollard, President, Montgomery College
Casey Anderson, Chair, Montgomery County Planning Board
Stacy Spann, Executive Director, Housing Opportunities Commission
Keith Miller, Executive Director, Revenue Authority
Alexandre A. Espinosa, Director, Department of Finance
Bonnie Kirkland, Assistant Chief Administrative Officer
Stephen Farber, Council Administrator

How the FY18 Gap Was Closed
$ in Millions
(Negative numbers increase the gap; positive numbers close the gap)

		$ millions
1	Gap as of December 2016	(137.543)
2	Major resource changes since December:	
3	February tax revenue update	1.654
4	Fines, licenses, fees, and other misc. revenues	5.764
5	Other Intergovernmental revenues	3.076
6	FY16 year-end closeout	9.788
7	FY17 County Government spending -- supplemental appropriations	(1.473)
8	FY17 County Government spending -- updated year-end estimate	1.927
9	Retiree health insurance pre-funding	(12.273)
10	FY18 Agency Budget Requests:	
11	Montgomery County Public Schools (MCPS)	25.442
12	Montgomery College	0.888
13	MNCPPC	(4.759)
14	County Government	(13.476)
15	Revised Gap	(120.984)
16	Measures to Close the Gap	
17	Change in Available Resources:	
18	Net Transfers	17.090
19	Change in Agency Budget Requests:	
20	MCPS Local Contribution $19.0 million above Maintenance of Effort	8.121
21	College Local Contribution $2 million above Maintenance of Effort	5.400
22	3.0% operating budget increase for MNCPPC	4.331
23	Change in Non-Agency spending:	
24	Reserves to 8.9% (Council Resolution No. 17-312)	18.499
25	CIP Current Revenue	7.246
26	Debt service	25.036
27	Set Aside	35.000
28	Change to reserves	0.262
29	Gap on March 14, 2017	0.000

The MCPS request was $27.1 million above Maintenance of Effort (MOE). The County Executive's Recommended Budget increases local funding $45.7 million, which is $19.0 million above MOE. An additional $6 million is recommended for MCPS from fund balances and reserves.

Montgomery College's request was $7.4 million above MOE, or 5.5 percent. The County Executive's Recommended Budget increases local funding by $2 million with an additional $1 million available from fund balances and reserves. In total, local funding to the College would increase 43.6 percent and 71.3 percent on a per student full-time enrollment basis since 2013.

MONTGOMERY COUNTY FUNDS

Presented below are the various funds of Montgomery County. Funds are shown by general category (tax supported vs. non-tax supported) and by agency. The funds within the tax supported category are those included in the Fiscal Plan Summary.

Tax Supported Funds:	Non-Tax Supported Funds:
MCPS: Current Fund	**MCPS**: Grant, Food Service, Adult Education, other Enterprise, and Internal Service Funds
Montgomery College: Current, Tax Supported Grants, and Emergency Repair Funds	**Montgomery College**: Grant, Continuing Education, Cable Television, Auxiliary Funds, and Internal Service Funds
M-NCPPC: Administration, Parks, and Advanced Land Acquisition Funds	**M-NCPPC**: Grant, Enterprise, Property Management, Special Revenue, and Internal Service Funds
Montgomery County Government: General, Recreation, Urban Districts, Mass Transit, Fire, and Economic Development Funds	**Montgomery County Government**: Grant, Solid Waste Collection and Disposal, Leaf Vacuuming, Parking Districts, Cable Television, Liquor Control, Permitting Services, Community Use of Public Facilities, Montgomery Housing Initiative, Water Quality Protection, and Internal Service Funds
Debt Service Associated with General and Special Tax Supported Funds	**Debt Service** Associated with Non-Tax Supported Funds is appropriated in the individual fund that is obligated to make the debt service payment (e.g., Parking District Revenue Bonds)
Revenue Stabilization Fund	**Housing Opportunities Commission (HOC), Revenue Authority, WSSC**

Tax Supported Funds

Public Service Program

- Fiscal Plan Summary

Capital Improvements Program

- General Information: CIP
- Debt Capacity Analysis
- General Obligation Bond Adjustment Chart
- Current Revenue Requirements for the CIP

County Executive's Recommended FY18-23 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

		App. FY17	Est. FY17	% Chg. FY17-18	Rec. FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
		5-26-16	3-14-17	App/Rec	3-14-17										
	Total Revenues														
1	Property Tax	1,738.7	1,737.6	1.6%	1,767.3	3.1%	1,822.6	3.3%	1,881.9	2.8%	1,934.1	3.0%	1,992.9	3.1%	2,055.4
2	Income Tax	1,487.6	1,486.4	4.7%	1,557.9	4.2%	1,623.3	3.7%	1,683.0	4.0%	1,749.9	4.7%	1,832.6	4.5%	1,914.6
3	Transfer/Recordation Tax	165.8	179.8	2.8%	170.4	2.5%	174.6	2.5%	178.9	2.4%	183.3	3.7%	190.1	4.5%	198.7
4	Other Taxes	278.3	277.9	1.5%	282.5	1.4%	286.4	1.4%	290.5	1.4%	294.6	1.3%	298.5	1.2%	302.2
5	Other Revenues	1,027.7	1,035.3	2.5%	1,053.0	0.1%	1,054.4	-0.3%	1,051.3	0.1%	1,052.6	0.5%	1,057.7	0.4%	1,062.0
6	**Total Revenues**	**4,698.1**	**4,717.0**	**2.8%**	**4,831.0**	**2.7%**	**4,961.4**	**2.5%**	**5,085.7**	**2.5%**	**5,214.4**	**3.0%**	**5,371.8**	**3.0%**	**5,532.9**
7															
8	**Net Transfers In (Out)**	**14.0**	**12.5**	**117.8%**	**30.5**	**-43.6%**	**17.2**	**2.4%**	**17.6**	**2.4%**	**18.1**	**2.5%**	**18.5**	**2.5%**	**19.0**
9	**Total Revenues and Transfers Available**	**4,712.1**	**4,729.5**	**3.2%**	**4,861.6**	**2.4%**	**4,978.6**	**2.5%**	**5,103.3**	**2.5%**	**5,232.5**	**3.0%**	**5,390.3**	**3.0%**	**5,551.9**
10															
11	**Non-Operating Budget Use of Revenues**														
12	Debt Service	388.2	380.2	3.0%	399.9	5.2%	420.8	4.3%	439.0	4.5%	458.6	2.9%	472.1	3.1%	486.7
13	PAYGO	34.0	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0
14	CIP Current Revenue	45.8	57.5	49.2%	68.3	42.6%	97.4	-22.8%	75.2	12.5%	84.6	-7.6%	78.1	0.0%	78.1
15	Change in Other Reserves	-53.3	-35.2	22.9%	-41.1	102.8%	1.2	-80.3%	0.2	-11.0%	0.2	9.5%	0.2	8.3%	0.2
16	Contribution to General Fund Undesignated Reserves	16.2	33.5	-84.3%	2.5	754.0%	21.7	-70.0%	6.5	-13.0%	5.7	2.2%	5.8	18.8%	6.9
17	Contribution to Revenue Stabilization Reserves	25.6	26.0	8.1%	27.7	5.5%	29.2	-26.4%	21.5	-56.7%	9.3	5.2%	9.8	4.6%	10.2
18	Set Aside for other uses (supplemental appropriations)	0.1	0.0	-100.0%	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
19	**Total Other Uses of Resources**	**456.5**	**495.9**	**7.6%**	**491.3**	**27.1%**	**624.3**	**-4.5%**	**596.4**	**2.7%**	**612.3**	**1.2%**	**620.0**	**2.6%**	**636.2**
20	**Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)**	**4,255.6**	**4,233.6**	**2.7%**	**4,370.2**	**-0.4%**	**4,354.3**	**3.5%**	**4,506.9**	**2.5%**	**4,620.2**	**3.3%**	**4,770.3**	**3.0%**	**4,915.8**
21															
22	**Agency Uses**														
23															
24	Montgomery County Public Schools (MCPS)	2,311.6	2,294.2	2.4%	2,366.6										
25	Montgomery College (MC)	261.6	255.2	-0.4%	260.6										
26	MNCPPC (w/o Debt Service)	120.6	120.6	3.0%	124.2										
27	MCG	1,561.9	1,563.6	3.6%	1,618.9										
28	**Agency Uses**	**4,255.6**	**4,233.6**	**2.7%**	**4,370.2**	**-0.4%**	**4,354.3**	**3.5%**	**4,506.9**	**2.5%**	**4,620.2**	**3.3%**	**4,770.3**	**3.0%**	**4,915.8**
29	**Total Uses**	**4,712.1**	**4,729.5**	**3.2%**	**4,861.6**	**2.4%**	**4,978.6**	**2.5%**	**5,103.3**	**2.5%**	**5,232.5**	**3.0%**	**5,390.3**	**3.0%**	**5,551.9**
30	**(Gap)/Available**	**0.0**	**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**

Assumptions:

1. Property taxes are at the Charter Limit with a $692 credit. The FY18 weighted propety tax rate is 2.51 cents lower than FY17. 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 FY17-22 Capital Improvements Program and additional propsed current revenue amendments.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY18-23.
5. The FY18 recommended local contribution to Montgomery College is an increase of $2 million compared to FY17. The slight decrease in the FY18 Montgomery College recommended appropriation compared to FY17 is due to reductions in FY18 State Aid revenue and tuition and fee revenue.

County Executive's Recommended FY18-23 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

		App. FY17	Est. FY17	% Chg. FY17-18	Rec. FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
1	**Beginning Reserves**														
2	**Unrestricted General Fund**	119.3	113.0	22.8%	146.5	1.7%	149.1	14.6%	170.8	3.8%	177.3	3.2%	182.9	3.2%	188.7
3	**Revenue Stabilization Fund**	254.7	254.4	10.1%	280.4	9.9%	308.1	9.5%	337.3	6.4%	358.8	2.6%	368.1	2.7%	377.8
4	**Total Reserves**	374.1	367.4	14.1%	426.9	7.1%	457.1	11.1%	508.0	5.5%	536.0	2.8%	551.0	2.8%	566.6
5															
6	**Additions to Reserves**														
7	**Unrestricted General Fund**	16.2	33.5	-84.3%	2.5	754.0%	21.7	-70.0%	6.5	-13.0%	5.7	2.2%	5.8	18.8%	6.9
8	**Revenue Stabilization Fund**	25.6	26.0	8.1%	27.7	5.5%	29.2	-26.4%	21.5	-56.7%	9.3	5.2%	9.8	4.6%	10.2
9	**Total Change in Reserves**	41.8	59.5	-27.7%	30.2	68.5%	50.9	-45.0%	28.0	-46.6%	15.0	4.1%	15.6	9.9%	17.1
0															
1	**Ending Reserves**														
2	**Unrestricted General Fund**	135.5	146.5	10.0%	149.1	14.6%	170.8	3.8%	177.3	3.2%	182.9	3.2%	188.7	3.6%	195.6
3	**Revenue Stabilization Fund**	280.3	280.4	9.9%	308.1	9.5%	337.3	6.4%	358.8	2.6%	368.1	2.7%	377.8	2.7%	388.1
4	**Total Reserves**	415.8	426.9	9.9%	457.1	11.1%	508.0	5.5%	536.0	2.8%	551.0	2.8%	566.6	3.0%	583.7
5	**Reserves as a % of Adjusted Governmental Revenues**	**8.4%**	**8.6%**		**8.9%**		**9.7%**		**10.0%**		**10.0%**		**10.0%**		**10.0%**
6	**Other Reserves**														
7	**Montgomery College**	4.5	7.3	-5.4%	4.2	0.0%	4.2	0.0%	4.2	0.0%	4.2	0.0%	4.2	0.0%	4.2
8	**M-NCPPC**	5.1	8.1	-7.9%	4.7	21.4%	5.7	3.2%	5.9	2.8%	6.1	3.0%	6.3	3.1%	6.4
9	**MCPS**	0.0	20.7	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
0	**MCG Special Funds**	2.0	15.1	-47.0%	1.0	14.6%	1.2	3.8%	1.2	3.2%	1.3	3.2%	1.3	3.6%	1.4
1	**MCG + Agency Reserves as a % of Adjusted Govt Revenues**	**8.6%**	**9.6%**		**9.1%**		**9.9%**		**10.2%**		**10.2%**		**10.2%**		**10.2%**
2	**Retiree Health Insurance Pre-Funding**														
3	Montgomery County Public Schools (MCPS)	**63.1**	**63.1**		**74.2**		**79.4**		**88.7**		**96.8**		**103.7**		**105.0**
4	Montgomery College (MC)	**1.5**	**1.5**		**2.6**		**2.8**		**3.0**		**3.1**		**3.3**		**3.3**
5	MNCPPC	**1.8**	**1.8**		**2.1**		**1.8**		**1.7**		**1.5**		**1.4**		**1.4**
6	MCG	**43.5**	**43.5**		**43.4**		**43.6**		**44.0**		**44.2**		**44.4**		**42.9**
7	**Subtotal Retiree Health Insurance Pre-Funding**	**109.9**	**109.9**		**122.2**		**127.6**		**137.4**		**145.6**		**152.9**		**152.7**
8	**Adjusted Governmental Revenues**														
9	**Total Tax Supported Revenues**	**4,698.1**	**4,717.0**	2.8%	**4,831.0**	2.7%	**4,961.4**	**2.5%**	**5,085.7**	**2.5%**	**5,214.4**	**3.0%**	**5,371.8**	**3.0%**	**5,532.9**
0	**Capital Projects Fund**	**130.7**	**130.7**	34.6%	**176.0**	0.5%	**176.9**	**-16.3%**	**148.1**	**4.1%**	**154.1**	**4.2%**	**160.6**	**0.0%**	**160.6**
1	**Grants**	**115.8**	**115.8**	1.4%	**117.4**	2.3%	**120.1**	**2.4%**	**122.9**	**2.5%**	**126.0**	**2.5%**	**129.1**	**2.5%**	**132.3**
2	**Total Adjusted Governmental Revenues**	**4,944.7**	**4,963.6**	3.6%	**5,124.5**	2.6%	**5,258.4**	**1.9%**	**5,356.7**	**2.6%**	**5,494.5**	**3.0%**	**5,661.5**	**2.9%**	**5,825.9**

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Capital Improvements Program (CIP)

GENERAL INFORMATION

Investment in the construction of public buildings, roads, and other facilities planned by County public agencies is generally budgeted in the Capital Improvements Program (CIP). The six-year CIP is the County's plan for constructing the infrastructure to implement approved master plans and the facilities required to deliver government programs and services and to complement and support private development. The CIP is a multi-year spending plan, including capital expenditure estimates, funding requirements, and related program data for all County departments and agencies with capital projects. The capital budget includes required appropriation, expenditures, and funding for the upcoming fiscal year.

The CIP is by law (for the first year) and by policy (for the second through sixth years) a balanced plan, where planned expenditures do not exceed anticipated resources to fund them. The CIP is supported by a variety of funding sources.

The tax supported portion of the CIP is funded by General Obligation and other long- and short-term debt (for which debt service is paid from revenues from one of the County taxes), Current Revenues from a County tax source, or an inter-governmental source.

The non-tax supported portion of the CIP may be funded by current revenues from a non-tax source, or debt, with the debt service paid from the non-tax source.

IMPACT OF THE CIP ON THE PUBLIC SERVICES PROGRAM/OPERATING BUDGET

The CIP impacts the six-year Public Service Program and Operating Budget in several ways.

Debt Service is the annual payment of principal and interest on general obligation bonds and other long- and short-term debt used to finance roads, schools, and other major projects. Debt service is budgeted as a fixed cost or a required expenditure in the Public Services Program and Operating Budgets of the General Fund and various other funds which issue debt.

An additional amount of County current revenues may be included in the operating budget as a direct bond offset to reduce the amount of borrowing required for project financing. This is called Pay-As-You-Go (PAYGO) Financing.

Selected CIP projects are funded directly with County current revenues in order to avoid costs of borrowing. These cash amounts are included in the operating budget as specific transfers to individual projects within the capital projects fund. Planning for capital projects is generally funded with current revenues, as are furniture, equipment and books (as for libraries).

The construction of government buildings and facilities also results in new annual costs for maintenance, utilities, and additional staffing required for facility management and operation. Whenever a new or expanded facility involves program expansion, as with new school buildings, libraries, or fire stations, the required staffing and equipment (principals, librarians, and fire apparatus) represent additional operating budget expenditures. Operating Budget Impacts are calculated to measure the incremental changes in spending against spending that would occur whether or not the capital investment occurs. Hence, for new school facilities, building maintenance and administrative staff are considered to impact the operating budget. Teachers, who would be hired in any case, based on numbers of students, are not considered impacts of the capital improvements program.

The implied Operating Budget Impacts of the Recommended CIP are included among the projected expenditure changes described in the Public Services Program.

EXPLANATION OF CHARTS:

Debt Capacity Analysis

This chart displays the performance of the G.O. bond funded portion of the Capital Improvements Program and various long- and short-term leases, against a variety of economic and fiscal indicators. Taken together, these comparisons are considered, along with other factors, by credit rating agencies in determining the County's G.O. bond rating. Therefore, the County manages its debt-related decisions against these same criteria to ensure continuation of our AAA rating, the best available.

General Obligation Bond Adjustment Chart

This chart compares the General Obligation bonds available for programming, with recommended programmed bond funded expenditures for the Capital Improvements Program. The line labeled "Bonds Planned for Issue" generally follows Spending Affordability Guidelines set by the County Council for general obligation debt. Amounts in the line labeled "Less Set Aside: Future Projects" indicate the amount available for possible future expenditures not yet programmed in individual projects. The debt service implied by these planned bond issues is budgeted in both tax supported and non-tax supported operating budgets.

Schedule A-3, for the Capital Improvements Program Current Revenue Requirements

This chart displays the CIP current revenue requirements of County agencies, by fund, across the six years of the Capital Improvements Program. Generally, current revenue assumptions made for the January Recommended CIP are conservative, and, if resources allow, additional current revenue may be recommended at the time PSP decisions are made in March. Because of the non-recurring nature of capital projects, the CIP is a good place to invest "one time" funds. The Total Current Revenue Requirement also includes PAYGO contributions made as direct offsets to debt obligations. Inflation and set-asides for future projects are unallocated amounts to cover increased costs due to inflation and for future unprogrammed projects.

DEBT CAPACITY ANALYSIS

FY17-22 Amended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 14, 2017

GO BOND 6 YR TOTAL = 2,040.0 MILLION

GO BOND FY17 TOTAL = 340.0.0 MILLION

GO BOND FY18 TOTAL = 340.0 MILLION

	FY16	FY17	FY18	FY19	FY20	FY21	FY22
1 GO Bond Guidelines ($000)	300,000	340,000	340,000	340,000	340,000	340,000	340,000
2 GO Debt/Assessed Value	1.86%	1.84%	1.84%	1.81%	1.81%	1.80%	1.79%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.06%	11.25%	11.28%	11.53%	11.80%	11.99%	12.00%
4 $ Debt/Capita	3,165	3,249	3,277	3,343	3,429	3,507	3,574
5 $ Real Debt/Capita (FY14=100%)	3,165	3,192	3,148	3,139	3,147	3,141	3,123
6 Capita Debt/Capita Income	3.91%	3.85%	3.82%	3.73%	3.69%	3.66%	3.61%
7 Payout Ratio	67.71%	68.11%	72.55%	73.00%	73.41%	71.13%	68.94%
8 Total Debt Outstanding ($000s)	3,257,290	3,374,265	3,481,335	3,577,105	3,695,810	3,804,170	3,902,580
9 Real Debt Outstanding (FY14=100%)	3,257,290	3,314,602	3,344,527	3,359,270	3,391,057	3,407,010	3,409,898
10 Note: OP/PSP Growth Assumption (2)		2.8%	2.8%	2.6%	2.6%	2.6%	3.0%

Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY17 approved budget to FY18 budget for FY18 and budget to budget for FY19-22.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY17-22 Amended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 14, 2017

($ millions)	6 YEARS	FY17	FY18	FY19	FY20	FY21	FY22
BONDS PLANNED FOR ISSUE	2,040.000	340.000	340.000	340.000	339.999	340.000	340.001
Plus PAYGO Funded	204.000	34.000	34.000	34.000	34.000	34.000	34.000
Adjust for Implementation **	-	-	-	-	-	-	-
Adjust for Future Inflation **	(84.405)	-	-	(8.409)	(16.803)	(25.345)	(33.849)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	2,159.596	374.000	374.000	365.591	357.197	348.655	340.152
Less Set Aside: Future Projects	**201.288**	**1.802**	**16.658**	**24.677**	**36.220**	**38.981**	**82.949**
	9.32%						
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	1,958.308	372.198	357.342	340.914	320.977	309.674	257.203
MCPS	(672.220)	(141.030)	(111.803)	(127.350)	(140.897)	(95.596)	(55.544)
MONTGOMERY COLLEGE	(140.924)	(30.285)	(29.904)	(14.751)	(13.579)	(21.687)	(30.718)
M-NCPPC PARKS	(69.931)	(11.703)	(11.230)	(10.648)	(9.970)	(12.430)	(13.950)
TRANSPORTATION	(566.058)	(81.112)	(91.149)	(85.467)	(104.701)	(108.275)	(95.354)
MCG - OTHER	(606.293)	(144.507)	(172.940)	(103.693)	(51.830)	(71.686)	(61.637)
Programming Adjustment - Unspent Prior Years*	97.118	36.439	59.684	0.995	-	-	-
	-						
SUBTOTAL PROGRAMMED EXPENDITURES	(1,958.308)	(372.198)	(357.342)	(340.914)	(320.977)	(309.674)	(257.203)
AVAILABLE OR (GAP)	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart County Executive's FY17-22 Recommended CIP publication,							
Inflation =		1.80%	2.25%	2.30%	2.35%	2.45%	2.50%
Implementation Rate =		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

March 14, 2017

TAX SUPPORTED APPROPRIATIONS ($000s)	ACTUAL FY15 Exp	ACTUAL FY15 Appr.	LATEST FY16 Exp.	APPROVED 6 YR	APPROVED FY17 Appr	REC FY18 Appr	REC FY19	REC FY20	REC FY21	REC FY22
GENERAL REVENUE SUPPORTED										
MCG	23,775	20,934	11,656	85,675	20,971	11,256	13,823	12,811	13,847	12,967
M-NCPPC PARKS	797	2,798	135	21,243	3,133	2,438	3,438	3,438	4,398	4,398
PUBLIC SCHOOLS (MCPS)	8,954	3,467	23,247	98,593	10,646	18,752	19,181	17,112	16,455	16,447
MONTGOMERY COLLEGE	9,087	11,471	11,519	82,968	8,548	14,084	15,084	15,084	15,084	15,084
HOC	-	1,250	-	9,400	1,250	2,550	1,850	1,250	1,250	1,250
CIP PAYGO - REGULAR	29,950	29,950	34,000	204,000	34,000	34,000	34,000	34,000	34,000	34,000
CIP PAYGO - RSF CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
TOTAL CIP PAYGO	29,950	29,950	34,000	204,000	34,000	34,000	34,000	34,000	34,000	34,000
SUBTOTAL	72,563	69,870	80,557	501,879	78,548	83,080	87,376	83,695	85,034	84,146
OTHER TAX SUPPORTED										
MASS TRANSIT	755	(491)	7,618	105,834	8,878	16,387	38,404	16,305	16,425	9,435
FIRE CONSOLIDATED	699	5,389	3,475	24,460	3,721	2,497	2,894	5,116	5,116	5,116
M-NCPPC PARKS	350	350	350	2,100	350	350	350	350	350	350
RECREATION	-	-	256	-	-	-	-	-	-	-
URBAN DISTRICTS	104	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT FUND	-	-	-	-	-	-	-	-	5,500	5,500
SUBTOTAL	1,908	5,248	11,699	143,394	12,949	19,234	41,648	21,771	27,391	20,401
SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:	74,471	75,118	92,256	645,273	91,497	102,314	129,024	105,466	112,425	104,547
INFLATION	-	-	-	19,751	-	-	2,368	3,691	6,140	7,552
SUBTOTAL ALLOCATION:	-	-	-	19,751	-	-	2,368	3,691	6,140	7,552
TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:	74,471	75,118	92,256	665,024	91,497	102,314	131,392	109,157	118,565	112,099

NON-TAX SUPPORTED EXPENDITURES ($000s)	ACTUAL FY15 Exp	ACTUAL FY15 Exp	LATEST FY16 Exp	APPROVED 6 YR	APPROVED FY17 Appr	APPROVED FY18 Appr	APPROVED FY19	APPROVED FY20	APPROVED FY21	APPROVED FY22
NON-TAX SUPPORTED										
MONTGOMERY HOUSING INITIATIVE	-	-	-	-	-	-	-	-	-	-
PARKING DISTRICTS	13,747	9,300	7,811	35,595	6,184	5,949	6,776	5,847	5,292	5,547
SOLID WASTE DISPOSAL	-	-	718	-	-	-	-	-	-	-
PERMITTING SERVICES	-	-	-	18,409	-	14,400	4,009	-	-	-
M-NCPPC ENTERPRISE FUND	1,004	800	1601	15,950	1,300	1,050	800	6,000	6,000	800
CABLE TV FUND	1,884	3,748	2,870	26,762	4,817	4,570	4,520	4,430	4,249	4,176
WATER QUALITY PROTECTION CHARGE	3,196	3,826	3,114	30,791	7,986	5,413	3,852	5,783	3,839	3,918
SUBTOTAL EXPENDITURES:	19,831	17,674	16,114	127,507	20,287	31,382	19,957	22,060	19,380	14,441
TOTAL CURRENT REVENUE REQUIREMENTS	94,302	92,792	108,370	792,531	111,784	133,696	151,349	131,217	137,945	126,540

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Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Bethesda Urban District Fund
- Silver Spring Urban District Fund
- Wheaton Urban District Fund
- Fire Tax District Fund
- Mass Transit Facilities Fund
- Recreation Fund
- Economic Development Fund

Montgomery College

- Montgomery College Current Fund
- Maryland-National Capital Park and Planning Commission
- M-NCPPC Administration Fund
- M-NCPPC Park Fund

Debt Service

- Debt Service Fund

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Montgomery County Government

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Bethesda Urban District				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0120	**0.0120**	0.0120	0.0120	0.0120	0.0120	0.0120
Assessable Base: Real Property (000)	4,593,300	**4,783,300**	4,977,800	5,167,000	5,337,200	5,502,000	5,663,100
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0300	**0.0300**	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	208,800	**209,700**	212,700	215,100	218,700	220,300	222,600
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**388,167**	**138,731**	**79,909**	**80,109**	**79,994**	**79,789**	**79,808**
REVENUES							
Taxes	606,207	**629,019**	**652,980**	**676,137**	**697,389**	**717,415**	**737,208**
Charges For Services	189,877	**189,877**	194,244	198,809	203,680	208,772	213,991
Subtotal Revenues	**796,084**	**818,896**	**847,224**	**874,946**	**901,069**	**926,187**	**951,199**
INTERFUND TRANSFERS (Net Non-CIP)	**2,130,083**	**2,297,225**	**2,328,063**	**2,300,026**	**2,273,813**	**2,248,919**	**2,223,825**
Transfers To The General Fund	(22,235)	(24,123)	(24,148)	(24,148)	(24,148)	(24,148)	(24,148)
Indirect Costs	(22,235)	(24,123)	(24,148)	(24,148)	(24,148)	(24,148)	(24,148)
Transfers From The General Fund	650,318	650,318	650,318	650,318	650,318	650,318	650,318
Baseline Services	650,318	650,318	650,318	650,318	650,318	650,318	650,318
Transfers From Special Fds: Non-Tax + ISF	1,502,000	1,671,030	1,701,893	1,673,856	1,647,643	1,622,749	1,597,655
Bethesda PLD	1,502,000	1,671,030	1,701,893	1,673,856	1,647,643	1,622,749	1,597,655
TOTAL RESOURCES	**3,314,334**	**3,254,852**	**3,255,196**	**3,255,081**	**3,254,876**	**3,254,895**	**3,254,832**
CIP CURRENT REVENUE APPROP.	**0**	**0**	**0**	**0**	**0**	**0**	**0**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,175,603)	**(3,174,943)**	(3,174,943)	(3,174,943)	(3,174,943)	(3,174,943)	(3,174,943)
Labor Agreement	n/a	**0**	(144)	(144)	(144)	(144)	(144)
Subtotal PSP Oper Budget Approp / Exp's	**(3,175,603)**	**(3,174,943)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**
TOTAL USE OF RESOURCES	**(3,175,603)**	**(3,174,943)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**	**(3,175,087)**
YEAR END FUND BALANCE	**138,731**	**79,909**	**80,109**	**79,994**	**79,789**	**79,808**	**79,745**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**4.2%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1.Transfers from the Bethesda Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.

2. Property tax revenue is assumed to increase of the six years based on an improved assessable base.

3. Large assessable base increases are due to economic growth and new projects coming online.

4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.

5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Silver Spring Urban District				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0240	**0.0240**	0.0240	0.0240	0.0240	0.0240	0.0240
Assessable Base: Real Property (000)	3,315,000	**3,452,100**	3,592,400	3,729,000	3,851,800	3,970,700	4,087,000
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0600	**0.0600**	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	124,300	**124,900**	126,700	128,100	130,200	131,200	132,600
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**734,148**	**440,519**	**90,444**	**90,489**	**90,217**	**90,619**	**90,735**
REVENUES							
Taxes	859,564	**892,457**	**926,812**	**960,054**	**990,430**	**1,019,237**	**1,047,661**
Charges For Services	150,000	**150,000**	153,450	157,056	160,904	164,927	169,050
Subtotal Revenues	**1,009,564**	**1,042,457**	**1,080,262**	**1,117,110**	**1,151,334**	**1,184,164**	**1,216,711**
INTERFUND TRANSFERS (Net Non-CIP)	**2,143,138**	**2,091,140**	**2,424,262**	**2,387,097**	**2,353,547**	**2,320,431**	**2,287,715**
Transfers To The General Fund	(396,804)	(423,230)	(426,848)	(426,848)	(426,848)	(426,848)	(426,848)
Indirect Costs	(396,804)	(423,230)	(426,848)	(426,848)	(426,848)	(426,848)	(426,848)
Transfers From The General Fund	524,660	524,660	524,660	524,660	524,660	524,660	524,660
Baseline Services	524,660	524,660	524,660	524,660	524,660	524,660	524,660
Transfers From Special Fds: Non-Tax + ISF	2,015,282	1,989,710	2,326,450	2,289,285	2,255,735	2,222,619	2,189,903
Silver Spring PLD	2,015,282	1,989,710	2,326,450	2,289,285	2,255,735	2,222,619	2,189,903
TOTAL RESOURCES	**3,886,850**	**3,574,116**	**3,594,968**	**3,594,696**	**3,595,098**	**3,595,214**	**3,595,160**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,446,331)	**(3,483,672)**	(3,483,672)	(3,483,672)	(3,483,672)	(3,483,672)	(3,483,672)
Labor Agreement	n/a	**0**	(20,807)	(20,807)	(20,807)	(20,807)	(20,807)
Subtotal PSP Oper Budget Approp / Exp's	**(3,446,331)**	**(3,483,672)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**
TOTAL USE OF RESOURCES	**(3,446,331)**	**(3,483,672)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**	**(3,504,479)**
YEAR END FUND BALANCE	**440,519**	**90,444**	**90,489**	**90,217**	**90,619**	**90,735**	**90,681**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**11.3%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1. Transfers from the Silver Spring Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase of the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estima tes of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations , and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer mu st not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Ur ban District times the number of

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Wheaton Urban District						
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0300	**0.0300**	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Real Property (000)	617,600	**643,100**	669,200	694,600	717,500	739,700	761,400
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0750	**0.0750**	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	34,700	**34,900**	35,400	35,800	36,400	36,600	37,000
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**493,591**	**617,925**	**50,659**	**50,995**	**51,060**	**51,058**	**51,127**
REVENUES							
Taxes	208,616	**216,329**	**224,438**	**232,267**	**239,500**	**246,233**	**252,963**
Miscellaneous	550	550	550	550	550	550	550
Subtotal Revenues	**209,166**	**216,879**	**224,988**	**232,817**	**240,050**	**246,783**	**253,513**
INTERFUND TRANSFERS (Net Non-CIP)	**1,698,815**	**1,232,289**	**1,805,307**	**1,797,207**	**1,789,907**	**1,783,245**	**1,776,483**
Transfers To The General Fund	(242,554)	(256,309)	(258,661)	(258,661)	(258,661)	(258,661)	(258,661)
Indirect Costs	(242,554)	(256,309)	(258,661)	(258,661)	(258,661)	(258,661)	(258,661)
Transfers From The General Fund	1,917,740	1,464,240	2,038,840	2,030,740	2,023,440	2,015,840	2,008,140
Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
Non-Baseline Services	1,841,650	1,388,150	1,962,750	1,954,650	1,947,350	1,939,750	1,932,050
Transfers From Special Fds: Non-Tax + ISF	23,629	24,358	25,128	25,128	25,128	26,066	27,004
Wheaton PLD	23,629	24,358	25,128	25,128	25,128	26,066	27,004
TOTAL RESOURCES	**2,401,572**	**2,067,093**	**2,080,954**	**2,081,019**	**2,081,017**	**2,081,086**	**2,081,123**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(1,783,647)	**(2,016,434)**	(2,016,434)	(2,016,434)	(2,016,434)	(2,016,434)	(2,016,434)
Labor Agreement	n/a	**0**	(13,525)	(13,525)	(13,525)	(13,525)	(13,525)
Subtotal PSP Oper Budget Approp / Exp's	**(1,783,647)**	**(2,016,434)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**
TOTAL USE OF RESOURCES	**(1,783,647)**	**(2,016,434)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**	**(2,029,959)**
YEAR END FUND BALANCE	**617,925**	**50,659**	**50,995**	**51,060**	**51,058**	**51,127**	**51,164**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**25.7%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1.Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.

2. Property tax revenue is assumed to increase of the six years based on an improved assessable base.

3. Large assessable base increases are due to economic growth and new projects coming online.

4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.

5. The Non-Baseline Services transfer is necessary to maintain fund balance policy.

6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.

7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer mu st not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Consolidated Fire District				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 CE REC**	**FY19 PROJ.**	**FY20 PROJ.**	**FY21 PROJ.**	**FY22 PROJ.**	**FY23 PROJ.**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.1140	**0.1094**	0.1096	0.1106	0.1124	0.1148	0.1170
Assessable Base: Real Property (000)	178,296,000	**185,671,400**	193,219,600	200,564,600	207,171,600	213,568,300	219,821,700
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.2850	**0.2735**	0.2740	0.2765	0.2810	0.2870	0.2925
Assessable Base: Personal Property (000)	3,844,852	**3,861,513**	3,916,600	3,960,900	4,026,200	4,055,400	4,098,900
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	0.00%	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**4,994,451**	**589,575**	**288,283**	**116,155**	**332,397**	**558,504**	**837,091**
REVENUES							
Taxes	211,705,490	**211,187,349**	**219,902,423**	**230,062,470**	**241,330,190**	**253,827,491**	**266,051,834**
Charges For Services	18,500,000	**19,199,561**	19,641,151	20,102,718	20,595,235	21,110,115	21,637,868
Intergovernmental	1,975,000	**0**	0	0	0	0	0
Miscellaneous	299,822	**482,630**	487,012	491,591	496,478	501,587	506,823
Subtotal Revenues	**232,480,312**	**230,869,540**	**240,030,585**	**250,656,779**	**262,421,903**	**275,439,193**	**288,196,525**
INTERFUND TRANSFERS (Net Non-CIP)	**(11,931,198)**	**(14,261,412)**	**(12,760,250)**	**(13,567,300)**	**(15,817,980)**	**(18,662,440)**	**(20,919,800)**
Transfers To Debt Service Fund	(11,629,966)	(13,960,180)	(12,889,500)	(13,696,550)	(15,947,230)	(18,791,690)	(21,049,050)
GO Bonds	(7,282,566)	(7,678,780)	(8,216,000)	(8,423,050)	(9,373,730)	(12,033,990)	(14,767,150)
Long Term Leases	(3,715,800)	(4,067,900)	(2,300,000)	(2,900,000)	(4,200,000)	(4,700,000)	(4,700,000)
Short Term Leases	(631,600)	(2,213,500)	(2,373,500)	(2,373,500)	(2,373,500)	(2,057,700)	(1,581,900)
Transfers To The General Fund	(551,232)	(551,232)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Telecommunictions NDA	(430,482)	(430,482)		0	0	0	0
Other: DCM	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Transfers From The General Fund	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Fund Balance Transfer	0	0	0	0	0	0	0
EMST Fee Payment Uninsured Residents	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL RESOURCES	**225,543,565**	**217,197,703**	**227,558,618**	**237,205,635**	**246,936,319**	**257,335,257**	**268,113,817**
CIP CURRENT REVENUE APPROP.	**(3,721,000)**	**(2,497,000)**	**(2,894,000)**	**(5,116,000)**	**(5,116,000)**	**(5,116,000)**	**(5,116,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(221,232,990)	**(214,412,420)**	(222,859,590)	(231,763,657)	(241,268,234)	(251,296,585)	(261,755,497)
Labor Agreement	n/a	**0**	(1,636,176)	(1,636,176)	(1,636,176)	(1,636,176)	(1,636,176)
Annualizations and One-Time	n/a	**n/a**	3,303	3,303	3,303	3,303	3,303
ECC Civilianization	n/a	**n/a**	0	1,695,292	1,695,292	1,695,292	1,695,292
Clarksburg Fire Station	0	**0**	0	0	0	0	(160,000)
Kensgington (Aspen Hill) Fire Station Addition	0	**0**	(56,000)	(56,000)	(56,000)	(56,000)	(56,000)
White Flint Fire Station	0	**0**	0	0	0	(92,000)	(184,000)
Subtotal PSP Oper Budget Approp / Exp's	**(221,232,990)**	**(214,412,420)**	**(224,548,463)**	**(231,757,238)**	**(241,261,815)**	**(251,382,166)**	**(262,093,078)**
TOTAL USE OF RESOURCES	**(224,953,990)**	**(216,909,420)**	**(227,442,463)**	**(236,873,238)**	**(246,377,815)**	**(256,498,166)**	**(267,209,078)**
YEAR END FUND BALANCE	**589,575**	**288,283**	**116,155**	**332,397**	**558,504**	**837,091**	**904,739**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**0.3%**	**0.1%**	**0.1%**	**0.1%**	**0.2%**	**0.3%**	**0.3%**

Assumptions:
1. The tax rates for the Consolidated Fire Tax District are adjusted to fund the planned program of public services and maintain a positive fund balance. The County's policy is to maximize tax supported reserves in the General Fund, which results in minimizing reserves in the County's tax supported special revenue funds.
2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
3. The cost of capital facilities will be included in future budgets as projects are completed and their costs defined.
4. A multiyear initiative to civilianize and consolidate 33 uniformed dispatch positions in the Emergency Communications Center (ECC) began in FY15 and continues through FY20.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Mass Transit				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0520	0.0580	0.0752	0.0650	0.0670	0.0632	0.0640
Assessable Base: Real Property (000)	178,296,000	185,671,400	193,219,600	200,564,600	207,171,600	213,568,300	219,821,700
Property Tax Collection Factor: Real Property	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.1300	0.1450	0.1880	0.1625	0.1675	0.1580	0.1600
Assessable Base: Personal Property (000)	3,844,852	3,861,513	3,916,600	3,960,900	4,026,200	4,055,400	4,098,900
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	2.3%	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	16,605,735	10,653,843	149,995	302,210	135,332	186,774	368,098
REVENUES							
Taxes	96,567,417	111,964,042	150,881,955	135,208,504	143,853,405	139,737,783	145,532,627
Licenses & Permits	531,000	531,000	543,213	555,979	569,600	583,840	598,436
Charges For Services	25,348,237	23,745,531	24,291,678	24,862,533	25,471,665	26,108,456	26,761,168
Fines & Forfeitures	405,000	405,000	414,315	424,051	434,441	445,302	456,434
Intergovernmental	38,953,060	39,453,060	40,360,478	41,308,954	42,321,020	43,379,049	44,463,529
Miscellaneous	120,250	120,250	120,250	120,250	120,250	120,250	120,250
Subtotal Revenues	161,924,964	176,218,883	216,611,890	202,480,270	212,770,380	210,374,680	217,932,444
INTERFUND TRANSFERS (Net Non-CIP)	(36,103,472)	(38,856,522)	(40,963,187)	(44,517,247)	(49,417,837)	(48,563,057)	(50,924,977)
Transfers To Debt Service Fund	(27,291,253)	(26,443,880)	(28,564,520)	(32,118,580)	(37,019,170)	(36,164,390)	(38,526,310)
GO Bonds	(18,924,753)	(20,461,280)	(21,879,420)	(24,498,380)	(28,463,870)	(30,435,290)	(33,823,010)
Long Term Leases	(8,366,500)	(5,982,600)	(6,685,100)	(7,620,200)	(8,555,300)	(5,729,100)	(4,703,300)
Transfers To The General Fund	(11,733,529)	(12,943,952)	(12,929,977)	(12,929,977)	(12,929,977)	(12,929,977)	(12,929,977)
Indirect Costs	(11,602,510)	(12,812,933)	(12,929,977)	(12,929,977)	(12,929,977)	(12,929,977)	(12,929,977)
Telecommunications NDA	(131,019)	(131,019)	0	0	0	0	0
Transfers From The General Fund	2,921,310	531,310	531,310	531,310	531,310	531,310	531,310
Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
Fund Balance Transfer	2,390,000	0	0	0	0	0	0
TOTAL RESOURCES	142,427,227	148,016,204	175,798,698	158,265,233	163,487,875	161,998,397	167,375,565
CIP CURRENT REVENUE APPROP.	(8,878,000)	(16,387,000)	(38,404,000)	(16,305,000)	(16,425,000)	(9,435,000)	(9,435,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(122,895,384)	(131,479,209)	(135,976,824)	(140,709,237)	(145,760,437)	(151,079,635)	(156,607,196)
Labor Agreement	n/a	0	(673,051)	(673,051)	(673,051)	(673,051)	(673,051)
MD 355 Extra Service	n/a	n/a	(441,543)	(441,543)	(441,543)	(441,543)	(441,543)
Route 75 Enhancement			(118,000)	(118,000)	(118,000)	(118,000)	(118,000)
Route Reductions	n/a	n/a	116,930	116,930	116,930	116,930	116,930
Subtotal PSP Oper Budget Approp / Exp's	(122,895,384)	(131,479,209)	(137,092,488)	(141,824,901)	(146,876,101)	(152,195,299)	(157,722,860)
TOTAL USE OF RESOURCES	(131,773,384)	(147,866,209)	(175,496,488)	(158,129,901)	(163,301,101)	(161,630,299)	(167,157,860)
YEAR END FUND BALANCE	10,653,843	149,995	302,210	135,332	186,774	368,098	217,705
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	7.5%	0.1%	0.2%	0.1%	0.1%	0.2%	0.1%

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include inflation or unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The County's policy is to maximize tax supported reserves in the General fund, which is limited by the County Charter to five percent of the prior year's General Fund reserves. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Recreation						
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0230	**0.0238**	0.0264	0.0272	0.0274	0.0276	0.0270
Assessable Base: Real Property (000)	155,931,400	**162,381,700**	168,983,100	175,406,800	181,185,000	186,779,300	192,248,300
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0575	**0.0595**	0.0660	0.0680	0.0685	0.0690	0.0675
Assessable Base: Personal Property (000)	3,135,600	**3,149,200**	3,194,100	3,230,200	3,283,500	3,307,300	3,342,800
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**2,681,535**	**2,635,804**	**381,299**	**316,971**	**184,502**	**169,691**	**310,250**
REVENUES							
Taxes	37,227,612	**40,048,659**	**46,176,214**	**49,327,455**	**51,291,566**	**53,209,011**	**53,536,044**
Charges For Services	10,760,542	**10,580,542**	10,860,519	11,793,117	12,561,703	12,925,746	13,248,889
Miscellaneous	165,567	**165,567**	165,567	165,567	165,567	165,567	165,567
Subtotal Revenues	**48,153,721**	**50,794,768**	**57,202,300**	**61,286,139**	**64,018,836**	**66,300,324**	**66,950,500**
INTERFUND TRANSFERS (Net Non-CIP)	**(14,388,711)**	**(16,263,511)**	**(17,478,831)**	**(17,716,551)**	**(18,519,661)**	**(18,593,811)**	**(17,748,231)**
Transfers To Debt Service Fund	(9,719,423)	(11,003,380)	(12,483,600)	(12,721,320)	(13,524,430)	(13,598,580)	(12,753,000)
GO Bonds	(8,194,923)	(9,477,020)	(10,957,900)	(12,721,320)	(13,524,430)	(13,598,580)	(12,753,000)
Long Term Leases	(1,524,500)	(1,526,360)	(1,525,700)	0	0	0	0
Transfers To The General Fund	(5,678,988)	(6,269,831)	(6,004,931)	(6,004,931)	(6,004,931)	(6,004,931)	(6,004,931)
Indirect Costs	(3,548,948)	(4,139,791)	(4,158,521)	(4,158,521)	(4,158,521)	(4,158,521)	(4,158,521)
Telecommunications NDA	(283,630)	(283,630)	0	0	0	0	0
Custodial Cleaning Costs	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)
Facility Maintenance Costs	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)
Other - DCM	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)
Transfers From The General Fund	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700
ASACs	120,990	120,990	120,990	120,990	120,990	120,990	120,990
Countywide Services	888,710	888,710	888,710	888,710	888,710	888,710	888,710
TOTAL RESOURCES	**36,446,545**	**37,167,061**	**40,104,768**	**43,886,559**	**45,683,677**	**47,876,204**	**49,512,519**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(33,810,741)	**(36,785,762)**	(38,107,942)	(39,500,063)	(40,985,997)	(42,551,889)	(44,181,292)
Labor Agreement	n/a	**0**	(107,706)	(107,706)	(107,706)	(107,706)	(107,706)
Annualizations and One-Time:	n/a	**n/a**	(438,050)	(487,184)	(506,184)	(524,684)	(524,684)
Wheaton Redevelopment	n/a	**n/a**	0	(288,000)	(288,000)	(293,000)	(293,000)
Good Hope Neighborhood Recreation Center	n/a	**n/a**	(148,826)	(148,826)	(148,826)	(148,826)	(148,826)
Wheaton Library and Recreation Center	n/a	**n/a**	(985,273)	(945,273)	(945,273)	(945,273)	(945,273)
South County Regional Recreation and Aquatic Center	n/a	**n/a**	0	(2,225,005)	(2,532,000)	(2,994,576)	(2,994,576)
Subtotal PSP Oper Budget Approp / Exp's	**(33,810,741)**	**(36,785,762)**	**(39,787,797)**	**(43,702,057)**	**(45,513,986)**	**(47,565,954)**	**(49,195,357)**
TOTAL USE OF RESOURCES	**(33,810,741)**	**(36,785,762)**	**(39,787,797)**	**(43,702,057)**	**(45,513,986)**	**(47,565,954)**	**(49,195,357)**
YEAR END FUND BALANCE	**2,635,804**	**381,299**	**316,971**	**184,502**	**169,691**	**310,250**	**317,162**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**7.2%**	**1.0%**	**0.8%**	**0.4%**	**0.4%**	**0.6%**	**0.6%**

Assumptions:

1.The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.
2.Related revenues, debt service, and operating costs have been incorporated for new facilities between FY19 and FY23.
3.Recreation's move to the Wheaton Redevelopment facility is assumed to be in mid-FY20 with a full year of expenses at the Wheaton facility. Expenses at the Wheaton facility include utilities, maintenance, and parking. Timing of the move to Wheaton Redevelopment has not yet been finalized.
4.These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Economic Development Fund				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**2,201,580**	**0**	**0**	**0**	**0**	**0**	**0**
REVENUES							
Miscellaneous	128,223	**173,355**	173,355	173,355	173,355	173,355	173,355
Subtotal Revenues	**128,223**	**173,355**	**173,355**	**173,355**	**173,355**	**173,355**	**173,355**
INTERFUND TRANSFERS (Net Non-CIP)	**726,646**	**5,059,988**	**5,062,833**	**5,062,833**	**10,562,833**	**10,562,833**	**5,062,833**
Transfers From The General Fund	726,646	5,059,988	5,062,833	5,062,833	10,562,833	10,562,833	5,062,833
From General Fund	726,646	5,059,988	5,062,833	5,062,833	10,562,833	10,562,833	5,062,833
TOTAL RESOURCES	**3,056,449**	**5,233,343**	**5,236,188**	**5,236,188**	**10,736,188**	**10,736,188**	**5,236,188**
CIP CURRENT REVENUE APPROP.	**0**	**0**	**0**	**0**	**(5,500,000)**	**(5,500,000)**	**0**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,056,449)	**(5,233,343)**	(5,233,343)	(5,233,343)	(5,233,343)	(5,233,343)	(5,233,343)
Labor Agreement	n/a	**0**	(2,845)	(2,845)	(2,845)	(2,845)	(2,845)
Subtotal PSP Oper Budget Approp / Exp's	**(3,056,449)**	**(5,233,343)**	**(5,236,188)**	**(5,236,188)**	**(5,236,188)**	**(5,236,188)**	**(5,236,188)**
TOTAL USE OF RESOURCES	**(3,056,449)**	**(5,233,343)**	**(5,236,188)**	**(5,236,188)**	**(10,736,188)**	**(10,736,188)**	**(5,236,188)**
YEAR END FUND BALANCE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Assumptions:

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The transfer from the General Fund is adjusted to fund program costs, net of offseting loan repayments, intergovernmental funding, and investment income.

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Montgomery College

MONTGOMERY COLLEGE CURRENT FUND
COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN
FY18-23

	FY16 Actual	FY17 CC Approved	FY17 Estimate	FY18 CE Rec	FY19 Proj.	FY20 Proj.	FY21 Proj.	FY22 Proj.	FY23 Proj.
Beginning Fund Balance	**12,115,618**	**8,415,617**	**8,509,486**	**6,784,389**	**3,824,919**	**3,735,397**	**3,638,464**	**3,628,987**	**3,680,386**
Revenues									
General Fund Contribution	127,633,727	134,133,727	134,133,727	136,133,727	136,133,727	136,133,727	136,133,727	136,133,727	136,133,727
Tuition & Related Fees	79,300,129	82,558,951	78,058,186	80,348,544	80,548,944	76,104,783	75,766,854	76,089,065	77,228,594
Hypothetical Tuition Increase					*7,694,918*	*7,481,399*	*7,487,189*	*7,579,506*	*7,688,411*
Other Student Fees	1,355,259	1,511,963	1,429,537	1,368,001	1,371,413	1,295,747	1,295,747	1,295,747	1,295,747
State Aid	33,981,176	36,141,583	36,141,583	35,822,351	36,646,265	37,525,775	38,463,920	39,425,518	40,411,156
Fed, State & Priv. Gifts/Grants	364,546	325,000	315,000	325,000	332,475	340,454	340,454	340,454	340,454
Investment Income	138,387	55,000	140,000	155,000	158,565	162,371	162,371	162,371	162,371
Performing Arts Center	57,257	135,000	65,000	135,000	138,105	141,420	141,420	141,420	141,420
Other Revenues (asset sales, lib. fines, rentals)	1,300,054	1,459,000	2,478,238	1,459,000	1,492,557	1,528,378	1,528,378	1,528,378	1,528,378
Adjustments - Non Mandatory Transfer				1,100,000					
Total Revenues	**244,130,535**	**256,320,224**	**252,761,271**	**256,846,623**	**264,516,969**	**260,714,055**	**261,320,060**	**262,696,186**	**264,930,258**
CIP CR	13,868,000	15,048,000	15,048,000	14,084,000	13,868,000	13,868,000	13,868,000	13,868,000	13,868,000
Subtotal Revenues and Transfers	**257,998,535**	**271,368,224**	**267,809,271**	**270,930,623**	**278,384,969**	**274,582,055**	**275,188,060**	**276,564,186**	**278,798,258**
Total Resources Available	**270,114,153**	**279,783,841**	**276,318,757**	**277,715,012**	**282,209,888**	**278,317,452**	**278,826,524**	**280,193,173**	**282,478,643**
County Share	51.2%	51.4%	52.7%	52.4%	51.5%	52.2%	52.1%	51.9%	51.4%
State Aid Share	13.6%	13.9%	14.2%	13.8%	13.9%	14.4%	14.7%	15.0%	15.3%
Tuition, Fees, Other Share	35.2%	34.7%	33.1%	33.8%	34.6%	33.4%	33.1%	33.1%	33.3%
Expenditures									
Total Expenditures	**(249,239,029)**	**(260,817,779)**	**(254,486,368)**	**(259,806,093)**	**(264,382,367)**	**(260,606,517)**	**(261,100,322)**	**(262,426,053)**	**(264,643,054)**
CIP CR	**(13,868,000)**	**(15,048,000)**	**(15,048,000)**	**(14,084,000)**	**(13,868,000)**	**(13,868,000)**	**(13,868,000)**	**(13,868,000)**	**(13,868,000)**
End of Year Proj. Fund Bal (Reserve)	**7,007,124**	**3,918,062**	**6,784,389**	**3,824,919**	**3,959,521**	**3,842,935**	**3,858,202**	**3,899,120**	**3,967,589**
Fund Bal/Reserve as % of Resources less Contribution	5.4%	3.0%	5.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Assumptions:

1. The table reflects the College's reserve policy, where the college will hold in reserve an amount equal to 3% to 5% of the Current Fund appropriation excluding the County contribution.
2. The table reflects, for analysis only, out-year tuition increases to maintain the College's combined reserve and fund balance at the FY18 recommended level.
3. The County's local out-year contribution is held constant at the County Executive recommended FY18 level.
4. Tuition and related fees change at the rate of full-time equivalent student changes.
5. Other revenues, State aid, and expenditures grow based on CPI.

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Maryland-National Capital Park and Planning Commission

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Administration Fund				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0170	**0.0168**	0.0176	0.0176	0.0172	0.0174	0.0172
Assessable Base: Real Property (000)	155,018,000	**161,430,500**	167,993,200	174,379,300	180,123,700	185,685,200	191,122,200
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0425	**0.0420**	0.0440	0.0440	0.0430	0.0435	0.0430
Assessable Base: Personal Property (000)	3,122,400	**3,136,000**	3,180,700	3,216,700	3,269,700	3,293,400	3,328,800
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**5,404,084**	**3,061,803**	**1,113,067**	**971,352**	**1,232,454**	**998,961**	**1,296,933**
REVENUES							
Taxes	27,357,021	**28,106,192**	**30,606,088**	**31,733,122**	**32,011,304**	**33,350,636**	**33,907,014**
Charges For Services	145,000	**163,400**	167,158	171,086	175,278	179,660	184,151
Intergovernmental	409,900	**420,300**	429,967	440,071	450,853	462,124	473,677
Miscellaneous	60,000	**70,000**	70,000	70,000	70,000	70,000	70,000
Subtotal Revenues	**27,971,921**	**28,759,892**	**31,273,213**	**32,414,280**	**32,707,435**	**34,062,420**	**34,634,843**
INTERFUND TRANSFERS (Net Non-CIP)	**(500,000)**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers To Special Fds: Non-Tax + ISF	(500,000)	0	0	0	0	0	0
To M-NCPPC Special Revenue Fund	(500,000)	0	0	0	0	0	0
TOTAL RESOURCES	**32,876,005**	**31,821,695**	**32,386,280**	**33,385,632**	**33,939,889**	**35,061,381**	**35,931,775**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(29,814,202)	**(30,708,628)**	(31,414,928)	(32,153,178)	(32,940,928)	(33,764,448)	(34,608,558)
Subtotal PSP Oper Budget Approp / Exp's	**(29,814,202)**	**(30,708,628)**	**(31,414,928)**	**(32,153,178)**	**(32,940,928)**	**(33,764,448)**	**(34,608,558)**
TOTAL USE OF RESOURCES	**(29,814,202)**	**(30,708,628)**	**(31,414,928)**	**(32,153,178)**	**(32,940,928)**	**(33,764,448)**	**(34,608,558)**
YEAR END FUND BALANCE	**3,061,803**	**1,113,067**	**971,352**	**1,232,454**	**998,961**	**1,296,933**	**1,323,217**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**9.3%**	**3.5%**	**3.0%**	**3.7%**	**2.9%**	**3.7%**	**3.7%**

Assumptions:

1. All labor and operating costs are shown as operating costs since M-NCPPC is not a component of Montgomery County Government.
2. Tax rates are adjusted to maintain a fund balance of approximately 3 percent of resources.
3. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, inflation, future labor agreements, and other factors not assumed here.
4. The transfer to M-NCPPC Special Revenue Fund is not incuded in FY18 due to fiscal constraints.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Park Fund				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0548	**0.0550**	0.0552	0.0546	0.0542	0.0540	0.0538
Assessable Base: Real Property (000)	155,018,000	**161,430,500**	167,993,200	174,379,300	180,123,700	185,685,200	191,122,200
Property Tax Collection Factor: Real Property	98.9%	**98.9%**	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.1370	**0.1375**	0.1380	0.1365	0.1355	0.1350	0.1345
Assessable Base: Personal Property (000)	3,122,400	**3,136,000**	3,180,700	3,216,700	3,269,700	3,293,400	3,328,800
Property Tax Collection Factor: Personal Property	97.5%	**97.5%**	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**7,263,188**	**5,031,011**	**3,599,036**	**3,598,396**	**3,876,537**	**3,873,570**	**4,086,622**
REVENUES							
Taxes	88,186,161	**92,014,320**	**95,991,824**	**98,444,802**	**100,872,830**	**103,501,976**	**106,057,987**
Charges For Services	2,594,043	**2,800,643**	2,865,058	2,932,387	3,004,230	3,079,336	3,156,319
Intergovernmental	2,817,413	**2,967,013**	3,035,254	3,106,583	3,182,694	3,262,261	3,343,818
Miscellaneous	137,700	**140,900**	140,900	140,900	140,900	140,900	140,900
Subtotal Revenues	**93,735,317**	**97,922,876**	**102,033,036**	**104,624,671**	**107,200,654**	**109,984,473**	**112,699,024**
TOTAL RESOURCES	**100,998,505**	**102,953,887**	**105,632,072**	**108,223,068**	**111,077,191**	**113,858,043**	**116,785,646**
CIP CURRENT REVENUE APPROP.	**(350,000)**	**(350,000)**	**(350,000)**	**(350,000)**	**(350,000)**	**(350,000)**	**(350,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(90,770,525)	**(93,493,641)**	(95,643,991)	(97,891,621)	(100,289,961)	(102,797,211)	(105,367,141)
Debt Service: Other (Non-Tax Funds only)	(4,846,969)	**(5,511,210)**	(6,039,685)	(6,104,910)	(6,563,660)	(6,624,210)	(7,088,610)
Subtotal PSP Oper Budget Approp / Exp's	**(95,617,494)**	**(99,004,851)**	**(101,683,676)**	**(103,996,531)**	**(106,853,621)**	**(109,421,421)**	**(112,455,751)**
TOTAL USE OF RESOURCES	**(95,967,494)**	**(99,354,851)**	**(102,033,676)**	**(104,346,531)**	**(107,203,621)**	**(109,771,421)**	**(112,805,751)**
YEAR END FUND BALANCE	**5,031,011**	**3,599,036**	**3,598,396**	**3,876,537**	**3,873,570**	**4,086,622**	**3,979,895**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**5.0%**	**3.5%**	**3.4%**	**3.6%**	**3.5%**	**3.6%**	**3.4%**

Assumptions:
1. All labor and operating costs are shown as operating costs since M-NCPPC is not a component of Montgomery County Government.
2. Tax rates are adjusted to maintain a fund balance of approximatley 3-4 percent of resources.
3. Debt service figures are provided by M-NCPPC and reflect bond issues for new projects using Park and Planning Bonds.
4. These revenue projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fees or tax rates, usages, inflation, future labor agreements, and other factors not assumed here.

Debt Service

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT	Actual	Actual	Budget	Estimated	Recommended	% Chg	Rec %
GO BOND DEBT SERVICE EXPENDITURES	FY15	FY16	FY17	FY17	FY18	Bud/Rec	GO Bonds
General County	46,989,995	51,082,509	59,184,220	58,299,080	63,521,610		17.6%
Roads & Storm Drains	67,396,632	61,896,517	70,224,060	70,304,845	74,945,800		20.8%
Public Housing	65,625	64,050	62,470	62,475	60,720		0.0%
Parks	9,714,221	8,068,892	8,237,270	8,227,183	9,113,810		2.5%
Public Schools	133,188,736	133,869,814	150,187,650	148,720,848	150,388,180		41.7%
Montgomery College	18,046,881	21,814,230	23,688,760	23,486,250	24,785,350		6.9%
Bond Anticipation Notes/Commercial Paper	309,534	549,173	2,400,000	2,600,000	5,900,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,099,233	2,096,849	2,500,000	2,500,000	2,500,000		
Cost of Issuance	897,494	775,424	1,203,000	1,000,000	1,023,000		
Total General Fund	278,708,351	280,217,458	317,687,430	315,200,681	332,238,470	4.6%	89.6%
Fire Tax District Fund	8,207,008	7,016,060	7,491,440	7,282,566	7,678,780		2.1%
Mass Transit Fund	11,836,166	17,199,301	18,863,850	18,924,753	20,461,280		5.7%
Recreation Fund	9,338,662	7,270,852	8,327,890	8,194,923	9,477,020		2.6%
Total Tax Supported Other Funds	29,381,836	31,486,213	34,683,180	34,402,242	37,617,080	8.5%	10.4%
TOTAL TAX SUPPORTED	308,090,187	311,703,671	352,370,610	349,602,923	369,855,550	5.0%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	308,090,187	311,703,671	352,370,610	349,602,923	369,855,550	5.0%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	981,134	985,034	988,540	988,540	986,640		
Revenue Authority - HHS Piccard Drive	391,106	394,376	395,800	395,800	-		
Revenue Authority - Recreation Pools	1,522,159	1,525,040	1,524,500	1,524,500	1,526,360		
Fire and Rescue Equipment	3,741,600	4,038,961	4,726,000	3,715,800	4,067,900		
TOTAL LONG-TERM LEASE EXPENDITURES	6,635,999	6,943,411	7,634,840	6,624,640	6,580,900	-13.8%	
SHORT-TERM LEASE EXPENDITURES / FINANCING							
Technology Modernization Project	5,659,962	5,659,960	7,294,600	5,668,100	5,676,100		
Libraries System Modernization	-	-	128,500	48,500	127,500		
Corrections Security System	-	-	-	-	70,700		
Ride On Buses	6,625,835	7,651,422	9,138,890	8,366,500	5,982,600		
Public Safety System Modernization	4,373,540	5,327,263	4,907,600	3,157,800	2,487,200		
Fire Breathing Apparatus	-	-	-	-	1,421,900		
Fuel Management System	-	-	791,600	631,600	791,600		
TOTAL SHORT-TERM LEASE EXPENDITURES	16,659,337	18,638,645	22,261,190	17,872,500	16,557,600	-25.6%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue **- Tax supported**	294,606	295,105	290,500	290,500	290,800		
Site II Acquisition **- Tax supported**	400,000	400,000	400,000	400,000	400,000		
Energy Performance Leases QECBs **- Tax supported**	429,522	324,428	325,500	400,500	445,700		
Energy Performance Leases Other **- Tax supported**	-	-	-	38,200	149,110		
MHI-HUD Loan **- Non-Tax supported**	65,630	63,480	61,280	61,280	59,020		
Water Quality Protection Charge Bonds **- Non-Tax supported**	3,018,850	3,020,250	6,367,900	6,148,400	6,146,000		
MHI - Property Acquisition Fund **- Non-Tax supported**	7,195,949	7,196,022	7,950,310	7,200,310	7,808,010		
TOTAL OTHER LONG-TERM DEBT	11,404,557	11,299,285	15,395,490	14,539,190	15,298,640	-0.6%	
DEBT SERVICE EXPENDITURES							
Tax Supported	**332,509,651**	**338,305,260**	**383,282,640**	**375,229,263**	**394,279,660**	**2.9%**	
Non-Tax Supported - Other Long-term Debt	**10,280,429**	**10,279,752**	**14,379,490**	**13,409,990**	**14,013,030**		
TOTAL DEBT SERVICE EXPENDITURES	**342,790,080**	**348,585,012**	**397,662,130**	**388,639,253**	**408,292,690**	**2.7%**	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	268,947,012	260,384,661	305,294,670	298,329,621	310,657,830		
Other Interest: Installment Notes, Interest & Penalties	10,682	34,020	-	-	-		
BAN/Commercial Paper Investment Income	8,957	-	-	-	-		
Federal Subsidy on General Obligation Bonds	5,848,290	5,751,483	5,450,000	5,450,000	5,350,000		
Premium on General Obligation Bonds	5,236,781	14,998,462	6,942,760	11,421,060	16,230,640		
Total General Fund Sources	280,051,722	281,168,626	317,687,430	315,200,681	332,238,470		
Fire Tax District Funds	7,941,508	6,816,418	7,491,440	7,282,566	7,678,780		
Mass Transit Fund	10,902,479	16,734,177	18,863,850	18,924,753	20,461,280		
Recreation Fund	9,065,412	7,001,965	8,327,890	8,194,923	9,477,020		
Total Other Funding Sources	27,909,399	30,552,560	34,683,180	34,402,242	37,617,080		
TOTAL GO BOND FUNDING SOURCES	307,961,121	311,721,186	352,370,610	349,602,923	369,855,550		
NON GO BOND FUNDING SOURCES							
General Funds	12,448,546	13,238,987	14,590,040	11,134,280	9,351,210		
MHI Fund - HUD Loan	65,630	63,480	61,280	61,280	59,020		
Water Quality Protection Fund	3,018,850	3,020,250	6,367,900	6,148,400	6,146,000		
MHI - Property Acquisition Fund	7,195,949	7,196,022	7,950,310	7,200,310	7,808,010		
Mass Transit Fund	3,802,000	5,475,257	9,138,890	8,366,500	5,982,600		
Recreation Fund	1,522,159	1,525,040	1,524,500	1,524,500	1,526,360		
Fire Tax District Fund	1,400,030	4,038,961	5,517,600	4,347,400	6,281,400		
Energy Savings	102,077	-	-	-	-		
Federal Subsidy - QECBs	108,313	129,664	141,000	210,800	248,670		
Capitalized Interest - Energy Performance Leases	-	-	-	42,860	47,230		
Land Sale Proceeds	-	-	-	-	986,640		
State Grant for Ride On Buses	2,823,835	2,176,165	-	-	-		
Fire 2007 Certificates of Participation Closeout	2,341,570	-	-	-	-		
TOTAL NON GO BOND FUNDING SOURCES	34,828,959	36,863,826	45,291,520	39,036,330	38,437,140		
TOTAL FUNDING SOURCES	**342,790,080**	**348,585,012**	**397,662,130**	**388,639,253**	**408,292,690**		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	500,000,000	500,000,000	340,000,000	340,000,000	340,000,000		
Council SAG Approved Bond Funded Expenditures	299,500,000	299,500,000	340,000,000	340,000,000	340,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended	Projected	Projected	Projected	Projected	Projected
GO BOND DEBT SERVICE EXPENDITURES	FY18	FY19	FY20	FY21	FY22	FY23
General County	63,521,610	72,328,950	76,022,260	76,810,070	77,138,340	78,934,200
Roads & Storm Drains	74,945,800	76,630,960	78,990,200	82,058,090	87,457,680	92,964,420
Public Housing	60,720	58,980	57,230	55,480	53,730	51,980
Parks	9,113,810	9,622,810	10,281,630	10,922,580	11,751,860	13,089,220
Public Schools	150,388,180	153,311,720	159,853,540	166,414,290	168,708,190	168,034,300
Montgomery College	24,785,350	25,827,920	26,421,500	26,855,640	28,885,710	32,297,410
Bond Anticipation Notes/Commercial Paper	5,900,000	6,800,000	7,500,000	8,122,000	8,645,000	9,072,000
Bond Anticipation Notes/Liquidity & Remarketing	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Cost of Issuance	1,023,000	1,048,600	1,076,000	1,104,000	1,132,700	1,162,150
Total General Fund	332,238,470	348,129,940	362,702,360	374,842,150	386,273,210	398,105,680
Fire Tax District Fund	7,678,780	8,216,000	8,423,050	9,373,730	12,033,990	14,767,150
Mass Transit Fund	20,461,280	21,879,420	24,498,380	28,463,870	30,435,290	33,823,010
Recreation Fund	9,477,020	10,957,900	12,721,320	13,524,430	13,598,580	12,753,000
Total Tax Supported Other Funds	37,617,080	41,053,320	45,642,750	51,362,030	56,067,860	61,343,160
TOTAL TAX SUPPORTED	369,855,550	389,183,260	408,345,110	426,204,180	442,341,070	459,448,840
TOTAL GO BOND DEBT SERVICE EXPENDITURES	369,855,550	389,183,260	408,345,110	426,204,180	442,341,070	459,448,840
LONG-TERM LEASE EXPENDITURES						
Revenue Authority - Conference Center	986,640	989,440	991,850	987,710	991,000	991,600
Revenue Authority - Recreation Pools	1,526,360	1,525,700	-	-	-	-
Fire and Rescue Equipment	4,067,900	2,300,000	2,900,000	4,200,000	4,700,000	4,700,000
TOTAL LONG-TERM LEASE EXPENDITURES	6,580,900	4,815,140	3,891,850	5,187,710	5,691,000	5,691,600
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Technology Modernization Project	5,676,100	4,661,600	3,647,100	3,647,100	3,647,100	3,647,100
Libraries System Modernization	127,500	127,500	127,500	127,500	79,000	-
Corrections Security System	70,700	141,400	141,400	141,400	141,400	70,700
Ride On Buses	5,982,600	6,685,100	6,685,100	6,685,100	3,858,900	2,833,100
Intelligent Transit System	-	-	935,100	1,870,200	1,870,200	1,870,200
Public Safety System Modernization	2,487,200	4,288,200	4,288,200	3,334,400	3,317,200	2,000,000
Fire Breathing Apparatus	1,421,900	1,421,900	1,421,900	1,421,900	1,421,900	1,421,900
Fuel Management System	791,600	951,600	951,600	951,600	635,800	160,000
TOTAL SHORT-TERM LEASE EXPENDITURES	16,557,600	18,277,300	18,197,900	18,179,200	14,971,500	12,003,000
OTHER LONG-TERM DEBT						
Silver Spring Music Venue - **Tax supported**	290,800	291,000	291,000	294,100	292,000	294,100
Site II Acquisition - **Tax supported**	400,000	1,238,900	1,238,900	1,238,900	1,238,900	1,238,900
Energy Performance Leases QECBs - **Tax supported**	445,700	641,560	573,450	573,750	574,020	574,300
Energy Performance Leases Other - **Tax supported**	149,110	209,960	212,300	218,000	223,850	234,000
MHI-HUD Loan - **Non-Tax supported**	59,020	56,750	54,400	52,050	49,640	47,300
Water Quality Protection Charge Bonds - **Non-Tax supported**	6,146,000	11,383,660	11,382,150	15,386,300	15,384,600	15,386,400
MHI - Property Acquisition Fund - **Non-Tax supported**	7,808,010	9,748,510	9,727,600	9,690,460	9,649,660	9,610,100
TOTAL OTHER LONG-TERM DEBT	15,298,640	23,570,340	23,479,800	27,453,560	27,412,670	27,385,100
DEBT SERVICE EXPENDITURES						
Tax Supported	**394,279,660**	**414,657,120**	**432,750,510**	**451,895,840**	**465,332,340**	**479,484,740**
Non-Tax Supported - Other Long-term Debt	**14,013,030**	**21,188,920**	**21,164,150**	**25,128,810**	**25,083,900**	**25,043,800**
TOTAL DEBT SERVICE EXPENDITURES	**408,292,690**	**435,846,040**	**453,914,660**	**477,024,650**	**490,416,240**	**504,528,540**
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	310,657,830	330,567,150	353,638,190	370,202,150	381,863,210	393,695,680
Federal Subsidy on General Obligation Bonds	5,350,000	5,070,000	4,870,000	4,640,000	4,410,000	4,410,000
Premium on General Obligation Bonds	16,230,640	12,492,790	4,194,170	-	-	-
Total General Fund Sources	332,238,470	348,129,940	362,702,360	374,842,150	386,273,210	398,105,680
Fire Tax District Fund	7,678,780	8,216,000	8,423,050	9,373,730	12,033,990	14,767,150
Mass Transit Fund	20,461,280	21,879,420	24,498,380	28,463,870	30,435,290	33,823,010
Recreation Fund	9,477,020	10,957,900	12,721,320	13,524,430	13,598,580	12,753,000
Total Other Funding Sources	37,617,080	41,053,320	45,642,750	51,362,030	56,067,860	61,343,160
TOTAL GO BOND FUNDING SOURCES	369,855,550	389,183,260	408,345,110	426,204,180	442,341,070	459,448,840
NON GO BOND FUNDING SOURCES						
General Funds	9,351,210	11,899,170	10,831,990	9,893,212	9,845,240	8,402,440
MHI Fund - HUD Loan	59,020	56,750	54,400	52,050	49,640	47,300
Water Quality Protection Fund	6,146,000	11,383,660	11,382,150	15,386,300	15,384,600	15,386,400
MHI - Property Acquisition Fund	7,808,010	9,748,510	9,727,600	9,690,460	9,649,660	9,610,100
Mass Transit Fund	5,982,600	6,685,100	7,620,200	8,555,300	5,729,100	4,703,300
Recreation Fund	1,526,360	1,525,700	-	-	-	-
Fire Tax District Fund	6,281,400	4,673,500	5,273,500	6,573,500	6,757,700	6,281,900
Federal Subsidy - QECBs	248,670	240,390	229,710	219,648	209,230	198,260
Capitalized Interest - Energy Performance Leases	47,230	-	-	-	-	-
Land Sale Proceeds	986,640	-	-	-	-	-
Developer Payments - Site II	-	450,000	450,000	450,000	450,000	450,000
TOTAL NON GO BOND FUNDING SOURCES	38,437,140	46,662,780	45,569,550	50,820,470	48,075,170	45,079,700
TOTAL FUNDING SOURCES	**408,292,690**	**435,846,040**	**453,914,660**	**477,024,650**	**490,416,240**	**504,528,540**
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000
Council SAG Approved Bond Funded Expenditures	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000
ESTIMATED INTEREST RATE	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

Non-Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Cable Television Communications Plan
- Montgomery Housing Initiative Fund
- Water Quality Protection Fund
- Community Use of Public Facilities Fund
- Parking District Funds
- Solid Waste Collection and Disposal Funds
- Leaf Vacuuming Fund
- Permitting Services Fund
- Liquor Control Fund
- Risk Management Fund
- Central Duplicating, Mail and Records Mgmt. Fund
- Employee Health Benefits Self Insurance Fund
- Motor Pool Fund

Maryland-National Capital Park and Planning Commission

- Enterprise Fund

Washington Suburban Sanitary Commission

- Water and Sewer Operating Funds

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FY18 CABLE COMMUNICATIONS PLAN (in $000's)

		Actual FY16	CC APP FY17	2QA FY17	CE REC FY18	Proj. FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23
1	**BEGINNING FUND BALANCE**	**1,905**	**1,636**	**2,140**	**2,002**	**521**	**460**	**401**	**345**	**488**
2	**REVENUES**									
3	Franchise Fees[1]	17,792	17,661	17,877	17,987	17,868	17,942	18,018	18,095	18,095
4	Gaithersburg PEG Contribution	174	170	171	168	165	164	164	163	163
5	PEG Operating Grant[1 2 7]	1,722	4,120	4,223	4,158	4,013	3,991	3,968	3,946	3,946
6	PEG Capital Grant[1 2 7]	5,734	6,517	6,543	6,674	6,747	6,814	6,882	6,951	6,951
7	FiberNet Operating & Equipment Grant [2]	1,354	0	0	0	0	0	0	0	0
8	Interest Earned	22	27	43	75	107	138	170	188	188
9	TFCG Application Review Fees	327	150	400	250	150	150	150	150	150
10	Miscellaneous	213	0	0	0	0	0	0	0	0
11	**TOTAL ANNUAL REVENUES**	**27,338**	**28,644**	**29,257**	**29,312**	**29,050**	**29,200**	**29,352**	**29,493**	**29,493**
12	**TOTAL RESOURCES-CABLE FUND**	**29,244**	**30,280**	**31,397**	**31,314**	**29,571**	**29,659**	**29,753**	**29,839**	**29,982**
13	**EXPENDITURE OF RESTRICTED FUNDS[2]**									
14	**A. EXPENDTITURE OF RESTRICTED CAPITAL FUNDS**									
15	**Municipal Capital Support [3]**									
16	Rockville Equipment	1,126	931	935	953	964	973	983	993	993
17	Takoma Park Equipment	903	217	222	228	225	227	229	232	232
18	Municipal League Equipment	903	217	222	228	225	227	229	232	232
19	**SUBTOTAL**	**2,932**	**1,365**	**1,379**	**1,409**	**1,414**	**1,428**	**1,442**	**1,456**	**1,456**
20	**PEG Capital**	**698**	**779**	**791**	**759**	**813**	**957**	**1,191**	**1,319**	**1,319**
21	**ultraMontgomery - CIP**	**0**	**680**	**680**	**680**	**680**	**680**	**680**	**680**	**680**
22	**FiberNet - CIP**	**2,870**	**3,693**	**3,693**	**3,890**	**3,840**	**3,750**	**3,569**	**3,496**	**3,496**
23	(Must be greater or equal to Line 6) **SUBTOTAL**	**6,500**	**6,517**	**6,543**	**6,738**	**6,747**	**6,814**	**6,882**	**6,951**	**6,951**
24	**B. EXPENDITURE OF OTHER RESTRICTED FUNDS**									
25	**Municipal Franchise Fee Distribution[3]**									
26	City of Rockville	753	757	754	758	765	770	774	778	778
27	City of Takoma Park	259	243	245	246	244	245	246	247	247
28	Other Municipalities	319	268	270	271	272	274	276	278	278
29	**SUBTOTAL**	**1,331**	**1,268**	**1,269**	**1,275**	**1,282**	**1,289**	**1,296**	**1,303**	**1,303**
30	**Municipal Operating Support[3]**									
31	Rockville PEG Support	57	300	211	211	286	279	272	266	266
32	Takoma Park PEG Support	57	458	469	462	446	443	441	438	438
33	Muni. League PEG Support	57	458	469	462	446	443	441	438	438
34	**SUBTOTAL**	**172**	**1,215**	**1,149**	**1,135**	**1,178**	**1,166**	**1,154**	**1,142**	**1,142**
35	**SUBTOTAL**	**1,503**	**2,483**	**2,418**	**2,410**	**2,460**	**2,455**	**2,450**	**2,446**	**2,446**
36	**TOTAL EXPENDITURES OF RESTRICTED FUNDS**	**8,003**	**9,000**	**8,961**	**9,148**	**9,207**	**9,269**	**9,333**	**9,397**	**9,397**

FY18 CABLE COMMUNICATIONS PLAN (in $000's)

		Actual FY16	CC APP FY17	2QA FY17	CE REC FY18	Proj. FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23
37	**NET TOTAL ANNUAL REVENUES**	**19,335**	**19,644**	**20,296**	**20,164**	**19,843**	**19,930**	**20,019**	**20,097**	**20,097**
38	**NET TOTAL RESOURCES-CABLE FUND**	**21,241**	**21,280**	**22,436**	**22,166**	**20,364**	**20,390**	**20,420**	**20,442**	**20,585**
39	**EXPENDITURES OF NON-RESTRICTED FUNDS**									
40	**A. Transmission Facilities Coordinating Group**									
41	TFCG Application Review	200	220	220	250	231	237	243	250	250
42	**SUBTOTAL**	**200**	**220**	**220**	**250**	**231**	**237**	**243**	**250**	**250**
43	**B. FRANCHISE ADMINISTRATION**									
44	Personnel Costs - Cable Administration	887	916	916	1,067	999	1,046	1,095	1,146	1,146
45	Personnel Costs - DTS Administration	85	81	81	81	88	92	96	101	101
46	Personnel Costs - Charges for County Atty	123	115	115	116	125	131	138	144	144
47	Operating	90	71	70	71	75	77	79	81	81
48	Engineering & Inspection Services	94	68	68	78	71	73	75	77	77
49	Legal and Professional Services	8	118	118	100	124	127	131	134	134
50	**SUBTOTAL**	**1,286**	**1,369**	**1,367**	**1,513**	**1,482**	**1,546**	**1,613**	**1,683**	**1,683**
51	**SUBTOTAL**	**1,486**	**1,589**	**1,587**	**1,763**	**1,712**	**1,783**	**1,856**	**1,933**	**1,933**
52	**C. MONTGOMERY COUNTY GOVERNMENT - CCM**									
53	**Media Production & Engineering**									
54	Personnel Costs	517	670	670	703	731	765	801	839	839
55	Operating	88	31	31	31	33	34	35	36	36
56	Contracts - TV Production	88	87	87	77	92	94	97	99	99
57	New Media, Webstreaming & VOD Services	44	58	58	58	61	62	64	66	66
58	**SUBTOTAL**	**738**	**847**	**847**	**869**	**916**	**956**	**997**	**1,040**	**1,040**
59	**Public Information Office**									
60	Personnel Costs	795	796	661	774	867	908	951	996	996
61	Operating Expenses	11	12	12	11	13	13	14	14	14
63	**SUBTOTAL**	**806**	**808**	**673**	**786**	**880**	**921**	**964**	**1,009**	**1,009**
64	**County Council**									
65	Personnel Costs	551	589	589	610	638	667	696	726	726
66	Operating Expenses	8	13	13	11	14	14	14	15	15
67	Contracts - TV Production	174	152	152	152	159	163	168	172	172
68	General Sessions and Committee Meetings	200	101	101	101	106	109	112	115	115
69	Multi-Lingual/Cultural Production Services	91	0	0	0	0	0	0	0	0
70	**SUBTOTAL**	**1,024**	**855**	**855**	**874**	**917**	**953**	**990**	**1,028**	**1,028**
71	**MNCPPC**									
72	Contracts - TV Production	0	99	99	99	103	106	109	112	112
73	New Media, Webstreaming & VOD Services	24	24	24	24	26	26	27	28	28
74	**SUBTOTAL**	**24**	**123**	**123**	**123**	**129**	**132**	**136**	**140**	**140**
75	**SUBTOTAL**	**2,592**	**2,633**	**2,498**	**2,652**	**2,842**	**2,962**	**3,087**	**3,216**	**3,216**

FY18 CABLE COMMUNICATIONS PLAN (in $000's)

		Actual FY16	CC APP FY17	2QA FY17	CE REC FY18	Proj. FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23
76	**D. MONTGOMERY COLLEGE - MC ITV**									
77	Personnel Costs	1,456	1,535	1,535	1,601	1,673	1,751	1,834	1,920	1,920
78	Operating Expenses	86	86	86	83	90	93	95	98	98
79	**SUBTOTAL**	**1,542**	**1,621**	**1,621**	**1,684**	**1,763**	**1,844**	**1,929**	**2,018**	**2,018**
80	**E. PUBLIC SCHOOLS - MCPS ITV**									
81	Personnel Costs	1,548	1,606	1,606	1,564	1,750	1,832	1,918	2,009	2,009
82	Operating Expenses	106	137	137	133	144	148	152	156	156
83	**SUBTOTAL**	**1,654**	**1,743**	**1,743**	**1,698**	**1,894**	**1,980**	**2,070**	**2,164**	**2,164**
84	**F. COMMUNITY ACCESS PROGRAMMING**[4]									
85	Personnel Costs	2,042	2,103	2,103	2,095	2,292	2,400	2,513	2,631	2,631
86	Operating Expenses	67	67	67	65	70	72	74	76	76
87	Rent & Utilities	396	411	411	425	431	442	454	466	466
88	New Media, Webstreaming & VOD Services	23	23	23	23	24	25	26	26	26
89	**SUBTOTAL**	**2,528**	**2,604**	**2,604**	**2,608**	**2,818**	**2,940**	**3,067**	**3,200**	**3,200**
90	**G. PEG OPERATING**									
91	Operating Expenses	123	181	181	161	190	195	201	206	206
92	Youth and Arts Community Media	80	100	100	100	105	108	111	114	114
93	Community Engagement	91	91	91	91	95	98	101	103	103
94	Closed Captioning	163	163	163	163	171	189	189	189	189
95	Technical Operations Center (TOC)	3	10	10	9	10	11	11	11	11
96	Mobile Production Vehicle	8	19	19	0	20	20	21	22	22
97	**SUBTOTAL**	**469**	**565**	**565**	**525**	**592**	**622**	**633**	**645**	**645**
98	**H. FIBERNET OPERATING**									
99	FiberNet - Personnel Charges for DTS	693	766	536	717	835	874	915	958	958
100	FiberNet - Operations & Maintenance DTS	895	1,126	1,126	1,276	1,181	1,212	1,245	1,279	1,279
101	FiberNet - Network Operations Center	816	910	910	910	910	910	910	910	910
102	FiberNet - Personnel Charges for DOT	101	101	101	101	110	115	120	126	126
103	FiberNet - Operations & Maintenance DOT	723	882	882	943	925	950	975	1,002	1,002
104	**SUBTOTAL**	**3,228**	**3,784**	**3,554**	**3,946**	**3,960**	**4,061**	**4,166**	**4,274**	**4,274**
105	**TOTAL EXPENDITURE OF UNRESTRICTED FUNDS**	**13,500**	**14,539**	**14,172**	**14,875**	**15,581**	**16,192**	**16,808**	**17,451**	**17,451**
106	**TOTAL EXPENDITURE OF RESTRICTED FUNDS**	**8,003**	**9,000**	**8,961**	**9,148**	**9,207**	**9,269**	**9,333**	**9,397**	**9,397**
107	**TOTAL EXPENDITURES - PROGRAMS**	**21,503**	**23,539**	**23,133**	**24,023**	**24,787**	**25,461**	**26,141**	**26,848**	**26,848**
108	**I. OTHER**									
109	Indirect Costs Transfer to Gen Fund	614	649	649	725	764	800	837	876	876
111	Telecom Transfer to the Gen Fund	-	5	5	5	0	0	0	0	0
112	Transfer to the General Fund	4,787	4,673	4,673	5,500	3,020	2,458	1,890	1,087	1,087
113	Legislative Community Communications NDA	490	490	490	540	540	540	540	540	540

FY18 CABLE COMMUNICATIONS PLAN (in $000's)

		Actual FY16	CC APP FY17	2QA FY17	CE REC FY18	Proj. FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23
114	SUBTOTAL	5,891	5,817	5,817	6,770	4,324	3,798	3,267	2,503	2,503
115	TOTAL EXPENDITURES	27,394	29,357	28,951	30,793	29,111	29,259	29,408	29,350	29,350
116	J. ADJUSTMENTS									
117	Prior Year Adjustments	(291)	0	0	0	0	0	0	0	0
118	Encumbrance Adjustment	0	444	444	0	0	0	0	0	0
120	TOTAL ADJUSTMENTS	(291)	444	444	0	0	0	0	0	0
121	FUND BALANCE	2,140	479	2,002	521	460	401	345	488	1,844
122	FUND BALANCE PER POLICY GUIDANCE[5]	1,451	1,427	1,466	1,465	1,450	1,458	1,467	1,475	1,475
123	K. SUMMARY - EXPENDITURES BY FUNDING SOURCE									
124	Transfer to Gen Fund-Indirect Costs	614	649	649	725	764	800	797	834	834
125	Transfer to Gen Fund-Mont Coll Cable Fund[6]	1,542	1,621	1,621	1,684	1,763	1,844	1,929	2,018	2,018
126	Transfer to Gen Fund-Public Sch Cable Fund[6]	1,654	1,743	1,743	1,698	1,894	1,980	2,070	2,164	2,164
127	Transfer to CIP Fund	2,870	4,817	4,817	4,570	4,520	4,430	4,249	4,176	4,176
128	Transfer to Gen Fund-Other	4,787	4,673	4,673	5,500	3,020	2,458	1,890	1,087	1,087
129	Transfer to Gen Fund-Telecom	0	5	5	5	0	0	0	0	0
130	Transfer to the General Fund-Legislative Branch NDA	490	490	490	540	540	540	540	540	540
131	FUND TRANSFERS SUBTOTAL	11,958	13,998	13,998	14,721	12,501	12,052	11,475	10,819	10,819
132	Cable Fund Expenditure of Unrestricted Funds	10,303	11,176	10,809	11,494	11,924	12,368	12,809	13,269	13,269
133	Cable Fund Direct Expenditures	15,437	15,803	15,397	16,071	16,611	17,207	17,933	18,531	18,531
134	Cable Fund Personnel	3,751	4,034	3,669	4,169	4,393	4,598	4,812	5,035	5,035
135	Cable Fund Operating	11,685	11,769	11,728	11,903	12,218	12,609	13,081	13,455	13,455

Notes: These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, transfers, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor a greements, and other factors.

1. Subject to municipal pass-through payment.
2. Restricted revenue and expenditures: Certain Cable Fund revenues, required in excess of the federal limit on franchise fe es, and corresponding expenditures (Municipal Franchise Fees/Pass-throughs, PEG Capital/Equipment Grants, and PEG Operating Revenue) are contractually required by franchise, municipal, and se ttlement agreements, and by the County Code, and may only be used for permissible federal purposes and in a manner consistent with applicable agreements.
3. Municipal payments are estimates. Actual paymens will be calculated based upon actual revenue received, subscriber numbers and formulas specified within the Municipal MOU's.
4. Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to prov ide community access media services.
5. Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
6. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Montgomery Housing Intiative						
FISCAL PROJECTIONS	FY17 APPROVED	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.8%	2.3%	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.5%	1.2%	1.7%	2.2%	2.7%	3.0%	3.0%
BEGINNING FUND BALANCE	4,786,860	9,023,651	2,164,360	1,335,300	1,068,240	801,180	534,120
REVENUES							
Taxes	14,296,500	15,086,338	15,453,420	15,824,508	16,204,953	16,904,349	17,566,969
Charges For Services	50,000	70,200	71,815	73,502	75,303	77,186	79,115
Miscellaneous	5,686,326	5,610,486	5,689,206	5,767,846	5,846,486	5,892,666	5,890,326
Subtotal Revenues	20,032,826	20,767,024	21,214,441	21,665,856	22,126,742	22,874,201	23,536,410
INTERFUND TRANSFERS (Net Non-CIP)	13,913,896	14,395,460	12,452,842	12,473,752	12,510,892	12,551,692	12,591,252
Transfers To Debt Service Fund	(7,950,310)	(7,808,010)	(9,748,510)	(9,727,600)	(9,690,460)	(9,649,660)	(9,610,100)
MHI Property Acquisition	(7,950,310)	(7,808,010)	(9,748,510)	(9,727,600)	(9,690,460)	(9,649,660)	(9,610,100)
Transfers To The General Fund	(303,734)	(329,848)	(331,966)	(331,966)	(331,966)	(331,966)	(331,966)
Indirect Costs	(303,734)	(329,848)	(331,966)	(331,966)	(331,966)	(331,966)	(331,966)
Transfers From The General Fund	22,167,940	22,533,318	22,533,318	22,533,318	22,533,318	22,533,318	22,533,318
TOTAL RESOURCES	38,733,582	44,186,135	35,831,643	35,474,908	35,705,874	36,227,073	36,661,782
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,344,127)	(3,497,866)	(3,616,257)	(3,740,804)	(3,873,739)	(4,013,710)	(4,159,118)
Debt Service: Other (Non-Tax Funds only)	(61,280)	(59,020)	(56,750)	(54,400)	(52,050)	(49,640)	(47,300)
Labor Agreement	n/a	0	(12,176)	(12,176)	(12,176)	(12,176)	(12,176)
Rental Assistance Program (RAP)	(15,294,740)	(16,084,578)	(16,057,480)	(15,866,568)	(16,247,013)	(16,946,409)	(17,609,029)
Housing First	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)
Neighborhoods to Call Home	(716,340)	(816,340)	(816,340)	(816,340)	(816,340)	(816,340)	(816,340)
Special Needs and Nonprofit Housing	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
100,000 Homes	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)
Zero: 2016	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Affordable Housing Initiative	(4,166,335)	(4,166,335)	(2,175,755)	(2,154,795)	(2,141,791)	(2,093,093)	(1,989,174)
Subtotal PSP Oper Budget Approp / Exp's	(35,344,407)	(36,385,724)	(34,496,343)	(34,406,668)	(34,904,694)	(35,692,953)	(36,394,722)
OTHER CLAIMS ON FUND BALANCE	0	(5,636,051)	0	0	0	0	0
Special Needs and Nonprofit Housing	0	(636,051)	0	0	0	0	0
Affordable Housing Initiative	0	(1,000,000)	0	0	0	0	0
Senior Affordable Housing	0	(4,000,000)	0	0	0	0	0
TOTAL USE OF RESOURCES	(35,344,407)	(42,021,775)	(34,496,343)	(34,406,668)	(34,904,694)	(35,692,953)	(36,394,722)
YEAR END FUND BALANCE	3,389,175	2,164,360	1,335,300	1,068,240	801,180	534,120	267,060
Affordable Housing and Acquisition and Preservation CIP Project #P760100	(16,000,000)	(17,000,000)	(3,464,400)	(5,014,400)	(4,625,900)	(1,628,418)	(1,186,973)
TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)	(51,344,407)	(59,021,775)	(37,960,743)	(39,421,068)	(39,530,594)	(37,321,371)	(37,581,695)

Assumptions:

1. Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #P760100 includes the issuance of $7.84 million of debt in FY18 in addition to $9.16 million in estimated loan repayments in FY18 to provide a continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
2. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes: These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Water Quality Protection Fund						
FISCAL PROJECTIONS	**FY17 Estimate**	**FY18 CE Rec**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.80%	2.3%	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.50%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
Number of Equivalent Residential Units (ERUs) Billed	368,355	365,000	365,000	365,000	365,000	365,000	365,000
Water Quality Protection Charge ($/ERU)	$95.00	$104.25	$114.70	$125.50	$136.25	$138.50	$139.50
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
BEGINNING FUND BALANCE	**16,884,269**	**1,337,245**	**1,694,480**	**1,567,335**	**2,567,870**	**2,809,555**	**3,324,688**
REVENUES							
Charges For Services	34,548,261	37,501,846	41,261,115	45,145,528	49,010,598	49,807,406	50,336,510
Bag Tax Receipts	2,471,921	2,471,921	2,471,921	2,471,921	2,471,921	2,471,921	2,471,921
Miscellaneous	1,227,520	800,750	383,980	482,210	580,440	639,380	639,380
Subtotal Revenues	**38,247,702**	**40,774,517**	**44,117,016**	**48,099,659**	**52,062,959**	**52,918,707**	**53,447,811**
INTERFUND TRANSFERS (Net Non-CIP)	**(7,579,471)**	**(7,757,261)**	**(12,981,770)**	**(12,980,260)**	**(16,984,410)**	**(16,982,710)**	**(16,984,510)**
Transfers To General Fund	(1,431,071)	(1,611,261)	(1,598,110)	(1,598,110)	(1,598,110)	(1,598,110)	(1,598,110)
Indirect Costs	(1,417,920)	(1,598,110)	(1,598,110)	(1,598,110)	(1,598,110)	(1,598,110)	(1,598,110)
Telecommunications Charge	(13,151)	(13,151)	0	0	0	0	0
Transfers to Debt Service Fund (Non-Tax)	(6,148,400)	(6,146,000)	(11,383,660)	(11,382,150)	(15,386,300)	(15,384,600)	(15,386,400)
TOTAL RESOURCES	**47,552,500**	**34,354,501**	**32,829,726**	**36,686,734**	**37,646,419**	**38,745,552**	**39,787,989**
CIP CURRENT REVENUE APPROPRIATION	**(7,986,000)**	**(5,413,000)**	**(3,852,000)**	**(5,783,000)**	**(3,839,000)**	**(3,918,000)**	**(3,943,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(25,239,754)	(27,247,021)	(27,247,021)	(27,247,021)	(27,247,021)	(27,247,021)	(27,247,021)
Annualizations of Positions Recommended in FY18	0	0	(55,446)	(55,446)	(55,446)	(55,446)	(55,446)
Elimination of One-Time Items Recommended in FY18	0	0	4,326	4,326	4,326	4,326	4,326
Labor Contracts	0	0	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Buidling Rent Escalation	0	0	(72,250)	(149,903)	0	0	0
Wheaton Redevelopment Project Operating Budget Impacts	0	0	0	(347,820)	(1,974,723)	(1,958,723)	(1,934,723)
Program Growth				(500,000)	(750,000)	(1,500,000)	(2,500,000)
Subtotal PSP Oper Budget Approp / Exp's	**(25,239,754)**	**(27,247,021)**	**(27,410,391)**	**(28,335,864)**	**(30,997,864)**	**(31,502,864)**	**(32,478,864)**
OTHER CLAIMS ON FUND BALANCE	**(12,989,501)**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL USE OF RESOURCES	**(46,215,255)**	**(32,660,021)**	**(31,262,391)**	**(34,118,864)**	**(34,836,864)**	**(35,420,864)**	**(36,421,864)**
YEAR END FUND BALANCE	**1,337,245**	**1,694,480**	**1,567,335**	**2,567,870**	**2,809,555**	**3,324,688**	**3,366,125**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**2.8%**	**4.9%**	**4.8%**	**7.0%**	**7.5%**	**8.6%**	**8.5%**
NET REVENUE	**11,576,877**	**11,916,235**	**15,108,515**	**18,165,685**	**19,466,985**	**19,817,733**	**19,370,837**
DEBT SERVICE COVERAGE RATIO	**1.88**	**1.94**	**1.33**	**1.60**	**1.27**	**1.29**	**1.26**

Assumptions:

1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY19 and FY23 have been incorporated in the future fiscal impact (FFI) rows.
4. The operating budget includes planning and implementation costs for compliance with the Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in February 2010. Debt service on bonds that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued $37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A) and $46.5 million dated April 6, 2016 (Series 2016A). The actual debt service costs for the Series 2012A and 2016A bond issuances and projected debt service for anticipated bond issuances ($65 million in FY2018 and a $50 million bond issuance in FY2020) are included in the fiscal plan. Actual debt service costs may vary depending on the size and timing of future bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
6. The Water Quality Protection fund balance policy target is 5% of resources.
7. The CIP Current Revenue Approrpiation represents both currently programmed and projected future requirements in the Stormwater Management CIP projects.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Community Use of Public Facilities						
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.7%	**1.2%**	1.7%	2.2%	2.7%	3.0%	3.0%
BEGINNING FUND BALANCE	**6,617,148**	**5,443,506**	**4,197,459**	**3,545,689**	**2,793,374**	**1,647,256**	**687,907**
REVENUES							
Charges For Services	10,939,718	**11,003,765**	11,256,852	11,521,388	11,803,662	12,452,863	13,262,299
Miscellaneous	43,845	**72,364**	81,948	85,175	85,577	66,609	35,027
Subtotal Revenues	**10,983,563**	**11,076,129**	**11,338,800**	**11,606,563**	**11,889,239**	**12,519,472**	**13,297,326**
INTERFUND TRANSFERS (Net Non-CIP)	**(595,354)**	**(631,032)**	**(603,039)**	**(603,039)**	**(603,039)**	**(603,039)**	**(603,039)**
Transfers To The General Fund	(755,354)	(791,032)	(763,039)	(763,039)	(763,039)	(763,039)	(763,039)
Indirect Costs	(515,821)	(551,499)	(555,709)	(555,709)	(555,709)	(555,709)	(555,709)
Other; DCM	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)
Telecommunication NDA	(32,203)	(32,203)	0	0	0	0	0
Community Access at SSCB: Subsidy	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Transfers From The General Fund	160,000	160,000	160,000	160,000	160,000	160,000	160,000
After School	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Elections	135,000	135,000	135,000	135,000	135,000	135,000	135,000
TOTAL RESOURCES	**17,005,357**	**15,888,603**	**14,933,220**	**14,549,212**	**14,079,574**	**13,563,689**	**13,382,194**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(11,561,851)	**(11,691,144)**	(12,023,472)	(12,372,178)	(12,744,325)	(13,135,039)	(13,538,764)
Labor Agreement	n/a	**0**	(24,208)	(24,208)	(24,208)	(24,208)	(24,208)
Increase in Other MCPS Reimbursable Costs	n/a	**n/a**	(11,288)	(22,810)	(34,573)	(46,585)	(46,585)
Utility Reimbursement to MCPS	n/a	**n/a**	(38,160)	(77,083)	(116,785)	(157,281)	(157,281)
Office Lease	n/a	**n/a**	(8,391)	(8,496)	0	0	0
Wheaton Redevelopment	n/a	**n/a**	0	57,500	(197,000)	(190,000)	(180,000)
Retiree Health Insurance Pre-Funding	n/a	**n/a**	(570)	(2,150)	(2,620)	(3,340)	(3,340)
Active Montgomery Transaction Fees	n/a	**n/a**	(5,904)	(30,875)	(37,269)	(43,791)	(43,791)
Elimination of One Time Expenses	n/a	**n/a**	74,462	74,462	74,462	74,462	74,462
Field Maintenance	n/a	**n/a**	250,000	250,000	250,000	250,000	250,000
Special Maintenance Projects	n/a	**n/a**	400,000	400,000	400,000	400,000	400,000
Subtotal PSP Oper Budget Approp / Exp's	**(11,561,851)**	**(11,691,144)**	**(11,387,531)**	**(11,755,838)**	**(12,432,318)**	**(12,875,782)**	**(13,269,507)**
TOTAL USE OF RESOURCES	**(11,561,851)**	**(11,691,144)**	**(11,387,531)**	**(11,755,838)**	**(12,432,318)**	**(12,875,782)**	**(13,269,507)**
YEAR END FUND BALANCE	**5,443,506**	**4,197,459**	**3,545,689**	**2,793,374**	**1,647,256**	**687,907**	**112,687**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**32.0%**	**26.4%**	**23.7%**	**19.2%**	**11.7%**	**5.1%**	**0.8%**

Assumptions:

1. Changes in interfund transfers reflect the election cycle, receipts from the General Fund to offset the cost of free use and unpermitted field use, and technology modernization costs.
2. The ICB must review and approve any changes in fees. A 3% fee increase is assumed in FY22 and 4% in FY23.
3. The fiscal plan assumes additional programmed expenses for ballfield maintenance and high use building maintenance using surplus funds in FY17 and FY18
4. CUPF's move to the Wheaton Redevelopment facility is assumed to be in mid-FY20, with expenses for half a year of its current office lease at 255 Rockville Pike but a full year of expenses at the Wheaton facility. Expenses at the Wheaton facility include utilities, maintenance, parking, and debt service net of savings from the 255 Rockville Pike lease. Debt service is assumed to begin in FY21. Timing of the move to Wheaton Redevelopment and the financing schedule for the project have not yet been finalized.

Notes:

1. The fund balance is calculated on a net assets basis.
2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
3. Community Use of Public Facilities has a fund balance policy target of 10% of resources.

FY18-23 Public Services Program: Fiscal Plan Bethesda Parking Lot District	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.70%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%
Investment Income Yield	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
Beginning Fund Balance	**$ 14,136,037**	**$ 12,434,758**	**$ 12,035,161**	**$ 10,389,777**	**$ 13,887,284**	**$ 12,829,878**	**$ 12,992,302**
Revenues							
Charges for Services	$ 14,105,081	$ 15,405,081	$ 15,405,081	$ 15,405,081	$ 15,405,081	$ 15,405,081	$ 16,405,081
Fines & Forfeits	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000	$ 3,250,000
Miscellaneous	$ 362,810	$ 1,410,450	$ 538,090	$ 8,565,730	$ 593,370	$ 609,950	$ 609,950
Subtotal Revenues	**$ 17,717,891**	**$ 20,065,531**	**$ 19,193,171**	**$ 27,220,811**	**$ 19,248,451**	**$ 19,265,031**	**$ 20,265,031**
Transfers	**$ (1,882,332)**	**$ (2,223,255)**	**$ (2,241,319)**	**$ (5,213,282)**	**$ (2,187,069)**	**$ (2,162,175)**	**$ (2,137,081)**
Transfers to General Fund	$ (380,332)	$ (407,325)	$ (394,526)	$ (394,526)	$ (394,526)	$ (394,526)	$ (394,526)
Telecommunications NDA	$ (12,799)	$ (12,799)	$ -	$ -	$ -	$ -	$ -
Indirect Costs	$ (367,533)	$ (394,526)	$ (394,526)	$ (394,526)	$ (394,526)	$ (394,526)	$ (394,526)
Transfers to Special Funds : Tax Supported	**$ (1,502,000)**	**$ (1,815,930)**	**$ (1,846,793)**	**$ (1,818,756)**	**$ (1,792,543)**	**$ (1,767,649)**	**$ (1,742,555)**
Bethesda Urban District	$ (1,502,000)	$ (1,671,030)	$ (1,701,893)	$ (1,673,856)	$ (1,647,643)	$ (1,622,749)	$ (1,597,655)
Parking District Service Facility	$ -	$ (144,900)	$ (144,900)	$ (144,900)	$ (144,900)	$ (144,900)	$ (144,900)
Transfer From Silver Spring PLD	$ -	$ -	$ -	$ (3,000,000)	$ -	$ -	$ -
Total Resources	**$ 29,971,596**	**$ 30,277,034**	**$ 28,987,013**	**$ 32,397,306**	**$ 30,948,665**	**$ 29,932,733**	**$ 31,120,252**
CIP Current Revenue Appropriation Expenditure	**$ (2,715,000)**	**$ (3,092,000)**	**$ (3,155,000)**	**$ (2,990,000)**	**$ (2,435,000)**	**$ (2,690,000)**	**$ (2,690,000)**
Other CIP Revenue Appropriation Expenditure	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Appropriations/Expenditures							
Operating Budget	$ (10,229,490)	$ (10,516,268)	$ (10,733,438)	$ (10,860,939)	$ (10,991,884)	$ (11,126,366)	$ (11,264,485)
Existing Debt Service	$ (4,592,348)	$ (4,633,604)	$ (4,653,194)	$ (4,640,400)	$ (4,634,250)	$ (3,104,192)	$ (3,091,012)
Retiree Health Insurance Pre-Funding	$ -	$ -	$ (570)	$ (2,150)	$ (2,620)	$ (3,340)	$ (3,340)
Battery Backup	$ -	$ -	$ (38,500)	$ -	$ (38,500)	$ -	$ (38,500)
Labor Agreement	$ -	$ -	$ (16,533)	$ (16,533)	$ (16,533)	$ (16,533)	$ (16,533)
Subtotal PSP Operating Budget Appropriation	**$ (14,821,838)**	**$ (15,149,872)**	**$ (15,442,235)**	**$ (15,520,022)**	**$ (15,683,787)**	**$ (14,250,431)**	**$ (14,413,869)**
Total Use of Resources	**$ (17,536,838)**	**$ (18,241,872)**	**$ (18,597,235)**	**$ (18,510,022)**	**$ (18,118,787)**	**$ (16,940,431)**	**$ (17,103,869)**
Year End Fund Balance	**$ 12,434,758**	**$ 12,035,161**	**$ 10,389,777**	**$ 13,887,284**	**$ 12,829,878**	**$ 12,992,302**	**$ 14,016,383**
Bond Restricted Reserve	**$ (7,941,083)**	**$ (8,578,409)**	**$ (8,630,232)**	**$ (8,655,469)**	**$ (8,893,204)**	**$ (8,925,611)**	**$ (8,969,503)**
Year End Available Fund Balance	**$ 4,493,675**	**$ 3,456,752**	**$ 1,759,545**	**$ 5,231,815**	**$ 3,936,674**	**$ 4,066,691**	**$ 5,046,879**
Available Fund Balance As A Percent of Next Year's PSP Expenses	**30%**	**22%**	**11%**	**33%**	**28%**	**28%**	**35%**
Target Balance	**$ 3,787,468**	**$ 3,860,559**	**$ 3,880,006**	**$ 3,920,947**	**$ 3,562,608**	**$ 3,603,467**	**$ 3,603,467**

Assumptions:

1. The cash balance includes funds required to be held by the District to cover Bond Covenants.
Bond coverage (annual net revenues over debt service requirements) is maintained at about 186 percent in FY18. The minimum requirement is 125 percent.
2. Revenue for the air rights lease for Garage 49 is assumed in FY16 through FY23.
3. Increase to revenue in FY18 is based on increased hours of enforcement in lots and garages. The proposed additional enforcement would be on Saturdays.
4. Increase to revenue in FY23 is based on an agreement to provide parking to Marriott for use of Garage 11 during business hours Monday through Friday.
5. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
6. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY18-23 Public Services Program: Fiscal Plan Montgomery Hills Parking Lot District	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.70%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%
Investment Income Yield	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
Beginning Fund Balance	**$ 12,648**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Revenues							
Charges for Services	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -
Fines & Forfeits	$ 28,000	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous	$ 3,160	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Revenues	**$ 76,160**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers	**$ (13,378)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers to General Fund	$ (13,378)	$ -	$ -	$ -	$ -	$ -	$ -
Indirect Costs	$ (8,378)	$ -	$ -	$ -	$ -	$ -	$ -
Regional Services Center	$ (5,000)	$ -	$ -	$ -	$ -	$ -	$ -
Transfers to Special Funds : Tax Supported	**$ 8,274**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfer to Silver Spring PLD	$ 8,274						
Parking District Service Facility	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Resources	**$ 83,704**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Appropriations/Expenditures							
Operating Budget	$ (83,704)	$ -	$ -	$ -	$ -	$ -	$ -
Labor Agreement	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal PSP Operating Budget Appropriation	**$ (83,704)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Use of Resources	**$ (83,704)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Year End Available Fund Balance	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Available Fund Balance As A Percent of Next Year's PSP Expenses	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Target Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY18-23 Public Services Program: Fiscal Plan Silver Spring Parking Lot District	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.70%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%
Investment Income Yield	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
Beginning Fund Balance	**$ 19,205,235**	**$ 14,939,481**	**$ 12,576,315**	**$ 8,612,513**	**$ 8,564,120**	**$ 6,685,316**	**$ 5,993,211**
Revenues							
Charges for Services	$ 10,661,253	$ 12,606,253	$ 12,606,253	$ 12,606,253	$ 14,106,253	$ 15,176,878	$ 15,765,722
Fines & Forfeits	$ 1,869,689	$ 1,897,689	$ 1,897,689	$ 1,897,689	$ 1,897,689	$ 1,897,689	$ 1,897,689
Miscellaneous	$ 126,480	$ 222,240	$ 314,840	$ 407,440	$ 500,040	$ 555,600	$ 555,600
Subtotal Revenues	**$ 12,657,422**	**$ 14,726,182**	**$ 14,818,782**	**$ 14,911,382**	**$ 16,503,982**	**$ 17,630,167**	**$ 18,219,011**
Transfers	**$ (2,511,008)**	**$ (2,356,606)**	**$ (3,093,346)**	**$ 26,011**	**$ (2,740,439)**	**$ (2,607,323)**	**$ (2,574,607)**
Transfers to General Fund	$ (487,452)	$ (531,116)	$ (531,116)	$ (448,924)	$ (448,924)	$ (448,924)	$ (448,924)
Tecommunications NDA	$ (82,192)	$ (82,192)	$ (82,192)	$ -	$ -	$ -	$ -
Indirect Costs	$ (405,260)	$ (448,924)	$ (448,924)	$ (448,924)	$ (448,924)	$ (448,924)	$ (448,924)
Transfers to Special Funds : Tax Supported	**$ (2,023,556)**	**$ (1,825,490)**	**$ (2,562,230)**	**$ 474,935**	**$ (2,291,515)**	**$ (2,158,399)**	**$ (2,125,683)**
Transfer to Wheaton PLD	$ -	$ -	$ (400,000)	$ (400,000)	$ (200,000)	$ (100,000)	$ (100,000)
Transfer to Silver Spring PLD	$ (8,274)	$ -					
Silver Spring Urban District	$ (2,015,282)	$ (1,989,710)	$ (2,326,450)	$ (2,289,285)	$ (2,255,735)	$ (2,222,619)	$ (2,189,903)
Transfer to Bethesda PLD	$ -	$ -	$ -	$ 3,000,000	$ -	$ -	$ -
Total Resources	**$ 29,351,649**	**$ 27,309,057**	**$ 24,301,751**	**$ 23,549,906**	**$ 22,327,663**	**$ 21,708,160**	**$ 21,637,615**
CIP Current Revenue Appropriation Expenditure	**$ (3,312,000)**	**$ (2,700,000)**	**$ (3,464,000)**	**$ (2,700,000)**	**$ (2,700,000)**	**$ (2,700,000)**	**$ (2,700,000)**
Appropriations/Expenditures							
Operating Budget	$ (10,000,168)	$ (10,932,742)	$ (11,048,847)	$ (11,165,515)	$ (11,764,547)	$ (11,893,848)	$ (12,046,807)
Operating Leases	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)	$ (1,100,000)
Retiree Health Insurance Pre-Funding	$ -	$ -	$ (390)	$ (1,470)	$ (1,800)	$ (2,300)	$ (2,300)
Battery Backup	$ -	$ -	$ (57,200)	$ -	$ (57,200)	$ -	$ (57,200)
Labor Agreement	$ -	$ -	$ (18,801)	$ (18,801)	$ (18,801)	$ (18,801)	$ (18,801)
Subtotal PSP Operating Budget Appropriation	**$ (11,100,168)**	**$ (12,032,742)**	**$ (12,225,238)**	**$ (12,285,786)**	**$ (12,942,348)**	**$ (13,014,949)**	**$ (13,225,108)**
Total Use of Resources	**$ (14,412,168)**	**$ (14,732,742)**	**$ (15,689,238)**	**$ (14,985,786)**	**$ (15,642,348)**	**$ (15,714,949)**	**$ (15,925,108)**
Year End Available Fund Balance	**$ 14,939,481**	**$ 12,576,315**	**$ 8,612,513**	**$ 8,564,120**	**$ 6,685,316**	**$ 5,993,211**	**$ 5,712,507**
Available Fund Balance As A Percent of Next Year's PSP Expenses	**125%**	**104%**	**71%**	**67%**	**52%**	**46%**	**44%**
Target Balance	**$ 3,008,186**	**$ 3,056,309**	**$ 3,071,446**	**$ 3,235,587**	**$ 3,253,737**	**$ 3,306,277**	**$ 3,306,277**

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY18-22 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Increases to revenue in FY18 and FY21 are based on increased hours of enforcement in lots and garages. The proposed additional enforcement would be Monday through Friday beginning in FY18, and Saturday enforcement beginning in FY21.
3. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY18-23 Public Services Program: Fiscal Plan Wheaton Parking Lot District	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022	2023
Assumptions							
Indirect Cost Rate	16.45%	17.39%	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.70%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%
Investment Income Yield	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
Beginning Fund Balance	**$ 963,728**	**$ 682,683**	**$ 218,147**	**$ 189,731**	**$ 453,326**	**$ 480,453**	**$ 411,173**
Revenues							
Charges for Services	$ 815,000	$ 725,000	$ 815,000	$ 1,205,000	$ 1,205,000	$ 1,205,000	$ 1,205,000
Fines & Forfeits	$ 511,000	$ 476,000	$ 511,000	$ 636,000	$ 636,000	$ 636,000	$ 636,000
Miscellaneous	$ 8,550	$ 14,660	$ 20,770	$ 26,880	$ 32,990	$ 36,660	$ 36,660
Subtotal Revenues	**$ 1,334,550**	**$ 1,215,660**	**$ 1,346,770**	**$ 1,867,880**	**$ 1,873,990**	**$ 1,877,660**	**$ 1,877,660**
Transfers	**$ (90,084)**	**$ (115,404)**	**$ 283,826**	**$ 287,890**	**$ 87,890**	**$ (13,048)**	**$ (13,986)**
Transfers to General Fund	$ (66,455)	$ (71,726)	$ (71,726)	$ (67,662)	$ (67,662)	$ (67,662)	$ (67,662)
Telecommunications NDA	$ (4,064)	$ (4,064)	$ (4,064)	$ -	$ -	$ -	$ -
Indirect Costs	$ (62,391)	$ (67,662)	$ (67,662)	$ (67,662)	$ (67,662)	$ (67,662)	$ (67,662)
Transfers to Special Funds : Tax Supported	**$ (23,629)**	**$ (43,678)**	**$ 355,552**	**$ 355,552**	**$ 155,552**	**$ 54,614**	**$ 53,676**
Wheaton Urban District	$ (23,629)	$ (24,358)	$ (25,128)	$ (25,128)	$ (25,128)	$ (26,066)	$ (27,004)
Parking District Service Facility	$ -	$ (19,320)	$ (19,320)	$ (19,320)	$ (19,320)	$ (19,320)	$ (19,320)
Transfer from Silver Spring PLD	$ -	$ -	$ 400,000	$ 400,000	$ 200,000	$ 100,000	$ 100,000
Total Resources	**$ 2,208,194**	**$ 1,782,939**	**$ 1,848,744**	**$ 2,345,501**	**$ 2,415,206**	**$ 2,345,065**	**$ 2,274,847**
CIP Current Revenue Appropriation Expenditure	**$ (157,000)**	**$ (157,000)**	**$ (157,000)**	**$ (157,000)**	**$ (157,000)**	**$ (157,000)**	**$ (157,000)**
Appropriations/Expenditures							
Operating Budget	$ (1,368,511)	$ (1,407,792)	$ (1,477,282)	$ (1,732,284)	$ (1,752,813)	$ (1,773,881)	$ (1,796,082)
Retiree Health Insurance Pre-Funding	$ -	$ -	$ (60)	$ (220)	$ (270)	$ (340)	$ (340)
Battery Backup	$ -	$ -	$ (22,000)	$ -	$ (22,000)	$ -	$ (22,000)
Labor Agreement	$ -	$ -	$ (2,671)	$ (2,671)	$ (2,671)	$ (2,671)	$ (2,671)
Subtotal PSP Operating Budget Appropriation	**$ (1,368,511)**	**$ (1,407,792)**	**$ (1,502,013)**	**$ (1,735,175)**	**$ (1,777,754)**	**$ (1,776,892)**	**$ (1,821,093)**
Total Use of Resources	**$ (1,525,511)**	**$ (1,564,792)**	**$ (1,659,013)**	**$ (1,892,175)**	**$ (1,934,754)**	**$ (1,933,892)**	**$ (1,978,093)**
Year End Available Fund Balance	**$ 682,683**	**$ 218,147**	**$ 189,731**	**$ 453,326**	**$ 480,453**	**$ 411,173**	**$ 296,754**
Available Fund Balance As A Percent of Next Year's PSP Expenses	**48%**	**15%**	**11%**	**25%**	**27%**	**23%**	**16%**
Target Balance	**$ 351,948**	**$ 375,503**	**$ 433,794**	**$ 444,438**	**$ 444,223**	**$ 455,273**	**$ 455,273**

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY19-23 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Solid Waste Collection						
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.7%	**1.2%**	1.7%	2.2%	2.7%	3.0%	3.0%
Number of Households	91,620	**92,003**	92,386	92,770	93,045	93,320	93,595
Charge per Household (once-weekly refuse collection)	$70.00	**$70.00**	$77.00	$87.00	$90.00	$90.00	$93.00
BEGINNING FUND BALANCE	**1,768,599**	**1,411,044**	**773,993**	**767,637**	**995,420**	**1,322,239**	**1,399,325**
REVENUES							
Charges For Services	6,420,845	**6,440,210**	7,113,722	8,070,990	8,366,386	8,398,800	8,704,335
Miscellaneous	19,040	**32,640**	46,240	59,840	73,440	81,600	81,600
Subtotal Revenues	**6,439,885**	**6,472,850**	**7,159,962**	**8,130,830**	**8,439,826**	**8,480,400**	**8,785,935**
INTERFUND TRANSFERS (Net Non-CIP)	**(245,187)**	**(267,254)**	**(267,254)**	**(267,254)**	**(267,254)**	**(267,254)**	**(267,254)**
Transfers To The General Fund	(245,187)	(267,254)	(267,254)	(267,254)	(267,254)	(267,254)	(267,254)
Indirect Costs	(240,187)	(262,254)	(262,254)	(262,254)	(262,254)	(262,254)	(262,254)
Other: DCM	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL RESOURCES	**7,963,297**	**7,616,640**	**7,666,701**	**8,631,213**	**9,167,992**	**9,535,385**	**9,918,006**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,552,253)	**(6,842,647)**	(6,890,347)	(7,626,866)	(7,836,756)	(8,126,963)	(8,454,222)
Labor Agreement	0	**0**	(8,637)	(8,637)	(8,637)	(8,637)	(8,637)
Retiree Health Insurance Pre-Funding	0	**0**	(80)	(290)	(360)	(460)	(460)
Subtotal PSP Oper Budget Approp / Exp's	**(6,552,253)**	**(6,842,647)**	**(6,899,064)**	**(7,635,793)**	**(7,845,753)**	**(8,136,060)**	**(8,463,319)**
OTHER CLAIMS ON FUND BALANCE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL USE OF RESOURCES	**(6,552,253)**	**(6,842,647)**	**(6,899,064)**	**(7,635,793)**	**(7,845,753)**	**(8,136,060)**	**(8,463,319)**
YEAR END FUND BALANCE	**1,411,044**	**773,993**	**767,637**	**995,420**	**1,322,239**	**1,399,325**	**1,454,687**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**17.7%**	**10.2%**	**10.0%**	**11.5%**	**14.4%**	**14.7%**	**14.7%**

Assumptions:
1. Refuse collection charges are adjusted to acheive cost recovery.

Notes:
1. The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 10% and 15% of resources at the end of the six-year planning period. Year end fund balances in FY19-23 are projections only and will change with the change in the underlying assumptions (i.e. growth in house counts, CPI, Investment Income Yield) in future fiscal years.
2. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures may vary based on changes not assumed here.

FY18-23 DIVISION OF SOLID WASTE SERVICES

FISCAL PROJECTIONS	ACTUAL FY16	ESTIMATED FY17	PROJECTED FY18	PROJECTED FY19	PROJECTED FY20	PROJECTED FY21	PROJECTED FY22	PROJECTED FY23
Single-Family Charges ($/Household)	205.11	205.11	205.11	198.11	202.69	207.87	213.30	218.60
% change in rate from previous year	-4.0%	0.0%	0.0%	-3.4%	2.3%	2.6%	2.6%	2.5%
Multi-Family Charges ($/Dwelling Unit)	16.06	16.06	16.06	16.06	5.31	2.12	1.33	1.03
% change in rate from previous year	-4.0%	0.0%	0.0%	0.0%	-66.9%	-60.1%	-37.4%	-22.6%
Nonresidential Charges (medium "category" charge)	596.13	596.13	596.13	596.13	337.26	304.01	275.62	240.54
% change in rate from previous year	-4.0%	0.0%	0.0%	0.0%	-43.4%	-9.9%	-9.3%	-12.7%

OPERATIONS CALCULATION

REVENUES								
Disposal Fees	30,207,985	30,588,345	32,940,341	33,342,710	33,999,779	34,111,477	34,083,855	34,056,233
Charges for Services/SBC	56,012,609	56,195,807	55,181,673	53,939,808	46,090,945	46,295,103	46,868,502	46,936,030
Miscellaneous	7,732,614	10,595,020	12,676,556	12,855,768	13,095,550	13,198,261	13,303,213	13,410,502
Investment Income	90,147	177,410	304,130	430,850	557,570	684,290	760,320	760,320
Subtotal Revenues	**94,043,355**	**97,556,582**	**101,102,700**	**100,569,136**	**93,743,844**	**94,289,131**	**95,015,890**	**95,163,085**
INTERFUND TRANSFERS	**683,994**	**323,459**	**(141,901)**	**(8,082,988)**	**(35,869)**	**757,539**	**1,257,762**	**1,653,621**
EXPENDITURES								
Personnel Costs	(9,401,384)	(10,246,988)	(10,517,776)	(10,970,040)	(11,452,722)	(11,968,095)	(12,506,659)	(13,069,459)
Operating Expenses	(88,018,689)	(72,086,778)	(75,689,450)	(77,339,695)	(81,904,428)	(85,316,658)	(89,375,202)	(93,502,452)
Capital Outlay	(2,983,192)	(3,085,826)	(3,493,502)	(8,270,519)	(7,229,196)	(1,845,450)	(2,187,409)	(86,471)
Subtotal Expenditures	**(100,403,265)**	**(85,419,592)**	**(89,700,728)**	**(96,580,254)**	**(100,586,346)**	**(99,130,202)**	**(104,069,270)**	**(106,658,382)**
CURRENT RECEIPTS TO CIP	**-**	**-**	**(1,000,000)**	**(10,500,000)**	**(10,500,000)**	**(6,700,000)**	**-**	**-**
OTHER CLAIMS ON FUND BALANCE	**(718,000)**							
PAYOUT OF GUDE REMEDIATION	**-**	**-**	**1,000,000**	**10,500,000**	**10,500,000**	**6,700,000**	**-**	**-**
CY GUDE REMEDIATION		**(200,000)**	**-**	**-**	**-**	**-**	**-**	**-**
PAYOUT OF CLOSURE COSTS (Non-CIP)	**1,334,306**	**1,657,566**	**1,675,088**	**1,716,104**	**1,759,888**	**1,806,596**	**1,854,594**	**1,903,919**
CY ACCRUED CLOSURE COSTS	**(1,467,866)**	**(33,479)**	**(41,518)**	**(41,017)**	**(43,783)**	**(46,708)**	**(47,998)**	**(49,325)**
NET CHANGE	**(6,527,476)**	**13,884,536**	**12,893,641**	**(2,419,019)**	**(5,162,267)**	**(2,323,643)**	**(5,989,022)**	**(7,987,082)**

CASH POSITION

ENDING CASH & INVESTMENTS								
Unrestricted Cash	35,442,049	46,863,138	58,265,145	42,955,027	24,933,007	15,434,837	12,632,664	5,363,483
Restricted Cash	27,338,200	30,219,284	31,102,317	34,092,090	36,868,965	37,227,482	34,410,986	33,851,382
Subtotal Cash & Investments	**62,780,249**	**77,082,422**	**89,367,462**	**77,047,117**	**61,801,972**	**52,662,319**	**47,043,650**	**39,214,865**
RESERVE & LIABILITY REQUIREMENTS								
Management Reserve	(21,378,874)	(22,425,182)	(24,145,064)	(25,146,586)	(24,782,551)	(26,017,318)	(26,664,595)	(26,664,595)
Future System Contingency Reserve	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Research & Development Reserve	(298,080)	(298,080)	(298,080)	(298,080)	(298,080)	(298,080)	(298,080)	(298,080)
Renewal & Replacement Reserve	(4,161,246)	(4,236,148)	(4,333,580)	(4,433,251)	(4,539,650)	(4,653,141)	(4,769,470)	(4,888,707)
Stability Reserve	(500,000)	(2,259,874)	(1,325,593)	(3,214,172)	(6,248,684)	(5,258,943)	(1,678,841)	(1,000,000)
Subtotal Reserve Requirements	**(27,338,200)**	**(30,219,284)**	**(31,102,317)**	**(34,092,090)**	**(36,868,965)**	**(37,227,482)**	**(34,410,986)**	**(33,851,382)**
Closure/Postclosure Liability	(15,539,478)	(13,915,391)	(12,281,822)	(10,606,734)	(8,890,630)	(7,130,742)	(5,324,146)	(3,530,480)
Gude Remediation Liability	(28,500,000)	(28,700,000)	(27,700,000)	(17,200,000)	(6,700,000)	-	-	-
Subtotal Reserve & Liability Requirements	**(71,377,678)**	**(72,834,675)**	**(71,084,139)**	**(61,898,824)**	**(52,459,595)**	**(44,358,224)**	**(39,735,132)**	**(37,381,863)**
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	**(8,597,429)**	**4,247,747**	**18,283,323**	**15,148,293**	**9,342,378**	**8,304,095**	**7,308,518**	**1,833,002**

Net Assets

ENDING NET ASSETS	51,379,280	67,482,805	83,159,177	88,230,234	89,445,603	87,985,419	83,712,090	75,315,766
Less: Reserve Requirements	**(27,338,200)**	**(30,219,284)**	**(31,102,317)**	**(34,092,090)**	**(36,868,965)**	**(37,227,482)**	**(34,410,986)**	**(33,851,382)**
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	**24,041,080**	**37,263,521**	**52,056,860**	**54,138,144**	**52,576,638**	**50,757,937**	**49,301,104**	**41,464,384**

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Vacuum Leaf Collection						
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
% of leaves attributed to single-family households	97.2%	**97.2%**	97.2%	97.2%	97.2%	97.2%	97.2%
% of leave attributed to multi-family units and townhome uni	2.8%	**2.8%**	2.8%	2.8%	2.8%	2.8%	2.8%
Charge per sing-family household	$ 97.99	**$ 97.99**	$ 97.99	$ 106.18	$ 114.37	$ 123.39	$ 132.60
BEGINNING FUND BALANCE	**(467,803)**	**(460,013)**	**67,476**	**74,119**	**68,450**	**186,472**	**182,966**
REVENUES							
Charges For Services	7,338,911	**7,216,578**	7,220,893	7,827,110	8,435,328	9,105,681	9,790,310
Miscellaneous	7,790	**13,350**	18,910	24,470	30,030	33,370	33,370
Subtotal Revenues	**7,346,701**	**7,229,928**	**7,239,803**	**7,851,580**	**8,465,358**	**9,139,051**	**9,823,680**
INTERFUND TRANSFERS (Net Non-CIP)	**(1,220,263)**	**(577,855)**	**(955,461)**	**(1,410,443)**	**(1,726,857)**	**(2,343,715)**	**(2,861,027)**
Transfers To The General Fund	(532,337)	(577,855)	(594,461)	(610,443)	(626,857)	(643,715)	(661,027)
Indirect Costs	(532,337)	(577,855)	(594,461)	(610,443)	(626,857)	(643,715)	(661,027)
Transfers From Special Fds: Non-Tax + ISF	(687,926)	0	(361,000)	(800,000)	(1,100,000)	(1,700,000)	(2,200,000)
Solid Waste Dispodal Fund	(687,926)	0	(361,000)	(800,000)	(1,100,000)	(1,700,000)	(2,200,000)
TOTAL RESOURCES	**5,658,635**	**6,192,060**	**6,351,818**	**6,515,256**	**6,806,951**	**6,981,808**	**7,145,619**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,118,648)	**(6,124,584)**	(6,263,242)	(6,432,349)	(6,606,023)	(6,784,385)	(6,967,564)
Labor Agreement	n/a	**0**	(14,457)	(14,457)	(14,457)	(14,457)	(14,457)
Subtotal PSP Oper Budget Approp / Exp's	**(6,118,648)**	**(6,124,584)**	**(6,277,699)**	**(6,446,806)**	**(6,620,480)**	**(6,798,842)**	**(6,982,021)**
TOTAL USE OF RESOURCES	**(6,118,648)**	**(6,124,584)**	**(6,277,699)**	**(6,446,806)**	**(6,620,480)**	**(6,798,842)**	**(6,982,021)**
YEAR END FUND BALANCE	**(460,013)**	**67,476**	**74,119**	**68,450**	**186,472**	**182,966**	**163,598**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**-8.1%**	**1.1%**	**1.2%**	**1.1%**	**2.7%**	**2.6%**	**2.3%**

Assumptions:

1. Leaf vacuuming rates are adjusted to achieve cost recovery.
2. The change in fund balance reflects a gradual increase in fund balance towards the policy level ($250,000). It is necessary to rebuild fund balance after a restatement of prior year fund balance to reflect new pension liability reporting requirements unexpectedly led to a negative fund balance. In future years, rates will be adjusted annually to fund the approved service program and ahieve the appropriate ending balance while also contributing to equipment costs reimbursements to the Disposal Fund.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Permitting Services						
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
Enterprise Fund Stabilization Factor (EFSF)	1.00	**1.00**	TBD	TBD	TBD	TBD	TBD
BEGINNING FUND BALANCE	**37,497,651**	**29,320,727**	**12,917,781**	**7,624,694**	**7,411,668**	**8,005,368**	**8,971,735**
REVENUES							
Licenses & Permits	40,165,631	**41,006,408**	43,084,616	45,505,434	45,879,791	47,902,960	50,116,301
Charges For Services	289,819	**807,311**	508,045	505,518	505,526	505,530	505,531
Fines & Forfeitures	133,506	**140,485**	136,995	138,740	137,868	138,304	138,086
Miscellaneous	56,419	**153,700**	208,187	262,669	307,545	331,365	343,288
Subtotal Revenues	**40,645,375**	**42,107,904**	**43,937,843**	**46,412,361**	**46,830,730**	**48,878,159**	**51,103,206**
INTERFUND TRANSFERS (Net Non-CIP)	**(4,815,802)**	**(5,236,021)**	**(4,066,961)**	**(4,066,961)**	**(4,066,961)**	**(4,066,961)**	**(4,066,961)**
Transfers To The General Fund	(4,815,802)	**(5,236,021)**	(5,220,731)	(5,220,731)	(5,220,731)	(5,220,731)	(5,220,731)
Indirect Costs	(4,654,730)	**(5,074,949)**	(5,111,711)	(5,111,711)	(5,111,711)	(5,111,711)	(5,111,711)
Telecommunications NDA	(52,052)	**(52,052)**	0	0	0	0	0
Transfers From The General Fund	0	**0**	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770
Public Agency Permit Fees	0	**0**	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660
Green Tape Program	0	**0**	94,110	94,110	94,110	94,110	94,110
TOTAL RESOURCES	**73,327,224**	**66,192,610**	**52,788,663**	**49,970,094**	**50,175,437**	**52,816,566**	**56,007,980**
CIP CURRENT REVENUE APPROP.	**(6,591,000)**	**(14,400,000)**	**(4,009,000)**	**0**	**0**	**0**	**0**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(37,415,497)	**(38,874,829)**	(40,352,614)	(41,909,658)	(43,571,690)	(45,324,497)	(47,150,974)
FFI - Labor Agreement	n/a	**0**	(211,395)	(211,395)	(211,395)	(211,395)	(211,395)
FFI - IT Maintenance	n/a	**n/a**	(126,635)	(52,283)	(9,984)	(2,039)	(54,635)
FFI - IT Replacement Plan	n/a	**n/a**	(318,500)	(168,500)	281,500	281,500	(318,500)
FFI - Office Rent	n/a	**n/a**	(141,185)	0	0	0	0
FFI - Wheaton Operating Budget Impacts	n/a	**n/a**	0	(199,000)	1,363,000	1,439,000	1,533,000
FFI - Retiree Health Insurance Pre-Funding	n/a	**n/a**	(4,640)	(17,590)	(21,500)	(27,400)	(27,400)
Subtotal PSP Oper Budget Approp / Exp's	**(37,415,497)**	**(38,874,829)**	**(41,154,969)**	**(42,558,426)**	**(42,170,069)**	**(43,844,831)**	**(46,229,904)**
OTHER CLAIMS ON FUND BALANCE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cumulative rolling set-aside	**18,409,000**	**4,009,000**	**0**				
TOTAL USE OF RESOURCES	**(44,006,497)**	**(53,274,829)**	**(45,163,969)**	**(42,558,426)**	**(42,170,069)**	**(43,844,831)**	**(46,229,904)**
YEAR END FUND BALANCE	**29,320,727**	**12,917,781**	**7,624,694**	**7,411,668**	**8,005,368**	**8,971,735**	**9,778,076**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**40.0%**	**19.5%**	**14.4%**	**14.8%**	**16.0%**	**17.0%**	**17.5%**

Assumptions:

1. These projections are based on the Executive's recommended budget and include the revenue and resource assumptions of that bu dget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The Enterprise Fund Stabilization Factor (EFSF) is the factor by which the fee rate is adjusted to maintain the minimum reserve policy of 20 percent of total resources in the budget year (FY18).
3. Revenue projections assume a gradual increase in construction market activity. Additional EFSF revenues are assumed to maintain the reserve policy of 15-20% in the out years (FY19-23).
4. Charges for Services include some Fire Code Compliance fees.
5. The General Fund transfer for Public Agency Permits and Green Tape Program will be deferred through FY18 for fiscal reasons.
6. Key components of Permitting Services' technology replacement plan include: FY19: Printers and Servers ($660,000); FY20: Permit Database Hardware and Software $450,000; FY23: Printers and Servers ($660,000).
7. Wheaton Operating Budget Impacts include lease savings, debt service, maintenance, energy, and parking costs associated with DPS' move to the new Wheaton headquarters in FY20.
8. In prior years, "other claims on fund balance" was used to set aside funding for the new Wheaton headquarters. DPS is expected to use $25 million in Capital Improvements Project (CIP) current revenue and $10.64 million in non-taxable debt to fund its proportional share of the Wheaton Redevelopment CIP (P150401).
9. In prior years, the Comprehensive Annual Financial Report (CAFR) fund balance was adjusted for the Wheaton set-aside. The Fiscal Plan now includes the CIP expenditure schedule and the CAFR fund balance will no longer be adjusted.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Liquor Control				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	10.00%	**10.00%**	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**2,290,672**	**1,859,094**	**2,200,000**	**3,300,746**	**4,569,463**	**4,673,821**	**4,783,620**
REVENUES							
Licenses & Permits	1,726,197	**1,726,197**	1,765,900	1,807,398	1,851,679	1,897,971	1,945,421
Charges For Services	8,740	**8,740**	8,941	9,151	9,375	9,610	9,850
Fines & Forfeitures	220,560	**220,560**	225,633	230,935	236,593	242,508	248,571
Miscellaneous	82,549,177	**86,241,205**	88,408,477	90,629,633	92,906,018	95,234,233	97,613,295
Subtotal Revenues	**84,504,674**	**88,196,702**	**90,408,951**	**92,677,117**	**95,003,666**	**97,384,322**	**99,817,136**
INTERFUND TRANSFERS (Net Non-CIP)	**(20,712,444)**	**(22,676,698)**	**(22,904,117)**	**(22,827,829)**	**(24,242,615)**	**(24,382,973)**	**(24,435,080)**
Transfers To The General Fund	(20,712,444)	(22,676,698)	(22,904,117)	(22,827,829)	(24,242,615)	(24,382,973)	(24,435,080)
Indirect Costs	(3,358,024)	(3,495,951)	(3,531,382)	(3,531,382)	(3,531,382)	(3,531,382)	(3,531,382)
Earnings Transfer	(17,185,388)	(19,011,715)	(19,372,735)	(19,296,447)	(20,711,233)	(20,851,591)	(20,903,698)
Telecommunications	(169,032)	(169,032)	0	0	0	0	0
TOTAL RESOURCES	**66,082,902**	**67,379,098**	**69,704,834**	**73,150,034**	**75,330,514**	**77,675,170**	**80,165,676**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(55,030,377)	**(54,168,719)**	(56,096,808)	(58,126,989)	(60,293,995)	(62,577,729)	(64,954,320)
Debt Service: Other (Non-Tax Funds only)	(10,932,900)	**(10,992,600)**	(10,995,600)	(10,960,900)	(10,703,200)	(10,480,500)	(10,480,500)
Labor Agreement	n/a	**0**	(354,311)	(354,311)	(354,311)	(354,311)	(354,311)
Elminiation of One-Time Items	n/a	n/a	1,329,660	1,329,660	1,329,660	1,329,660	1,329,660
Retail Store Leases	n/a	n/a	(153,139)	(309,341)	(468,667)	(631,180)	(631,180)
Retiree Health Insurance Pre-funding	n/a	**n/a**	(8,890)	(33,690)	(41,180)	(52,490)	(52,490)
Adj for Bond Proceeds Applied to Debt Service	1,739,469	**107,221**	n/a	n/a	n/a	n/a	n/a
Subtotal PSP Oper Budget Approp / Exp's	**(64,223,808)**	**(65,054,098)**	**(66,279,088)**	**(68,455,571)**	**(70,531,693)**	**(72,766,550)**	**(75,143,141)**
OTHER CLAIMS ON FUND BALANCE	**0**	**(125,000)**	**(125,000)**	**(125,000)**	**(125,000)**	**(125,000)**	**(125,000)**
TOTAL USE OF RESOURCES	**(64,223,808)**	**(65,179,098)**	**(66,404,088)**	**(68,580,571)**	**(70,656,693)**	**(72,891,550)**	**(75,268,141)**
YEAR END FUND BALANCE	**1,859,094**	**2,200,000**	**3,300,746**	**4,569,463**	**4,673,821**	**4,783,620**	**4,897,535**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**2.8%**	**3.3%**	**4.7%**	**6.2%**	**6.2%**	**6.2%**	**6.1%**

Assumptions:

1. These projections are based on the Executive's Recommended budget and include revenue and resource assumptions of that budget. The projected future expenditures, revenues and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.
2. Fund balance policy equals one month's operating expenses, one payroll, and $1,500,000 for inventory in cash balance.
3. Operating expenditures grow with CPI.
4. Net profit growth is estimated at 2.5% per year.
5. Other Claims on Fund Balance include an annual set-aside for retail ($25,000) and fleet ($100,000) improvement plans.
6. Bond Proceeds from the 2013 Liquor Bond Series were applied to FY17 and FY18 debt service payments, as allowed under IRS regulations.
7. Removal of One-Time Expenses include: hardware, software, and retail store expenses.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Risk Management				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
BEGINNING FUND BALANCE	**12,672,017**	**12,797,068**	**14,014,451**	**15,143,203**	**16,291,208**	**17,377,885**	**18,482,129**
REVENUES							
Charges For Services	62,015,922	**66,171,181**	69,347,398	72,676,073	76,164,524	79,820,421	83,651,802
Intergovernmental	285,471	**382,921**	401,301	420,564	440,751	461,907	484,078
Miscellaneous	1,623,210	**1,623,210**	1,623,210	1,623,210	1,623,210	1,623,210	1,623,210
Subtotal Revenues	**63,924,603**	**68,177,312**	**71,371,909**	**74,719,846**	**78,228,485**	**81,905,538**	**85,759,090**
INTERFUND TRANSFERS (Net Non-CIP)	**(4,312)**	**(4,312)**	**0**	**0**	**0**	**0**	**0**
Transfers To The General Fund	(4,312)	(4,312)	0	0	0	0	0
Telecommunications NDA	(4,312)	(4,312)	0	0	0	0	0
TOTAL RESOURCES	**76,592,308**	**80,970,068**	**85,386,360**	**89,863,050**	**94,519,693**	**99,283,423**	**104,241,219**
Operating Budget	(63,795,240)	**(66,955,617)**	(70,169,487)	(73,537,622)	(77,067,428)	(80,766,664)	(84,643,464)
Labor Agreement	n/a	**0**	(33,480)	(33,480)	(33,480)	(33,480)	(33,480)
Retiree Health Benefit Trust Pre-Funding	n/a	**n/a**	(190)	(740)	(900)	(1,150)	(1,150)
Claims Audit	n/a	**n/a**	(40,000)	0	(40,000)	0	(40,000)
Subtotal PSP Oper Budget Approp / Exp's	**(63,795,240)**	**(66,955,617)**	**(70,243,157)**	**(73,571,842)**	**(77,141,808)**	**(80,801,294)**	**(84,718,094)**
TOTAL USE OF RESOURCES	**(63,795,240)**	**(66,955,617)**	**(70,243,157)**	**(73,571,842)**	**(77,141,808)**	**(80,801,294)**	**(84,718,094)**
YEAR END FUND BALANCE	**12,797,068**	**14,014,451**	**15,143,203**	**16,291,208**	**17,377,885**	**18,482,129**	**19,523,124**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**16.7%**	**17.3%**	**17.7%**	**18.1%**	**18.4%**	**18.6%**	**18.7%**

Assumptions:
1. Risk Management contributions projected for this fund are adjusted as necessary to reflect the County's fiscal policy of maintaining an unrestricted net asset balance, in excess of claims reserves, sufficient to achieve a confidence level in the range of 80 to 85 percent that funding will be sufficient to cover all incurred liabilities.
2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses.

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Printing and Mail				
FISCAL PROJECTIONS	**FY17 ESTIMATE**	**FY18 REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
Rate Adjustment			1.6%	4.1%	3.0%	3.1%	3.1%
BEGINNING FUND BALANCE	**74,034**	**363,001**	**337,137**	**253,920**	**265,090**	**275,921**	**287,119**
REVENUES							
Charges For Services	8,245,179	**8,007,415**	8,135,534	8,469,091	8,723,164	8,993,582	9,272,383
Miscellaneous	7,650	**13,110**	18,570	24,030	29,490	32,770	32,770
Subtotal Revenues	**8,252,829**	**8,020,525**	**8,154,104**	**8,493,121**	**8,752,654**	**9,026,352**	**9,305,153**
TOTAL RESOURCES	**8,326,863**	**8,383,526**	**8,491,241**	**8,747,041**	**9,017,744**	**9,302,273**	**9,592,272**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(7,963,862)	**(8,046,389)**	(8,191,305)	(8,434,355)	(8,693,757)	(8,966,368)	(9,248,596)
Retiree Health Insurance Pre-funding	n/a	**n/a**	(570)	(2,150)	(2,620)	(3,340)	(3,340)
Labor Agreement	n/a	**n/a**	(22,723)	(22,723)	(22,723)	(22,723)	(22,723)
Subtotal PSP Oper Budget Approp / Exp's	**(7,963,862)**	**(8,046,389)**	**(8,237,321)**	**(8,481,951)**	**(8,741,823)**	**(9,015,154)**	**(9,297,382)**
TOTAL USE OF RESOURCES	**(7,963,862)**	**(8,046,389)**	**(8,237,321)**	**(8,481,951)**	**(8,741,823)**	**(9,015,154)**	**(9,297,382)**
YEAR END FUND BALANCE	**363,001**	**337,137**	**253,920**	**265,090**	**275,921**	**287,119**	**294,890**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**4.4%**	**4.0%**	**3.0%**	**3.0%**	**3.1%**	**3.1%**	**3.1%**

Assumptions:
1.Printing, Mail, and Records Management/Imaging rates are adjusted to achieve cost recovery.
2.The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usgae, inflation, future labor agreements, and other factors.
3.The fund balance for this internal service fund should be between 3% and 5%.

EMPLOYEE HEALTH BENEFITS SELF INSURANCE FUND

FY18-23 FISCAL PROJECTION	Estimate - FY17	Projected - FY18	Projected - FY19	Projected - FY20	Projected - FY21	Projected - FY22	Projected - FY23
BEGINNING BALANCE	9,661,969	16,676,512	8,599,362	13,172,346	14,307,440	15,571,266	16,827,565
REVENUES							
Premium Contributions	186,578,514	195,604,253	216,160,257	230,814,599	249,965,993	270,037,519	291,739,843
Premium Contributions: Retiree Insurance NDA	52,300,000	52,300,000	52,440,000	57,360,000	62,694,000	68,400,000	74,530,000
Investment Income	64,730	110,970	157,210	203,450	249,690	277,430	277,430
TOTAL REVENUES	238,943,244	248,015,223	268,757,468	288,378,048	312,909,683	338,714,949	366,547,272
FUND TRANSFER TO THE GENERAL FUND	-	(12,500,000)	-	-	-	-	-
TOTAL FUNDS AVAILABLE	248,605,213	252,191,735	277,356,830	301,550,394	327,217,122	354,286,215	383,374,837
EXPENDITURES							
Claims, Premiums, & Carrier Administration	226,990,067	237,857,036	258,162,380	280,919,746	305,006,487	330,487,312	357,679,229
Actives	143,731,303	148,165,399	159,926,684	172,929,244	186,597,870	200,979,699	216,231,429
Retirees	83,258,765	89,691,637	98,235,696	107,990,501	118,408,617	129,507,614	141,447,800
In-house expenses	4,938,634	5,735,337	6,022,104	6,323,209	6,639,369	6,971,338	7,319,905
TOTAL EXPENDITURES	231,928,701	243,592,373	264,184,484	287,242,955	311,645,857	337,458,650	364,999,134
ENDING BALANCE	16,676,512	8,599,362	13,172,346	14,307,440	15,571,266	16,827,565	18,375,703
TARGET FUND BALANCE (5% OF EXPENDITURES)	11,596,440	12,179,620	13,209,220	14,362,150	15,582,290	16,872,930	18,249,960
ENDING BALANCE AS % OF EXPENDITURES	7.2%	3.5%	5.0%	5.0%	5.0%	5.0%	5.0%

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Motor Pool				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	16.45%	**17.39%**	17.39%	17.39%	17.39%	17.39%	17.39%
CPI (Fiscal Year)	1.7%	**2.3%**	2.3%	2.4%	2.5%	2.5%	2.5%
Investment Income Yield	0.70%	**1.20%**	1.70%	2.20%	2.70%	3.00%	3.00%
Rate Adjustment			0.0%	1.0%	4.8%	5.0%	2.8%
BEGINNING FUND BALANCE	**11,757,582**	**10,469,140**	**10,401,979**	**8,006,557**	**4,528,016**	**2,709,039**	**2,762,449**
REVENUES							
Charges For Services	78,589,862	**80,012,337**	80,012,337	80,812,460	84,691,458	88,926,031	91,415,960
Miscellaneous	92,040	**1,157,780**	1,223,520	1,289,260	1,355,000	1,394,440	1,394,440
Subtotal Revenues	**78,681,902**	**81,170,117**	**81,235,857**	**82,101,720**	**86,046,458**	**90,320,471**	**92,810,400**
INTERFUND TRANSFERS (Net Non-CIP)	**0**	**(1,181,250)**	**0**	**0**	**0**	**0**	**0**
Transfers To The General Fund	0	(1,181,250)	0	0	0	0	0
Other	0	(1,181,250)	0	0	0	0	0
TOTAL RESOURCES	**90,439,484**	**90,458,007**	**91,637,836**	**90,108,277**	**90,574,474**	**93,029,510**	**95,572,849**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(79,970,344)	**(80,056,028)**	(83,474,183)	(85,412,285)	(87,694,179)	(90,090,845)	(92,569,200)
Labor Agreement	n/a	**0**	(153,196)	(153,196)	(153,196)	(153,196)	(153,196)
Retiree Health Insurance Prefunding	n/a	**n/a**	(3,900)	(14,780)	(18,060)	(23,020)	(23,020)
Subtotal PSP Oper Budget Approp / Exp's	**(79,970,344)**	**(80,056,028)**	**(83,631,279)**	**(85,580,261)**	**(87,865,435)**	**(90,267,061)**	**(92,745,416)**
TOTAL USE OF RESOURCES	**(79,970,344)**	**(80,056,028)**	**(83,631,279)**	**(85,580,261)**	**(87,865,435)**	**(90,267,061)**	**(92,745,416)**
YEAR END FUND BALANCE	**10,469,140**	**10,401,979**	**8,006,557**	**4,528,016**	**2,709,039**	**2,762,449**	**2,827,433**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**11.6%**	**11.5%**	**8.7%**	**5.0%**	**3.0%**	**3.0%**	**3.0%**

Assumptions:

1. Motor Pool rates are adjusted to achieve cost revcovery and maintain a fund balance of approximately 3.0 percent of resources.
2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of thatbudget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

Maryland-National Capital Park and Planning Commission

FY18-23 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Enterprise Fund				
FISCAL PROJECTIONS	FY17 ESTIMATE	FY18 REC	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION
BEGINNING FUND BALANCE	8,080,992	9,774,172	10,142,356	10,791,778	6,273,854	1,790,773	2,544,117
REVENUES							
Charges For Services	10,671,789	**10,655,981**	10,901,069	11,157,244	11,430,596	11,716,361	12,009,270
Miscellaneous	51,200	**60,000**	60,000	60,000	60,000	60,000	60,000
Subtotal Revenues	10,722,989	10,715,981	10,961,069	11,217,244	11,490,596	11,776,361	12,069,270
TOTAL RESOURCES	18,803,981	20,490,153	21,103,425	22,009,021	17,764,450	13,567,134	14,613,388
CIP CURRENT REVENUE APPROP.	0	(1,050,000)	(800,000)	(6,000,000)	(6,000,000)	(800,000)	(800,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(9,029,809)	**(9,297,797)**	(9,511,647)	(9,735,167)	(9,973,677)	(10,223,017)	(10,478,597)
Subtotal PSP Oper Budget Approp / Exp's	(9,029,809)	(9,297,797)	(9,511,647)	(9,735,167)	(9,973,677)	(10,223,017)	(10,478,597)
TOTAL USE OF RESOURCES	(9,029,809)	(10,347,797)	(10,311,647)	(15,735,167)	(15,973,677)	(11,023,017)	(11,278,597)
YEAR END FUND BALANCE	9,774,172	10,142,356	10,791,778	6,273,854	1,790,773	2,544,117	3,334,791
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	52.0%	49.5%	51.1%	28.5%	10.1%	18.8%	22.8%

Assumptions:

1. CIP Current Revenue figures reflect M-NCPPC estimated expenditures.
2. On November 7, 2000, M-NCPPC adopted a fund balance policy requiring a minimum fund balance equal to 10 percent of operating revenues plus one year's debt service.
3. All labor and operating costs are shown as operating costs since M-NCPPC is not a component of Montgomery County Government.
4. Revenue and expenditures are assumed to increase by inflation.
5. These projections are based on the Executive's recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues and fund balance may vary based on changes not assumed here to fee and tax rates, usages, inflation, and other factors not assumed here.

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Washington Suburban Sanitary Commission

WSSC PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER AND SEWER OPERATING FUNDS								
FISCAL PROJECTIONS	**FY17 ESTIMATED**	**FY18 PROPOSED**	**FY18 CE REC**	**FY19 PROJECTION**	**FY20 PROJECTION**	**FY21 PROJECTION**	**FY22 PROJECTION**	**FY23 PROJECTION**
SPENDING AFFORDABILITY RESULTS								
New Water and Sewer Debt ($millions)	$528.0	$570.0	$570.0	$505.1	$510.2	$428.9	$331.8	$317.1
Total Water and Sewer Operating Expenses ($millions)	$717.0	$724.9	$724.9	$785.3	$848.6	$899.1	$940.8	$981.5
Debt Service ($millions)	$243.8	$257.5	$257.5	$285.8	$321.7	$347.1	$364.2	$379.5
Average Water and Sewer Rate Increase	3.00%	3.50%	3.50%	11.60%	9.50%	7.20%	5.50%	4.80%
BEGINNING FUND BALANCE ($000)	**149,857**	**130,061**	**130,061**	**118,481**	**117,981**	**117,481**	**117,481**	**117,481**
REVENUES ($000)								
Water and Sewer Rate Revenue	579,236	600,902	600,902	600,892	670,750	734,542	787,679	830,657
Interest Income	700	700	700	700	700	700	700	700
Account Maintenance Fee	29,247	32,118	32,118	32,298	32,477	32,657	32,836	33,015
Infrastructure Investment Fee	38,962	38,360	38,360	38,489	38,618	38,747	38,876	39,004
Miscellaneous	22,811	33,532	33,532	31,148	31,825	32,529	33,346	33,376
Total Revenues	**670,956**	**705,612**	**705,612**	**703,527**	**774,370**	**839,175**	**893,437**	**936,752**
SDC Debt Service Offset	206	0	0	0	0	0	0	0
Reconstruction Debt Service Offset (REDO)	9,800	7,700	7,700	5,600	3,500	1,400	0	0
Use of Prior Year Net Revenue	26,050	11,580	11,580	6,283	6,948	5,385	4,372	4,495
TOTAL FUNDS AVAILABLE	**707,012**	**724,892**	**724,892**	**715,410**	**784,818**	**845,960**	**897,809**	**941,247**
EXPENDITURES ($000)								
Salaries and Wages	114,088	120,276	120,276	124,587	130,194	136,053	142,175	148,573
Heat, Light, and Power	23,581	22,015	22,015	26,840	27,675	28,520	29,397	29,405
Regional Sewage Disposal	54,501	53,617	53,617	58,193	60,346	62,579	64,894	67,295
Debt Service	243,808	257,457	257,457	285,772	321,709	347,104	364,204	379,479
PAYGO	23,095	30,193	30,193	38,386	47,102	54,514	60,606	66,511
All Other	241,685	241,334	241,334	257,398	267,294	277,585	288,288	299,419
Reserve Contribution	6,254	0	0	5,783	6,448	5,385	4,372	4,495
Unspecified Expenditure Reductions	0	0	0	(81,549)	(75,950)	(65,780)	(56,127)	(53,930)
TOTAL USE OF RESOURCES	**707,012**	**724,892**	**724,892**	**715,410**	**784,818**	**845,960**	**897,809**	**941,247**
REVENUE/EXPENDITURE SURPLUS/(GAP)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
YEAR END FUND BALANCE w/o additional reserve contribution	**123,807**	**118,481**	**118,481**	**112,198**	**111,033**	**112,096**	**113,109**	**112,986**
Additional Reserve Contribution	6,254	0	0	5,783	6,448	5,385	4,372	4,495
TOTAL YEAR END FUND BALANCE	**130,061**	**118,481**	**118,481**	**117,981**	**117,481**	**117,481**	**117,481**	**117,481**
Debt Service as a Percentage of Water and Sewer Operating Budget	34.5%	35.5%	35.5%	39.9%	41.0%	41.0%	40.6%	40.3%
Estimated Water Production (MGD)	164.0	164.0	164.0	164.0	164.0	164.0	164.0	164.0
Total End of Fiscal Year Operating Reserve	68,400	68,400	68,400	74,183	80,631	86,016	90,388	94,883
Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue	11.8%	11.4%	11.4%	12.3%	12.0%	11.7%	11.5%	11.4%
Total Workyears (all funds)	1,776	1,776	1,776	--	--	--	--	--

Assumptions:

1. The County Executive's operating budget recommendation is for FY18 only and incorporates the Executive's revenue and expenditure assumptions for that budget.
2. The FY19-23 projections reflect WSSC's multi-year forecast and assumptions, which are not adjusted to conform to the County Executive's Recommended budget for WSSC. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the County Executive's Recommended FY18 water and sewer operating budget for WSSC.
3. The FY17 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY17 budget jointly approved by Montgomery and Prince George's counties. The FY18 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC's proposed FY18 budget. The FY18 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC budget for FY18. The FY19-23 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year and are provided by WSSC.
4. The total FY17 estimated workyears shown correspond to the actual workyears as of January, 2017.
5. Estimates of revenue in FY19-23 assume the rate increases projected by WSSC in the Average Water and Sewer Rate Increase line.
6. In the projection for FY19-23 additional unspecified expenditure reductions are included to close WSSC's projected revenue shortfall in these years.

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Department Highlights

Montgomery County strongly encourages its departments and agencies to identify and implement productivity improvements within their budgets. Such initiatives are essential, especially in difficult fiscal times when agencies and departments are called on to significantly reduce costs and preserve essential services. Below is an identification of the accomplishments, initiatives, innovations and productivity improvements implemented by departments. Some examples include:

- Process re-engineering initiatives
- Implementing a new IT application
- Public-private partnerships that maintain services at lower cost or achieve higher service levels
- Consolidating programs
- Reorganizations
- Contracting out services or, alternatively, bringing contracted services in-house, to reduce costs
- Increasing use of volunteers
- Re-negotiating maintenance/license agreements
- Re-configuring programs to generate increased revenues
- Reducing publication costs by placing more information on the web and producing fewer hard copies
- Introducing employee incentives (within personnel guidelines)

Accomplishments

Agriculture

☑ The OAG, along with its Agriculture agency partners, shared an exhibit tent at the Montgomery County Fair and was awarded a "Champion" blue ribbon for best Agricultural exhibitor booth.

☑ In October 2016, approximately 4,000 fourth grade students visited the Agricultural History Farm Park to participate in the Close Encounters With Agriculture (CEWA) program. This multi-phased program consists of three educational tracks (The Environment, Nutrition, Diet & Health) that are conducted with staff assistance from the Office of Agriculture and all of its agency partners. The program has been successful and there are currently 41 elementary schools on the waiting list for next year.

☑ The OAG completed work to transition pdf formatted informational documents into interactive data sets for publication on Data Montgomery. The data sets include: Montgomery County Farm Directory, Agricultural Land Easement acquisitions, and mapping of County Farmer's Markets and 2016 Farm Tour.

Board of Elections

☑ An additional Early Voting Center was added to Montgomery County by the Maryland General Assembly. The new Potomac site had the fourth highest early voting turnout in the County.

☑ Implemented same day voter registration at all Early Voting Centers.

- ☑ Successfully implemented a paper-based optical scan voting system.

Cable Television Communications Plan

- ☑ In FY17, the Media Services Team continued to increase the use of social media to provide residents access to the meetings of the Executive and Legislative branches. In September, in order to reach youth, the Montgomery County Council's Youth Town Hall Meeting was live on Facebook. During October, the monthly meeting of the Commission on Human Rights was aired live on Facebook.

- ☑ In FY17, *PEG Bytes*, the bi-weekly e-newsletter is produced by the PEG Governance Board, highlights the innovative content produced by the individual PEG channels. Each edition is distributed to a growing list of 853 people and includes an average of 8 stories generated exclusively by the PEG organizations.

- ☑ The PEG channels received the following awards during FY16 and FY17: 6 Hometown Awards from the Alliance for Community Media (ACM); 11 Government Programming Awards from the National Association of Telecommunications Officers and Advisors (NATOA); 3 Telly Awards honoring outstanding content for TV and Cable, Digital and Streaming and non-broadcast distribution and 6 Communicator Awards judged by the Academy of Interactive and Visual Arts.

Circuit Court

- ☑ Between April 2015 and April 2016, Montgomery County Circuit Court's Kids Spot Center served 1,139 children, primarily between the ages of two and eight years (83 percent).

- ☑ Implemented a bi-directional data exchange with the State's Attorney's Office (SAO) to facilitate the efficient transfer of juvenile case data.

- ☑ The court's Family Law Self-Help Center (FLSHC) served 7,061 patrons over 9,079 visits during FY16.

- ☑ During FY16, Montgomery County Circuit Court processed over 35,000 case filings and over 36,000 terminations, as well as held almost 40,000 hearings and 1,500 trials.

- ☑ Implemented the Marriage in Maryland (MIM) program in the License Department; Revenue Collection System (RCS) in Land Records and License Department; E-License program for processing Business Licenses; and E-Recording system for Land Records.

- ☑ Continued to offer low- or no-cost attorney referral service, limited scope representation in family cases, and developed an Adult Guardianship Assistant Program.

- ☑ Created a Mental Health Court for the Montgomery County Circuit Court.

- ☑ Implemented an electronic search warrant process.

Community Engagement Cluster

- ☑ Sponsored or played a major role in organizing dozens of community and ethnic heritage events that drew thousands of residents and visitors in 2016.

- ☑ Continued to strengthen the culture of giving and serving in Montgomery County by connecting volunteers with critical community needs through the Montgomery County Volunteer Center (MCVC). In FY16, 882 agencies received 41,173 referrals from 10,380 volunteers through the Volunteer Center website. For the Community Service Week and Martin Luther King Day, 7,900 volunteers were engaged in 171 different projects. Provided monthly capacity building trainings for agencies attended by 241 people from 130 different organizations. The Retired & Senior Volunteer Program (RSVP) engaged those 55 and older in volunteer opportunities including professional consultant services with the Pro Bono Consulting Program and as Tax-Aide Volunteers. In FY16, Tax-Aide volunteers completed 4,959 tax returns for low to moderate income residents resulting in total tax refunds of over $4 million.

- ☑ Broadened the network of faith communities; strengthened unity through bi-weekly messages and engagement in working groups and committees; celebrated ethnic observances, religious services and the Annual Friendship Picnic; and sponsored a series of public forums and dialogues including Summits of Muslim Leaders, Dangerous Speech, Police-Community Relations, and Interracial and Interfaith Dialogue on Racism through the work of the Interfaith Community Liaison.

- ☑ Continued to be the County's resource center for immigrants and helped build a network of community service providers in the County via the Charles W. Gilchrist Immigrant Resource Center.

- ☑ Organized the 37th Annual Women's Legislative Briefing in January, 2017, held by the Commission for Women (CFW).

- ☑ Organized and hosted Montgomery County's first regional conference on human trafficking prevention, coordinated by the CFW through the Human Trafficking Task Force.

- ☑ Sponsored, or co-sponsored, twenty-one educational sessions geared towards female adults, held by the CFW. A total of 1,149 individuals were reached during these educational sessions on topics such as economic empowerment, health and safety, fairness in family law, unique challenges, and under-representation in the workforce and education.

- ☑ Embarked on a county-wide listening tour, to help the CFW understand key issues facing women, what women in specific communities perceive as important and critical, build trust with constituents, build relationships with individuals and community groups, and use tour conversations to shape and influence the CFW legislative advocacy work and programming.

- ☑ Represented Montgomery County on the Metropolitan Washington Airports Authority (MWAA) community advisory committee on aircraft noise; briefed County, State, and Federal elected officials on Federal Aviation Administration (FAA) procedure changes known as NextGen; and established regular communication with the Montgomery County Quiet Skies Coalition, a coalition of neighborhood associations, all through the Bethesda Chevy Chase Regional Services Center (BCCRSC).

- ☑ Continued work with the White Flint Downtown Advisory Committee; organized first Pike District Fall Fest, a street festival in the White Flint Sector Plan Area; completed focus groups of property owners, businesses, and residents to identify future urban district/business improvement district service needs; and worked with the committee, business leaders, State officials, and the Office of Intergovernmental Affairs on State business improvement district legislation through the BCCRSC.

- ☑ Facilitated the formation of collaborative partnerships for the development of community-based direct service programs in under-served neighborhoods of Eastern Montgomery County, including a comprehensive summer camp with sports, food and academic enhancement programs.

Community Use of Public Facilities

- ☑ Completed the migration from a server-based facility reservation system to ActiveMONTGOMERY, a cloud-based system, as of September 1, 2016. ActiveMONTGOMERY is a single online port available to the public to register for activities, purchase memberships, reserve Montgomery Park facilities or to request reservations for fields, schools, and County facilities. Facility availability and estimated costs can be checked online before an application is submitted.

- ☑ Administered a before and after school selection bid in collaboration with MCPS, as required by Executive Regulation 14-15AMV, Before and AfterSchool Childcare in Public Schools at 9 sites in FY15 and 22 sites in FY16.

- ☑ Assisted a total of 61 groups with Community Access Program (CAP) subsidy awards for use of the Silver Spring Civic Building in FY16, of which 25 were new users. This represents a 3.9% increase in first time CAP users over FY15. Another ten groups were awarded subsidies for use of schools and libraries under the Facility Use Subsidy Program (FUSP), initiated in FY16.

Consumer Protection

- ☑ Developed and launched a free mediation service to all businesses in Montgomery County. This is a way for businesses to resolve disputes with other businesses without the cost of retaining attorneys and pursuing litigation. Mediation sessions are conducted at OCP by a volunteer expert mediator.

- ☑ Monitored several for-profit referral services that recommend merchants to consumers. These online referral sources disseminate the names of merchants that are not properly licensed. OCP is working with volunteer computer experts to develop a program to compare those merchants listed on referral sites with those merchants listed in licensing databases to identify unlicensed merchants.

Correction and Rehabilitation

- ☑ Maintained American Correctional Association (ACA) accreditation.

- ☑ Maryland Commission on Correctional Standards conducted an audit, and the results were outstanding.

- ☑ DOCR rolled-out a "live action" training area inside the secure area of the facility in an unused inmate housing unit. This includes training in defense tactics, correctional issues, CPR, and other exercises.

- ☑ Created the Community Corrections Division, which consists of Pretrial Services and Pre-Release and Reentry Services. This Division efficiently prepares offenders to re-enter society and lead productive lives.

- ☑ Created a Management Services Division to implement performance accountability programs and general management practices. It is comprised of Human Resources, Background Investigations and Training, Budget, Procurement, Employee Health, Welfare and Safety, Fiscal Management, Information Technology and special projects.

County Attorney

- ☑ New law made in Maryland: Court of Appeals held that the County could engage in government speech to advocate on a ballot question (*FOP v. Leggett*); Court of Appeals held that property owners adjacent to Georgetown Branch right-of-way could not acquire property rights by way of adverse possession against the railroad thereby allowing the County to remove encroachments from the Purple Line right-of-way (*Montgomery County v. Bhatt*); Court of Appeals held that the County could file action to forfeit a bank account as if it were money earned from the sale of drugs (*Bottini v. Montgomery County*).

- ☑ Customer satisfaction survey-remained highest rated internal service department (3.4 out of a 4.0 scale).

- ☑ Debt Collection Unit collected $13.9 million at a cost of 3.7 percent.

- ☑ Child Welfare Unit: Achieved a 100 percent win/loss ratio.

- ☑ Workers' Compensation Unit net gain increased to $3 million (the $3 million is the net gain as a result of the calculation of all the awards (adding the gains and deducting the losses) in workers compensation cases for the year).

- ☑ Body Camera implementation prevailed in prohibited practice charge filed by Fraternal Order of Police (FOP).

- ☑ Executed the White Oak General Development Agreement (GDA).

- ☑ Newlands completed construction of infrastructure improvements in Clarksburg. This is under the settlement agreement between

Montgomery County and Newlands settling Newlands' claim against the County in connection with the dissolution of the Clarksburg development district.

County Executive

- ☑ Earned a fourth consecutive "Certificate of Excellence" from International City/County Management Associate's Center for Performance Analytics.

- ☑ The Innovation Program successfully acquired $115,000 in Federal grants to build the next stage of the award-winning Safe Community Alert (SCALE) project.

- ☑ Improved the County's use of MC311 data to identify areas for focused attention to drive performance improvement e.g. worked with Department Of Transportation on the process used to respond to "Pothole Repair" and "Road Repair" Service Requests, and with Department of Housing Community Affairs on their "Housing Complaints" Service Requests, improving the Service Level Agreement of each Service Request type to greater than 80%.

- ☑ Successfully implemented the first pilot year of the Maker Fund, a program to build capacity among organizations operating makerspaces and small-scale manufacturing operations in the County. The first year of the program consisted of an assessment of existing needs as well as the administration of targeted support to qualifying programs around the County.

- ☑ Completed and published seven audit reports (FY16 and FY17 to date), in addition to conducting a County-wide risk assessment and publishing the multi-year (FY17-20) internal audit plan based on this assessment. Working with Departments, Internal Audit has seen continued progress in closure of open recommendations (increasing from 64% to 85% complete), particularly recommendations open greater than 1-year (decreasing from 28% to 6%) during FY16; similarly, there has been progress in closure of open Office of the Inspector General and Office of Legislative Oversight recommendations, increasing from 65% to 93% during FY16.

Economic Development Fund

- ☑ Facilitated the retention and expansion of Abt Associates, Inc., a government contractor with international development focus, to create 55 new jobs in the next four years.

- ☑ Facilitated the retention and expansion of Wedding Wire, Inc., an online wedding market place provider, to create more than 200 new jobs in the next five years.

- ☑ Facilitated the attraction and expansion of Tracx US, Inc. to establish its U.S. Headquarters in Bethesda and create 200 new jobs in the next five years.

- ☑ Facilitated the attraction of Donohoe Corporation Inc. to relocate 230 jobs from Washington, D.C. to Montgomery County and create 30 new jobs in the next three years.

- ☑ Facilitated the retention and expansion of RainKing Software Inc. to create 66 new jobs in the next three years.

Emergency Management and Homeland Security

- ☑ OEMHS is leading a revision of the county's Emergency Operations Plan, which is nearing completion. Other plans undergoing revisions and updates include damage assessment, family reunification, and volunteer and donations management.

- ☑ Alert Montgomery subscriber base increased to 25 percent of the county population.

- ☑ Coordinated and conducted county facility evacuation drills. OEMHS tracked all county building evacuations and worked with departments on updates to Facility Emergency Action Plans.

- ☑ Conducted two Emergency Operations Center (EOC) functional exercises and monthly Web-Emergency Operations Center drills.
- ☑ Continued conducting monthly department Continuity of Operations Plan (COOP) drills, as well as working with department to update and improve their plans (86% of department plans now have a score of 2.5 or higher on a 3.0 scale).
- ☑ Managed Homeland Security grants in excess of $5 million dollars.
- ☑ OEMHS began conducting community preparedness classes in FY17, and is rolling out quarterly training for any community member interested in learning how to prepare for emergencies.

Environmental Protection

- ☑ Prepared and submitted the draft 2017 Montgomery County Comprehensive Water Supply and Sewerage Systems Plan to the Maryland Department of the Environment.
- ☑ Updated the Water Quality Protection Charge (WQPC) legislation to more directly align with stormwater management permitting requirements, address issues raised by property owners regarding the volume of stormwater runoff treated, and allow up to a 100% credit of the WQPC.
- ☑ Provided extensive outreach and education to support building owners in complying with the County's Commercial Energy Benchmarking Law. Supported, in partnership with the Department of Finance, the construction of the first Commercial Pace (C-PACE) project in the County. The Shady Grove Professional Building and Comfort Inn Shady Grove project includes energy efficiency, weatherization, and lighting upgrades.
- ☑ Launched Phase II of the Bag Disposal Fee Outreach Campaign distributing 50,000 reusable bags to the public.
- ☑ Hosted the 2nd annual Montgomery County GreenFest with more than 1,250 attendees, more than 100 vendors and exhibitors, environmental films, and a keynote speech by the EPA Administrator.

Ethics Commission

- ☑ The Commission established new policies for outside employment resulting in increased program reliability and transparency. The number of outside employment requests sharply increased during the year as a result of the ease of use of the online system established in 2015 and the new policies.
- ☑ Review of outside employment requests resulted in a substantial increase in requests for waivers from employees seeking to engage in outside employment with entities that contract with the requesting employee's department.
- ☑ The Commission proposed new regulations addressing Commission processes and several aspects of the Public Ethics Law.
- ☑ The Commission implemented several changes to the financial disclosure requirements and filing processes as a result of the October 2015 amendments to the Public Ethics Law.

Finance

- ☑ Successfully retained the County's AAA bond rating from all three major credit rating agencies in the Fall of 2016.
- ☑ Successfully issued $300 million in GO Bonds in FY16 with an interest rate (True Interest Cost) of 2.803% which was 3.5 basis points below the benchmark rate according to the Municipal Market Data (MMD) Index.

- ☑ Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY15 Comprehensive Annual Financial Report (CAFR), the 46th year for this achievement.
- ☑ The County's Small Business Plus program, now in its fourth year, generated $109 million in new small business loans, 352 new jobs, and $160,000 in interest income in 2015 as a result of the County depositing up to $50 million with participating local banks.
- ☑ Finance, in collaboration with the State Board of Elections, implemented the County's Public Election Fund providing matching County funds to eligible candidates running for an elected office of County Executive or County Council.
- ☑ Successfully recommended State legislation (that was adopted by the General Assembly in the 2016 legislative session) to modify the Wynne Case income tax refund repayment schedule to a greater number of quarterly periods and to delay the repayment schedule.
- ☑ Issued $46.5 million in Water Quality Protection Charge (WQPC) Revenue Bonds to assist the Department of Environmental Protection in support of its stormwater management program in FY16. Standard & Poor's Rating Agency also raised its rating of the 2012A WQPC bonds to AA+ "based on a combination of an extremely strong enterprise profile and a very strong financial risk profile."
- ☑ Implemented the County's Commercial Property Assessed Clean Energy Program (C-PACE) with the first project completed in March 2017.
- ☑ Implemented two safety-related electronic applications: 1) Safety and Health Program (SHP) audit; and 2) Ergonomics application. The SHP application provides an efficient means of conducting and reviewing compliance programs; and the Ergonomics application speeds and consolidates communication with Occupational Medical Services regarding ergonomic reviews and allows analytical reporting.

Fire and Rescue Service

- ☑ Increased staffing at Burtonsville (Station 15), reducing the failure to respond rate and adding 24/7 ambulance and paramedic coverage to Olney (Station 40).
- ☑ Began Advanced Life Support response time improvement by adding a Paramedic to engines at Bethesda, Cabin John, and Glen Echo stations and by adding a Paramedic Chase Unit at Bethesda (Democracy Boulevard).
- ☑ To serve patients with chronic health needs MCFRS is collaborating with Adventist Health Care to visit patients in their home with a Registered Nurse and a paramedic. They provide follow-up care and assure compliance with medication and home-care requirements. This can reduce their use of emergency departments and redirect care to appropriate medical professionals.
- ☑ MCFRS has identified patients with high EMS utilization, and provides information on these users to Health and Human Services (HHS). HHS is able to identify patients already enrolled in various HHS programs and is able to improve non-emergency services to these patients, and concurrently reduce their use of emergency services.
- ☑ Completed the 2016-2022 Fire, Rescue, Emergency Medical Services and Community Risk Reduction Master Plan.
- ☑ Opened the new Public Safety Training Academy and a newly constructed Glenmont Fire Station 18.
- ☑ Continued implementation of Public Safety System Modernization (PSSM) including buildout of the new fire station alerting system; testing of and training on the new computer aided dispatch system; and the design of the new radio system.

Fleet Management Services

- ☑ *National Fleet Recognition* - DFMS was named the third "leading" public fleet in the Nation and the Division Chief was named National Public Fleet Manager of the year by Government Fleet Magazine and the American Public Works Association (APWA). DFMS was recognized for the development of County's Replacement plan, fleet right-sizing, training program and improved maintenance program.

- ☑ *Advanced Technology Vehicle Contract*- In FY16, DFMS awarded the region's first advanced technology vehicle contract. This innovative contract enables the County to purchase any Class 1 to Class 8 fleet vehicle and specify electric or alternative fuel source (battery, hybrid drive, CNG, Hydrogen) to replace the work of an internal combustion engine.

- ☑ *Transit Bus Preventive Maintenance and Reliability* - DFMS greatly improved its transit bus preventive maintenance program and reliability in FY16 and was recognized by Federal Transit Administration (FTA) auditors during the FY16 Triennial inspections for its PM training program.

General Services

- ☑ Initiated and implemented, with the support of the Office of Emergency Management and Homeland Security, a 'Facility Status' message board on the webEOC portal. During an emergency, webEOC users will have the ability to search remotely for facility readiness status in terms of overall accessibility and power, water, telephone, and gas.

- ☑ Reduced the combined annual greenhouse gas emissions of County buildings and fleets by 67% since fiscal year 2005. Greenhouse gas reductions were achieved through the purchase of electricity generated by clean energy technologies, solar energy installations on County facilities, building energy efficiency initiatives, improved fleet vehicle mileage and fleet alternative fuel use.

- ☑ Enriched communities through public-private partnerships with new public investment including hiker/biker trails and sidewalks, pedestrian and vehicular connections to Metro and regional utility infrastructure at the former County Service Park.

- ☑ Redeveloped Site II in East County to create a unique hub that will capitalize on the surrounding and nearby regulatory, higher education, and medical resources with land uses that reflect the County's policy to encourage employment, community revitalization, and economic development with an anticipated focus on the biomedical and biotechnology industries and the innovation economy.

- ☑ Partnered with the State and local business owners to implement the Wheaton Facade Easement Program to improve and reinvest in existing commercial building exteriors in an environmentally friendly and sustainable manner.

Health and Human Services

- ☑ Aging and Disabilities Services was awarded a two-year $138,000 Federal Transit Administration grant (Enhancing Montgomery's Mobility) to increase public awareness of, and transportation options for, seniors and people with disabilities.

- ☑ Behavioral Health and Crisis Services was awarded a four-year, $4 million Substance Abuse and Mental Health Services (SAMHSA) grant for children's mental health capacity building and service integration, implemented in partnership with the Collaboration Council.

- ☑ The Adult Drug Court Treatment Program is a collaborative effort (between the Department of Health and Human Services, Circuit Court, Office of the Public Defender, State Attorney's Office, Department of Corrections and Rehabilitation, Adult Probation and Parole, Montgomery County Police Department, and the Montgomery County Sheriff's Office) where 32 percent of all clients have co-occurring mental health and substance use disorders. Thirty-eight offenders received outpatient treatment and 64 received intensive level treatment in FY16.

- ☑ The Strategic Plan for Child Care, completed in January 2017, will guide the work of the Policy Officer for Early Care and Education and others in developing additional affordable and accessible child care, opportunities for improved school readiness, child care provider counseling and training, and the expansion of child care space through public-private partnerships.

- ☑ Met State immunization requirements for over 2,300 students by opening and operating multiple clinics at schools, as well as the Silver Spring and Germantown Health Centers, International Student Admissions Office (ISAO), Dennis Avenue Health Center, and the Back to School Fair in August 2016.
- ☑ Montgomery Cares Program network of community-based clinics provided primary care for 24,100 uninsured adults, and developed educational materials for health literacy as well as a central patient database.
- ☑ The Care for Kids Program worked with the Department's School Based Health Centers, Kaiser Permanente, and others to continue to provide primary care to uninsured children and unaccompanied children fleeing violence.
- ☑ In December 2016, the County opened Progress Place, a multi-service complex located in downtown Silver Spring offering meals, outreach and case management, medical services, overflow shelter during the winter months, and 21 units of permanent supportive housing.
- ☑ The Takoma-East Silver Spring (TESS) Center served as the focal point for triaging victims directly and indirectly impacted by the fire at a Silver Spring apartment complex in August 2016. The TESS Center connected residents to services ranging from document recovery to financial and other assistance, including housing, utilities, legal, food, medical, and transportation. TESS continues to meet the ongoing need for outreach, interpretation, navigation, and service delivery.
- ☑ Implementation of the NextGen Electronic Health Records (EHR) system is now fully deployed across all clinical public health and behavioral health programs. DHHS continues to evaluate billing and fee collection practices and continues to make changes to streamline billing, reduce denials, and implement new billing. Revenues related to billing have increased since implementation.
- ☑ Zero: 2016 Initiative achieved functional zero homelessness for veterans.
- ☑ The Department's Enterprise Integrated Case Management (eICM) system went live on January 30, 2017. This system will allow clients a more seamless experience across programs; give clients increased access to eligible service and improved outcomes; reduce redundant and error prone data entry for staff; and improve data collection and reporting.

Housing and Community Affairs

- ☑ Completed renovations at Progress Place (a collaboration among Department of General Services (DGS), HHS, and DHCA), which includes the relocation of several Montgomery County supportive housing service providers to a new, consolidated location in Silver Spring. The relocation furnishes providers with a new and improved space while integrating 21 units of supportive, transitional housing within the facility.
- ☑ Continued the County's commitment to inclusive transit-oriented development by completing Fenwick Lane Condos, a project that consists of the acquisition, rehabilitation, and conversion of a 79,462 square foot eight-story office building into 102 market-rate, for-sale condominiums located in downtown Silver Spring that will be available as affordable workforce housing.
- ☑ Worked with Montgomery Housing Partnership to acquire three separate multifamily properties including Forest Glen Apartments, Hillbrooke Towers and Hillwood Manor. A total of 222 units were acquired, of which a minimum of 50 percent of the units are affordable to households at or below 60 percent of the AMI.
- ☑ Received two National Association of Counties (NACo) awards for the development of two separate case management systems (MPDU and Code Enforcement).
- ☑ Continue commercial facade easement programs in the Colesville/New Hampshire and Burtonsville areas, including the completion of two properties in Burtonsville.

- ☑ Conducted over 25,000 housing code inspections, including inspections of approximately 6,000 multifamily rental units in the County and approximately 2,000 housing units in Takoma Park; set-up 8,400 property case files resulting in civil citations for 342 property owners (96 percent of violations were corrected without the issuance of a citation).

- ☑ Mediated nearly 700 landlord-tenant disputes, responded to over 6,600 landlord-tenant service requests, and held five landlord-tenant informational seminars including one regarding health care for seniors to share information regarding seniors aging in-place and programs available to them for reasonable or no cost.

Human Resources

- ☑ Coordinated and managed the collective bargaining process with all four unions to achieve negotiated agreements that represent the County's best interests.

- ☑ Executed over ten new contracts with mediators and arbitrators for collective bargaining and grievances.

- ☑ Facilitated the execution of Executive Regulation 17-15, Amendment to Allow Social Worker Interns at HHS to Apply for "Employees Only Vacancies at HHS".

- ☑ Implemented second phase of the Candidate Qualification initiative to expand career advancement opportunities by changing the rating process to consider all previous work experience relevant to the job vacancy announcement.

- ☑ Implemented signature and special programs and events, including wellness classes and webinars, on-site fitness classes, departmental workshops, outreach events for field-based employees, Yoga Challenge, Walk@Lunch Day, Spring Fitness Challenge, "Maintain Don't Gain," and fire station cooking demonstrations.

- ☑ Launched Virgin Pulse "V2"; an upgraded platform that enhances the employee experience in wellness tracking and awareness.

- ☑ Participated in several recruitment community outreach events including Blair High School, the University of Baltimore, Bowie State University, and the African American Community Meeting Group, to present information regarding County internship programs and employment opportunities, and the importance of networking and social media.

- ☑ Produced new intern web page, which is designed for interested applicants and managers to use as a resource guide.

- ☑ Provided additional support and training for Wellness Champions, County leaders, and human resource professionals around wellbeing in the workplace.

- ☑ Provided labor and employee relations training to over 200 MLS employees to enhance knowledge and understanding of the County's labor relations processes and procedures.

- ☑ Reached 48 percent enrollment in Virgin Pulse with over 4,000 of eligible employees enrolled in just under a year after the program launched.

- ☑ Received multiple awards for the Wellness Program, including 2016 Achievement Award, National Association of Counties (NACo), 2016 Alliance for Workplace Excellence Award, 2016 Silver Health at Work Award, ComPsych, and 2016 Virgin Pulse Game Changer Award.

- ☑ Successfully placed all mid-year Reduction in Force (RIF) employees from the Department of Economic Development and Department of Liquor Control.

Human Rights

- ☑ Held the One Stop Fair Housing workshop for housing providers, realtors, rental agents, and real estate professionals with focus on local, State and Federal fair housing laws.

- ☑ Held the One Stop Fair Employment workshop for County private and public employers with focus on new local laws and State and Federal fair employment case law.

- ☑ Coordinated the 4th Annual Friendship Picnic with the Committee on Hate Violence, advocating for community unity across racial, religious, and cultural lines; building awareness of the Partnership Fund which supports victims of hate violence incidents. The event was attended by over 2,000 participants.

- ☑ Successfully completed the agency's Equal Employment Opportunity Commission (EEOC) Contract for FY16.

- ☑ Successfully convened and carried out a number of educational outreach activities to include the Human Rights Diversity Youth Camp, the Civil Rights Education Experience, and the County's Dr. Martin Luther King Jr. Commemoration.

- ☑ Successfully mediated and closed complaints consistent with performance measures requirements.

Inspector General

- ☑ The OIG issued audit reports to the County government and six independent County agencies between January and March 2016 which addressed each agency's purchase card policies and procedures. Existing practices were compared to 28 identified best practice controls and each agency was advised about the controls present and missing. Many of those agencies have since reported to the County Council that most, if not all, of the missing control recommendations have been implemented.

- ☑ The OIG completed 26 preliminary inquiries and referrals during the year that addressed Complainant allegations of fraud, waste, abuse, or the effectiveness and efficiency of programs and operations of County government or independent County agencies.Three matters related to property tax processing. In one, the Department of Finance worked with Maryland's State Department of Assessments and Taxation to retroactively remove an OIG-identified, erroneous dual principal residency designation and rebill for corrected taxes. In two other instances, the OIG worked with the Department of Finance to implement controls and corrective actions. Fourteen of the remaining preliminary inquiries or referrals addressed matters within County government departments and seven related to independent County agencies. Two referrals were made to State and Federal agencies.

- ☑ The Inspector General completed one confidential inquiry on behalf of the Montgomery County Ethics Commission pursuant to Montgomery County Code §19A (6)(e).

Intergovernmental Relations

- ☑ Wynne Case - Repayment Schedule: Worked collaboratively with Finance Department and State Delegation to obtain passage of legislation that delayed the date by which the County must begin to reimburse the State an estimated $120 million for the local share of income tax refunds (from FY17 to FY20) and extended the time period for fully reimbursing the State. County reimbursement payments will now be spread over 5 fiscal years (FY20 to FY24) rather than 3 fiscal years (FY17 to FY19). This legislation also prohibited the Comptroller from requiring any reimbursement under the Wynne case until the Comptroller completed a statewide analysis to determine the number of counties and municipalities that received an overpayment or underpayment of local income taxes in prior fiscal years.

- ☑ Capital Grants for Montgomery County Public Schools: Worked collaboratively with Montgomery County Public Schools, State Delegation and other local jurisdictions to obtain passage of legislation that increased the State allocation for the targeted supplemental grant program for jurisdictions with significant enrollment growth or relocatable classrooms from $20 million to $40 million. The County share increased from $5.9 million to $11.7 million.

- ☑ <u>$10 million TIGER Grant for East County Transit Initiative:</u> Worked Collaboratively with our Congressional delegation to secure a highly competitive transportation grant that will be used toward funding a Bus Rapid Transit (BRT) on Route 29.

- ☑ <u>Purple Line</u>: Worked cooperatively with our Congressional and State delegations and the Maryland Department of Transportation to secure $100 million in Federal transportation funding for the Purple Line in FY16.

- ☑ <u>Board of Elections</u>: Worked collaboratively with the Montgomery County Board of Elections, State Board of Elections, Maryland Association of Counties (MACo), and State Delegation to obtain approval from the Board of Public Works to obtain extra voting equipment necessary that helped avoid long lines at the November general election; the State split the cost ($400,000) of the voting machines with the County.

- ☑ <u>Local Taxing Authority</u>: Worked collaboratively with Finance Department, Maryland Agricultural Land Preservation Foundation (MALPF), Maryland Farm Bureau, Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), and State Delegation to expand the County's transfer tax authority when property used for agricultural purposes is transferred to a new owner who will develop the property or otherwise use it for non-agricultural. This will lead to increased transfer tax revenues for the County, depending on the number of applicable properties transferred in a particular year.

- ☑ <u>Early Voting Centers</u>: Worked collaboratively with the Montgomery County Board of Elections, State Board of Elections, and State Delegation to obtain passage of an emergency bill that allowed the Montgomery County Board of Elections to operate a tenth early voting site for the 2016 election cycle.

- ☑ <u>Predatory Towing</u>: Secured language in a multi-year federal transportation re-authorization bill reinstating State's authority to regulate predatory towing practices.

Legislative Oversight

- ☑ OLO completed a review of the County's transportation management districts, which contributed to a larger discussion about transportation demand management in the County alongside the Transportation Management Task Force.

- ☑ OLO completed a report on out-of-school time programming in the County, finding that the demand for publicly subsidized school year slots likely exceeds the supply, particularly for low-income families and elementary students. The report also examined best practices in out-of-school time programming and funding strategies used in other jurisdictions to expand out-of-school time programming and other services for children aimed at narrowing opportunity gaps that impact student achievement.

- ☑ OLO completed a report that created numerous workflow process maps for the County's procurement process, including the roles and responsibilities of all departments. This report recommended numerous policy changes to streamline the process, which will be discussed during an update on the reorganization of the Office of Procurement.

- ☑ OLO's report on child care in Montgomery County found that more than five children under age two reside in the County for every regulated slot for infants, and that median full-time child care center costs for two young children exceed 20 percent of incomes for the majority of families in the County.

- ☑ OLO's report on the impact of the County's Safe Routes to School program found that vehicle-pedestrian and vehicle-bicycle collisions near schools decreased following engineering improvements made as part of the program. This finding will inform future pedestrian safety efforts in the County.

- ☑ OLO completed a report that examines the cost of current pension benefits offered to Montgomery County Public Schools (MCPS) employees and introduced several options to reduce MCPS pension costs. With assistance from the Council's Actuary, the identified pension modification options could save MCPS $0.1 to $10 million in the first year after implementation, with savings increasing to a range of $6 to $24 million after 20 years.

- ☑ OLO's report examining the School to Prison Pipeline, best practices for reducing the Pipeline, and local data found that the number of suspensions and arrests in local schools has declined in recent years in addition to juvenile justice involvement. The report has contributed to follow up efforts among local stakeholders aimed at increasing diversion opportunities for minorities.

- ☑ OLO's tax burden analysis report summarized the personal and business tax burdens for surrounding counties. The Council stated the importance of this analysis and requested that County staff continue to complete similar analyses going forward.

- ☑ OLO completed a report on two-generation approaches to addressing poverty that have been implemented in other jurisdictions, factors leading to program success, and approaches to implementing a two-generation approach successfully in Montgomery County.

Liquor Control

- ☑ Net sales for FY16 were $292.5 million. This represents growth over the previous year of $15.8 million or 5.71 percent

- ☑ Hired a Director with private sector experience, a pricing team to improve accuracy and competitiveness, and an administrative team to improve oversight and analysis

- ☑ Developed a Strategic Plan for Retail Operations

- ☑ Developed a long-range plan for the replacement of delivery vehicles to reduce maintenance costs and improve delivery operations

- ☑ Implemented a Communication Center in FY16 to centralize customer service inquiries and issues

- ☑ Decreased overtime expenditures for the first two quarters of FY17 by 31 percent when compared to the same period in FY16.

- ☑ Opened three new retail stores in FY17 featuring upscale designs to enhance the shopping experience and increase access to retail locations

- ☑ Received two National Association of Counties (NACo) awards in FY17 for the Drunk Driving Prevention Program and the Mystery Shopping Incentive Program

Management and Budget

- ☑ Provided solutions for closing a budget gap of $3.5 billion between FY08 and FY18 to produce balanced budgets while preserving critical services and advancing key County policies.

- ☑ Participated and provided fiscal guidance in collective bargaining negotiations for the County Government's three major unions.

- ☑ Received an award from the National Association of Counties (NACo) for the in-house development of the Budget Analytical and Statistical Information System (BASIS). The system replaces numerous failing legacy systems, delivers comprehensive budget management, provides a mechanism for CountyStat to collect and report performance measures, and was developed with no hardware / software costs by utilizing existing technologies.

- ☑ Provided IT guidance and support to various departments:

    - Worked with the Office of Consumer Protection, the Department of Housing and Community Affairs, and the Department of Technology Services to collaboratively develop and share an in-house case management system.
    - Developed CAO Sponsor Approval application that provided the County Executive's Office with a mechanism to approve, track and report on all sponsorships provided by Montgomery County.
    - Provided video tutorials covering Projects and Grants, Accounts Payable and spendingMontgomery for the Department of

Finance.

- Developed Contract Review Application for Risk Management allowing the department to collect, track and report contracts awarded to departments in Montgomery County.
- Consulted with the Department of Recreation, Community Use of Public Facilities, and the Department of Parks on requirements, enhancements and issues with the ActiveNet system.
- Worked with Technology Services to create two new teams, Employee Productivity Solutions (EPS) and Account Managers focused on delivering content / knowledge management, automated forms and department IT support.
- Provided analysis and recommendations to the County Circuit Court on the implementation of the state-wide case management system (MDEC).
- Provided guidance and recommendations to Health and Human Services on the implementation of their case management system (eicm + Next Gen).

☑ Continued outreach efforts to promote open data, government transparency, budgeting processes, and to solicit community input into the development of the Operating and CIP budgets. Information and training sessions were held to inform community members and not-for-profit organizations of the community grant application system; CIP and Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers; budget overview sessions were presented to the participants of Leadership Montgomery's Youth Leadership and Emerging Leaders programs, Montgomery County Taxpayers League, and the Latino American Advisory Group; and budget presentations were conducted for visiting dignitaries from the People's Republic of China and the Philippines.

Parking District Services

☑ Managed the Wheaton Redevelopment Project from the Schematic Design stage to the 50% Construction Documents design stage, including the addition of two floors, a geothermal system, and environmental remediation and waterproofing for the underground garage. At the same time, managed the interior design process for seven user agencies, and coordination with multiple county agencies and other government agencies such as WMATA and SHA.

☑ Four additional electric vehicle (EV) charging stations were installed in garages in Bethesda, Silver Spring and Wheaton. These new stations bring the total number of EV charging stations in County-owned parking facilities to 12 stations (24 spaces).

☑ Launched a new responsive design for the Division of Parking Management homepage. The website enhances the visitor's experience by enabling content to be viewed through the use of multiple devices such as mobile, laptop, or desktop computer.

☑ Drafted a campaign, designed and launched the PARK(ing) Day webpage. PARK(ing) Day is an annual, global event to provide residents, businesses and organizations an opportunity to temporarily transform metered parking spaces into fun, park-like spots to stimulate conversations about the use of the urban landscape.

Permitting Services

☑ Implemented eServices for sediment control, stormwater concept plans, special protection area, additional right-of-way services, and demolition; and mandated the use of eServices for utilities, fire alarms, and electrical. The department processed more than 7,111 plans electronically in FY16, resulting in increased time savings and reduced environmental impacts;

☑ Performed a comprehensive study and restructuring of all fees in FY16. The revised residential fees eliminated a regressive rate system, reduced permit fees for smaller houses, and provided a reduced rate for Moderately Priced Dwelling Units (MPDU) in multifamily structures;

☑ Processed unprecedented FY16 work volumes including: 60,543 permits and licenses, 5,182 information requests, 4,858 service requests,128,439 customer counter visits, 16,418 MC311service requests, and special projects including Clarksburg Outlets, United Therapeutics and Suburban Hospital;

- ☑ Launched a Design For Life website, brochure, and bus advertisement;
- ☑ Developed life safety solutions for the County's subdivision regulations rewrite;
- ☑ Received Maryland Department of the Environment (MDE) renewal of delegation for stormwater.

Police

- ☑ Created and implemented new use-of-force policies and protocols, purchased improved equipment (X2 Tasers) issued to all certified operators, and provided enhanced training to officers by utilizing scenario-based methods focused on effective communications and de-escalation techniques.
- ☑ Developed and implemented On-Line Pet Licensing for the Animal Services Division to streamline the registration and renewal processes for County residents.
- ☑ Fully implemented a body-worn camera program for all uniformed patrol officers for the purpose of documenting evidence and accurately recording interactions that occur between officers and members of the public.
- ☑ Worked in partnership with County officials, County delegates to the Maryland General Assembly, and key community members to garner support for a legislative proposal that led to the successful passage of Noah's Law to expand the mandatory use of ignition interlock devices and provide enhanced DUI penalties.

Procurement

- ☑ Encumbered $190 million of procurement contracts to MFD Owned Business Program vendors, 21% of eligible spending in FY16.
- ☑ Encumbered $87.5 million of procurement contracts to LSBRP vendors, 24.3% of eligible spending in FY16.
- ☑ To implement Bills 48-14 (MFD evaluation points) and 43-15 (LSBRP amendments); the Office enhanced outreach to MFD and LSBRP vendors, to increase participation in the certification process. Since July, 2015 to date, total vendor registration has increased from 14,323 to 15,987, or 11.6%; certified MFD vendors increased from 686 to 924, or approximately 35%; fully certified LSBRP vendors increased from 91 to 563 - an over 500% increase.
- ☑ Accountability Measure - Recouped and distributed over $300,000 in Wage Requirement Law underpayments to 318 employees of County service contract vendors.

Public Information

- ☑ Increased direct communication with residents through social media sites: You Tube; Facebook; and Twitter - expanded the Twitter site to more than 53,000 followers and expanded distribution lists for electronic publications such as "The Paperless Airplane" which reaches more than 120,000 households. MC311 collaborates with the Public Information Office to respond to resident requests for services and information via Twitter and Facebook.
- ☑ Public Information Office continues to interact with residents about County issues, programs, and services through press releases; media advisories; online chats; town hall meetings; news and other public events; County website; email and online newsletters; You Tube; Facebook; Flickr; Periscope and Twitter.
- ☑ Public Information Office has installed digital displays in the EOB lobby, Regional Service Centers and the Council Office Building to provide information on County Government programs and services; with plans to expand digital signage to other County Facilities.

- ☑ Implement Verizon 311 auto attendant for customers who live where Montgomery County borders Washington, D. C. and Prince George's County .

Public Libraries

- ☑ Hosted the County Executive's Library of the Future Summit.

- ☑ Developed FY2017-2020 Strategic Plan.

- ☑ Awarded Urban Libraries Council (ULC) award for Library Refresh Program.

- ☑ Awarded National Association of Counties (NACO) awards for three projects: 1.) Library Refresh Program-Supporting Community Needs; 2.) Interact, Explore, Discover at Your Own Pace: STEM (Science, Technology, Engineering, and Mathematics) Stations for Young Children; and 3.) Learn, Engage & Create Together: Programs and Services for Active Seniors.

- ☑ Partnered with Montgomery County Public Schools to implement Library Link, which will provide library cards to all students.

- ☑ Established Deposit Collections - collections for use in area barbershops, selected Housing Opportunities Commission senior housing units, and selected offices of the Department of Health and Human Services.

- ☑ Installed new technology - 3D printers, charging stations, loaner laptop.

- ☑ Completed the facility refresh projects at the Kensington Park and Twinbrook libraries.

- ☑ Opened the Wheaton Interim Library.

Recreation

- ☑ The Aquatics team has maintained a perfect safety record. Aquatics also continues to host and/or assist in management of the METRO Swim Meet (where current and potential Olympic swim athletes compete), Montgomery Dive Club, and the Landmark College Division swim meet.

- ☑ The Senior TechConnect program, a partnership between the Jewish Council for Aging (JCA), Montgomery County Public Schools (MCPS), and Recreation staff, matches seniors with local high school students to provide a variety of one-on-one computer and technology programs and trainings. This program has been nominated for several awards.

- ☑ The successful Grand Opening of the Nancy H. Dacek North Potomac Community Recreation Center was held on October 22, 2016. As part of the Grand Opening, the Department hosted crafts, exercise, and basketball and weight room demonstrations.

- ☑ The Grand Reopening of the Ross Boddy Neighborhood Recreation Center was held on October 29, 2016 with the addition of a new gymnasium, expanded social hall, and many new upgrades. The community participated in various activities such as cooking, pottery, and exercise classes.

- ☑ In 2015, the department hosted and coordinated the state-wide Maryland Senior Olympics (MSO) for individuals 50 years of age and older. In 2016, over 1,500 individuals registered and participated in over 20 events.

- ☑ Senior Programs staff established new programs/initiatives with other Departments/Agencies in the County to provide senior programs including: Elder Abuse, Home Safety & Awareness, Financial Exploitation, Dental Care for the Uninsured, "Coffee with a Cop," several community technology fairs, flu shots, and a Heartwell Nurse program.

- ☑ The Senior Team opened its sixth senior center in late October 2016, at the Nancy H. Dacek North Potomac Community Recreation Center. Community interest has been very high.

- ☑ All Community Centers expanded the hours of operation for the Senior Sneaker Program to include all hours that the facilities are open.

- ☑ Added and expanded Therapeutic Recreation camps in summer 2016 to minimize wait lists and realign programs to better meet participant needs.

- ☑ Successfully launched and implemented ActiveMONTGOMERY single sign-on registration portal in partnership with Community Use of Public Facilities (CUPF) and Montgomery Parks.

- ☑ Implemented new functionality in ActiveMONTGOMERY including on-line sports team registration, gift cards, a streamlined reservation approval processes, and multiple discount incentives to customers. New chip credit card devices, compliant with the latest PCI standards, were installed and configured at each Recreation facility.

Sheriff

- ☑ In 2016, the FJC, in collaboration with the Montgomery County Domestic Violence Coordinating Council and Montgomery County Public Schools, helped coordinate the 7th Annual Choose Respect Montgomery Healthy Teen Dating Conference with a grant from Verizon. The educational portion of the conference included identifying the warning signs of abusive relationships, learning how technology can be a tool used for violence, and learning what resources are available in the community for those involved in abusive relationships.

- ☑ The FJC recently expanded its pro bono legal services program by bringing a new partner, DVS Legal Services, on-site in September. Now the House of Ruth Maryland and DVS Legal Services are on-site providing pro bono legal representation to make sure legal services are available to all clients that want to receive them.

- ☑ The FJC, in collaboration with other County agencies and community organizations, reconvened the Domestic Violence Fatality Review Team to review domestic violence-related fatalities at regularly scheduled meetings, and provide recommendations for improvements in the coordinated community response to domestic violence.

- ☑ The FJC, in partnership with the Montgomery County Commission for Women, Public Information Office, other county agencies, and community partners, developed a countywide public information campaign on domestic violence to coincide with Domestic Violence Awareness Month (October). The campaign includes ads in County RideOn buses and short Public Service Announcement videos featuring domestic violence survivors.

Solid Waste Services

- ☑ Initiated construction of the infrastructure for processing mixed paper at the Recycling Center, with an approximate cost savings of $4,000,000.

- ☑ Maintained high level of service quality despite an overall increase in service requests, particularly requests for recycling containers. Delivered all within the Service Level Agreement (SLA). The number of requests for recycling containers in FY16 was 95,702, an SLA Compliance rate of 97%.

- ☑ The Division's Information Technology team refined the existing Solid Waste Customer Billing Database to improve reporting and accuracy of Solid Waste information to customers by improving accuracy of customer bills, electronic messaging to residential customers in real time (i.e. holiday collection, road closures), and the ability of the county to host GIS and test environments through the use of virtual servers.

- ☑ Montgomery County maintains the first yard trim composting facility in the nation to become independently certified as compliant with the new International Organization for Standardization (ISO) 14001 Environmental Management System (EMS) standard.

State's Attorney

- ☑ Recruitment of undergraduate and law school students as volunteer interns has resulted in the equivalent of almost 16 additional full time employees in the past year. The interns screen cases, assist in case preparation, contact witnesses and gather evidence. Volunteers donated 12,240 hours during the spring 2015 semester. In the summer and fall semesters, 20,250 hours were donated to the office by our volunteers.

- ☑ Reached 14,228 students in FY16 through presentations on cyberbullying, "Speak up, Save a Life" and healthy teen dating.

Technology Services

- ☑ Received the following awards in 2016: * Montgomery County was named America's second highest-ranked digital County government in the United States by the Center for Digital Government and the National Association of Counties (NACo), receiving second place honors in the competition for jurisdictions with populations of 500,000 or greater. Montgomery is the only County to be ranked in the Top 10 each year since the inception of the annual survey in 2003. * Montgomery County was named a Tech Savvy Jurisdiction by the Public Technology Institute (PTI). * Montgomery County's Open Data Program achieved national recognition, including its Financial standards and platforms (spendingMontgomery and budgetMontgomery) being adopted by over 300 governments nationally and being recognized by White House and the Government Finance Officers Association (GFOA) as national leader and model in police data and other open data and public disclosure initiatives. * The Department of Technology Services received six NACo Achievement Awards, four PTI awards, and one GFOA award.

- ☑ Published the IT Strategic Plan for FY17-FY19.

- ☑ Published 50 new datasets as part of the County's Open Data Implementation Plan.

- ☑ Supported new capital projects, including planning and installation of computing and telecommunications infrastructure for all new and renovated facilities and relocations, including the Silver Spring Library, the new Public Safety Training Academy (PSTA), relocation of MC311, Health and Human Services (HHS), and Department of Housing and Community Affairs (DHCA) facilities to 1401 Rockville Pike, and three recreation centers.

- ☑ Continued development of the Cyber Security program by strengthening incident response, upgrading security training program for employees, conducting independent risk assessment/penetration test, and enhancing software patching and vulnerability management.

- ☑ DTS created new public-private-partnerships for Broadband; re-organized broadband governance; established the Broadband Roadmap in partnership with outside agencies; and conducted multi-sector briefings.

- ☑ Upgraded County Web Portal to offer additional service and improve mobility and accessibility.

- ☑ Developed new web applications including new Snow Portal, Case Management System, and mobile applications.

Transit Services

- ☑ The Call-n-Ride program reduced the eligibility age for seniors from 67 to 65 years, making the program available to more residents. In FY17, it is anticipated that over 400 residents who are 65 & 66 years old will be added.

- ☑ Implemented a pilot dialysis shuttle for Medicaid patients. The goal is to ensure the clients who require dialysis are consistently dropped off on time for treatments and taken home on time afterwards.
- ☑ Began a new Rock Spring Express service on July 25, 2016, which provides express bus service between Grosvenor Metrorail Station and five bus stops in the Rock Spring Business Park. The route operates every ten minutes between 6:00 am and 9:00 am and between 3:00 pm and 7:00 pm. In the first 5 weeks of service, the route averaged 240 riders per day.
- ☑ Began new Route 301 service on October 2, 2016. This service operates from Tobytown Drive to Rockville MetrorailStation via Travilah Road. Key locations along the route include local schools, shopping, the new Nancy Dacek Recreational Center, Shady Grove Hospital, Glenstone museum and the Rockville Town Center.

Transportation

- ☑ Developed a new online Snow Portal that consolidates snow-related information in one handy location. The site has significantly upgraded its real-time capabilities to provide residents information about the status of snow plowing in their neighborhood. Residents can stay informed about the latest delays and closings, submit a service request, or get snow-related safety, closure and other information.
- ☑ The Montgomery bikeshare network will grow to 72 bikeshare stations by the end of FY17. Bikeshare also received a MDOT grant of $300,350 to further expand into Wheaton.
- ☑ Completed construction of 17,522 linear feet of sidewalk.
- ☑ Completed biennial inspections of 171 bridges and renovations for 23 bridges.
- ☑ Responded to 14 storm events totaling 40 inches of snow accumulation using over 87,000 tons of salt and over 400 pieces of equipment to treat and plow 1,522 miles of emergency routes, 968 lane miles of primary/arterial routes, and 4,287 lane miles of residential streets. On 1/22/16, Winter Storm Jonas delivered blizzard conditions with 38.5" snow,high winds and snow drifts.
- ☑ Resurfaced 486 lane miles in FY16, completing 31 projects.
- ☑ Completely rebuilt 38 lane miles of roads, 2 miles of sidewalk, and 7 miles of curb and gutter.
- ☑ The Annual Leafing Operation program collected over 13,085 tons of debris on over 2,175 miles of roads.
- ☑ Tree Maintenance Section crews and arborists responded to over 29,700 inspection and service requests, pruned or removed 10,850 trees, removed 1,234 stumps and planted 1,654 trees.

Urban Districts

- ☑ Recycled over five tons of material (plastic, glass and aluminum bottles and cans) in the SSUD and delivered it to the Shady Grove Processing Facility and Transfer Station.
- ☑ Removed seven tons of recyclables from the waste stream and replaced 35 street trees in the WUD.
- ☑ Unveiled the second installment of the "Paint the Town" mural project in Bethesda focused on the plaza area and bus bay at 3 Bethesda Metro Center.
- ☑ Launched a new series of sculptures throughout downtown Bethesda to brand the Bethesda Arts and Entertainment District.
- ☑ Awarded Arts & Entertainment District Designation from the Maryland State Arts Council for Wheaton in the WUD, including

approval for expansion of the district boundaries to include the new Wheaton Library/Recreation Center and Westfield Wheaton Mall.

- ☑ Received the "Green Community Award" presented by Green Wheaton in recognition of the efforts of the Wheaton Urban District (WUD) Clean and Safe Team.

- ☑ Supported over 75 events on Veterans Plaza in the Silver Spring Urban District (SSUD), including the Silver Spring Jazz Festival, Thanksgiving Parade, the Taste the World in Fenton Village, and the Summer Concert series.

Washington Suburban Sanitary Commission

- ☑ Operating and maintaining a system of 3 reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 6 wastewater treatment plants, 5,600 miles of water main and 5,500 miles of sewer main 24 hours a day, 7 days a week.

Initiatives

Agriculture

- ✪ The OAG is working with the Department of Technology Services to re-design its website to make it more user friendly and interactive for both its internal and external clients. The website is a vital tool in achieving the OAG mission of promoting agriculture as a viable component of the County's economic sector, as well as the preservation of farmland as a resource for future agricultural production.

- ✪ Continue agricultural marketing and educational outreach by forming partnerships with various media and using social media to work in conjunction with the newly designed website (once completed).

- ✪ Continue expanding the New Farmer Project , a program that includes new and small farmer training workshops, farm equipment sharing, and connecting new and small farmers with landowners for the production of fruits and vegetables - table food.

Cable Television Communications Plan

- ✪ In FY17, *County Report This Week*, the award winning weekly half hour program produced collaboratively by members of the PEG Governance Board, continues to highlight decisions and programs that impact County residents including the FY18 Operating Budget recommendations, discussions and approval; 2016 local election information including polling places, voter registration, early voting and results coverage; recent legislation, recreational opportunities, transportation, economic issues and public safety concerns; and news and information concerning Montgomery County Public Schools and Montgomery College, the cities of Rockville and Takoma Park. This show airs on six public, education and government access channels, is available on demand, via mobile devices as well on YouTube in English and Spanish. This program is also produced in Spanish - *Capsula Informativa delCondado de Montgomery*.

- ✪ In FY18, a permanent manager position for the FiberNet Network Operating Center (NOC) will be funded by the Cable Plan (replacing a contractor resource).

- ✪ In FY18, additional resources will be assigned to review an increase in Tower Facilities applications the County has received.

Circuit Court

- ✪ Operate the Family Law Self Help Center with evening hours one night per week to better meet the needs of the Center's users. Continue to review the Center's business processes to be more responsive to those in need of assistance.

- ✪ Investigate and implement a secure file share environment to allow the court to exchange confidential financial documents with guardians.

- Redesign the Court's website to be more responsive. Implement mobile device and browser applications to assist court clients with limited accessibility as well as jurors during the check-in process.

- Develop video and printed instructional materials regarding adult guardianship and responsibilities of the ward.

- Develop a family law case management database to assist family case managers and court staff in their monitoring of case progress in relation to Differentiated Case Management timelines and the impact on judicial workload.

Community Engagement Cluster

- Establish an inventory of resources that are low-cost and accessible to the Germantown youth and their families to identify and coordinate positive opportunities. The Upcounty Regional Office will increase awareness of offerings in the local community and develop a collection of service providers.

Community Use of Public Facilities

- Using the surplus in the Enterprise Fund balance over the multi-year plan, Community Use of Public Facilities will enhance service quality by funding additional renovations of ball fields and county buildings with high community use, as well as funding the Community Access Program (CAP) and the Facility Use Subsidy Program (FUSP).

- Enhance accessibility for organizations serving vulnerable youth and low-income residents via outreach, technical assistance, and reduced or waived fees; in FY17, subsidies for reduced or free use of public facilities were increased from $25,000 to $75,000.

- Enhance accident prevention efforts and public safety in schools in collaboration with MCPS with development of a shared policy to align school closing policies due to inclement weather, frequent inspections of the premises (particularly during inclement weather), notification to the CUPF evening/weekend supervisor of potential hazards that may warrant closing a site or relocating a group, and comprehensive reporting to both County and MCPS Risk Management units. More decision making responsibilities related to closure of particular sites due to safety risks are being assigned to evening/weekend supervisors.

- Improve customer service, reduce maintenance costs, and increase availability of audio visual equipment in the Silver Spring Civic Building Great Hall with the FY18 replacement of an outdated analog projection system with a digital system.

Consumer Protection

- To prevent unlicensed home builders from improperly obtaining building permits, OCP enhanced its collaboration with the Department of Permitting Services (DPS) and reviewed statutory language for "loopholes" which unlicensed contractors may currently be exploiting.

Correction and Rehabilitation

- Beginning information technology projects to improve the department's ability to efficiently collect, manage and analyze data. Projects will provide for:

    - Electronic Health Records, which will increase reimbursements and provide easier transition for inmates into the community health care system.
    - TeleStaff will provide data for analysis to improve the deployment of personnel, resulting in overtime savings.
    - A Department Dashboard is being developed to help managers improve processes and outcomes.

County Executive

- Partnered with USAID and Development Alternatives International (DAI) to establish the Innovation into Action Challenge. The Challenge represented a first time kind of an event that attracted start-up companies from around the world to the County by offering cash prizes and awards. The Challenge brought in approximately $250,000 in sponsorships/support for businesses with a minimal investment from the County.

- Developed new methods to conduct "Community Analytics," leveraging Census and other publicly available data to explore multiple demographic, economic, and quality of life-related characteristics of the County at a more granular level.

- Partnering with the Department of Technology Services to identify and support ways in which County employees can make use of the OpenData program to address issues, connect with customers, collaborate more effectively and realize other benefits of this resource commonly thought of as primarily public-facing.

- Partnering with the Department of Environmental Protection and other departments to adopt and seek certification from the STAR Communities (Sustainability Tools for Assessing and Rating Communities) framework, which will allow an upgrade to the County's Community Indicator Project, use peer benchmarking to identify community strengths and opportunities for improvement, and obtain external recognition and validation of the County's work in a variety of quality of life areas.

- Leading the implementation of the Pew Results First framework with Department of Correction and Rehabilitation and Department of Health and Human Services, which provides a means to identify and apply evidence-driven and evidence-informed practices to policy and budget decisions.

- Exploring the potential for technology to transform the ridership experience through the Smart Transit Spotlight project. The project comes at no additional cost to the County and includes an investment of approximately $300,000 by its partners through technology and connectivity donations. The project will start by piloting wifi and USB charging on Ride On buses and at bus stops.

Economic Development Fund

- Add funds to disburse grant payment for retention and expansion of the U.S. Department of Health and Human Services, HMS Host Corporation, and Abt Associates, Inc.

- Add funds to augment the MOVE Program with the EXPAND Program to assist local companies in leasing additional office space to support their growth.

- Partner with Bethesda Green, Inc. to create an Incubator Fund that will serve a wider geographical area and assist the County to become more competitive in attracting, growing, and retaining the best innovative green technology companies in the region.

Ethics Commission

- Implementing systemic ethics training for County employees.

- Implementing an online payment system for lobbying registration.

- In collaboration with the Department of Technology Services, developing specifications for, and overseeing the building of, a new online financial disclosure filing system to replace the existing, obsolete system.

- The Commission will seek to have new regulations concerning Commission processes, outside employment approval, misuse of position, gifts, and financial disclosure statements adopted and implemented this year.

Finance

- Implement remediation items as outlined by the Payment Card Industry and National Automated Clearing House Association annual security assessment, with the assistance of contract resources.

- Implement improvements to payroll processes and procedures due to the continuously increasing scope of payroll and administrative duties.

- Develop an electronic contract tracking system to track contract review requirements and provide additional assistance and support to departments to expedite the process.

- Develop electronic applications to emphasize occupational safety and health. Provide contractual resources to aid and enhance support to departments and member agencies of the Montgomery County Self Insurance Program to achieve improved safety and health in the workplace.

Fire and Rescue Service

- Continue implementation of Advanced Life Support (ALS) enhancement by adding a Paramedic Chase Unit at Aspen Hill (Station 25).

- Increase staffing a Sandy Spring Station 40 to address response times.

- Advance the consolidation of the Emergency Communications Center with the transfer of 27 positions to the Montgomery County Police Department.

- Continue to work with the Insurance Services Office (ISO) to re-evaluate the county's fire protection capabilities which may result in an improved public fire suppression classification and lower property insurance premiums

Fleet Management Services

- *Department Scorecards* - The Division of Fleet Management Services (DFMS) is creating a new tool to improve each departments' fleet. Each annual scorecard will provide a summary of the respective fleet, preventative maintenance (PM) compliance, accidents, and operating cost relative to the county fleet.

- *Telematics* - In FY17, began implementation of a program based on a successful pilot where DFMS was able to demonstrate the potential for fuel reduction. The County-wide program is focused on improving fleet utilization, fuel and idle reduction, and improved maintenance reliability.

Health and Human Services

- The Asian American Health Initiative, African American Health Program, Latino Health Initiative, and Community Action Agency partnered to offer a training series that provided data-related workshops for community members to build the capacity of their organizations. Approximately 120 community leaders, representing over 50 organizations, attended the "Empowering Community Health Organizations" project.

- The Street Outreach Network launched the first Summer of Peace events in 7 communities, attended by more than 1,200 children, youth and families, to engage the community, raise awareness of available positive youth development programs in the County, and support trust building efforts with law enforcement.

- Add funds for the Stop, Triage, Engage, Educate, and Rehabilitate (STEER) deflection program. STEER is an initiative that works to connect people to substance abuse treatment rather than arrest and pre-trial programming. Through prevention and intervention deflection, the goal of STEER is to direct people in need of substance abuse treatment away from jail to an intervention program.

- Add funds to implement the Monitored Exchange and Supervised Visitation Center (MESV) program. MESV provides a monitored safe exchange of children and/or supervised visitations for families where a supervised visitation or monitored exchange service has been required by a judge. This program offers a neutral and secure setting for children to be exchanged for visits and for supervised visits to be conducted.

- Add funds for the East County Opportunity Zone. This is an initiative designed to enhance safety net services in the East County area, using a collaborative, multi-sectoral approach with County support leveraging additional resources from the private sector, faith, education, and non-profit communities - the initial focus will be on increasing food security and workforce development.

- Add funds to implement the Safe Space Program. This program will provide a safe space for the highest-risk and currently gang-involved youth in the Germantown and East County areas to keep them off the street, and prevent them from engaging in high-risk factor activities by providing critical programs, services, and activities during evening hours on Fridays and Saturdays.

- Add funds to support School Health staffing for two schools - the Thomas Edison High School of Technology and the new Bethesda-Chevy Chase Middle School #2.

- Add funds for the Adult Foster Care Subsidy to increase rates for small group home placements from $1,725 to $1,900 for a single room rate per client and $1,575 to $1,700 for a double room rate per client.

- Provide funds to add two additional staff for the Adult Protective Services Investigative Unit.

- Add funds to convert a total of nine contractual positions within the African American Health Program, Asian American Health Initiative, and Latino Health Initiative to merit County employee positions.

- Add supplemental funding to Developmental Disabilities Providers to pay direct service professionals at 124 percent of the County minimum wage (on average).

Housing and Community Affairs

- Invest over $53 million in affordable housing including the Montgomery Housing Initiative (MHI) Fund and utilize $17 million from the Affordable Housing Acquisition and Preservation CIP project. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First", and creation of mixed-income housing. Since FY08, $902 million has been invested in support of affordable housing, leveraging $987 million in non-County funding.

- Continue the County's commitment to affordable senior housing by providing a letter of commitment for the Mt. Jezereel senior housing project. This proposed 75-unit, newly-constructed, mixed-income senior rental property will be located at 420 University Blvd in Silver Spring and will contain a 67 units affordable to seniors at or below 60 percent of the Area Median Income (AMI).

- Add funds to implement Bill 19-15 to achieve goals of enhancing landlord-tenant outreach, tenant protections, and housing code enforcement through the addition of program staff, funding for information technology improvements, translation of the standard lease and other housing-related information, and greater education and outreach.

- Introduce the Montgomery Homeownership Program, a partnership between the Maryland Mortgage Program and Montgomery County, to support eligible homebuyers purchasing in Montgomery County with up to $40,000 in down payment assistance. This financial incentive aims to help working families and first-time home buyers achieve affordable homeownership in the

County. Eligible homebuyers can take advantage of this assistance by purchasing their home through the Maryland Mortgage Program, which has helped thousands of families achieve homeownership and comes with the security that only the State's flagship homeownership program can provide.

- Continue to use resources from the MHI fund to support rental assistance programs in DHCA, Health and Human Services (HHS), and the Housing Opportunities Commission (HOC). Over 2,150 households were assisted in FY17 and over 2,150 are projected to be assisted in FY18.

- Introduce the Moderately Priced Dwelling Units (MPDU) Preservation Initiative, which preserves MPDU affordability at expiring properties. Over 700 units will expire over the next 10 years. The first MPDU Preservation Initiative project preserved the affordability of 50 of 63 MPDU units.

- Continue to receive funding from Federal grants (i.e., Community Development Block Grant - CDBG, the HOME Investment Partnership Grant, and the Emergency Solutions Grant), which provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and preventing homelessness.

- Enhance the COC Program to include funding for physical assessments, capital needs studies, financial advisory services, and legal/management consulting for condominium associations experiencing non-performance issues such as a high incidences of foreclosures and condo fee delinquencies.

- Expand neighborhood revitalization activities into the Ridgeline community, study other possible neighborhoods in Montgomery Village in need of revitalization activities, and continue revitalization projects in the McKendree Community, Kimberly Place, and Grand Bel II.

- Provide an enhanced weatherization program aimed at reducing the energy-related expenses of limited-income consumers. This program augments existing weatherization funding to provide deeper, more extensive improvements to limited-income residents. This may include more comprehensive remediation of the building envelope, electrical system and space conditioning systems.

Human Resources

- Begin process to implement a formal Background Investigation Policy in FY18.

- Implement the automated candidate qualification assessment and rating process to create efficiency, reduce the time to fill positions, and encourage internal recruitment opportunities for existing County employees.

- Implement the telework program countywide, following the successful completion of the pilot program in March 2017 by the Labor and Employee Relations Team.

Intergovernmental Relations

- Intergovernmental Relations Newsletter: During the 2016 Interim, the Office of Intergovernmental Relations (OIR) continued to work on improving information flow among stakeholders by refining the functionality of the OIR website and posting a monthly newsletter using the "gov.delivery" system that highlights crossover issues that connect the County to State and federal issues.

Liquor Control

- In FY18, DLC will transfer $22.7 million to the General Fund and make $10.9 million in debt service payments on Liquor Control Revenue Bonds for a total contribution of $33.6 million.

- Rebrand DLC with a customer service focus

- Establish additional customer service and product knowledge classes for retail staff

- Improve marketing and pricing strategies

Management and Budget

- Implementing a new in-house developed Capital Improvements Program (CIP) Budget web-based application leveraging the existing platform developed for the Operating Budget (BASIS). This intuitive, scalable and mobile-friendly application will provide OMB and County departments with streamlined workflows, enhanced real-time reports and dashboards, prior year / version data archiving, and user management. CIP BASIS will deliver comprehensive capital project management including funding, expenditures, appropriations, narratives, accounting, review packets, issue reporting, supplementals, transfers, funding switches, transaction logs, and user management. The anticipated launch date is July 2017, and will be used in developing the FY19-FY24 Capital Improvements Program budget.

Parking District Services

- Consolidate the Montgomery Hills Parking Lot District (PLD) into the Silver Spring PLD

- Develop and test the viability of using License Plate Reader (LPR) technologies for parking access control at the Woodmont Corner Garage in Bethesda.

- Establish a parking guidance system directing visitors to the Capital Crescent and Bethesda/Elm Garages. New "dynamic signage" will be installed at key decision points in the Bethesda downtown area. Signage will display real-time space availability and hourly rates to assist motorists in locating a parking facility with available spaces and evaluate pricing options.

- Expansion of the Garage Advertisement Program, which allows businesses to deliver customized messages to patrons, to additional Parking Lot District garages and surface lots.

Permitting Services

- Improve customer service by: (1) expanding eServices, (2) updating homeowner's electrical exams, (3) updating the land development permit applications, (4) automating electrical license renewals and insurance committals, and (5) identifying Fire Prevention and Code Compliance permits, approvals and inspections that can be combined.

- Improve customer access to information by: (1) redeveloping the DPS website, (2) developing a fee estimator for customers, (3) establishing a Places of Worship open house, and (4) developing a cross-agency Frequently Asked Questions (FAQ).

- Implement the (1) International Green Construction Code (IGCC), (2) the County's Subdivision Staging Plan, (3) impact tax rates and policy areas, (4) permits for private road closures, and (5) permits for ownership units.

- Continue migration to eServices for mechanical, signs, use and occupancy, and mandate the use of ePermits and ePlans for commercial permits, fences, fire protection systems, and residential rooftop solar.

- Reduce sediment control plan review processing times to 20 days.

Police

- Six new officers are added to the 2nd District Station in Bethesda, and five new officers are added to 6th District Station in Gaithersburg/Montgomery Village, to keep pace with population growth and calls for service.

- Add two officers and expand the scope of the Community Engagement Division to grow community partnerships and outreach efforts with African American; Asian; Hispanic; Latino; Lesbian, Gay, Bisexual, Transgender, and Questioning (LGBTQ); and faith-based communities. The Division will also work to fully implement NextDoor.com to increase the department's capacity for communication and enhanced outreach to residents concerning crime, safety, and neighborhood issues.

- Work in partnership with the Department of Health & Human Services, to fully implement the Stop, Triage, Engage, Educate, and Rehabilitate (STEER) Program, which deflects low-risk individuals with substance abuse disorders away from the criminal justice system and directly into community-based treatment.

- Enhance the Crime Lab capacity by adding a new forensic scientist position and operating expenses to increase the number of DNA samples processed in FY18, including those pursuant to sexual assault cases.

- Work in concert with County agencies to finalize a strategic plan and implement corresponding initiatives and measures to meet the County's goal of preventing all traffic-related deaths, an initiative known as Vision Zero.

- Add a Crossing Guard position for Bethesda / Chevy Chase Middle School #2.

- Improve the stability of the County's 911 system with a cloud-based backup system and enhanced management of the Computer Aided Dispatch (CAD) system.

Procurement

- Enhancing the County's comprehensive Procurement Guide.

- Created and updating a searchable online database that allows County employees to read, and learn from, the minutes taken at the Contract Review Committee (CRC) meetings.

- Developed and currently conducting enhanced curriculum classes for Contract Administrators; including a new class on Contract Transition Planning.

- Enhancing Minority, Female, and Disabled (MFD); and Local Small Business Reserve Program (LSBRP) outreach efforts, through a more focused collaboration with other local Montgomery County jurisdictions.

Public Information

- The Montgomery County Business Portal is a component of the County Executive's three-pronged initiative to improve government services for businesses, particularly small businesses. This initiative, involving PIO and of the County Executive's Office, builds on the momentum created through privatization the County's economic development function by responding to needs identified by businesses regarding their interactions with the County. The Portal will improve access to information by creating a single point of entry for businesses.

Public Libraries

- Will expand FY18 Public Service Hours at three branches: Kensington Park, Little Falls, and Twinbrook.

- Developing Library of Things which will provide items for checkout such as musical instruments, equipment, and small tools in support of lifelong learning, creativity, and shared access to products.

- Aspen Hill, Davis, and Little Falls libraries are currently undergoing facility refresh upgrades.

- Launched Career Online High School Diploma and Workforce and Business Development program.

- Expand Library Link to all middle and high schools.

- Expanded Go!Kits 2.0 to 21 branches and introduced new topics.

- Created the Jan Jablonski Early Literacy Training Center at the Noyes Library for Young Children.
- Launched a podcast titled Library Matters. Each episode will explore the world of books, libraries, technology, and learning.
- Developed makerspace at Rockville Memorial Library.

Recreation

- Expand the Dream Academy (Child First) afterschool program to one more elementary school. This program provides comprehensive enrichment programs, including family engagement opportunities.
- Expand Food, Fun, and Fitness/TeenWorks summer program.
- Increase County funding for the Collaboration Council Excel Beyond the Bell program due to the changing priorities of the Governor's Office for Children.
- Provide County funding to add a full time staff person to support the Maryland Senior Olympics.
- Add funding for a contractor to develop an East County Sports League.
- Add a Senior Fellow to develop a Montgomery County Sports Hall of Fame at the South County Regional Recreation and Aquatic Center.
- Work with the Summer Leadership Challenge to introduce aquatic opportunities to diverse groups of teenagers. This program connects youth to job opportunities and ensures the development of lifetime skills for wellness and safety.
- Leverage federal funds to add a Senior Nutrition Program to the Nancy H. Dacek North Potomac Community Recreation Center.
- Engage High School and Middle School students with the County Executive at the 2Changealife Youth Forum.
- Extended the successful FUTSAL youth indoor soccer program to year-round programming to build stronger relationships with community non-profits and work closely with schools in anti-gang efforts.
- Provide stimulating and engaging programs such as Fashion Boot Camp, Tech Connect, and the Chill Program.
- Engage youth in a well-planned learning environment after school. The monthly Club Adventure program is located in nine recreation facilities for youth in grades Kindergarten through grade five from 4 pm to 6 pm. The program provides participants with the opportunity to have fun while learning and participating in a variety of recreational activities such as sports, crafts, and dance.
- Implement a recognition program for summer volunteers with the Therapeutic Recreation Summer Camps.
- Expand HerTime2Shine, a Girls and Women in Sports Day Expo, to an annual event taking place each Spring.

Sheriff

- The Family Justice Center (FJC), in collaboration with the Domestic Violence Coordinating Council, is working to bring supervised visitation and monitored exchange services to Montgomery County. This initiative will provide a safe and secure environment where parents can exchange and/or visit with their children. These services are particularly essential in volatile situations such as cases of intimate partner violence and high-conflict custody disputes.

Solid Waste Services

- DEP initiated several campaigns to improve safety and the overall environment at the transfer station in FY17 including developing site evacuation procedures, completing noise reduction measures for surrounding properties, and improving the security of cash and check handling.

- The Division continued to increase training to staff and the customers they serve with the goal of improving recycling outcomes. This training included contractor training at the Recycling Center to reduce contamination of the recycling stream and performing a door-to-door outreach campaign to improve recycling participation in low-compliance areas and improve neighborhood aesthetics on collection day.

Technology Services

- In FY18, the Department of Technology Services will implement an Employee Productivity Solutions (EPS) team providing support to County departments for small-scale applications and digital forms development using the Microsoft Sharepoint platform promoting greater data sharing and collaboration among departments and users.

- Continue ultraMontgomery programming activities for outreach, fundraising, and digital coding programs for youth and seniors.

Transit Services

- The expansion and enhancement of the Clarksburg Route 75 will allow for longer service hours until 11:00 pm weekdays and Saturday and provide for service from early morning to late evening Sunday until 10 pm. The route will also include service to the Clarksburg outlets.

- The new MD 355 Extra Service is a limited-stop service that will operate along MD 355 between the Lakeforest Transit Center and the Medical Center Metrorail Station. Hours of operation are Monday through Friday 5:30 am - 9:30 am and 3:30 pm - 7:30 pm with service running every ten minutes. This service will have 13 unique branded buses and 12 designated bus stops in each direction of this route. Service will begin October 2, 2017.

- Continue progress on Bus Rapid Transit (BRT) development on MD 355 and US 29. Facility planning is ongoing for MD 355. The capital budget includes an additional $21.5 million for US 29 that leverages $10 million of Federal TIGER funds.

- The new Express Service to Clarksburg will operate from the Cabin Branch/Clarksburg community to the Shady Grove Metro Station. This is a limited stop service, that will begin May 2017. Hours of operation are Monday through Friday 5:30 am - 9:00 am and 3:30 pm - 7:00 pm with service running every 20 minutes.

Transportation

- A new pedestrian safety enhancement to install Rapid Rectangular Flasher Beacons has been initiated which helps to alert drivers that someone is in a crosswalk.

- DOT began coordinating the County's reconstruction, rehabilitation,and resurfacing activities with those of other government agencies, public utilities, and certain other entities, and in so doing, locating utility transmission facilities underground when feasible.

Productivity Improvements

Agriculture

- Migrated from antiquated phone (analog) and internet (T1 line) systems to high speed internet and VOIP with Comcast Business Services.

Board of Elections

- Montgomery County implemented three regional upload sites where Board of Elections' staff waited to upload the results to the State server. By 11:03 p.m. election night, 91.76 percent of the votes were tabulated and uploaded to the website.

- The Montgomery County Election Director headed a statewide workgroup to review and streamline the process by which a voter receives a provisional ballot.

- At the Board of Elections command center, staff used Smart Sheet software to ensure that everyone in the room could easily access the same information. Smart Sheet software allows multiple people to see entries at the same time which helped them to resolve issues quickly. This allowed all call takers to see whether a location had completed set-up procedures, opened on time, and closed on time.

Cable Television Communications Plan

- In FY17, the Office of Cable and Broadband Services managed and oversaw the launch of our first high definition PEG channels for Comcast and RCN subscribers: County Cable Montgomery; ED TV- Montgomery College and Montgomery County Public Schools; Montgomery Community Media; and Municipal Broadcast Network - Montgomery Municipal Cable, Rockville and Takoma Park. A fifth HD PEG channel will launch on Comcast in 2018. These signals, along with standard definition, are monitored in the County's Technical Operations Center.

- In FY17, the Cable Office created a GIS web-based map that residents can utilize to show locations where new telecommunication antennas and towers will be placed in the County.

Community Use of Public Facilities

- Increased affordability of the Silver Spring Civic Building with the elimination of a premium fee on Friday evenings and a 30% facility fee reduction for non profit organization fundraising events. Hours of use increased 2.45% in FY16.

- Reduced the amount of time to process customer reservations during peak seasons in schools and other public buildings from four weeks to one week through ActiveMONTGOMERY, reallocation of staff resources, and new application processing procedures.

- Improved customer service, and increased availability of audio visual equipment in the Silver Spring Civic Building activity rooms with replacement of monitors, cable replacements and installation of lecterns.

- Customer accountability was enhanced by integrating the Facility Use License Agreement and conditions of use with every new online application via ActiveMONTGOMERY.

Consumer Protection

- Collaborate with the Department of Technology Services (DTS) to deploy the Complaint and Licensing Management System (CALMS). CALMS enables consumers to provide their contact information, identify the merchant, fully explain the nature of the dispute, and make a request for resolution. In addition, CALMS enables OCP staff to record all communications and contacts with the consumer and merchant. This includes all documents, receipts, and photographs regarding each case and begins the transition from a paper-based filing system to an online filing system.

- Increased outreach activity effort by including an informational flyer into the property tax billing sent to all property owners in

Montgomery County. This notice ensures that a large number of residents are aware of OCP's services.

Correction and Rehabilitation

- DOCR launched a robust intranet site department-wide to increase information sharing and communication throughout the department.

- Transitioned Pre-Trial Services from leased space to a County building, thus saving the yearly facility expense.

County Attorney

- The retrieval and review of electronically stored information (ESI) has become a major issue in the context of meeting the County's obligations to respond to discovery demands in litigation cases as well as Maryland Public Information Act (MPIA) requests. To address this issue, OCA is implementing a cloud-based online eDiscovery application which allows the office to analyze and preserve electronic documents and emails for discovery.

County Executive

- Supported Department of General Services, Department of Liquor Control, Department of Recreation and other departments with analysis that normally would have been contracted out at an additional expense.

- Created a "Montgomery County Data Community" to identify departmental data stewards across County Government and provide a forum for professional improvement, cross-departmental collaboration, and recognition of important work involving data; the first pilot of a Six Sigma/Lean class filled up within 48 hours and saw more than a dozen departments/offices plus Montgomery County Public Schools represented.

- Continued to place graduate students from the University of Maryland's School of Public Policy within departments to perform their Master's Degree "capstone" projects, and also formed a partnership with the University of Maryland's School of Information Sciences to bring graduate students to County Government for project work.

Emergency Management and Homeland Security

- OEMHS made improvements to the Emergency Operations Center to allow for monitoring additional systems, which improves situational awareness.

- OEMHS now has the ability to send Emergency Alert System and Wireless Emergency Alerts for certain alert categories.

Environmental Protection

- The County Executive's budget includes enhancements to the department's billing and invoicing functions in the growing program area of stormwater managment capital projects by providing an additional Office Services Coordinator (OSC).

- The County Executive's budget includes two new positions to address changes in State law in the area of inspection and maintenance of Environmental Site Design (ESD) installations on public and private property as part of the County's stormwater management program.

- Established the Residential Energy program to assist residents, including low-income residents, reduce their energy costs and greenhouse gas emissions through implementation of energy efficiency and renewable energy measures.

- Automated the application processes for the Water Quality Protection Charge credits, RainScapes Rebates, and Tree Montgomery programs.

- Improved approval process for the Water Quality Protection Charge credit program for residential properties with permitted

Environmental Site Design (ESD). This positions the department to more efficiently take treatment credit under the Municipal Separate Storm Sewer System (MS4) permit and allows for a seamless application process for the homeowner.

Finance

- Leveraged datasets from the Oracle ERP system for a technology solution that will perform analytics to determine duplicate and erroneous payments.

- Implemented and trained employees on a major upgrade to the Municipal tax system, completed non-IT requirements for the Treasury Risk Assessment, fully implemented cross-training for select staff, re-engineered MC311 service request procedures, and implemented document tracking procedures for cashiering, transfer, and property tax sections.

- Coordinated the on-line credit card payment systems for Health and Human Services, Police, Office of Emergency Management and Homeland Security, and Libraries.

- Implemented a disaster recovery solution for the MUNIS property tax bill platform.

- Improved the experience of vendors doing business with Montgomery County by sending electronic remittance advices to vendors who have requested electronic payments, reducing processing, printing, and postage costs.

- Achieved greater efficiency in claim reporting by inputting telephonically reported claims directly into the claim management system.

Fire and Rescue Service

- Continued civilianization of dispatch positions in the Emergency Communications Center.

- Achieved increased ALS availability and decreased ALS response time in Kensington (Station 5) and the surrounding area by shifting resources without incurring increased ongoing costs.

Fleet Management Services

- *New Vehicle Acquisition and Disposal Process* - DFMS created a new process ensuring all new fleet acquisitions are properly captured, processed, in-serviced, and disposed. Creating the new policy, electronic checklists, roles and responsibilities, and quality assurance has dramatically improved database inventory, fuel management, maintenance checklists, parts and warranty tracking, and Oracle reconciliation.

- *Transit Bus Major System Upgrade* -In FY16, DFMS updated the County's new transit buses including: Brake system - converted from drum to disc brakes, providing increased brake life and a reduction in brake maintenance time.

- *Text Messaging Service Alerts* - DFMS implemented text message alerts at its light fleet maintenance facility. This new service provides immediate notification to customers that their vehicle is completed and ready for pickup.

General Services

- ERP Work Order System Reimplementation: This project will enhance the current Asset Management (eAM) functionalities and usage through implementing additional features not currently enabled, including full inventory capabilities. This effort will involve eAM Work Request, Work Order, Asset Hierarchy, Inventory, Purchasing, and Mobile App modules. Through this reimplementation, the Department of General Services (DGS) will be able to track expenses and labor by asset number down to specific components, significantly improving the efficiency in providing maintenance services and better allocating resources. With the additional tools provided by this reimplementation, DGS will be able to perform short- and long-term planning for asset replacement.

- Implemented cutting edge energy data management software to capture utility information and display data on a dashboard allowing County staff to identify anomalies and take action.

- Comprehensive Asset Inventory: This initiative will gather all the data needed to populate the Work Order system, while tagging individual pieces of equipment and assessing condition to determine maintenance and replacement priorities. The effort will serve as the new basis for asset management within the eAM Oracle Work Order System, allowing long-term planning while building the foundation for a shift from "break-fix" to a predictive maintenance approach. The initiative has been phased to commence with critical public safety buildings.

Health and Human Services

- Behavioral Health and Crisis Services (BHCS) worked with Montgomery County Public School system (MCPS) to address behavioral health problems of youth in school, providing screening and referrals to over 1,000 youth to the Crisis Center for suicidal or homicidal ideation, and implemented the long-term child mobile crisis stabilization program.

- Provided needs assessments to 2,348 incoming inmates and discharge services to 257 inmates nearing release, and implemented the Bureau of Justice Administration (BJA) two-year $600,000 Comprehensive Reentry Project (CORP) grant, designed to serve chronic jail recidivists with serious persistent mental health issues and/or co-occurring substance use disorders.

- Increased capacity for the Screening and Assessment Services for Children and Adolescents (SASCA) program by hiring six new staff (four Spanish speaking) and moving a position to the Silver Spring clinic to manage the growing wait list.

- In partnership with the Jewish Council for the Aging's Heyman Interages Center and Montgomery County Public Libraries (MCPL), the Department implemented the Reading & Educating to Advance Lives (REAL) Program which expands services to children in office lobbies through senior volunteers who read and engage in literacy and healthy living activities in two of the regional service centers. In FY17, REAL seeks to expand to all five regional service centers.

- The Public Health Services Dental Program implemented Electronic Health Records (EHRs) and centralized scheduling at all five County dental clinics, improving outcomes and exceeding its annual goal by serving over 5,000 low-income uninsured residents.

Housing and Community Affairs

- Performed a review of all Departmental data repositories, establishing a data quality improvement plan in order to more effectively support internal business processes, decision making and business intelligence, and application integration.

- Continue the Department's IT modernization initiative which replaces all legacy core business systems with modern browser-based applications providing an effective service-oriented application infrastructure. This multi-year initiative supports the efficient delivery of new applications, the maintenance of existing ones, and the effective integration between data repositories and case management systems.

- Continue to refine the Annual Rent Survey to increase adherence to the voluntary rent guideline and introduce rental market transparency by capturing countywide rent data on a per-unit basis allowing for rent analysis. This information is published on montgomerycountymd.gov/open.

Human Resources

- Allowed retirees to make changes to their benefits throughout the year, which will save time, effort, and resources.

- Changed the frequency of sending carrier files to the health insurance vendors from a bi-weekly to weekly basis, which has promoted timelier communication regarding enrollment changes to ensure receipt of ID cards sooner and lowering the number of telephone calls OHR receives from new hires requesting status of their ID cards.

- Implemented enhancements to the Firefighter recruitment process including outreach plan developed in FY16, interview question and selection changes, Promotional Candidate Application Process system improvements eliminating the need for dual entry applications, and enhancements to the background check process.

- Implemented MC311 Tier II calls through the establishment of a separate phone number for MC311 that identifies callers trying to reach the Office of Human Resources.

Intergovernmental Relations

- Implemented a new legislative tracking system that will enhance the office's legislative review process by improving the way the office collects, organizes, reviews, and communicates information relating to State and Federal legislation. Since the office works closely with approximately 60 legislative liaisons from the Executive Branch, County Council, and other State agencies to review bills and obtain the input that is necessary to develop County position statements, the office needed a software system to provide for the timely tracking of legislative bills and their status.

Liquor Control

- Streamlined case movement and improved inventory management through new warehouse racking systems

- Established a 24-hour order-to-delivery standard, replacing the previous 48-hour cycle, enabling licensees to receive merchandise more quickly

- Implemented rigorous cycle counts to improve inventory control

Management and Budget

- Implemented a new publication module in BASIS. The publication module produces all chapters of the Recommended and Approved budget books, automates pagination and table of contents, standardizes the overall appearance, and streamlines the process of developing reference materials and knowledge based articles. Implementation of the module reduced staff time required to compile and format information, prepare and transmit documents for printing, upload to the web, interface with openBudget, and improved readability of the publication.

- Developed multiple enhancements to BASIS and eBudget that replaced inefficient legacy systems, streamlined processes, improved transmission of data, increased access to data, and enhanced reporting functions. Enhancements included

  - Encumbrance liquidation system - replaced the Excel-based process, standardized the submission format, improved reporting capabilities.
  - Quarterly analysis - replaced the Excel-based process, standardized the submission format, improved reporting capabilities, and provide intuitive interface with built-in error checking and validation.
  - Grant tracking and reporting - replaced manual system and allows OMB to track grants and automatically notify Council staff when a grant meets certain eligibility requirements.
  - Non-Competitive Contract Award Database - new module built in BASIS allows departments and OMB to track, report, and search all non-competitive contracts, and provide both real-time and historical reporting.
  - Supplemental log - replaced manual system, provides both real-time and historical reporting.
  - MyTasks - allows departments, OMB, and CountyStat users to quickly view the status of budget development tasks and provides links to training materials.

- Provided OMB staff with training opportunities to improve communication, critical thinking and collaboration skills.

Parking District Services

- For the first time, a Demand Pricing approach was used to set parking rates at three (3) Bethesda garages. Parking rates were increased to $1.00 per hour at three (3) high demand parking garages in Bethesda (St. Elmo, Woodmont, and Bethesda Avenue Garages). All other garages remained at $0.80 per hour. The goal is to optimize the use of existing parking resources by redistributing parking demand.

- The new Wheaton Reedie/Grandview Ave. Garage will feature LED lighting fixtures, EV charging stations, low emission vehicles preferred parking spaces, and increased security measures through additional cameras and security call buttons. The Wheaton Office building will be the first Leadership in Energy and Environmental Design (LEED) Platinum certified government facility in Maryland featuring a geothermal system and solar panels in the roof areas.

Permitting Services

- Launched an expedited processing program for solar permits;

- Developed a shared address database with Maryland-National Capital Park and Planning Commission (M-NCPPC);

- Successfully implemented the County Executive's 30 Day Plan Review initiative.

Police

- Revamped the driver-training curriculum through the Arrive Alive Program, increasing the focus on data and causation in an effort to reduce police officer collisions.

- Technological enhancements that include:

  - Continuation of the CAD replacement project.
  - Implementation of a body-worn camera program for all uniformed patrol officers.
  - Implemented the CryWolf software, which reduces the time and effort required to process false alarms by integrating with CAD/RMS to track alarms, process invoices, and collect payments.

- Opened the MCPD Warrant Turn-In Facility, which makes it more convenient and efficient for individuals with outstanding warrants to turn themselves in.

- Consolidation of the Emergency Communications Center continues. Successfully implemented fire and law enforcement call taking protocols over the last year.

Procurement

- Contract Administration Innovations:

  - Developed a Qualification and Selection Committee (QSC) Guide
  - Developed Debriefing Guidelines and Agenda and Ground Rules
  - Conducted QSC and Debriefing training; with approximately 100 Contract Administrators in attendance
  - Completed Direct Purchase Order (DPO) Violation Reporting to identify potential violations
  - Developed a "google-search" type mechanism for contract administrators to facilitate use of LSBRP and MFD businesses

- Streamlining Measures:

  - Simplified the Request for Proposal (RFP) template, reducing length by 43% (from 44 pages to 25 pages)

- Developed a pre-approved amendment form for Department of Health and Human Services (DHHS) grants contracts

- Transparency Measures:
  - Developed an e-notice receipt for vendor's bids and proposals, which provides acknowledgement and an overview of the County's procurement process
  - Required departments to provide a scope of services required; and include an internet URL address for Informal Solicitation documents, allowing easier vendor access to information
  - Updated Unsuccessful Offeror and Bidder letters to automatic e-notices that include information on how to request a debriefing from the Office
  - Centralized disposition of Surplus Property and developed Disposal Guidance procedures

- The Office enhanced their internet website in accordance with the County's more responsive design; making it easier for stakeholders to locate policies, e-Portals, Boiler Plate contract language, and perform related search actions.

Public Information

- Continue to monitor and use MC311 data to improve operations and service delivery in all County Departments. Regularly collaborate with the CountyStat Office to improve department Service Level Agreement time frames.

Public Libraries

- Implemented new delivery routes, drop shipping, branch reorder, and redevelopment processes to get new material to customers faster.

- Installed digital signage at all branches.

Recreation

- Aquatics has implemented the use of an on-line application that provides real time information to supervisors when seasonal staff request schedule changes. This process helps to insure facility coverage in a safe and effective manor.

- Department staff uses Healthy Eating and Physical Activity Standards (HEPA) from the Alliance for A Healthier Generation to guide food purchases and improve program quality. In its youth programs, the department rarely purchases and serves full calorie caffeinated beverages.

- Transportation requests and mini-trip coordination are now centralized.

Solid Waste Services

- The County Executive's recommended budget includes $100,000 of contractual support to develop options for a food waste collection program in the County. This support will also be used to assist in the development of the Strategic Plan called for in Bill 28-16.

- DEP has improved transfer station waste bypass operations during FY17 by developing more efficient approaches if future needs for waste bypass arise due to peak waste periods or unanticipated maintenance issues at the RRF or the railroad. In FY17 the Division implemented a mandate that all transportation equipment be compatible with compactors at the Transfer Station causing minimum disruption to operations and reducing waiting times, associated fees, and personnel hours required for loading.

Technology Services

- Provided support for the Integrated Justice Information System (IJIS) program, including implementation of the Corrections and Rehabilitation Information Management System (CRIMS) Interim Phase 2 solution for jail management.
- Continued enterprise-wide deployment of the Office 365 platform, including enhanced features such as SharePoint Online (for database collaboration), Skype for Business videoconferencing, and e-mail encryption and data loss prevention.

Transit Services

- An extensive audit of Call-n-Ride service providers has been initiated, utilizing database enhancements to ensure there is no fraud, waste or abuse in the program.
- Incorporated new technology into the Same Day Access and Medicaid Transportation Databases to enhance overall efficiency.
- Ride On bus service received a 91% on the Transportation Security Administration's (TSA) review of our bus service security, prevention, security awareness and protection capabilities, an increase of 12% over FY16 and considered excellent by TSA.
- Upgraded the Call-n-Ride database - the new improved database has greatly enhanced program efficiency including the application and recertification process, document and records' maintenance and also reduced paper use.

Transportation

- Upgraded 150 school flashers to a remote control system eliminating the need for technicians to travel to each site when schedules change or issues arise.
- Began using IFB Generator, an application that generates Invitations for Bids (IFB) for 6 projects, reducing errors and the amount of time required to develop bid documents.
- Implemented the Pilot Mobile Construction Contracts Management System, which is new software that replaces paper inspector daily reports; hosts all construction documents including contract special provisions, specifications, standards; takes and stores project photos; and improves the quality of reports.

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Appendices

- Change in Ending Fund Balance
- Trends & Projections
- Changes in Assumptions: Economic, Demographic, and Revenues
- Revenue Summary
- Non Agency Uses of Resources
- Productivity Improvements
- Revenues
- PSP Fiscal Policy
- CIP Fiscal Policy
- Glossary
- Acronyms

Change in Ending Fund Balance

	FY17 Approved Ending Fund Balance	FY18 Recommended Ending Fund	Change in Fund Balance	% Change
TAX SUPPORTED				
Montgomery County Government				
County General Fund	135,503,877	149,050,243	13,546,366	10.0%
Bethesda Urban District	35,236	79,909	44,673	126.8%
Silver Spring Urban District	89,932	90,444	512	0.6%
Wheaton Urban District	55,611	50,659	-4,952	-8.9%
Mass Transit	439,819	149,995	-289,824	-65.9%
Fire	720,422	288,283	-432,139	-60.0%
Recreation	623,894	381,299	-242,595	-38.9%
Revenue Stabilization Fund	280,337,811	308,087,074	27,749,263	9.9%
Montgomery College				
Emergency Repair Fund	564,154	415,520	-148,634	-26.3%
Current Fund MC	3,918,062	3,824,919	-93,143	-2.4%
Maryland-National Capital Park and Planning Commission				
Administration Fund	1,028,914	1,113,067	84,153	8.2%
Park Fund	4,089,485	4,035,659	-53,826	-1.3%
NON-TAX SUPPORTED				
Montgomery County Government				
Water Quality Protection Fund	1,154,157	1,694,480	540,323	46.8%
Cable Television	478,777	521,755	42,978	9.0%
Community Use of Public Facilities	4,524,784	4,197,459	-327,325	-7.2%
Bethesda Parking District	11,699,490	12,035,162	335,672	2.9%
Montgomery Hills Parking District	25,931	0	-25,931	-100.0%
Silver Spring Parking District	11,733,043	12,576,315	843,272	7.2%
Wheaton Parking District	496,564	218,147	-278,417	-56.1%
Permitting Services	12,024,020	12,917,781	893,761	7.4%
Solid Waste Collection	888,495	773,993	-114,502	-12.9%
Vacuum Leaf Collection	-203,290	67,476	270,766	N/A
Liquor Control	2,275,112	2,200,000	-75,112	-3.3%

Explanation of Changes in Fund Balance Greater Than 10%:

Bethesda Urban District	The year end fund balance has been increased to achieve the fund balance policy level of 2.5% of resources.
General Fund, Mass Transit, Fire, and Recreation	The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.
Emergency Repair Fund MC	The budget assumes use of fund balance. The projected ending fund balance is consistent with policy.
Water Quality Protection Fund	The change in fund balance reflects anticipated capital program expenditures and adjustments necessary to maintain rate stability. The fund balance is consistent with policy and debt service coverage requirements.
Montgomery Hills Parking District	The change in fund balance reflects the decision to merge the Montgomery Hills Parking District with the Silver Spring Parking District.
Wheaton Parking District	The change in fund balance is due to the temporary closing of surface lots due to the Wheaton Redevelopment project, resulting in a loss of district revenues.
Solid Waste Collection	The change in fund balance is primarily related to cost increases for refuse collection contracts and adjustments necessary to maintain rate stability. The ending fund balance is within policy levels.
Vacuum Leaf Collection	The change in fund balance reflects a gradual increase in fund balance to the policy level. This is necessary to rebuild fund balance after a restatement of a prior year fund balance to reflect new pension liability reporting requirements.

TRENDS AND PROJECTIONS

DEMOGRAPHIC AND PLANNING INDICATORS	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
POPULATION	1,047,500	1,055,000	1,062,500	1,070,100	1,077,700	1,084,800	1,092,000	1,099,200
Annual Increase	27,500	7,500	7,500	7,600	7,600	7,100	7,200	7,200
Population Growth Since 2007	11.3%	12.1%	12.9%	13.7%	14.5%	15.2%	16.0%	16.8%
County Resident Births (Prior Calendar Year) (c)	13,190	13,280	13,365	13,445	13,515	13,570	13,610	13,645
HOUSEHOLDS	374,600	377,800	381,000	384,200	387,500	390,300	393,200	396,100
Household Annual Growth (%)	-0.8%	0.9%	0.8%	0.8%	0.9%	0.7%	0.7%	0.7%
Household Growth Since 2007	6.2%	7.1%	8.0%	8.9%	9.9%	10.7%	11.5%	12.3%
Household Growth Since 1992	28.6%	29.7%	30.8%	31.9%	33.1%	34.0%	35.0%	36.0%
Household Size	2.80	2.79	2.79	2.79	2.78	2.78	2.78	2.78
RESIDENT EMPLOYMENT (Jan = Calendar Year)	533,101	536,300	539,200	542,900	547,300	552,000	557,500	563,400
Resident Employment Annual Growth (%)	1.6%	0.6%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%
Resident Employment Growth Since 2007	6.0%	6.6%	7.2%	8.0%	8.8%	9.8%	10.9%	12.0%
Resident Employment Per Household	1.42	1.42	1.42	1.41	1.41	1.41	1.42	1.42
Jobs in County	524,800	529,500	534,200	538,900	543,500	549,300	555,100	560,900
PERSONAL INCOME ($ Millions)	$82,910	$86,730	$91,210	$95,810	$100,090	$103,970	$108,010	$112,560
Per Capita Personal Income	$79,150	$82,210	$85,840	$89,530	$92,870	$95,840	$98,910	$102,400
Annual Growth (%)	2.7%	3.9%	4.4%	4.3%	3.7%	3.2%	3.2%	3.5%
CONSUMER PRICE INDEX (CPI) - Fiscal Year	0.86%	1.69%	2.25%	2.30%	2.35%	2.45%	2.50%	2.50%
Inflation Growth (Fiscal Year) Since 2007	-74.5%	-49.9%	-33.2%	-31.8%	-30.3%	-27.3%	-25.8%	-25.8%
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)	1.18%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%
ASSESSABLE TAX BASE ($ Millions)	$174,061	$182,141	$189,533	$197,136	$204,525	$211,198	$217,624	$223,921
Annual Growth (%)	4.0%	4.6%	4.1%	4.0%	3.7%	3.3%	3.0%	2.9%
Growth of Base Since 1992 (%)	191.0%	204.5%	216.8%	229.5%	241.9%	253.0%	263.8%	274.3%
Growth of Base Since 2007 (%)	34.2%	40.5%	46.2%	52.0%	57.7%	62.9%	67.8%	72.7%
INVESTMENT INCOME YIELD (%)	0.39%	0.70%	1.20%	1.70%	2.20%	2.70%	3.00%	3.00%
MCPS ENROLLMENT (Sept = Calendar Year)	159,242	161,909	163,722	165,483	166,755	167,794	168,480	168,480
Annual Growth (%)	3.5%	1.7%	1.1%	1.1%	0.8%	0.6%	0.4%	0.0%
Annual Increase (Decrease)	5,390	2,667	1,813	1,761	1,272	1,039	686	0
MONTGOMERY COLLEGE ENROLLMENTS (a)	23,916	22,984	22,695	22,683	22,991	23,322	23,322	23,322
Annual Growth (%)	-5.5%	-3.9%	-1.3%	-0.1%	1.4%	1.4%	0.0%	0.0%
Full Time Equivalents (Sept = Calendar Year) (b)	20,448	19,911	19,386	19,282	19,364	19,654	19,964	19,964
Annual Growth in FTE's (%)	-1.3%	-2.6%	-2.6%	-0.5%	0.4%	1.5%	1.6%	0.0%

(a) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY21. Since no projections are provided for FY22 or FY23, the projections for FY21 were used for FY22 and FY23.

(b) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY22. Since no projections are provided for FY23, the projections for FY22 were used for FY23.

(c) Projections related to County Resident Births are provided by M-NCPPC.

Changes in Assumptions: Economic, Demographic, and Revenues
December 2010 through March 2017

A	J	J	K	L	M	N	M	N	M	N	M	N	M	N
	Approved FY17	Estimated FY17	% Chg. FY17-18	Projected FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
Population														
December 2010	1,010,940	1,010,940		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	1,010,940	1,010,940		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	1,035,850	1,035,850	0.9%	1,045,400		n/a		n/a		n/a		n/a		n/a
March 2012	1,035,850	1,035,850	0.9%	1,045,000		n/a		n/a		n/a		n/a		n/a
December 2012	1,035,020	1,035,020	1.0%	1,044,970	1.0%	1,055,010		n/a		n/a		n/a		n/a
March 2013	1,035,150	1,035,150	1.0%	1,045,150	1.0%	1,055,250		n/a		n/a		n/a		n/a
December 2013	1,034,500	1,034,500	1.0%	1,044,500	1.0%	1,054,600	1.0%	1,064,800		n/a		n/a		n/a
March 2014	1,038,500	1,038,500	0.9%	1,047,900	0.9%	1,057,400	0.9%	1,067,000		n/a		n/a		n/a
December 2014	1,038,000	1,038,000	0.9%	1,047,000	0.9%	1,056,000	1.0%	1,067,000	0.7%	1,075,000		n/a		n/a
March 2015	1,038,000	1,038,000	0.9%	1,047,000	0.9%	1,056,000	1.0%	1,067,000	0.7%	1,075,000		n/a		n/a
December 2015	1,038,500	1,038,500	0.9%	1,047,900	0.9%	1,057,400	0.9%	1,067,000	0.8%	1,075,500	0.8%	1,084,000		n/a
March 2016	1,038,500	1,038,500	0.9%	1,047,900	0.9%	1,057,400	0.9%	1,067,000	0.8%	1,075,500	0.8%	1,084,000		n/a
December 2016	1,055,000	1,055,000	0.7%	1,062,500	0.7%	1,070,100	0.7%	1,077,700	0.7%	1,084,800	0.7%	1,092,000	0.7%	1,099,200
March 2017	1,055,000	1,055,000	0.7%	1,062,500	0.7%	1,070,100	0.7%	1,077,700	0.7%	1,084,800	0.7%	1,092,000	0.7%	1,099,200
MOE Enrollment														
December 2010	150,791	150,791		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	150,791	150,791		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	154,495	154,495	1.0%	156,020		n/a		n/a		n/a		n/a		n/a
March 2012	154,495	154,495	1.0%	156,020		n/a		n/a		n/a		n/a		n/a
December 2012	155,798	155,798	1.3%	157,765	1.1%	159,433		n/a		n/a		n/a		n/a
March 2013	155,798	155,798	1.3%	157,765	1.1%	159,433		n/a		n/a		n/a		n/a
December 2013	157,592	157,592	1.0%	159,206	0.9%	160,683	1.0%	162,255		n/a		n/a		n/a
March 2014	157,592	157,592	1.0%	159,206	0.9%	160,683	1.0%	162,255		n/a		n/a		n/a
December 2014	158,813	158,813	1.3%	160,883	0.9%	162,363	1.0%	164,036	0.8%	165,358		n/a		n/a
March 2015	158,813	158,813	1.3%	160,883	0.9%	162,363	1.0%	164,036	0.8%	165,358		n/a		n/a
December 2015	159,016	159,016	1.3%	161,085	1.0%	162,700	0.9%	164,237	0.9%	165,634	0.6%	166,598		n/a
March 2016	159,016	159,016	1.3%	161,085	1.0%	162,700	0.9%	164,237	0.9%	165,634	0.6%	166,598		n/a
December 2016	161,909	161,909	1.2%	163,772	1.0%	165,483	0.8%	166,755	0.6%	167,794	0.4%	168,480	0.0%	168,480
March 2017	161,909	161,909	1.2%	163,772	1.0%	165,483	0.8%	166,755	0.6%	167,794	0.4%	168,480	0.0%	168,480

Changes in Assumptions: Economic, Demographic, and Revenues
December 2010 through March 2017

A	J	J	K	L	M	N	M	N	M	N	M	N	M	N
	Approved FY17	Estimated FY17	% Chg. FY17-18	Projected FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
College Enrollment (FTE)														
December 2010	22,936	22,936		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	22,936	22,936		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	23,628	23,628	0.0%	23,628		n/a		n/a		n/a		n/a		n/a
March 2012	23,628	23,628	0.0%	23,628		n/a		n/a		n/a		n/a		n/a
December 2012	23,258	23,258	-0.2%	23,206	0.0%	23,206		n/a		n/a		n/a		n/a
March 2013	23,258	23,258	-0.2%	23,206	0.0%	23,206		n/a		n/a		n/a		n/a
December 2013	23,258	23,258	-0.2%	23,206	0.0%	23,206	0.0%	23,206		n/a		n/a		n/a
March 2014	21,437	21,437	-0.2%	21,387	0.5%	21,499	0.0%	21,499		n/a		n/a		n/a
December 2014	20,392	20,392	-0.5%	20,288	1.1%	20,519	1.0%	20,717	0.0%	20,717		n/a		n/a
March 2015	20,392	20,392	-0.5%	20,288	1.1%	20,519	1.0%	20,717	0.0%	20,717		n/a		n/a
December 2015	20,499	20,499	-0.2%	20,452	-0.9%	20,268	2.4%	20,755	0.0%	20,755	0.0%	20,755		n/a
March 2016	20,499	20,499	-0.2%	20,452	-0.9%	20,268	2.4%	20,755	1.2%	21,011	0.0%	21,011		n/a
December 2016	19,911	19,911	-2.6%	19,386	-0.5%	19,282	0.4%	19,364	1.5%	19,654	1.6%	19,964	0.0%	19,964
March 2017	19,911	19,111	-2.6%	19,386	-0.5%	19,282	0.4%	19,364	1.5%	19,654	1.6%	19,964	0.0%	19,964
CPI (Fiscal Year)														
December 2010	3.0%	3.0%		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	3.6%	3.6%		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	2.7%	2.7%	0.0%	2.7%		n/a		n/a		n/a		n/a		n/a
March 2012	2.7%	2.7%	1.9%	2.7%		n/a		n/a		n/a		n/a		n/a
December 2012	3.1%	3.1%	8.9%	3.4%	8.5%	3.7%		n/a		n/a		n/a		n/a
March 2013	3.2%	3.2%	9.5%	3.5%	8.1%	3.7%		n/a		n/a		n/a		n/a
December 2013	2.9%	2.9%	13.8%	3.3%	12.1%	3.7%	10.8%	4.1%		n/a		n/a		n/a
March 2014	2.5%	2.5%	4.4%	2.6%	-7.6%	2.4%	-6.2%	2.3%		n/a		n/a		n/a
December 2014	1.9%	1.9%	7.3%	2.1%	7.3%	2.2%	5.5%	2.3%	4.3%	2.4%		n/a		n/a
March 2015	2.2%	2.2%	5.9%	2.3%	8.6%	2.5%	10.7%	2.8%	11.8%	3.1%		n/a		n/a
December 2015	1.6%	1.6%	20.1%	2.0%	16.2%	2.3%	14.8%	2.6%	0.0%	2.6%	0.0%	2.6%		n/a
March 2016	1.8%	1.8%	27.8%	2.3%	8.7%	2.5%	8.0%	2.7%	0.0%	2.7%	0.0%	2.7%		n/a
December 2016	1.7%	1.7%	35.3%	2.3%	8.7%	2.5%	4.0%	2.6%	1.2%	2.6%	0.0%	2.6%	0.0%	2.6%
March 2017	1.7%	1.7%	33.1%	2.3%	2.2%	2.3%	2.2%	2.4%	4.3%	2.5%	2.0%	2.5%	0.0%	2.5%

A	J	J	K	L	M	N	M	N	M	N	M	N	M	N
	Approved FY17	Estimated FY17	% Chg. FY17-18	Projected FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
Changes in Assumptions: Economic, Demographic, and Revenues December 2010 through March 2017														
Growth Resident Employment (%)														
December 2010	1.3%	1.3%		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	1.0%	1.0%		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	1.3%	1.3%	15.4%	1.5%		n/a		n/a		n/a		n/a		n/a
March 2012	1.2%	1.2%	-41.7%	0.7%		n/a		n/a		n/a		n/a		n/a
December 2012	0.7%	0.7%	-100.0%	0.0%	n/a	1.0%		n/a		n/a		n/a		n/a
March 2013	1.1%	1.1%	-72.7%	0.3%	0.0%	0.3%		n/a		n/a		n/a		n/a
December 2013	0.9%	0.9%	33.3%	1.2%	0.0%	1.2%	0.0%	1.2%		n/a		n/a		n/a
March 2014	1.8%	1.8%	-44.4%	1.0%	-40.0%	0.6%	16.7%	0.7%		n/a		n/a		n/a
December 2014	1.3%	1.3%	-23.1%	1.0%	-30.0%	0.7%	14.3%	0.8%	12.5%	0.9%		n/a		n/a
March 2015	2.3%	2.3%	-60.9%	0.9%	-33.3%	0.6%	0.0%	0.6%	16.7%	0.7%		n/a		n/a
December 2015	0.6%	0.6%	0.0%	0.6%	0.0%	0.6%	66.7%	1.0%	0.0%	1.0%	10.0%	1.1%		n/a
March 2016	0.8%	0.8%	-12.5%	0.7%	14.3%	0.8%	0.0%	0.8%	12.5%	0.9%	0.0%	0.9%		n/a
December 2016	0.5%	0.5%	0.0%	0.5%	20.0%	0.6%	16.7%	0.7%	14.3%	0.8%	12.5%	0.9%	-22.2%	0.7%
March 2017	0.6%	0.6%	-16.7%	0.5%	40.0%	0.7%	14.3%	0.8%	12.5%	0.9%	11.1%	1.0%	10.0%	1.1%
Personal Income (CY)														
December 2010	96,240	96,240		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	94,680	94,680		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	92,760	92,760	3.7%	96,220		n/a		n/a		n/a		n/a		n/a
March 2012	91,180	91,180	3.1%	93,980		n/a		n/a		n/a		n/a		n/a
December 2012	91,810	91,810	3.2%	94,730	4.4%	98,910		n/a		n/a		n/a		n/a
March 2013	91,510	91,510	4.3%	95,440	4.3%	99,550		n/a		n/a		n/a		n/a
December 2013	87,950	87,950	4.2%	91,670	4.0%	95,360	4.2%	99,330		n/a		n/a		n/a
March 2014	91,730	91,730	3.2%	94,670	3.1%	97,610	3.2%	100,730		n/a		n/a		n/a
December 2014	87,270	87,270	4.3%	91,060	2.9%	93,740	3.0%	96,560	3.5%	99,920		n/a		n/a
March 2015	86,850	86,850	3.3%	89,720	2.8%	92,260	4.0%	95,970	4.1%	99,870		n/a		n/a
December 2015	87,590	87,590	4.9%	91,900	4.6%	96,130	4.9%	100,800	4.9%	105,690	4.9%	110,830		n/a
March 2016	87,020	87,020	5.2%	91,510	4.5%	95,610	4.0%	99,430	4.2%	103,620	3.5%	107,220		n/a
December 2016	86,300	86,300	5.4%	90,970	4.7%	95,220	3.9%	98,930	4.6%	103,440	4.6%	108,150	4.6%	113,080
March 2017	86,730	86,730	5.2%	91,210	5.0%	95,810	4.5%	100,090	3.9%	103,970	3.9%	108,010	4.2%	112,560

A	J	J	K	L	M	N	M	N	M	N	M	N	M	N
	Approved FY17	Estimated FY17	% Chg. FY17-18	Projected FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
Changes in Assumptions: Economic, Demographic, and Revenues December 2010 through March 2017														
Property Tax Revenues														
December 2010	1,733.1	1,733.1		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	1,727.6	1,727.6		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	1,692.1	1,692.1	3.0%	1,743.7		n/a		n/a		n/a		n/a		n/a
March 2012	1,664.5	1,664.5	3.1%	1,715.4		n/a		n/a		n/a		n/a		n/a
December 2012	1,637.3	1,637.3	3.6%	1,696.6	3.7%	1,758.7		n/a		n/a		n/a		n/a
March 2013	1,633.6	1,633.6	3.4%	1,688.6	3.8%	1,752.7		n/a		n/a		n/a		n/a
December 2013	1,625.3	1,625.3	3.1%	1,676.4	3.6%	1,736.2	3.9%	1,804.7		n/a		n/a		n/a
March 2014	1,621.1	1,621.1	2.8%	1,666.2	3.2%	1,720.1	3.0%	1,771.5		n/a		n/a		n/a
December 2014	1,616.8	1,616.8	2.9%	1,662.9	3.1%	1,715.2	3.4%	1,772.7	3.1%	1,827.9		n/a		n/a
March 2015	1,624.2	1,624.2	2.8%	1,670.2	3.0%	1,720.1	3.3%	1,777.2	3.0%	1,830.9		n/a		n/a
December 2015	1,600.8	1,600.8	2.3%	1,638.0	2.5%	1,679.1	3.1%	1,731.2	3.1%	1,784.4	3.3%	1,843.4		n/a
March 2016	1,738.7	1,738.7	2.3%	1,779.2	3.0%	1,833.3	3.2%	1,892.5	3.1%	1,951.7	3.3%	2,016.5		n/a
December 2016	1,738.7	1,735.2	1.7%	1,769.1	3.1%	1,824.1	3.3%	1,884.6	3.0%	1,941.6	3.2%	2,003.7	3.2%	2,067.9
March 2017	1,738.7	1,737.6	1.6%	1,767.3	3.1%	1,822.6	3.3%	1,881.9	2.8%	1,934.1	3.0%	1,992.9	3.1%	2,055.4
Income Tax Revenues														
December 2010	1,447.5	1,447.5		n/a		n/a		n/a		n/a		n/a		n/a
March 2011	1,498.7	1,498.7		n/a		n/a		n/a		n/a		n/a		n/a
December 2011	1,485.5	1,485.5	4.1%	1,547.1		n/a		n/a		n/a		n/a		n/a
March 2012	1,480.0	1,480.0	4.2%	1,541.5		n/a		n/a		n/a		n/a		n/a
December 2012	1,521.1	1,521.1	6.2%	1,615.7	3.7%	1,675.5		n/a		n/a		n/a		n/a
March 2013	1,511.7	1,511.7	6.7%	1,613.6	5.1%	1,695.4		n/a		n/a		n/a		n/a
December 2013	1,513.8	1,513.8	6.2%	1,608.1	5.4%	1,695.1	5.2%	1,783.8		n/a		n/a		n/a
March 2014	1,553.5	1,553.5	5.4%	1,636.9	4.5%	1,710.6	3.2%	1,765.7		n/a		n/a		n/a
December 2014	1,516.5	1,516.5	5.3%	1,597.5	4.3%	1,665.4	3.4%	1,722.0	3.2%	1,776.4		n/a		n/a
March 2015	1,524.7	1,524.7	5.8%	1,613.7	4.9%	1,692.6	3.8%	1,757.6	3.5%	1,819.1		n/a		n/a
December 2015	1,400.8	1,400.8	6.7%	1,494.4	7.9%	1,612.8	4.8%	1,689.9	4.8%	1,771.6	4.8%	1,857.5		n/a
March 2016	1,453.9	1,453.9	3.5%	1,505.5	7.9%	1,624.4	5.6%	1,714.9	4.5%	1,792.8	4.2%	1,868.3		n/a
December 2016	1,487.6	1,497.2	5.6%	1,570.4	3.9%	1,630.9	3.7%	1,690.6	4.4%	1,764.7	4.8%	1,849.2	5.0%	1,941.2
March 2017	1,487.6	1,486.4	4.7%	1,557.9	4.2%	1,623.3	3.7%	1,683.0	4.0%	1,749.9	4.7%	1,832.6	4.5%	1,914.6

REVENUE SUMMARY
TAX SUPPORTED BUDGETS
($ Millions)

	KEY REVENUE CATEGORIES	App. FY17	Estimate FY17	% Chg. FY17-18	Rec. FY18	% Chg. FY18-19	Projected FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23
	TAXES	5-26-16	3-14-17	App/Rec	3-14-17										
1	Property Tax	1,738.7	1,737.6	1.6%	1767.3	3.1%	1,822.6	3.3%	1,881.9	2.8%	1,934.1	3.0%	1,992.9	3.1%	2,055.4
2	Income Tax	1,487.6	1,486.4	4.7%	1557.9	4.2%	1,623.3	3.7%	1,683.0	4.0%	1,749.9	4.7%	1,832.6	4.5%	1,914.6
3	Transfer Tax	108.4	117.8	5.4%	114.3	2.5%	117.1	2.4%	120.0	2.4%	122.9	3.4%	127.1	4.8%	133.2
4	Recordation Tax	57.4	62.0	-2.1%	56.2	2.5%	57.5	2.5%	59.0	2.3%	60.4	4.4%	63.0	4.0%	65.5
5	Energy Tax	204.0	202.2	0.2%	204.3	0.8%	206.1	0.9%	207.8	0.9%	209.7	0.8%	211.4	0.7%	212.8
6	Telephone Tax	50.3	51.0	4.4%	52.5	2.9%	54.1	2.9%	55.6	2.8%	57.1	2.7%	58.7	2.6%	60.2
7	Hotel/Motel Tax	20.6	21.2	6.3%	21.9	2.6%	22.5	2.5%	23.1	2.5%	23.6	2.4%	24.2	2.3%	24.8
8	Admissions Tax	3.1	3.2	7.3%	3.3	3.2%	3.4	3.3%	3.5	3.3%	3.6	3.3%	3.7	3.3%	3.9
9	E-Cigarette Tax	0.3	0.4	21.8%	0.4	4.3%	0.4	4.1%	0.4	4.0%	0.5	3.8%	0.5	3.7%	0.5
10	**Total Local Taxes**	**3,670.4**	**3,681.7**	**2.9%**	**3778.1**	**3.4%**	**3,907.0**	**3.3%**	**4,034.4**	**3.2%**	**4,161.8**	**3.7%**	**4,314.1**	**3.6%**	**4,470.9**
	INTERGOVERNMENTAL AID														
11	Highway User	3.7	3.7	-1.1%	3.7	0.0%	3.7	0.0%	3.7	0.0%	3.7	0.0%	3.7	0.0%	3.7
12	Police Protection	14.7	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7
13	Libraries	5.8	5.8	7.0%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3
14	Health Services Case Formula	4.3	4.3	7.0%	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	39.0	39.0	1.3%	39.5	0.0%	39.5	0.0%	39.5	0.0%	39.5	0.0%	39.5	0.0%	39.5
16	Public Schools	656.8	656.8	3.4%	679.2	0.0%	679.2	0.0%	679.2	0.0%	679.2	0.0%	679.2	0.0%	679.2
17	Community College	36.1	36.1	-0.9%	35.8	0.0%	35.8	0.0%	35.8	0.0%	35.8	0.0%	35.8	0.0%	35.8
18	Other	62.2	68.0	-5.3%	58.9	-6.4%	55.1	-15.1%	46.8	-9.0%	42.6	0.0%	42.6	0.0%	42.6
19	**Total Intergovernmental Aid**	**822.6**	**828.4**	**2.4%**	**842.6**	**-0.4%**	**838.8**	**-1.0%**	**830.5**	**-0.5%**	**826.4**	**0.0%**	**826.4**	**0.0%**	**826.4**
	FEES AND FINES														
20	Licenses & Permits	12.5	12.1	1.6%	12.7	1.5%	12.8	1.5%	13.0	1.5%	13.2	1.5%	13.4	1.5%	13.6
21	Charges for Services	70.8	70.8	-1.7%	69.6	1.8%	70.9	1.9%	72.2	2.0%	73.6	2.0%	75.1	2.0%	76.6
22	Fines & Forfeitures	24.6	28.1	16.4%	28.7	1.6%	29.1	1.6%	29.6	1.6%	30.1	1.6%	30.6	1.6%	31.0
23	Montgomery College Tuition	84.1	79.5	-2.8%	81.7	1.8%	83.2	1.9%	84.8	2.0%	86.4	2.0%	88.2	2.0%	89.9
24	**Total Fees and Fines**	**192.0**	**190.5**	**0.3%**	**192.7**	**1.8%**	**196.1**	**1.8%**	**199.6**	**1.9%**	**203.4**	**1.9%**	**207.3**	**1.9%**	**211.2**
	MISCELLANEOUS														
25	Investment Income	1.4	2.6	188.4%	4.0	34.9%	5.4	25.6%	6.8	20.3%	8.1	10.1%	9.0	0.0%	9.0
26	Other Miscellaneous	11.7	13.7	17.2%	13.7	2.3%	14.0	2.4%	14.4	2.5%	14.7	2.5%	15.1	2.5%	15.5
27	**Total Miscellaneous**	**13.1**	**16.3**	**35.3%**	**17.7**	**9.7%**	**19.4**	**8.8%**	**21.1**	**8.2%**	**22.9**	**5.2%**	**24.1**	**1.6%**	**24.4**
28	**TOTAL REVENUES**	**4,698.1**	**4,717.0**	**2.8%**	**4831.0**	**2.7%**	**4,961.4**	**2.5%**	**5,085.7**	**2.5%**	**5,214.4**	**3.0%**	**5,371.8**	**3.0%**	**5,532.9**
	Calculation for Adjusted Governmental Revenues														
29	**Total Tax Supported Revenues**	**4,698.1**	**4,717.0**	**2.8%**	**4,831.0**	**2.7%**	**4,961.4**	**2.5%**	**5,085.7**	**2.5%**	**5,214.4**	**3.0%**	**5,371.8**	**3.0%**	**5,532.9**
30	**Capital Projects Fund**	**130.7**	**130.7**	**34.6%**	**176.0**	**0.5%**	**176.9**	**-16.3%**	**148.1**	**4.1%**	**154.1**	**4.2%**	**160.6**	**0.0%**	**160.6**
31	**Grants**	**115.8**	**115.8**	**1.4%**	**117.4**	**2.3%**	**120.1**	**2.4%**	**122.9**	**2.5%**	**126.0**	**2.5%**	**129.1**	**2.5%**	**132.3**
32	**MCG Adjusted Revenues**	**4,944.7**	**4,963.6**	**3.6%**	**5,124.5**	**2.6%**	**5,258.4**	**1.9%**	**5,356.7**	**2.6%**	**5,494.5**	**3.0%**	**5,661.5**	**2.9%**	**5,825.9**

Non Agency Uses of Resources

- Capital Investment (CIP Current Revenue and PAYGO) and Debt Service are based on the latest Executive Recommendation (current through March 14, 2017). Additional changes may be transmitted to the County Council in April 2017.
- FY18-23 Retiree Health Insurance Pre-Funding is fully funded based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2016).
- Revenue Stabilization (Rainy Day) Fund balance is projected at $308.1 million at the end of FY18. The mandatory contribution is estimated to be $27.7 million in FY18. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- FY18-23 total reserves (Revenue Stabilization Fund plus the General Fund unrestricted balance) are consistent with legal requirements and the minimum policy target. The County's policy is to increase total reserves to 10 percent of Adjusted Governmental Revenues by 2020.

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 FY18 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 Metropolitan Washington Council of Governments (COG) Round 9.0 estimates 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 an average of approximately 7,400 persons each year throughout the next six years (from CY2017 to CY2023) from 1,055,000 in CY2017 to 1,099,200 by CY2023. This reflects an average annual growth rate of 0.7 percent.
- Current projections estimate the number of households to increase from 377,800 in CY2017 to 396,100 in CY2023. Household growth over that period is projected to grow at an average annual rate of 0.8 percent.
- The County's senior population (persons 65 and older) continues to grow from an estimated 120,000 persons living here in 2010 to a projected 244,000 by 2040, increasing the share of the County's population that are seniors from 12 percent to 20 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 13,150 in 2015 to 13,645 by 2023.
- The County expects Montgomery County Public School student enrollment to increase by 9,238 between FY17 and FY23.
- Montgomery College full-time equivalent student enrollments are projected to increase slightly from 19,911 in FY17 to 19,964 in FY22.

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 tax policy changes,
- Changes in financial markets,

- Major demographic changes,
- 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 FY18 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.

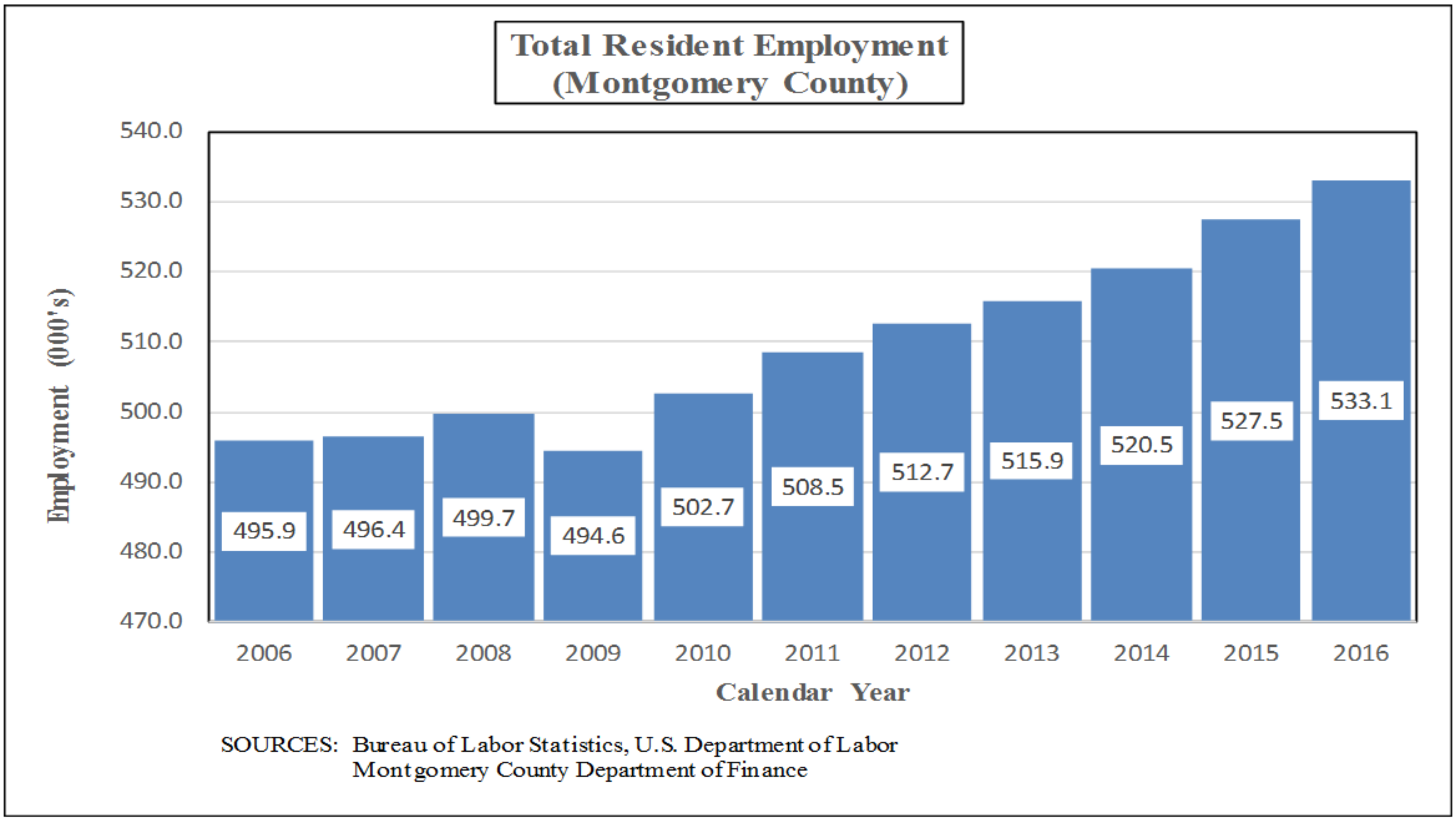
Economic Assumptions

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.

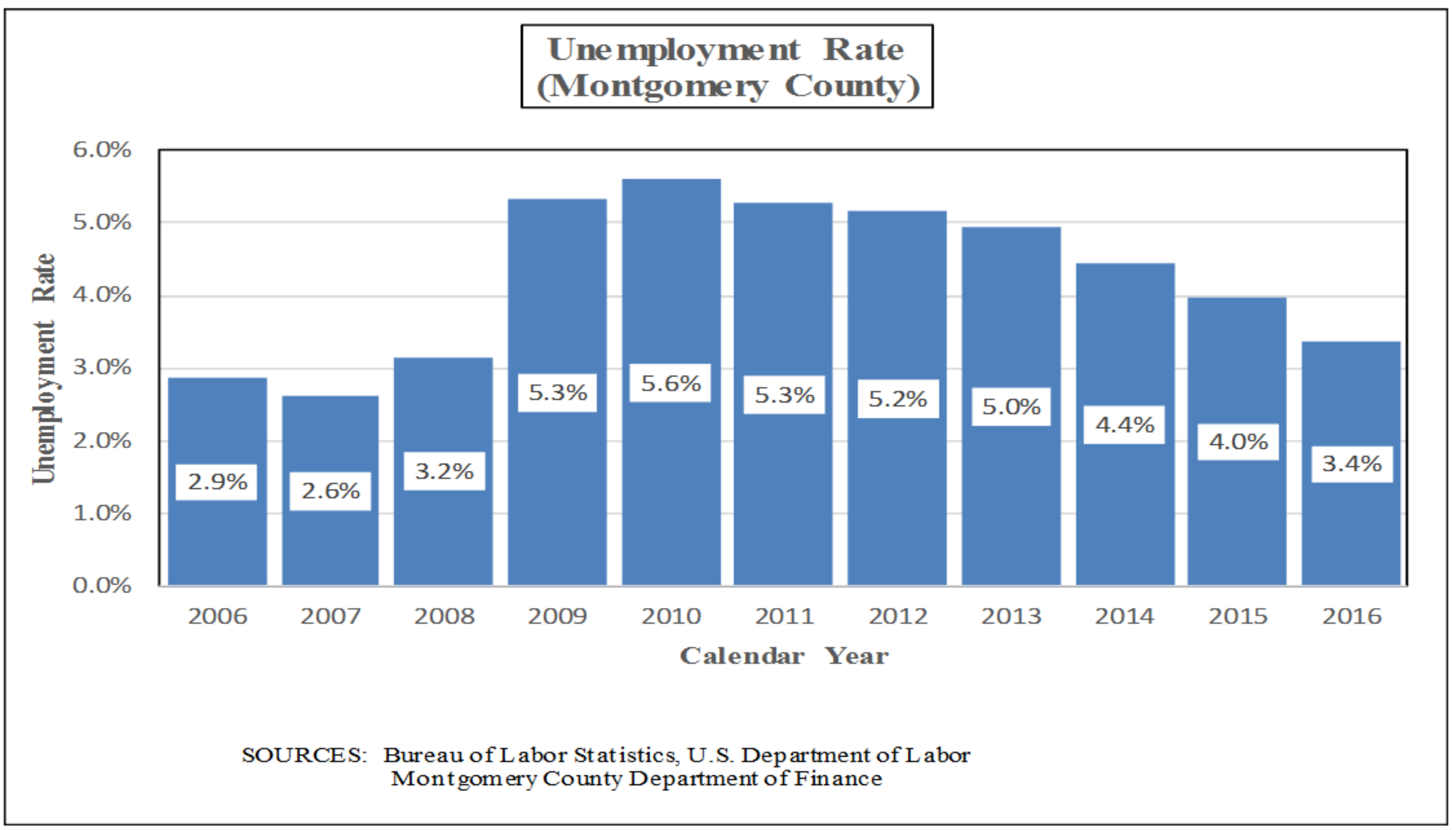
Montgomery County's economy experienced positive economic performance during calendar year 2016. Some of the areas of strength included an increase in resident employment, a decline in the unemployment rate, an increase in the sale of existing homes, an increase in the median sales price for an existing home, and an increase in the value of non-residential construction. However, offsetting those increases, the County experienced a decline in the construction of residential properties.

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 2016 increased by nearly 5,600 from 2015 (⬆ 1.1%).

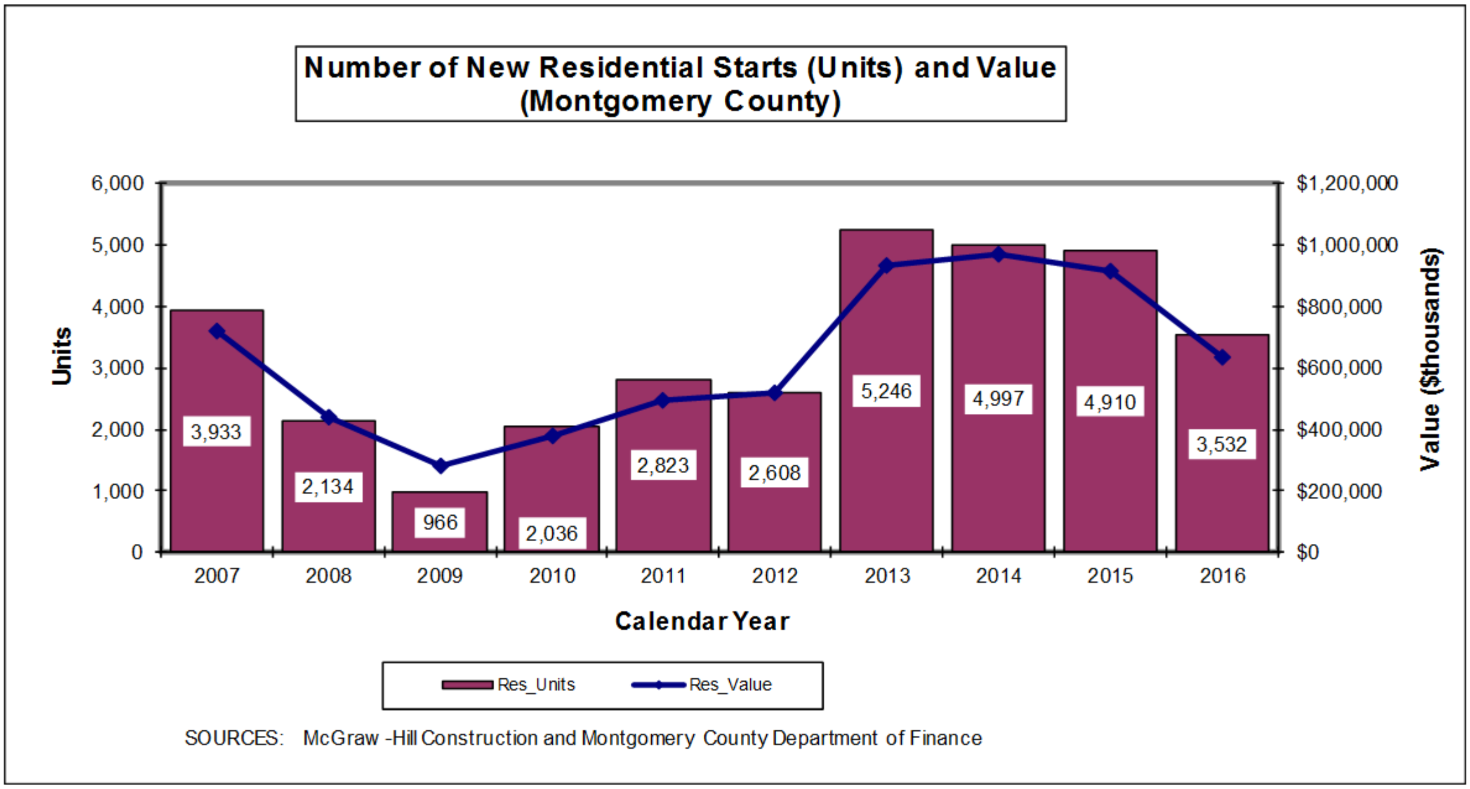


The County's unemployment rate declined to 3.4 percent compared to 4.0 percent in 2015 and is the lowest in eight years. The decline in the unemployment rate is attributed to a larger percentage increase in resident employment (⇧ 1.1%) than in the labor force (⇧ 0.4%).



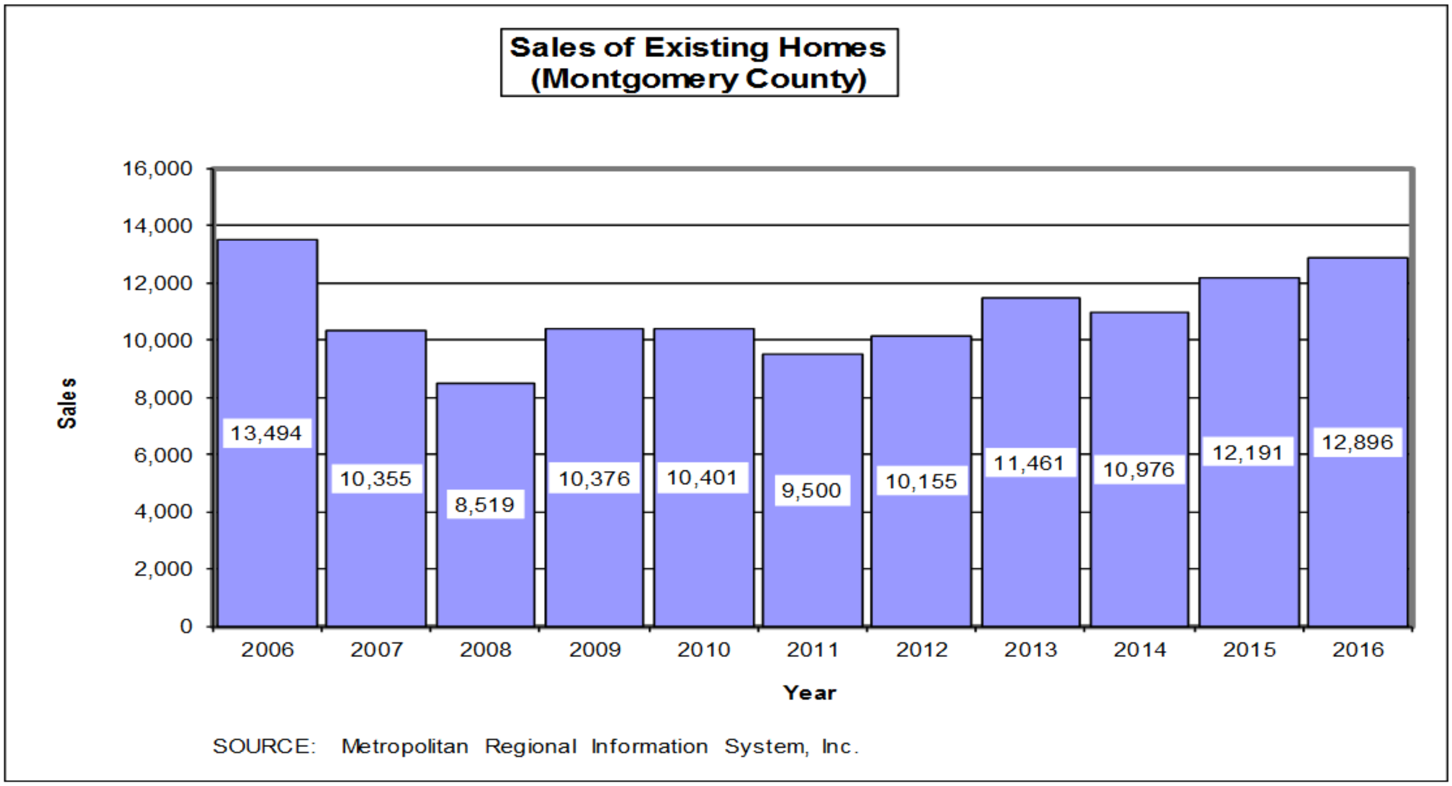
Construction Activity

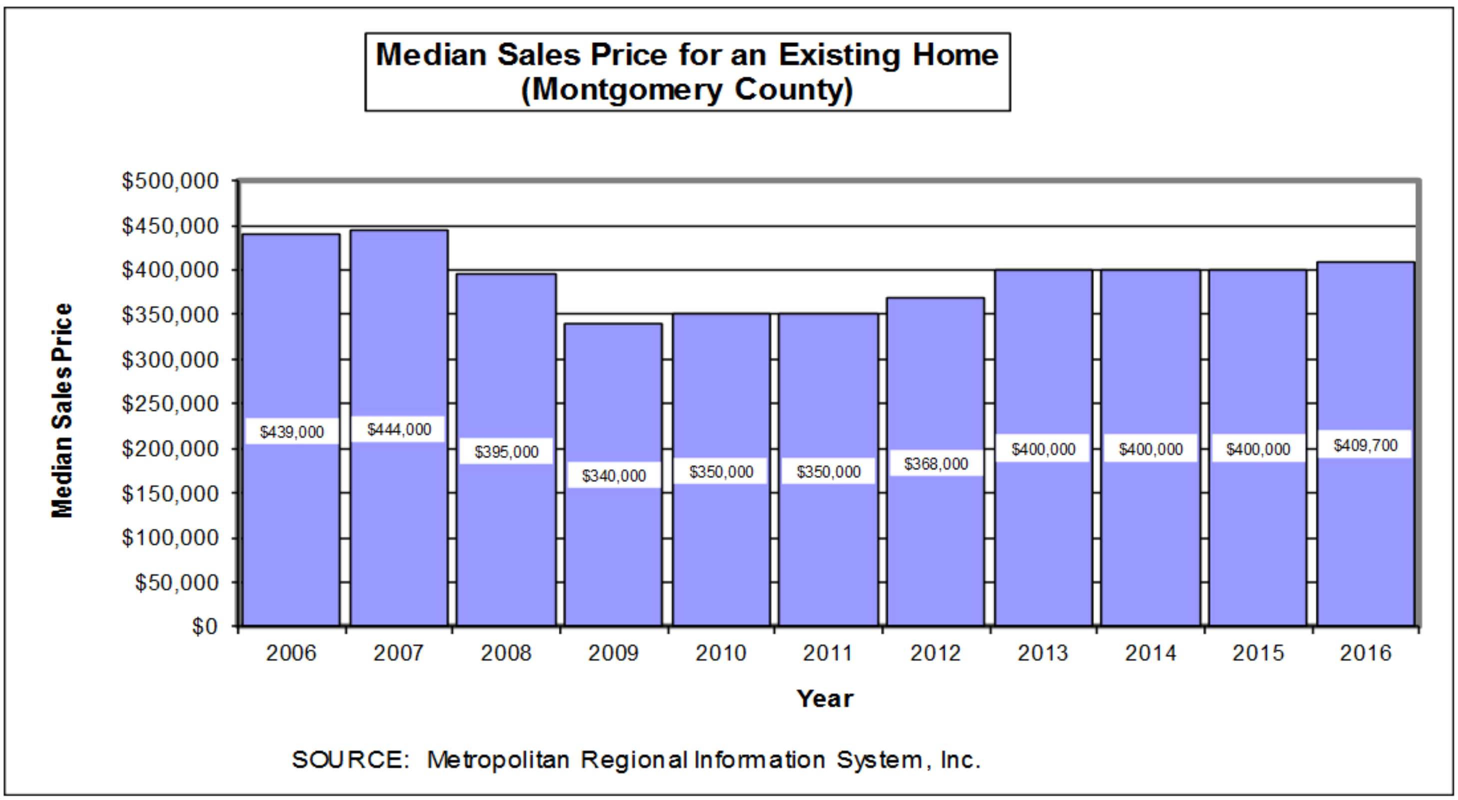
After experiencing an increase of over 100 percent in 2013, the construction of new residential units declined 4.8 percent in 2014, 1.7 percent in 2015, and 28.1 percent in 2016. The decrease in 2016 was attributed to the decline in the construction of multi-family units (⬇ 41.8%). Construction of single-family units were up 17.8 percent in 2016. Total value added decreased from a total of $913.4 million in 2015 to $634.1 million in 2016 (⬇ 30.6%). The number of non-residential construction projects increased from 157 projects in 2015 to 201 in 2016 (⬆ 28.0%), the total value added increased from $729.6 million to $1,108.6 million (⬆ 51.9%).



Residential Real Estate

During calendar year 2016, existing home sales increased 5.8 percent from 2015 which followed an 11.1 percent increase in 2015. The average sales price for existing homes increased a modest 0.8 percent in 2016 while the median sales price increased 2.4 percent after remaining at $400,000 the previous three years.





Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, retail sales, including assessment collections, increased 1.1 percent in 2016. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, increased 0.8 percent during this period while sales of durable goods were up 1.7 percent. The increase in nondurable goods purchases was largely attributed to the increase in apparel items (⇧ 11.4%), while the increase in purchases of durable goods was largely attributed to an increase in automobile sales and products (🡅 3.2%) and building and industrial supplies (🡅 5.3%).

CONCLUSION

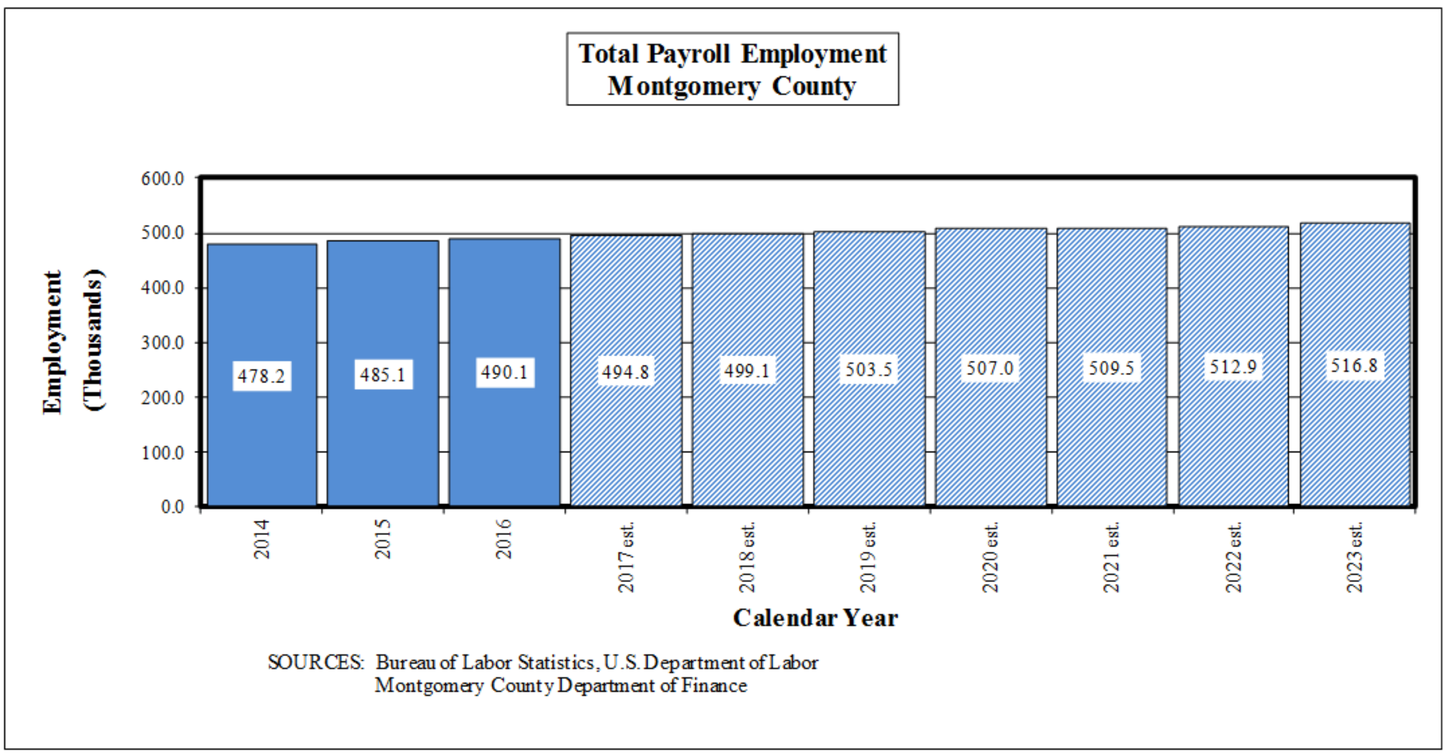
The major economic indicators confirm that the County's economy experienced positive performance during 2016. That performance include an increase in residential employment, a decline in the unemployment rate, an increase in existing home sales, an increase in the median sales price for an existing home, and an increase in the value added for non-residential construction, but partially offset by a decline in the construction and value added of new residential construction.

ECONOMIC OUTLOOK

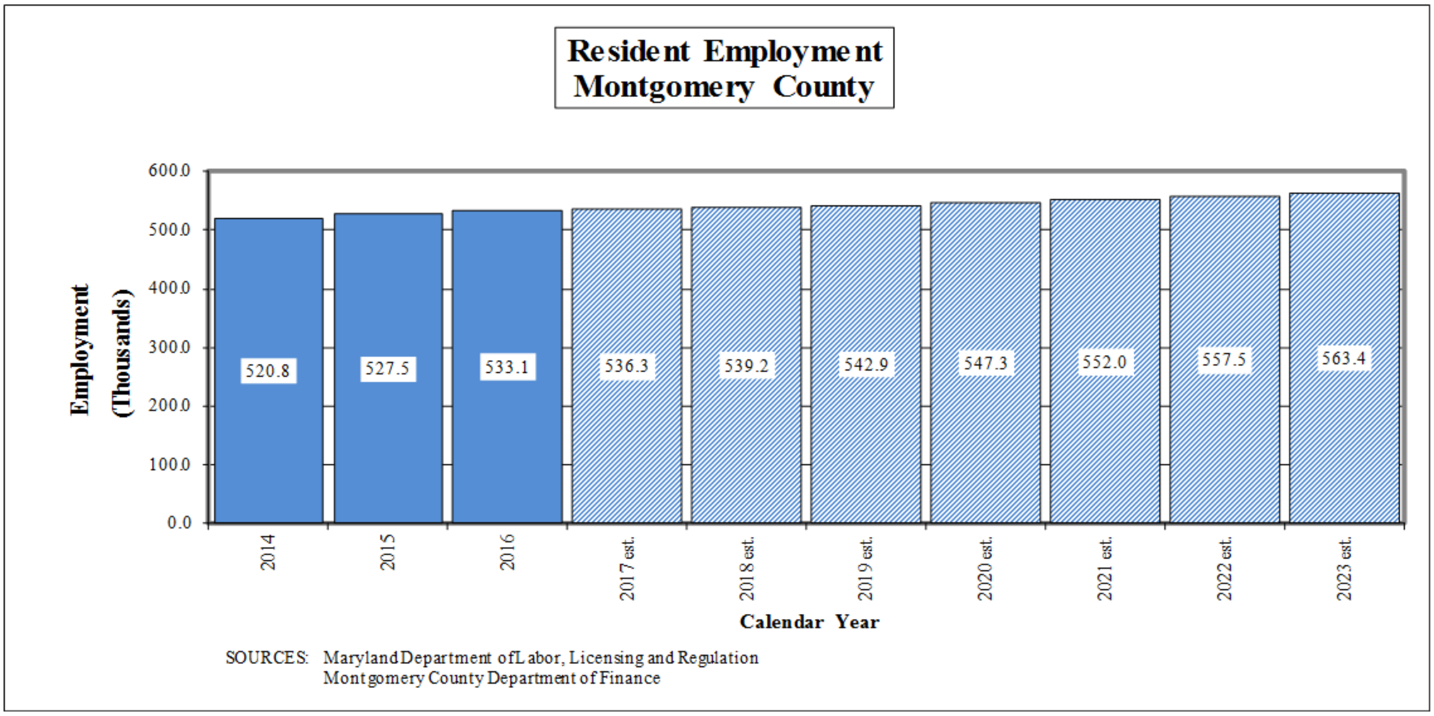
The Department of Finance (Finance) forecasts that the Montgomery County economy will continue to experience modest improvement through the next six years.

Employment. Finance assumes payroll employment will continue to increase from CY2016 to CY2023 and grow at an average annual rate of 0.8 percent over that period. This is slightly below the average annual rate growth rate of 0.9 percent experienced between CY2009 and CY2016.

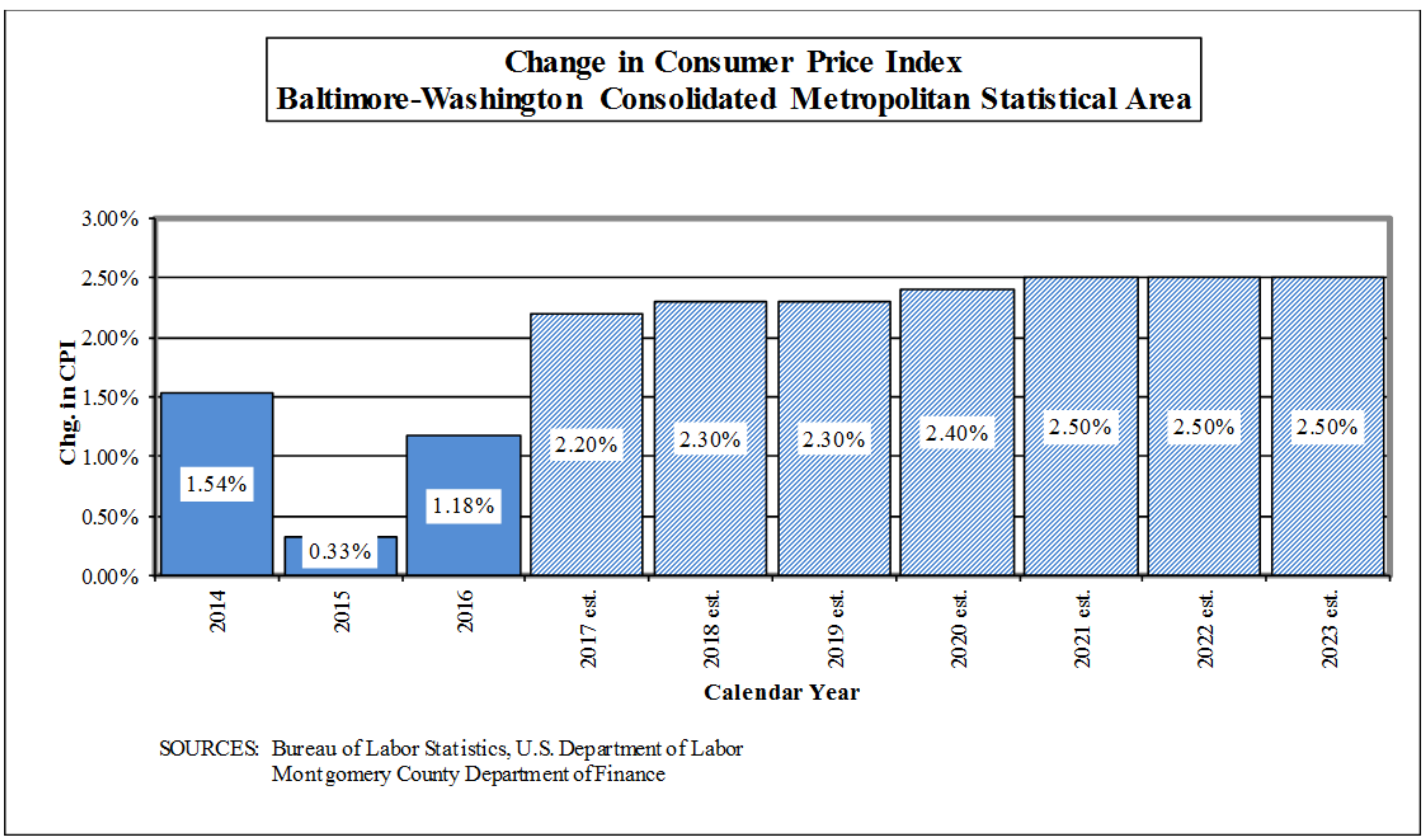
Finance assumes that resident employment will increase at an average annual rate of 0.8 percent from CY2016 to CY2023. However, that rate is slightly below the average annual rate of 1.1 percent between CY2009 and CY2016.



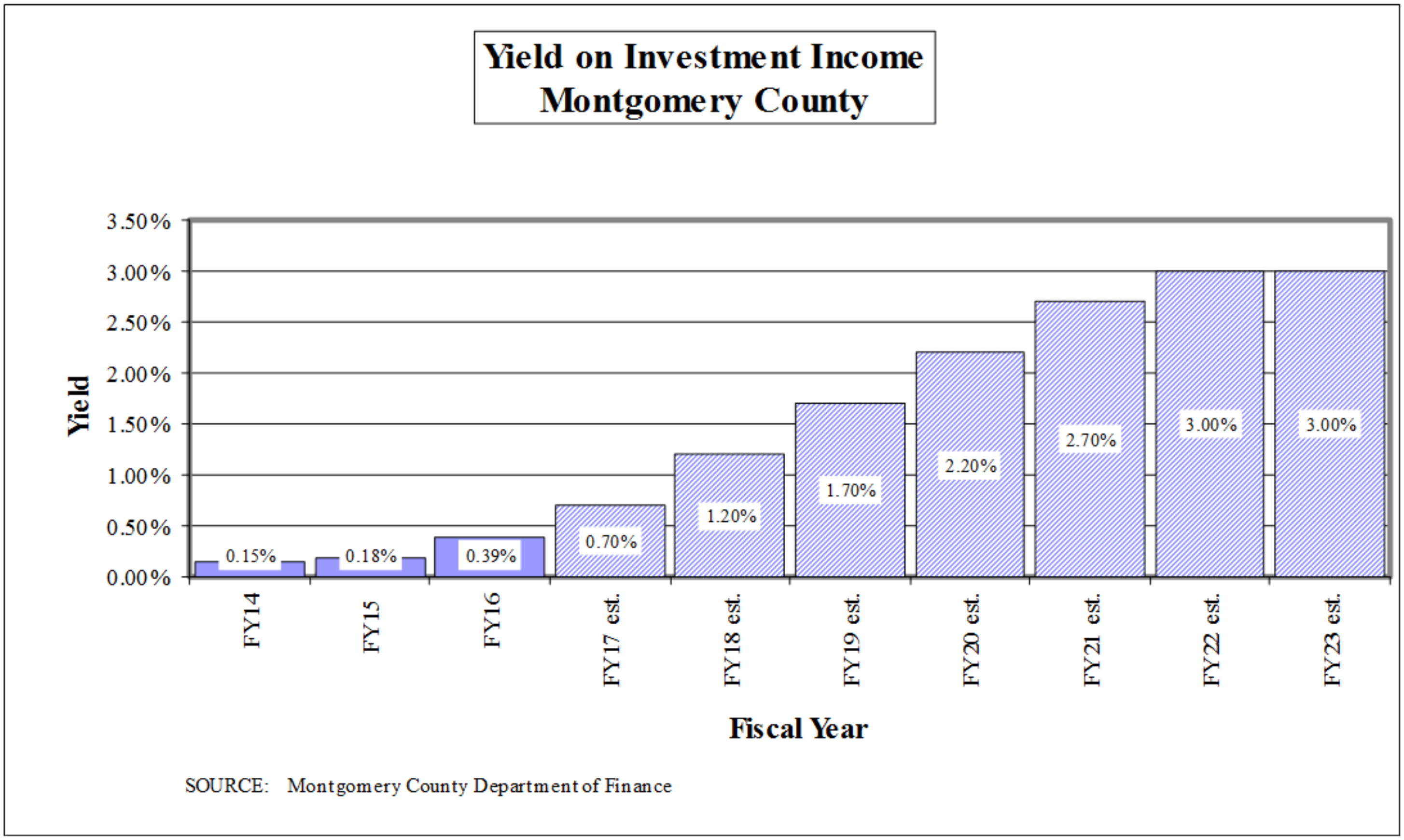
Finance assumes wage and salary income to grow at an average annual rate of 4.2 percent between CY2015, the latest date for which actual data are available from the Bureau of Economic Analysis, U.S. Department of Commerce, and CY2023. Total wage and salary income is estimated to reach $49.8 billion by CY2023.



- ***Personal Income.*** Finance assumes that total personal income in Montgomery County will grow at an average annual rate of 4.4 percent from CY2015 to CY2023. By CY2023, total personal income will reach $112.5 billion.
- ***Inflation (annual average).*** Finance assumes that the overall regional inflation index will increase from 1.18 percent in CY2016 to 2.20 percent in CY2017, 2.30 percent in CY2018 and CY2019, 2.4 percent in CY2020, and peak at 2.50 percent from CY2021 to CY2023.



- ***Interest Rates.*** From September 2007 to December 2008, the Federal Reserve Board, through its Federal Open Market Committee (FOMC), aggressively cut the target rate on federal funds from 5.25 percent to a range of 0.00-0.25 percent. The targeted federal funds rate set by the FOMC remained at the 0.00-0.25 range until December 2015. At its December 2015 meeting, the FOMC increased the range to between 0.25 and 0.50 percent and in its December 2016 meeting to between 0.50 and 0.75 percent. The target rate was unchanged at its meeting in February of this year. 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 with estimated increases to 0.70 percent in FY2017 and 1.20 percent to 3.00 percent from FY2018 to FY2022 and FY2023. This assumption is based on two rate increases in the targeted federal funds rate by the FOMC each year between FY2018 and FY2021, a modest increase in FY2022 and no increase in FY2023. The assumption of future rates increases is based on the 30-day federal funds futures market from the Chicago Mercantile Exchange.



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 FY17-22 Capital Improvements Program (CIP) (as of January 15, 2017). Anticipated current revenue adjustments to the January 15, 2017 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 FY16 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 FY17-22 Capital Improvements Program (as of January 15, 2017). 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 41.8 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, 2016, is 1.87 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

Capital Improvments Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most current 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 FY18 Recommended Budget estimates that the Revenue Stabilization fund balance will be $280.4 million in FY17 and the balance is estimated to increase to $308.1 million in FY18 (⇧ 9.9%).

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"). It is the County's policy to increase and maintain the budgeted total reserve of the General Fund and the Revenue Stabilization Fund to 10 percent of Adjusted Governmental Revenues.

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 46.7

percent and 41.2 percent, respectively, of the estimated total tax revenues in FY18. The third category is the energy tax estimated for the General Fund with 5.4 percent share. In fact, these three revenue sources represent 93.4 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.6 percent and 32.2 percent, respectively. The third category is intergovernmental revenues with a 17.4 percent share of the estimated total tax supported revenues in FY18. 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 proposedrates (levy year 2017) and a recommended $692 credit, total estimated FY18 tax supported property tax revenues of $1,767.3 million are 1.7 percent above the revised FY17 estimate. The general countywide rate for FY18 is $0.7488 per $100 of assessed real property, while a rate of $1.8720 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 FY18 is $1.0013 per $100 of assessed real property which is 0.0251 cents below the levy year 2016 (FY2017) 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. This Charter Limit, however, may be overridden by a unanimous vote of the nine members of the County Council.

The countywide total property taxable assessment is estimated to increase approximately 4.1 percent from a revised $182.1 billion in FY17 to 189.5 billion in FY18. The base is comprised of real property and personal property. For FY18, the Department of Finance estimates real property taxable assessment of approximately $185.7 billion, an increase of 4.1 percent from FY17, with the remaining $3.9 billion in personal property. This is the fifth consecutive increase in total property taxable assessments after two consecutive decreases. The actual change in the total property tax base has fluctuated significantly over the previous ten fiscal years (FY06-FY17), with an annual average increase of 12.2 percent between FY06 and FY09, followed by considerable deceleration in the growth of taxable assessments in FY10 (↑ 5.7%) and FY11 (↑ 0.2%), declines in FY12 (↓ 3.3%) and FY13 (↓ 2.4%), modest increases of 1.1 percent and 2.3 percent in FY14 and FY15, respectively, 4.0 percent in FY16, and an estimated 4.6 percent in FY17.

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 reassessments effective for FY13 declined 8.6 percent for Group 3 (↓ 12.7% for residential) and followed declines of 14.5 percent for Group 2 in FY12 (↓ 17.4% residential), a decline of 17.0 percent in FY11 for Group 1 (↓ 19.4% residential), and a decline of 10.6 percent in FY10 for Group 3 (↓ 16.3% for residential). However, real property reassessment for Group 1 increased 4.1 percent for FY14 (↑ 1.7% for residential), increased 11.0 percent for Group 2 for FY15 (↑ 5.8% for residential), increased 18.7 percent for FY16 (↑ 11.5% for residential), increased 11.1 percent (↑ 9.6% for residential) for FY17, and increased 7.8 percent in FY18 (↑ 4.8% for residential). Because of that increase, real property taxable assessment is estimated to increase 4.1 percent in FY18.

There is a ten percent annual assessment growth limitation for residential property that is owner-occupied. As a result of this "homestead tax credit," these taxable reassessments in Montgomery County may not grow more than ten percent in any one year. However, because of the decline in the reassessment rates for residential properties during three fiscal years (FY10 to FY12) the amount of the homestead tax credit declined from $23.8 *billion* in FY09, which is an all-time record, to an estimated $97.5 *million* in FY18. Because annual assessment growth for residential properties is projected below 10 percent, the total homestead credit is estimated to remain unchanged in the near term.

The decrease in the personal property base in FY06 reflected the residual effects of weak labor market conditions that resulted in a lower number of new businesses and associated investments. This was exacerbated by tax law changes, including partial exemption of electricity generating equipment (energy deregulation), other exemptions (e.g., manufacturing, Research and Development, and certain computer software), and depreciation rules (e.g., for computer equipment). The personal property tax base since FY06 increased three out of the four subsequent years achieving a growth rate of 5.2 percent in FY10 before decreasing over the next three fiscal years (FY11-FY13) at an average annual rate of 4.4 percent before increasing 2.9 percent to $3.7 million in FY14, decreasing 1.5 percent in FY15, and increasing 6.3 percent in FY16. Finance estimates that the total personal property base is projected to increase an estimated 0.4 percent in FY18, which follows an estimated decrease of 1.0 percent in FY17.

Income Tax

Estimated FY18 income tax revenues of $1,557.9 million are 4.8 percent above the revised FY17 estimate. Future income tax estimates starting in FY19 incorporate the impact of the *Wynne vs. Comptroller* decision by the U.S. Supreme Court on May 18, 2015. Previous to that decision, the Maryland Court of Appeals decision found that the "failure to allow a credit with respect to the county income tax for out-of-state income taxes paid to other states on "pass-through" income earned in those states discriminates against interstate commerce and violates the Commerce Clause of the federal Constitution (Maryland State Comptroller of the Treasury v. Brian Wynne, et ux.)." The Maryland Attorney General filed a motion to reconsider the decision from the Court of Appeals with the U.S. Supreme Court. In November 2014, the Supreme Court heard oral arguments, and on May 18, 2015, the U.S. Supreme Court upheld the ruling of the Maryland Court of Appeals. As such, the ruling will have a significant negative impact on the County's income tax revenues starting in FY17. According to State Law adopted in 2014, the refunds for tax years 2006 through 2014 pertaining to Wynne will be issued by the State Comptroller to eligible taxpayers and paid from the Local Reserve Account (Account). Starting in FY19, counties and municipalities must repay the Account in twenty (20) equal quarterly payments. Based on data provided by the Comptroller of Maryland, according to Finance, the estimated amount of refunds that will be paid by the Comptroller and repaid from the County's FY19 quarterly income tax distributions starting in May 2019 is an estimated $136.6 million as of December 2016.

During any one fiscal year the County receives income tax distributions pertaining to at least three different tax years. During the period between tax years 2002 and 2011, the total tax distributions from withholdings, estimated payments and extended filings can be divided into three cycles: 2001-2002 (the dot.com stock market crash and the economic recession of 2001), 2003-2007 (economic expansion), and 2008-2010 (stock market crash and the great recession). During the dot.com stock market crash and 2001 recession, total income tax distributions declined at an average annual rate of 2.6 percent. With the economic expansion underway in 2003, total income tax distributions increased at an average annual rate of 10.1 percent through 2007 - adjusted for the tax rate increase from 2.95 percent to 3.20 percent enacted by the County Council in 2003. With the stock market crash of 2008 and subsequent severe recession, withholdings, estimated payments, and extended filings declined at an average annual rate of 8.5 percent from 2007 to 2009, and increased 7.2 percent in 2010, 6.2 percent in 2011, 10.0 percent in 2012, declined 3.8 percent in 2013, increased 6.6 percent in 2014, and increased 2.9 percent in 2015 - the latest year for which final data are available.

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 declined dramatically since the peak of tax year 2005. Since that time, revenues from October 15th filers and distribution adjustments gradually declined from tax year 2005 ($227.9 million) to tax year 2007 ($179.1 million). Because of the stock market crash of 2008 and the subsequent severe recession (December 2007 to June 2009), distributions 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%), and increased to $149.3 million in 2015 (⬆ 4.6%) - the latest date for which data are available. These distributions represent the most volatile component of the income tax and are associated with the change in the stock market as measured by the S&P 500 index.

Estimated FY18 revenues for the General Fund of $170.5 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 5.2 percent below the revised FY17 estimate. This reflects an FY18 estimate of $114.3 million in the transfer tax and $56.2 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.

Transfer and recordation tax revenues have fluctuated greatly over time and primarily reflect shifting trends in the real estate market. In FY16, 79.9 percent of the transfer tax came from the residential sector compared to 80.6 percent in FY15, 83.6 percent in FY06, 87.1 percent in FY07, 85.7 percent in FY08, 86.6 percent in FY09, 88.0 percent in FY10, 81.3 percent in FY11, and 72.2 percent in FY12, 77.6 percent in FY13, 81.4 percent in FY14, 80.6 percent in FY15, and 79.9 percent in FY16. 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 for each $500 to $2.30 for each $500 or 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 are affected by 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. The volatility in revenues from the transfer and recordation taxes is best illustrated in the trend since FY06.

The growth rate in the number of residential transfers declined over three consecutive years from FY07 to FY09 - ↓ 22.7 percent in FY07 (18,389), ↓ 28.9 percent in FY08 (13,066), and ↓ 3.8 percent in FY09 (12,572). After three consecutive years of decline from FY07 to FY09, 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 - ↓ 22.8 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, and a 1.1 percent in FY15. However, 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, 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, and 7.7 percent in FY16.

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 the late summer of 2007. Home sales declined 23.3 percent in CY2007, declined 17.7 percent in CY2008, increased 21.8 percent in CY2009, increased a modest 0.3 percent in CY2010, decreased 8.7 percent in CY2011, increased 6.9 percent and 12.8 percent in CY2012 and CY2013, respectively, decreased 4.2 percent in CY2014, increased 11.1 percent in CY2015, and 5.8 percent in CY2016.

While home sales increased in CY2016 by 5.8 percent, the average sales price for an existing home increased 0.8 percent and the median sales price increased 2.4 percent.

Beginning in FY06, revenues from non-residential property transfers experienced dramatic volatility over the next ten 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, 57.7 percent in FY12, but declined 3.9 percent in FY13, declined 17.9 percent in FY14, increased 13.7 percent in FY15, and increased 12.6 percent in FY16.

Recordation tax revenues (excluding the School CIP portion and the tax premium) track the trend in transfer tax revenues. Revenues from residential recordation tax revenues increased 20.1 percent in FY06, before declining 19.4 percent in FY07, 21.1 percent in FY08, 18.3 percent in FY09, increasing 25.3 percent in FY10, decreasing 18.3 percent in FY11, decreasing 4.2 percent in FY12, increasing 23.4 percent in FY13, increasing 9.4 percent in FY14, increasing 6.4 percent in FY15, and increasing 9.0 percent in FY16.

Energy Tax

Estimated FY18 revenues of $204.3 million are 1.1 percent above the revised FY17 estimate. The estimated revenues for FY18 are based on the County Executive's recommendation to continue the FY18 rates at the FY17 level. The revised revenue estimate for FY17 is 4.6 percent above the FY16 actual revenues. 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. Based on partial fiscal year data for FY17, Finance estimates that the share of receipts from residential users is approximately 32.9 percent of total collections, with the larger share is received from the non-residential sector (67.1%). Measured for all energy types, the two largest sources of total revenues based on partial fiscal year data for FY17 have been electricity (85.3%) and natural gas (14.7%).

Telephone Tax

Estimated FY18 revenues of $52.5 million are 3.0 percent above the revised FY17 estimate. The revised estimate for FY17 is 3.0 percent above the FY16 actual revenues. 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 FY18 revenues of $21.9 million are 3.5 percent above the revised FY17 estimate. The revised revenue estimate for FY17 is 8.9 percent above the FY16 actual revenues. The hotel/motel tax is levied as a percentage of the hotel bill. The current tax rate of 7.0 percent in FY17 is also assumed for FY18. 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 (FY17), Cherry Blossom Festival and school trips, while organizations often schedule conferences 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 FY18 revenues of $3.3 million are 3.0 percent above the revised FY17 estimate. The revised revenue estimate for FY17 revenues is 2.6 percent above the FY16 actual revenues. The revised estimate in FY17 is attributed to an estimated increase in revenues collected from amusement facilities and other activities excluding athletic facilities and events. 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 Countylevies a seven 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. For FY16, motion pictures accounted for 35.2 percent of total collections, while other major categories included athletic facilities (7.6%), and golf green fees, driving ranges and golf cart rentals (17.6%).

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 $1,053.2 million in FY18. This is a $19.0 million increase, or 1.8 percent, from the revised FY17 estimate, primarily attributed to an increase in General Intergovernmental Revenues (↑ 1.8%) and fees, licenses, fines, and other charges (↑ 1.1%). 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 FY18. 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. For future years, it is difficult to know how Federal and State aid policy may be implemented; therefore, the projection generally assumes intergovernmental aid will remain flat. The County Executive's Recommended Budget for FY18 assumes a $14.6 million, or 1.8 percent, increase in intergovernmental revenues from the revised FY17 estimate, of which 80.6 percent is allocated to the Montgomery County Public Schools, 4.2 percent to Montgomery Community College, and 4.7 percent to Mass Transit. Total intergovernmental revenue represents an estimated 80.0 percent of the total non-tax revenues for FY18.

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 FY18 assumes a 4.7 percent increase over the revised estimates for FY17, and $12.7 million in available resources in FY18.

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 FY18 assumes a decrease of 1.7 percent over the revised estimates for FY17, resulting in $69.6 million in available resources in FY18.

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 FY18 assumes that fines and forfeitures will increase 1.9 percent from the revised estimates for FY17, resulting in $28.7 million in available resources in FY18.

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 County Executive concurs with the Board of Trustees' recommendation to increase tuition $4/$8/$12. The Recommended Budget for FY18 includes a 2.8 percent increase in tuition revenue over the revised estimates for FY17, resulting in $81.7 million in available resources in FY18.

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 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 FY17 tax-supported investment income estimate of $2.6 million assumes a yield on equity of 0.70 percent and an average daily balance of $800.0 million. The FY18 projected estimate of tax-supported investment income of $4.0 million assumes a yield on equity of 1.20 percent and an average daily balance $800.0 million. 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. Since August 2007, the FOMC has reduced the target rate for federal funds from 5.25 percent to a range of 0.00-0.25 percent in December 2008. In December 2015, the FOMC raised the targeted federal funds to a range between 0.25 percent and 0.50 percent and again in December 2016 to a range between 0.50 and 0.75 percent. In calendar year 2017, the federal funds futures market expects the FOMC will raise the target three times.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY18, miscellaneous revenues will increase 6.4 percent from the revised estimates for FY17, resulting in $14.2 million in available resources in FY18.

PSP Fiscal Policy

INTRODUCTION

Definition and Purpose of Fiscal Policy

Fiscal policy corresponds to the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal planning, generally done within the context of the Public Services Program (PSP)/Operating Budget and the Capital Improvements Program (CIP)/Capital Budget, reflects and helps shape fiscal policy.

The budget process not only reflects those fiscal policies currently in force, but is itself a major vehicle for determining and implementing such policies. The fiscal policy statements presented on the following pages are not static. They evolve as the economy and fiscal environment change and as the County population and requirements for government programs and services change.

The purposes of fiscal policy for the PSP/Operating Budget are:

- **Fiscal Planning for Public Expenditures and Revenues.** Fiscal policy provides guidance for good public practice in the planning of expenditures, revenues, and funding arrangements for public services. It provides a framework within which budget, tax, and fee decisions should be made. Fiscal policy provides guidance toward a balance between program expenditure requirements and available sources of revenue to fund them. Fiscal planning considers long-term trends and projections in addition to annual budget planning.
- **Setting Priorities Among Programs.** Clearly defined and quantified fiscal limits encourage setting priorities by government managers and elected officials, thus helping to ensure that the most important programs receive relatively more funding.
- **Assuring Fiscal Controls.** Fiscal policies relating to County procurement of goods and services, to payment of salaries and benefits, to debt service, and to other expenditures are all essential to maintaining control of government costs over time.

Organization of this Section

Following are the major fiscal policies currently applied to the PSP/Operating Budget and financial management of Montgomery County (see the Recommended CIP for policies that relate more directly to the CIP). Numerous other fiscal policies that relate to particular programs or issues are not included here but are believed to be consistent with the guiding principles expressed below.

The presentation of fiscal policies is in the following order:

- Policies for fiscal control
- Policies for expenditures and allocation of costs
- Short-term fiscal and service policies
- Current CIP fiscal policies
- Policies for governmental management
- Policies for revenues and program funding

- Fiscal policy for user fees and charges
- Framework for fiscal policy

FISCAL CONTROL POLICIES

Structurally Balanced Budget

The County must have a goal of a structurally balanced budget. Budgeted expenditures should not exceed projected recurring revenues plus recurring net transfers minus the mandatory contribution to reserves for that fiscal year. Recurring revenues should fund recurring expenses. No deficit may be planned or incurred.

Reserves

The County must have a goal of maintaining an unrestricted General Fund balance of five percent of the prior year's General Fund revenues and building up a total reserve of ten percent of revenues including the Revenue Stabilization Fund by 2020, as defined in the Revenue Stabilization Fund law (Section 20-65, Montgomery County Code).

Use of One-Time Revenues

One-time revenues and revenues in excess of projections must be applied first to restoring reserves to policy levels or as required by law. If the County determines that reserves have been fully funded, then one-time revenues should be applied to non-recurring expenditures which are one-time in nature, PAYGO for the CIP in excess of the County's targeted goal, or to unfunded liabilities. Priority consideration should be given to unfunded liabilities for retiree health benefits (OPEB) and pension benefits prefunding.

PAYGO

The County should allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Fiscal Plan

The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available resources. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy level goals.

Budgetary Control

The County will exercise budgetary control (maximum spending authority) over Montgomery County government through County Council approval of appropriation authority within each department and special fund in two categories: Personnel Costs and Operating Expenses; over the Montgomery County Public Schools and Montgomery College through appropriations in categories set forth by the State; over the County's portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC) activities through approval of work programs and budgets; and over the Washington Suburban Transit Commission through appropriation of an operating contribution.

Budgetary control over the Washington Suburban Sanitary Commission (WSSC) is exercised following joint review with Prince George's County through approval of Operating and Capital Budgets, with recommended changes in sewer usage charges and rates for water consumption.

Budgetary control over the Housing Opportunities Commission (HOC) and the Montgomery County Revenue Authority is limited to approval of their capital improvements programs and to appropriation of an operating contribution to the Housing Opportunities Commission.

Financial Management

The County will manage and account for its Operating and Capital Budgets in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Basis of Budgeting/Accounting Method

The County's basis of accounting used in the preparation and presentation of its Comprehensive Annual Financial Report (CAFR) is consistent with GAAP for governments.

The County maintains its accounting records for tax supported budgets (the General Fund, special revenue funds, and Capital Projects fund supported by general tax revenues) and permanent funds on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred. Accounting records for proprietary funds and fiduciary funds, including private-purpose trust funds, are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. Agency funds are also accounted for on the full accrual basis of accounting.

The County's basis of budgeting for tax-supported and proprietary and trust fund budgets is consistent with the existing accounting principles except as noted below.

- The County does not legally adopt budgets for trust funds.
- The County legally adopts the budgets for all enterprise funds.
- For the Motor Pool and Central Duplicating Internal Service Funds, the appropriated budgets for those funds are reflected in the appropriated budgets of the operating funds (General Fund, special revenue funds, etc.) that are charged back for such services, and in a reappropriation of the prior year's Internal Service Fund fund balance. For the Liability and Property Coverage Self-Insurance and Health Self-Insurance Internal Service Funds, appropriation exists both in a separate legally adopted budget for each fund, and in the appropriated budgets of the operating departments that are charged back for such services.
- Debt service payments and capital outlay are included in the operating budgets of proprietary funds.
- Proprietary fund budgets do not include depreciation and amortization. Instead, capital outlay and construction costs, as applicable, are budgeted in the operating and capital funds, respectively, at the time of purchase and/or encumbrance. Proprietary fund budgets also do not include bad debts.
- The County budgets certain capital lease payments in tax supported funds; however, these lease costs are reclassified to the Debt Service fund for accounting purposes.
- The County does not budget for the retirement of Commercial Paper Bond Anticipation Notes (BANs) through the issuance of general obligation bonds.
- Certain amounts, such as those relating to the purchase of new fleet vehicles and certain inter-fund services such as permitting and solid waste services, are budgeted as fund expenditures but are reclassified to inter-fund transfers for accounting purposes.
- Year-end GAAP incurred but not reported (IBNR) adjustment amounts in the self-insurance internal service funds are not budgeted; any such adjustments to IBNR claims reserve as of year-end are incorporated into the budget preparation process of the following fiscal year.
- Proprietary fund budgets include the annual required contribution to pre-fund retiree health insurance benefit costs;

however, certain pre-funded retiree health insurance related costs in the proprietary funds and General Fund may be reclassified for accounting purposes.

- Proceeds from debt issued specifically for Montgomery Housing Initiative (MHI) affordable housing/property acquisition is classified as a resource in the MHI fund.
- The County does not budget for the annual change in fair market value of its investments, which is included in revenue for accounting purposes.
- The County does not budget for the operating results of the Montgomery County Conference Center, owned by the County and administered by a third party; instead, the budget includes cash distributions between the parties that represent distribution of net operating revenues and reimbursement for net operating losses.

Internal Accounting Controls

The County will develop and manage its accounting system to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Audits

The County will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the County, its officials, and employees in compliance with local, state, and federal law.

POLICIES FOR EXPENDITURES AND ALLOCATION OF COSTS

Content of Budgets

The County will include in the Operating Budget all programs and facilities which are not included in the Capital Improvements Program. There are three major impacts of the Capital Improvements Program (CIP) on Operating Budgets: debt service; current revenues applied to the CIP for debt avoidance or for projects which are not debt-eligible; and presumed costs of operating newly opened facilities. Please refer to the Capital Improvements Program (CIP) section in this document for more detail.

Expenditure Growth

The Charter (Section 305) requires that the County Council annually adopt and review spending affordability guidelines for the Operating Budget, including guidelines for the aggregate Operating Budget. The aggregate Operating Budget excludes Operating Budgets for: enterprise funds; grants; tuition and tuition-related charges of MontgomeryCollege; and the Washington Suburban Sanitary Commission. County law implementing the Charter requires that the Council set expenditure limits for each agency, as well as for the total, in order to provide more effective guidance to the agencies in the preparation of their budget requests.

Spending affordability guidelines for the Capital Budget and Capital Improvements Program are adopted in odd-numbered calendar years. They have been interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first and second years of the CIP and for the entire six years of the CIP.

Any aggregate budget that exceeds the guidelines then in effect requires the affirmative vote of seven Councilmembers for approval.

The Executive advises the Council on prudent spending affordability limits and makes budget recommendations for all agencies consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years.

Consistent with the Charter (Section 302) requirement for a six-year Public Services Program, the Executive continues to improve long-range displays for operating programs.

Allocation of Costs

The County will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures, the inability of some citizens to pay the full costs of certain benefits, and the difficulty of measuring the relationship between public costs and public or private benefits of some services.

Tax Duplication Avoidance

In accordance with law, the County will reimburse those municipalities and special taxing districts which provide public services that would otherwise be provided by the County from property taxes.

Expenditure Reduction

The County will seek expenditure reductions whenever possible through efficiencies, reorganization of services, and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness. The County will seek interagency opportunities to improve productivity.

Shared Provision of Service

The County will encourage, through matching grants, subsidies, and other funding assistance, the participation of private organizations in the provision of desirable public services when public objectives can be more effectively met through private activity and expertise and where permitted by law.

Public Investment in Infrastructure

The County will, within available funds, plan and budget for those facilities and that infrastructure necessary to support its economy and those public programs determined to be necessary for the quality of life desired by its citizens.

Cost Avoidance

The County will, within available funds, consider investment in equipment, land or facilities, and other expenditure actions, in the present, to reduce or avoid costs in the future.

Procurement

The County will make direct or indirect purchases through a competitive process, except when an alternative method of procurement is specifically authorized by law, is in the County's best interest, and is the most cost-effective means of procuring goods and services.

Use of Restricted Funds

In order to align costs with designated resources for specific programs or services, the County will generally first charge expenses against a restricted revenue source prior to using general funds. The County may defer the use of restricted funds based on a review of the specific transaction.

SHORT-TERM FISCAL AND SERVICE POLICIES

Short-term policies are specific to the budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves the County Executive's priorities within the context of current and expected economic realities.

The outlook going into the FY18 budget cycle was one of significant uncertainty. The impacts on revenues and programs related to the new federal administration are unclear; however, the current administration's stated intentions to decrease federal spending would seem to indicate the potential for depressed revenues.

In addition, the County is facing future revenue reductions related to the Wynne case. In May 2015, the Supreme Court upheld the decision of the Maryland Court of Appeals in the Wynne income tax case, which held that the State of Maryland's failure to allow a credit with respect to the County income tax for out-of-state income taxes paid to other states for certain income earned in those states violates the Commerce Clause of the United States Constitution. As a result of the decision, the County's revenue baseline has been reduced to reflect the retroactive liability from past income tax filings as well as the on going annual impact related to the change in the taxability of this source of income. The annual impact of this ruling is estimated to be $29.9 million, and the repayment to the State for retroactive liability from past income tax filings is estimated to be $136.6 million spread over 20 quarters starting in the fourth quarter of FY19.

The following additional factors and events shaped the budget environment and helped to drive budget planning for FY18:

- The unwillingness to raise property tax revenues after the significant increase in FY17 along with low inflation means a relatively small increase in additional property tax revenues in FY18.
- Increased costs associated with labor agreements, pre-funding of retiree health insurance, the operating costs of new facilities, and other costs related to programmatic obligations.
- The cumulative effects of the many efficiencies and reductions the County had implemented over the last several years to cope with shrinking revenues and tight budgets. These actions have limited the County's flexibility in responding to continued fiscal pressures.
- Uncertainty regarding potential reductions in Federal and State revenues or costs shifted to the County by the state.
- Uncertainty regarding the economic and programmatic impacts of possible changes in federal budgets, policies, and laws.

The FY17 Six-Year Fiscal Plan, approved by the County Council in June 2016, projected a 0.1 percent decline in resources available to fund the budgets of County Government departments, Montgomery County Public Schools, Montgomery College, and the Maryland-National Capital Park and Planning Commission driven largely by relatively modest revenue growth, increased obligations related to debt service and retiree health insurance, and the resumption of a more typical capital budget current revenue funding level in FY18. The Budget Director estimated an FY18 budget gap of over $130 million in the December 2016 Fiscal Plan Update based on updated and reduced revenue estimates, Council initiated increased capital budget spending of FY17 current revenue, and contingency planning for weather events. In preparing FY18 operating budget submissions, departments were asked to submit budget reductions of two percent and to develop contingency plans for reductions of up to three percent. At the same time, the County Executive emphasized that the County would continue to focus on preserving core services: education, public safety, programs for youth, and services to the most vulnerable (including senior citizens).

To cope with these fiscal challenges while ensuring that the County Executive's priorities are met and acknowledging the sacrifices of County employees and the cumulative efforts of County departments to curtail spending during the past several years, the County implemented a number of new or modified short-term policies and initiatives to control FY17 spending and reduce the FY18 budget gap:

- Implemented tighter controls on carrying over prior year encumbrances;
- Improved systems for identifying turnover cost savings to avoid the need for reductions that negatively impacted services;
- Continued restrictions on new procurements over $50,000 (grants, non-tax supported funds, and Capital Improvements Program procurements continued to be exempt;
- Continued initiatives undertaken to maintain the County's fiscal policies and its commitments to the bond rating agencies to protect its AAA bond rating.
- Required that departments with projected overspending in their mid-year expenditure analysis implement corrective actions.

There were also challenges in developing the biennial FY17-22 Capital Improvements Program (CIP) as the County reprioritized projects to take advantage of opportunities to achieve significant cost savings and leverage non-County money. For example, the County was able to incorporate a long-desired South County Regional Aquatic and Recreation Center into a Housing Opportunities Commission affordable housing project in a cost-effective manner. Similarly, the County received a $10 million federal Transportation Investment Generating Economic Recovery grant which required County matching funds to expedite implementation of a new Bus Rapid Transit program on US Route 29. At the same time, Recordation Tax and School Impact Tax revenues which are allocated to schools projects were expected to increase from FY17-FY22. Due to the known future pressures on the CIP related to the Montgomery County Public Schools' substantial facility capacity and modernization needs, the County Executive recommended holding those increased funds for FY19-22 in set-aside for future school funding requests in the upcoming FY19-24 CIP since the schools system had not requested use of these funds in the biennial CIP. The County Executive's recommended FY17-22 CIP also prioritizes investments in economic development core infrastructure, and key transportation projects such as the Purple Line. As a result, very few new projects were included in the recommended biennial FY17-22 CIP, and a number of previously approved projects were delayed beyond FY22.

After the departments submitted their budgets, the Office of Management and Budget coordinated several high-level working groups or "clusters." The clusters focused on the following cross-cutting issues affecting multiple departments:

- Positive Youth Development
- Seniors
- Public Safety
- Information Technology
- Criminal Justice
- Facility Maintenance
- Risk Management
- Space Allocation

The clusters included all departments affected by - or affecting - the cluster issue. Department heads or designees attended cluster meetings. The purpose of these clusters, which facilitates a collaborative approach to budgeting in the County, was to review existing programs and policies within the County and determine if there were enhancements or efficiencies which could be made across County Government. The conclusions and recommendations of the clusters were presented to the County Executive and Chief Administrative Officer for their use in making final budget decisions.

These short-term fiscal policies and actions have been critical in shaping the County Executive's proposed FY18 operating budget. Together with the long-term policies described elsewhere in this chapter, the short-term policies described here have allowed the County to construct a balanced, fiscally responsible budget consistent with current economic and fiscal realities while achieving the County Executive's key priorities.

CURRENT CIP FISCAL POLICIES

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.
- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available in a set-aside for future needs.

Policy on Funding CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have a useful life at least approximately as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue as its funding source. It is County fiscal policy that financing in partnership situations ensure that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County adheres to the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation. This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund. This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds.

Overall Debt per Capita. This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten Year Payout Ratio. This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per Capita Debt to Per Capita Income. This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with 5 percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio (see Debt Limits, below). Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be useful in situations where project expenditures are eligible for long-term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified ultimate funding source, and should be repaid within the short-term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on Use of Short-Term Financing

Short-term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long-term financing is not appropriate. Short-term financings in the CIP are also of a larger size or magnitude than smaller purchases typically financed with short-term Master Lease financing.

Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give

highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Impact Tax - Transportation. The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016. These taxes are levied at four zone rate schedules: transit-oriented and urban Red Policy Areas (former Metro Station Policy Areas), mixed urban/suburban Orange Policy Areas (formerly part of the general impact district), suburban Yellow Policy Areas (formerly part of the general impact tax district), and rural Green Policy Areas (e.g. agricultural reserve).

Impact Tax - Schools. Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same countywide but vary by housing type, commensurate with the average student generation rates of that type of residential development. The County Council established new School Impact Tax rates in November 2016.

School Facilities Payment. A school facilities payment is applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment is made on a per-student basis, based upon standard student generation rates of that type of residential development. As of March 1, 2017, the School Facilities Payment only applies to development projects that were included in a preliminary plan of subdivision prior to this date.

Development Approval Payment (DAP). In November 1993, the Council created an alternative voluntary review procedure for Metro Station Policy Areas as well as limited residential development. The DAP permits development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates.

Development Districts. Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional, special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

Systems Development Charge (SDC). This charge, enacted by the 1993 Maryland General Assembly, authorized WSSC to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

GOVERNMENTAL MANAGEMENT POLICIES

Productivity

The County will seek continuous improvement in the productivity of County programs in terms of quantity of services relative to resources expended, through all possible strategies.

Employee Involvement

The County will actively encourage and make use of the experience and expertise of its workforce for optimum program effectiveness and cost-efficiency of public service delivery through training, teamwork, employee empowerment, and other precepts of quality management.

Intergovernmental Program Efforts

The County will seek program efficiencies and cost savings through cooperative agreements and joint program efforts with other County agencies, municipalities, regional organizations, and the State and Federal governments.

Alternative Service Delivery

The County will consider obtaining public service delivery through private or non-profit sectors via contract or service agreement, rather than through governmental programs and employees, when permitted by law, cost-effective, and consistent with other public objectives and policies.

Risk Management

The County will control its exposure to financial loss through a combination of commercial and self-insurance; self-insure against all but highest cost risks; and aggressively control its future exposure through a risk management program that allocates premium shares among agencies based on loss history.

Employee Compensation

The County will seek to provide total compensation (pay plus employee benefits) that is comparable to jobs in the private sector; comparable among similar jobs in the several County departments and agencies; and comparable between employees in collective bargaining units and those outside such units.

The government will act to contain the growth of compensation costs using various strategies including organizational efficiencies within its departments and agencies, management efficiencies within its operations and service delivery, and productivity improvements within its workforce.

Pension Funds

The County will, to assure the security of benefits for current and future retirees and the solvency of the Employee Retirement System of Montgomery County, provide for the judicious management and investment of the fund's assets through the Board of Investment Trustees (BIT), and strive to increase the funding ratio of assets to accrued liability. The BIT also selects the service providers and investment options available for employees participating in the Retirement Savings Plan and the Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees.

Retiree Health Benefits Trust

The County intends to comply with GASB Statement 45 by reporting its expenses related to retiree health insurance benefits on its financial statements, starting with the fiscal year beginning July 1, 2007 (FY08). The County phased-in full pre-funding of its Annual Required Contribution (ARC), from the previous pay-as-you-go approach, beginning with contributions to one or more trust funds established for that purpose, over an eight-year period beginning with FY08. This approach allows the County to use a discount rate higher than its operating investment rate for accounting and budgeting purposes, which will result in lower costs and liabilities than if the County did not have a Trust in place.

Surplus Property

The County will maximize the residual value of land parcels or buildings declared excess to current public needs through public reuse, lease to appropriate private organizations, or sale, in order to return them to the tax base of the County. Disposition of goods which have become obsolete, unusable, or surplus to the needs of the County will be accomplished through bid, auction, or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.

Fiscal Impact Reviews

The County will review proposed local and State legislation, regulations, and master plans for specific findings and recommendations relative to financial and budgetary impacts and any continuing and potential long-term effects on the operations of government.

Economic Impact Statements

The County will review proposed local and State legislation, and regulations for specific findings and recommendations relative to economic impacts for any continuing and potential long-term effects on the economic well-being of the County.

Resource Management

The County will seek continued improvement in its budgetary and financial management capacity in order to reach the best possible decisions on resource allocation and the most effective use of budgeted resources.

POLICIES FOR REVENUES AND PROGRAM FUNDING

Diversification of Revenues

The County will establish the broadest possible base of revenues and seek alternative revenues to fund its programs and services, in order to:

- Decrease reliance on general taxation for discretionary but desirable programs and services and rely more on user fees and charges;
- Decrease the vulnerability of programs and services to reductions in tax revenues as a result of economic fluctuations; and
- Increase the level of self-support for new program initiatives and enhancements.

Revenue Projections

The County will estimate revenues in a realistic and conservative manner in order to minimize the risk of a funding shortfall.

Property Tax

The County will, to the fullest extent possible, establish property tax rates in such a way as to:

- Limit annual levies so that tax revenues are held at or below the rate of inflation, or justify exceeding those levels if extraordinary circumstances require higher rates;
- Avoid wide annual fluctuations in property tax revenue as economic and fiscal conditions change; and
- Fully and equitably obtain revenues from new construction and changes in land or property use.

A 1990 amendment to the County Charter (Section 305), "Question F," limits the annual increase in real property tax revenue to the rate of inflation plus that associated with new construction, rezoning, changes in property use, and development districts. As a result of a Charter amendment approved by voters in 2008, this limit may not be overridden without an affirmative vote of nine Councilmembers.

County Income Tax

The County will maintain the rate for the local personal income tax within the limits specified in the Maryland Code, Tax-General Article, Section 10-106.

Special Districts

The County has established special districts within which extra services, generally not performed countywide, are provided and funded from revenues generated within those districts. Examples are the Urban, Recreation, and Parking Lot Districts. The County will also abolish special districts when the conditions which led to their creation have changed.

Most special districts have a property tax to pay all or part of the district expenses. Such property taxes are included in the overall limit set on annual real property tax revenue increases by Section 305 of the County Charter.

Special Funds

The revenues and expenditures of special districts are accounted for in special revenue funds or, in the case of Parking Lot Districts, in enterprise funds. As a general principle, these special funds pay an overhead charge to the General Fund to cover the management and support services provided by General Fund departments to these special fund programs.

When the fund balances of special funds grow to exceed mandated or otherwise appropriate levels relative to district public purposes, the County may consider transferring part of the fund balance to support other programs, as allowed by law. For example, a portion of the PLDs' fee revenue is transferred to the Urban Districts.

Enterprise Funds

The County will, through pricing, inventory control, and other management practices, ensure appropriate fund balances for its enterprise funds while obtaining full cost recovery for direct and indirect government support, as well as optimal levels of revenue transfer for General Fund purposes.

One-Time or "Windfall" Revenues

Except for excess revenues which must go to the Revenue Stabilization Fund (see below), the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Intergovernmental Revenues

The County will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the County's interest. Where possible, Federal or State funding for the full cost of the program will be requested, including any indirect costs of administering a grant-funded program. For reasons of fiscal prudence, the County may choose not to solicit grants that will require an undeclared fiscal commitment beyond the term of the grant.

User Fees and Charges

The County will charge users directly for certain services and use of facilities where there is immediate and direct benefit to those users, as well as a high element of personal choice or individual discretion involved, rather than fund them through general taxation. Such charges include licenses, permits, user fees, charges for services, rents, tuition, and sales of goods. This policy will also be applied to fines and forfeitures. See also: "Policies for User Fees and Charges," later in this Fiscal Policy section.

Cash Management and Investments

The objective of the County's cash management and investment program is to achieve maximum financial return on available funds while assuring a high level of safety. Cash will be pooled and invested on a daily basis reflecting the investment objective priorities of capital preservation, liquidity, and yield.

Reserves and Revenue Stabilization

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"). It is the County's policy to increase and maintain the budgeted total reserve of the General Fund and the Revenue Stabilization Fund to 10 percent of Adjusted Governmental Revenues by 2020. As defined in the Revenue Stabilization Fund law, Adjusted Governmental Revenues include the tax supported revenues of the County government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and Maryland-National Capital Park and Planning Commission, plus the revenues of the County Government's grant fund and capital projects fund.

Reserves in the County Government's other tax supported funds should be minimized to support the policy of maximizing reserves in the General Fund.

The County's Revenue Stabilization Fund was established to accumulate funds during periods of strong economic growth in order to provide budgetary flexibility during times of funding shortfalls. Contributions of at least 0.5 percent of Adjusted Governmental Revenues up to the 10 percent total reserve goal must be made to the Revenue Stabilization Fund. If greater, 50 percent of certain excess revenues must be transferred to the Fund. By an affirmative vote of six Councilmembers, the Council may transfer any amount from the Fund to the General Fund to support appropriations which have become unfunded.

The budgeted reserve levels for non-tax supported funds are established by each government agency and vary based on the particular fiscal requirements and business functions of the fund as well as any relevant laws, policies, or bond covenants.

The table at the end of this chapter displays the projected ending fund balance for each major fund in the County's operating budget and includes an explanation of changes greater than ten percent.

POLICIES FOR USER FEES AND CHARGES

To control the growth of property taxation as the County's principal revenue source, there is a need to closely allocate certain costs to those who most use or directly benefit from specific government programs and services. Fees and charges are those amounts received from consumers of government services or users of facilities on the basis of personal consumption or private benefit rather than individual income, wealth, or property values. Significant government revenues are and should be obtained from licenses, permits, user fees, charges for services, transit fares, rents, tuition, sales, and fines. The terms "fee" and "charge" are used here interchangeably to include each of these types of charges.

Purpose of User Fee Policy

Access to programs and services. The imposition of and level of fees and charges should be set generally to ensure economic and physical access by all residents to all programs and services provided by the government. Exceptions to this basic public policy are: the pricing of public goods (such as parking facilities) in order to attain other public policy objectives (such as public use and support of mass transit); and using a charge to enforce compliance with laws and regulations, such as fines for parking violations.

Fairness. User fees and charges are based on the idea of equity in the distribution of costs for government programs and services, with the objective of sharing those costs with the individual user when there is individual choice in the kind or amount of use, and of adjusting charges in accordance with individual ability to pay when there is no choice.

Diversification of revenue sources. User fees and charges enhance the government's ability to equitably provide programs and services which serve specific individuals and groups and for which there is no other alternative provider available. The policy objective is to decrease reliance on general revenues for those programs and services which produce direct private benefits and to fund such programs and services through revenues directly related to their costs and individual consumption.

Goals

Goals for the imposition of user fees and charges include:

- Recovery of all, or part, of government costs for the provision of certain programs and services to the extent that they directly benefit private individuals or constituencies rather than the public at large;

- Most efficient allocation of available public resources to those programs meeting the broadest public need or demand;
- More effective planning and alternative choices for future programs, services, and facilities through "market" information from actual user demand;
- Improved cost-effectiveness and accountability for the spending of public funds by allowing individual citizens to choose their level of use from among those programs, services, and facilities where individual choice may be exercised; and
- Ensuring dedicated sources of funds to cover the costs of programs and services of direct benefit to designated special areas or user groups rather than the County as a whole.

Criteria

Within these goals, government officials must consider a variety of factors in deciding whether to employ fees and charges and what rates to charge. Each proposal for a new or increased fee is evaluated according to these criteria.

Public benefit. Many programs benefit the public as a whole as well as those who directly use the service. By definition, all programs offered by government have some public benefit or they should not be undertaken. However, the rate set must balance the private benefit with the public good so that there is maximum overall benefit to the community, and the costs are fairly allocated.

This balance may be achieved either by specifying a percentage of cost recovery (from users) or by a tax subsidy for each service (from the general public). The greater the public benefit, the lower the percentage of cost recovery that is appropriate. On one end of the scale, public utilities such as water and sewer should be paid for almost entirely on the basis of individual consumption, with full cost recovery from consumer-users; on the other, public education and public safety (police and fire service) are required for the overall public good and so are almost entirely supported through general taxation.

In between are services such as public health inspections or clinic services which protect the public at large but which are provided to specific businesses or individuals; facilities such as parks which are available to and used by everyone; and playing fields, golf courses, or tennis courts which serve only special recreational interests. Services that have private benefit for only a limited number of persons (such as public housing, rent or fuel subsidies) should not be "free" unless they meet very stringent tests of public good, or some related criteria such as essential human needs.

Ability to pay. Meeting essential human needs is considered a basic function of government, and for this reason programs or services assisting the very poor are considered a "public good" even though the benefit may be entirely to individuals. Whether to assess fees and how much to charge, depends on the ability to pay by those who need and make use of programs and services provided by government.

Without adjustment, fees are "regressive" because rates do not relate to wealth or income. For this reason, services intended mainly for low-income persons may charge less than otherwise would be the case. Policies related to fee scales or waivers should be consistent within similar services or as applied to similar categories of users. Implementation of fee waivers or reductions requires a means for establishing eligibility that is fair and consistent among programs. The eligibility method also must preserve the privacy and dignity of the individual.

User discretion. Fees and charges are particularly appropriate if the user has a choice about whether or not to use a particular program or service. Individuals have choices as to: forming a business that requires a license; use of particular recreational facilities; obtaining post-secondary education; or in transportation and related facilities. When fines represent a penalty to enforce public law or regulation, citizens can avoid the charge by compliance; fines should be set at a point sufficient to deter non-compliant behavior. The rates for fines and licenses may exceed the government cost of providing the related "service" when either deterrence or rationing the special "benefit" is desired as a matter of public policy.

Market demand. Services which are fee-supported often compete for customer demand with similar services offered by private firms or by other public jurisdictions. Fees for publicly-provided goods cannot be raised above a competitive level without loss of patronage and potential reduction in cost-effectiveness. Transit fares, as a user charge, will compete with the individual's real or perceived cost of alternative choices such as the use of a private automobile. In certain cases, it may be advisable to accept a loss of volume if net revenue increases, while in others it may be desirable to set the fee to encourage use of some other public alternative.

Specialized demand. Programs with a narrow or specialized demand are particularly suitable for fees. The fee level or scale may be set to control the expansion of services or programs in which most of the public does not need or elect to participate. Services that have limitations on their availability may use fee structures as a means of rationing available capacity or distributing use over specific time periods. Examples include golf courses, parking, and transit fares, all of which have differentiated levels related to time of use. Even programs or services which benefit all or most residents may appropriately charge fees if their benefits are measurable but unequal among individuals. Charges based on consumption, such as water and sewer provision, are examples. In addition, because they do not pay taxes, non-residents may be charged higher rates than residents (as with community college tuition), or they may be charged a fee even if a program is entirely tax supported for County residents.

Legal constraints. State law may require, prohibit, regulate, or preempt certain existing or proposed user charges. In general, local government has no authority to tax unless specifically authorized by State law. Localities are generally able to charge for services if those charges are authorized by local ordinance and not prohibited, regulated, or preempted by State law. If a proposed fee is legally construed as a tax, then the fee may be invalidated until authorized as a tax by the State. Federal or State law may also prohibit or limit the use of charges for certain grant programs, and other Federal or State assistance may require the local authority to "match" certain amounts through imposition of charges. It should be noted that law on such issues is frequently in dispute; particular fees, or the level of charge, may be subject to legal challenge.

Program cost. The cost of a program or service is an important factor in setting user charges. Costs may include not only the direct personnel and other costs of operating a program, but also indirect costs such as overhead for government support services. In addition, a fee may be set to recover all or part of facilities construction or debt service costs attributable to a program. Recovery of any part of the costs of programs benefiting specific individuals should identify and consider the full cost of such programs or services to acknowledge the cost share which will be borne by the public at large.

Reimbursement. A decision on whether to use fees is influenced by the possibility of reimbursement or shifting of real costs that can lower the net cost to the resident. For example, some County taxes are partially deductible from Federal or State income tax, while fees and charges may not be deducted. Hence, the same revenue to the County may cost less to the resident if it is a tax rather than a fee. Charges may also be reimbursed to (shifted from) the paying individual from (or to) other sources, either governmental or private. For example, ambulance transport charges may be payable under health insurance. In general, the County will use fees to minimize the real cost to residents, within the context of equity and other criteria noted.

Administrative cost. The government incurs administrative costs to measure, bill, and collect fee revenues. In general, it is less expensive to collect tax revenue. If a potential user fee revenue will cost more to collect than it will produce, it may not be appropriate to assess a fee even if otherwise desirable and appropriate. It is important to develop ways to measure the use of services which do not cost more than the usefulness or fairness of doing the measurement. For example, "front footage" has been used as a measurement basis for assessing certain charges related to road improvements and supply of water and sewer, to avoid the administrative cost of precisely measuring benefit. Similarly, the cost of effective collection enforcement must be weighed against total benefits of the charge, including the value of deterrence if the charge is punitive.

Preserving the real value of the charge. During the period when a fee has been in effect, costs have usually risen and inflation has cut the real value of revenue produced by the fee. In some instances, adjustments to user charges have either not been imposed or have lagged behind inflation. The rate of the charge should be increased regularly to restore the former value of the revenue involved. Most fees and charges should be indexed so that their per unit revenues will keep up with inflation.

Legal Framework

Fiscal policy is developed and amended, as necessary, according to:

- Federal law and regulation;
- Maryland law and regulation;
- Montgomery County Charter; and
- Montgomery County law and regulation.

Fiscal Planning Projections and Assumptions

Various trends and economic indicators are projected and analyzed for their impacts on County programs and services and for their impact on fiscal policy as applied to annual Operating Budgets. Among these are:

- Inflation, as measured by change in the Consumer Price Index (CPI) for the Washington-Baltimore area, is an important indicator of future costs of government goods and services, including anticipated wage and salary adjustments. The CPI change also specifies the increase in property tax revenue allowed by Section 305 of the Charter without a unanimous vote of nine Councilmembers.
- Growth of population and jobs, which are principal indicators of requirements for new or expanded programs and services.
- Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of the requirements and costs of various government services and programs.
- The assessable property tax base of the County which is the principal indicator of anticipated property tax collections, a major source of general revenues.
- Personal income earned by County residents, which is a principal basis for projecting income tax revenues as one of the County's major revenue sources, as well as being a basis for determining income eligibility status for certain government programs.
- Employment growth and unemployment rates within the County, as indicators of personal income growth as a revenue source, as well as being indicators of various service or program needs, such as day care or public welfare assistance.

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of annual operating expenditures must be in conformity with GAAP standards. This involves the separate identification of, and accounting for, the various operating funds; adherence to required procedures such as transfers between funds and agencies; and regular audits of general County operations and special financial transactions such as the disbursement of Federal grants.

Credit Markets and Credit Reviews

The County's ability to borrow cost-effectively depends upon its credit standing as assessed by the three major credit rating agencies: Moody's, Standard and Poor's, and Fitch. While key aspects of maintaining the highest credit rating are related to the management of the County's Capital Improvements Program (CIP), others are directly applicable to the annual Operating Budgets:

- Maintenance of positive fund balances (reserves) to ensure continued County liquidity for debt repayment; and

- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations.

Intergovernmental Agreements

Fiscal policy for operating budgets must provide guidance for, and be applied within, the context of agreements made between the County and other jurisdictions or levels of government relative to program or service provision. Examples include agreements with:

- Incorporated municipalities or special tax districts for reimbursement of the costs of various services provided by those units for their residents which would otherwise have to be expended by the County;
- State agencies for shared costs of various social service programs and for participation in various grant and loan programs;
- Federal agencies to obtain support to meet mutual program objectives through programs such as the Community Development Block Grant; and
- Prince George's County on the annual approval of the budgets of the Washington Suburban Sanitary Commission and the Maryland-National Capital Park and Planning Commission.

CIP Fiscal Policy

DEFINITION AND PURPOSE OF FISCAL POLICY

Fiscal policy is the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal policy for the Capital Improvements Program (CIP) focuses on the acquisition, construction, and renovation of public facilities and on the funding of such activities, with special attention to both long-term borrowing, and increasingly, short-term debt.

The purposes of the CIP fiscal policy are:

- To encourage careful and timely decisions on the relative priority of programs and projects;
- To encourage cost effectiveness in the type, design, and construction of capital improvements;
- To ensure that the County may borrow readily for essential public improvements; and
- To keep the cost of debt service and other impacts of capital projects at levels affordable in the operating budget.

The County Charter (Article 3, Sections 302 and 303) provides that the County Executive shall submit to the Council, not later than January 15 of each even-numbered calendar year, a comprehensive six-year program for capital improvements. This biennial Capital Improvements Program takes effect for the six-year period which begins in each odd-numbered fiscal year. The Charter provides that the County Executive shall submit a Capital Budget to the Council, not later than January 15 of each year.

The County Executive must also submit to the Council, not later than March 15 of each year, a proposed operating budget, along with comprehensive six-year programs for public services and fiscal policy. The Public Services Program (PSP)/Operating Budget and Capital Improvements Program (CIP)/Capital Budget constitute major elements in the County's fiscal planning for the next six years. Fiscal policies for the PSP and CIP are parts of a single consistent County fiscal policy.

In November 1990, the County's voters approved an amendment to Section 305 of the Charter to require that the Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP are interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first year and the second year of the CIP, and for the entire six years of the CIP. Spending affordability guidelines are adopted in odd-numbered calendar years. Since 1994, the Council, in conjunction with the Prince George's County Council, adopted one-year spending limits for WSSC. These spending control limits include guidelines for new debt and annual debt service.

CURRENT CIP FISCAL POLICIES

The fiscal policies followed by the Executive and Council are relatively stable, but not static. They evolve in response to changes in the local economy, revenues and funding tools available, and requirements for public services. Also, policies are not absolute; policies may conflict and must be balanced in their application. Presented here are the CIP fiscal policies currently in use by the County Executive.

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.

- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available for future needs.

Policy on Funding CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have an approximate useful life at least as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. It is County fiscal policy that financing in partnership situations ensure that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies, assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County uses the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation - This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund - This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds.

Overall Debt per Capita - This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten-year Payout Ratio - This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per Capita Debt to Per Capita Income - This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit, and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with five percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio. Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-Backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be used in exceptional circumstances where project expenditures are eligible for long term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified and reliable ultimate funding source, and should be repaid within the short term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on Use of Short Term Financing

Short-term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long-term financing is not appropriate. Short-term financings in the CIP are also of a larger size or magnitude than smaller purchases typically financed with short-term Master Lease financing.

Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" (PAYGO) financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Impact Tax - Transportation. The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016. These taxes are levied at four zone rate schedules: transit-oriented and urban Red Policy Areas (former Metro Station Policy Areas), mixed urban/suburban Orange Policy Areas (formerly part of the general impact district), suburban Yellow Policy Areas (formerly part of the general impact tax district), and rural Green Policy Areas (e.g. agricultural reserve).

Impact Tax - Schools. Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same countywide but vary by housing type, commensurate with the average student generation rates of that type of residential development. The County Council established new School Impact Tax rates in November 2016.

School Facilities Payment. A school facilities payment is applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment is made on a per-student basis, based upon standard student generation rates of that type of residential development. As of March 1, 2017, the School Facilities Payment only applies to development projects that were included in a preliminary plan of subdivision prior to this date.

Development Approval Payment (DAP). In November 1993, the Council created an alternative voluntary review procedure for Metro Station Policy Areas as well as limited residential development. The DAP permits development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates.

Development Districts. Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional, special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

Systems Development Charge (SDC). This charge, enacted by the 1993 Maryland General Assembly, authorized WSSC to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

DETAILED DESCRIPTION OF CIP FUNDING SOURCES

Within each individual capital project, the funding sources for all expenditures are identified. There are three major types of funding for the Capital Improvements Program: current revenues (including PAYGO); proceeds from bonds and other debt instruments; and grants, contributions, reimbursements, or other funds from intergovernmental and other sources.

Current Revenues

Cash contributions used to support the CIP include: transfers from general revenues, special revenues, and enterprise funds; investment income on working capital or bond proceeds; proceeds from the sale of surplus land; impact taxes, development approval payments, systems development charges, and the expedited development approval excise tax; and developer contributions. The source and application of each are discussed below.

Current Revenue Transfers. When this source is used for a capital project, cash is allocated to the capital project directly from the General, Special, or Enterprise Funds to finance direct payment of some or all of the costs of the project. The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Use of current revenues is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time. Current revenues from the General Fund are used for designated projects which involve broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

PAYGO is current revenue set aside in the operating budget, but not appropriated. PAYGO is used to replace bonds for debt-eligible expenditures. PAYGO is planned to be ten percent of bonds planned for issue.

Recordation Tax Starting in FY03, the County raised the recordation tax rate and earmarked revenues generated from the increase to the Montgomery County Public Schools (MCPS) capital budget and Montgomery College information technology projects. In 2008, the County enacted an additional rate premium with revenues generated from half of that premium allocated to Montgomery County Government capital projects.

Proceeds from the Sale of Public Property. When the County sells surplus land or other real property, proceeds from the sales are deposited into the Land Sale account, and are then used to fund projects in the CIP. By law, 25 percent of the revenue from land sales must be directed to the Montgomery Housing Initiative (MHI) Fund to promote a broad range of housing opportunities in the County. Properties may be excluded from the 25 percent requirement if they are within an area designated as urban renewal or by a waiver from the County Executive. Generally, land sale proceeds are not programmed in the capital budget until they are received; however, in some instances where signed land sale agreements have been executed, future land sale proceeds may be programmed.

Impact Taxes are specific charges to developers to help fund improvements to transportation and public school infrastructure. School impact taxes are charged at one rate Countywide for each type of housing. There are four sets of rates for the transportation impact tax: the majority of the County (the general area), designated Metro station areas, Clarksburg, and White Flint.

All new development (residential or commercial) within the designated areas is subject to payment of applicable impact taxes as a condition to receiving building permits. The tax rates are set by law to be calculated at the time a developer pays the tax. This payment would occur by the earlier of two dates - either at the time of final inspection or within six or twelve months after the building permit was issued depending on the type of development.

Since revenues to be obtained from impact taxes may not be paid for a number of years, other funding is sometimes required for funding project construction, predicated on eventual repayment from impact taxes.

Contributions are amounts provided to the County by interested parties such as real estate developers in order to support particular capital projects. Contributions are sometimes made as a way of solving a problem which is delaying development approval. A project such as a road widening or connecting road that specifically supports a particular new development may be fully funded (and sometimes built) by the developer. Other projects may have agreed-upon cost-sharing arrangements predicated on the relationship between public and private benefit that will exist as a result of the project. For stormwater management projects, developer contributions are assessed in the form of fees in lieu of on-site construction of required facilities. These fees are applied to the construction of stormwater facilities within the County.

Bond Issues and Other Public Agency Debt

The County government and four of its Agencies are authorized by State law and/or County Charter to issue debt to finance CIP projects. This debt may be either general obligation or self-supporting debt. General obligation debt is characterized in credit analyses as being either "direct" or "overlapping." **Direct** debt is the sum of total bonded debt and any unfunded debt (such as short-term notes) of the government, and constitutes the direct obligations of the County government which impact its taxpayers. **Overlapping** debt includes all other borrowing of County agencies or incorporated municipalities within the County's geographic limits, which may impact those County taxpayers who are residents of those municipalities or those County taxpayers who are ratepayers or users of public utilities. More broadly, overlapping debt can help reveal the degree to which the total economy is being asked to support long-term fixed commitments for government facilities.

Direct General Obligation Debt is incurred by the issuance of bonds by the County government and the Maryland-National Capital Park and Planning Commission (M-NCPPC). Payment of some bonded debt issued by the Washington Suburban Sanitary Commission (WSSC) and the Housing Opportunities Commission (HOC) is also guaranteed by the County government.

County government general obligation bonds are issued for a wide variety of functions such as transportation, public schools, community college, public safety, and other programs. These bonds are legally-binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. The County Code provides for a maximum term of 30 years, with repayment in annual serial installments. Typically, County bond issues have been structured for repayment with level annual payments of principal. Bonds are commonly issued for 20 years. The money to repay general obligation debt comes primarily from general revenues, except that debt service on general obligation bonds, if any, issued for projects of Parking Districts, Liquor, or Solid Waste funds is supported from the revenues of those enterprises.

M-NCPPC is authorized to issue general obligation bonds, also known as Park and Planning bonds, for the acquisition and development of local and certain special parks and advance land acquisition, with debt limited to that supportable within mandatory tax rates established for the Commission. Issuance is infrequent, and because repayment is guaranteed by the County, it is considered a form of direct debt. Debt for regional, conservation, and special park facilities is included within County government general obligation bond issues, with debt service included within the County government's annual operating budget.

HOC bonds which support County housing initiatives such as the acquisition of low/moderate-income rental properties may be guaranteed by the County to an aggregate amount not to exceed $50 million, when individually authorized by the County and, as such, are considered direct debt of the County. The HOC itself has no taxing authority, and its projects are considered to be financed through self-supporting debt as noted below.

Overlapping debt is the debt of other governmental entities in the County that is payable in whole or in part by taxpayers of the County.

WSSC General Construction Bonds finance small diameter water distribution and sewage collection lines and required support facilities. They are considered general obligation bonds because they are payable from unlimited *ad valorem* taxes upon all the assessable property in the WSSC district. They are actually paid through assessments on properties being provided service and are considered to be overlapping debt rather than direct debt of the County government.

WSSC Water Supply and Sewage Disposal Bonds, which finance major system improvements, including large diameter water distribution and sewage collection lines, are paid from non-tax sources including user charges collected through water and sewer rates, which also cover all system operating costs. They are backed by unlimited *ad valorem* taxes upon all the assessable property within the WSSC district in addition to mandated rates, fees, and charges sufficient to cover debt service.

Self-Supporting Debt is authorized for the financing of CIP projects by the County government and its Agencies as follows:

County Revenue Bonds are bonds authorized by the County to finance specific projects such as parking garages and stormwater management and solid waste facilities, with debt service to be paid from pledged revenues received in connection with the projects. Proceeds from revenue bonds may be applied only to costs of projects for which they are authorized. They are considered separate from general obligation debt and do not constitute a pledge of the full faith and credit or unlimited taxing power of the County.

County revenue bonds have been used in the Bethesda and Silver Spring Parking Districts, supported by parking fees and fines together with parking district property taxes. County revenue bonds have also been issued for County Solid Waste Management facilities, supported with the revenues of the Solid Waste Disposal system.

HOC Mortgage Revenue Bonds are issued to support HOC project initiatives and are paid through mortgages and rents. HOC revenue bonds, including mortgage purchase bonds for single family housing, are considered fully self-supporting and do not add to either direct or overlapping debt of the County.

The **Montgomery County Revenue Authority** has authority to issue revenue bonds and to otherwise finance projects through notes and mortgages with land and improvements thereon serving as collateral. These are paid through revenues of the Authority's several enterprises, which include golf courses and the Montgomery County Airpark.

The County has also used the Revenue Authority as a conduit for alternative CIP funding arrangements. For example, swim centers, and the construction of the Montgomery County Conference Center are financed through revenue bonds issued by the Revenue Authority. The County has entered into long-term leases with the Revenue Authority, and the County lease payments fund the debt service on these Revenue Authority bonds. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

CIP projects may be funded in whole or in part through grants, matching funds, or cost sharing agreements with the Federal government, the State of Maryland, regional bodies such as Washington Metropolitan Area Transit Authority (WMATA), or the County's incorporated municipalities.

Federal Aid. Major projects that involve Federal aid include Metro, commuter rail, interstate highway interchanges and bridges (noted within the CIP Transportation program), and various environmental construction or planning grants under WSSC projects in the Sanitation program. Most Federal aid is provided directly to the State, for redistribution to local jurisdictions.

Community Development Block Grant (CDBG). CDBG funds are a particular category of Federal aid received through annual formula allocations from the U.S. Department of Housing and Urban Development in response to a County application and are identified as CIP revenues in the Housing and Community Development program. The County has programmed eligible projects for CDBG funding since 1976, with expenditures programmed within both capital and operating budgets. CDBG funds are used to assist in the costs of neighborhood improvements and facilities in areas where there is significant building deterioration, economic disadvantage, or other need for public intervention in the cycles of urban growth and change. In addition, CDBG funding is used as "seed money" for innovative project initiatives, including redevelopment and rehabilitation loans toward preserving and enhancing older residential and commercial areas and low/moderate-income housing stock. Beginning in FY15, CDBG funds were shifted from the capital budget to the operating budget for ease of administration. Once CDBG-funded projects are closed out, CDBG funding will be eliminated from the capital budget funding sources.

State Aid. This funding source includes grants, matching funds, and reimbursements for eligible County expenditures for local projects in public safety, environmental protection, courts and criminal justice, transportation, libraries, parkland acquisition and development, mental health, community college, and K-12 public education, notably in school construction.

State Aid consistently falls short of funding needs predicated on State mandates or commitments. Although the State of Maryland is specifically responsible for the construction and maintenance of its numbered highways and for the construction and renovation of approved school projects, the County has in fact advance-funded projects in both categories either through cost-sharing agreements or in anticipation of at least partial reimbursements from the State. Because large County fiscal liabilities are taken on when assuming any or all project costs of State-mandated or obligated facilities, State reimbursement policies and formulas for allocation of funds are important to CIP fiscal planning.

State Aid for School Construction. State funding for school construction, initiated in FY72, is determined annually by the General Assembly on a Statewide basis.

State Aid for Higher Education. State Aid is also a source of formula matching funds for community college facilities design, construction, and renovation. Funds are applied for through the Higher Education Commission for inclusion in the State Bond Bill. Approved projects may get up to 50 percent State funding for eligible costs. The total amount of aid available for all projects Statewide is determined based on yearly allocations of available bond proceeds to all Maryland jurisdictions.

State Aid for Transportation. Within the Transportation program, State contributions fund the County's local share of WMATA capital costs for Metrorail and Metrobus, as well as traffic signals and projects related to interconnecting State and local roads. Most State road construction is done under the State Consolidated Transportation Program and is not reflected in the CIP.

State Aid for Public Safety. Under Article 27, Sec. 705 of the Maryland Code, when the County makes improvements to detention and correctional centers resulting from the adoption of mandatory or approved standards, the State, through the Board of Public Works, pays for 50 percent of eligible costs of approved construction or improvements. In addition, financial assistance may be requested from the State for building or maintenance of regional detention centers, and, under 1986 legislation, the State will fund up to half the eligible costs to construct, expand, or equip local jails in need of additional capacity.

Municipal Financing. Some projects with specific benefits to an incorporated municipality within the County may include funding contributions or other financing assistance from that jurisdiction. These include road construction agreements such as with the City of Rockville, wherein the County and City share costs of interconnecting or overlapping road projects. Incorporated towns and municipalities within the County, specifically Rockville, Gaithersburg, and Poolesville, have their own capital improvements programs and may participate in County projects where there is shared benefit. The use of municipal funding in County CIP projects depends upon the following:

- Execution of cost-sharing or other agreements between the County and the municipality, committing each jurisdiction to specific terms, including responsibilities, scheduling, and cost-shares for implementation and future operation or maintenance of the project;
- Approval of appropriations for the project by the legislative body of each jurisdiction; and
- Resolution of any planning or zoning issues affecting the project.

Other Revenue Sources

The use of other revenue sources to fund CIP projects are normally conditioned upon specific legislative authority or project approval, including approval of appropriations for the projects. Approval of a project may be contingent upon actual receipt of the revenues planned to fund it, as in the case of anticipated private contributions that are not subject to particular law or agreement. Other CIP funding sources and eligibility of projects for their use include:

Revolving funds including the revolving loan fund authorized to cover HOC construction loans until permanent financing is obtained. Funds are advanced from County current revenues and repaid at interest rates equivalent to those the County earns on its investments. The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land in advance of project implementation. Revolving fund appropriations are then normally repaid from the actual project after necessary appropriation is approved.

Agricultural land transfer tax receipts payable to the State but authorized to be retained by the County. These are used to cover local shares in the State purchase of agricultural land easements and for County purchase of or loan guarantees backed by transferable development rights (TDRs).

Private grants such as were provided under profit-sharing agreements with the County's Cable TV corporation, for use in developing public access facilities; and

Insurance or self-insurance proceeds, for projects being renovated or replaced as a result of damage covered by the County's self-insurance system.

THE FRAMEWORK OF FISCAL POLICY

This section presents information on a variety of information sources and factors that are considered in developing and applying fiscal policy for the CIP.

Legal Mandates

State Law. The Annotated Code of Maryland provides the basis for fiscal policy related to debt, real property assessments, and other matters:

- Article 25A (Section 5P) authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County. Article 25A, Section 5(P) provides that obligations having a maturity not in excess of twelve months shall not be subject to, or be included in, computing the County's legal debt limitation. However, the County includes its BANs/Commercial Paper in the calculation because it intends to repay the notes with the proceeds of long-term debt to be issued in the near future.

- State of Maryland Chapter 693 of the Laws of 2009 requires that each local government adopt a debt policy and submit it to the State Treasurer. In October 2009 the County Council for Montgomery County adopted resolution 16-1173 outlining the County's debt policy
- Section 8-103 provides for updated assessments of property in three-year (triennial) cycles. The amount of the change in the established market value of the one-third of the properties reassessed each year is phased in over a three-year period. State law also created a maximum ten percent assessment limitation tax credit (homestead credit) for owner occupied residential properties. This program provides an automatic credit against property taxes equal to the applicable tax rate (including the State rate) times that portion of the current assessment which exceeds the previous year's assessment increased by ten percent. This benefit only applies to owner-occupied residential property. The homestead credit is ten percent for property taxes levied for the State of Maryland, Montgomery County, and all municipalities in Montgomery County (with the exception of the Town of Kensington which is five percent.)
- Other provisions of State law mandate requirements for environmental review, permits, stormwater management, and controls for public facilities, such as solid waste disposal sites, affecting both the cost and scheduling of these facilities.
- State law mandates specific facility standards such as requirements for school classroom space to be provided by the County for its population and may also address funding allocations to support such requirements.
- State law provides for specific kinds of funding assistance for various CIP projects. In the area of public safety, for example, Article 27, Section 705 of the Maryland Code, provides for matching funds up to 50 percent of the cost of detention or correctional facilities.
- The Maryland Economic Growth, Resource Protection and Planning Act requires the County to certify that all construction projects financed with any type of State funding are in compliance with local land use plans, including specific State-mandated environmental priorities.

County Law. Article 3 of the County Charter provides for the issuance of public debt for other than annual operating expenditures and imposes general requirements for fiscal policy:

- The capital improvements program must provide an estimate of costs, anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget.
- Bond issues may not be for longer than 30 years.
- Capital improvement projects which are estimated to cost in excess of an annually-established amount (for FY17, $15,059,000) or which have unusual characteristics or importance, must be individually authorized by law, and are subject to referendum.
- In November 1990, County voters approved an amendment to the Montgomery County Charter, Section 305, to require that the County Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP have been interpreted in subsequent County law to be limits on the amount of County general obligation debt which may be approved for the first and second years of the CIP and for the entire six-year period of the CIP. Similar provisions apply to debt of the Maryland-National Capital Park and Planning Commission (M-NCPPC). These limits may be overridden by a vote of seven of the nine Councilmembers.
- In April 1994, the Council adopted Resolution No. 12-1558 establishing a spending affordability process for WSSC. The process limits WSSC new debt, debt service, water/sewer operating expenses, and rate increases.
- Section 305 of the County Charter includes a limit on the annual increase in property tax revenues. An amendment approved in 2008 requires that real property tax revenues, with the exception of new construction and property whose zoning or use has changed, may not increase by more than the prior year revenues plus the percentage increase

in the Washington-Baltimore Metropolitan area CPI-U unless there is a unanimous vote of nine Councilmembers to exceed that limit. This revenue limit affects CIP fiscal policy by constraining revenue available for future debt service on bond issues and for current revenue contributions to capital projects.

- Chapter 20 of the Montgomery County Code sets various financial guidelines in law such as the deposit of funds, the borrowing of money generally, the activities of the Department of Finance, revenue bonds, and spending affordability.

Federal Law. Policies of the Federal Government affect County fiscal policies relative to debt issuance, revenue expectations, and expenditure controls. Examples of Federal policies that impact County fiscal policy include:

- Internal Revenue Service rules under the Tax Reform Act of 1986, as amended, provide limits on the tax-exempt issuance of public debt, and limit the amount of interest the County can earn from investment of the bond proceeds.
- County shares of costs for some major projects, such as those relating to mass transit and highway interchanges, are dependent upon Federal appropriations and allocations.
- Federal Office of Management and Budget circular A-87 prescribes the nature of expenditures that may be charged to Federal grants.
- Federal legislation will influence the planning and expenditures of specific projects, such as requirements for environmental impact statements for Federally-assisted road projects and the Davis-Bacon Act, which requires local prevailing wage scales in contracts for Federally-assisted construction projects.
- The American Recovery and Reinvestment Act (ARRA) created a number of additional tax-advantaged forms of governmental debt. These forms of debt resulted in lower costs and therefore savings to taxpayers. The County utilized beneficial provisions of the act and issued these new forms of debt where appropriate and advantageous to the County. One example is a qualified energy conservation bond (QECB) that the County issued in 2013 to take advantage of a federal tax credit that lowered the cost of debt service for an energy savings project on a county facility.

Fiscal Planning Projections and Assumptions

Several different kinds of trends and economic indicators are reviewed, projected, and analyzed each year for their impacts on County programs and services and for their impact on fiscal policy as applied to the Capital Improvements Program. Among these are:

Inflation, which is important as an indicator of future project costs or the costs of delaying capital expenditures;

Population growth, which provides an indicator of the size or scale of required facilities and services, as well as the timing of population-driven project requirements;

Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of requirements and costs of specific public facilities;

Annual Growth Policy thresholds and other land use indicators, which are a determinant of major public investment in the infrastructure required to enable implementation of land use plans and authorized development within the County;

The assessable property tax base of the County, which is a major indicator for projections of revenue growth to support funding for public facilities and infrastructure;

Residential construction activity and related indicators, which provide early alerts to the specific location and timing of future public facilities requirements. It is also the most important base for projecting growth in the County's assessable property tax base and estimating property tax levels;

Nonresidential construction activity, which is the indicator of jobs, commuters, and requirements for housing and transit-related public investment. It is also one of the bases for projecting the growth of the County's assessable tax base and property tax revenues;

Employment and job growth within the County, which provide indicators for work-related public facilities and infrastructure;

Personal income earned within the County, which is the principal basis for projecting income tax revenues as one of the County's major revenue sources; and

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of the CIP must be in conformity with GAAP standards. This involves the separate identification and accounting of the various funds which cover CIP expenditures; adherence to required procedures, such as transfers between funds and agencies; and regular audits of CIP transactions, such as the disbursement of bond proceeds and other funds to appropriate projects.

Credit Markets and Credit Reviews

The County's ability to borrow at the lowest cost of funds depends upon its credit standing as assessed by major credit rating agencies such as Moody's Investors Service, Standard & Poor's, and Fitch. Key aspects of the County's continued AAA credit ratings include:

- Adherence to sound fiscal policy relative to expenditures and funding of the CIP;
- Maintain debt at prudent and sustainable levels;
- Maintain adequate fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates;
- Appropriate levels of public investment in the facilities and infrastructure required for steady economic growth;
- Effective production of the necessary revenues to fund CIP projects and support debt service generated by public borrowing;
- Facility planning, management practices and controls for cost containment, and effective implementation of the capital program;
- Planning and programming of capital projects to allow consistent levels of borrowing;
- Appropriate use and levels of revenues other than general obligation bond proceeds to fund the capital program;
- Appropriate levels of CIP funding from annual current tax revenues in order to reduce borrowing needs; and
- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations related to public facilities and infrastructure.

Intergovernmental Agreements

Fiscal policy for the CIP must provide guidance for and be applied within the context of agreements made between the County and other jurisdictions or levels of government. Examples include:

- Agreements with municipalities for cost shares in the construction of inter-jurisdictional roads and bridges;
- Agreements with adjacent jurisdictions related to mass transit or water supply and sewerage; and
- Agreements with the State of Maryland for cost shares in the construction of transportation and other vital inter-jurisdictional infrastructure.
- Agreements with Federal agencies involving projects related to Federal facilities within the County.

Compatibility with Other County Objectives

Fiscal policy, to be effective, must be compatible with other policy goals and objectives of government. For example:

- Growth management within the County reflects a complex balance among the rights of property owners; the cost of providing infrastructure and services to support new development; and the jobs, tax revenues, and benefits that County growth brings to its residents. Fiscal policy provides guidance for the allocation of public facility costs between the developer and the taxpayer, as well as for limits on debt-supported costs of development relative to increasing County revenues from a growing assessable tax base.
- Government program and service delivery objectives range from conveniently located libraries, recreation centers, and other amenities throughout the County to comprehensive transportation management and advanced waste management systems. Each of these involves differing kinds and mixes of funding and financing arrangements that must be within the limits of County resources as well as acceptable in terms of debt management.
- Planning policies of the County affect land use, zoning and special exceptions, and economic development, as well as the provision of public services. All are interrelated, and all have implications both in their fiscal impacts (cost/revenue effects on government finances) and in economic impacts (effects on the economy of the County as a whole).
- Capital improvement projects have a direct impact on the future operating budgets in the form of debt service and ongoing operating costs. As such, capital needs must be balanced with the need to fund vital services in the operating budget.

Glossary

ADEQUATE PUBLIC FACILITY (APF) - Any infrastructure improvement required by the Montgomery County Planning Board as a condition of approving a preliminary subdivision plan under the County's adequate public facilities ordinance.

ADJUSTED GOVERNMENT REVENUES (AGR) - Include the tax supported revenues of the County Government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and Maryland-National Capital Park and Planning Commission, plus the revenues of the County Government's grant fund and capital projects fund.

AGENCY - One of the major organizational components of government in Montgomery County; for example, Montgomery County Government (executive departments, legislative offices and boards, Circuit Court, and judicial offices); Montgomery County Public Schools (MCPS); Montgomery College (MC); Maryland-National Capital Park and Planning Commission (M-NCPPC); Washington Suburban Sanitary Commission (WSSC); Housing Opportunities Commission (HOC); Washington Metropolitan Area Transit Authority (WMATA); and Montgomery County Revenue Authority.

AGENCY FUND - A fiduciary fund which accounts for assets received and held by the County in a purely custodial capacity. The County uses this type of fund to account for property taxes, recreation activities, and other miscellaneous resources held temporarily for disbursement to individuals, private organizations, or other governments.

AGGREGATE OPERATING BUDGET - The total Operating Budget, exclusive of enterprise funds, the budget of the WSSC, expenditures equal to tuition and tuition-related charges received by Montgomery College, and grants. As prescribed in the *Charter of Montgomery County, Maryland,* Section 305, an aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than that of the Consumer Price Index for all urban consumers of the Washington metropolitan area for the 12 months preceding December first of each year requires the affirmative vote of six Councilmembers. See also, Spending Affordability Guideline, Net Budget.

AMENDMENTS TO THE CIP - Changes to project scope, schedule, or funding which require County Council action. Proposals must meet strict criteria to be considered for amendment. Six Councilmember votes are required to approve an amendment.

APPROPRIATION - Authority to spend money within a specified dollar limit for an approved work program during the fiscal year. The County Council makes separate appropriations to each capital project and to Personnel Costs and Operating Expense for each County operating department.

APPROPRIATION CATEGORY - One of the expenditure groupings in the appropriation for a County department; that is, Personnel Costs or Operating Expense.

ASSESSABLE BASE - The value of all real and personal property in the County, which is used as a basis for levying taxes. Tax-exempt property is excluded from the assessable base.

ASSESSED VALUATION - The value assigned to real estate or other property by the State through its Department of Assessment and Taxation. This value is multiplied by the tax rates set annually by the Council to determine taxes due. Assessed value is less than market value.

AUTHORIZED POSITIONS - The number of positions allowed by the budget in the approved personnel complement.

BALANCED BUDGET - It is the fiscal policy of Montgomery County to balance the budget. A balanced budget has its funding sources (revenues, undesignated carryover, and other resources) equal to its funding uses (expenditures, reserves, and other allocations). No deficit may be planned or incurred.

BIENNIAL CIP - See Capital Improvements Program.

BOND ANTICIPATION NOTES (BAN) - Short-term, interim financing techniques, such as variable rate notes and commercial paper, issued with the expectation that the principal amount will be refunded with long-term bonds.

BOND RATING - An evaluation by investor advisory services indicating the probability of timely repayment of principal and interest on bonded indebtedness. These ratings significantly influence the interest rate that a borrowing government must pay on its bond issues. Montgomery County bonds are rated by three major advisory services: Moody's, Standard and Poor's, and Fitch. The County continues to have the highest possible rating from each of these services.

CAPITAL ASSETS - Assets of a long-term character which are intended to continue to be held or used. Examples of capital assets include items such as infrastructure, land, buildings, machinery, furniture, and other equipment.

CAPITAL BUDGET - The annual request for capital project appropriations. Project appropriations are normally for only that amount necessary to enable the implementation of the next year of the capital program expenditure plan. However, if contracted work is scheduled that will extend beyond the upcoming fiscal year, the entire contract appropriation is required, even if the work and expenditures will be spread over two or more fiscal years.

CAPITAL EXPENDITURE - Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

CAPITAL IMPROVEMENTS PROGRAM (CIP) - The comprehensive presentation, submitted in even-numbered calendar years, of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all public buildings, roads, and other facilities planned by County agencies over a six-year period. The CIP constitutes a fiscal plan for proposed project expenditures and funding, and includes the annual capital budget for appropriations to fund project activity during the next fiscal year of the plan.

CAPITAL LEASE - A long-term rental agreement which transfers substantial rights and obligations for the use of an asset to the lessee and, generally, ownership at the end of the lease. Similar to an installment purchase, a Capital Lease may also represent the purchase of a capital asset. A capital lease results in the incurrence of a long-term liability.

CAPITAL OUTLAY - An appropriation and expenditure category for government assest with a value of $10,000 or more and a useful economic lifetime of more than one year.

CAPITAL PROJECT - A governmental effort involving expenditures and funding for the creation, expansion, renovation, or replacement of permanent facilities and other public assets having relatively long life. Expenditures within capital projects may include costs of planning, design, and construction management; land; site improvements; utilities; construction; and initial furnishings and equipment required to make a facility operational.

CARRYOVER - The process in which, at the end of one fiscal year, appropriation authority for previously-approved encumbrances and unexpended grant and capital funds are carried forward to the next fiscal year.

CHARGEBACKS / CHARGES TO OTHERS - In the budget presentation, costs which are chargeable to another agency or fund.

CHARTER - The Charter of Montgomery County is the constitution of this jurisdiction and sets out its governmental structure and powers. It was approved by the voters in 1968 and went into effect in 1970. The Charter provides for a County Council and Executive form of government.

CHARTER LIMIT - Limitations on the Operating Budget and on tax levies prescribed in the Charter of Montgomery

County, Section 305. The affirmative votes of seven Council members are required to exceed spending limits, and the unanimous vote of all nine members is needed to exceed the limit on tax levies. See also Spending Affordability Guideline.

COLLECTIVE BARGAINING AGREEMENT - A legal contract between the County Government or an agency as employer and a certified representative of a recognized bargaining unit of a public employee organization for specific terms and conditions of employment; for example, hours, working conditions, salaries, or employee benefits.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - Annual funding from the Federal government for use in capital projects or operating programs such as neighborhood or business area revitalization, housing rehabilitation, and activities on behalf of older and lower-income areas of the County.

COMPENSATION - Payment made to employees in return for services performed. Total compensation includes salaries, wages, employee benefits (Social Security, employer-paid insurance premiums, disability coverage, and retirement contributions), and other forms of remuneration when these have a stated value.

CONSTANT YIELD TAX RATE - A rate which, when applied to the coming year's assessable base, exclusive of the estimated assessed value of property appearing on the tax rolls for the first time (new construction), will produce tax revenue equal to that produced in the current tax year. State law prohibits local taxing authorities from levying a tax rate in excess of the Constant Yield Tax Rate unless they advertise and hold public hearings on their intent to levy a higher rate.

CONSTITUENT RELATIONSHIP MANAGEMENT (CRM) / MONTGOMERY COUNTY (MC) 311 - An organizational philosophy that places emphasis on serving constituents by providing easy access to the information and service channels of the County Government. County residents are able to dial 311 for all non-emergency requests for information, service, or complaints.

CONSUMER PRICE INDEX-URBAN (CPI-U) - A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the County. When projecting costs in outyears, expenditures are estimated to grow at the rate of inflation as measured on a fiscal year basis using the CPI-U for the Washington-Baltimore Consolidated Metropolitan Statistical Area. For purposes of the Charter limitation on the property tax, the November to November CPI-U for the preceding year is used.

CountyStat - An internal performance management tool used to examine issues in detail by means of accurate and timely information. It seeks to improve performance by creating greater accountability, providing transparency into County operations, applying data analysis to decision making, and ensuring decisions are implemented.

COUNCIL TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Council between agencies or departments or to any new account, or between agency capital projects. The total cumulative transfer from any one appropriation may not exceed ten percent of the original appropriation.

CURRENT REVENUE - A funding source for the Capital Budget which is provided annually within the Operating Budget from general, special, or enterprise revenues. Current revenues are used for funding project appropriations that are not eligible for debt financing or to substitute for debt-eligible costs.

DEBT SERVICE - The annual payment of principal, interest, and issue costs for bonded indebtedness. Debt service is presented both in terms of specific bond allocations by category and fund and by sources of revenues used.

DEBT SERVICE FUND - A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEPARTMENT - A primary organizational unit within Montgomery County Government. For presentation purposes, "Department" includes the principal offices, boards, and commissions.

DEPRECIATION - The decline in value of a capital asset over a predetermined period of time attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. Also, the portion of the cost of a capital asset charged as an expense during a particular period.

DEVELOPMENT DISTRICT - A special taxing district created to finance the costs of infrastructure improvements necessary for the development of land in areas of the County having a high priority for new development or redevelopment, especially in areas for which approved master plans recommend significant development.

DIVISION - A primary organizational unit within a government department or agency. Divisions are usually responsible for administering basic functions or major programs of a department.

EFFICIENCY - Outputs per unit of input, inputs per unit of output, and similar measures of how well resources are being used to produce goods and services.

EMINENT DOMAIN - The power of a government to acquire real property when the owner of that property is unwilling to negotiate a sale. The Maryland State Constitution delegates authority to the County and the County Code allows for the taking of private property by the County. The taking must serve a public purpose and the government must provide the owner with just compensation for the property taken. Any dispute regarding whether the taking will serve a public purpose or the amount of compensation is resolved by the courts.

EMPLOYEE BENEFITS - For budgeting purposes, employee (fringe) benefits are payments by the employer for Social Security, retirement, and group insurance.

EMPLOYEE - MERIT SYSTEM - Any person employed by Montgomery County Government who is subject to the provisions of the Merit System.

EMPLOYEE - TEMPORARY - An individual occupying a position required for a specific task for a period not to exceed 12 months or a position that is used intermittently on an as-needed basis (seasonal, substitute, etc.).

EMPLOYEE - TERM - An individual occupying a position created for a special term, project, or program. Any person acting in a term position also receives County benefits.

ENCUMBRANCE - An accounting commitment that reserves appropriated funds related to unperformed contracts for goods or services. The total of all expenditures and encumbrances for a department or agency in a fiscal year, or for a capital project, may not exceed its total appropriation.

ENTERPRISE FUND - A fund used to record the fiscal transactions of government activities financed and operated in a manner similar to private enterprise, with the intent that the costs of providing goods and services, including financing, are wholly recovered through charges to consumers or users. Examples include Liquor Control, parking facilities, and solid waste activities.

ENTERPRISE RESOURCE PLANNING (ERP) - An integrated suite of software modules that support the management of the County's financial, procurement, human resources, and budgeting systems, and which streamlines business operations by using recognized best practices in each of those areas.

EXECUTIVE TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Executive between appropriation categories (for example, from Personnel Costs to Operating Expense) within the same department and fund, or between capital projects in the same category. The total cumulative transfers from any one appropriation may not exceed ten percent of the original appropriation (Charter, Section 309).

EXPEDITED DEVELOPMENT APPROVAL EXCISE TAX (EDAET) - A tax assessed on a development project based on the intended use of the building, the square footage of the building, and whether the building is in a moratorium policy area. The purpose of the EDAET is to act as a stimulus to residential and commercial construction within the County by making the development approval process more certain.

EXPENDITURE - A decrease in the net financial resources of the County generally due to the purchase of goods and services, the incurrence of salaries and benefits, and the payment of debt service.

FEE - A charge for service to the user or beneficiary of the service. According to State law, charges must be related to the cost of providing the service. See the Fiscal Policy section for the Executive policy on user fees.

FIDUCIARY FUNDS - Assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds. In Montgomery County, these include Agency Funds, Pension and Other Employee Benefit Trust Funds, Investment Trust Fund and Private Purpose Trust Funds.

FINES/PENALTIES - Charges levied for violation of laws, regulations, or codes. They are established through Executive Regulation as provided for in County law.

FISCAL PLAN - Estimates of revenues, based on recommended tax policy and moderate economic assumptions, and projections of currently known and recommended commitments for future uses of resources.

FISCAL POLICY - The County Government's policies with respect to revenues, expenditures, and debt management as these relate to County services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.

FISCAL YEAR - The 12-month period to which the annual operating and capital budgets and their appropriations apply. The Montgomery County fiscal year starts on July 1 and ends on June 30.

FIXED ASSETS - See Capital Assets.

FULL-TIME EQUIVALENT (FTE) - MONTGOMERY COLLEGE - A standardized measurement of student enrollment at the community college to account for attendance on less than a full-time basis. An FTE is defined as a course load of 15 credit hours per semester. See also Workyear.

FULL-TIME EQUIVALENT (FTE) - PERSONNEL - An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, 1.0 FTE equals 2,080 hours (or 2,496 hours for fire fighters) and .50 FTE equals 1,040 hours. For the FY13 operating budget, workyears (WYs) were converted into FTEs as part of the Hyperion conversion from Budget Preparation System (BPREP)/Budget Position System (BPS). See also Workyear.

FUND - Resources segregated for the purpose of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

FUND BALANCE - Undesignated reserves in a fund, or the amount by which assets exceed the obligations of the fund. Fund balance may be measured as a percentage of resources or expenditures.

GENERAL FUND - The principal operating fund for the County Government. It is used to account for all financial resources except those required by law, County policy, and generally accepted accounting principles to be accounted for in another fund.

GENERAL OBLIGATION (G.O.) DEBT - Bonded debt backed by the full faith and credit of the County to pay the scheduled retirement of principal and interest.

GENERAL REVENUES - Money received which may be used to fund general County expenditures such as education, public safety, public welfare, debt service, etc. Funds received which are restricted as to use (such as recreation) are not general revenues and are accounted for in other funds.

GENERAL WAGE ADJUSTMENT (GWA) - An increase in salaries other than seniority-based merit increases (increments).

GWA has been referred to as Cost-of-Living Adjustment (COLA) in the past.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service fund, capital projects fund, and permanent funds.

GRANT - A payment from one level of government to another or from a private organization to a government. Grants are made for specified purposes and must be spent only for that purpose. See also Grants to Others.

GRANTS TO OTHERS - A payment by the County to a public or private nonprofit organization for a specific purpose; generally, to provide services in support of, or compatible with, government program objectives.

GROSS BUDGET - The total cost of a department's operation (not necessarily equal to the appropriation), including those expenditures that are charged to and paid by other funds, departments, agencies, or CIP projects. See also Net Budget.

GROUP POSITIONS - Jobs filled by multiple incumbents used to streamline administrative processes for hiring staff for training or for seasonal or temporary positions. Examples include Police, Fire, and Sheriff Department recruits, substitute library assistants, and seasonal recreation employees.

GROWTH POLICY - A planning tool used by the County to manage the location and pace of private development and identify the need for public facilities that support private development. The growth policy tests the adequacy of transportation, schools, water and sewerage facilities, and police, fire, and health services to guide subdivision approvals. See also Adequate Public Facility.

GUARANTEED RETIREMENT INCOME PLAN (GRIP) - The GRIP plan is part of the County Employees' Retirement System (ERS), and is a tax-deferred cash balance defined benefit retirement plan qualified under Internal Revenue Code Section 401(a).

HYPERION - Hyperion is an Oracle software application for developing budgets, including position cost projections. The system is integrated with the County's other Oracle eBusiness (EBS) products and uses the same EBS General Ledger (GL) and Project and Grant (PnG) codes.

IMPACT TAXES - A tax charged to developers that varies depending on land use. The revenues are used to pay for the transportation and school construction projects necessary to serve new development.

IMPLEMENTATION RATE - The estimated average annual percentage of capital projects completed that is used to calculate available bond funding. This rate reflects both the County's actual experience in meeting project schedules and anticipated events that may affect construction in the future.

INDIRECT COSTS - That component of the total cost for a service which is provided by and budgeted within another department (for example, legal support and personnel). In Montgomery County, indirect costs are calculated as a percentage of the personnel costs of the organization receiving the service, according to a formula approved by the Department of Housing and Urban Development for Federal grants. For Special Revenue and Enterprise Funds, indirect costs are transferred to the General Fund. Indirect costs are charged to grants to cover the costs of administrative, financial, human resource, and legal support.

INPUT - Resources used to produce an output or outcome, such as workyears or expenditures.

INTERFUND TRANSFER - A transfer of resources from one fund to another as required by law or appropriation. The funds are initially considered revenues of the source fund, not the receiving fund.

INTERGOVERNMENTAL REVENUE - Funds received from Federal, State, and other local government sources in the form of grants, shared taxes, reimbursements, and payments in lieu of taxes.

INTERNAL SERVICE FUNDS - Proprietary funds used to record activity (primarily goods and services) provided by one department to other departments of the County government on a cost-reimbursable basis. The County uses this type of fund to account for Motor Pool, Central Duplicating, Liability and Property Coverage Self-Insurance, and Employee Health Benefits Self-Insurance.

INVESTMENT TRUST FUND - A fiduciary fund that accounts for the external portion of the County's investment pool that belongs to legally separate entities and non-component units.

LAPSE - The reduction of gross personnel costs by an amount believed unnecessary because of turnover, vacancies, and normal delays in filling positions. The amount of lapse will differ among departments and from year to year.

LEASE-PURCHASE AGREEMENT - A contractual agreement which, although termed a "lease," is in effect a purchase contract with payments made over time.

LEVEL OF SERVICE - The current services, programs, and facilities provided by a government to its citizens. The level of service may increase, decrease, or remain the same depending upon needs, alternatives, and available resources.

LICENSES AND PERMITS - Documents issued in order to regulate various kinds of businesses and other activities within the community. Inspection may accompany the issuance of a license or permit, as in the case of food vending licenses or building permits. In most instances, a fee is charged in conjunction with the issuance of a license or permit, generally to cover all or part of the related cost.

LOCAL EARNED INCOME TAX CREDIT - Low-income workers who qualify for the Federal earned income tax credit may also be entitled to a similar tax credit for their State of Maryland and Montgomery County income tax liabilities. Montgomery County matches the State credit for eligible residents.

MASTER PLAN - Each community within Montgomery County falls within a master plan area. Master plans include a comprehensive view of land-use trends and future development as they relate to community concerns such as housing, transportation, stormwater management, historic preservation, pedestrian and trail systems, environmental factors like air, water and noise pollution, and the preservation of agricultural lands. Plans outline recommended land uses, zoning, transportation facilities, and recommended general locations for such public facilities as schools, parks, libraries, and fire and police stations.

MCtime - An electronic timecard system based on commercial off-the-shelf software that replaced the County's paper timesheets. It is configured to accommodate County pay policies and is accessed by employees from their desktop or laptop computers.

MISSION - The desired end result of an activity. Missions are generally broad and long range in nature compared to goals which are more specific and immediate. An example of a mission is: "to provide safe, reliable, and cost-efficient public transportation to the residents of Montgomery County." See also Program Mission.

MONTGOMERY COUNTY GOVERNMENT - The departments and offices included in the County's executive, legislative, and judicial branches, including related boards and commissions. It excludes Montgomery County Public Schools, Montgomery College, Maryland-National Capital Park and Planning Commission, Washington Suburban Sanitary Commission, and other agencies. See also Agency.

NET ASSETS - See Fund Balance.

NET BUDGET - The legal appropriation requirement to finance a fund, department, account, agency, or CIP project. The net budget includes the funds required for charges from other funds, departments and agencies, or CIP projects for services rendered, but does not include charges made to other departments for services rendered. See also Gross Budget.

NON-DEPARTMENTAL ACCOUNT - A budget category used to account for resources used for County-funded activities that do not fall within the functional assignment of any department, or for expenditures related to more than one department.

NON-TAX SUPPORTED FUND - A fund supported by revenues other than taxes and not included in the Spending Affordability Guidelines. The exception is Parking Lot Districts that collect property taxes but, as Enterprise Funds, are not considered tax supported.

OPERATING BUDGET - A comprehensive plan by which the County's operating programs are funded for a single fiscal year. The Operating Budget includes descriptions of programs, appropriation authority, and estimated revenue sources, as well as related program data and information on the fiscal management of the County. See also Public Services Program.

OPERATING BUDGET IMPACT - The change in operating budget expenditures associated with the construction or improvement of government buildings or facilities. See the discussion of this subject in the CIP Planning chapter of the Recommended CIP for more information.

OPERATING AND CAPITAL EXPENSE - Those costs, other than expenditures for Personnel Costs, which are necessary to support the operation of the organization, such as charges for contractual services, telephones, printing, motor pool, office supplies and government assets. See also Expenditure.

OUTCOMES - The direct results of a program or program element on clients, users, or some other target group; the degree to which the program mission is achieved.

OUTPUT - The amount of services provided, units produced, or work accomplished.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Employee benefits, such as health and life insurance, associated with current and future retirees and their beneficiaries. See also Retirees Health Benefits Trust Fund.

PARTIAL CAPITALIZATION - The process of either expensing or transferring to capital assets the prior fiscal year expenditures for ongoing capital projects.

PAYGO - "Pay as you go" funding; that is, current revenue substituted for debt in capital projects that are debt eligible, or used in projects that are not debt eligible or qualified for tax-exempt financing.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS - The fiduciary fund used to account for all activities of the Employees' Retirement System of Montgomery County, Employees' Retirement Savings Plan, and Deferred Compensation Plan, including the accumulation of resources for, and payment of, retirement annuities and/or other benefits and administrative costs.

PERFORMANCE MEASUREMENT - Characterization of the operation and impacts of a program or service through some or all of a family of measures, such as inputs, outputs, efficiency, service quality, and outcomes.

PERMANENT FUNDS - These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support government programs.

PERSONAL PROPERTY - Furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory, and any other property not classified as real property. See also Real Property.

PERSONNEL COMPLEMENT - The full- and part-time positions, workyears or full-time equivalents, and costs related to employees of the departments and agencies of the County.

PERSONNEL COSTS - Expenditures for salaries, wages, and benefits payable to County employees.

POSITIONS - Identified jobs into which persons may be hired on either a part-time or full-time basis.

PRIVATE PURPOSE TRUST FUNDS - A fiduciary fund that involves trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

PRODUCTIVITY IMPROVEMENT - Increased quantity or improved quality of goods or services using the same or fewer resources. Productivity improvement can be achieved through cost efficiencies, alternative means of delivering services, streamlining organizational structures, making use of automation and other time- or labor-saving innovations, and eliminating unnecessary procedures or requirements.

PROGRAM - A primary service, function, or set of activities which address a specific responsibility or goal within an agency's mission. A program encompasses all associated activities directed toward the attainment of established objectives; for example, the School Health Program. A program will have clearly defined, attainable objectives, which may be short-term or long-term in nature, and will have measurable outputs and outcomes.

PROGRAM MISSION - A broad statement of the purpose of a program; that is, what the program is intended to accomplish, why it is undertaken, and for whom it is undertaken. See also Mission.

PUBLIC HEARINGS - Opportunities for citizens and constituent groups to voice opinions and concerns to public officials. During the annual budget process, the County Charter requires that public hearings be conducted by the County Council not earlier than 21 days after receipt of the Executive's Recommended Budget.

PUBLIC SERVICES PROGRAM (PSP) - A forecast of public service requirements over the next six years, submitted annually by the Executive to the County Council. Its purpose is to provide guidance for the orderly planning of services with regard to population changes, socio-economic variables, potentially needed public facilities, and anticipated new or changing needs of County citizens. The PSP includes the County Executive's fiscal policy statements. The first year of the PSP is referred to as the operating budget.

REALLOCATION OF APPROPRIATION - The transfer of unencumbered appropriations (expenditure authority) within the same appropriation category and within the same department and fund.

REAL PROPERTY - Real estate, including land and improvements (buildings, fences, pavements, etc.), classified for purposes of assessment. See also Personal Property.

RESERVE - An account used either to set aside legally budgeted resources that are not required for expenditure in the current budget year or to earmark resources for a specific future purpose. See also Fund Balance.

RESOURCES - Units of input such as workyears, funds, material, equipment, facilities, or other elements supplied to produce and deliver services required to meet program objectives. From a fiscal point of view, resources include revenues, net transfers, and available fund balance. See also Inputs.

RESULTS BASED BUDGETING - A method of preparing budgets that starts with the desired *ends* (program outcomes described in terms of quantifiable results) and works backward to the *means* (the resources needed to achieve those results). When allocating resources under this approach, increases in budgeted resources must be evaluated and justified by projected changes in measurable results, supported by research or other evidence, and must be consistent with previously defined objectives, priorities, and key results areas.

RETIREES HEALTH BENEFITS TRUST FUND - One or more funds used to support the expenses associated with retiree health benefits.

REVENUE - All funds that the County receives, including tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

REVENUE BONDS - An obligation issued to finance a revenue-producing enterprise, with principal and interest payable exclusively from the earnings and other revenues of the enterprise. See also Enterprise Fund.

REVENUE STABILIZATION FUND - A special revenue fund that accounts for the accumulation of resources during periods of economic growth and prosperity when revenue collections exceed estimates. These funds may then be drawn upon during periods of economic slowdown when collections fall short of revenue estimates. See also Special Revenue Fund.

RISK MANAGEMENT - A process used to identify and measure the risks of accidental loss, to develop and implement techniques for handling risk, and to monitor results. Techniques used can include self-insurance, commercial insurance, and loss control activities.

SALARIES AND WAGES - An expenditure category for monetary compensation to employees in the form of annual or hourly rates of pay for hours worked.

SALARY SCHEDULE - A listing of minimum and maximum salaries for each grade level in a classification plan for merit system positions.

SCHOOL FACILITIES PAYMENTS - A fee charged to developers of residential subdivisions if school enrollment five years in the future is estimated to exceed 105 percent, but is less than 120 percent, of cluster-wide program capacity at any school level. The fee level depends on both the school level involved and the type of housing unit to be constructed.

SELF-INSURANCE - The funding of liability, property, workers' compensation, unemployment, and life and health insurance needs through the County's financial resources rather than commercial insurance plans.

SET-ASIDE - See Unappropriated Reserves.

SOLID WASTE DISPOSAL FEE - See Tipping Fee.

SOLID WASTE (REFUSE) CHARGE - The annual charge, appearing on the County's Consolidated Tax Bill, applied to residences in the Solid Waste Collection District for the collection and disposal of solid waste for each household in the district. The charge includes a collection fee to cover hauling costs paid to collection contractors, a service charge which includes a charge based on the tipping fee, and a systems benefit charge.

SPECIAL APPROPRIATION - Additional spending authority approved by the County Council (Charter, Section 308). The appropriation must state that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. There must be approval by not less than six members of the Council. The Council may make a special appropriation any time after public notice by news release. See also Supplemental Appropriation.

SPECIAL REVENUE FUNDS - A governmental fund used to record the receipt and use of resources which, by law, generally accepted accounting principles, or County policy, must be kept distinct from the general revenues of the County. Revenues for Special Revenue Funds are generally from a special tax on a specific geographical area.

SPECIAL TAXING DISTRICT - A geographic area that is established by legislation within which a special tax is levied to provide for specific services to the area.

SPENDING AFFORDABILITY GUIDELINE (SAG) - An approach to budgeting that assigns expenditure ceilings for the forthcoming budget year, based on expected revenues and other factors. Under the County Charter (Section 305), the County Council is required to establish spending affordability guidelines for both the capital and operating budgets. Spending affordability limits are also set for WSSC by the Councils of Montgomery and Prince George's counties.

STRUCTURAL BUDGET DEFICIT - The excess of spending over revenue due to an underlying imbalance between the ongoing cost of government operations and predicted revenue collections.

SUPPLEMENTAL APPROPRIATION - An appropriation of funds above amounts originally appropriated, to authorize expenditures not anticipated in the adopted budget. A supplemental appropriation is required to enable expenditure of reserves or additional revenues received by the County through grants or other sources. See also Special Appropriation.

TAX SUPPORTED FUND - A fund, either the General Fund or a Special Revenue Fund, supported in part by tax revenues and included in Spending Affordability Guidelines.

TIPPING FEE - A fee charged for each ton of solid waste disposed of, or "tipped," at the Solid Waste Transfer Station. Each year the County Executive recommends, and the County Council approves, a tipping fee based on a projection of costs for solid waste disposal as well as the tonnage of solid waste generated. Also referred to as the Solid Waste Disposal Fee.

TRANSFER OF APPROPRIATION - See Council Transfer of Appropriation and Executive Transfer of Appropriation.

TRANSFER OF FUNDS - See Interfund Transfer.

UNAPPROPRIATED RESERVES - The planned-for excess of revenues over budgeted expenditures, within any of the various government funds, that provides funding for unexpected and unbudgeted expenditures that may be required during the fiscal year following budget approval. Use of this reserve requires County Council appropriation prior to its expenditure. The County Charter (Section 310) requires that unappropriated reserves within the General Fund may not exceed five percent of General Fund revenue. Also referred to as the Set-Aside for future projects in the capital program.

WATER QUALITY PROTECTION CHARGE - A charge imposed on each residential property and associated nonresidential property which is used for the construction, operation, and maintenance of stormwater management facilities and related expenses.

WORKLOAD - The external demand that drives County activities.

WORKYEAR - A standardized unit for measurement of government personnel effort and costs. A workyear is the equivalent of 2,080 workhours or 260 workdays. This term is roughly equal to "Full-Time Equivalents."

YEAR END BALANCE - See Fund Balance

Readers not finding a term in this glossary are invited to call the Office of Management and Budget at 240.777.2800.

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Acronyms

Abbreviation	Description	Abbreviation	Description
ADA	Americans with Disabilities Act	**COBRA**	Consolidated Omnibus Budget Reconciliation Act
AHCMC	Arts and Humanities Council of Montgomery County	**COG**	Council of Governments
ALARF	Advance Land Acquisition Revolving Fund	**COMAR**	Code of Maryland Annotated Regulations
APFO	Adequate Public Facilities Ordinance	**CPI-U**	Consumer Price Index - Urban
ARRA	American Recovery and Reinvestment Act	**CR**	Current Revenue
ATMS	Advanced Transportation Management System	**CRIMS**	Correction and Rehabilitation Information Management System
BAN	Bond Anticipation Note	**CUPF**	Community Use of Public Facilities
BIT	Board of Investment Trustees	**CVB**	Conference and Visitors Bureau
BLC	Board of License Commissioners	**DBM**	Maryland State Department of Budget and Management
BOE	Board of Education	**DCM**	Device Client Management
CAD	Computer Aided Dispatching	**DED**	Department of Economic Development
CAFR	Comprehensive Annual Financial Report	**DGS**	Department of General Services
CAO	Chief Administrative Officer	**DEP**	Department of Environmental Protection
CALMS	Complaints and Licensing Management System	**DHCA**	Department of Housing and Community Affairs
CATV	Cable Television	**DLC**	Department of Liquor Control
CBD	Central Business District	**DOCR**	Department of Correction and Rehabilitation
CCM	County Cable Montgomery	**DOT**	Department of Transportation
CDBG	Community Development Block Grant	**ECC**	Emergency Communications Center
CE	County Executive	**EDAET**	Expedited Development Approval Excise Tax
CIP	Capital Improvements Program	**EEOC**	Equal Employment Opportunity Commission
CEC	Community Engagement Cluster	**EFO**	Educational Facilities Officer
CJCC	Criminal Justice Coordinating Commission	**EITC**	Earned Income Tax Credit
CJIS	Criminal Justice Information System	**EMOC**	Equipment and Maintenance Operations Center
CNG	Compressed Natural Gas	**EOB**	Executive Office Building

Abbreviation	Description	Abbreviation	Description
EOC	Emergency Operations Center	**HVAC**	Heating, Ventilation, Air Conditioning
ERP	Enterprise Resource Planning	**IAFC**	International Association of Fire Chiefs
ERS	Employee Retirement System	**IAFF**	International Association of Fire Fighters
ESOL	English for Speakers of Other Languages	**ICEUM**	Interagency Committee on Energy and Utility Management
FEMA	Federal Emergency Management Agency	**IJIS**	Integrated Justice Information System
FFI	Future Fiscal Impact	**IT**	Information Technology
FLSA	Fair Labor Standards Act	**ITPCC**	Interagency Technology Policy and Coordination Committee
FOP	Fraternal Order of Police	**LEP**	Limited English Proficiency
FRC	Fire and Rescue Commission	**LFRD**	Local Fire and Rescue Department
FRS	Fire and Rescue Service	**LSBRP**	Local Small Business Reserve Program
FTE	Full-Time Equivalent	**MACo**	Maryland Association of Counties
FY	Fiscal Year	**MC**	Montgomery College
GAAP	Generally Accepted Accounting Principles	**MCAASP**	Montgomery County Association of Administrative and Supervisory Personnel
GASB	Government Accounting Standards Board	**MCCF**	Montgomery County Correctional Facility
GDA	General Development Agreement	**MCCSSE**	Montgomery County Council of Supporting Service Employees
GDP	Gross Domestic Product	**MCDC**	Montgomery County Detention Center
GFOA	Government Finance Officers Association	**MCEA**	Montgomery County Education Association
GIS	Geographic Information Systems	**MCERP**	Montgomery County Employee Retirement Plans
GO bonds	General Obligation Bonds	**MCFRS**	Montgomery County Fire and Rescue Service
GRIP	Guaranteed Retirement Income Plan	**MCG**	Montgomery County Government
GWA	General Wage Adjustment	**MCGEO**	Municipal and County Government Employees Organization
HIPAA	Health Insurance Portability and Accountability Act	**MCPD**	Montgomery County Police Department
HOC	Housing Opportunities Commission	**MCPS**	Montgomery County Public Schools
HUD	U.S. Department of Housing and Urban Development	**MCT**	Montgomery Community Television

Abbreviation	Description	Abbreviation	Description
MFD	Minority, Female and Disabled	**PLAR**	Planned Lifecycle Asset Replacement
MHI	Montgomery Housing Initiative	**PLD**	Parking Lot District
MLS	Management Leadership Service	**POR**	Program of Requirements
M-NCPPC	Maryland-National Capital Park and Planning Commission	**PSCC**	Public Safety Communications Center
MOU	Memorandum of Understanding	**PSCS**	Public Safety Communications System
MPDU	Moderately Priced Dwelling Unit	**PSP**	Public Services Program
MTA	Maryland Transit Administration	**PSTA**	Public Safety Training Academy
NACo	National Association of Counties	**RMS**	Records Management System
NDA	Non-Departmental Account	**RSP**	Retirement Savings Plan
NTS	Non-tax supported	**SAG**	Spending Affordability Guidelines
OAG	Office of Agriculture	**SHA**	State Highway Administration
OCP	Office of Consumer Protection	**SWM**	Stormwater Management
OHR	Office of Human Resources	**TMC**	Transportation Management Center
OEMHS	Office of Emergency Management and Homeland Security	**TMD**	Transportation Management District
OLO	Office of Legislative Oversight	**TS**	Tax Supported
OMB	Office of Management and Budget	**WMAT**	Web and Mobile Applications Team
OBI	Operating Budget Impact	**WMATA**	Washington Metropolitan Area Transit Authority
OPEB	Other Post Employment Benefits	**WQPB**	Water Quality Protection Bond
OSHA	Occupational Safety and Health Administration	**WQPC**	Water Quality Protection Charge
PAYGO	Pay-as-you-go financing	**WSSC**	Washington Suburban Sanitary Commission
PDF	Project Description Form	**WSTC**	Washington Suburban Transit Commission
PEG	Public, Educational, and Governmental cable programming	**WY**	Work Year
PEPCO	Potomac Electric Power Company	**ZTAWY**	Zoning Text Amendment Work Year
PILOT	Payment in Lieu of Taxes		

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