



County Executive's FY19-24 Fiscal Plan



Isiah Leggett, County Executive
March 2018

Fiscal Plan





Table of Contents

TRANSMITTAL MEMORANDUM

HOW THE FY19 GAP WAS CLOSED

MONTGOMERY COUNTY FUNDS

TAX SUPPORTED FUNDS

Public Service Program (PSP)

Fiscal Plan Summary 1-2

Capital Improvements Program (CIP)

General Information: CIP 2-1

Debt Capacity Analysis 2-3

General Obligation Bond Adjustment Chart 2-4

Current Revenue Requirements for the CIP 2-5

TAX SUPPORTED FUNDS: SIX YEAR FISCAL PLANS

Montgomery County Government

Bethesda Urban District Fund 3-3

Silver Spring Urban District Fund 3-4

Wheaton Urban District Fund 3-5

Fire Tax District Fund 3-6

Mass Transit Facilities Fund 3-7

Recreation Fund 3-8

Economic Development Fund 3-9

Montgomery College

Montgomery College Current Fund 4-1

Maryland-National Capital Park and Planning Commission

M-NCPPC Administration Fund 5-1

M-NCPPC Park Fund 5-2

Debt Service

Debt Service Fund 6-1

NON-TAX SUPPORTED FUNDS: SIX YEAR FISCAL PLANS

Montgomery County Government

Cable Television Communications Plan 7-3

Montgomery Housing Initiative Fund 7-7

Water Quality Protection Fund 7-8

Community Use of Public Facilities Fund 7-9

Bethesda Parking District Fund 7-10

Silver Spring Parking District Fund 7-11

Wheaton Parking District Fund 7-12

Solid Waste Collection Fund 7-13

Solid Waste Disposal Fund 7-14

Leaf Vacuuming Fund 7-15

Permitting Services Fund 7-16

Liquor Control Fund 7-17

Risk Management Fund 7-18

Central Duplicating, Mail, & Records Mgmt. Fund 7-19

Employee Health Benefits Self Insurance Fund 7-19

Motor Pool Fund 7-20

Maryland-National Capital Park and Planning Commission (M-NCPPC)

M-NCPPC Enterprise Fund 8-1

Washington Suburban Sanitary Commission

Water and Sewer Operating Funds 9-1

Department Highlights 10-1

APPENDICES

Change in Ending Fund Balance 11-2

Trend and Projections 11-4

Changes in Assumptions: Economic, Demographic, and Revenues 11-5

Revenue Summary 11-7

Non Agency Uses of Resources 11-8

Revenues 12-1

PSP Fiscal Policy 13-1

CIP Fiscal Policy 14-1

Glossary 15-1

Acronyms 16-1

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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

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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	Matt Schaeffer
Montgomery Housing Initiative	Pofen Salem
Community Use of Public Facilities	Deborah Lambert
Economic Development	Pofen Salem
Fire TaxDistrict	Rachel Silberman
Fleet Management Services (Motor Pool)	Bruce Meier
Liquor Control	Jennifer Nordin
Mass TransitFacilities	Brady Goldsmith
M-NCPPCAAdministration	Jennifer Nordin
M-NCPPC Enterprise	Jennifer Nordin
M-NCPPC Park	Jennifer Nordin
Montgomery College Current Fund	Rich Harris
Parking Districts	Corey Orlosky
Permitting Services	Alison Dollar
Central Duplicating/Print and Mail	Bruce Meier
Recreation	Deborah Lambert
Self-Insurance: Liability & Property	Deborah Lambert
Self-Insurance: Employee Health Benefits	Corey Orlosky
Solid Waste Refuse Collection	Trevor Lobaugh
Solid Waste Disposal	Trevor Lobaugh
Leaf Vacuuming	Brady Goldsmith
Urban Districts	Corey Orlosky
Water Quality Protection	Trevor Lobaugh



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Jennifer Hughes
Director

MEMORANDUM

April 05, 2018

TO: Interested Readers

FROM: Jennifer Hughes, Director 

SUBJECT: FY19-24 Fiscal Plan

Executive Summary:

The County Executive's recommended budget, released on March 15, 2018, closed a \$208 million budget gap, raising the cumulative amount of budgetary shortfalls resolved in County Executive Leggett's proposed budgets to more than \$3.7 billion. Due to many 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 effects of H.R. 1, the Tax Cuts and Jobs Act of 2017 (TCJA). There will be an impact on our revenues due to TCJA although the magnitude of the impact is uncertain at this time. The revenue forecast assumes a two-year delay in the Wynne repayment schedule due to State legislation having passed each chamber of the General Assembly (SB742 and HB686). The County will begin making quarterly payments to the State for refunds pertaining to the Wynne case starting in 2021 totaling \$28.6 million annually through the first half of FY26.

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 age, demands on other County services such as home health care, senior transportation, emergency response, libraries, and recreation also increase.

The County Executive recommends an average weighted property tax rate of \$0.9814 per \$100 of assessed value, which is a decrease of 1.98 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 median County homeowner will see a \$2.25 increase per month in property taxes in FY19. This recommendation maintains overall property tax revenues at the limit allowed by the County's Charter. In total, spending increases 2.0 percent in FY19, and tax supported spending across all agencies increases 2.0 percent, including debt service.

The recommended budget full funds the Board of Education's request and increases local school funding by \$19.0 million above the State minimum funding requirement to meet the needs of a rapidly growing and changing student population.

The recommended budget provides limited and 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, including annualization of expenditure reductions implemented in FY18 as part of the savings plan approved by the County Council in January 2018. In addition, the recommended budget includes funding for all of the County's collective bargaining agreements, increases reserves to the policy level of 9.4 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 County 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 only a 0.5 increase in resources available to fund agency spending in FY20. Again, this projection does not yet factor in any adjustments to our revenues due to TCJA.

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 FY20. 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 FY19-24 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 FY19-24 recommended Operating Budget and Public Services Program (March 15, 2018) available here <http://montgomerycountymd.gov/operatingbudget>.

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 FY19-24 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 \$0.9814 per \$100 of assessed value, 1.98 cents lower than current rates, and assumes a \$692 credit to each owner-occupied household.
- Assume property tax revenues at the Charter Limit during FY20-24 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 FY20-24. PAYGO is consistent with the General Obligation Bond levels recommended by the County Executive in his FY19-24 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 FY19-24 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 FY19-24 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

JAH:cm

Attachment: FY19-24 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
Marlene Michaelson, Council Executive Director

How the FY19 GAP Was Closed

\$ in Millions

(Negative numbers increase the gap; positive numbers close the gap)

	<u>\$ millions</u>
1 GAP as of December 2017	(208.841)
2 Major resource changes since December:	
3 Montgomery County Public Schools (MCPS) enrollment increase	(2.678)
4 February tax revenue update	(4.175)
5 Fines, licenses, fees, and other misc. revenues	1.936
6 Other Intergovernmental revenues	4.020
7 FY17 year-end closeout	(11.491)
8 FY18 County Government spending - supplemental appropriations	(1.828)
9 FY18 County Government Approved Savings Plan (operating and CIP)	26.120
10 FY18 expenditure adjustments to increase reserves	60.878
11 FY18 MD National Park and Planning Commission (M-NCPPC) spending	2.117
12 FY19 Agency Budget Requests	
13 MCPS	(19.176)
14 Montgomery College	(1.460)
15 M-NCPPC	(6.145)
16 County Government	1.532
17 Revised Gap	(159.192)
18 Measures to Close the Gap	
19 Change in Available Resources	
20 Net Transfers	20.262
21 Change in Agency Budget Requests:	
22 MCPS Local Contribution \$19.0 million above Maintenance of Effort	-
23 College Local Contribution \$2 million above Maintenance of Effort	2.320
24 0.8% operating budget increase for MNCPPC	6.637
25 Change in Non-Agency spending:	
26 Reserves to 9.4% (Council Resolution No. 17-312)	10.895
27 CIP PAYGO to 10% policy level	1.000
28 CIP Current Revenue	57.002
29 Debt Service	26.320
30 Set Aside	35.000
31 Change to reserves	(0.244)
32 Gap on March 15, 2018	0.000
<p>The MCPS request was \$19.0 million above Maintenance of Effort (MOE). The County Executive's Recommended Budget increases local funding \$44.4 million, which is \$19.0 million above MOE.</p> <p>Montgomery College's request was \$4.3 million above MOE or 3.1 percent. The County Executive's Recommended Budget increases local funding by \$2 million. In total, local funding to the College would increase 49.1 percent and 83.0 percent on a per student full-time enrollment basis since 2013.</p>	

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 FY19-24 Public Services Program Tax Supported Fiscal Plan Summary

		(\$ in Millions)														
	App FY18 5-25-17	Est FY18 3-15-18	FY18-19 App/Rec	% Chg FY18-19	Rec. FY19 3-15-18	FY19-20 Projected	% Chg FY19-20	FY20-21 Projected	% Chg FY20-21	FY21-22 Projected	% Chg FY21-22	FY22-23 Projected	% Chg FY22-23	FY23 Projected	% Chg FY23-24	Projected FY24
Total Revenues																
1 Property Tax	1,770.2	1,766.8	2.2%	2.2%	1,808.4	2.8%	1,858.9	2.9%	1,913.1	3.0%	1,970.6	3.2%	2,033.5	3.3%	2,099.6	
2 Income Tax	1,557.9	1,482.0	1.8%	1.8%	1,585.2	6.2%	1,683.0	3.4%	1,740.8	3.1%	1,794.1	4.2%	1,870.0	4.8%	1,959.3	
3 Transfer/Recordation Tax	170.4	157.7	-4.4%	-4.4%	162.9	3.5%	168.6	3.1%	173.9	3.5%	179.9	1.8%	183.2	3.4%	189.4	
4 Other Taxes	282.5	268.4	-3.1%	-3.1%	273.7	0.1%	274.1	0.6%	275.7	0.3%	276.7	0.1%	277.1	0.1%	277.4	
5 Other Revenues	1,052.5	1,056.0	4.0%	4.0%	1,094.6	-1.3%	1,080.5	-0.1%	1,079.0	0.5%	1,084.5	0.4%	1,088.7	0.3%	1,091.4	
6 Total Revenues	4,833.5	4,730.9	1.9%	1.9%	4,924.8	2.8%	5,065.1	2.3%	5,182.5	2.4%	5,305.7	2.8%	5,452.3	3.0%	5,617.3	
7 Net Transfers In (Out)	34.3	48.8	-28.2%	-28.2%	24.7	-2.2%	24.1	2.2%	24.6	2.3%	25.2	2.4%	25.8	2.4%	26.4	
8 Total Revenues and Transfers Available	4,867.8	4,779.7	1.7%	1.7%	4,949.5	2.8%	5,089.2	2.3%	5,207.2	2.4%	5,330.9	2.8%	5,478.2	3.0%	5,643.7	
9 Non-Operating Budget Use of Revenues																
10 Debt Service	399.9	392.2	5.0%	5.0%	420.1	4.3%	438.0	2.0%	447.0	2.7%	458.9	2.8%	471.8	0.5%	474.1	
11 PAYGO	34.0	34.0	-2.9%	-2.9%	33.0	-3.0%	32.0	-3.1%	31.0	-3.2%	30.0	0.0%	30.0	0.0%	30.0	
12 CIP Current Revenue	66.2	62.0	-46.2%	-46.2%	35.6	121.3%	78.7	9.9%	86.5	-14.2%	74.2	30.3%	96.7	0.2%	96.9	
13 Change in Other Reserves	-42.2	-21.2	12.6%	12.6%	-36.9	101.8%	0.7	-70.9%	0.2	-1.4%	0.2	7.5%	0.2	39.57.4%	8.4	
14 Contribution to General Fund Undesignated Reserves	6.4	20.1	153.1%	153.1%	16.2	14.6%	18.6	-59.8%	7.5	-29.1%	5.3	-2.2%	5.2	22.2%	6.3	
15 Contribution to Revenue Stabilization Reserves	27.7	27.6	7.2%	7.2%	29.7	-14.0%	25.5	-88.0%	3.1	150.8%	7.6	30.7%	10.0	3.0%	10.3	
16 Set Aside for other uses (supplemental appropriations)	0.0	-6.4	n/a	n/a	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	
17 Total Other Uses of Resources	492.0	508.3	1.1%	1.1%	497.7	23.3%	613.5	-3.0%	595.2	0.2%	596.2	6.3%	633.9	1.9%	646.0	
18 Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)	4,375.8	4,271.4	1.7%	1.7%	4,451.8	0.5%	4,475.7	3.0%	4,612.0	2.7%	4,734.7	2.3%	4,844.3	3.2%	4,997.7	
19 Agency Uses																
20 Montgomery County Public Schools (MCPS)	2,368.7	2,347.3	3.1%	3.1%	2,443.2											
21 Montgomery College (MC)	262.8	254.8	0.8%	0.8%	264.8											
22 MNCPPC (w/o Debt Service)	125.9	123.8	0.8%	0.8%	126.9											
23 MCG	1,618.5	1,545.5	-0.1%	-0.1%	1,617.0											
24 Agency Uses	4,375.8	4,271.4	1.7%	1.7%	4,451.8	0.5%	4,475.7	3.0%	4,612.0	2.7%	4,734.7	2.3%	4,844.3	3.2%	4,997.7	
25 Total Uses	4,867.8	4,779.7	1.7%	1.7%	4,949.5	2.8%	5,089.2	2.3%	5,207.2	2.4%	5,330.9	2.8%	5,478.2	3.0%	5,643.7	
26 (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 FY19 weighted property tax rate is 1.98 cents lower than FY18. 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 Recommended FY19-24 Capital Improvements Program and additional proposed current revenue amendments.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY19-24.

County Executive's Recommended FY19-24 Public Services Program Tax Supported Fiscal Plan Summary

		(\$ in Millions)												
	App. FY18	Est. FY18	% Chg. FY18-19	Rec. FY19	% Chg. FY19-20	Projected FY20	% Chg. FY20-21	Projected FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24
31														
32	142.8	118.4	-3.1%	138.4	11.7%	154.6	12.0%	173.2	4.3%	180.7	2.9%	186.0	2.8%	191.2
33	280.4	280.7	9.9%	308.3	9.6%	337.9	7.5%	363.4	0.8%	366.5	2.1%	374.1	2.7%	384.1
34	423.2	399.0	5.5%	446.7	10.3%	492.6	9.0%	536.7	2.0%	547.2	2.4%	560.1	2.7%	575.3
35														
36														
37	6.4	20.1	153.1%	16.2	14.6%	18.6	-59.8%	7.5	-29.1%	5.3	-2.2%	5.2	22.2%	6.3
38	27.7	27.6	7.2%	29.7	-14.0%	25.5	-88.0%	3.1	150.8%	7.6	30.7%	10.0	3.0%	10.3
39	34.1	47.7	34.6%	45.9	-3.9%	44.1	-76.1%	10.5	23.0%	13.0	17.2%	15.2	9.5%	16.6
40														
41														
42	149.2	138.4	3.7%	154.6	12.0%	173.2	4.3%	180.7	2.9%	186.0	2.8%	191.2	3.3%	197.5
43	308.1	308.3	9.7%	337.9	7.5%	363.4	0.8%	366.5	2.1%	374.1	2.7%	384.1	2.7%	394.4
44	457.3	446.7	7.7%	492.6	9.0%	536.7	2.0%	547.2	2.4%	560.1	2.7%	575.3	2.9%	592.0
45	8.9%	8.9%		9.4%		10.0%								
46														
47	4.6	9.4	1.1%	4.7	0.0%	4.7	0.0%	4.7	0.0%	4.7	0.0%	4.7	0.0%	4.7
48	5.0	11.7	-3.5%	4.8	11.9%	5.4	2.9%	5.6	3.0%	5.7	3.1%	5.9	141.7%	14.3
49	0.0	25.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
50	0.7	1.1	8.4%	0.8	12.0%	0.9	4.3%	0.9	2.9%	1.0	2.8%	1.0	3.3%	1.0
51	9.1%	9.8%		9.6%		10.2%		10.3%		10.2%		10.2%		10.4%
52														
53	74.2	55.2		79.4		88.7		96.8		103.7		105.0		105.0
54	2.6	0.6		2.8		3.0		3.1		3.3		3.3		3.3
55	2.1	2.1		3.0		2.9		2.8		2.8		2.7		2.7
56	43.4	43.4		43.6		47.0		50.2		53.4		51.9		51.9
57	122.2	101.2		128.8		141.6		152.9		163.2		163.0		162.9
58														
59	4,833.5	4,730.9	1.9%	4,924.8	2.8%	5,065.1	2.3%	5,182.5	2.4%	5,305.7	2.8%	5,452.3	3.0%	5,617.3
60	176.0	176.0	6.4%	187.2	-11.6%	165.5	-14.8%	141.0	3.3%	145.7	4.4%	152.0	3.8%	157.8
61	117.4	117.4	0.0%	117.4	2.1%	119.9	2.2%	122.5	2.3%	125.3	2.4%	128.3	2.4%	131.4
62	5,126.9	5,024.3	2.0%	5,229.5	2.3%	5,350.5	1.8%	5,446.0	2.4%	5,576.7	2.8%	5,732.7	3.0%	5,906.4



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

FY19-24 Capital Improvements Program
COUNTY EXECUTIVE RECOMMENDED
 March 15, 2018
GO BOND 6 YR TOTAL = 1,860.0 MILLION
GO BOND FY19 TOTAL = 330.0.0 MILLION
GO BOND FY20 TOTAL = 320.0 MILLION

	FY18	FY19	FY20	FY21	FY22	FY23	FY24
1 GO Bond Guidelines (\$000)	340,000	330,000	320,000	310,000	300,000	300,000	300,000
2 GO Debt/Assessed Value	1.85%	1.84%	1.80%	1.76%	1.70%	1.65%	1.60%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.30%	11.65%	11.81%	11.77%	11.78%	11.74%	11.43%
4 \$ Debt/Capita	3,305	3,396	3,450	3,485	3,503	3,513	3,518
5 \$ Real Debt/Capita (FY18=100%)	3,305	3,331	3,316	3,277	3,220	3,154	3,084
6 Capita Debt/Capita Income	3.85%	3.81%	3.74%	3.66%	3.56%	3.45%	3.35%
7 Payout Ratio	68.70%	69.58%	70.50%	71.38%	72.21%	72.93%	73.60%
8 Total Debt Outstanding (\$000s)	3,511,335	3,612,105	3,692,310	3,753,170	3,795,580	3,830,460	3,859,765
9 Real Debt Outstanding (FY18=100%)	3,511,335	3,543,016	3,548,239	3,529,084	3,326,779	3,357,351	3,383,037
10 Note: OP/PSP Growth Assumption (2)	0.0%	1.9%	3.1%	2.4%	2.4%	2.8%	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 FY18 approved budget to FY19 budget for FY19 and budget to budget for FY20-24.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY19-24 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

April 3, 2018

(\$ millions)	6 YEARS	FY19	FY20	FY21	FY22	FY23	FY24
BONDS PLANNED FOR ISSUE	1,860.000	330.000	320.000	310.000	300.000	300.000	300.000
Plus PAYGO Funded	186.000	33.000	32.000	31.000	30.000	30.000	30.000
Adjust for Implementation **	-	-	-	-	-	-	-
Adjust for Future Inflation **	(72.420)	-	-	(7.341)	(14.363)	(21.701)	(29.015)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,973.580	363.000	352.000	333.659	315.637	308.299	300.985
Less Set Aside: Future Projects	193.114	15.207	19.611	23.812	28.202	49.931	56.351
	9.78%						
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	1,780.466	347.793	332.389	309.847	287.435	258.368	244.634
MCPS	(641.704)	(130.940)	(119.417)	(104.513)	(90.877)	(104.995)	(90.962)
MONTGOMERY COLLEGE	(119.297)	(17.149)	(14.641)	(21.889)	(30.829)	(10.133)	(24.656)
M-NCPPC PARKS	(65.227)	(11.573)	(10.170)	(9.722)	(10.882)	(11.565)	(11.315)
TRANSPORTATION	(569.205)	(104.595)	(110.806)	(97.075)	(94.152)	(81.017)	(81.560)
MCG - OTHER	(453.518)	(127.019)	(102.357)	(76.648)	(60.695)	(50.658)	(36.141)
Programming Adjustment - Unspent Prior Years*	68.485	43.483	25.002	-	-	-	-
	-						
SUBTOTAL PROGRAMMED EXPENDITURES	(1,780.466)	(347.793)	(332.389)	(309.847)	(287.435)	(258.368)	(244.634)
AVAILABLE OR (GAP)	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart County Executive's FY19-24 Recommended CIP publication, Inflation =		1.95%	2.07%	2.20%	2.30%	2.38%	2.43%

NOTE: The set-aside has been intentionally increased to provide capacity for the South County Recreation and Aquatic Center project.

CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

April 3, 2018

TAX SUPPORTED APPROPRIATIONS (\$000s)	ACTUAL FY17 Exp	ACTUAL FY18 Appr.	LATEST FY18 Appr.	REC 6 YR	REC FY19 Appr	REC FY20	REC FY21	REC FY22	REC FY23	REC FY24
GENERAL REVENUE SUPPORTED										
MCG	11,540	6,732	6,782	68,409	2,772	12,984	14,458	13,168	12,561	12,466
M-NCPPC PARKS	9,714	2,438	2,538	23,288	2,258	3,438	4,398	4,398	4,398	4,398
PUBLIC SCHOOLS (MCPS)	22,000	20,127	25,127	105,738	(5,000)	22,254	21,455	16,419	25,346	25,264
MONTGOMERY COLLEGE	14,132	15,084	15,084	87,081	11,661	15,084	15,084	15,084	15,084	15,084
HOC	-	2,550	2,550	8,100	1,250	1,850	1,250	1,250	1,250	1,250
CIP PAYGO - REGULAR	34,000	34,000	34,000	186,000	33,000	32,000	31,000	30,000	30,000	30,000
CIP PAYGO - RSP CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
TOTAL CIP PAYGO	34,000	34,000	34,000	186,000	33,000	32,000	31,000	30,000	30,000	30,000
SUBTOTAL	91,386	80,931	86,081	478,616	45,941	87,610	87,645	80,319	88,639	88,462
OTHER TAX SUPPORTED										
MASS TRANSIT	2,337	16,387	16,387	106,856	12,867	16,625	17,020	9,695	26,224	24,425
FIRE CONSOLIDATED	6,058	2,497	2,497	26,673	99	6,111	5,116	5,116	5,116	5,115
M-NCPPC PARKS	350	350	350	2,100	350	350	350	350	350	350
RECREATION	42	-	-	(25)	(25)	-	-	-	-	-
URBAN DISTRICTS	-	-	-	-	-	-	-	-	-	-
ECONOMIC DEVELOPMENT FUND	-	-	-	11,000	-	-	5,500	5,500	-	-
SUBTOTAL	8,787	19,234	19,234	146,604	13,291	23,086	27,986	20,661	31,690	29,890
SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:	100,173	100,165	105,315	625,220	59,232	110,696	115,631	100,980	120,329	118,352
INFLATION	-	-	-	19,967	-	-	1,862	3,230	6,358	8,517
SUBTOTAL ALLOCATION:	-	-	-	19,967	-	-	1,862	3,230	6,358	8,517
TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:	100,173	100,165	105,315	645,187	59,232	110,696	117,493	104,210	126,687	126,869
NON-TAX SUPPORTED EXPENDITURES (\$000s)	ACTUAL FY17 Exp	ACTUAL FY18 Appr.	LATEST FY18 Appr.	REC 6 YR	REC FY19	REC FY20	REC FY21	REC FY22	REC FY23	REC FY24
NON-TAX SUPPORTED										
MONTGOMERY HOUSING INITIATIVE	-	-	-	-	-	-	-	-	-	-
PARKING DISTRICTS	4,925	5,949	5,949	41,098	11,412	6,647	5,292	5,547	6,100	6,100
SOLID WASTE DISPOSAL	-	1,000	1,000	36,576	8,787	8,989	12,300	6,500	-	-
PERMITTING SERVICES	-	14,400	14,400	4,009	4,009	-	-	-	-	-
M-NCPPC ENTERPRISE FUND	664	1,050	1,050	8,525	4,125	4,000	-	400	-	-
CABLE TV FUND	3,194	4,670	4,670	25,727	4,520	4,430	4,249	4,176	4,176	4,176
WATER QUALITY PROTECTION CHARGE	4,217	5,413	5,413	25,755	5,090	3,810	4,040	3,920	5,130	3,765
SUBTOTAL EXPENDITURES:	13,000	32,482	32,482	141,690	37,943	27,876	25,881	20,543	15,406	14,041
TOTAL CURRENT REVENUE REQUIREMENTS	113,173	132,647	137,797	786,877	97,175	138,572	143,374	124,753	142,093	140,910

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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

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Bethesda Urban District							
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 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)	5,208,200	5,436,800	5,670,000	5,920,200	6,176,600	6,428,800	6,700,100
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	219,400	225,500	231,600	239,900	247,200	254,000	261,600
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	168,219	180,356	83,120	83,068	83,684	84,200	84,731
REVENUES							
Taxes	686,972	717,614	747,325	779,728	812,573	844,766	879,482
Charges For Services	189,877	189,877	193,807	198,071	202,627	207,449	212,490
Subtotal Revenues	876,849	907,491	941,132	977,799	1,015,200	1,052,215	1,091,972
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(24,123)	(23,670)	(23,818)	(23,818)	(23,818)	(23,818)	(23,818)
Indirect Costs	(24,123)	(23,670)	(23,818)	(23,818)	(23,818)	(23,818)	(23,818)
Transfers From The General Fund	650,318	800,318	750,318	750,318	750,318	750,318	750,318
Baseline Services	650,318	800,318	750,318	750,318	750,318	750,318	750,318
Transfers From Special Fds: Non-Tax + ISF	1,671,030	1,513,030	1,577,530	1,541,530	1,504,030	1,467,030	1,426,530
From Bethesda PLD	1,671,030	1,513,030	1,577,530	1,541,530	1,504,030	1,467,030	1,426,530
TOTAL RESOURCES	3,342,293	3,377,525	3,328,282	3,328,898	3,329,414	3,329,945	3,329,733
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,161,937)	(3,294,405)	(3,294,405)	(3,294,405)	(3,294,405)	(3,294,405)	(3,294,405)
Labor Agreement	n/a	0	(809)	(809)	(809)	(809)	(809)
Elimination of One-time Items Recommended in FY19	n/a	n/a	50,000	50,000	50,000	50,000	50,000
Subtotal PSP Oper Budget Approp / Exp's	(3,161,937)	(3,294,405)	(3,245,214)	(3,245,214)	(3,245,214)	(3,245,214)	(3,245,214)
TOTAL USE OF RESOURCES	(3,161,937)	(3,294,405)	(3,245,214)	(3,245,214)	(3,245,214)	(3,245,214)	(3,245,214)
YEAR END FUND BALANCE	180,356	83,120	83,068	83,684	84,200	84,731	84,519
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	5.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

- 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.
- Property tax revenue is assumed to increase over the six years based on an improved assessable base.
- Large assessable base increases are due to economic growth and new projects coming online.
- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY20-24 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.
- 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 enforcement hours per year times 20 cents.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN **Silver Spring Urban District**

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 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)	3,421,200	3,571,300	3,724,500	3,888,900	4,057,300	4,223,000	4,401,200
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	125,200	128,700	132,200	136,900	141,000	145,000	149,300
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	292,450	167	90,180	90,178	90,175	91,501	91,658
REVENUES							
Taxes	891,456	931,139	969,873	1,012,004	1,054,733	1,096,756	1,141,947
Charges For Services	150,000	150,000	153,105	156,473	160,072	163,882	167,864
Subtotal Revenues	1,041,456	1,081,139	1,122,978	1,168,477	1,214,805	1,260,638	1,309,811
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(423,230)	(458,066)	(464,365)	(464,365)	(464,365)	(464,365)	(464,365)
Indirect Costs	(423,230)	(458,066)	(464,365)	(464,365)	(464,365)	(464,365)	(464,365)
Transfers From The General Fund	539,660						
Baseline Services	539,660	539,660	539,660	539,660	539,660	539,660	539,660
Transfers From Special Fds: Non-Tax + ISF	1,989,710	2,480,710	2,389,710	2,344,210	2,299,210	2,252,210	2,203,710
From Silver Spring PLD	1,989,710	2,480,710	2,389,710	2,344,210	2,299,210	2,252,210	2,203,710
TOTAL RESOURCES	3,440,046	3,643,610	3,678,163	3,678,160	3,679,486	3,679,643	3,680,475
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,439,879)	(3,553,430)	(3,553,430)	(3,553,430)	(3,553,430)	(3,553,430)	(3,553,430)
Labor Agreement	n/a	0	(34,555)	(34,555)	(34,555)	(34,555)	(34,555)
Subtotal PSP Oper Budget Approp / Exp's	(3,439,879)	(3,553,430)	(3,587,985)	(3,587,985)	(3,587,985)	(3,587,985)	(3,587,985)
TOTAL USE OF RESOURCES	(3,439,879)	(3,553,430)	(3,587,985)	(3,587,985)	(3,587,985)	(3,587,985)	(3,587,985)
YEAR END FUND BALANCE	167	90,180	90,178	90,175	91,501	91,658	92,490
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	0.0%	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 over 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. FY20-24 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 enforcement hours per year times 20 cents.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Wheaton Urban District					
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 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)	671,200	700,700	730,700	763,000	796,000	828,500	863,500
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	36,100	37,100	38,200	39,500	40,700	41,800	43,100
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	455,885	5,198	51,408	50,703	52,257	51,704	51,190
REVENUES							
Taxes	227,053	237,229	247,021	257,650	268,413	278,952	290,387
Miscellaneous	5,120	7,250	9,380	11,510	13,640	13,640	13,640
Subtotal Revenues	232,173	244,479	256,401	269,160	282,053	292,592	304,027
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(256,309)	(267,976)	(272,500)	(272,500)	(272,500)	(272,500)	(272,500)
Indirect Costs	(256,309)	(267,976)	(272,500)	(272,500)	(272,500)	(272,500)	(272,500)
Transfers From The General Fund	1,464,240	2,022,240	1,992,740	1,882,240	1,867,240	1,756,740	1,745,240
Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
Non-Baseline Services	1,388,150	1,946,150	1,916,650	1,806,150	1,791,150	1,680,650	1,669,150
Transfers From Special Fds: Non-Tax + ISF	24,358	36,537	36,537	136,537	136,537	236,537	236,537
From Wheaton PLD	24,358	36,537	36,537	136,537	136,537	236,537	236,537
TOTAL RESOURCES	1,920,347	2,040,478	2,064,586	2,066,140	2,065,587	2,065,073	2,064,494
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(1,915,149)	(1,989,070)	(1,989,070)	(1,989,070)	(1,989,070)	(1,989,070)	(1,989,070)
Labor Agreement	n/a	0	(24,813)	(24,813)	(24,813)	(24,813)	(24,813)
Subtotal PSP Oper Budget Approp / Exp's	(1,915,149)	(1,989,070)	(2,013,883)	(2,013,883)	(2,013,883)	(2,013,883)	(2,013,883)
TOTAL USE OF RESOURCES	(1,915,149)	(1,989,070)	(2,013,883)	(2,013,883)	(2,013,883)	(2,013,883)	(2,013,883)
YEAR END FUND BALANCE	5,198	51,408	50,703	52,257	51,704	51,190	50,611
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	0.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<p>Assumptions:</p> <ol style="list-style-type: none"> 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. Property tax revenue is assumed to increase over the six years based on an improved assessable base. Large assessable base increases are due to economic growth and new projects coming online. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide. The Non-Baseline Services transfer is necessary to maintain fund balance policy. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY20-24 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. 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 enforcement hours per year times 20 cents. 							

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Consolidated Fire District

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.1089	0.1028	0.1034	0.1026	0.1032	0.1036	0.1036
Assessable Base: Real Property (000)	184,501,700	192,599,100	200,860,000	209,726,000	218,808,200	227,743,300	237,353,700
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.2723	0.2570	0.2585	0.2565	0.2580	0.2590	0.2590
Assessable Base: Personal Property (000)	4,123,800	4,237,700	4,353,500	4,508,900	4,645,500	4,774,500	4,916,500
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	(1,904,982)	(6,566,276)	156,112	436,228	413,709	459,453	588,236
REVENUES							
Taxes	211,165,492	208,162,565	218,187,991	225,962,165	236,975,154	247,451,302	257,739,690
Charges For Services	19,199,561	19,500,000	19,903,650	20,341,530	20,809,385	21,304,648	21,822,351
Intergovernmental	1,970,000	0	0	0	0	0	0
Miscellaneous	742,210	955,642	1,168,726	1,382,809	1,596,959	1,602,143	1,607,392
Subtotal Revenues	233,077,263	228,618,207	239,260,367	247,686,505	259,381,498	270,358,093	281,169,433
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(11,876,667)	(10,770,330)	(13,379,680)	(14,673,400)	(17,055,510)	(18,299,510)	(19,130,170)
GO Bonds	(7,527,167)	(7,873,730)	(8,183,080)	(9,092,600)	(10,870,510)	(11,853,510)	(12,471,170)
Long Term Leases	(4,349,500)	(2,896,600)	(5,196,600)	(5,580,800)	(6,185,000)	(6,446,000)	(6,659,000)
Transfers To The General Fund	(551,232)	(551,232)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
DCM	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Telecommunications NDA	(430,482)	(430,482)	0	0	0	0	0
Transfers From The General Fund	250,000	250,000	250,000	250,000	250,000	250,000	250,000
From General Fund: EMST Fee Payment	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL RESOURCES	218,994,382	210,980,369	226,166,049	233,578,583	242,868,947	252,647,286	262,756,749
CIP CURRENT REVENUE APPROP.							
	(2,497,000)	(99,000)	(6,111,000)	(5,116,000)	(5,116,000)	(5,116,000)	(5,115,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(223,063,658)	(210,725,257)	(218,567,213)	(226,997,266)	(235,991,886)	(245,544,442)	(255,619,521)
Labor Agreement	n/a	0	(926,608)	(926,608)	(926,608)	(926,608)	(926,608)
Clarksburg Fire Station	n/a	n/a	0	0	(153,000)	(203,000)	(203,000)
Kensington (Aspen Hill) Fire Station Addition	n/a	n/a	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
White Flint Fire Station	n/a	n/a	0	0	(97,000)	(144,000)	(144,000)
Subtotal PSP Oper Budget Approp / Exp's	(223,063,658)	(210,725,257)	(219,618,821)	(228,048,874)	(237,293,494)	(246,943,050)	(257,018,129)
TOTAL USE OF RESOURCES	(225,560,658)	(210,824,257)	(225,729,821)	(233,164,874)	(242,409,494)	(252,059,050)	(262,133,129)
YEAR END FUND BALANCE	(6,566,276)	156,112	436,228	413,709	459,453	588,236	623,620
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	-3.0%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%

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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Mass Transit

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0580	0.0568	0.0622	0.0622	0.0582	0.0648	0.0616
Assessable Base: Real Property (000)	184,501,700	192,599,100	200,860,000	209,726,000	218,808,200	227,743,300	237,353,700
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.1450	0.1420	0.1555	0.1555	0.1455	0.1620	0.1540
Assessable Base: Personal Property (000)	4,123,800	4,237,700	4,353,500	4,508,900	4,645,500	4,774,500	4,916,500
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	14,348,879	7,272,641	210,606	184,442	280,658	206,466	454,815
REVENUES							
Taxes	112,466,470	115,015,892	131,250,416	136,986,809	133,642,964	154,776,490	153,250,626
Licenses & Permits	425,000	425,000	433,798	443,341	453,538	464,332	475,615
Charges For Services	24,293,881	25,865,878	26,401,302	26,982,130	27,602,719	28,259,664	28,946,374
Fines & Forfeitures	405,000	405,000	413,384	422,478	432,195	442,481	453,233
Intergovernmental	40,325,861	40,325,861	41,160,607	42,066,137	43,033,661	44,057,865	45,128,473
Miscellaneous	389,530	551,830	714,130	876,430	1,038,730	1,038,730	1,038,730
Subtotal Revenues	178,305,742	182,589,461	200,373,637	207,777,325	206,203,807	229,039,562	229,293,051
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(48,127,389)	(42,325,343)	(45,800,564)	(48,068,224)	(49,060,874)	(49,813,284)	(46,799,444)
GO Bonds	(25,663,547)	(28,612,610)	(32,020,700)	(34,288,360)	(35,281,010)	(36,033,420)	(33,019,580)
Long Term Leases	(20,384,947)	(21,894,010)	(24,342,100)	(24,529,760)	(27,228,610)	(29,006,820)	(26,706,280)
Transfers To The General Fund	(5,278,600)	(6,718,600)	(7,678,600)	(9,758,600)	(8,052,400)	(7,026,600)	(6,313,300)
Indirect Costs	(22,995,152)	(14,244,043)	(14,311,174)	(14,311,174)	(14,311,174)	(14,311,174)	(14,311,174)
Telecommunications NDA	(12,812,933)	(14,113,024)	(14,311,174)	(14,311,174)	(14,311,174)	(14,311,174)	(14,311,174)
Fund Balance Transfer	(131,019)	(131,019)	0	0	0	0	0
Transfers From The General Fund	(10,051,200)	0	0	0	0	0	0
From General Fund: Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
TOTAL RESOURCES	144,527,232	147,536,759	154,783,679	159,893,543	157,423,591	179,432,744	182,948,422
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXP'S.	(14,360,000)	(14,894,000)	(16,625,000)	(17,020,000)	(9,695,000)	(26,224,000)	(24,425,000)
Operating Budget	(126,792,070)	(132,432,153)	(136,695,294)	(141,313,942)	(146,243,182)	(151,474,986)	(156,983,749)
Labor Agreement	n/a	0	(1,086,943)	(1,086,943)	(1,086,943)	(1,086,943)	(1,086,943)
Route 52 Restructuring	n/a	n/a	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)
Subtotal PSP Oper Budget Approp / Exp's	(126,792,070)	(132,432,153)	(137,974,237)	(142,592,885)	(147,522,125)	(152,753,929)	(158,262,692)
OTHER CLAIMS ON FUND BALANCE	3,897,479	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(137,254,591)	(147,326,153)	(154,599,237)	(159,612,885)	(157,217,125)	(178,977,929)	(182,687,692)
YEAR END FUND BALANCE	7,272,641	210,606	184,442	280,658	206,466	454,815	260,730
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	5.0%	0.1%	0.1%	0.2%	0.1%	0.3%	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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Recreation					
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0240	0.0250	0.0248	0.0264	0.0262	0.0252	0.0248
Assessable Base: Real Property (000)	161,253,500	168,330,600	175,550,600	183,299,400	191,237,200	199,046,400	207,445,900
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.0600	0.0625	0.0620	0.0660	0.0655	0.0630	0.0620
Assessable Base: Personal Property (000)	3,347,900	3,440,300	3,534,300	3,660,500	3,771,400	3,876,100	3,991,400
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	3,002,120	251,743	219,833	305,677	222,610	238,304	106,121
REVENUES							
Taxes	40,523,909	44,080,173	45,569,959	50,631,563	52,392,873	52,419,972	53,735,001
Charges For Services	10,580,542	10,580,542	10,799,559	11,037,150	11,291,004	11,559,730	11,840,631
Miscellaneous	201,837	201,837	201,837	201,837	201,837	201,837	201,837
Subtotal Revenues	51,306,288	54,862,552	56,571,355	61,870,550	63,885,714	64,181,539	65,777,469
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(17,110,177)	(16,739,627)	(16,204,156)	(17,321,536)	(17,955,346)	(17,162,276)	(17,022,606)
GO Bonds	(10,850,046)	(11,068,100)	(10,775,070)	(11,892,450)	(12,526,260)	(11,733,190)	(11,593,520)
Long Term Leases	(9,323,686)	(9,542,400)	(10,775,070)	(11,892,450)	(12,526,260)	(11,733,190)	(11,593,520)
Transfers To The General Fund	(1,526,360)	(1,525,700)	0	0	0	0	0
Indirect Costs	(7,269,831)	(6,681,227)	(6,438,786)	(6,438,786)	(6,438,786)	(6,438,786)	(6,438,786)
Fund Balance Transfer	(4,139,791)	(4,551,187)	(4,592,376)	(4,592,376)	(4,592,376)	(4,592,376)	(4,592,376)
Custodial Cleaning Costs	(1,000,000)	0	0	0	0	0	0
Facility Maintenance Costs	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)
DCM	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)
Telecommunications NDA	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)
Transfers From The General Fund	(283,630)	(283,630)	0	0	0	0	0
ASACs	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700
Countywide Services	120,990	120,990	120,990	120,990	120,990	120,990	120,990
TOTAL RESOURCES	37,198,231	38,374,668	40,587,032	44,854,691	46,152,978	47,257,567	48,860,984
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXP'S.	25,000	0	0	0	0	0	0
Operating Budget	(36,971,488)	(38,154,835)	(39,170,926)	(40,262,147)	(41,426,272)	(42,663,044)	(43,968,724)
Labor Agreement	n/a	0	(225,941)	(225,941)	(225,941)	(225,941)	(225,941)
Annualizations and One-Time:	n/a	n/a	0	0	0	0	0
Annualizations of Positions	n/a	n/a	(15,075)	(15,075)	(15,075)	(15,075)	(15,075)
Elimination of One-Time Items	n/a	n/a	62,089	62,089	62,089	62,089	62,089
Wheaton Redevelopment Office Move	n/a	n/a	0	(288,000)	(293,000)	(293,000)	(293,000)
Kennedy Shriver Aquatic Center Building Envelope Improvement	n/a	n/a	86,898	113,468	0	0	0
Martin Luther King, Jr. Indoor Swim Center Renovation	n/a	n/a	25,600	(38,475)	(38,475)	(38,475)	(38,475)
South County Regional Recreation and Aquatic Center	n/a	n/a	0	(2,974,000)	(2,974,000)	(2,974,000)	(2,974,000)
Wheaton Library and Community Recreation Center	n/a	n/a	(1,044,000)	(1,004,000)	(1,004,000)	(1,004,000)	(1,004,000)
Subtotal PSP Oper Budget Approp / Exp's	(36,971,488)	(38,154,835)	(40,281,355)	(44,632,081)	(45,914,674)	(47,151,446)	(48,457,126)
TOTAL USE OF RESOURCES	(36,946,488)	(38,154,835)	(40,281,355)	(44,632,081)	(45,914,674)	(47,151,446)	(48,457,126)
YEAR END FUND BALANCE	251,743	219,833	305,677	222,610	238,304	106,121	403,858
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	0.7%	0.6%	0.8%	0.5%	0.5%	0.2%	0.8%

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 FY20 and FY24.
3. The FY19-24 fiscal plan includes revenues and expenditures related to the ActiveMONTGOMERY system. The fiscal plan assumes an operating expense chargeback to Community Use of Public Facilities and payment from Maryland-National Capital Park and Planning Commission for ongoing system expenses incurred by the Department of Recreation on behalf of these two agencies.
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 factors not assumed here.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Economic Development Fund

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	2,888,010	0	0	0	0	0	0
REVENUES							
Miscellaneous	177,698	195,728	213,758	231,788	249,818	249,818	249,818
Subtotal Revenues	177,698	195,728	213,758	231,788	249,818	249,818	249,818
INTERFUND TRANSFERS (Net Non-CIP)	4,233,040	4,723,589	4,706,691	10,188,661	10,170,631	4,670,631	4,670,631
Transfers From The General Fund	4,233,040	4,723,589	4,706,691	10,188,661	10,170,631	4,670,631	4,670,631
TOTAL RESOURCES	7,298,748	4,919,317	4,920,449	10,420,449	10,420,449	4,920,449	4,920,449
CIP CURRENT REVENUE APPROP.	0	0	0	(5,500,000)	(5,500,000)	0	0
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(7,298,748)	(4,919,317)	(4,919,317)	(4,919,317)	(4,919,317)	(4,919,317)	(4,919,317)
Labor Agreement	n/a	0	(1,132)	(1,132)	(1,132)	(1,132)	(1,132)
Subtotal PSP Oper Budget Approp / Exp's	(7,298,748)	(4,919,317)	(4,920,449)	(4,920,449)	(4,920,449)	(4,920,449)	(4,920,449)
TOTAL USE OF RESOURCES	(7,298,748)	(4,919,317)	(4,920,449)	(10,420,449)	(10,420,449)	(4,920,449)	(4,920,449)
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 balance 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 offsetting loan repayments, intergovernmental funding, and investment income.

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Montgomery College

MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY19-24

	FY18 Estimate	FY19 CE Rec.	FY20 Proj.	FY21 Proj.	FY22 Proj.	FY23 Proj.	FY24 Proj.
Beginning Fund Balance	9,442,949	8,857,877	4,297,877	4,019,369	3,917,441	3,848,173	3,899,042
Revenues							
General Fund Contribution	139,333,727	141,333,727	141,333,727	141,333,727	141,333,727	141,333,727	141,333,727
Tuition & Related Fees	73,000,000	76,892,107	77,416,335	78,743,034	80,908,498	82,501,343	82,501,343
Other Student Fees	1,300,000	1,294,428	1,303,253	1,325,587	1,362,041	1,388,856	1,388,856
State Aid	35,794,377	36,589,976	37,347,389	38,169,031	39,046,919	39,976,235	40,947,658
Fed, State & Priv. Gifts/Grants	400,000	325,000	331,728	339,026	346,823	355,077	363,706
Investment Income	200,000	155,000	158,209	161,689	165,408	169,345	173,460
Performing Arts Center	60,000	135,000	135,000	135,000	135,000	135,000	135,000
Other Revenues (asset sales, lib. fines, rentals)	1,964,000	1,459,000	1,489,201	1,521,964	1,556,969	1,594,025	1,632,760
Adjustments - Non Mandatory Transfer	1,428,344	1,305,485					
Total Revenues	253,480,448	259,489,723	259,514,841	261,729,058	264,855,385	267,453,609	268,476,509
CIP CR	13,184,000	13,561,000	15,084,000	15,084,000	15,084,000	15,084,000	15,084,000
Subtotal Revenues and Transfers	266,664,448	273,050,723	274,598,841	276,813,058	279,939,385	282,537,609	283,560,509
Total Resources Available	276,107,397	281,908,600	278,896,718	280,832,427	283,856,826	286,385,782	287,459,551
County Share	54.8%	53.5%	54.4%	54.0%	53.3%	52.9%	52.6%
State Aid Share	14.1%	13.9%	14.4%	14.6%	14.7%	14.9%	15.3%
Tuition, Fees, Other Share	31.1%	32.6%	31.2%	31.4%	31.9%	32.2%	32.1%
Total Expenditures	(254,065,520)	(264,049,723)	(259,793,348)	(261,830,986)	(264,924,653)	(267,402,740)	(268,444,296)
CIP CR	(13,184,000)	(13,561,000)	(15,084,000)	(15,084,000)	(15,084,000)	(15,084,000)	(15,084,000)
End of year Fund Balance	5,065,000	505,000	345,000	185,000	25,000	0	0
Reserve	3,792,877	3,792,877	3,674,370	3,732,441	3,823,173	3,899,042	3,931,255
Total End of Year Proj. Fund Bal (Includes Reserve)	8,857,877	4,297,877	4,019,369	3,917,441	3,848,173	3,899,042	3,931,255
Fund Bal & Reserve as % of Resources less Contribution	7.2%	3.4%	3.3%	3.1%	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 County's local out-year contribution is held constant at the County Executive recommended FY19 level.
3. Tuition and related fees change at the rate of full-time equivalent student changes.
4. Other revenues, State aid, and expenditures grow based on CPI.

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Maryland-National Capital Park and Planning Commission

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Administration Fund					
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0172	0.0156	0.0168	0.0166	0.0162	0.0160	0.0158
Assessable Base: Real Property (000)	160,288,200	167,322,900	174,499,600	182,202,100	190,092,400	197,854,800	206,204,000
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.0430	0.0390	0.0420	0.0415	0.0405	0.0400	0.0395
Assessable Base: Personal Property (000)	3,333,800	3,425,900	3,519,500	3,645,100	3,755,600	3,859,800	3,974,600
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	5,808,834	4,368,157	1,139,905	1,046,995	1,135,508	1,051,616	1,038,506
REVENUES							
Taxes	28,870,773	27,343,775	30,687,822	31,648,624	32,204,401	33,086,029	34,032,243
Charges For Services	163,400	204,200	208,427	213,012	217,912	223,098	228,519
Intergovernmental	420,300	391,700	399,808	408,604	418,002	427,950	438,349
Miscellaneous	70,000	100,000	100,000	100,000	100,000	100,000	100,000
Subtotal Revenues	29,524,473	28,039,675	31,396,057	32,370,240	32,940,315	33,837,077	34,799,111
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Special Fds: Tax Supported	(500,000)	0	0	0	0	0	0
To M-NCPPC Park Fund	(500,000)	0	0	0	0	0	0
Transfers To Special Fds: Non-Tax + ISF	0	(300,000)	0	0	0	0	0
To M-NCPPC Special Revenue Fund	0	(300,000)	0	0	0	0	0
TOTAL RESOURCES	34,833,307	32,107,832	32,535,962	33,417,235	34,075,823	34,888,693	35,837,617
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(30,465,150)	(30,967,927)	(31,488,967)	(32,281,727)	(33,024,207)	(33,850,187)	(34,762,747)
Subtotal PSP Oper Budget Approp / Exp's	(30,465,150)	(30,967,927)	(31,488,967)	(32,281,727)	(33,024,207)	(33,850,187)	(34,762,747)
TOTAL USE OF RESOURCES	(30,465,150)	(30,967,927)	(31,488,967)	(32,281,727)	(33,024,207)	(33,850,187)	(34,762,747)
YEAR END FUND BALANCE	4,368,157	1,139,905	1,046,995	1,135,508	1,051,616	1,038,506	1,074,870
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	12.5%	3.6%	3.2%	3.4%	3.1%	3.0%	3.0%

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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

M-NCPPC Park Fund

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0554	0.0528	0.0540	0.0530	0.0518	0.0514	0.0502
Assessable Base: Real Property (000)	160,288,200	167,322,900	174,499,600	182,202,100	190,092,400	197,854,800	206,204,000
Property Tax Collection Factor: Real Property	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Property Tax Rate: Personal Property	0.1385	0.1320	0.1350	0.1325	0.1295	0.1285	0.1255
Assessable Base: Personal Property (000)	3,333,800	3,425,900	3,519,500	3,645,100	3,755,600	3,859,800	3,974,600
Property Tax Collection Factor: Personal Property	97.5%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	6,893,750	7,351,183	3,689,784	3,852,881	3,960,151	3,792,401	4,208,366
REVENUES							
Taxes	92,990,744	92,548,161	98,639,427	101,046,811	102,974,569	106,288,869	108,127,761
Charges For Services	2,800,643	2,947,100	3,008,105	3,074,283	3,144,992	3,219,843	3,298,085
Intergovernmental	3,084,641	3,344,909	3,414,149	3,489,260	3,569,513	3,654,467	3,743,271
Miscellaneous	140,900	182,100	182,100	182,100	182,100	182,100	182,100
Subtotal Revenues	99,016,928	99,022,270	105,243,781	107,792,454	109,871,174	113,345,279	115,351,217
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers From The General Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Transfer from the General Fund (WiFi in the Parks)	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Transfers From Special Fds: Tax Supported	500,000	0	0	0	0	0	0
From M-NCPPC Administration Fund	500,000	0	0	0	0	0	0
TOTAL RESOURCES	106,510,678	106,473,453	109,033,565	111,745,335	113,931,325	117,237,680	119,659,583
CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(93,298,285)	(95,912,384)	(97,897,774)	(100,051,524)	(102,352,714)	(104,788,704)	(107,335,074)
Debt Service: Other (Non-Tax Funds only)	(5,511,210)	(6,521,285)	(6,932,910)	(7,383,660)	(7,436,210)	(7,890,610)	(7,952,204)
Subtotal PSP Oper Budget Approp / Exp's	(98,809,495)	(102,433,669)	(104,830,684)	(107,435,184)	(109,788,924)	(112,679,314)	(115,287,278)
TOTAL USE OF RESOURCES	(99,159,495)	(102,783,669)	(105,180,684)	(107,785,184)	(110,138,924)	(113,029,314)	(115,637,278)
YEAR END FUND BALANCE	7,351,183	3,689,784	3,852,881	3,960,151	3,792,401	4,208,366	4,022,305
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	6.9%	3.5%	3.5%	3.5%	3.3%	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 approximately 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 FY16	Actual FY17	Budget FY18	Estimated FY18	Recommended FY19	% Chg Rec/App	Rec % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	51,082,509	58,302,269	63,521,610	61,607,217	70,037,020		18.5%
Roads & Storm Drains	61,896,517	70,310,726	74,945,800	74,552,794	77,869,410		20.6%
Public Housing	64,050	62,475	60,720	60,055	58,330		0.0%
Parks	8,068,892	8,227,409	9,113,810	8,987,495	9,417,240		2.5%
Public Schools	133,869,814	148,735,322	150,388,180	150,432,841	154,958,720		41.0%
Montgomery College	21,814,230	23,487,154	24,785,350	24,619,773	26,017,730		6.9%
Bond Anticipation Notes/Commercial Paper	549,173	2,148,047	5,900,000	5,200,000	7,650,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,096,849	2,103,596	2,500,000	2,200,000	2,800,000		
Cost of Issuance	775,424	711,478	1,023,000	1,220,000	1,047,100		
Total General Fund	280,217,458	314,088,476	332,238,470	328,880,175	349,855,550	5.3%	89.6%
Fire Tax District Fund	7,016,060	7,283,040	7,678,780	7,527,167	7,873,730		2.1%
Mass Transit Fund	17,199,301	18,924,844	20,461,280	20,384,947	21,894,010		5.8%
Recreation Fund	7,270,852	8,192,300	9,477,020	9,323,686	9,542,400		2.5%
Total Tax Supported Other Funds	31,486,213	34,400,184	37,617,080	37,235,800	39,310,140	4.5%	10.4%
TOTAL TAX SUPPORTED	311,703,671	348,488,660	369,855,550	366,115,975	389,165,690	5.2%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	311,703,671	348,488,660	369,855,550	366,115,975	389,165,690	5.2%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	985,034	988,534	986,640	986,640	989,440		
Revenue Authority - HHS Piccard Drive	394,376	395,743	-	-	-		
Revenue Authority - Recreation Pools	1,525,040	1,524,496	1,526,360	1,526,360	1,525,700		
Fire and Rescue Equipment	4,038,961	3,715,800	4,067,900	3,717,900	500,000		
TOTAL LONG-TERM LEASE EXPENDITURES	6,943,411	6,624,572	6,580,900	6,230,900	3,015,140	-54.2%	
SHORT-TERM LEASE EXPENDITURES / FINANCING							
Technology Modernization Project	5,659,960	5,667,891	5,676,100	5,676,100	4,661,600		
Libraries System Modernization	-	48,478	127,500	97,000	97,000		
Corrections Security System	-	-	70,700	-	220,000		
Ride On Buses	7,651,422	8,364,053	5,982,600	5,278,600	6,718,600		
Public Safety System Modernization	5,327,263	3,157,691	2,487,200	988,200	4,228,200		
Fire Breathing Apparatus	-	-	1,421,900	-	1,484,000		
Fuel Management System	-	631,522	791,600	631,600	912,600		
TOTAL SHORT-TERM LEASE EXPENDITURES	18,638,645	17,869,634	16,557,600	12,671,500	18,322,000	10.7%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue - Tax supported	295,105	290,455	290,800	290,800	291,000		
Site II Acquisition - Tax supported	400,000	400,000	400,000	400,000	1,238,900		
Energy Performance Leases QECBs - Tax supported	324,428	325,332	445,700	532,700	728,080		
Energy Performance Leases Other - Tax supported	-	112,659	149,110	260,440	663,190		
MHI-HUD Loan - Non-Tax supported	63,480	61,274	59,020	59,020	56,750		
Water Quality Protection Charge Bonds - Non-Tax supported	3,020,250	6,148,160	6,146,000	6,146,000	6,148,600		
MHI - Property Acquisition Fund - Non-Tax supported	7,196,022	7,199,246	7,808,010	7,208,010	9,501,510		
TOTAL OTHER LONG-TERM DEBT	11,299,285	14,537,125	15,298,640	14,896,970	18,628,030	21.8%	
DEBT SERVICE EXPENDITURES							
Tax Supported	338,305,260	374,111,312	394,279,660	386,502,315	413,424,000	4.9%	
Non-Tax Supported - Other Long-term Debt	10,279,752	13,408,680	14,013,030	13,413,030	15,706,860		
TOTAL DEBT SERVICE EXPENDITURES	348,585,012	387,519,992	408,292,690	399,915,345	429,130,860	5.1%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	260,384,661	297,850,103	310,657,830	303,466,644	318,864,140		
BABs Crossover Funds with Escrow Agent	-	-	-	2,388,141	5,179,100		
Other Interest: Installment Notes, Interest & Penalties	34,020	76,713	-	-	-		
Federal Subsidy on General Obligation Bonds	5,751,483	5,624,450	5,350,000	5,376,480	5,087,370		
Premium on General Obligation Bonds	14,998,462	11,421,071	16,230,640	17,648,910	20,724,940		
Total General Fund Sources	281,168,626	314,972,337	332,238,470	328,880,175	349,855,550		
Fire Tax District Funds	6,816,418	7,124,641	7,678,780	7,527,167	7,873,730		
Mass Transit Fund	16,734,177	18,517,146	20,461,280	20,384,947	21,894,010		
Recreation Fund	7,001,965	7,828,616	9,477,020	9,323,686	9,542,400		
Total Other Funding Sources	30,552,560	33,470,404	37,617,080	37,235,800	39,310,140		
TOTAL GO BOND FUNDING SOURCES	311,721,186	348,442,741	369,855,550	366,115,975	389,165,690		
NON GO BOND FUNDING SOURCES							
General Funds	13,238,987	11,315,267	9,351,210	7,840,270	12,387,400		
MHI Fund - HUD Loan	63,480	61,274	59,020	59,020	56,750		
Water Quality Protection Fund	3,020,250	6,148,160	6,146,000	6,146,000	6,148,600		
MHI - Property Acquisition Fund	7,196,022	7,199,246	7,808,010	7,208,010	9,501,510		
Mass Transit Fund	5,475,257	8,364,053	5,982,600	5,278,600	6,718,600		
Recreation Fund	1,525,040	1,524,496	1,526,360	1,526,360	1,525,700		
Fire Tax District Fund	4,038,961	4,347,322	4,347,322	4,349,500	2,896,600		
Federal Subsidy - QECBs	129,664	65,494	248,670	284,170	272,010		
Capitalized Interest - Energy Performance Leases	-	51,940	47,230	120,800	8,000		
Land Sale Proceeds	-	-	986,640	986,640	-		
State Grant for Ride On Buses	2,176,165	-	-	-	-		
Developer Payments - Site II	-	-	-	-	450,000		
TOTAL NON GO BOND FUNDING SOURCES	36,863,826	39,077,251	38,437,140	33,799,370	39,965,170		
TOTAL FUNDING SOURCES	348,585,012	387,519,992	408,292,690	399,915,345	429,130,860		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	500,000,000	340,000,000	340,000,000	340,000,000	330,000,000		
Council SAG Approved Bond Funded Expenditures	299,500,000	340,000,000	340,000,000	340,000,000	330,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended FY19	Projected FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24
GO BOND DEBT SERVICE EXPENDITURES						
General County	70,037,020	76,185,430	78,166,400	77,710,270	78,618,760	84,995,210
Roads & Storm Drains	77,869,410	79,675,630	81,425,870	86,723,270	91,077,750	95,998,790
Public Housing	58,330	58,330	57,290	58,320	56,330	51,180
Parks	9,417,240	9,967,040	10,099,090	11,009,170	11,803,920	13,179,600
Public Schools	154,958,720	157,087,860	157,484,420	158,751,770	161,781,540	158,199,690
Montgomery College	26,017,730	26,430,610	26,356,380	26,865,670	28,786,100	30,256,610
Bond Anticipation Notes/Commercial Paper	7,650,000	8,600,000	9,150,000	9,450,000	9,712,500	9,937,500
Bond Anticipation Notes/Liquidity & Remarketing	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Cost of Issuance	1,047,100	1,072,000	1,097,220	1,123,000	1,149,500	1,176,500
Total General Fund	349,855,550	361,876,900	366,636,670	374,491,470	385,786,400	396,595,080
Fire Tax District Fund	7,873,730	8,183,080	9,092,600	10,870,510	11,853,510	12,471,170
Mass Transit Fund	21,894,010	24,342,100	24,529,760	27,228,610	29,006,820	26,706,280
Recreation Fund	9,542,400	10,775,070	11,892,450	12,526,260	11,733,190	11,593,520
Total Tax Supported Other Funds	39,310,140	43,300,250	45,514,810	50,625,380	52,593,520	50,770,970
TOTAL TAX SUPPORTED	389,165,690	405,177,150	412,151,480	425,116,850	438,379,920	447,366,050
TOTAL GO BOND DEBT SERVICE EXPENDITURES	389,165,690	405,177,150	412,151,480	425,116,850	438,379,920	447,366,050
LONG-TERM LEASE EXPENDITURES						
Revenue Authority - Conference Center	989,440	991,850	987,710	991,000	991,600	-
Revenue Authority - Recreation Pools	1,525,700	-	-	-	-	-
Fire and Rescue Equipment	500,000	2,800,000	3,500,000	4,420,000	4,802,000	5,175,000
Fleet Equipment	-	380,000	380,000	380,000	380,000	380,000
TOTAL LONG-TERM LEASE EXPENDITURES	3,015,140	4,171,850	4,867,710	5,791,000	6,173,600	5,555,000
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Technology Modernization Project	4,661,600	3,647,100	3,647,100	3,647,100	3,647,100	1,823,500
Libraries System Modernization	97,000	97,000	97,000	48,500	-	-
Corrections Security System	220,000	220,000	220,000	220,000	220,000	-
Ride On Buses	6,718,600	6,718,600	7,838,600	6,132,400	5,106,600	4,393,300
Intelligent Transit System	-	960,000	1,920,000	1,920,000	1,920,000	1,920,000
Public Safety System Modernization	4,228,200	4,768,200	3,814,400	3,797,200	3,780,000	540,000
Fire Breathing Apparatus	1,484,000	1,484,000	1,484,000	1,484,000	1,484,000	1,484,000
Fuel Management System	912,600	912,600	596,800	281,000	160,000	-
TOTAL SHORT-TERM LEASE EXPENDITURES	18,322,000	18,807,500	19,617,900	17,530,200	16,317,700	10,160,800
OTHER LONG-TERM DEBT						
Silver Spring Music Venue - Tax supported	291,000	291,000	294,100	292,000	294,100	291,000
Site II Acquisition - Tax supported	1,238,900	1,238,900	1,238,900	1,238,900	1,238,900	1,238,900
Energy Performance Leases QECBs - Tax supported	728,080	659,970	660,270	660,540	660,820	701,140
Energy Performance Leases Other - Tax supported	663,190	621,300	640,300	659,950	695,210	729,570
MHI-HUD Loan - Non-Tax supported	56,750	54,400	52,050	49,650	47,230	54,510
Water Quality Protection Charge Bonds - Non-Tax supported	6,148,600	6,399,400	7,600,050	8,477,100	9,216,900	9,921,750
MHI - Property Acquisition Fund - Non-Tax supported	9,501,510	9,505,600	11,100,460	11,096,660	11,098,100	11,104,030
TOTAL OTHER LONG-TERM DEBT	18,628,030	18,770,570	21,586,130	22,474,800	23,251,260	24,040,900
DEBT SERVICE EXPENDITURES						
Tax Supported	413,424,000	430,967,670	439,470,660	451,289,440	463,760,250	466,042,460
Non-Tax Supported - Other Long-term Debt	15,706,860	15,959,400	18,752,560	19,623,410	20,362,230	21,080,290
TOTAL DEBT SERVICE EXPENDITURES	429,130,860	446,927,070	458,223,220	470,912,850	484,122,480	487,122,750
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	318,864,140	351,490,610	364,409,970	372,264,770	383,559,700	394,499,120
BABs Crossover Funds with Escrow Agent	5,179,100	2,589,550	-	-	-	-
Federal Subsidy on General Obligation Bonds	5,087,370	3,602,570	2,226,700	2,226,700	2,226,700	2,095,960
Premium on General Obligation Bonds	20,724,940	4,194,170	-	-	-	-
Total General Fund Sources	349,855,550	361,876,900	366,636,670	374,491,470	385,786,400	396,595,080
Fire Tax District Fund	7,873,730	8,183,080	9,092,600	10,870,510	11,853,510	12,471,170
Mass Transit Fund	21,894,010	24,342,100	24,529,760	27,228,610	29,006,820	26,706,280
Recreation Fund	9,542,400	10,775,070	11,892,450	12,526,260	11,733,190	11,593,520
Fleet Fund	-	380,000	380,000	380,000	380,000	380,000
Total Other Funding Sources	39,310,140	43,680,250	45,894,810	51,005,380	52,973,520	51,150,970
TOTAL GO BOND FUNDING SOURCES	389,165,690	405,557,150	412,531,480	425,496,850	438,759,920	447,746,050
NON GO BOND FUNDING SOURCES						
General Funds	12,387,400	11,823,130	10,896,850	10,861,840	10,844,470	4,651,790
MHI Fund - HUD Loan	56,750	54,400	52,050	49,650	47,230	54,510
Water Quality Protection Fund	6,148,600	6,399,400	7,600,050	8,477,100	9,216,900	9,921,750
MHI - Property Acquisition Fund	9,501,510	9,505,600	11,100,460	11,096,660	11,098,100	11,104,030
Mass Transit Fund	6,718,600	7,678,600	9,758,600	8,052,400	7,026,600	6,313,300
Recreation Fund	1,525,700	-	-	-	-	-
Fire Tax District Fund	2,896,600	5,196,600	5,580,800	6,185,000	6,446,000	6,659,000
Federal Subsidy - QECBs	272,010	262,190	252,930	243,350	233,260	222,320
Capitalized Interest - Energy Performance Leases	8,000	-	-	-	-	-
Developer Payments - Site II	450,000	450,000	450,000	450,000	450,000	450,000
TOTAL NON GO BOND FUNDING SOURCES	39,965,170	41,369,920	45,691,740	45,416,000	45,362,560	39,376,700
TOTAL FUNDING SOURCES	429,130,860	446,927,070	458,223,220	470,912,850	484,122,480	487,122,750
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	330,000,000	320,000,000	310,000,000	300,000,000	300,000,000	300,000,000
Council SAG Approved Bond Funded Expenditures	330,000,000	320,000,000	310,000,000	300,000,000	300,000,000	300,000,000
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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Montgomery County Government

FY19 CABLE COMMUNICATIONS PLAN (in \$000's)

	Act FY17	APP FY18	Est FY18	CE REC FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23	Proj. FY24
1 BEGINNING FUND BALANCE	2,140	1,619	6,031	2,710	68	140	241	565	87
2 REVENUES									
3 Franchise Fees ¹	18,080	17,987	17,992	17,868	17,942	18,018	18,095	18,095	18,095
4 Gaithersburg PEG Contribution	175	168	169	165	164	164	163	163	163
5 PEG Operating Grant ^{1,2,7}	5,411	4,158	4,160	4,013	3,991	3,968	3,946	3,946	3,946
6 PEG Capital Grant ^{1,2,7}	7,560	6,674	6,711	6,644	6,814	6,882	6,951	6,951	6,951
7 FiberNet Operating & Equipment Grant ²	0	0	0	0	0	0	0	0	0
8 Interest Earned	73	75	75	107	138	170	188	188	188
9 TFCG Application Review Fees	448	250	250	150	150	150	150	150	150
10 Miscellaneous	0	0	0	0	0	0	0	0	0
11 TOTAL ANNUAL REVENUES	31,746	29,311	29,357	28,947	29,200	29,352	29,493	29,493	29,493
12 TOTAL RESOURCES-CABLE FUND	33,886	30,930	35,388	31,657	29,267	29,492	29,734	30,058	29,581
13 EXPENDITURE OF RESTRICTED FUNDS ²									
14 A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS									
15 Municipal Capital Support ³									
16 Rockville Equipment	943	931	953	931	973	983	993	993	993
17 Takoma Park Equipment	233	217	228	217	227	229	232	232	232
18 Municipal League Equipment	233	217	228	217	227	229	232	232	232
19 SUBTOTAL	1,409	1,365	1,409	1,365	1,428	1,442	1,456	1,456	1,456
20 PEG Capital	768	759	759	759	957	1,191	1,319	1,319	1,319
21 ultraMontgomery - CIP	680	680	680	680	680	680	680	680	680
22 FiberNet - CIP	3,693	3,890	3,890	3,840	3,750	3,569	3,496	3,496	3,496
24 (Must be greater or equal to Line 6) SUBTOTAL	6,550	6,694	6,738	6,644	6,814	6,882	6,951	6,951	6,951
25 B. EXPENDITURE OF OTHER RESTRICTED FUNDS									
26 Municipal Franchise Fee Distribution ³									
27 City of Rockville	846	757	758	757	770	774	778	778	778
28 City of Takoma Park	286	268	246	268	245	246	247	247	247
29 Other Municipalities	269	243	271	243	274	276	278	278	278
30 SUBTOTAL	1,402	1,268	1,275	1,268	1,289	1,296	1,303	1,303	1,303
31 Municipal Operating Support ³									
32 Rockville PEG Support	320	300	211	300	279	272	266	266	266
33 Takoma Park PEG Support	494	458	462	458	443	441	438	438	438
34 Muni. League PEG Support	494	458	462	458	443	441	438	438	438
35 SUBTOTAL	1,308	1,215	1,135	1,215	1,166	1,154	1,142	1,142	1,142
36 SUBTOTAL	2,709	2,483	2,410	2,483	2,455	2,450	2,446	2,446	2,446
37 TOTAL EXPENDITURES OF RESTRICTED FUNDS	9,260	9,177	9,148	9,127	9,269	9,333	9,397	9,397	9,397
38 NET TOTAL ANNUAL REVENUES	22,487	20,134	20,164	19,820	19,930	20,019	20,097	20,097	20,097
39 NET TOTAL RESOURCES-CABLE FUND	24,627	21,753	21,782	22,530	19,998	20,159	20,337	20,661	20,184

		Act FY17	APP FY18	Est FY18	CE REC FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23	Proj. FY24
40	EXPENDITURES OF NON-RESTRICTED FUNDS									
41	A. Transmission Facilities Coordinating Group									
42	TFCG Application Review	220	250	250	230	237	243	250	250	250
43	SUBTOTAL	220	250	250	230	237	243	250	250	250
44	B. FRANCHISE ADMINISTRATION									
45	Personnel Costs - Cable Administration	960	1,065	702	849	1,046	1,095	1,146	1,146	1,146
46	Personnel Costs - DTS Administration	83	83	0	0	0	0	0	0	0
47	Personnel Costs - Charges for County Atty	119	119	116	118	131	138	144	144	144
48	Operating	142	67	71	68	77	79	81	81	81
49	Engineering & Inspection Services	95	78	78	78	73	75	77	77	77
50	Legal and Professional Services	95	100	100	100	127	131	134	134	134
51	SUBTOTAL	1,493	1,512	1,067	1,212	1,454	1,517	1,582	1,582	1,582
52	SUBTOTAL	1,713	1,762	1,317	1,442	1,691	1,760	1,832	1,832	1,832
53	C. MONTGOMERY COUNTY GOVERNMENT - CCM									
54	Media Production & Engineering									
55	Personnel Costs	660	677	703	707	765	801	839	839	839
56	Operating	32	31	31	31	34	35	36	36	36
57	Contracts - TV Production	34	87	77	87	94	97	99	99	99
58	New Media, Webstreaming & VOD Services	45	58	58	58	62	64	66	66	66
59	SUBTOTAL	771	854	869	884	956	997	1,040	1,040	1,040
60	Public Information Office									
61	Personnel Costs	691	772	774	799	908	951	996	996	996
62	Operating Expenses	4	11	12	11	13	14	14	14	14
64	SUBTOTAL	695	783	786	811	921	964	1,009	1,009	1,009
65	County Council									
66	Personnel Costs	561	629	610	620	667	696	726	726	726
67	Operating Expenses	9	11	11	11	14	14	15	15	15
68	Contracts - TV Production	268	153	152	153	163	168	172	172	172
69	General Sessions and Committee Meetings	10	100	101	100	109	112	115	115	115
70	Multi-Lingual/Cultural Production Services	0	0	0	0	0	0	0	0	0
71	SUBTOTAL	848	893	874	884	953	990	1,028	1,028	1,028
72	MNCPPC									
73	Contracts - TV Production	89	99	99	99	106	109	112	112	112
74	New Media, Webstreaming & VOD Services	24	24	24	24	26	27	28	28	28
75	SUBTOTAL	114	123	123	123	132	136	140	140	140
76	SUBTOTAL	2,427	2,653	2,652	2,702	2,962	3,087	3,216	3,216	3,216

FY19 CABLE COMMUNICATIONS PLAN (in \$000's)

		Act FY17	APP FY18	Est FY18	CE REC FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23	Proj. FY24
77	D. MONTGOMERY COLLEGE - MC ITV									
78	Personnel Costs	1,367	1,463	1,463	1,506	1,751	1,834	1,920	1,920	1,920
79	Operating Expenses	333	221	221	221	93	95	98	98	98
80	SUBTOTAL	1,699	1,684	1,684	1,727	1,844	1,929	2,018	2,018	2,018
81	E. PUBLIC SCHOOLS - MCPS ITV									
82	Personnel Costs	1,606	1,564	1,564	1,564	1,832	1,918	2,009	2,009	2,009
83	Operating Expenses	137	133	133	133	148	152	156	156	156
84	SUBTOTAL	1,743	1,698	1,698	1,698	1,980	2,070	2,164	2,164	2,164
85	F. COMMUNITY ACCESS PROGRAMMING ⁴									
86	Personnel Costs	2,103	2,095	2,095	2,096	2,400	2,513	2,631	2,631	2,631
87	Operating Expenses	67	65	65	65	72	74	76	76	76
88	Rent & Utilities	411	425	425	459	442	454	466	466	466
89	New Media, Webstreaming & VOD Services	23	23	23	23	25	26	26	26	26
90	SUBTOTAL	2,604	2,608	2,608	2,644	2,940	3,067	3,200	3,200	3,200
91	G. PEG OPERATING									
92	Operating Expenses	147	161	161	161	195	201	206	206	206
93	Youth and Arts Community Media	93	80	100	100	108	111	114	114	114
94	Community Engagement	91	91	91	91	98	101	103	103	103
95	Closed Captioning	75	163	163	163	189	189	189	189	189
96	Technical Operations Center (TOC)	3	9	9	9	11	11	11	11	11
98	SUBTOTAL	410	505	525	525	601	612	623	623	623
99	H. FIBERNET OPERATING									
100	FiberNet - Personnel Charges for DTS	560	720	717	949	966	1,011	1,059	1,059	1,059
101	FiberNet - Operations & Maintenance DTS	1,197	1,224	1,276	1,329	1,212	1,245	1,279	1,279	1,279
102	FiberNet - Network Operations Center	988	910	910	910	910	910	910	910	910
103	FiberNet - Personnel Charges for DOT	90	104	101	106	115	120	126	126	126
104	FiberNet - Operations & Maintenance DOT	720	979	943	979	700	700	700	1,002	1,002
105	SUBTOTAL	3,554	3,936	3,946	4,273	3,903	3,986	4,074	4,375	4,375
106	TOTAL EXPENDITURE OF UNRESTRICTED FUNDS	14,151	14,845	14,429	15,010	15,922	16,511	17,128	17,429	17,429
107	TOTAL EXPENDITURE OF RESTRICTED FUNDS	9,260	9,177	9,148	9,127	9,269	9,333	9,397	9,397	9,397
108	TOTAL EXPENDITURES - PROGRAMS	23,411	24,022	23,577	24,138	25,191	25,844	26,525	26,826	26,826

		Act FY17	APP FY18	Est FY18	CE REC FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23	Proj. FY24
109	I. OTHER									
110	Indirect Costs Transfer to Gen Fund	649	725	725	756	838	877	918	918	918
112	Telecom Transfer to the Gen Fund	5	5	5	5	0	0	0	0	0
113	Transfer to the General Fund	4,673	5,500	7,731	6,050	2,458	1,890	1,087	1,587	1,079
114	Legislative Community Communications NDA	490	540	540	540	540	540	540	540	540
115	Transfer to the Maryland-National Capital Park and Planning Commission	-	100	100	100	100	100	100	100	100
116	SUBTOTAL	5,817	6,870	9,101	7,451	3,936	3,407	2,645	3,145	2,637
117	TOTAL EXPENDITURES	29,228	30,892	32,678	31,589	29,127	29,251	29,170	29,971	29,463
118	J. ADJUSTMENTS									
119	Prior Year Adjustments	0	0	0	0	0	0	0	0	0
120	Encumbrance Adjustment	343	0	0	0	0	0	0	0	0
122	TOTAL ADJUSTMENTS	343	0	0	0	0	0	0	0	0
123	FUND BALANCE	6,031	39	2,710	68	140	241	565	87	117
124	FUND BALANCE PER POLICY GUIDANCE⁵	1,488	1,465	1,465	1,450	1,458	1,467	1,475	1,475	1,475
125	K. SUMMARY - EXPENDITURES BY FUNDING SOURCE									
126	Transfer to Gen Fund-Indirect Costs	649	725	725	756	838	797	834	834	834
127	Transfer to Gen Fund-Mont Coll Cable Fund ⁶	1,621	1,684	1,684	1,727	1,844	1,929	2,018	2,018	2,018
128	Transfer to Gen Fund-Public Sch Cable Fund ⁶	1,743	1,698	1,698	1,698	1,980	2,070	2,164	2,164	2,164
129	Transfer to CIP Fund	4,373	4,670	4,670	4,520	4,430	4,249	4,176	4,176	4,176
130	Transfer to Gen Fund-Other	4,673	5,500	7,731	6,050	2,458	1,890	1,087	1,587	1,079
131	Transfer to Gen Fund-Telecom	5	5	5	5	0	0	0	0	0
132	Transfer to the General Fund-Legislative Branch NDA	490	540	540	540	540	540	540	540	540
133	Transfer to the Maryland-National Capital Park and Planning Commission	-	100	100	100	100	100	100	100	100
		Act FY17	APP FY18	Est FY18	CE REC FY19	Proj. FY20	Proj. FY21	Proj. FY22	Proj. FY23	Proj. FY24
134	FUND TRANSFERS SUBTOTAL	13,554	14,921	17,152	15,396	12,190	11,575	10,919	11,419	10,911
135	Cable Fund Expenditure of Unrestricted Funds	10,709	11,463	11,048	11,586	12,098	12,512	12,946	13,269	13,269
136	Cable Fund Direct Expenditures	16,017	15,971	15,526	16,193	16,937	17,677	18,251	18,552	18,552
137	Cable Fund Personnel	3,723	4,169	3,723	4,150	4,598	4,811	5,035	5,035	5,035
138	Cable Fund Operating	11,895	11,903	11,903	12,044	12,339	12,785	13,131	13,433	13,433

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 agreements, 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 fees, and corresponding expenditures (Municipal Franchise Fees/Pass-throughs, PEG Capital/Equipment Grants, and PEG Operating Revenue) are contractually required by franchise, municipal, and settlement 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 payments 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 provide 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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Montgomery Housing Initiative

FISCAL PROJECTIONS	FY18 APPROVED	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	2.3%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	0.012	0.017	0.022	0.027	0.032	0.032	0.032
BEGINNING FUND BALANCE	9,023,651	11,633,504	4,090,000	3,287,981	2,613,039	2,073,730	1,678,368
REVENUES							
Taxes	15,086,338	14,471,142	14,957,554	15,422,341	16,047,179	16,258,649	16,810,579
Charges For Services	70,200	70,200	71,653	73,230	74,914	76,697	78,560
Miscellaneous	5,610,486	6,966,946	7,849,946	8,732,946	9,615,896	9,613,476	9,620,756
Subtotal Revenues	20,767,024	21,508,288	22,879,153	24,228,517	25,737,989	25,948,822	26,509,895
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(7,808,010)	(9,501,510)	(9,505,600)	(11,100,460)	(11,096,660)	(11,098,100)	(11,104,030)
MHI Property Acquisition	(7,808,010)	(9,501,510)	(9,505,600)	(11,100,460)	(11,096,660)	(11,098,100)	(11,104,030)
Transfers To The General Fund	(329,848)	(371,142)	(374,795)	(374,795)	(374,795)	(374,795)	(374,795)
Indirect Costs	(329,848)	(371,142)	(374,795)	(374,795)	(374,795)	(374,795)	(374,795)
Transfers From The General Fund	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644
TOTAL RESOURCES	44,356,461	45,972,784	39,792,402	38,744,887	39,583,216	39,253,301	39,413,083
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,668,192)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)
Debt Service: GO Bonds	0	0	0	0	0	0	0
Debt Service: Other (Non-Tax Funds only)	(59,020)	(56,750)	(54,400)	(52,050)	(49,650)	(47,230)	(54,510)
Labor Agreement	n/a	0	(20,039)	(20,039)	(20,039)	(20,039)	(20,039)
Annualizations and One-Time	n/a	n/a	0	0	0	0	0
Rental Assistance Program (RAP)	(16,084,578)	(15,075,202)	(14,999,614)	(15,464,401)	(16,089,239)	(16,300,709)	(16,852,639)
Housing First	(8,294,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)
Neighborhoods to Call Home	(816,340)	(956,340)	(956,340)	(956,340)	(956,340)	(956,340)	(956,340)
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	(3,916,210)	(3,682,481)	(4,002,071)	(3,167,061)	(3,922,261)	(3,778,658)	(3,623,076)
Subtotal PSP Oper Budget Approp / Exp's	(36,556,050)	(35,589,790)	(35,851,481)	(35,478,908)	(36,856,546)	(36,921,993)	(37,325,621)
OTHER CLAIMS ON FUND BALANCE							
Neighborhoods to Call Home (One-time for A Wider Circle)	(200,000)	0	0	0	0	0	0
Reallocated Funds to Housing First	(75,000)	0	0	0	0	0	0
Special Needs and Nonprofit Housing	(636,051)	0	0	0	0	0	0
Affordable Housing Initiative	(725,000)	0	0	0	0	0	0
Senior Affordable Housing	(4,000,000)	(4,562,054)	0	0	0	0	0
HHS Medically Vulnerable 5 yr	0	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	0
Adjusted One-time Cost Increase for Burnt Mills	0	(142,940)	(142,940)	(142,940)	(142,940)	(142,940)	(142,940)
Adjusted One-time Cost Increase for Farkland Chase	0	(78,000)	0	0	0	0	0
Homeownership Assistance Program	0	(1,000,000)	0	0	0	0	0
TOTAL USE OF RESOURCES	(42,192,101)	(41,882,784)	(36,504,421)	(36,131,848)	(37,509,486)	(37,574,933)	(37,468,561)
YEAR END FUND BALANCE	2,164,360	4,090,000	3,287,981	2,613,039	2,073,730	1,678,368	1,944,522
Affordable Housing and Acquisition and Preservation CIP Project #P760100	(17,000,000)	(16,000,000)	(17,000,000)	(7,847,400)	(1,488,900)	(8,129,400)	(1,506,650)
TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)	(59,192,101)	(57,882,784)	(53,504,421)	(43,979,248)	(38,998,386)	(45,704,333)	(38,975,211)

Assumptions:

- 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 #760100 includes the issuance of \$4.15 million of debt in FY19 in addition to \$11.85 million in estimated loan repayments in FY19 to provide a continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
- 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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Water Quality Protection Fund					
FISCAL PROJECTIONS	FY18 Estimate	FY19 CE Rec	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	2.30%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Number of Equivalent Residential Units (ERUs) Billed	365,000	365,000	365,000	365,000	365,000	365,000	365,000
Water Quality Protection Charge (\$/ERU)	\$104.25	\$104.25	\$104.25	\$109.50	\$115.00	\$121.75	\$121.75
Collection Factor for Charge	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
BEGINNING FUND BALANCE	19,430,002	5,028,810	4,364,220	3,999,894	3,205,648	2,579,521	2,106,497
REVENUES							
Charges For Services	37,501,846	37,415,935	37,378,058	39,245,668	41,222,796	43,840,160	43,840,160
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	800,750	383,980	482,210	580,440	639,380	639,380	639,380
Subtotal Revenues	40,774,517	40,271,836	40,332,189	42,298,029	44,334,097	46,951,461	46,951,461
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To General Fund	(7,757,261)	(7,900,961)	(8,138,610)	(9,339,260)	(10,216,310)	(10,956,110)	(11,660,960)
Indirect Costs	(1,611,261)	(1,752,361)	(1,739,210)	(1,739,210)	(1,739,210)	(1,739,210)	(1,739,210)
Telecommunications Charge	(1,598,110)	(1,739,210)	(1,739,210)	(1,739,210)	(1,739,210)	(1,739,210)	(1,739,210)
Transfers to Debt Service Fund (Non-Tax)	(13,151)	(13,151)	0	0	0	0	0
	(6,146,000)	(6,148,600)	(6,399,400)	(7,600,050)	(8,477,100)	(9,216,900)	(9,921,750)
TOTAL RESOURCES	52,447,258	37,399,685	36,557,799	36,958,663	37,323,435	38,574,872	37,396,998
CIP CURRENT REVENUE APPROPRIATION							
PSP OPER. BUDGET APPROP/ EXP'S.	(5,413,000)	(5,090,000)	(3,810,000)	(4,040,000)	(3,920,000)	(5,130,000)	(3,765,000)
Operating Budget	(26,849,984)	(27,945,464)	(28,112,833)	(27,842,013)	(28,286,873)	(28,759,503)	(29,258,463)
Labor Contracts	0	0	(75,744)	(75,774)	(75,774)	(75,774)	(75,774)
Maintenance of New and Newly Transferred Facilities	0	0	(81,034)	(113,980)	(780,127)	(821,095)	(695,892)
Operating Impacts of CIP Projects	0	0	(465,800)	(415,600)	(415,600)	(415,600)	(415,600)
Building Rent Escalation	0	0	(12,494)	0	0	0	0
Wheaton Redevelopment Project Operating Budget Impacts	0	0	0	(1,265,648)	(1,265,540)	(1,266,403)	(1,265,972)
Subtotal PSP Oper Budget Approp / Exp's	(26,849,984)	(27,945,464)	(28,747,905)	(29,713,015)	(30,823,914)	(31,338,375)	(31,711,701)
OTHER CLAIMS ON FUND BALANCE	(15,155,460)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(47,418,444)	(33,035,464)	(32,557,905)	(33,753,015)	(34,743,914)	(36,468,375)	(35,476,701)
YEAR END FUND BALANCE	5,028,814	4,364,220	3,999,894	3,205,648	2,579,521	2,106,497	1,920,297
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	9.6%	11.7%	10.9%	8.7%	6.9%	5.5%	5.1%
NET REVENUE	12,313,272	10,574,011	9,845,074	10,845,804	11,770,973	13,873,876	13,500,550
DEBT SERVICE COVERAGE RATIO	2.00	1.72	1.54	1.43	1.39	1.51	1.36

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 FY20 and FY24 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 MDE Water Quality Revolving Loan awards in years FY20-24 are included in the fiscal plan. Actual debt service costs may vary depending on the size and timing of future loan and 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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Community Use of Public Facilities

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.2%	1.7%	2.2%	2.7%	3.2%	3.2%	3.2%
BEGINNING FUND BALANCE	6,919,320	5,796,363	4,058,050	3,441,543	2,439,401	1,241,455	367,094
REVENUES							
Charges For Services	11,003,765	11,512,996	11,751,315	12,009,844	12,286,070	13,131,352	14,172,668
Miscellaneous	72,364	108,083	108,399	101,245	94,095	58,894	25,737
Subtotal Revenues	11,076,129	11,621,079	11,859,714	12,111,089	12,380,165	13,190,246	14,198,405
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(631,032)	(689,493)	(665,223)	(665,223)	(665,223)	(665,223)	(665,223)
Indirect Costs	(551,499)	(609,960)	(617,893)	(617,893)	(617,893)	(617,893)	(617,893)
Community Access Program	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
DCM	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)
Telecommunications NDA	(32,203)	(32,203)	0	0	0	0	0
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	17,364,417	16,727,949	15,252,541	14,887,409	14,154,343	13,766,478	13,900,277
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXPS.	0	0	0	0	0	0	0
Operating Budget	(11,568,054)	(12,669,899)	(12,999,098)	(13,354,728)	(13,734,460)	(14,137,040)	(14,559,586)
Labor Agreement	n/a	0	(43,016)	(43,016)	(43,016)	(43,016)	(43,016)
Increase in MCPS Reimbursable Staff Costs	n/a	n/a	(12,360)	(24,991)	(37,904)	(51,108)	(51,108)
Utility Reimbursements to MCPS	n/a	n/a	(61,534)	(124,915)	(190,197)	(257,437)	(257,437)
Maintenance Reimbursement to MCPS	n/a	n/a	(8,788)	(17,702)	(26,743)	(35,915)	(35,915)
Custodial Supply Reimbursements to MCPS	n/a	n/a	(2,516)	(5,069)	(7,658)	(10,283)	(10,283)
Custodial Services at Silver Spring Civic Building	n/a	n/a	(1,466)	(2,999)	(4,602)	(6,277)	(6,277)
Office Lease	n/a	n/a	(5,102)	0	0	0	0
Wheaton Redevelopment	n/a	n/a	0	(197,000)	(190,000)	(180,000)	(171,000)
Retiree Health Insurance Pre-Funding	n/a	n/a	(1,580)	(2,050)	(2,770)	(2,770)	(2,770)
ActiveMONTGOMERY Fiscal Assistant	n/a	n/a	74,462	74,462	74,462	74,462	74,462
Field Maintenance	n/a	n/a	750,000	750,000	750,000	750,000	750,000
Special Maintenance Projects	n/a	n/a	500,000	500,000	500,000	500,000	500,000
Subtotal PSP Oper Budget Approp / Exp's	(11,568,054)	(12,669,899)	(11,810,998)	(12,448,008)	(12,912,888)	(13,399,384)	(13,812,930)
OTHER CLAIMS ON FUND BALANCE	0	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(11,568,054)	(12,669,899)	(11,810,998)	(12,448,008)	(12,912,888)	(13,399,384)	(13,812,930)
YEAR END FUND BALANCE	5,796,363	4,058,050	3,441,543	2,439,401	1,241,455	367,094	87,347
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	33.4%	24.3%	22.6%	16.4%	8.8%	2.7%	0.6%

Assumptions:

- 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.
- The ICB must review and approve any changes in fees. A 4.5% fee increase is assumed in FY23 and 5.5% in FY24.
- The fiscal plan assumes additional programmed expenses for ballfield maintenance and high use building maintenance using surplus funds in FY19.
- CUPF's move to the Wheaton Redevelopment facility is assumed to be in FY21, with expenses through FY20 of its current office lease at 255 Rockville Pike. 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:

- The fund balance is calculated on a net assets basis.
- 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.
- Community Use of Public Facilities has a fund balance policy target of 10% of resources.

FY19-24 Public Services Program: Fiscal Plan Bethesda Parking Lot District							
	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2018	2019	2020	2021	2022	2023	2024
Assumptions							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.60%	1.95%	2.07%	2.20%	2.30%	2.38%	2.43%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Beginning Fund Balance	\$ 15,478,181	\$ 15,622,918	\$ 12,549,422	\$ 13,525,384	\$ 13,284,296	\$ 13,349,904	\$ 12,329,512
Revenues							
Charges for Services	\$ 15,555,081	\$ 15,555,081	\$ 15,555,081	\$ 15,555,081	\$ 15,555,081	\$ 15,555,081	\$ 14,755,081
Fines & Forfeits	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000	\$ 3,250,000
Miscellaneous	\$ 1,466,580	\$ 532,610	\$ 6,208,640	\$ 634,670	\$ 685,700	\$ 685,700	\$ 2,685,700
Subtotal Revenues	\$ 20,271,661	\$ 19,337,691	\$ 25,013,721	\$ 19,439,751	\$ 19,490,781	\$ 19,490,781	\$ 20,690,781
Transfers							
Transfers to General Fund	\$ (2,078,355)	\$ (2,340,159)	\$ (5,100,436)	\$ (1,873,740)	\$ (2,646,181)	\$ (3,019,704)	\$ (1,890,204)
Indirect Costs	\$ (407,325)	\$ (427,128)	\$ (422,906)	\$ (432,210)	\$ (442,151)	\$ (452,674)	\$ (463,674)
Telecommunications NDA	\$ (394,526)	\$ (414,329)	\$ (422,906)	\$ (432,210)	\$ (442,151)	\$ (452,674)	\$ (463,674)
Telecommunications NDA	\$ (12,799)	\$ (12,799)	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Special Funds : Tax Supported	\$ (1,671,030)	\$ (1,513,030)	\$ (1,577,530)	\$ (1,541,530)	\$ (1,504,030)	\$ (1,467,030)	\$ (1,426,530)
Bethesda Urban District	\$ (1,671,030)	\$ (1,513,030)	\$ (1,577,530)	\$ (1,541,530)	\$ (1,504,030)	\$ (1,467,030)	\$ (1,426,530)
Transfers to Other Funds	\$ -	\$ (400,000)	\$ (3,100,000)	\$ 100,000	\$ (700,000)	\$ (1,100,000)	\$ -
Transfer to Wheaton PLD	\$ -	\$ (400,000)	\$ (100,000)	\$ 100,000	\$ 400,000	\$ -	\$ -
Transfer to Silver Spring PLD	\$ -	\$ -	\$ (3,000,000)	\$ -	\$ (1,100,000)	\$ (1,100,000)	\$ -
Total Resources	\$ 33,671,487	\$ 32,620,450	\$ 32,462,707	\$ 31,091,395	\$ 30,128,896	\$ 29,820,980	\$ 31,130,088
CIP Current Revenue Appropriation Expenditure	\$ (3,092,000)	\$ (5,155,000)	\$ (3,790,000)	\$ (2,435,000)	\$ (2,690,000)	\$ (3,155,000)	\$ (3,155,000)
Other CIP Revenue Appropriation Expenditure	\$ -						
Appropriations/Expenditures							
Operating Budget	\$ (10,306,658)	\$ (10,262,834)	\$ (10,475,275)	\$ (10,705,731)	\$ (10,951,963)	\$ (11,212,619)	\$ (11,485,086)
Existing Debt Service	\$ (4,649,910)	\$ (4,653,194)	\$ (4,640,400)	\$ (4,634,250)	\$ (3,104,192)	\$ (3,091,012)	\$ (3,078,709)
Retiree Health Insurance Pre-Funding	\$ -	\$ -	\$ (1,580)	\$ (2,050)	\$ (2,770)	\$ (2,770)	\$ (2,770)
Labor Agreement	\$ -	\$ -	\$ (30,068)	\$ (30,068)	\$ (30,068)	\$ (30,068)	\$ (30,068)
Subtotal PSP Operating Budget Appropriation	\$ (14,956,569)	\$ (14,916,028)	\$ (15,147,323)	\$ (15,372,099)	\$ (14,088,992)	\$ (14,336,469)	\$ (14,596,633)
Total Use of Resources	\$ (18,048,569)	\$ (20,071,028)	\$ (18,937,323)	\$ (17,807,099)	\$ (16,778,992)	\$ (17,491,469)	\$ (17,751,633)
Year End Fund Balance	\$ 15,622,918	\$ 12,549,422	\$ 13,525,384	\$ 13,284,296	\$ 13,349,904	\$ 12,329,512	\$ 13,378,455
Bond Restricted Reserve	\$ (7,953,944)	\$ (8,542,531)	\$ (8,593,352)	\$ (8,841,256)	\$ (8,898,705)	\$ (8,956,603)	\$ (9,015,562)
Year End Available Fund Balance	\$ 7,668,973	\$ 4,006,891	\$ 4,932,032	\$ 4,443,039	\$ 4,451,199	\$ 3,372,908	\$ 4,362,893
Available Fund Balance As A Percent of Next Year's PSP Expenses	51%	26%	32%	32%	31%	23%	30%
Target Balance	\$ 3,729,007	\$ 3,786,831	\$ 3,843,025	\$ 3,522,248	\$ 3,584,117	\$ 3,649,158	\$ 3,649,158

Assumptions:

1. The cash balance includes funds required to be held by the District to cover Bond Covenants.
2. Bond coverage (annual net revenues over debt service requirements) is maintained at about 195 percent in FY19. The minimum requirement is 125 percent.
3. Revenue for the air rights lease for Garage 49 is assumed in FY16 through FY24.
4. Revenue growth in FY24 projected as a result of increased occupancy of existing facilities associated with the Marriott development.
5. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY20-24 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.

FY19-24 Public Services Program: Fiscal Plan Silver Spring Parking Lot District							
	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2018	2019	2020	2021	2022	2023	2024
Assumptions							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.60%	1.95%	2.07%	2.20%	2.30%	2.38%	2.43%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Beginning Fund Balance	\$ 18,172,362	\$ 13,132,931	\$ 5,329,272	\$ 3,899,600	\$ 3,589,318	\$ 4,219,341	\$ 4,592,101
Revenues							
Charges for Services	\$ 10,706,253	\$ 10,663,333	\$ 10,663,333	\$ 14,923,333	\$ 14,923,333	\$ 14,923,333	\$ 14,923,333
Fines & Forfeits	\$ 1,897,689	\$ 1,897,689	\$ 1,897,689	\$ 1,897,689	\$ 1,897,689	\$ 1,897,689	\$ 1,897,689
Miscellaneous	\$ 199,750	\$ 282,980	\$ 366,210	\$ 449,440	\$ 532,670	\$ 532,670	\$ 532,670
Subtotal Revenues	\$ 12,803,692	\$ 12,844,002	\$ 12,927,232	\$ 17,270,462	\$ 17,353,692	\$ 17,353,692	\$ 17,353,692
Transfers							
Transfers to General Fund	\$ (536,116)	\$ (559,420)	\$ (487,004)	\$ (497,608)	\$ (508,938)	\$ (520,931)	\$ (533,468)
Indirect Costs	\$ (448,924)	\$ (472,228)	\$ (482,004)	\$ (492,608)	\$ (503,938)	\$ (515,931)	\$ (528,468)
To RSC	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Telecommunications NDA	\$ (82,192)	\$ (82,192)	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Special Funds : Tax Supported	\$ (1,930,854)	\$ (2,480,710)	\$ 610,290	\$ (2,344,210)	\$ (1,199,210)	\$ (1,152,210)	\$ (2,203,710)
Silver Spring Urban District	\$ (1,989,710)	\$ (2,480,710)	\$ (2,389,710)	\$ (2,344,210)	\$ (2,299,210)	\$ (2,252,210)	\$ (2,203,710)
Transfer from Bethesda PLD	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -
Transfer from Montgomery Hills PLD	\$ 58,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ 28,509,084	\$ 22,936,803	\$ 18,379,790	\$ 18,328,244	\$ 19,234,863	\$ 19,899,892	\$ 19,208,614
CIP Current Revenue Appropriation Expenditure	\$ (3,940,000)	\$ (6,100,000)	\$ (2,700,000)				
Appropriations/Expenditures							
Operating Budget	\$ (11,436,153)	\$ (11,507,531)	\$ (11,745,737)	\$ (12,004,143)	\$ (12,280,238)	\$ (12,572,508)	\$ (12,878,020)
Labor Agreement	\$ -	\$ -	\$ (33,373)	\$ (33,373)	\$ (33,373)	\$ (33,373)	\$ (33,373)
Retiree Health Benefits Pre-Funding	\$ -	\$ -	\$ (1,080)	\$ (1,410)	\$ (1,910)	\$ (1,910)	\$ (1,910)
Subtotal PSP Operating Budget Appropriation	\$ (11,436,153)	\$ (11,507,531)	\$ (11,780,190)	\$ (12,038,926)	\$ (12,315,521)	\$ (12,607,791)	\$ (12,913,303)
Total Use of Resources	\$ (15,376,153)	\$ (17,607,531)	\$ (14,480,190)	\$ (14,738,926)	\$ (15,015,521)	\$ (15,307,791)	\$ (15,613,303)
Year End Available Fund Balance	\$ 13,132,931	\$ 5,329,272	\$ 3,899,600	\$ 3,589,318	\$ 4,219,341	\$ 4,592,101	\$ 3,595,311
Available Fund Balance As A Percent of Next Year's PSP Expenses	114%	45%	32%	29%	33%	36%	28%
Target Balance	\$ 2,876,883	\$ 2,945,047	\$ 3,009,732	\$ 3,078,880	\$ 3,151,948	\$ 3,228,326	\$ 3,228,326

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY20-24 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 from FY20-24 are based on a combination of increased hours of enforcement in lots and garages and overall rates, with the details to be determined in collaboration with the Silver Spring Chamber of Commerce and the County Council.
3. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY19-24 Public Services Program: Fiscal Plan Wheaton Parking Lot District							
	Estimated	Recommended	Projected	Projected	Projected	Projected	Projected
	2018	2019	2020	2021	2022	2023	2024
Assumptions							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.60%	1.95%	2.07%	2.20%	2.30%	2.38%	2.43%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Beginning Fund Balance	\$ 900,350	\$ 451,008	\$ 392,133	\$ 432,030	\$ 639,018	\$ 510,547	\$ 552,262
Revenues							
Charges for Services	\$ 725,000	\$ 725,000	\$ 1,325,000	\$ 1,825,000	\$ 1,825,000	\$ 1,825,000	\$ 1,825,000
Fines & Forfeits	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000	\$ 476,000
Miscellaneous	\$ 9,870	\$ 13,980	\$ 18,090	\$ 22,200	\$ 26,310	\$ 26,310	\$ 26,310
Subtotal Revenues	\$ 1,210,870	\$ 1,214,980	\$ 1,819,090	\$ 2,323,200	\$ 2,327,310	\$ 2,327,310	\$ 2,327,310
Transfers							
Transfers to General Fund	\$ (96,084)	\$ 288,852	\$ (8,545)	\$ (310,129)	\$ (611,821)	\$ (313,613)	\$ (315,486)
Indirect Costs	\$ (71,726)	\$ (74,611)	\$ (72,008)	\$ (73,592)	\$ (75,284)	\$ (77,076)	\$ (78,949)
Telecommunications NDA	\$ (67,662)	\$ (70,547)	\$ (72,008)	\$ (73,592)	\$ (75,284)	\$ (77,076)	\$ (78,949)
Transfers to Special Funds : Tax Supported	\$ (4,064)	\$ (4,064)	\$ -	\$ -	\$ -	\$ -	\$ -
Wheaton Urban District	\$ (24,358)	\$ 363,463	\$ 63,463	\$ (236,537)	\$ (536,537)	\$ (236,537)	\$ (236,537)
Transfer from Bethesda PLD	\$ (24,358)	\$ (36,537)	\$ (36,537)	\$ (136,537)	\$ (136,537)	\$ (236,537)	\$ (236,537)
	\$ -	\$ 400,000	\$ 100,000	\$ (100,000)	\$ (400,000)	\$ -	\$ -
Total Resources	\$ 2,015,136	\$ 1,954,840	\$ 2,202,678	\$ 2,445,101	\$ 2,354,507	\$ 2,524,244	\$ 2,564,086
CIP Current Revenue Appropriation Expenditure	\$ (157,000)	\$ (157,000)	\$ (157,000)	\$ (157,000)	\$ (157,000)	\$ (245,000)	\$ (245,000)
Appropriations/Expenditures							
Operating Budget	\$ (1,407,128)	\$ (1,405,707)	\$ (1,608,405)	\$ (1,643,790)	\$ (1,681,597)	\$ (1,721,619)	\$ (1,763,455)
Retiree Health Insurance Pre-Funding	\$ -	\$ -	\$ (160)	\$ (210)	\$ (280)	\$ (280)	\$ (280)
Labor Agreement	\$ -	\$ -	\$ (5,083)	\$ (5,083)	\$ (5,083)	\$ (5,083)	\$ (5,083)
Subtotal PSP Operating Budget Appropriation	\$ (1,407,128)	\$ (1,405,707)	\$ (1,613,648)	\$ (1,649,083)	\$ (1,686,960)	\$ (1,726,982)	\$ (1,768,818)
Total Use of Resources	\$ (1,564,128)	\$ (1,562,707)	\$ (1,770,648)	\$ (1,806,083)	\$ (1,843,960)	\$ (1,971,982)	\$ (2,013,818)
Year End Available Fund Balance	\$ 451,008	\$ 392,133	\$ 432,030	\$ 639,018	\$ 510,547	\$ 552,262	\$ 550,268
Available Fund Balance As A Percent of Next Year's PSP Expenses	32%	24%	26%	38%	30%	31%	31%
Target Balance	\$ 351,427	\$ 403,412	\$ 412,271	\$ 421,740	\$ 431,746	\$ 442,204	\$ 442,204

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY20-24 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 from FY20-24 are based on the completion of the Wheaton Revitalization Program in FY20, and a combination of increased hours of enforcement in lots and garages and overall rates starting in FY21, with the details to be determined in collaboration with the Wheaton Chamber of Commerce and the County Council.
3. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Solid Waste Collection

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	0.012	0.017	0.022	0.027	0.032	0.032	0.032
Number of Households	91,845	92,241	92,624	92,899	93,174	93,448	93,723
Charge per Household (once-weekly refuse collection)	\$ 70.00	\$ 77.00	\$ 94.00	\$ 114.00	\$ 126.00	\$ 126.00	\$ 127.00
BEGINNING FUND BALANCE	1,534,806	3,439,935	1,058,050	4,709	562,197	1,206,089	1,594,097
REVENUES							
Charges For Services	6,438,870	7,102,557	8,706,656	10,582,822	11,739,924	11,774,448	11,902,821
Miscellaneous	32,640	49,300	63,800	78,300	92,800	92,800	92,800
Subtotal Revenues	6,471,510	7,151,857	8,770,456	10,661,122	11,832,724	11,867,248	11,995,621
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	3,732,746	(286,394)	(297,847)	(310,146)	(1,123,267)	(1,137,208)	(1,151,924)
Indirect Costs	(267,254)	(286,394)	(297,847)	(310,146)	(323,267)	(337,208)	(351,924)
DCM	(262,254)	(281,394)	(292,847)	(305,146)	(318,267)	(332,208)	(346,924)
Transfers To Special Fds: Non-Tax + ISF	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
To Disposal Fund	0	0	0	0	(800,000)	(800,000)	(800,000)
Transfers From Special Fds: Non-Tax + ISF	0	0	0	0	(800,000)	(800,000)	(800,000)
From Disposal Fund	4,000,000	0	0	0	0	0	0
	4,000,000	0	0	0	0	0	0
TOTAL RESOURCES	11,739,062	10,305,398	9,530,659	10,355,685	11,271,654	11,936,129	12,437,794
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(8,299,127)	(9,247,348)	(9,510,172)	(9,777,640)	(10,049,617)	(10,326,085)	(10,606,813)
Labor Agreement	n/a	n/a	(15,568)	(15,568)	(15,568)	(15,568)	(15,568)
Retiree Health Insurance Pre-Funding	n/a	n/a	(210)	(280)	(380)	(380)	(380)
Subtotal PSP Oper Budget Approp / Exp's	(8,299,127)	(9,247,348)	(9,525,950)	(9,793,488)	(10,065,565)	(10,342,033)	(10,622,761)
OTHER CLAIMS ON FUND BALANCE	0	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(8,299,127)	(9,247,348)	(9,525,950)	(9,793,488)	(10,065,565)	(10,342,033)	(10,622,761)
YEAR END FUND BALANCE	3,439,935	1,058,050	4,709	562,197	1,206,089	1,594,097	1,815,033
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	29.3%	10.3%	0.0%	5.4%	10.7%	13.4%	14.6%

Assumptions:

1. Refuse collection charges are adjusted to achieve 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 FY19-24 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 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

FY18-24 DIVISION OF SOLID WASTE SERVICES : Disposal Fund

FISCAL PROJECTIONS	ACTUAL FY17	ESTIMATED FY18	PROJECTED FY19	PROJECTED FY20	PROJECTED FY21	PROJECTED FY22	PROJECTED FY23	PROJECTED FY24
Single-Family Charges (\$/Household)	205.11	205.11	205.11	222.27	247.89	270.06	293.92	320.36
% change in rate from previous year	0.0%	0.0%	0.0%	8.4%	11.5%	8.9%	8.8%	9.0%
Multi-Family Charges (\$/Dwelling Unit)	16.06	16.06	16.06	16.50	13.68	11.13	8.38	6.29
% change in rate from previous year	0.0%	0.0%	0.0%	2.7%	-17.1%	-18.6%	-24.7%	-24.9%
Nonresidential Charges (medium "category" charge)	596.13	596.13	596.13	627.01	589.46	516.55	452.90	401.58
% change in rate from previous year	0.0%	0.0%	0.0%	5.2%	-6.0%	-12.4%	-12.3%	-11.3%

OPERATIONS CALCULATION

REVENUES								
Disposal Fees	30,525,516	33,579,210	33,746,422	34,608,794	35,157,014	35,991,962	37,210,611	38,466,055
Charges for Services/SBC	56,251,848	55,867,924	55,239,051	60,371,460	64,874,718	67,486,974	70,844,856	74,515,735
Miscellaneous	12,545,671	9,163,247	8,742,146	8,867,474	9,010,038	9,162,702	9,316,195	9,473,809
Investment Income	300,595	493,440	699,040	904,640	1,110,240	1,315,840	1,315,840	1,315,840
Subtotal Revenues	99,623,630	99,103,821	98,426,659	104,752,368	110,152,010	113,957,478	118,687,502	123,771,439
INTERFUND TRANSFERS								
	323,259	(4,141,901)	(7,557,587)	297,011	988,658	1,158,401	1,376,280	1,592,639
EXPENDITURES								
Personnel Costs	(10,100,292)	(10,017,776)	(10,409,539)	(10,857,649)	(11,313,670)	(11,800,158)	(12,317,005)	(12,862,648)
Operating Expenses	(69,171,808)	(76,147,491)	(85,096,778)	(91,621,716)	(97,057,347)	(102,200,529)	(107,642,191)	(115,083,850)
Capital Outlay	(4,299,265)	(3,493,502)	(5,206,697)	(12,808,174)	(6,795,450)	(2,158,766)	(783,613)	(560,452)
Other Expenditure Restrictions								
Subtotal Expenditures	(83,571,365)	(89,658,769)	(100,713,014)	(115,287,539)	(115,166,467)	(116,159,453)	(120,742,809)	(128,506,950)
CURRENT RECEIPTS TO CIP	-	(1,000,000)	(500,000)	(8,400,000)	(12,300,000)	(6,500,000)	-	-
OTHER CLAIMS ON FUND BALANCE								
POTENTIAL FUTURE EXPENDITURES	-	-	-	-	-	-	-	-
PAYOUT OF GUDE REMEDIATION	-	1,000,000	500,000	8,400,000	12,300,000	6,500,000	-	-
CY GUDE REMEDIATION	(200,000)	-	-	-	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	1,117,258	1,675,088	1,706,853	1,744,790	1,785,886	1,829,787	1,876,282	1,924,951
CY ACCRUED CLOSURE COSTS	(1,311,502)	(41,518)	(35,154)	(37,937)	(41,096)	(43,900)	(46,495)	(48,669)
NET CHANGE	15,981,280	6,936,720	(8,172,243)	(8,531,307)	(2,281,009)	742,313	1,150,760	(1,266,590)

CASH POSITION

ENDING CASH & INVESTMENTS								
Unrestricted Cash	52,068,604	61,393,724	49,644,560	32,710,946	16,062,417	8,823,395	7,448,729	5,526,383
Restricted Cash	30,020,564	26,436,451	29,229,067	29,291,008	30,236,400	30,648,330	32,372,807	32,484,599
Subtotal Cash & Investments	82,089,168	87,830,174	78,873,627	62,001,954	46,298,817	39,471,725	39,821,536	38,010,982
RESERVE & LIABILITY REQUIREMENTS								
Management Reserve	(22,425,183)	(20,981,878)	(24,018,237)	(23,993,014)	(24,199,886)	(25,154,752)	(26,772,281)	(26,772,281)
Debt Service Reserve	-	-	-	-	-	-	-	-
Future System Contingency Reserve	(1,000,000)	-	-	-	-	-	-	-
Research & Development Reserve	(298,080)	-	-	-	-	-	-	-
Renewal & Replacement Reserve	(4,037,427)	(4,130,290)	(4,210,830)	(4,297,994)	(4,392,549)	(4,493,578)	(4,600,526)	(4,712,318)
Stability Reserve	(2,259,874)	(1,324,283)	(1,000,000)	(1,000,000)	(1,643,965)	(1,000,000)	(1,000,000)	(1,000,000)
Subtotal Reserve Requirements	(30,020,564)	(26,436,451)	(29,229,067)	(29,291,008)	(30,236,400)	(30,648,330)	(32,372,807)	(32,484,599)
Closure/Postclosure Liability	(15,733,722)	(14,100,153)	(12,428,453)	(10,721,600)	(8,976,810)	(7,190,924)	(5,422,065)	(3,606,711)
Gude Remediation Liability	(28,700,000)	(27,700,000)	(27,200,000)	(18,800,000)	(6,500,000)	-	-	-
Current Liabilities Not Including Debt/Closure	-	-	-	-	-	-	-	-
Subtotal Reserve & Liability Requirements	(74,454,286)	(68,236,604)	(68,857,520)	(58,812,608)	(45,713,210)	(37,839,254)	(37,794,871)	(36,091,310)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	7,634,882	19,593,570	10,016,107	3,189,346	585,607	1,632,471	2,026,665	1,919,672
Net Assets								
ENDING NET ASSETS								
Less: Reserve Requirements	(30,020,564)	(26,436,451)	(29,229,067)	(29,291,008)	(30,236,400)	(30,648,330)	(32,372,807)	(32,484,599)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	41,877,847	55,484,631	49,154,246	52,669,275	54,795,452	56,244,659	55,818,647	54,683,167

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Vacuum Leaf Collection					
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	0.012	0.017	0.022	0.027	0.032	0.032	0.032
% of leaves attributed to single-family households	0.97244	0.97244	0.97244	0.97244	0.97244	0.97244	0.97244
% of leave attributed to multi-family units and townhome uni	0.02756	0.02756	0.02756	0.02756	0.02756	0.02756	0.02756
Charge per single-family household	\$ 97.99	\$ 102.93	\$ 107.70	\$ 112.58	\$ 118.49	\$ 125.17	\$ 131.97
BEGINNING FUND BALANCE	(83,322)	226,612	261,577	273,177	292,732	318,578	343,576
REVENUES							
Charges For Services	7,216,578	7,595,788	7,947,857	8,308,483	8,744,469	9,237,541	9,739,255
Miscellaneous	14,650	20,750	26,850	32,950	39,050	39,050	39,050
Subtotal Revenues	7,231,228	7,616,538	7,974,707	8,341,433	8,783,519	9,276,591	9,778,305
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(577,855)	(1,376,852)	(1,573,360)	(1,779,643)	(2,059,292)	(2,393,317)	(2,731,727)
Indirect Costs	(577,855)	(621,852)	(643,360)	(658,643)	(674,292)	(690,317)	(706,727)
Transfers To Special Fds: Non-Tax + ISF	0	(755,000)	(930,000)	(1,121,000)	(1,385,000)	(1,703,000)	(2,025,000)
To Solid Waste Disposal	0	(755,000)	(930,000)	(1,121,000)	(1,385,000)	(1,703,000)	(2,025,000)
TOTAL RESOURCES	6,570,051	6,466,298	6,662,924	6,834,967	7,016,959	7,201,852	7,390,154
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,343,439)	(6,204,721)	(6,353,634)	(6,506,122)	(6,662,268)	(6,822,163)	(6,985,895)
Labor Agreement	n/a	0	(36,113)	(36,113)	(36,113)	(36,113)	(36,113)
Subtotal PSP Oper Budget Approp / Exp's	(6,343,439)	(6,204,721)	(6,389,747)	(6,542,235)	(6,698,381)	(6,858,276)	(7,022,008)
TOTAL USE OF RESOURCES	(6,343,439)	(6,204,721)	(6,389,747)	(6,542,235)	(6,698,381)	(6,858,276)	(7,022,008)
YEAR END FUND BALANCE	226,612	261,577	273,177	292,732	318,578	343,576	368,146
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	3.4%	4.0%	4.1%	4.3%	4.5%	4.8%	5.0%
<u>Assumptions:</u> 1. Leaf Vacuuming rates are adjusted to achieve cost recovery. 2. The Vacuum Leaf Collection fund balance policy target is \$250,000. In future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance.							

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Permitting Services

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Enterprise Fund Stabilization Factor (EFSF)	1	1.03	1.13	1.27	1.07	1.08	1.1
BEGINNING FUND BALANCE	36,574,865	16,329,877	8,965,633	10,741,436	10,554,516	11,043,297	11,326,120
REVENUES							
Licenses & Permits	41,972,864	40,315,397	40,718,551	41,125,736	41,536,994	41,952,364	42,371,887
Charges For Services	832,540	1,339,464	2,701,968	2,761,411	2,824,924	2,892,157	2,962,436
Fines & Forfeitures	98,152	89,772	90,152	92,135	94,254	96,498	98,843
Miscellaneous	548,280	776,730	1,005,180	1,233,630	1,462,080	1,462,080	1,462,080
Enterprise Fund Stabilization Factor (EFSF)			5,787,061	1,220,749	3,260,196	3,712,248	4,689,525
Subtotal Revenues	43,451,836	42,521,363	50,302,911	46,433,662	49,178,448	50,115,346	51,584,771
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(5,236,021)	(5,642,377)	(5,590,325)	(4,436,555)	(4,436,555)	(4,436,555)	(4,436,555)
Indirect Costs	(5,074,949)	(5,481,305)	(5,481,305)	(5,481,305)	(5,481,305)	(5,481,305)	(5,481,305)
Telecommunications NDA	(52,052)	(52,052)	0	0	0	0	0
DCM	(109,020)	(109,020)	(109,020)	(109,020)	(109,020)	(109,020)	(109,020)
Transfers From The General Fund	0	0	0	1,153,770	1,153,770	1,153,770	1,153,770
Public Agency Permits	0	0	0	94,110	94,110	94,110	94,110
Green Tape Program	0	0	0	1,059,660	1,059,660	1,059,660	1,059,660
TOTAL RESOURCES	74,790,680	53,208,863	53,678,219	52,738,543	55,296,409	56,722,088	58,474,336
CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(37,469,803)	(40,234,230)	(41,559,407)	(43,124,539)	(44,768,515)	(46,514,154)	(48,314,393)
FFI- Labor Agreement	0	0	(383,489)	(383,489)	(383,489)	(383,489)	(383,489)
FFI- Retiree Health Insurance Pre-Funding	n/a	n/a	(12,950)	(16,860)	(22,760)	(22,760)	(22,760)
FFI- IT Maintenance	n/a	n/a	(5,937)	(6,139)	(6,348)	(6,565)	(4,728)
FFI- IT Replacement Plan	n/a	n/a	(760,000)	0	(510,000)	0	0
FFI- Wheaton Operating Budget Impacts (OBIs)	n/a	n/a	(215,000)	1,347,000	1,438,000	1,531,000	1,628,000
Subtotal PSP Oper Budget Approp / Exp's	(37,469,803)	(40,234,230)	(42,936,783)	(42,184,027)	(44,253,112)	(45,395,968)	(47,097,370)
TOTAL USE OF RESOURCES	(58,460,803)	(44,243,230)	(42,936,783)	(42,184,027)	(44,253,112)	(45,395,968)	(47,097,370)
YEAR END FUND BALANCE	16,329,877	8,965,633	10,741,436	10,554,516	11,043,297	11,326,120	11,376,966
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	21.8%	16.8%	20.0%	20.0%	20.0%	20.0%	19.5%

Assumptions:

1. The Enterprise Fund Stabilization Factor is assumed to be a 3% increase effective FY19.
2. The Enterprise Fund Stabilization Factor is the factor by which the fee calculation is adjusted to cover DPS labor and operating expenses and to manage the DPS reserve policy of 20 percent of total resources in the out years set by the 2002 Principles of the Fiscal Management of the Permitting Services Fund.
3. Projections above are based on the Executive's recommended budget and include the revenue and resource assumptions of that budget. The projected future revenues and fund balances may vary based on changes to the Enterprise Fund Stabilization Factor, future labor agreements, increases in County administrative expenses, lease and maintenance expenses and other factors not assumed here.
4. Revenues include anticipated restructured rates for Fire Code Compliance (FCC) permits for FY19 3rd and 4th quarters.
5. The General Fund transfer for Public Agency Permits and Green Tape Programs will be deferred through FY20 for fiscal reasons.
6. DPS is expected to contribute \$25 million in current revenue and support \$10.64 million in non-taxable debt to fund its proportional share of the Wheaton Redevelopment CIP # P361701. Breakout for current revenue: FY17- \$6,591,000, FY18 - \$14,400,000, FY19 -\$4,009,000.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Liquor Control				
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	2,427,629	2,600,580	2,135,810	2,592,779	3,192,779	3,692,779	4,431,983
REVENUES							
Licenses & Permits	1,726,197	1,726,197	1,761,929	1,800,692	1,842,108	1,885,950	1,931,778
Charges For Services	8,740	8,740	8,921	9,117	9,327	9,549	9,781
Fines & Forfeitures	220,500	220,500	225,126	230,078	235,370	240,972	246,828
Miscellaneous	87,143,355	89,741,647	92,416,272	95,169,519	98,003,747	100,867,517	103,817,199
Subtotal Revenues	89,098,852	91,697,144	94,412,247	97,209,406	100,090,552	103,003,987	106,005,586
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(24,828,303)	(28,171,463)	(28,097,404)	(28,909,318)	(29,881,010)	(30,581,450)	(31,998,397)
Indirect Costs	(3,495,951)	(3,495,654)	(3,550,721)	(3,550,721)	(3,550,721)	(3,550,721)	(3,550,721)
Earnings Transfer	(21,163,320)	(24,506,777)	(24,546,683)	(25,358,597)	(26,330,289)	(27,030,729)	(28,447,676)
Telecommunications NDA	(169,032)	(169,032)	0	0	0	0	0
TOTAL RESOURCES	66,698,178	66,126,261	68,450,653	70,892,867	73,402,321	76,115,316	78,439,172
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(55,405,198)	(52,615,051)	(54,354,412)	(56,225,822)	(58,222,832)	(60,343,062)	(62,577,376)
Debt Service: Other (Non-Tax Funds only)	(10,992,400)	(11,375,400)	(11,375,400)	(11,375,400)	(11,375,400)	(11,375,400)	(11,375,400)
Labor Agreement	n/a	n/a	(550,665)	(550,665)	(550,665)	(550,665)	(550,665)
FFI - Annualize Savings From Store Consolidation	n/a	n/a	589,068	589,068	589,068	589,068	589,068
FFI - Removal of FY19 One-time Expenses	n/a	n/a	440,000	440,000	440,000	440,000	440,000
FFI - Debt Service	n/a	n/a	14,700	192,400	335,100	628,250	758,400
FFI - Retiree Health Insurance Pre Funding	n/a	n/a	(24,800)	(32,290)	(43,600)	(43,600)	(43,600)
FFI - Retail Store Leases	n/a	n/a	(138,249)	(279,263)	(423,097)	(569,808)	(719,453)
FFI - Reinstate Lapsed Positions	n/a	n/a	(458,116)	(458,116)	(458,116)	(458,116)	(458,116)
Master Lease Proceeds	2,300,000	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal PSP Oper Budget Approp / Exp's	(64,097,598)	(63,990,451)	(65,857,874)	(67,700,088)	(69,709,542)	(71,683,333)	(73,937,142)
OTHER CLAIMS ON FUND BALANCE	0						
TOTAL USE OF RESOURCES	(64,097,598)	(63,990,451)	(65,857,874)	(67,700,088)	(69,709,542)	(71,683,333)	(73,937,142)
YEAR END FUND BALANCE	2,600,580	2,135,810	2,592,779	3,192,779	3,692,779	4,431,983	4,502,030
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	3.9%	3.2%	3.8%	4.5%	5.0%	5.8%	5.7%
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 3.0% per year.							
5. Bond Proceeds from the 2013 Liquor Bond Series were applied to FY17 debt service payments, as allowed under IRS regulations.							
6. Removal of One-Time Expenses include select store renovations.							
7. Annualized savings from the consolidation of two retail stores in FY19.							

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Risk Management

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
BEGINNING FUND BALANCE	6,031,901	3,803,466	4,628,839	6,520,048	9,273,751	12,776,560	12,251,781
REVENUES							
Charges For Services	66,171,181	67,705,020	71,989,268	76,171,742	80,396,051	80,005,916	83,590,181
Intergovernmental	382,921	718,913	751,120	784,770	819,928	856,661	895,039
Miscellaneous	1,623,210	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Subtotal Revenues	68,177,312	70,273,933	74,590,388	78,806,512	83,065,979	82,712,577	86,335,220
INTERFUND TRANSFERS (Net Non-CIP)	(3,454,769)	(4,312)	0	0	0	0	0
Transfers To The General Fund	(3,454,769)	(4,312)	0	0	0	0	0
Telecommunications NDA	(4,312)	(4,312)	0	0	0	0	0
Fund Balance Transfer	(3,450,457)	0	0	0	0	0	0
TOTAL RESOURCES	70,754,444	74,073,087	79,219,227	85,326,560	92,339,730	95,489,137	98,587,001
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(66,950,978)	(69,444,248)	(72,648,170)	(76,001,640)	(79,511,751)	(83,185,937)	(87,031,991)
Labor Agreement	n/a	0	(50,459)	(50,459)	(50,459)	(50,459)	(50,459)
Retiree Health Insurance Pre-Funding	n/a	n/a	(550)	(710)	(960)	(960)	(960)
Subtotal PSP Oper Budget Approp / Exp's	(66,950,978)	(69,444,248)	(72,699,179)	(76,052,809)	(79,563,170)	(83,237,356)	(87,083,410)
TOTAL USE OF RESOURCES	(66,950,978)	(69,444,248)	(72,699,179)	(76,052,809)	(79,563,170)	(83,237,356)	(87,083,410)
YEAR END FUND BALANCE	3,803,466	4,628,839	6,520,048	9,273,751	12,776,560	12,251,781	11,503,591
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	5.4%	6.2%	8.2%	10.9%	13.8%	12.8%	11.7%

Assumptions:

1. Risk Management contributions 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. For FY19, the funding is at the 66% confidence level, which is short of the 80 to 85% confidence level that funding will be sufficient to cover all incurred liabilities. Therefore, additional contributions were made to FY20 through FY22 to achieve the 80% confidence level by FY22.
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.

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Printing and Mail							
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Rate Adjustment			1.6%	4.2%	3.2%	3.1%	3.0%
BEGINNING FUND BALANCE	399,564	459,059	424,313	291,286	270,034	272,869	285,244
REVENUES							
Charges For Services	8,007,415	8,136,904	8,267,094	8,614,312	8,889,970	9,165,559	9,440,526
Miscellaneous	13,110	7,804	7,804	7,804	7,804	7,804	7,804
Subtotal Revenues	8,020,525	8,144,708	8,274,898	8,622,116	8,897,774	9,173,363	9,448,330
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	0	(32,700)	0	0	0	0	0
Other	0	(32,700)	0	0	0	0	0
TOTAL RESOURCES	8,420,089	8,571,067	8,699,211	8,913,402	9,167,808	9,446,232	9,733,574
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(7,961,030)	(8,146,754)	(8,364,507)	(8,599,480)	(8,850,331)	(9,116,380)	(9,395,944)
Retiree Health Insurance Pre-funding	n/a	n/a	(1,580)	(2,050)	(2,770)	(2,770)	(2,770)
Labor Contracts	n/a	n/a	(41,838)	(41,838)	(41,838)	(41,838)	(41,838)
Subtotal PSP Oper Budget Approp / Exp's	(7,961,030)	(8,146,754)	(8,407,925)	(8,643,368)	(8,894,939)	(9,160,988)	(9,440,552)
TOTAL USE OF RESOURCES	(7,961,030)	(8,146,754)	(8,407,925)	(8,643,368)	(8,894,939)	(9,160,988)	(9,440,552)
YEAR END FUND BALANCE	459,059	424,313	291,286	270,034	272,869	285,244	293,022
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	5.5%	5.0%	3.3%	3.0%	3.0%	3.0%	3.0%

Assumptions:

1. Printing, Mail, and Records Management/Imaging rates are adjusted to achieve cost recovery.
2. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, usage, 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

FY19-24 FISCAL PROJECTION							
	Estimate - FY18	Projected - FY19	Projected - FY20	Projected - FY21	Projected - FY22	Projected - FY23	Projected - FY24
BEGINNING BALANCE	24,689,964	12,804,501	5,300,220	10,179,437	15,998,559	17,522,793	19,171,020
REVENUES							
Premium Contributions	195,028,150	210,823,380	242,815,925	264,857,710	284,034,520	309,242,489	336,363,795
Premium Contributions: Retiree Insurance NDA	52,300,000	50,642,478	56,757,605	63,408,385	69,814,018	76,702,435	84,168,748
Investment Income	124,678	204,660	289,940	375,220	460,500	545,780	545,780
TOTAL REVENUES	247,452,828	261,670,518	299,863,470	328,641,315	354,309,039	386,490,705	421,078,323
FUND TRANSFER TO THE GENERAL FUND	(17,950,000)	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	254,192,792	274,475,019	305,163,690	338,820,752	370,307,598	404,013,498	440,249,343
EXPENDITURES							
Claims, Premiums, & Carrier Administration	236,619,594	263,458,551	288,982,193	316,520,029	346,167,533	377,894,343	412,031,667
Actives	144,505,686	162,986,609	177,799,895	193,738,012	210,775,352	228,861,582	248,174,264
Retirees	92,113,908	100,471,942	111,182,299	122,782,017	135,392,181	149,032,761	163,857,403
In-house expenses	4,768,697	5,716,248	6,002,060	6,302,163	6,617,272	6,948,135	7,295,542
TOTAL EXPENDITURES	241,388,291	269,174,799	294,984,254	322,822,192	352,784,805	384,842,478	419,327,209
ENDING BALANCE	12,804,501	5,300,220	10,179,437	15,998,559	17,522,793	19,171,020	20,922,134
TARGET FUND BALANCE (5% OF EXPENDITURES)	12,069,410	13,458,740	14,749,210	16,141,110	17,639,240	19,242,120	20,966,360
ENDING BALANCE AS % OF EXPENDITURES	5.3%	2.0%	3.5%	5.0%	5.0%	5.0%	5.0%

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Motor Pool

FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	1.6%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
Rate Adjustment			0.7%	2.7%	2.7%	3.0%	2.9%
BEGINNING FUND BALANCE	4,748,931	1,196,394	2,296,776	2,389,018	2,481,237	2,489,566	2,582,128
REVENUES							
Charges For Services	78,312,337	74,537,720	75,059,484	77,086,090	79,167,414	81,542,436	83,907,167
Miscellaneous	1,157,780	1,360,780	1,360,780	1,360,780	1,360,780	1,360,780	1,360,780
Subtotal Revenues	79,470,117	75,898,500	76,420,264	78,446,870	80,528,194	82,903,216	85,267,947
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	0	0	(380,000)	(380,000)	(380,000)	(380,000)	(380,000)
Short Term Financing	0	0	(380,000)	(380,000)	(380,000)	(380,000)	(380,000)
Transfers To The General Fund	(5,954,591)	(1,000,000)	0	0	0	0	0
Other	(5,954,591)	(1,000,000)	0	0	0	0	0
TOTAL RESOURCES	78,264,457	76,094,894	78,337,040	80,455,888	82,629,431	85,012,782	87,470,075
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(77,068,063)	(73,798,118)	(75,672,391)	(77,695,740)	(79,855,994)	(82,146,783)	(84,552,872)
Retiree Health Insurance Pre-funding	n/a	n/a	(10,880)	(14,160)	(19,120)	(19,120)	(19,120)
Labor Contracts	n/a	n/a	(264,751)	(264,751)	(264,751)	(264,751)	(264,751)
Subtotal PSP Oper Budget Approp / Exp's	(77,068,063)	(73,798,118)	(75,948,022)	(77,974,651)	(80,139,865)	(82,430,654)	(84,836,743)
TOTAL USE OF RESOURCES	(77,068,063)	(73,798,118)	(75,948,022)	(77,974,651)	(80,139,865)	(82,430,654)	(84,836,743)
YEAR END FUND BALANCE	1,196,394	2,296,776	2,389,018	2,481,237	2,489,566	2,582,128	2,633,332
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	1.5%	3.0%	3.0%	3.1%	3.0%	3.0%	3.0%

Assumptions:

- Motor pool rates are adjusted to achieve a cost recovery and maintain a fund balance of approximately 3.0 percent of resources.
- 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.



Maryland-National Capital Park and Planning Commission

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Enterprise Fund					
FISCAL PROJECTIONS	FY18 ESTIMATE	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
BEGINNING FUND BALANCE	8,408,670	8,856,881	6,180,068	3,655,018	4,108,367	4,617,761	5,591,757
REVENUES							
Charges For Services	10,249,612	10,404,737	10,627,056	10,853,822	13,745,123	14,034,250	14,329,160
Miscellaneous	767,286	821,225	821,225	821,225	821,225	821,225	821,225
Subtotal Revenues	11,016,898	11,225,962	11,448,281	11,675,047	14,566,348	14,855,475	15,150,385
TOTAL RESOURCES	19,425,568	20,082,843	17,628,349	15,330,065	18,674,715	19,473,236	20,742,142
CIP CURRENT REVENUE APPROP.	(1,050,000)	(4,125,000)	(4,000,000)	0	(400,000)	0	0
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(9,518,687)	(9,777,775)	(9,973,331)	(10,172,798)	(12,636,254)	(12,888,979)	(13,146,759)
Debt Service: Other (Non-Tax Funds only)	0	0	0	(1,048,900)	(1,020,700)	(992,500)	(964,300)
Subtotal PSP Oper Budget Approp / Exp's	(9,518,687)	(9,777,775)	(9,973,331)	(11,221,698)	(13,656,954)	(13,881,479)	(14,111,059)
TOTAL USE OF RESOURCES	(10,568,687)	(13,902,775)	(13,973,331)	(11,221,698)	(14,056,954)	(13,881,479)	(14,111,059)
YEAR END FUND BALANCE	8,856,881	6,180,068	3,655,018	4,108,367	4,617,761	5,591,757	6,631,083
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	45.6%	30.8%	20.7%	26.8%	24.7%	28.7%	32.0%

Assumptions:

1. Revenues, Expenditures, and CIP Current Revenue figures reflect M-NCPPC estimates.
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. Debt Service estimates reflect Revenue Bonds.
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	FY18 ESTIMATED	FY19 PROPOSED	FY19 CE REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
SPENDING AFFORDABILITY RESULTS								
New Water and Sewer Debt (\$millions)	\$570.0	\$486.8	\$486.8	\$517.1	\$518.6	\$420.5	\$355.1	\$308.0
Total Water and Sewer Operating Expenses (\$millions)	\$730.5	\$762.7	\$762.7	\$784.3	\$821.0	\$860.1	\$901.4	\$941.8
Debt Service (\$millions)	\$260.5	\$277.1	\$277.1	\$312.9	\$343.7	\$364.8	\$383.4	\$400.9
Average Water and Sewer Rate Increase	3.50%	4.50%	4.50%	6.00%	6.00%	6.00%	6.00%	6.00%
BEGINNING FUND BALANCE (\$000)	188,513	176,933	176,933	165,353	170,915	182,100	195,185	211,183
REVENUES (\$000)								
Water and Sewer Rate Revenue	600,902	627,943	627,943	665,621	705,559	747,894	792,769	840,337
Interest Income	700	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Account Maintenance Fee	32,118	32,182	32,182	32,247	33,859	33,927	33,995	34,062
Infrastructure Investment Fee	38,816	38,894	38,894	38,971	40,920	41,002	41,084	41,166
Miscellaneous	33,532	34,730	34,730	35,295	35,873	36,464	37,068	37,689
Total Revenues	706,068	735,249	735,249	773,634	817,711	860,787	906,416	954,754
SDC Debt Service Offset	0	3,364	3,364	4,658	4,984	4,983	4,982	4,984
Reconstruction Debt Service Offset (REDO)	7,700	12,500	12,500	11,600	9,500	7,400	6,000	0
Use of Prior Year Net Revenue	11,580	11,580	11,580	0	0	0	0	0
TOTAL FUNDS AVAILABLE	725,348	762,693	762,693	789,892	832,195	873,170	917,398	959,738
EXPENDITURES (\$000)								
Salaries and Wages	120,275	127,902	127,902	133,657	139,672	145,957	152,525	159,388
Heat, Light, and Power	22,016	20,577	20,577	21,194	21,830	22,485	23,160	23,854
Regional Sewage Disposal	53,617	53,617	53,617	55,601	56,713	57,847	59,004	60,184
Debt Service	257,071	277,061	277,061	312,911	343,724	364,806	383,403	400,852
PAYGO	30,193	31,016	31,016	39,292	47,944	55,694	62,180	67,798
All Other	242,176	252,520	252,520	257,571	262,722	267,977	273,336	278,803
Reserve Contribution	0	0	0	5,562	11,185	13,085	15,998	17,926
Unspecified Expenditure Reductions				(35,896)	(51,595)	(54,681)	(52,208)	(49,067)
TOTAL USE OF RESOURCES	725,348	762,693	762,693	789,892	832,195	873,170	917,398	959,738
REVENUE/EXPENDITURE SURPLUS/(GAP)	0	0	0	0	0	0	0	0
YEAR END FUND BALANCE w/o additional reserve contribution	176,933	165,353	165,353	165,353	170,915	182,100	195,185	211,183
Additional Reserve Contribution	0	0	0	5,562	11,185	13,085	15,998	17,926
TOTAL YEAR END FUND BALANCE	176,933	165,353	165,353	170,915	182,100	195,185	211,183	229,109
Debt Service as a Percentage of Water and Sewer Operating Budget	35.4%	36.3%	36.3%	39.6%	41.3%	41.8%	41.8%	41.8%
Total End of Fiscal Year Operating Reserve	70,607	70,607	70,607	76,169	87,354	100,439	116,437	134,363
Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue	11.8%	11.2%	11.2%	11.4%	12.4%	13.4%	14.7%	16.0%
Total Workyears (all funds)	1,624	1,776	1,776	--	--	--	--	--

Assumptions:

- The County Executive's operating budget recommendation is for FY19 only and incorporates the Executive's revenue and expenditure assumptions for that budget.
- The FY20-24 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 FY19 water and sewer operating budget for WSSC.
- The FY18 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY18 budget jointly approved by Montgomery and Prince George's counties. The FY19 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC's proposed FY18 budget. The FY19 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC budget for FY19. The FY20-24 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.
- The total FY18 estimated workyears shown correspond to the actual workyears as of December, 2017.
- Estimates of revenue in FY20-24 assume the rate increases projected by WSSC in the Average Water and Sewer Rate Increase line.
- In the projection for FY20-24 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

- ✓ In August 2017, OAG along with its agricultural agency partners shared an exhibit tent at the Montgomery County Fair to educate the public about the Agricultural Reserve, the County's agricultural industry, and the opportunities that exist to obtain fresh, local food. OAG is currently working on some additional marketing materials to further enhance the education component of the exhibit.
- ✓ In October 2017, 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, interactive program consists of three educational tracks (the Environment, Nutrition, Diet and Health) that are conducted with OAG staff assistance and all of its agency partners located at the Farm Park. The program evaluation responses illustrate the programs' success.
- ✓ In October 2017, OAG partnered with the Maryland Department of Agriculture (MDA) to host the Annual Legislative Farm Tour. During this all-day event, Joe Bartenfelder, Secretary of MDA, along with many of the Montgomery County Delegates had the opportunity to travel through the agriculture Reserve and learn about Agriculture in Montgomery County. Along the way, they stopped at three of the County's farms where the participants were able to meet and have a dialogue with the farmers.
- ✓ Continue working with Data Montgomery to transition its static, PDF-formatted informational documents into usable data sets for publication and use by the community. The enhanced 2017 farm tour interactive map is one example that received favorable response from the community. The Department is currently working on a second interactive map with searchable data, incorporating the farm directory and local food and beverage guide.

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- ✓ Continue working with the Department of Technology Services to update and revise its website to make it more aesthetically pleasing, 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 economy, as well as, the preservation of farmland as a resource for future agricultural production.
 - ✓ OAG is enhancing its agricultural marketing and educational outreach by forming partnerships, working on joint projects, and utilizing various social media in conjunction with the website.
 - ✓ OAG is expanding the New Farmer Program, a program that includes new and small farmer training workshops, farm equipment share, and connecting new and small farmers with landowners for the production of table food.

Board of Elections

- ✓ **ADDITIONAL EARLY VOTING LOCATION:** An additional Early Voting Center was added to Montgomery County by the Maryland General Assembly. It will be located in Olney at the Sandy Spring Volunteer Fire Department. This site will be used for the first time in June 2018 and staff is looking forward to providing early voting to this segment of the County.

Cable Television Communications Plan

- ✓ Launched High Definition (HD) channels on the Comcast and RCN networks.
- ✓ Developed a Help Desk ticket system for County cable television inquiries.
- ✓ Launched Checkspeedmontgomery.com, a tool to help the County better understand the quality, cost, and use of Internet service by residents and businesses.
- ✓ Continued production of County Report This Week (CRTW), the award winning weekly half hour program produced collaboratively by members of the Public, Education, and Government (PEG) Governance Board. Topics include programs that impact County residents. CRTW airs on six PEG access channels, is available on demand and via mobile devices, as well on YouTube in English and Spanish.
- ✓ Initiated Public, Education, and Government (PEG) viewership study.
- ✓ Provided County Cable Montgomery (CCM) live coverage for the Fallen Firefighter Memorial Service.
- ✓ Montgomery Community Media held the first annual Excellence in Programming and Innovative Content (EPIC) Awards to recognize and celebrate outstanding multimedia content on television and the Internet.
- ✓ Received multiple Awards from the Alliance for Community Media (ACM); Government Programming Awards from the National Association of Telecommunication Officers and Advisors (NATOA); and Telly Awards.
- ✓ Provided special social media live coverage for multiple County departments and events including the Office of Human Rights, County Council Sessions, and Town Hall meetings.
- ✓ Developed an online interactive Geographic Information Systems (GIS) map of antenna and tower sites in Montgomery County that provide information to the public on the telecommunications infrastructure in the County.

Circuit Court

- ✓ During FY17, the Montgomery County Circuit Court processed over 35,000 case filings and over 35,000 terminations, as well as, held over 41,000 hearings and 1,500 trials.

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- ✓ Reviewed and audited 953 Fiduciary reports filed by court-appointed guardians and trustees, and monitored the filings of 241 Inventory reports, 986 Fiduciary reports, and 835 Annual reports.
 - ✓ Served 9,959 patrons at the Court's Family Law Self-Help Center. The Kids Spot child waiting area served 1,046 children.
 - ✓ Established and implemented specialized case management processes such as the development of a database to monitor, report, and generate forms to effectively and efficiently monitor family cases with Special Immigration Juvenile Status requests.
 - ✓ Continued to provide interpreter services for individuals who qualify. A total of 2,985 spoken language interpreter service requests were made in 2,378 cases. The court also recorded 3,097 entries of an interpreter's swearing-in at the beginning of case proceedings.

Community Engagement Cluster

- ✓ 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). For the Community Service Week 2017 and Martin Luther King Day 2018, 7,063 volunteers engaged in 217 different projects. Migrated to a new website with mobile-friendly search options and updated volunteer management components. Continued and built on partnership with MCPS to manage Student Service Learning volunteer opportunities for all students in middle and high school. Provided monthly capacity building trainings for agencies attended by 352 nonprofit professionals. Launched the 50+ Volunteer Network to focus on the growing senior population and effectively match skilled volunteers with nonprofit and government agencies, which builds on and enhances the existing Retired and Senior Volunteer Program (RSVP). In FY17, volunteers with the Tax Aide Program of RSVP completed 4,935 tax returns for low to moderate income residents resulting in total tax refunds of over \$4 million.
- ✓ Continued work with the White Flint Downtown Advisory Committee and organized the second annual Pike District Fall Fest, a street festival in the White Flint Sector Plan Area, through the Bethesda-Chevy Chase Regional Services Center.
- ✓ Coordinated, through CFW, the transition of the Human Trafficking Task Force from a task force to a committee, and worked with the Maryland Coalition Against Sexual Assault on the passing of State legislation (House Bill 429/Senate Bill 217) nicknamed, "No Means No!"
- ✓ Distributed neighborhood matching funds through the Regional Services Centers (RSCs) to grassroots-based neighborhood groups to undertake hyper-local events to build communities, including block parties, special neighborhood gatherings, and community conversations.
- ✓ Facilitated the East County Job Fair, which connected employers with job seekers, and provided a series of workshops for job seekers and small business start-up skill development.
- ✓ Launched the inaugural Girl Power Writing Contest, in honor of Women's History Month, coordinated by the Commission for Women (CFW). Winners, including elementary, middle, and high school students as well as adults from around the County, had the opportunity to meet County Executive Isiah Leggett at the April 2017 Commission meeting.
- ✓ Organized the 38th Annual Women's Legislative Briefing in January 2018, held by CFW.
- ✓ Served 9,739 residents through volunteer-taught classes such as English for Speakers of Other Languages (ESOL), Spanish, computer skills, or job search skills; 8,889 residents through information and referral services; and 3,234 residents through partner organization programs such as ESOL and citizenship preparation classes via the Gilchrist Center in FY17.

Community Use of Public Facilities

- ✓ During FY17, administered a before and after school childcare selection bid process at 18 sites, in collaboration with MCPS, as

required by Executive Regulation 15-14AMV, Before and After School Childcare in Public Schools.

- ✓ During FY17, assisted a total of 99 groups, of which 42% were new users, who received financial support in their use of the Silver Spring Civic Building and Veterans Plaza through the Community Access Program.

Consumer Protection

- ✓ OCP obtained refunds and other resolutions for consumers victimized by a longstanding "Theft of Deposit" scam in which a real estate merchant purported to sell and build new homes on properties in Montgomery County. Numerous consumers paid deposits ranging from \$40,000 to \$270,000 and waited several years for the land to be conveyed and for the houses to be built. The merchant is an unlicensed builder and sold the same properties to several different consumer victims. OCP collaborated with other regulatory agencies to pursue enforcement action.
- ✓ OCP issued two press releases based upon months of investigative research, which received substantial media attention. An alert and video was issued describing the systemic deception inherent in the coupon-based air duct cleaning industry and provided consumers with helpful information regarding licensing and regulation. A warning was also issued to consumers and merchants regarding fake donation boxes in Montgomery County that made misleading claims regarding charitable services for lost pets or children.

Correction and Rehabilitation

- ✓ Earned National Association of Counties Awards for "A Comprehensive Stress Management Program for Correctional Employees" and "Development of a Departmental Intranet Site and new Internet site."
- ✓ Completed all accreditation processes of the Department with 100 percent compliance in all Divisions of operation.
- ✓ Finalized all financial audit requirements with the Montgomery County Government Internal Auditor. Moving forward, DOCR will audit inmate and resident escrow accounts every three years.
- ✓ Completed the PEW-Results First Programmatic Treatment and Program Inventory. This was a process to evaluate all DOCR programming against a national database of comprehensive programming. Phase II will identify strategies based on data to guide the County's investment in future programming focused on recidivism reduction and desistance from criminogenic behavior.
- ✓ Completed Departmental reorganization creating the Community Corrections Division and moving the Pretrial Services Program from leased office space to County-owned space. This reorganization and move provided programmatic and cost-savings efficiencies.

County Attorney

- ✓ Under the settlement of the Silver Spring Transit Center litigation, the County was paid \$23 million in damages, and the defendants dismissed \$11 million in claims against the County.
- ✓ US District Court for Maryland granted the County's motion to dismiss Pulte Homes' claim; the case is currently on appeal to the 4th Circuit Court of Appeals.
- ✓ In the latest customer satisfaction survey, the Office remained the highest rated internal service department.
- ✓ Prevailed before the Court of Special Appeals of Maryland in *Huber v. Montgomery County*. The Court rejected MCGEO's claim for the return of savings in health benefits that were transferred to the general fund.
- ✓ Successfully cleared encroachments on Georgetown Branch in accordance with agreements with the state regarding construction of the Purple Line.

County Executive

- ✓ Earned a fifth consecutive "Certificate of Excellence" from ICMA's Center for Performance Analytics.
- ✓ Improved the County's use of MC311 data to identify areas for focused attention to drive performance.
- ✓ Internal Audit completed and published nine audit reports (FY17 and FY18, to date). Working with departments, the Internal Audit office has seen continued progress in closure of open recommendations from office the Inspector General, Office of Legislative Oversight, and Internal Audit reviews.
- ✓ Further progress was made on taking actions to bring closure to audit/review recommendations open greater than one-year during FY17.

Economic Development Fund

- ✓ Facilitated the retention and expansion of InfoZen, a provider of mission critical information technology services and solutions for the Federal government, to create 215 new jobs.
- ✓ Provided more than \$466,000 in Biotechnology Investment Incentive Tax Credit supplement grants in 2017 to 70 investors that support investment in 13 County-based early stage biotech companies to grow the biotechnology industry in the County.
- ✓ Provided \$110,895 in Cybersecurity Investment Incentive Tax Credit supplement grants in FY17 to two qualified cybersecurity companies for locating its headquarters and base operations in the County.
- ✓ Provided approximately \$537,500 in MOVE grants in FY17 to attract 20 companies occupying over 72,000 square feet of Class A and B office space and bringing 128 jobs to the County.
- ✓ In FY18, the County has offered \$1.3 million in incentives to six companies to facilitate \$63 million in capital investment, retain 1,065 jobs, and bring 325 new jobs as of March 1, 2018.

Emergency Management and Homeland Security

- ✓ Completed the updated 2018 revision of the Emergency Operations Plan.
- ✓ Incorporated three new alert groups into the Alert Montgomery System: all private schools, residents in the vicinity of the Resource Recovery Facility, and residents in the vicinity of the Department of Corrections and Rehabilitation facilities in Boyds.
- ✓ Departments in Montgomery County's Continuity of Operations Program (COOP) have an average score of 2.6 out of a possible 3.0. As part of the program, OEMHS facilitated three COOP tabletop exercises, trained 15 new department COOP managers individually, and provided group training to the Office of Agriculture.
- ✓ Conducted a senior leadership workshop on cyber attacks with more than 75 County department and partner attendees.
- ✓ Developed a new emergency volunteer and donations management plan, finalized an emergency animal sheltering plan, and completed a critical infrastructure/key resources plan.
- ✓ Continued to build partnerships and collaboration through community training. This year OEMHS partnership efforts included: Emotional Spiritual Care Volunteer training (in partnership with the Faith Community Working Group and Montgomery County Public Health), Securing Houses of Worship presentation (in partnership with Police and Fire and Rescue Service), and Faith Leader Active Assailant Training (with Police and Fire and Rescue Services).

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- ✓ Conducted community preparedness and public outreach activities to ensure the community understands how to prepare for emergencies with a goal of providing 100 presentations/events this fiscal year, and added new materials in Korean, Vietnamese, Russian, and Amharic.
 - ✓ Provided an emergency preparedness workshop for County healthcare facilities with 65 attendees (including dialysis centers, surgical centers, nursing homes, etc) to review and train on topics including risk assessment, emergency planning, procedures, communication plans, training and testing.
 - ✓ Expanded field operations and deployment capabilities in support of public safety responses throughout the County and was involved in mass care coordination of the resident displacement at the Promenade Towers in Bethesda.
 - ✓ Deployed two staff members to Florida through the Emergency Management Assistance Compact (EMAC) in support of Hurricane Irma response. OEMHS continues to serve as the point-department for EMAC, including providing cost estimates and seeking cost reimbursements when County department staff are deployed through EMAC.

Environmental Protection

- ✓ Completed construction of seven storm water pond retrofits, 29 environmental site design/low impact development projects, and two stream restoration projects for a total of 158.7 impervious acres restored by the CIP program. Using information and data collected under the MS4 and Water Quality Protection Charge Programs documented 850 impervious acres restored by non-CIP efforts. Over 2,927 impervious acres have been restored, achieving 77% of the restoration goal.
- ✓ Reduced 11,351 pounds of total phosphorus in several watersheds including the Anacostia and Rock Creek. Reduced 20,986 pounds of nitrogen in the Anacostia watershed.
- ✓ Planted nearly 600 trees for a total of 1,085 trees through Tree Montgomery (through March 2017), utilizing funds provided by the Tree Canopy Law.
- ✓ DEP's Watershed Restoration Grant Program has awarded 23 grants totaling nearly \$1 million through two competitive grant rounds.
- ✓ Supported, in partnership with the Department of Finance, eleven commercial property assessed clean energy (C-PACE) projects totaling more than \$7.6 million. Additionally, DEP led the establishment of the Montgomery County Green Bank, including recruitment of the initial Board of Directors, and facilitated the Board's recruitment of the Green Bank's first Chief Executive Officer.
- ✓ Responded to over 1,700 environmental complaints and requests related to air, water quality, illegal dumping, noise, and other environmental compliance issues.
- ✓ Managed the Green Business Certification Program, developed in conjunction with the Montgomery County Chamber of Commerce, which recognizes more than 80 County businesses and organizations that take steps to reduce their ecological footprint, demonstrating innovative leadership and helping the County transition to a sustainable future.

Ethics Commission

- ✓ The Commission instituted a new compliance program a mandatory ethics training for executive branch financial disclosure filers, in May 2017. The initial training cycle (training is every three years) is to be completed by June 30, 2018. By the end of calendar year 2017, 1,260 employees had received the mandatory ethics training, constituting more than 90 percent of employees subject to the requirement.

Finance

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- ✓ Retained the County's AAA bond rating from all three major credit rating agencies in the Fall of 2017. In March of 2017, Fitch upgraded the Water Quality Protection Charge Revenue Bond Series 2012A and 2016 to AAA from AA and the West Germantown Refunding Bond Series 2014 to AAA from A+.
 - ✓ Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY16 CAFR.
 - ✓ The County's Commercial Property-Assessed Clean Energy (C-PACE) Program completed its first project in December 2016, within the first year of the program's operation-a \$1.4 million project that was the first of its kind in Montgomery County and the State of Maryland. The Program has completed 2 additional projects to date with a combined project cost of \$1.1 million, and 8 more project applications have been approved totaling \$5.2 million and are expected to be complete by the end of FY18. The program was awarded a National Association of Counties (NACo) Achievement Award in FY17.
 - ✓ Finance staff is working with the State Board of Elections, to implement the County's Public Election Fund. This Fund provides matching County funds to eligible candidates running for an elected office of County Executive or County Councilmember. The Fund is intended to incentivize greater participation of small money donors to eligible candidates through the Public Campaign Financing initiative. As of February 28, 2018, the Program has 33 active candidates who have filed an intent to participate, with fifteen of those candidates qualifying to receive matching funds worth \$1,837,779.
 - ✓ Implemented Bill 42-16 Property Tax Credit for Elderly Individuals and Military Retirees: When the bill was being introduced, it was estimated that Finance would receive about 3,500 applications. Treasury has received 5,737 applications by the September 1, 2017 deadline and issued 4,718 credits for a total of \$3,199,448.
 - ✓ Implemented the Income Tax Offset Credit module in the Tax Assessment System that removes the \$692 credit to non-eligible properties. As of March 1, 2018, 5,727 accounts have been removed, saving the County nearly \$4.0 million.
 - ✓ Performed a security assessment of all operations in the County that accept credit cards payments to ensure that each organization is operating in a Payment Card Industry Data Security Standard (PCI-DSS) compliant manner.
 - ✓ Finance staff served on the Product Development and Finance/Fundraising Committees of the Montgomery County Green Bank (MCGB) providing financial guidance and assistance to the Board of Directors. Significant accomplishments include, the hiring of the Executive Director, development of financial statements, budgetary tracking frameworks, standard operating procedures, purchasing procedures, hiring of a website development firm for branding and production of communications materials, hiring of an auditor, assisting the organization to acquire office space in the Rockville incubator, and assisting with the terms and conditions for the development of loan products.
 - ✓ The County's "Small Business Plus!" program, now in its fifth year, generated \$128 million in new small business loans, 285 new jobs, and \$249,000 in interest income in 2016 as a result of the County depositing up to \$50 million with participating local banks. Since the program's inception in 2012, a total of 1,354 new jobs have been created and \$608,000 in interest income has been generated.
 - ✓ The average daily investment portfolio in FY17 increased to \$845 million from \$730 million in FY16. More importantly, investment income jumped from \$2.8 million in FY16 to over \$6.0 million in FY17, with an average portfolio yield of 0.71% in FY17 (compared to 0.39% in FY16). This 0.71% average yield also compares favorably versus the benchmark yield of 0.59% (S&P Local Government Index) or the average 3 month US Treasury yield of 0.56%.
 - ✓ Successfully issued \$340 million in GO Bonds in FY17 with an interest rate (True Interest Cost) of 3.281% and issued an equivalent amount of Commercial Paper.

Fire and Rescue Service

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- ✓ Eliminated the need to keep paper invoices and supporting documentation by sending payment paperwork to be scanned and linked in the financial system to the relevant payment.
 - ✓ MCFRS replaced its entire stock of self-contained breathing apparatus (SCBA).
 - ✓ Placed in service the following apparatus in FY17: five aerial ladder trucks, 20 EMS units, and one mobile command unit. In addition, two tankers and four brush engines were ordered. Major apparatus purchases in process for FY18 include pumpers, EMS units, heavy rescue squads, and an aerial ladder truck.
 - ✓ Revamped the hiring process to include a preference point system and a more holistic consideration for applicants resulting in the most diverse recruit class in ten years.
 - ✓ The County's new computer-aided dispatch (CAD) system, which handles every call received by 911 went live in April 2017.
 - ✓ Three engines, serving Cabin John, Glen Echo and Bethesda, were upgraded to four-person staffing and now have a paramedic assigned. This addition reduces response time to medical emergencies in those areas.
 - ✓ Following a comprehensive audit and evaluation of MCFRS's firefighting capabilities, a new Insurance Services Office rating took effect that could mean savings on fire insurance premiums for property owners throughout the County.

Fleet Management Services

- ✓ **WMATA Safe Track Support**- In conjunction with Ride On, DFMS supported the Washington Metropolitan Area Transit Authority's (WMATAs) Safe Track Surges by supplying additional buses to provide shuttle service between Metro stations due to Red line rail repairs for an extended period. While this was an increased workload on DFMS for additional bus maintenance and repairs, it alleviated commuter inconvenience and minimized traffic congestion.
- ✓ **Multi-Agency Service Park (MASP) Fuel Site Opening**- In FY17 DFMS opened the MASP fuel site as part of the larger MASP project. Because of its strategic location within the County, DFMS developed both fuel data integration and fueling capacity for the Maryland National Capital Park and Planning Commission (MNCPPC) and Montgomery County Public Schools (MCPS). Data can be interfaced to the Fleet Management Information Systems' of both agencies allowing for them to make vehicle service changes while sending notification automatically to DFMS for minimal impact on fueling activities.
- ✓ **Fuel Management System Project**- DFMS completed the Fuel Management System CIP Project in FY17. The Fuel Management System Project consisted of installing equipment at 31 fuel sites and 3,400 vehicles. Additionally, the project included environmental improvements and upgrades at County and Fire and Rescue fuel sites.

General Services

- ✓ Negotiated new performance-based contracts that provide improved service to DGS customers and the public at a lower cost.
- ✓ The County owns, operates, and/or maintains 428 facilities totalling 10,531,149 square feet.
- ✓ Constructed an accessible community garden at the Holiday Park Senior Center.
- ✓ Trained more than 7,800 employees and volunteers on responsibilities under Title II of the Americans with Disabilities Act, including specialized training for Public Safety employees and staff.
- ✓ Montgomery County facilities and fleets are now 100% carbon neutral.

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- ✔ Supported the Minority, Female and Disabled (MFD) program with 518 or 29.2% of actions; and \$36 million, or 19.74 % of dollars, awarded to MFD firms.
 - ✔ DGS participation in the MFD program has increased consistently since FY14.
 - ✔ Implemented more productive and energy efficient Xerox iGen 5 digital press to replace the Xerox 1000 in the Print Shop, at no additional cost to the County.
 - ✔ Installed solar photovoltaic systems on five county facilities total 3.3 megawatts in capacity, reducing energy costs by \$15 million over the next twenty years, and reducing greenhouse gas emissions as much as taking 1,630 cars off the road would.
 - ✔ Provided 100% clean electricity to County facilities and electric vehicle charging stations.
 - ✔ Coordinated \$41 million in direct financial benefits and other policy commitments as a result of the merger of Pepco and Exelon. Financial benefits include seed capital for the nation's first Green Bank, and funding for weatherization, workforce development, and other programs. Other commitments include improvements in the reliability of the utility grid, plans to improve the resiliency of utility services to disruption from storms, and the co-use of select utility corridors for recreational purposes.

Health and Human Services

- ✔ Expanded the County's permanent supportive housing project called the Housing Initiative Program. Policy and structural changes were made to better align with Housing First principles and meet the service needs of households experiencing chronic homelessness.
- ✔ The expansion and restructuring of the Rapid Re-housing (RRH) Program increased system capacity to serve families and youth in RRH by shortening the length of stay, enhancing support services, and offering more flexibility in rental assistance. Through new funding from the State, Special Needs Housing could serve an additional 15 youth households in RRH.
- ✔ Bone Builders, a senior health promotion program implemented by the Department, won a National Council on Aging Award.
- ✔ The County continues its efforts to tackle veteran homelessness through its support of Veterans Affairs Supportive Housing (VASH) vouchers and the Zero 16 Campaign to End Veteran Homelessness. Recurring funding is available for non-VASH vouchers for housing and supportive services to ten Veterans who are homeless in the County and are not eligible for VA vouchers due to discharge status. The County has received 93 VASH vouchers between 2008 and 2016, each worth an average of \$12,828 per year or \$1.19 million per year in housing subsidies.
- ✔ The Pregnant and Parenting Teen Speaker Series was expanded to additional high schools. Partners in this program include Montgomery County Public Schools (MCPS), Generation Hope, Montgomery County Public Libraries (MCPL), Holy Cross Maternal Health, CCI TAYA, the State Attorney's Office, WIC, and Aspire Counseling.
- ✔ Strengthened efforts to ensure all youth have a permanent, safe home resulting in 15 adoptions and 36 cases closed to custody and guardianship. In collaboration with MCPS, implemented a shared data platform so that social workers, and foster and adoptive parents can track and improve educational outcomes for their children.
- ✔ Managed the health needs of 18,093 children in MCPS with chronic conditions including asthma, diabetes, and life threatening allergic reactions; and handled 656,410 student visits to MCPS health rooms.
- ✔ Provided prenatal care to 1,749 County women through partnerships with 4 hospital-based clinics, with home visiting case management provided by County staff. This program achieved an excellent health outcome: 97 percent of the babies born to women delivering through the Maternity Partnership program had a healthy birth weight.

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- ✓ The Montgomery Cares Program's network of 12 community-based clinics (including one pilot project clinic) provided primary care for over 25,500 uninsured adults.
 - ✓ The Asian American Health Initiative worked with community organizations to host mental health first aid trainings that certified individuals who educated an additional 119 individuals on mental health.
 - ✓ The African American Health Program and Healing Our Village delivered diabetes education and cardiovascular classes to 1,127 African American residents.
 - ✓ The Community Action Agency's free, year-round Volunteer Income Tax Assistance (VITA) program returned \$5.5 million in refunds and credits. In addition, VITA expanded multilingual outreach in Amharic, French, and Spanish for its Earned Income Tax Credit campaign, "Get all your Money."
 - ✓ The Welcome Back Center of Suburban Maryland offered services to 154 internationally-trained health professionals (103 nurses, 18 physicians, and 33 behavioral health professionals) who are working towards licensure and/or certification in the healthcare field to secure jobs in Maryland.
 - ✓ Doubled grant funding for services such as on-site behavioral health screenings and groups for youth on topics of substance use prevention and coping skills. In FY17, 125 youth participated in groups.
 - ✓ The Office of Vital Records successfully launched the issuance of birth certificates in Montgomery County. This service was not previously available in Montgomery County, and residents were traveling to other Maryland jurisdictions for this service.
 - ✓ Established on-site behavioral health treatment at Kennedy High School, White Oak Middle School, and Montgomery Blair High School during FY17 and FY18.

Housing and Community Affairs

- ✓ Completed the recapitalization of the Hamptons at Town Center to preserve 238 affordable units, or 30 percent of the 764-unit property.
- ✓ Secured 38 affordable units at Towne Crest Apartment and Townhomes by executing a multiyear rental assistance agreement.
- ✓ Received two National Association of Counties (NACo) awards for the development of case management systems (Multifamily Loans and Licensing and Registration).
- ✓ Launched an enhanced weatherization program aimed at reducing the energy-related expenses of limited-income residents. This program combines local and Federal funding with proceeds from the PEPCO / Exelon merger to provide deeper, more extensive weatherization improvements.
- ✓ Preserved over 80 units of Moderately Priced Dwelling Units (MPDUs) at the Morgan and Milestone Apartments through the MPDU Preservation Initiative.
- ✓ Completed Churchill Apartments II, a 133-unit independent senior living property in Germantown. The property provides 121 affordable units to seniors earning between 50 and 60 percent of AMI.
- ✓ Utilized the Right of First Refusal to secure 70 units of affordable housing at Seneca Village and to purchase a six-unit property that will support families at risk or experiencing homelessness.
- ✓ Launched the "Renters Have Rights" marketing campaign to educate renters about County services that help to ensure housing safety, mediate conflicts, and provide tenant advocacy. This campaign included a press event, radio public service announcements,

local television spots, bilingual bus ads, doorhangers, social media, apartment lobby signs in six languages, and flyers distributed to elementary schools.

- ✓ Conducted over 25,000 housing code inspections, mediated nearly 650 landlord-tenant disputes, and conducted nearly 70 first-time / MPDU homebuyer classes for nearly 4,000 households interested in becoming homeowners.
- ✓ Conducted the first set of a continuing series of public common ownership community training seminars. The training subjects include community financial management, managing a reserve fund, holding elections, conducting meetings, common area maintenance issues, and compliance with Federal, State and county regulations.

Human Resources

- ✓ Launched the automated candidate qualification process and system, posted approximately 121 job vacancies and extended offers for about 60% of the job vacancies.
- ✓ Implemented a commuter tax benefit program for employees effective January 1, 2018.
- ✓ Completed four Occupational Studies (Social Workers, Therapists, Supply Technicians, and Mechanics).
- ✓ Conducted an organizational leadership development needs assessment and developed a leadership development strategy for Montgomery County Government (MCG).
- ✓ Implemented a new Labor Tracking intake system for monitoring departmental requests for support from the Labor team.
- ✓ Awarded two Rewarding Excellence teams with certificates of completion. The two teams netted the County a combined \$31,000 in savings in the first year of implementation.
- ✓ Offered 717 different training courses taken by 15,742 participants.
- ✓ Increased enrollment and participation in the Virgin Pulse Program from 49.9% to 54.6% as of January 2018 and increased awareness and utilization of the Employee Assistance Program from 28.6% to 43.0%.
- ✓ Recognized over 1,400 employees who received Length of Service recognition in calendar year 2016 and recognized 31 MCG teams through the National Association of Counties Achievement Awards Ceremony.
- ✓ Enhanced Wellness Program offerings to address high risk health issues through diabetes education series, healthy eating/nutrition, and stress management for the Emergency Communication's Center and the Department of Correction and Rehabilitation.

Human Rights

- ✓ Held the One-Stop Fair Housing workshop for housing providers, realtors, rental agents, and real estate professionals with a focus on local, State, and Federal fair housing laws.
- ✓ Held the One-Stop Fair Employment workshop for County private and public employers with a focus on new local laws and State and Federal employment case law.
- ✓ Coordinated the 5th Annual Friendship Unity 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 2,500 participants.
- ✓ Successfully mediated and closed complaints consistent with performance measures requirements.

Inspector General

- ✓ The OIG publicly issued three reports, three advisory memorandums, and three preliminary inquiry memorandums to the County government and two independent County agencies during FY17. A fourth report contained information that the provisions of the Maryland Public Information Act prevented us from making publicly available. OIG provided copies of this report confidentially to those affected.
- ✓ The OIG completed 35 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.

Intergovernmental Relations

- ✓ Secured State grants for every capital project identified by the County as a funding priority for the 2017 Legislative Session.
- ✓ Worked collaboratively with the State Ethics Commission, WSSC, M-NCPPC, and WSTC to obtain legislation that addressed concerns about the process for handling financial disclosure statements provided by applicants and appointees to WSSC, M-NCPPC and WSTC.
- ✓ Worked collaboratively with State delegation to ensure that legislation governing sick and safe leave did not preempt the County from continuing to enforce its own local law.
- ✓ State budget includes a \$7 million retention incentive package in FY18 for Marriott International to construct its new headquarters in Montgomery County, contingent on a capital investment of at least \$500 million and retention of at least 3,250 eligible full-time employees. This is the first installment of a 4-year \$22 million package.
- ✓ Retained State funds necessary to allow the planned light rail line between Bethesda and New Carrollton (Purple Line) to move forward.
- ✓ Secured an increase in State capital funds for school construction based on high enrollment growth from \$11.7 million in FY17 to \$21.8 million in FY18.
- ✓ State budget includes an increase of \$41 million in Maryland's share of the WMATA subsidy to support maintenance and improvement of the system.
- ✓ Worked collaboratively with the Office of Procurement, State Board of Elections, and State delegation to obtain legislation that transferred the job of enforcing State elections law relating to persons doing business with governmental entities back to the State Board of Elections.
- ✓ Worked collaboratively with the Department of Liquor Control (DLC) and State delegation to obtain legislation authorizing: (1) the DLC's dispensaries to hold on-premises tastings of beer, wine, and liquor; (2) Montgomery County to conduct the Montgomery County Beer, Wine, and Liquor Festival through a "festival organization" to be selected by the county; and (3) the holder of a Class B beer, wine, and liquor (BWL) license or a Class B BWL (Hotel/Motel License) license in Montgomery County to sell alcoholic beverages for one additional hour on a Monday that the federal government has designated as a public holiday.
- ✓ Worked collaboratively with the Montgomery County Police Department (MCPD) and Montgomery County Department of Transportation (MCDOT) to obtain legislation that increases the maximum civil penalty from \$250 to \$500 for a violation recorded by a school bus monitoring camera for failure to stop for a school vehicle.
- ✓ Working collaboratively with MCPD and MCDOT to obtain legislation extending rights-of-way privileges to pedestrians regarding bicycles, play vehicles and unicycles on a sidewalk or in a crosswalk.

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- ✓ Worked collaboratively with the State Delegation and Department of Natural Resources to obtain legislation that (1) allows a person to hunt deer on a Sunday in Montgomery County throughout the deer hunting season on private property; and (2) decreases the archery hunting safety zone size, in Montgomery County, from 100 yards to 50 yards from a dwelling house, residence, church, or any other building or camp occupied by human beings.
 - ✓ Worked collaboratively with the State delegation to expand an existing local option property tax credit for retired military to include civil commissioned officers working with the U.S. Public Health Service or National Oceanic and Atmospheric Administration (NOAA).

Legislative Oversight

- ✓ OLO's report on prescription opioids provided the Council with an overview of the State's and County's efforts to combat the opioid epidemic through prescriber education and drug monitoring programs. The report identified a key barrier to increased prescriber education in Maryland: a 2016 law passed by the General Assembly that prohibits the Board of Physicians from requiring physicians to complete a specific course, such as a course on opioid prescribing, as a condition of license renewal.
- ✓ OLO completed a report on housing for adults with developmental disabilities so that the Council could better understand the housing challenges that face adults and their families. The report provided a framework of living arrangements, an inventory of State and local programs, and an overview of housing options available through the State's developmental disabilities service system.
- ✓ OLO completed a review of school construction cost trends and policies and regulations that influence construction costs. OLO found that Montgomery County Public Schools' construction costs per square foot increased by 19.0% from FY08 through FY15, a rate nearly identical to the national average of 18.0%. However, key variances in policies and practices drive school construction costs across jurisdictions.
- ✓ OLO completed a review of Federal grant management in Montgomery County. The report identified barriers in the process for County departments and offices that infrequently or do not pursue Federal grants, as well as, opportunities to address these barriers through increased collaboration and networking. The report contributed to a larger Government Operations and Fiscal Policy Committee discussion on establishing a centralized grants office in the County.
- ✓ OLO is working on an ongoing effort to review and evaluate proposals from the Maryland General Assembly's Commission on Innovation and Excellence in Education on the school adequacy funding formula. OLO conducted an initial review of funding formula changes and impact on State aid to MCPS and will continue its work into the coming calendar year.
- ✓ OLO completed a report that described non-conventional strategies implemented in other communities to address school capacity constraints including case studies of specific strategies employed by school districts to expand school capacity and alleviate overcrowding.
- ✓ OLO completed a report describing the availability of pre-kindergarten programs in Montgomery County and in other jurisdictions for four-year-old children. Findings and follow-up discussions from the report helped inform the County Council's decision to provide additional funding to MCPS to convert half-day Head Start classrooms into school-day length programs in FY18.
- ✓ OLO completed a report on a potential student loan refinancing authority in Montgomery County. OLO's research showed that it would be feasible to establish such an authority, but fully analyzing the demand in the County would require the determination of major program characteristics and a professional market study.

Liquor Control

- ✓ Net sales for FY17 were \$296.2 million. This represents growth over the previous year of \$3.7 million or 1.3 percent.

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- ✓ Hired a Director with private sector experience; a Senior Marketing Officer to build a customer focused culture and improve retail programming; a Pricing Team to improve accuracy and competitiveness; and an Administrative Team to improve oversight and analysis.
 - ✓ Completed the DLC Improvement Action Plan in 2017. Progress and results were tracked through accountability meetings led by the Chief Administrative Officer and the County Executive's CountyStat Office.
 - ✓ The DLC Legislative Outreach Program received the 2017 National StateWays Best Practices Award.
 - ✓ The Licensing, Regulation, and Education Division received the 2017 National Regulator of the Year Award.

Management and Budget

- ✓ Developed options for CE decisions to close FY19 Budget gap of \$208.8 million while preserving the County Executive and Council priorities.
- ✓ Provided solutions for closing the budget gap of \$3.7 billion between FY08 and FY19 to produce balanced budgets while preserving critical services and advancing key County policies.
- ✓ Developed and implemented a \$53.5 million Operating Budget and \$9.3 million Capital Improvements Program (CIP) Budget Savings Plan to close the gap caused by FY18 revenue shortfalls.
- ✓ Rolled out the new CIP BASIS (OMB's Budget Analytical and Statistical Information System used for development and monitoring the CIP). This intuitive, scalable, and mobile-friendly application provides OMB and County departments with streamlined workflows, enhanced real-time reports and dashboards, prior year / version data archiving, and user management. CIP BASIS delivers comprehensive capital project management including funding, expenditures, appropriations, narratives, accounting, review packets, issue reporting, supplementals, transfers, funding switches, transaction logs, and user management.
- ✓ Provided analysis to the County Executive and County Council recommending General Obligation bond and other debt reductions as part of the County's CIP Spending Affordability Guidelines decision making process. These reductions moved the County towards a more sustainable debt level and contributed to AAA ratings from all three credit rating agencies.
- ✓ Oversee on-going cross-departmental working groups to ensure the most effective resource allocation in the following policy priorities: Positive Youth Development; Senior Programs and Services; Information Technology, including eDiscovery; Criminal Justice; and Pedestrian Safety-Vision Zero.
- ✓ Conducted comparative and other Program of Requirements (POR) analyses resulting in project and debt service efficiencies, programmatic improvements, and enhanced collaboration between co-locating agencies for projects included in the CIP.
- ✓ Continued outreach efforts to promote open data, government transparency, budgeting processes, and to solicit community input into the development of the Operating and Capital 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 Leadership Montgomery's CORE Leadership class and Emerging Leaders programs, Montgomery County Taxpayers League, Greater Olney Civic Association and presented a session on local government budgeting for a budgeting and financial management class at American University; OMB representatives presented at the Maryland Association of Counties (MACo) Winter Conference, and met with representatives from Baltimore City and Mecklenburg County, North Carolina to promote BASIS and OpenBudget System. Budget presentations were conducted for visiting dignitaries from the People's Republic of China and the Philippines.

Parking District Services

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- ✓ Managed the Wheaton Redevelopment project to include mitigation and closure activities including community outreach and communication.
 - ✓ Implemented a demand pricing model in the Bethesda PLD to redistribute parking demand to underutilized facilities and increasing space availability in high demand facilities. The objective is to decrease traffic circulation and increase customer satisfaction.
 - ✓ Converted single-space meters to multi-space meters in Parking Lot Districts that provide customers multiple and convenient payment options (coins, bills, credit card, and pay-by-cell) and a customer friendly parking experience.
 - ✓ Launched Garage Advertisement Program at four public parking garages. Advertising space is available at the Woodmont Corner and Bethesda/Elm Garages in Bethesda and the Cameron St. and Town Square Garages in Silver Spring.
 - ✓ Installed EV charging stations in parking garages located in Bethesda, Silver Spring, and Wheaton. Additional facilities pre-wired for installation of EV charging stations.
 - ✓ Enhanced remote monitoring for all PLDs to monitor live and recorded footage for risk and safety assessments, contractor operations, internal revenue control and audits.
 - ✓ Enhanced pay-by-cell payment options by introducing a new pay-by-cell vendor, ParkMobile in addition to the existing pay-by-cell vendor MobileNOW. Negotiated multiple payment methods including a pay-as-you-go option and a mobile wallet option and reduced service fees.
 - ✓ Upgraded pay-on-foot systems in three parking garages to enhance data security, provide data redundancy, and improve level of service.
 - ✓ Consolidated the Montgomery Hills PLD into the Silver Spring PLD to improve parking operations and management.
 - ✓ 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 effectively using multiple devices such as mobile, laptop or desktop computer.

Permitting Services

- ✓ Completed Insurance Services Office (ISO) review and moved up on the Building Code Effectiveness Scale for both commercial and residential construction (3/3) placing Montgomery County in the most favorable category for new construction insurance rates.
- ✓ Consistently met commitment to complete all reviews of commercial plans in 30-days or less, and overall permit issuance time was reduced by 53%.
- ✓ Maintained next day inspections for more than 98% of scheduled inspections.
- ✓ Assisted high profile projects to completion including the timely opening of Clarksburg Premium Outlets.
- ✓ Developed policy to facilitate Artisan Manufacturing and production for breweries and distilleries.
- ✓ Adopted the International Green Construction Code, updated Fire Codes and trained customers under new codes.
- ✓ Held First Annual Design for Life Showcase bringing together businesses involved with home accessibility improvements and residents.

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- ✓ Reduced the Department's carbon footprint through expanded online services for commercial revisions, fire alarm, and fire protection, fences, signs, commercial solar, and new homes.
 - ✓ Implemented legislative mandates including complete overhaul of impact taxes arising out of the rewrite of the Subdivision Staging Regulations.
 - ✓ Updated to Hansen 8.4 to provide cross browser support (Chrome, Firefox and Safari), provide the capability to link to the Geographic Information System (GIS) so inspections can be more effective and efficient, and provide ability to develop automatic email or text messaging to customers when an inspector is on route to an inspection.

Police

- ✓ The Investigative Services Bureau adjusted its internal policies and procedures in response to the opioid epidemic and now handles each overdose resulting in death as a homicide investigation. As a result, two drug suppliers were charged with the death they caused to a user and were federally prosecuted -- a clear message to opioid traffickers that Montgomery County will not tolerate their actions.
- ✓ Fully implemented 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.
- ✓ Re-established the Community Engagement Division to maximize and enhance outreach and engagement efforts throughout the County. MCPD also hosted the first Hispanic Community Police Academy.
- ✓ MCPD was awarded reaccreditation for the seventh time by Commission on Advanced Law Enforcement Accreditation (CALEA), and the Crime Lab completed strenuous accreditation process through the American Society of Crime Laboratory Directors (ASCLAD).
- ✓ MCPD experienced numerous technological accomplishments within the last fiscal year:
 - Implemented a new Computer-Aided Dispatch (CAD) system.
 - Transitioned to the FBI's National Incident Based Reporting System (NIBRS) for crime reporting, the first agency in the State to undertake this effort.
 - Completed the rollout of body-worn cameras to all patrol officers.
 - Completed cross-training of Emergency Communications Center personnel under the implementation plan for consolidation.

Procurement

- ✓ Encumbered \$217.8 million to Minority, Female, and Disabled (MFD) Owned Business Program vendors, comprising 23.24 percent of eligible spending in FY17.
- ✓ In FY17, African American owned businesses made improvements in every purchasing category. Additionally, MFD businesses made significant strides in the Construction category. In other purchasing categories, Female owned businesses remain in the lead in Non-professional Services as well as the Goods categories. In the Professional Services category, Hispanic American owned businesses almost doubled the value of contracts received in FY16 to \$8,551,018 in FY17.
- ✓ Encumbered \$93.4 million to Local Small Business Reserve Program (LSBRP) vendors, comprising 24.88 percent of eligible spending in FY17.

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- ✓ Conducted Procurement Overview and Compliance trainings to further professional development and to strengthen networking and collaboration between contract administrators, peers, and procurement staff on contract issues.
 - ✓ Procurement received the Achievement of Excellence in Procurement (AEP) Award for its demonstration of innovation, professionalism, E-Procurement, productivity, and leadership with a strong dedication to the advancement of the public procurement profession.
 - ✓ Focused on outreach efforts and validating/certifying MFD and LSBRP vendors - hosting or attending outreach and networking events.

Public Information

- ✓ Enhanced MC311's service capabilities by interacting directly with residents through community engagement team events held within the community. In addition to educating residents of the 311 business process through face-to-face interactions, MC311 team members are able to submit requests for service in real time by leveraging technical upgrades, using laptops and hot spots in the field. Residents visiting MC311 community engagement booth are provided the opportunity to submit service requests onsite or receive hands on instructions on navigating the MC311 Web Portal.
- ✓ To assure readiness for winter and summer storms, MC311 Customer Service Representatives work from home on a regular basis to assure readiness in the case of a natural disaster or public safety event.
- ✓ MC311 created over 4,400,000 requests for service since it's launch on June 17, 2010. Customer satisfaction overall remains high.
- ✓ MC311 recently implemented Session Initiation Protocol (SIP) Trunking. Not only has SIP Trunking contributed to cost savings, it provides a much higher voice quality and allows MC311 to scale up quickly by adding additional phone lines easily, without incurring high costs. As a result, MC311 can better plan for spikes in call volumes for weather events such as snow storms, or incidents that require an immediate increase of lines to the call center.
- ✓ Improvements were recently made to the MC311 home page by offering translations in seven different languages, to make the page more user-friendly.

Public Libraries

- ✓ Awarded 2017 Top Innovator Honorable Mention Award from the Urban Libraries Council for Workforce Development Programs.
- ✓ Awarded 2017 NACo Achievement Awards for:
 - What Do I Check Out Next? - Online Readers' Advisory Services;
 - Building Community Bridges During Crisis - Flower Branch Apartment Explosion Response;
 - Connecting Communities through Social Media; and
 - One Student, One School & One Library Card at a Time - Library Link partnership with MCPS.
- ✓ Awarded a National Endowment for the Arts (NEA) Big Read grant for Montgomery County.
- ✓ First students graduated from Career Online High School, online high school diploma program.
- ✓ In Early Literacy and Children's Services, Montgomery County Public Libraries:

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- completed distribution of library cards to all students at 133 Elementary Schools;
 - hired an Early Literacy and Children's Services Program Manager;
 - held area-wide Diversity in Children's Literature Symposium;
 - implemented revised and improved Go! Kits to branches;
 - introduced STEM learning activity crates for programming;
 - trained library staff on digital media;
 - expanded Early Literacy Center at the Silver Spring Library; and
 - established the Jan Jablonski Early Literacy Training Center.

- ✓ Hosted Contemporary Conversations speakers series throughout Montgomery County.
- ✓ Completed facility refresh project at Davis Library.
- ✓ Seniors learned to digitally connect to friends and family at MCPL's Social Media classes.
- ✓ Teens honed writing skills by attending Teen Writers, Poetry, and Book Club library programs across the County.
- ✓ MCPL events connected entrepreneurs to experts to expand their businesses.
- ✓ Thousands of residents developed new skills at Library programs of interest to seniors, such as job fairs, health care and computer events.

Recreation

- ✓ Increased participation in the Move More Montgomery 100 Mile Challenge by 191% from 396 in FY16 to 1,153 in FY17.
- ✓ Received five Achievement Awards from The National Association of Counties for the following: 100 Mile Challenge Program; Tech Connect; Chill Snowboard program; Food, Fun, Fitness, and Fundamentals; and Safe Walk Home.
- ✓ Renamed and dedicated two outdoor pool facilities - the Hector L. Ayala Wheaton Glenmont Pool and the Sarah E. Auer Western County Pool.
- ✓ MOCO Got Talent Youth showcase at the Strathmore AMP theater helped young people raise more than \$4,000 for Hurricane Relief for Texas and Florida.

Sheriff

- ✓ In 2017, The Family Justice Center (FJC), in collaboration with the Montgomery County Domestic Violence Coordinating Council (DVCC) and Montgomery County Public Schools (MCPS), helped coordinate the 8th Annual Choose Respect Montgomery Healthy Teen Dating Conference. The event was attended by a record 590 teens, parents, youth service providers, educators, and volunteers.
- ✓ This year, the Family Justice Center (FJC) further expanded its pro bono legal services by inviting Jewish Coalition Against Domestic Abuse (JCADA) to expand their role at the FJC. Previously, JCADA was on-site one day per week, and provided only counseling services to clients. JCADA now offers expanded services and will soon be on-site additional days per week.
- ✓ In October 2017, the Montgomery County Domestic Violence Coordinating Council (DVCC) collaborated on a domestic violence

outreach campaign utilizing County RideOn buses and bus shelters throughout the County with signs and contact information for the Family Justice Center and the Abused Persons Program. The campaign was launched at a press event with the County Executive on October 9, 2017.

- ✓ The Family Justice Center (FJC) Volunteer and Internship Program expanded significantly in 2017, adding additional interns each semester and creating internships designated specifically to support FJC legal partners and services. In total, volunteers and interns contributed an average of 86 hours per week to the FJC, or about 4,500 hours for the full year.
- ✓ In 2017, the Domestic Violence Assessment of Lethality and Emergency Response Team (ALERT) was reformatted into a primarily electronic collaboration. Previously, the team would meet once per week to discuss active domestic violence cases in which there was a high risk of lethality, and work together to keep victims safe and hold offenders accountable. The new format allows this collaborative discussion to occur in real time via e-mail, allowing the team to communicate and respond more efficiently and effectively. The team continues to meet in person on a bi-monthly basis to provide ongoing updates on ALERT cases as they become available.

Solid Waste Services

- ✓ DEP led an effort to find a carbon reduction packaging alternative for the County composting operations. Working through their contract with Maryland Environmental Service (MES), DEP was able to identify a bagging product composed of sugarcane bioplastic, a carbon-negative product that will help the County reduce its carbon footprint.
- ✓ Successfully demonstrated, pursuant to a Bagging Pilot approved by the Sugarloaf Citizen's Association (SCA), that increasing bagging production at the Yard Trim Facility from 500,000 to 650,000 bags per year does not increase outgoing traffic.
- ✓ DEP conducted five confidential paper shredding/recycling and clothing/household item donation collection events throughout the County during FY17. These events collected about 87 tons of paper and cardboard for shredding and filled 1.5 box trucks with clothing and household items.
- ✓ DEP continued the food scrap recycling project in the Wellbeing Cafe in the Executive Office Building (EOB). Between November 2011 and June 2017 about 111.7 tons of pre-consumer food scraps have been collected and diverted for recycling.
- ✓ DEP coordinated and/or participated in 265 outreach events and activities in which they directly interacted with approximately 33,800 people.

State's Attorney

- ✓ The Mental Health Courts in Montgomery County's Circuit and District Courts, which opened in December 2016 and January 2017 respectively, were championed by State's Attorney John McCarthy in cooperation with the Sheriff's Office, the Department of Health and Human Services, and the Circuit and District Court. These problem-solving courts divert eligible defendants who have committed low-level crimes because of a mental illness into treatment and away from jail - improving public safety by reducing recidivism and helping participants regain productive lives. Mental Health Courts help break the cycle of repeated arrests by addressing the cause of the criminal behavior.
- ✓ During the 2017 school year, the State's Attorney's Office hosted 60 volunteer students who donated over 17,200 hours of their time. These students help screen cases, conduct legal research, contact victims and witnesses, and prepare cases for trial. Their service to the office equates to over eight full-time positions.

Technology Services

- ✓ Completed Computer Aided Dispatch (CAD) 911 modernization with a system GoLive date of April 2, 2017.

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- ✓ Continued substantial progress on PC vulnerability remediation through aggressive software patching, PC re-imaging and Internet blocking.
 - ✓ Enhanced the County's Business Intelligence reporting to assist staff with business level data in several service areas including: DLC Material Transaction Model, DLC Price Model Enhancements, ERP Performance Dashboard, Payroll Exception Reporting, and Merit System Employee Notifications.
 - ✓ Deployed a new tool, checkspeedmontgomery.com, to enhance Internet Service Transparency in the Community.
 - ✓ Launched Senior Planet Montgomery, providing 3,959 hours of technology training to 268 older adults at 10 locations in partnership with Montgomery County Public Libraries (MCPL), Montgomery County Department of Recreation (REC) Tech Connect, and JCA Interages. 212 hours of staff professional development was provided, and classes were offered in English and Spanish. 100 percent of the graduates found the course useful.
 - ✓ Launched MontgomeryCodes to provide STEM coding, web design and Arduino instruction to 81 students, coding workshops to 300 young people, train 40 students to form a "Coder Corps" to teach coding to middle and elementary school students, and create five digital badges on a digital platform to support individualized skill development.
 - ✓ Completed Risk assessment and penetration testing of the Computer Aided Dispatch (CAD) system.

Transit Services

- ✓ Successfully implemented Ride On ExtRa, a new limited stop service from Lakeforest Mall in Gaithersburg to the Medical Center Metrorail Station in Bethesda.
- ✓ Enhanced Seniors Ride Free program with extended hours of service on Saturdays for both Ride On and Metrobus service riders in Montgomery County.
- ✓ Increased Ride On service in the Clarksburg area to shopping outlets and Shady Grove Metrorail.
- ✓ Successfully competed for and obtained a Federal bus emissions grant to support infrastructure and purchase costs for new electric buses in FY19.

Transportation

- ✓ Resurfaced 303 lane miles between the Residential Resurfacing, Depot Patching and Paving, Permanent Patching, Slurry Seal budgets - one of the highest totals in Division of Highway Services' history and conducted eight projects along Rural and Rustic Roads. Over the course of this 10-year program, DOT has repaired/replaced 2,731 lane miles of roadway.
- ✓ Completed major bridge and/or storm drain improvement projects along Zion Road, Kingstead Road, Wildcat Road, Bel Pre Road, Sunflower Road, Connecticut Avenue, and Serpentine Way.
- ✓ The Neighborhood Rehabilitation Roads Project completed approximately 22 miles of Sidewalk repair and over 21 miles of Curb and Gutter repair.
- ✓ Tree Maintenance Section crews and arborists conducted 40,637 Service Requests, pruned 10,983 hazardous trees, removed 3,323 trees and 1,604 stumps, and planted 1,759 trees. In addition, DOT responded to 376 foliage work orders, removed 76 hornet nests and handled 338 unique tree damage claims.
- ✓ Responded to eight storm events totaling seven inches of snow accumulation and treated 5,200 lane miles of roadway.

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- ✓ Repaired 8,400 streetlight outages and replaced 451 knocked down streetlights.
 - ✓ Installed 288 streetlights primarily in the Olney Town Center, along Bonifant Road, the Bethesda Trolley Trail, and Metropolitan Branch Trail.
 - ✓ The Signing and Marking Unit fabricated and installed 8,689 traffic and street name signs, installed 813 crosswalks and 844 stop bars, and installed 3,257 linear feet of guardrail and 49 end sections.
 - ✓ Repaired/restored 150 vehicle sensors at intersections, retimed 102 traffic signals to implement new pedestrian crossing timing and vehicle clearance timing standards, rebuilt 3 traffic signals, and upgraded 10 county owned signals to accommodate ADA and APS pedestrian access. In addition, replaced equipment at 60 Uninterrupted Power Supply locations.
 - ✓ Deployed Adaptive Traffic Control pilot at 10 locations along Montrose Road / Pkwy
 - ✓ Installed the first four Rectangular Rapid Flashing Beacon's (RRFB) on the Bel Pre Road corridor and on Westlake Drive with four additional locations under design.
 - ✓ Completed the design for separated bike lanes on both sides of Spring Street from 1st Avenue to Wayne Avenue in Silver Spring.
 - ✓ Completed 23,768 linear feet of sidewalk.
 - ✓ Completed biennial inspections of 178 bridges and renovations for 28 bridges.

Urban Districts

- ✓ Launched, along with the Department of Parks, a new "Yappy Hour" dog park/happy hour social event to activate the Elm Street Park, through the Bethesda Urban Partnership.
- ✓ Established a "Cigarette Butt Litter Campaign" in the SSUD, providing cigarette smoking poles to businesses on Georgia Ave. and Fenton St. This campaign allows businesses to encourage patrons to use the smoking poles instead of cluttering the tree pits and sidewalks, saving considerable time and effort for SSUD staff.
- ✓ Established a Wheaton Public Safety Task Force in the WUD, co-chaired by the Mid-County Regional Services Center Director and the Westfield Mall General Manager, and composed of public safety, business, and civic association representatives.
- ✓ Recycled over 3 tons of material (plastic, glass, and aluminum bottles and cans) in the SSUD and delivered it to the Shady Grove Material Recovery Facility.
- ✓ Supported over 70 events on Veterans Plaza in the Silver Spring Urban District (SSUD) by coordinating set-up before the event and clearing the venue afterwards.
- ✓ The Maryland State Arts Council recognized the Wheaton Arts and Entertainment District in the Wheaton Urban District (WUD) with the 2017 Award for Outstanding Achievement. The award recognized Wheaton's efforts in highlighting its unique mix of artistic and cultural traditions, the establishment of new initiatives and partnerships, and its thoughtful approach to developing a strategic plan to guide Wheaton through a period of redevelopment in the coming years.

Initiatives

Agriculture

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- ★ In partnership with the Maryland Agricultural & Resource-Based Industry Development Corporation (MARBIDCO), OAG will initiate a new cost share grant program for farmers. This public-private partnership will assist farmers in reducing their portion of the installation cost of deer fencing needed to reduce the economic losses resulting from deer related crop damage.
 - ★ The Maryland-National Capital Park and Planning Commission (MNCPPC), Department of Permitting Services (DPS), OAG, and Montgomery Countryside Alliance (MCA) are all stakeholders participating on the Agritourism Study Advisory Committee that was initiated in November 2017.

Cable Television Communications Plan

- ★ The recommended budget includes \$100,000 to continue funding the WiFi in the Parks initiative to bring internet connectivity to additional Maryland National Capital Park and Planning Commission (M-NCPPC) facilities.
- ★ Developed an online Transmission Facility Coordinating Group (TFCG) application filing system creating a transparent process for residents to view applications as they are filed with Montgomery County and on Data Montgomery maps.
- ★ Exploring public/private partnerships with Comcast to bring broadband to underserved rural areas of the Agricultural Reserve (Sugarland Road Project) and to promote Internet Essentials program that benefits low-income families and seniors.
- ★ Developing electronic financial reporting system for Communication Tower applications.
- ★ Developing an inspection protocol for post inspection of TFCG small cell applications.
- ★ Developing antenna and tower review and administration process for new cellular technologies.
- ★ Investigating the feasibility of Community Engagement and Social Media outreach for County Council meetings.
- ★ Launching three additional High Definition (HD) channels with RCN network.
- ★ Developing a marketing plan for the Public, Education, and Government (PEG) channels using a viewership study which was initiated to better understand viewing habits and preferences for receiving information about the programming content.

Circuit Court

- ★ Provide phone-based assistance to self-represented litigants in the Family Law Self-Help Center.
- ★ Team with Montgomery College to support the College's Paralegal Studies program by providing students in the program with access to the Court's Law Library legal research materials.
- ★ Form volunteer panels of state, county and private organizations to address the varied needs of Drug Court and Mental Health Court participants.
- ★ Support the implementation of emailed bench warrants and body attachments from the Sheriff's Office.
- ★ Review the court's collection of all fines and costs to ensure that best practices/model processes are in place.

Community Engagement Cluster

- ★ Establish a Worksource Montgomery HIRE (Helping Individuals Reach Employment) Employment Assistance Resource Center at the East County Regional Services Center, as part of the East County Opportunity Zone Initiative. The Center serves as a community-based hub for the provision of employment education and training services to East County residents.

Community Use of Public Facilities

- ★ In collaboration with Montgomery County Public Schools (MCPS), enhance safe use of schools with updated policies and information resources posted online that support initiatives related to youth protection, concussions, synthetic turf, and compliance with facility use guidelines.
- ★ Increase financial accessibility for use of schools and government meeting rooms with implementation of an expanded facility fee assistance program under Executive Regulation 25-16AM (Administration - Office of Community Use of Public Facilities - Vulnerable Youth and Low-Income Families) for nonprofit groups that serve this population. During a FY17 program pilot, thirteen groups were assisted. CUPF expects to double the number of groups assisted in FY18.
- ★ Enhance community's awareness of the role of the Interagency Coordinating Board and CUPF's mission using social media and assignment of staff dedicated to outreach and public information.
- ★ Enhanced safety and playability conditions on renovated school ballfields as a result of CUPF funding.
- ★ Improve tracking of community use issues and response to customer questions and concerns to identify and address reoccurring problems.

Consumer Protection

- ★ OCP reached out to consumers and businesses in Montgomery County for whom English is not their primary language and launched a "*Language Friendly*" outreach program. This multiprong effort included: translating consumer protection information into several languages (Korean, Chinese, Amharic, French, Vietnamese, Russian, and Spanish); placing consumer education information and advertisements in Korean and Chinese language newspapers; and recruiting bilingual volunteers to be in the OCP office during specified days of the week.

Correction and Rehabilitation

- ★ Completing internal design and buildout of the DOCR Jail Management System (JMS) in collaboration with the Department of Technology Services. This is a major information technology system developed and designed in a 12-month period to improve internal process using technology.
- ★ Increase funding for substance abuse testing kits to support 25,000 additional full panel drug tests to screen for opioid use.
- ★ Implementing the TeleStaff system for electronic schedule management and staff deployment. This has been in the Department's strategic plan for efficient staff deployment and data management.
- ★ Implementing the requirements for the Electronic Medical Records system.
- ★ Continuing a dedicated long-term Departmental leadership and organizational training strategy known as Appreciative Inquiry. The Department has completed over 1,000 manhours of leadership training.

County Attorney

- ★ Opioid litigation against opioid manufacturers and distributors initiated with assistance of outside counsel, Robbins Geller Rudman & Dowd LLP.
- ★ Continuing to pursue investigation of Fair Housing Act claims against lenders for discriminatory lending practices that led to housing market crash in 2008-10.
- ★ Work with DGS to implement White Oak general development agreement (GDA) through outside counsel.

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- ★ Managing electronically stored information (ESI) in the context of litigation and Maryland Public Information Act requests.

County Executive

- ★ Continue to refine 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.
- ★ Develop set of interactive tools that bring together multiple administrative data sources into a single view, allowing for in-depth, near-real time analysis and exploration of data related to a wide range of quality of life issues.
- ★ Serve as lead for the first County-wide resident satisfaction survey since 2009.
- ★ Developed the County's first "Vision Zero" strategic plan to reduce the number of pedestrian and bike related fatalities and severe injuries to zero by 2030.
- ★ In coordination with Department of Technology Services, completed site visits to every Executive Branch department and office. Conducted sessions to identify and support ways in which County employees can make use of the Open Data 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 Department of Environmental Protection (DEP) and other departments to adopt and seek certification from the STAR Communities (Sustainability Tools for Assessing and Rating Communities) framework, which will allow for upgrade of the County's Community Indicator Project. This will facilitate use of 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 Corrections and Rehabilitation and the 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.
- ★ Working with multiple departments on piloting automated County forms for use by residents and businesses.

Economic Development Fund

- ★ Enhance the Microlending Program by adding funds to provide County entrepreneurs with access to critical financing for their business expansion and growth.
- ★ Enhance business retention and expansion services by adding funds to disburse grant payment for United Therapeutics Corporation, Inc.
- ★ Continue funding support for the MOVE program to assist businesses, including craft breweries, cideries, wineries, and distillers, in leasing office space to support their growth.
- ★ Add funds to the Small Business Assistance Program to assist eligible small businesses adversely impacted by the County's Wheaton Redevelopment project.

Emergency Management and Homeland Security

- ★ Partnering with Health and Human Services to establish the Opioid Intervention Team to streamline management of the opioid crisis by bringing together departmental, private, and non-profit stakeholders.

Environmental Protection

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- ★ Continue to evaluate opportunities to report to the Maryland Department of the Environment (MDE) restored impervious surface due to non-CIP measures including partnerships with other agencies and continued use of information and data from newly permitted treatment facilities.
 - ★ Identify opportunities for enhanced cooperation between the County and M-NCPPC to integrate activities associated with meeting requirements under their respective Municipal Separate Storm Sewer System (MS4) permits.
 - ★ Continued leadership and participation in discussions with MDE and other MS4 jurisdictions on the requirements for the FY19-24 MS4 permit to ensure a clear understanding of the impact of restoration actions to date as well as the continued need for actions to improve local water quality.
 - ★ Continued support of the Green Bank initiatives as new financing products and mechanisms are made available to local businesses to increase the implementation of energy efficiency and renewable energy projects.
 - ★ DEP's Office of Sustainability will continue to implement programs for residents and businesses designed to help them reduce their environmental footprint and save money. Included among these are the Energy Coach network, designed to help residents reduce their energy use and costs; Tree Montgomery, which continues to grow the number of trees planted each year; and expansion of the Green Business Certification program to recognize additional businesses, such as farmers, who adopt sustainable business practices.

Ethics Commission

- ★ The Commission submitted to the County Council for approval a set of regulations providing guidance in several areas under the County's ethics law, including outside employment approval; misuse of position, gifts; and financial disclosure.

Finance

- ★ Growth and Economic Development Initiatives include:
 - A \$22 million conditional grant to facilitate the relocation of Marriott Headquarters and hotel to downtown Bethesda--a \$600 million project retaining 3,250 jobs,
 - New Jobs Tax Credit Incentive to establish JBG Smith Properties headquarters in downtown Bethesda--creating 190 new jobs,
 - Provide \$300,000 from the County in conjunction with \$600,000 from the State to assist relocation of Host Hotels & Resorts, Inc headquarters to downtown Bethesda-a \$30 million project retaining 189 jobs,
 - MOVE program that continues to reduce commercial office vacancy, attracting new businesses (53) and new jobs (321) since inception, and
 - \$100,000 conditional grant to assist Sanaria, Inc., a developer of anti-malarial vaccines, to expand in the county, creating 47 new jobs.
- ★ Launch of the Montgomery County Small Business Assistance Program (SBAP) aimed at assisting certain small businesses located in the County that are adversely impacted by a County-funded redevelopment project or a redevelopment project located on County-owned property.
- ★ The Impact Assistance Fund (IAF), created as a sub-program of the Economic Development Fund, provides financial and/or technical assistance to certain financially healthy small businesses in designated areas of the County adversely impacted by a redevelopment project initiated by the County, a redevelopment project located on County-owned property, or a redevelopment project constructed by a private entity for use in whole or in part by the County as a public facility. The goal to aid businesses' ongoing operations so they remain viable during and after completion of the redevelopment project. The maximum amount of assistance a business can receive under the program is \$25,000. Businesses receiving assistance from the Impact Assistance Fund

are not eligible to receive assistance from the separate Small Business Assistance Program.

- ★ Finance's Treasury division is working with IT staff on multiple initiatives including re-engineering procedures for tax refunds, testing and implementing new Munis modules for web display of property tax bills, and implementing a new property tax payment platform.
- ★ Upgrading Kronos Workforce TimeKeeper (MCTIME) from 6.2 to 8.2.
- ★ Upgrading the Tyler Technologies Munis property tax billing system from 9.4 to 11.3.
- ★ Replacing the custom in-house real and personal property tax web billing applications with Citizens Self Service from Tyler Technologies.
- ★ Risk Management is working on the launch of additional safety-related electronic applications for Montgomery County Self Insurance Program (MCSIP) agency members, refining the Contract Tracking System to automate functions and reports, and working with the State to develop studies designed to result in guidelines for vocational rehabilitation in order to ensure efficacy of approved vocational rehabilitation programs for injured workers.

Fire and Rescue Service

- ★ In an effort to reduce 911 calls, ambulance transports and emergency room visits, MCFRS has partnered with HHS to expand a program that initiates regular home health care visits and other services for patients that had been repeatedly transported by ambulance to hospital emergency rooms.

Fleet Management Services

- ★ ***Purchase of Sixteen Chevrolet Bolt Electric Vehicles*** - DFMS is one of the first government fleets in the United States to purchase Chevrolet Bolt Electric Vehicles (EVs). With a range of over 200 miles, the additional capacity allows the County to accomplish its mission in an energy efficient manner. The Bolts' internal combustion engine uses no oil and has zero emissions.
- ★ ***Carbon Monoxide Testing*** - DFMS initiated Carbon Monoxide (CO) tests on Ford Explorers and Utility and Sedan Interceptors due to an issue experienced nationwide by Police Departments. The issue was investigated in conjunction with the National Highway Traffic Safety Administration (NHTSA). Fleet Management Services, worked jointly with the Montgomery County Police Department to rectify this issue by conducting similar inspections as used by the NHTSA. DFMS placed Carbon Monoxide (CO) detector cards in fleet vehicles of these types.
- ★ ***Idle Reduction Software*** - DFMS installed idle reduction software on 35 vehicles. The software lowers the engine revolutions per minute (RPM) while at idle and increases fuel economy by five percent.

Health and Human Services

- ★ Add funds to support the Strong Families Initiative, a joint project with the Catholic Charities of the Archdiocese of Washington. This program seeks to enhance family resilience in an effort to address risk factors that increase the likelihood of a young person joining a gang.
- ★ Add funds to create a new Paint Branch and Springbrook Cluster Project to implement a comprehensive approach to improve student achievement in the East County Area.
- ★ Add funds to increase support for the wages of adult medical day care workers and public service interns due to the increase in the County's minimum wage, and provide funding to developmental disabilities providers to pay direct service professionals at 123 percent of the increased County minimum wage (on average).

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- ★ Add funds to support School Health Room staffing for the new Richard Montgomery Elementary School.
 - ★ Add funds to enhance services in the Mobile Integrated Health Program.
 - ★ The Asian American Health Initiative (AAHI) developed the Friends' Corner program, an innovative approach using a social determinants lens to address the unique barriers to care for Asian American older adults. As part of Friends' Corner, AAHI hosted a series of educational workshops and resource tables at various Asian American senior gathering points.
 - ★ Child and Adolescent Behavioral Health Services (CABHS) participates in the monthly meetings of the Children Fleeing Violence Work Group to assess the needs of recent immigrants and provide resources to assist the newcomers.

Housing and Community Affairs

- ★ Invest \$51.6 million in affordable housing including the Montgomery Housing Initiative (MHI) Fund and utilize \$16 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, \$1.01 billion has been invested in support of affordable housing, leveraging \$1.17 billion in non-County funding.
- ★ Continue the County's commitment to tenant rights by enhancing landlord-tenant outreach, tenant protections, tenant advocacy and housing code enforcement.
- ★ Continue the County's commitment to affordable senior housing by providing gap financing for the Victory senior housing project in Damascus. This proposed 72-unit, newly-constructed, mixed-income senior rental property will contain 65 units affordable to seniors at between 30 and 60 percent of the Area Median Income (AMI).
- ★ Provide a commitment of gap financing to the Housing Opportunities Commission (HOC) for 150 units of affordable senior housing to be developed as part of the Upton II development in downtown Rockville. This project will replace the senior housing at Towne Center in Rockville and provide 112 units of affordable senior housing serving residents at or below 60 percent of AMI.
- ★ Provide gap financing for the development and construction of 110 units of affordable housing for households earning between 30 and 60 percent of the AMI near the Shady Grove metro station. The project is expected to begin construction in Fall of 2018.
- ★ 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 3,000 households were assisted in FY18 and over 3,000 are projected to be assisted in FY19.
- ★ 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.
- ★ Establish the Tiger Team Task Force to study and recommend legislative, regulatory, and other changes to prevent distressed common ownership communities and promote sustainability.
- ★ Expand neighborhood revitalization activities into the Montgomery Village including Center Stage, Walker's Choice, Grover's Forge, and The Hamptons. Other potential neighborhoods in Montgomery Village will be evaluated for revitalization activities.

Human Resources

- ★ Conduct management, employee, and community briefings on the enhanced employment and qualification system.

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- ★ Implement a comprehensive classification guide for Montgomery County Government staff, local government staff /officials, and the public on how the County manages functional classification.
 - ★ Increase focus for wellness programs on the Top Health Conditions; 1) Diabetes, 2) Hypertension, 3) Cancer, 4) Musculoskeletal, 5) Mental Health, and 6) Obesity.
 - ★ Develop new employee onboarding process to streamline the end-to-end process for new hires to County government.
 - ★ Review best practices to determine an automated solution for monitoring promotional probationary employees.
 - ★ Create wellness videos that highlight and encourage strategies for employees to develop and maintain healthy lifestyles.
 - ★ Develop a collaborative and consultative recruitment module with our departmental business owners to include outreach and job fairs.
 - ★ Increase wellness participation and engagement through outreach and enhanced programs that leverage the departmental Wellness Champions and events such as Celebrate You!, Breast Cancer Awareness Walks, Emergency Communications Center Draft Day, and benefits fairs at key locations across the County.
 - ★ Initiate stress management programs for high risk departments.
 - ★ Implement weight management programs through each of the County's health insurance carriers.

Intergovernmental Relations

- ★ Continue to enhance the Office of Intergovernmental Relations' Legislative Tracking System, and work with other County departments to better coordinate and communicate on State and County legislation.
- ★ Vision Zero - Continue to identify County and State laws, policies, and regulations that hinder the County's progress towards Vision Zero.

Liquor Control

- ★ In FY19, DLC will transfer \$28.2 million to the General Fund and make \$11.4 million in debt service payments on Liquor Control Revenue Bonds for a total contribution of \$39.6 million.
- ★ Establish training programs for new employees.
- ★ Enhance the iStore website to improve the user experience.
- ★ Improve retail operations by consolidating and renovating select stores.

Management and Budget

- ★ Designing and developing Operating Budget Planning & Workforce Modules. These modules will replace the remaining Hyperion functionality for better data integrity, ease of use, and reduced server footprint and cost. The system is being developed in-house at no additional cost to the County. The new modules will be available for use in developing the FY20 Operating budget.

Parking District Services

- ★ The new Wheaton Reedie/Grandview Ave. Garage will feature new LED lighting fixtures (standard for our garages), Electric

Vehicle (EV) charging stations, low emission vehicles preferred parking spaces, and increased security measures through additional cameras and panic buttons. The Wheaton Office building will be the first LEED Platinum certified government facility in Maryland featuring a geothermal system and solar panels in the roof areas.

- ★ Joint development partnership with Fairfield Residential Company, LLC to redevelop Fenton Village Public Parking (Lot 3) into a vibrant mixed-use development at Studio Plaza with approximately 152 public parking spaces.
- ★ Implementing garage automation systems to effectively monitor electrical and mechanical systems to enhance service delivery.
- ★ Upgrade and consolidate control and monitoring systems for electrical, elevators, communications, and ventilation systems.
- ★ Expand the EV Charging Station program to additional facilities.
- ★ Complete the Silver Spring Parking Demand Study.
- ★ Conduct the biennial parking customer service survey.
- ★ Conversion of parking cashier system to pay-on-foot system in all Parking Lot Districts (PLDs).

Permitting Services

- ★ Website redesign.
- ★ Current Construction Activity Website.
- ★ Implement International Green Construction Code (IgCC).
- ★ Expand eServices to online payment for additional DPS services.
- ★ Adoption of 2018 International Building, Mechanical, Fuel Gas, and Energy Conservation codes with open houses for industry.
- ★ Update Montgomery County Code, Chapter 17- Electricity Regulations.

Police

- ★ Implementation of enhanced gang investigative capabilities with the FY18 supplemental budget appropriation.
- ★ The County's new Next Generation 911 service will begin in FY19, allowing the Emergency Communications Center to receive emergency communications in new ways, including by text and with pictures.
- ★ The Police Department plans to replace the County's interview room camera system with a more reliable product that will better integrate with footage collected from the body worn camera program.
- ★ Participation in the FBI's national use of force reporting pilot to demonstrate the Montgomery County Police Department's (MCPD) commitment to transparency and accountability.
- ★ Continue diversity initiatives, which includes expansion of the Cadet Program and a pilot initiative where a local high school offers a criminal justice program for students.

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- ★ Increase the efficiency of emergency response by shifting the responsibility for animal-related emergency calls to the Animal Services Division during peak animal-related call times.

Procurement

- ★ Drafted legislation to prevent Procurement from involvement in enforcement of State campaign finance law. The bill was passed by the State legislature and signed into law.

Public Information

- ★ MC311's quality assurance manager increased the pool of respondents to the MC311 bi-annual customer satisfaction survey, by offering both English and Spanish language versions. Additionally, questions were presented in a multiple choice range format to provide for more honest and unambiguous responses, over other single answer type questions. This revised method ensures more accurate and targeted results to capture a broader sampling.

Public Libraries

- ★ Sponsor the Big Read literature event in Montgomery County in Spring 2018.
- ★ Implement 1,000 Books before Kindergarten Reading Program in March 2018.
- ★ Hosted FY18 MoComCon comic convention in January 2018.
- ★ Hold MCPL Expeditions, Virtual Reality programs.
- ★ Sponsor Job Clinics with WorkSource Montgomery.
- ★ Offer Streaming Video Services.
- ★ Offer Online Classes in Business, Software, and Technology.
- ★ Implement Program to Lend WiFi Hotspots and Laptop Computers for Home Usage.

Recreation

- ★ Expanding a partnership with Strathmore for the East County Arts Initiative, including East County Strings, Bloom Concert Series, and beginning a programming partnership for the re-opening of the Good Hope Neighborhood Recreation Center in the Fall of 2018.
- ★ Provide Camp Fairs and Summer Employment Fairs, including demonstrations, instructor booths, and on-site registration during February for Summer Camps.
- ★ Implemented two new Excel Beyond the Bell (EBB) Elementary School sites - Harmony Hills Elementary School and JoAnn Leleck at Broad Acres Elementary School -- to bring EBB Elementary Schools to a total of four sites.
- ★ Planning work is in progress for programming two new facilities - Wheaton Library and Community Recreation Center and South County Regional Recreation and Aquatic Center.

Sheriff

- ★ The Family Justice Center plans to explore partnerships with local animal shelters and fostering programs to create a temporary boarding/fostering program for pets of domestic violence victims.

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- ★ The Family Justice Center plans to partner with the Education and Outreach Committee of the Domestic Violence Coordinating Committee to revamp the format of the current youth outreach presentation "Expect Respect," which is part of the larger Choose Respect initiative.

Solid Waste Services

- ★ DEP is working to improve the safe and effective operations of its facilities by making improvements in fire detection and suppression systems and improving operations at the Shady Grove Transfer Station for traffic queuing and flow by widening traffic lanes, improving roadway markings, and improving tipping floor unloading procedures. These latter improvements will decrease queuing time and expedite on-site traffic flow.
- ★ DEP will develop and implement a nonresidential food waste composting program in FY19.
- ★ DEP negotiated new solid waste collection contracts for Service Areas 1, 2, 4, 5, and 7 for the collection of refuse and recycling materials. These new contacts will improve the overall level and dependability of service quality.

Transit Services

- ★ Starting in January 2019, Ride On will operate a new pilot neighborhood service from Olney into Rockville with smaller circulator buses that are more reasonable and flexible to operate along small neighborhood roads. The new circulator routes will run every 10 minutes during rush hour and will take all current forms of fare media like other larger Ride On buses. Transferability to other buses and Metrorail will be easier. The opportunity to get closer into the neighborhoods and utilize a new "app" to arrange for pickup should attract new riders and revitalize transit use in these areas. Even with smaller buses all of the buses will be ADA accessible.
- ★ Starting in May 2018, provide new US 29 Ride On overlay service to alleviate traffic congestion in this major thoroughfare.

Transportation

- ★ Began a Passive Crosswalk Lighting Initiative along the Bel Pre Road corridor with five crosswalk locations being enhanced with motion response lighting.
- ★ Installing High-intensity Activated Crosswalk beacons (HAWK) to further improve pedestrian safety.

Productivity Improvements

Agriculture

- ★ In October 2017, OAG completed an extensive IT infrastructure upgrade to expand internet access and improve the Voice Over Internet Protocol phone connections.

Board of Elections

- ★ **BALLOT TRACKING PROCESS** - Redesigned the tracking process for absentee and provisional ballots to streamline election certification and achieve a 100% accuracy rate in verifying whether voters' absentee or provisional ballot was counted or rejected.
- ★ **OVERTIME REDUCTION** - Shifted temporary employee resources into election worker recruitment to achieve a higher teacher to student ratio in election worker training classes and reduce overtime hours for trainers.

Community Use of Public Facilities

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- ★ Fee consolidations and increased availability of Veterans Plaza on Saturdays resulted in increased accessibility by the community to the Silver Spring Civic Building. Hours of paid Saturday use of the plaza increased from 141 hours in FY16 to 220 in FY17.
 - ★ Reduced the amount of time to process online customer reservations during the peak application periods in schools and other public buildings from an average of 6.8 days in summer/fall 2016 to 4.4 days in summer/fall 2017. Before implementation of ActiveMONTGOMERY, processing took a number of weeks. Overall community use hours increased 4%.

Consumer Protection

- ★ OCP worked with the Department of Technology Services (DTS) to bring business and licensing and registration platforms online to better serve consumers and businesses.
- ★ OCP enhanced outreach efforts by developing a series of two-minute video alerts regarding numerous scams and consumer protection topics. These videos have been distributed through social media and posted online.

Correction and Rehabilitation

- ★ Completed the largest solar project at a County facility to date located at the Montgomery County Correctional Facility. Solar and other advanced energy technologies on County facilities provide energy independence, environmental protection, and cost savings.
- ★ Secured Homeland Security grant funding for a full body scanner to enhance institutional safety and security by controlling contraband introduction into the DOCR secure facilities.
- ★ Implemented a Master Lease Plan to upgrade security cameras and associated infrastructure at the Montgomery County Correctional Facility increasing institutional safety and security.

County Executive

- ★ Supported DEP, Department of Housing and Community Affairs, Department of Liquor Control (DLC), Age-Friendly Montgomery and other departments and offices with analysis and "internal consulting" that normally would have been contracted out at an additional expense.
- ★ Continue to place graduate students from the University of Maryland's School of Public Policy within departments to perform their Master's Degree "capstone" projects which provided a benefit to the County. Formed a partnership with the University of Maryland's School of Information Sciences to bring graduate students to County government for project based opportunities.
- ★ Internal Audit is conducting several high priority reviews during FY18, including those highlighted below. These reviews are designed to advance program and operational improvements in the areas/functions identified:
 - Internal Control Review of Retail Store Operations (DLC)
 - Internal Control Review of Fleet Asset Management Operations (Department of General Services)

Emergency Management and Homeland Security

- ★ Restructured the Facility Emergency Action Program to include a scoring process that will measure the plan in a number of areas. This will allow departments to better understand what areas are successful and where their planning needs improvement.

Environmental Protection

- ★ Continued evaluation of progress in meeting the requirements of the County's MS4 Permit using data and information to show continued progress towards restoring 3,778 impervious acres.

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- ★ Issued a solicitation and entered into Pay for Performance contracts for the design and construction of three stormwater management projects that will treat 252 acres of untreated impervious surface. Under the Pay for Performance construct, the vendor must complete the work before being compensated.
 - ★ DEP's Stormwater Facility Maintenance Program pre-screened 995 underground (UG) facilities prior to annual maintenance and found 648 facilities required no annual cleaning. This finding saved the County an estimated \$2,217,456 (based on an average UG maintenance cost of \$3,422 per facility).
 - ★ Conducted an evaluation of the RainScapes Rewards for Trees and the Tree Montgomery programs which resulted in the discontinuation of the RainScapes Rewards for Trees program in favor of having one tree program in DEP (Tree Montgomery), leading to better efficiency for tree delivery to residents.
 - ★ Developed a more streamlined Best Management Practice (BMP) monitoring program with more efficient study designs, standardized methods, and coordinated monitoring. The first study was initiated in 2017 to evaluate Environmental Site Design (ESD) and impacts to streams surrounding the Clarksburg Premium Outlets. These enhancements and improvements were primarily funded by the new BMP Monitoring Fees which became effective April 13, 2016.

Ethics Commission

- ★ The Commission worked with the Department of Technology Services (DTS) on a new Financial Disclosure System as the existing system is built on a server that is no longer supported by Microsoft. The new system was implemented at the end of 2017.

Finance

- ★ Migrate MUNIS, one of the County's property tax billing systems, to a Cloud platform.
- ★ Use of Robotic Processing Automation software to perform repetitive and manually intensive jobs on software platforms that do not allow automation. This reduces staffing costs and increases accuracy.
- ★ MCPay - The Department of Finance will be implementing credit card and electronic payment solutions and re-engineering existing solutions that will decrease the total cost of ownership for the County. This will entail creating a centralized payment portal, process automation, reducing the level of effort for on-boarding departments that wish to process credit cards, and collaborating with the Merchant Service Provider to reduce transaction costs.

Fire and Rescue Service

- ★ Awarded \$155,000 Assistance to Firefighters Grant to purchase a replacement flashover simulator that has been used regularly for over ten years for live fire training.
- ★ MCFRS was awarded a Federal SAFER grant that will provide \$1.5 million to fund ten additional firefighter positions and bring two fire suppression units to four-person staffing.
- ★ Segmented the recruit class into two components and staggered start dates resulting in better use of facilities, improved management of recruit processing, greater ease and efficiency in distributing gear, and reduced the impact on the fire/EMS instructor cadre.

Fleet Management Services

- ★ Enhanced Visibility of Ride On Buses - Because of an increase in the number of Ride On buses being hit from the rear, DFMS installed an electronic module that flashes the high mounted brake lights on the 2009 model year and newer buses when the brakes are applied. This enhancement makes the Ride On buses more visible to approaching traffic.

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- ★ ***Automated Tool Boxes, computerized cabinet/locker systems*** - DFMS installed tool box/locker system units in three shops; Brookville Maintenance Facility (BMF), Heavy Equipment Shop (HES) and Transit Equipment Shop (TES) to store and record the removal and returning of County tools. Access to the tools, especially sensitive tools, stored in these automated tool boxes is via County issued identification, maximizing tool availability for repairs while minimizing tool losses.

General Services

- ★ Expanded the use of the SharePoint Intranet as a tool for communication across DGS divisions.

Health and Human Services

- ★ The Community Support Network for People with Disabilities worked with the Inter Agency Coordinating Committee /Developmentally Disabled (DD Inter ACC) to revise the annual DD Supplement Wage Survey to establish more accountability and capture better data.
- ★ The Adult Evaluations Review Service (AERS) program added personnel to assist the nurses and increase program efficiency. Over the past four years the program has grown 63 percent, with an additional 405 cases added.
- ★ Data analysis of the Linkages to Learning Program was enhanced by evaluating the Family Case Management services using the Massachusetts Family Self-Sufficiency Ladders and Assessment Scale, a nationally recognized standard. There were statistically significant improvements found in the proportion of clients who were "thriving," "stable," or "safe" after 6 to 12 months of intervention.
- ★ The Working Parents Assistance (WPA) Program received additional funding in FY17 for WPA Subsidies and supplemental vouchers to the State Child Care Subsidy Program. The funding provided an additional 556 children with WPA vouchers, and 555 children with supplemental vouchers to their State Child Care subsidy.
- ★ A family housing screening instrument was developed to train and pilot a common screening and assessment tool embraced by national experts called the Family Vulnerability Index - Service Prioritization Decision Assistance Tool (Family VI-SPDAT) to accurately and objectively determine the most appropriate housing intervention for each household and place them in permanent housing as quickly as possible. An Acuity Scale was also developed to assess the complex strengths and challenges in clients in permanent supportive housing programs.

Housing and Community Affairs

- ★ Developed a native iOS app (Apple iPhone/iPad) to be used by housing code inspectors. The app integrates with the department's Code Case Management System and provides staff with an efficient tool to provide timely and accurate information while carrying out housing inspections.
- ★ Developed a departmental data warehouse system to support business intelligence and reporting, which provides operational and analytical dashboards to support effective and timely decision making.
- ★ Based on the data generated from the Annual Rent Survey, DHCA relaunched the *Rental Housing Guide*, a browser-based, user-friendly listing of each multifamily rental complex in the County sortable by rent range, location, and whether properties are affordable or senior.

Human Resources

- ★ Reduced the average time to generate and provide the eligibility list for vacant positions to hiring managers by approximately 20 days, to within nine days of the close of the ad in iRecruitment.
- ★ Created centralized mailboxes for receiving employee and department requests or questions regarding Classification and

Compensation.

- ★ Automated the group insurance rate setting and eliminated the need for manual data entry into the system for the annual group insurance rates.
- ★ Re-engineered dependent certification process that now requires entering information once in the system and eliminating redundant manual data entry by the Health Insurance Team.
- ★ Leveraged the Employee Self Service module and provided communication to HR Liaisons and employees for updating emergency contacts and change of address to avoid the manual data entry done in the past by Core HR.

Intergovernmental Relations

- ★ **Training** - Continued to participate in training, education, and networking opportunities at the local, State, and Federal levels, including programs and opportunities sponsored by the Maryland Association of Counties (MACo), National Association of Counties (NACo), Maryland State Bar Association, Maryland Governmental Relations Association, Montgomery County Chamber of Commerce, and TeleComUnity.
- ★ **Legislative Tracking System:** Implemented a new legislative tracking system for the 2017 Session which enhanced OIR's legislative review process by improving the way OIR collects, organizes, reviews, and communicates information relating to State and Federal legislation. OIR works closely with approximately 60 legislative liaisons (from the Executive Branch, County Council, independent agencies and other State agencies) to review bills and obtain the input that is necessary to develop County position statements and advocate on behalf of the County. The new software system improved the efficiency of workflow management between OIR and legislative liaisons, timely tracking of bill status, and electronic access to bill files and legislative history.

Liquor Control

- ★ Installed software to improve reporting capabilities in the Licensing, Regulation, and Education Division.
- ★ Implemented scanning and voice picking software to improve speed and accuracy in the DLC warehouse.
- ★ Replaced 16 delivery trucks to improve delivery operations and lower fleet maintenance costs.
- ★ Replaced contracted warehouse operations with County staff to improve internal controls.

Management and Budget

- ★ Designed, developed, and implemented CIP BASIS. By completely replacing Oracle's Hyperion system, CIP BASIS significantly streamlined the CIP budget development process for end users. In addition, it improved OMB's internal operations resulting in reduced Comp Time hours earned, expedited the publication timeline by five days, improved accuracy in the data published online and in print, reduced printing costs, and freed up capacity on the Department of Technology Services (DTS) servers. In addition to the positive impact on OMB's Comp Time hours, it would be reasonable to assume user departments and the printshop would also experience a decline in work hours, including overtime and compensatory, related to budget development.
- ★ Designed, developed, and implemented the public facing OpenBudget (Operating & Capital) systems, based on the output of the data, narratives, tables, and graphics directly from BASIS. This system completely replaced the Socrata Capital and Operating Budget Books, and budgetMontgomery application. This created another user-friendly tool to access data-Interactive Google Maps, ability to customize searches, and archived data. These changes also saved OMB over 300 hours of time previously required to update and maintain the Socrata sites.

- Capital Budget at montgomerycountymd.gov/capitalbudget

- Operating Budget at montgomerycountymd.gov/operatingbudget

- ★ Redesigned OMB's public website for mobility, improved access to data and publications, and to serve as a central portal for all the County's budget activities. montgomerycountymd.gov/omb
- ★ Enhanced Operating BASIS - Improvements include enhanced budget monitoring capabilities allowing OMB and departments to better track expenditure and revenue trends and projections; development of a savings plan module; and standardization of budget analysis and reporting.
- ★ Launched eBudget 2.0 (OMB's Knowledge Management System), the redesigned site streamlined access, enhanced availability of content, and expanded mobility.

Permitting Services

- ★ Processed 259 tree plans, protected 421 roadside trees, required 206 roadside tree plantings, and collected \$95,850 for Department of Transportation (DOT) roadside tree planting.
- ★ Performed over 200 free design consultations.
- ★ Performed 98,999 plans reviews.
- ★ Performed 171,233 inspections (building construction, zoning and site plan, fire systems, existing building, land development and roadside trees).
- ★ Served 119,122 customers at DPS counters and fulfilled 5,148 requests for information.
- ★ Issued 569 sign permits and removed 2,026 illegal signs from the public right-of-way.
- ★ Processed 3,238 residential solar permits.
- ★ Processed 59,501 permits, licenses, and service requests.
- ★ Performed 3,494 site plan investigations on 212 active certified site plans.
- ★ Performed 17,386 inspections and issued 35,093 permits by the Fire Protection and Code Compliance Division.

Police

- ★ Expanded the lab space of the Electronic Crimes Unit, providing state-of-the-art technology to process electronic evidence, which impacts all types of criminal activity.
- ★ Expanded the Automated School Bus Enforcement program to improve school bus safety.
- ★ The Montgomery County Public Safety Training Academy consolidated the functional and specialized training needed for all law enforcement officers and employs the use of technology and realistic scenario-based training to improve lesson delivery.

Procurement

- ★ Developed an online database for retrieval and search of Contract Review Committee (CRC) minutes from FY99 to the present by contract number, contract description or vendor.

-
- ★ Developed two pre-approved Community Grant contract templates (different dollar thresholds) for Countywide use.
 - ★ Developed a "Pocket Guide to Doing Business with Montgomery County" for distribution and availability at various events and meetings for potential vendors needing a useful and informative resource for basic procedures to follow when doing business with the County.

Public Information

- ★ MC311 is providing alternate ways of connecting with County Government programs and services. Service requests are received from customers via Twitter (@311MC311), Monday through Friday from 8:00 AM - 4:30 PM, and will soon begin to accept photos through that channel. Messages regarding County events, and promoting County services are pushed to a growing list of Twitter followers.

Public Libraries

- ★ Made bilingual (Spanish/English) Early Literacy tablets available to children in 12 library branches and English only Early Literacy tablets available in 4 branches. After School Edge tablets for elementary school-aged children are available in 11 branches.
- ★ Working with Montgomery County Public Schools (MCPS) to make Chromebooks available to allow children and their parents in all branches to familiarize themselves with the technology they will be using in the MCPS classroom. MCPL and MCPS share information and assist with training.

Recreation

- ★ Expanded outreach and communication plan for RecAssist subsidy program to include reminders to customers and outreach for referrals to Health and Human Services, Linkages to Learning, Montgomery County Public Schools (MCPS), and other community agencies.
- ★ Implementing "listening sessions" for residents to provide feedback on Recreation programs and services.
- ★ Moving department business operations to a centralized business office model.

Solid Waste Services

- ★ DEP completed a Corrective Action Plan ("Plan") prepared in the wake of the 2016 fire at the Resource Recovery Facility which outlined the steps to restore the facility to safe and effective operations. Accompanying this Plan, the operator of the facility is completing a Recovery Plan for the facility, designed to address previous maintenance and performance issues, including needed maintenance on equipment. Together, these Plans should improve performance and reliability of the facility, including higher electric generation per ton of waste processed and improved processing of the County's municipal solid waste.
- ★ DEP and the Department of Permitting Services (DPS) worked together to revise an agreement with Solar City to establish 4-MW solar power arrays on top of the closed Oaks Landfill. Construction will begin in FY18 and operation is scheduled to begin in FY19. The sale of electricity will increase revenue for the landfill.
- ★ Completed construction of the Paper Processing Facility at the Recycling Center, for separating mixed paper into two commodities; corrugated cardboard and other mixed paper. This new facility allows for the bailing of commodities for sale. Start-up operations began in May.
- ★ DEP has been working with Finance and a software developer to implement a credit card system at the Transfer Station. The new method of financial transaction will expedite traffic flow at the Shady Grove Scale House.

Technology Services

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- ★ Implemented the Account Management Program (first phase). Every Department has an assigned DTS Account Manager available to answer questions and provide customized service.
 - ★ Automated the separation process for temporary employees for the Department of Recreation (REC), saving employee time and other County resources.
 - ★ Designed and implemented Family and Medical Leave Act (FMLA) functionality in MCtime. Streamlined end-to-end intake, administration, and usage of FMLA leave to provide consistency and usable data for reporting and administration.
 - ★ Implemented Department of Liquor Control (DLC) enhancements and integration with third-party applications, including voice picking, stock receiving, and system improvements to billbacks, price model, bill of lading, claims, invoicing, and purchasing.
 - ★ Improved the technology tools used to conduct the mass liquidation of encumbrances to reduce the staff time spent on this task from days to hours.
 - ★ DTS is beginning a pilot of Unified Communications as a Service that is projected to reduce costs, enhance collaboration and improve productivity by leveraging and extending the County's existing office cloud productivity platform.

Transportation

- ★ Highway Services used 56,000 tons of recycled asphalt on resurfacing projects. These efforts not only help save money on materials, but they are also good for the environment. Additionally, all leaves collected during the leafing season are turned into compost, sold to local hardware and lawn care stores, and the profits are reinvested in the program.
- ★ The survey unit utilized lidar (light radar) technology to capture virtual 3-D topography that reduced field work and increased field safety. The lidar process decreased the amount of time for survey completion. The technology has been utilized for projects and by the Division of Parking.



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

	FY18 Approved Ending Fund Balance	FY19 Recommended Ending Fund	Change in Fund Balance	% Change
TAX SUPPORTED				
Montgomery County Government				
County General Fund	149,192,741	154,642,497	5,449,756	3.7%
Bethesda Urban District	84,998	83,120	-1,878	-2.2%
Silver Spring Urban District	93,633	90,180	-3,453	-3.7%
Wheaton Urban District	51,848	51,408	-440	-0.8%
Mass Transit	138,779	210,606	71,827	51.8%
Fire	106,472	156,112	49,640	46.6%
Recreation	272,711	219,833	-52,878	-19.4%
Revenue Stabilization Fund	308,097,159	337,930,613	29,833,454	9.7%
Montgomery College				
Emergency Repair Fund	415,520	393,178	-22,342	-5.4%
Current Fund MC	4,224,919	4,297,877	72,958	1.7%
Maryland-National Capital Park and Planning Commission				
Administration Fund	1,081,522	1,139,905	58,383	5.4%
Park Fund	3,923,469	3,689,784	-233,685	-6.0%
NON-TAX SUPPORTED				
Montgomery County Government				
Water Quality Protection Fund	1,744,507	4,364,225	2,619,718	150.2%
Cable Television	38,721	67,447	28,726	74.2%
Community Use of Public Facilities	4,262,633	4,058,050	-204,583	-4.8%
Bethesda Parking District	12,415,961	12,532,043	116,082	0.9%
Montgomery Hills Parking District	0	0	0	N/A
Silver Spring Parking District	11,278,155	5,329,272	-5,948,883	-52.7%
Wheaton Parking District	217,721	392,133	174,412	80.1%
Permitting Services	13,309,445	8,965,633	-4,343,812	-32.6%
Solid Waste Collection	793,993	1,058,050	264,057	33.3%
Vacuum Leaf Collection	450,805	261,577	-189,228	-42.0%
Liquor Control	1,708,589	2,243,031	534,442	31.3%

Explanation of Changes in Fund Balance Greater Than 10%:

- **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.

- **Water Quality Protection Fund**

The change in fund balance reflects changes to anticipated capital and operating budget expenditures based on updated

progress towards meeting the County's MS-4 permit and a shift to a Public-Private Partnership (P3) model. The fund balance is consistent with policy and debt service coverage requirements.

- **Cable Television**

The budget assumes use of fund balance. The projected ending fund balance is consistent with policy.

- **Silver Spring Parking District**

The change in fund balance reflects increased expenditures in Capital Improvements Programs and an increased transfer to the Silver Spring Urban District.

- **Wheaton Parking District**

The change in fund balance reflects an increased beginning fund balance in FY18 and FY19 resulting from the carry-forward of lower than anticipated expenditures in FY17.

- **Permitting Services**

The year end fund balance assumes the Enterprise Fund Stabilization Factor (EFSF) at 3% effective FY19. The EFSF is the factor by which the fee calculation is adjusted to cover the Department of Permitting Services labor and operating expenses, and to manage the DPS reserve policy.

- **Solid Waste Collection**

The change in fund balance is primarily related to cost increases for refuse collection contracts and adjustments necessary to keep the fund balance within policy levels.

- **Vacuum Leaf Collection**

The change in fund balance reflects higher than expected motor pool charges.

- **Liquor Control**

The change in fund balance reflects planned growth to bring the fund balance in line with the policy level.

TRENDS AND PROJECTIONS

DEMOGRAPHIC AND PLANNING INDICATORS	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
POPULATION	1,050,370	1,056,920	1,063,510	1,070,140	1,076,810	1,083,520	1,090,270	1,097,060
Annual Increase	6,507	6,550	6,590	6,630	6,670	6,710	6,750	6,790
Population Growth Since 2009	9.7%	10.4%	11.1%	11.8%	12.5%	13.2%	13.9%	14.6%
County Resident Births (Prior Calendar Year) (c)	13,000	12,970	13,100	13,190	13,280	13,380	13,460	13,540
HOUSEHOLDS	375,960	378,590	381,240	383,900	386,580	389,280	392,000	394,740
Household Annual Growth (%)	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Household Growth Since 2009	5.1%	5.8%	6.5%	7.3%	8.0%	8.8%	9.5%	10.3%
Household Growth Since 1992	29.1%	30.0%	30.9%	31.8%	32.8%	33.7%	34.6%	35.6%
Household Size	2.79	2.79	2.79	2.79	2.79	2.78	2.78	2.78
RESIDENT EMPLOYMENT (Jan = Calendar Year)	546,700	549,700	553,500	556,700	561,000	566,000	571,200	576,000
Resident Employment Annual Growth (%)	2.5%	0.5%	0.7%	0.6%	0.8%	0.9%	0.9%	0.8%
Resident Employment Growth Since 2009	12.4%	13.0%	13.8%	14.5%	15.4%	16.4%	17.5%	18.4%
Resident Employment Per Household	1.45	1.45	1.45	1.45	1.45	1.45	1.46	1.46
Jobs in County	529,500	534,200	538,900	543,500	549,300	555,100	560,900	566,700
PERSONAL INCOME (\$ Millions)	\$87,230	\$90,840	\$94,790	\$98,710	\$102,630	\$106,730	\$110,940	\$115,230
Per Capita Personal Income	\$83,050	\$85,950	\$89,130	\$92,240	\$95,310	\$98,500	\$101,750	\$105,040
Annual Growth (%)	3.7%	3.5%	3.7%	3.5%	3.3%	3.3%	3.3%	3.2%
CONSUMER PRICE INDEX (CPI) - Fiscal Year	1.15%	1.60%	1.95%	2.07%	2.20%	2.30%	2.38%	2.43%
Inflation Growth (Fiscal Year) Since 2009	-46.5%	-25.6%	-9.3%	-3.7%	2.3%	7.0%	10.7%	13.0%
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)	1.25%	1.90%	2.00%	2.15%	2.25%	2.35%	2.40%	2.45%
ASSESSABLE TAX BASE (\$ Millions)	\$181,547	\$188,626	\$196,837	\$205,214	\$214,235	\$223,454	\$232,518	\$242,270
Annual Growth (%)	4.3%	3.9%	4.4%	4.3%	4.4%	4.3%	4.1%	4.2%
Growth of Base Since 1992 (%)	203.5%	215.3%	229.0%	243.0%	258.1%	273.5%	288.7%	305.0%
Growth of Base Since 2009 (%)	12.0%	16.4%	21.5%	26.6%	32.2%	37.9%	43.5%	49.5%
INVESTMENT INCOME YIELD (%)	0.71%	1.20%	1.70%	2.20%	2.70%	3.20%	3.20%	3.20%
MCPs ENROLLMENT (Sept = Calendar Year)	159,010	161,546	163,617	165,350	166,435	167,552	168,283	169,012
Annual Growth (%)	1.6%	1.6%	1.3%	1.1%	0.7%	0.7%	0.4%	0.4%
Annual Increase (Decrease)	2,563	2,536	2,071	1,733	1,085	1,117	731	729
MONTGOMERY COLLEGE ENROLLMENTS (a)	22,875	22,585	22,648	22,961	23,650	24,098	24,098	24,098
Annual Growth (%)	-4.4%	-1.3%	0.3%	1.4%	3.0%	1.9%	0.0%	0.0%
Full Time Equivalents (Sept = Calendar Year) (b)	19,744	19,185	19,068	19,198	19,527	20,064	20,459	20,459
Annual Growth in FTEs (%)	-3.4%	-2.8%	-0.6%	0.7%	1.7%	2.8%	2.0%	0.0%

- (a) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY22.
 - Since no projections are provided for FY23 or FY24 the projections for FY22 were used for FY23 - FY24.
- (b) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY23.
 - Since no projections are provided for FY24, the projections for FY23 were used for FY24.
- (c) Projections related to County Resident Births are provided by M-NCPPC.

Changes in Assumptions: Economic, Demographic, and Revenues
December 2011 through March 2018

A	L		M		N		M		N		M		N		M		N	
	Approved FY18	Estimated 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	% Chg. FY23-24	Projected FY24				
Population																		
December 2011	1,045,400	1,045,400		n/a		n/a		n/a										
March 2012	1,045,000	1,045,000		n/a		n/a		n/a										
December 2012	1,044,970	1,044,970	1.0%	1,055,010		n/a		n/a		n/a								
March 2013	1,045,150	1,045,150	1.0%	1,055,250		n/a		n/a		n/a								
December 2013	1,044,500	1,044,500	1.0%	1,054,600	1.0%	1,064,800		n/a		n/a		n/a		n/a		n/a		n/a
March 2014	1,047,900	1,047,900	0.9%	1,057,400	0.9%	1,067,000		n/a		n/a		n/a		n/a		n/a		n/a
December 2014	1,047,000	1,047,000	0.9%	1,056,000	1.0%	1,067,000	0.7%	1,075,000		n/a		n/a		n/a		n/a		n/a
March 2015	1,047,000	1,047,000	0.9%	1,056,000	1.0%	1,067,000	0.7%	1,075,000		n/a		n/a		n/a		n/a		n/a
December 2015	1,047,900	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		n/a		n/a		n/a
March 2016	1,047,900	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		n/a		n/a		n/a
December 2016	1,062,500	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		n/a		n/a		n/a
March 2017	1,062,500	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		n/a		n/a		n/a
December 2017	1,056,920	1,056,920	0.6%	1,063,510	0.6%	1,070,140	0.6%	1,076,810	0.6%	1,083,520	0.6%	1,090,270	0.6%	1,097,060		n/a		n/a
March 2018	1,056,920	1,056,920	0.6%	1,063,510	0.6%	1,070,140	0.6%	1,076,810	0.6%	1,083,520	0.6%	1,090,270	0.6%	1,097,060	0.6%	1,097,060		n/a
MOE Enrollment																		
December 2011	156,020	156,020		n/a		n/a		n/a										
March 2012	156,020	156,020		n/a		n/a		n/a										
December 2012	157,765	157,765	1.1%	159,433		n/a		n/a		n/a								
March 2013	157,765	157,765	1.1%	159,433		n/a		n/a		n/a								
December 2013	159,206	159,206	0.9%	160,683	1.0%	162,255		n/a		n/a		n/a		n/a		n/a		n/a
March 2014	159,206	159,206	0.9%	160,683	1.0%	162,255		n/a		n/a		n/a		n/a		n/a		n/a
December 2014	160,883	160,883	0.9%	162,363	1.0%	164,036	0.8%	165,358		n/a		n/a		n/a		n/a		n/a
March 2015	160,883	160,883	0.9%	162,363	1.0%	164,036	0.8%	165,358		n/a		n/a		n/a		n/a		n/a
December 2015	161,085	161,085	1.0%	162,700	0.9%	164,237	0.9%	165,634	0.6%	166,598		n/a		n/a		n/a		n/a
March 2016	161,085	161,085	1.0%	162,700	0.9%	164,237	0.9%	165,634	0.6%	166,598		n/a		n/a		n/a		n/a
December 2016	163,772	163,772	1.0%	165,483	0.8%	166,755	0.6%	167,794	0.4%	168,480	0.0%	168,480		n/a		n/a		n/a
March 2017	163,772	163,772	1.0%	165,483	0.8%	166,755	0.6%	167,794	0.4%	168,480	0.0%	168,480		n/a		n/a		n/a
December 2017	161,546	161,546	1.3%	163,617	1.1%	165,350	0.7%	166,435	0.7%	167,552	0.4%	168,283	0.4%	169,012	0.4%	169,012		n/a
March 2018	161,546	161,546	1.3%	163,617	1.1%	165,350	0.7%	166,435	0.7%	167,552	0.4%	168,283	0.4%	169,012	0.4%	169,012		n/a

Changes in Assumptions: Economic, Demographic, and Revenues
December 2011 through March 2018

A	L		M		N		M		N		M		N		M		N	
	Approved FY18	Estimated 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	% Chg. FY23-24	Projected FY24				
College Enrollment (FTE)																		
December 2011	23,628	23,628		n/a		n/a		n/a										
March 2012	23,628	23,628		n/a		n/a		n/a										
December 2012	23,206	23,206	0.0%	23,206		n/a		n/a		n/a								
March 2013	23,206	23,206	0.0%	23,206		n/a		n/a		n/a								
December 2013	23,206	23,206	0.0%	23,206	0.0%	23,206		n/a		n/a		n/a		n/a		n/a		n/a
March 2014	21,387	21,387	0.5%	21,499	0.0%	21,499		n/a		n/a		n/a		n/a		n/a		n/a
December 2014	20,288	20,288	1.1%	20,519	1.0%	20,717	0.0%	20,717		n/a		n/a		n/a		n/a		n/a
March 2015	20,288	20,288	1.1%	20,519	1.0%	20,717	0.0%	20,717		n/a		n/a		n/a		n/a		n/a
December 2015	20,452	20,452	-0.9%	20,268	2.4%	20,755	0.0%	20,755	0.0%	20,755		n/a		n/a		n/a		n/a
March 2016	20,452	20,452	-0.9%	20,268	2.4%	20,755	1.2%	21,011	0.0%	21,011		n/a		n/a		n/a		n/a
December 2016	19,386	19,386	-0.5%	19,282	0.4%	19,364	1.5%	19,654	1.6%	19,964	0.0%	19,964		n/a		n/a		n/a
March 2017	19,386	19,386	-0.5%	19,282	0.4%	19,364	1.5%	19,654	1.6%	19,964	0.0%	19,964		n/a		n/a		n/a
December 2017	19,185	19,185	-0.6%	19,068	0.7%	19,198	1.7%	19,527	2.8%	20,064	2.0%	20,459	0.0%	20,459	0.0%	20,459		n/a
March 2018	19,185	19,185	-0.6%	19,068	0.7%	19,198	1.7%	19,527	2.8%	20,064	2.0%	20,459	0.0%	20,459	0.0%	20,459		n/a
CPI (Fiscal Year)																		
December 2011	2.7%	2.7%		n/a		n/a		n/a										
March 2012	2.7%	2.7%		n/a		n/a		n/a										
December 2012	3.4%	3.4%	8.5%	3.7%		n/a		n/a		n/a								
March 2013	3.5%	3.5%	8.1%	3.7%		n/a		n/a		n/a								
December 2013	3.3%	3.3%	12.1%	3.7%	10.8%	4.1%		n/a		n/a		n/a		n/a		n/a		n/a
March 2014	2.6%	2.6%	-7.6%	2.4%	-6.2%	2.3%		n/a		n/a		n/a		n/a		n/a		n/a
December 2014	2.1%	2.1%	7.3%	2.2%	5.5%	2.3%	4.3%	2.4%		n/a		n/a		n/a		n/a		n/a
March 2015	2.3%	2.3%	8.6%	2.5%	10.7%	2.8%	11.8%	3.1%		n/a		n/a		n/a		n/a		n/a
December 2015	2.0%	2.0%	16.2%	2.3%	14.8%	2.6%	0.0%	2.6%	0.0%	2.6%		n/a		n/a		n/a		n/a
March 2016	2.3%	2.3%	8.7%	2.5%	8.0%	2.7%	0.0%	2.7%	0.0%	2.7%		n/a		n/a		n/a		n/a
December 2016	2.3%	2.3%	8.7%	2.5%	4.0%	2.6%	1.2%	2.6%	0.0%	2.6%	0.0%	2.6%	0.0%	2.6%		n/a		n/a
March 2017	2.3%	2.3%	2.2%	2.3%	2.2%	2.4%	4.3%	2.5%	2.0%	2.5%	0.0%	2.5%	0.0%	2.5%		n/a		n/a
December 2017	1.7%	1.7%	35.1%	2.4%	1.3%	2.4%	-1.3%	2.4%	0.0%	2.4%	0.0%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a
March 2018	1.6%	1.6%	21.9%	2.0%	6.2%	2.1%	6.3%	2.2%	4.5%	2.3%	3.5%	2.4%	2.1%	2.4%		n/a		n/a

Changes in Assumptions: Economic, Demographic, and Revenues
December 2011 through March 2018

A	L		M		N		M		N		M		N	
	Approved FY18	Estimated 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	% Chg. FY23-24	Projected FY24
Growth Resident Employment (%)														
December 2011	1.5%	1.5%		n/a										
March 2012	0.7%	0.7%		n/a										
December 2012	0.0%	0.0%	n/a	1.0%		n/a								
March 2013	0.3%	0.3%	0.0%	0.3%		n/a								
December 2013	1.2%	1.2%	0.0%	1.2%	0.0%	1.2%		n/a		n/a		n/a		n/a
March 2014	1.0%	1.0%	-40.0%	0.6%	16.7%	0.7%		n/a		n/a		n/a		n/a
December 2014	1.0%	1.0%	-30.0%	0.7%	14.3%	0.8%	12.5%	0.9%		n/a		n/a		n/a
March 2015	0.9%	0.9%	-33.3%	0.6%	0.0%	0.6%	16.7%	0.7%		n/a		n/a		n/a
December 2015	0.6%	0.6%	0.0%	0.6%	66.7%	1.0%	0.0%	1.0%	10.0%	1.1%		n/a		n/a
March 2016	0.7%	0.7%	14.3%	0.8%	0.0%	0.8%	12.5%	0.9%	0.0%	0.9%		n/a		n/a
December 2016	0.5%	0.5%	20.0%	0.6%	16.7%	0.7%	14.3%	0.8%	12.5%	0.9%	-22.2%	0.7%		n/a
March 2017	0.5%	0.5%	40.0%	0.7%	14.3%	0.8%	12.5%	0.9%	11.1%	1.0%	10.0%	1.1%		n/a
December 2017	1.0%	1.0%	-20.0%	0.8%	-12.5%	0.7%	0.0%	0.7%	28.6%	0.9%	11.1%	1.0%	-10.0%	0.9%
March 2018	0.5%	0.5%	40.0%	0.7%	-14.3%	0.6%	33.3%	0.8%	12.5%	0.9%	0.0%	0.9%	-11.1%	0.8%
Personal Income (CY)														
December 2011	96,220	96,220		n/a										
March 2012	93,980	93,980		n/a										
December 2012	94,730	94,730	4.4%	98,910		n/a								
March 2013	95,440	95,440	4.3%	99,550		n/a								
December 2013	91,670	91,670	4.0%	95,360	4.2%	99,330		n/a		n/a		n/a		n/a
March 2014	94,670	94,670	3.1%	97,610	3.2%	100,730		n/a		n/a		n/a		n/a
December 2014	91,060	91,060	2.9%	93,740	3.0%	96,560	3.5%	99,920		n/a		n/a		n/a
March 2015	89,720	89,720	2.8%	92,260	4.0%	95,970	4.1%	99,870		n/a		n/a		n/a
December 2015	91,900	91,900	4.6%	96,130	4.9%	100,800	4.9%	105,690	4.9%	110,830		n/a		n/a
March 2016	91,510	91,510	4.5%	95,610	4.0%	99,430	4.2%	103,620	3.5%	107,220		n/a		n/a
December 2016	90,970	90,970	4.7%	95,220	3.9%	98,930	4.6%	103,440	4.6%	108,150	4.6%	113,080		n/a
March 2017	91,210	91,210	5.0%	95,810	4.5%	100,090	3.9%	103,970	3.9%	108,010	4.2%	112,560		n/a
December 2017	91,280	91,280	4.6%	95,520	4.3%	99,610	3.9%	103,470	4.3%	107,870	4.2%	112,440	4.1%	117,080
March 2018	90,840	90,840	4.3%	94,790	4.1%	98,710	4.0%	102,630	4.0%	106,730	3.9%	110,940	3.9%	115,230

Changes in Assumptions: Economic, Demographic, and Revenues
December 2011 through March 2018

A	L		M		N		M		N		M		N	
	Approved FY18	Estimated 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	% Chg. FY23-24	Projected FY24
Property Tax Revenues														
December 2011	1,743.7	1,743.7		n/a										
March 2012	1,715.4	1,715.4		n/a										
December 2012	1,696.6	1,696.6	3.7%	1,758.7		n/a								
March 2013	1,688.6	1,688.6	3.8%	1,752.7		n/a								
December 2013	1,676.4	1,676.4	3.6%	1,736.2	3.9%	1,804.7		n/a		n/a		n/a		n/a
March 2014	1,666.2	1,666.2	3.2%	1,720.1	3.0%	1,771.5		n/a		n/a		n/a		n/a
December 2014	1,662.9	1,662.9	3.1%	1,715.2	3.4%	1,772.7	3.1%	1,827.9		n/a		n/a		n/a
March 2015	1,670.2	1,670.2	3.0%	1,720.1	3.3%	1,777.2	3.0%	1,830.9		n/a		n/a		n/a
December 2015	1,638.0	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		n/a
March 2016	1,779.2	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		n/a
December 2016	1,769.1	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		n/a
March 2017	1,767.3	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		n/a
December 2017	1,769.3	1,769.3	2.4%	1,811.5	3.4%	1,873.4	3.1%	1,930.6	3.2%	1,992.1	3.3%	2,057.4	3.2%	2,124.1
March 2018	1,766.8	1,766.8	2.4%	1,808.4	2.8%	1,858.9	2.9%	1,913.1	3.0%	1,970.6	3.2%	2,033.5	3.3%	2,099.6
Income Tax Revenues														
December 2011	1,547.1	1,547.1		n/a										
March 2012	1,541.5	1,541.5		n/a										
December 2012	1,615.7	1,615.7	3.7%	1,675.5		n/a								
March 2013	1,613.6	1,613.6	5.1%	1,695.4		n/a								
December 2013	1,608.1	1,608.1	5.4%	1,695.1	5.2%	1,783.8		n/a		n/a		n/a		n/a
March 2014	1,636.9	1,636.9	4.5%	1,710.6	3.2%	1,765.7		n/a		n/a		n/a		n/a
December 2014	1,597.5	1,597.5	4.3%	1,665.4	3.4%	1,722.0	3.2%	1,776.4		n/a		n/a		n/a
March 2015	1,613.7	1,613.7	4.9%	1,692.6	3.8%	1,757.6	3.5%	1,819.1		n/a		n/a		n/a
December 2015	1,494.4	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		n/a
March 2016	1,505.5	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		n/a
December 2016	1,570.4	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		n/a
March 2017	1,557.9	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		n/a
December 2017	1,479.1	1,479.1	6.1%	1,569.0	6.3%	1,668.5	4.3%	1,740.9	3.8%	1,807.1	4.3%	1,884.8	4.9%	1,976.9
March 2018	1,482.0	1,482.0	7.0%	1,585.2	6.2%	1,683.0	3.4%	1,740.8	3.1%	1,794.1	4.2%	1,869.9	4.8%	1,959.3

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

KEY REVENUE CATEGORIES	App. FY18	Estimate FY18	FY18-19	% Chg. FY18-19	Projected FY19	FY19-20	% Chg. FY19-20	Projected FY20	FY20-21	% Chg. FY20-21	Projected FY21	FY21-22	% Chg. FY21-22	Projected FY22	FY22-23	% Chg. FY22-23	Projected FY23	FY23-24	% Chg. FY23-24	Projected FY24
TAXES	5-25-17	3-15-18	3-15-18																	
1 Property Tax	1,770.2	1,766.8	1,808.4	2.2%	1,808.4	1,858.9	2.8%	1,858.9	2.9%	1,913.1	3.0%	1,970.6	3.2%	2,033.5	3.2%	2,033.5	2,033.5	3.3%	2,099.6	
2 Income Tax	1,557.9	1,482.0	1,585.2	1.8%	1,585.2	1,683.0	6.2%	1,683.0	3.4%	1,740.8	3.1%	1,794.1	4.2%	1,870.0	4.2%	1,870.0	1,870.0	4.8%	1,959.3	
3 Transfer Tax	114.3	106.1	109.5	-4.1%	109.5	113.3	3.4%	113.3	3.2%	116.9	3.2%	120.6	2.1%	123.1	2.1%	123.1	123.1	3.4%	127.3	
4 Recordation Tax	56.2	51.7	53.4	-4.9%	53.4	55.3	3.6%	55.3	3.1%	57.0	4.1%	59.4	1.2%	60.1	1.2%	60.1	60.1	3.4%	62.1	
5 Energy Tax	204.3	190.7	194.0	-5.1%	194.0	192.4	-0.8%	192.4	-0.1%	192.3	0.0%	192.3	0.0%	192.3	0.0%	192.3	192.3	0.0%	192.3	
6 Telephone Tax	52.5	51.6	53.3	1.4%	53.3	54.9	3.1%	54.9	2.8%	56.5	0.8%	56.9	0.8%	56.9	0.8%	56.9	56.9	0.0%	56.9	
7 Hotel/Motel Tax	21.9	22.0	22.2	1.4%	22.2	22.4	0.8%	22.4	0.8%	22.6	0.8%	22.8	0.8%	23.0	0.8%	23.0	23.0	0.8%	23.1	
8 Admissions Tax	3.3	3.5	3.6	8.8%	3.6	3.7	3.3%	3.7	3.3%	3.8	3.3%	3.9	3.3%	4.1	3.3%	4.1	4.1	3.3%	4.2	
9 E-Cigarettes Tax	0.4	0.6	0.7	58.2%	0.7	0.6	-6.2%	0.6	5.8%	0.7	5.5%	0.8	5.2%	0.8	5.2%	0.8	0.8	5.0%	0.9	
10 Total Local Taxes	3,781.0	3,674.9	3,830.2	1.3%	3,830.2	3,984.6	4.0%	3,984.6	3.0%	4,103.5	2.9%	4,221.2	3.4%	4,363.7	3.4%	4,363.7	4,363.7	3.7%	4,525.8	
INTERGOVERNMENTAL AID																				
11 Highway User	3.7	3.7	3.8	1.7%	3.8	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	0.0%	3.8	3.8	0.0%	3.8	
12 Police Protection	14.7	14.7	14.7	0.0%	14.7	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	0.0%	14.7	14.7	0.0%	14.7	
13 Libraries	6.3	6.3	6.4	2.9%	6.4	6.4	0.0%	6.4	0.0%	6.4	0.0%	6.4	0.0%	6.4	0.0%	6.4	6.4	0.0%	6.4	
14 Health Services Case Formula	4.6	4.6	4.6	0.0%	4.6	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	0.0%	4.6	4.6	0.0%	4.6	
15 Mass Transit	39.5	40.3	40.3	2.2%	40.3	40.3	0.0%	40.3	0.0%	40.3	0.0%	40.3	0.0%	40.3	0.0%	40.3	40.3	0.0%	40.3	
16 Public Schools	679.1	679.1	706.9	4.1%	706.9	706.9	0.0%	706.9	0.0%	706.9	0.0%	706.9	0.0%	706.9	0.0%	706.9	706.9	0.0%	706.9	
17 Community College	35.8	35.8	36.6	2.2%	36.6	36.6	0.0%	36.6	0.0%	36.6	0.0%	36.6	0.0%	36.6	0.0%	36.6	36.6	0.0%	36.6	
18 Other	59.0	63.7	63.7	8.0%	63.7	44.6	-30.0%	44.6	-15.2%	37.8	0.0%	37.8	0.0%	37.8	0.0%	37.8	37.8	0.0%	37.8	
19 Total Intergovernmental Aid	842.6	848.2	877.0	4.1%	877.0	857.9	-2.2%	857.9	-0.8%	851.1	0.0%	851.1	0.0%	851.1	0.0%	851.1	851.1	0.0%	851.1	
FEES AND FINES																				
20 Licenses & Permits	12.9	12.9	13.1	1.9%	13.1	13.3	1.5%	13.3	1.5%	13.5	1.5%	13.7	1.5%	13.9	1.5%	13.9	13.9	1.5%	14.1	
21 Charges for Services	70.3	70.6	72.7	3.4%	72.7	73.9	1.7%	73.9	1.8%	75.2	1.8%	76.6	1.9%	78.0	1.9%	78.0	78.0	1.9%	79.5	
22 Fines & Forfeitures	28.7	28.9	29.1	1.4%	29.1	29.5	1.6%	29.5	1.6%	30.0	1.6%	30.5	1.6%	31.0	1.6%	31.0	31.0	1.6%	31.5	
23 Montgomery College Tuition	80.4	74.3	78.2	-2.8%	78.2	79.5	1.7%	79.5	1.8%	80.9	1.8%	82.4	1.9%	83.9	1.9%	83.9	83.9	0.0%	83.9	
24 Total Fees and Fines	192.2	186.7	193.0	0.4%	193.0	196.2	1.6%	196.2	1.7%	199.6	1.8%	203.1	1.8%	206.8	1.8%	206.8	206.8	1.1%	209.1	
MISCELLANEOUS																				
25 Investment Income	4.0	3.9	5.3	33.4%	5.3	6.8	27.5%	6.8	21.4%	8.3	8.3	9.7	0.0%	9.7	0.0%	9.7	9.7	0.0%	9.7	
26 Other Miscellaneous	13.7	17.2	19.2	40.1%	19.2	19.6	2.1%	19.6	2.2%	20.1	2.3%	20.5	2.4%	21.0	2.4%	21.0	21.0	2.4%	21.5	
27 Total Miscellaneous	17.7	21.1	24.6	38.6%	24.6	26.4	7.6%	26.4	7.1%	28.3	6.8%	30.2	1.6%	30.7	1.6%	30.7	30.7	1.7%	31.2	
28 TOTAL REVENUES	4,833.5	4,730.9	4,924.8	1.9%	4,924.8	5,065.1	2.8%	5,065.1	2.3%	5,182.5	2.4%	5,305.7	2.8%	5,452.3	2.8%	5,452.3	5,452.3	3.0%	5,617.3	
Calculation for Adjusted Governmental Revenues																				
29 Total Tax Supported Revenues	4,833.5	4,730.9	4,924.8	1.9%	4,924.8	5,065.1	2.8%	5,065.1	2.3%	5,182.5	2.4%	5,305.7	2.8%	5,452.3	2.8%	5,452.3	5,452.3	3.0%	5,617.3	
30 Capital Projects Fund	176.0	176.0	187.2	6.4%	187.2	165.5	-11.6%	165.5	-14.8%	141.0	3.3%	145.7	4.4%	152.0	4.4%	152.0	152.0	3.8%	157.8	
31 Grants	117.4	117.4	117.4	0.0%	117.4	119.9	2.1%	119.9	2.2%	122.5	2.3%	125.3	2.4%	128.3	2.4%	128.3	128.3	2.4%	131.4	
32 MCG Adjusted Revenues	5,126.9	5,024.3	5,229.5	2.0%	5,229.5	5,350.5	2.3%	5,350.5	1.8%	5,446.0	2.4%	5,576.7	2.8%	5,732.7	2.8%	5,732.7	5,732.7	3.0%	5,906.4	

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 15, 2018). Additional changes may be transmitted to the County Council in April 2018.
- FY19-24 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 \$337.9 million at the end of FY19. The mandatory contribution is estimated to be \$29.6 million in FY19. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- FY19-24 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.

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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 FY19 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 from 1,056,920 in 2018 to 1,097,060 by 2024. This reflects an average annual growth rate of 0.6 percent.
- Current projections estimate the number of households to increase from 378,590 in 2018 to 394,740 by 2024. Household growth over that period is projected to grow at an average annual rate of 0.7 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 13,066 in 2016 to 13,540 by 2024.
- The County expects Montgomery County Public School student enrollment to increase by 7,466 between FY18 and FY24.
- Montgomery College full-time equivalent student enrollments are projected to increase slightly from 19,185 in FY18 to 20,459 in FY23.

Using moderate economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditure pressures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity;
- Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local expenditures;
- Devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets;

-
- Major demographic changes;
 - 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 FY19 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions, State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

Economic Assumptions

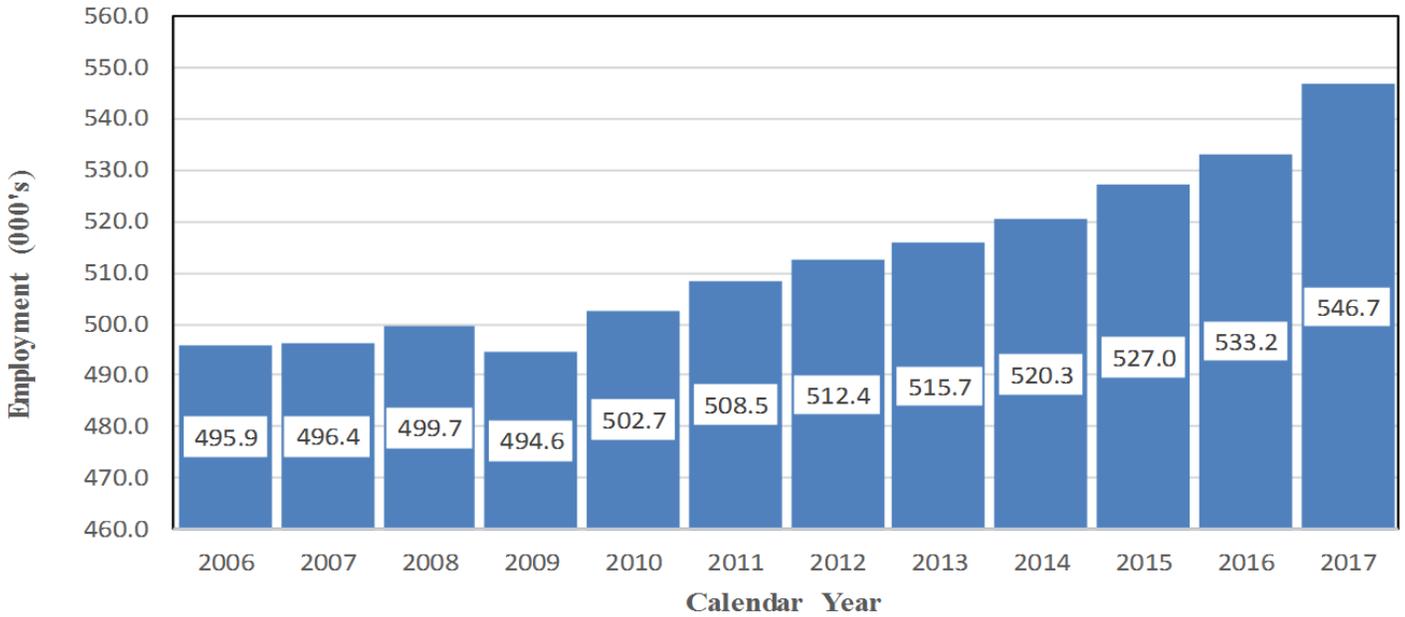
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, retail sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy generally experienced positive economic performance during 2017. Some of the areas of strength included an increase in resident employment, a decline in the unemployment rate, and an increase in the median sales price for an existing home. However, partially offsetting those increases, the County experienced a modest decline in the sales of existing homes, declines in the added value of new construction for residential and non-residential properties, and weak retail sales.

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 2017 increased by nearly 13,500 from 2016 ( 2.5%) and was the largest percentage increase since 1994 ( 3.0%).

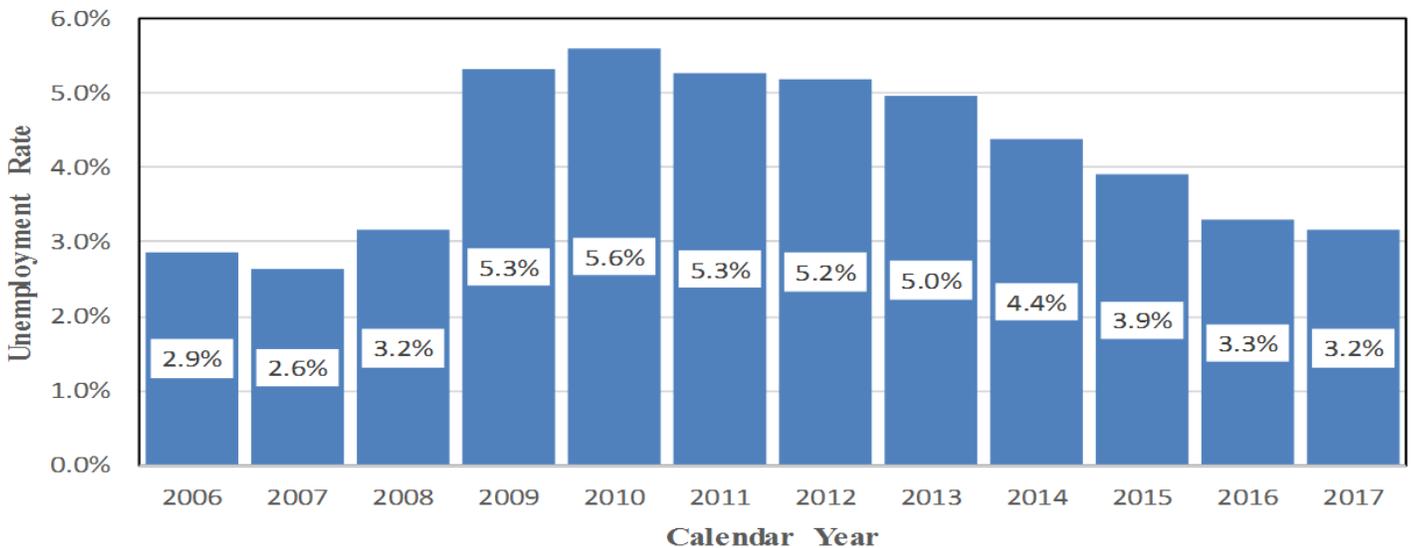
Total Resident Employment (Montgomery County)



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor

The County's unemployment rate declined to 3.2 percent compared to 3.3 percent in 2016 and is the lowest in nine years. The decline in the unemployment rate is attributed to a larger percentage increase in resident employment (\uparrow 2.5%) than in the labor force (\uparrow 2.4%).

Unemployment Rate (Montgomery County)

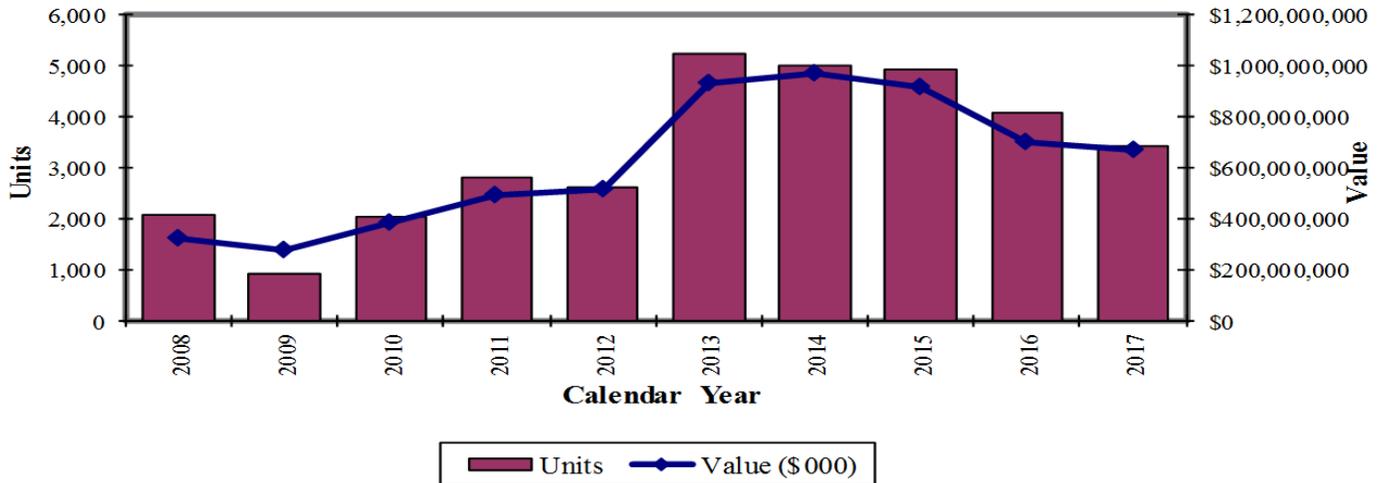


SOURCES: Bureau of Labor Statistics, U.S. Department of Labor
Montgomery County Department of Finance

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, 16.9 percent in 2016, and 16.3 percent in 2017. Total value added decreased from \$699.2 million in 2016 to \$669.0 million in 2017 (▼ 4.3%). While the number of non-residential construction projects increased 12.4 percent in 2017, the total value added decreased from \$1,077.9 million to \$876.3 million (▼ 18.7%).

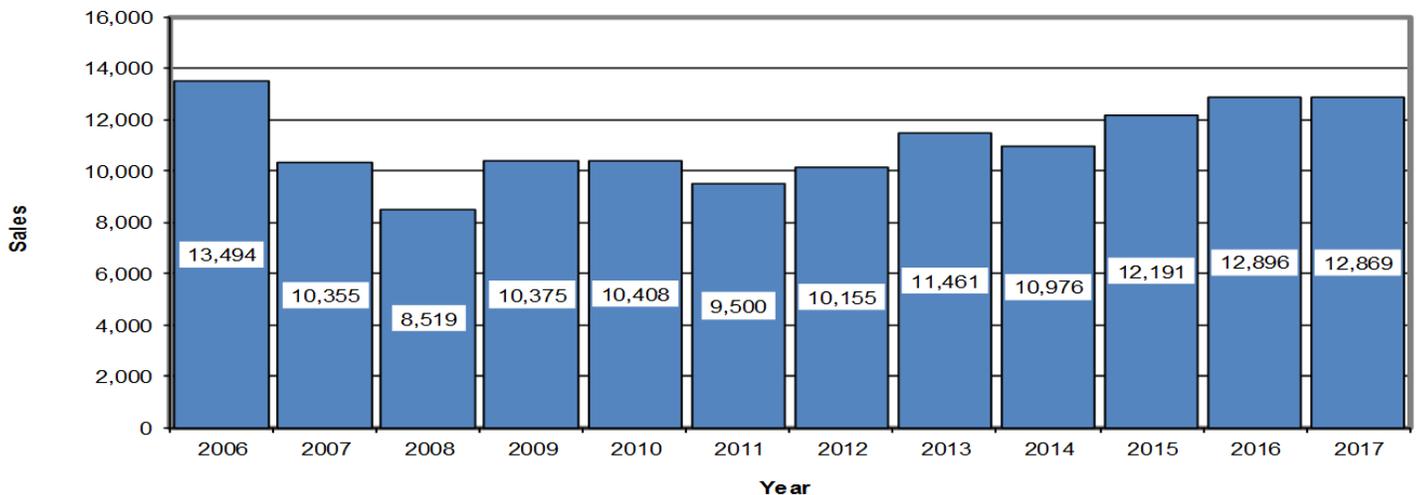
**New Residential Construction:
Number of Units and Value
Montgomery County**



Residential Real Estate

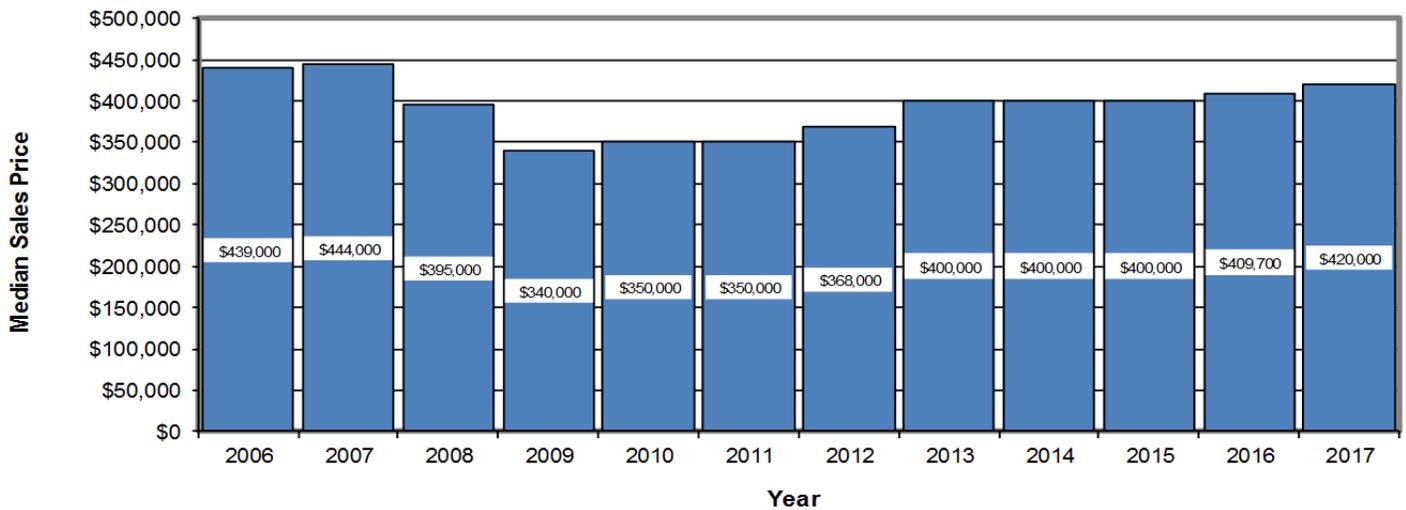
During 2017, existing home sales decreased a modest 0.2 percent which followed a 5.8 percent increase in 2016. The average sales price for existing homes increased 3.6 percent in 2017 following a modest 0.8 percent increase in 2016 while the median sales price increased 2.5 percent.

**Sales of Existing Homes
(Montgomery County)**



SOURCE: Metropolitan Regional Information System

**Median Sales Price for an Existing Home
(Montgomery County)**



SOURCE: Metropolitan Regional Information System, Inc.

Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, retail sales, including assessment collections, decreased 0.4 percent in 2017. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, decreased 0.5 percent during this period while sales of durable goods were down 0.3 percent. The decrease in nondurable goods purchases was largely attributed to the decrease in general merchandise (1.7%), while the decrease in purchases of durable goods was largely attributed to a decrease in automobile sales and products (▼ 3.5%), and furniture and appliances (▼ 10.5%).

CONCLUSION

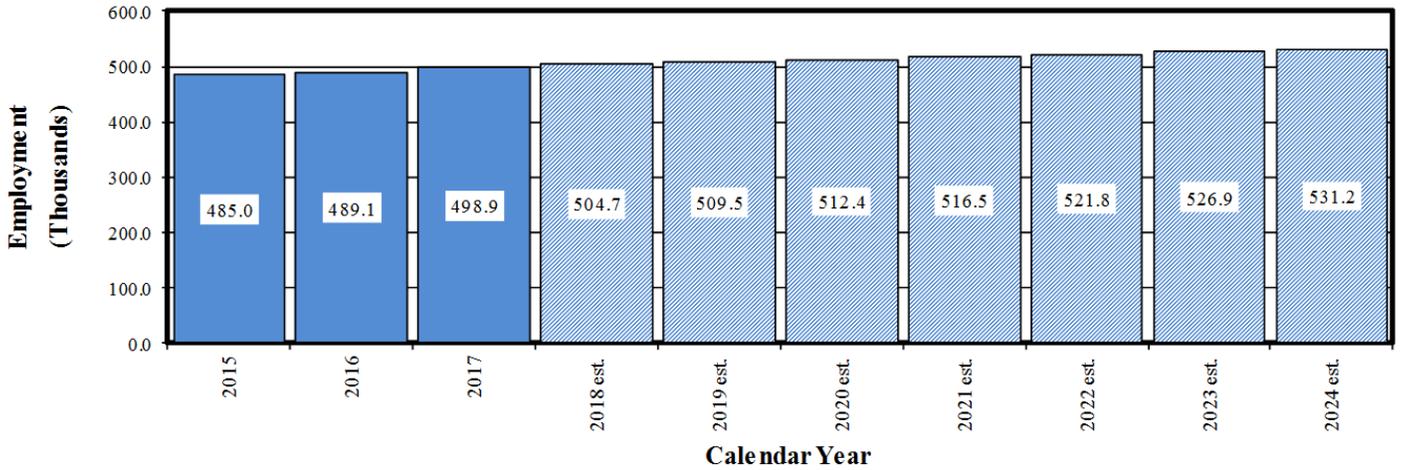
The major economic indicators confirm that the County's economy experienced generally positive performance during 2017. That performance included a strong increase in residential employment, a decline in the unemployment rate, and an increase in the median sales price for an existing home, but partially offset by a modest decline in the sales of existing homes, a decline in added value of new residential and non-residential construction, and weak retail sales.

ECONOMIC OUTLOOK

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

Employment. Finance assumes payroll employment will continue to increase from 2017 to 2024 and grow at an average annual rate of 0.9 percent over that period. This is slightly below the average annual rate growth rate of 1.1 percent experienced between 2010 and 2017.

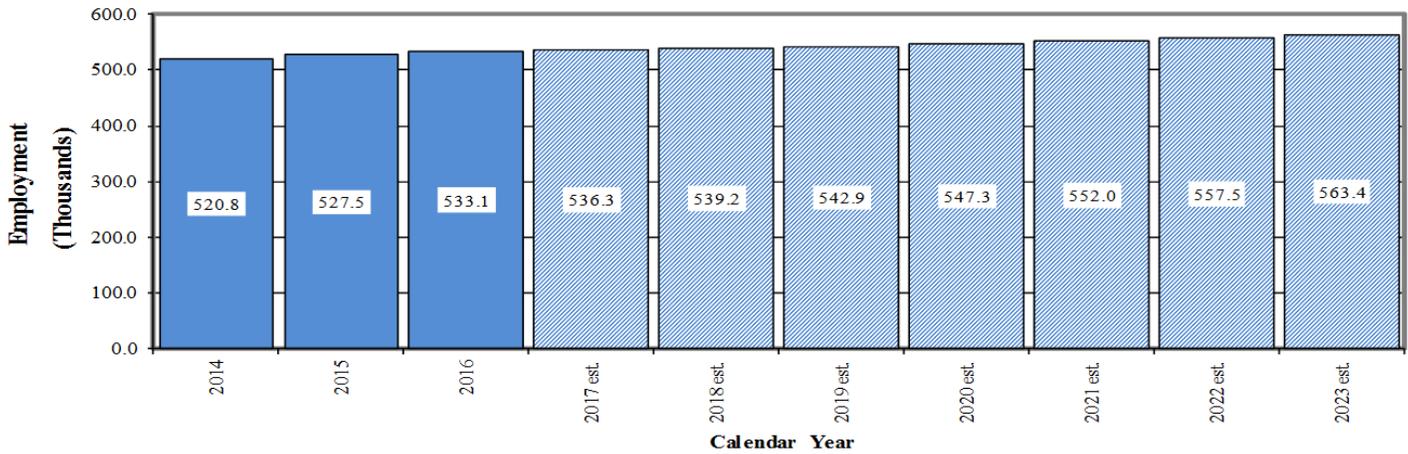
**Total Payroll Employment
Montgomery County**



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

Finance assumes that resident employment will increase at an average annual rate of 0.7 percent from 2017 to 2024. However, that rate is slightly below the average annual rate of 1.2 percent between 2010 and 2017.

**Resident Employment
Montgomery County**



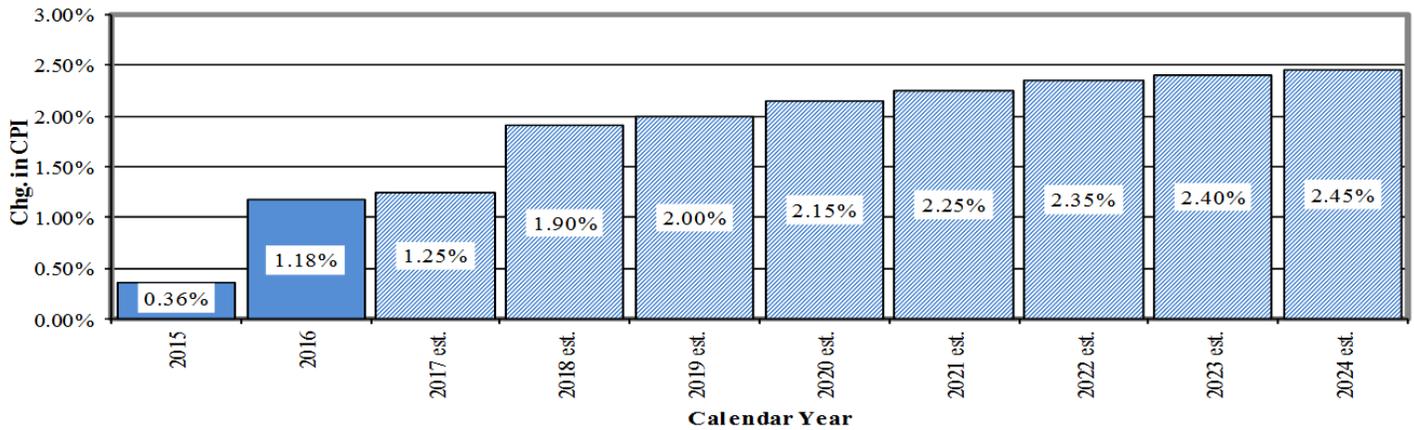
SOURCES: Maryland Department of Labor, Licensing and Regulation
Montgomery County Department of Finance

Finance assumes wage and salary income to grow at an average annual rate of 3.8 percent between 2016, the latest date for which actual data are available from the Bureau of Economic Analysis, U.S. Department of Commerce, and 2024. Total wage and salary income is estimated to reach \$49.8 billion by 2024.

Personal Income. Finance assumes that total personal income in Montgomery County will grow at an average annual rate of 4.0 percent from 2016 to 2024. By 2024, total personal income will reach \$115.2 billion.

Inflation (annual average). Finance assumes that the overall regional inflation index will increase from 1.25 percent in 2017 and steadily increase to 2.45 percent by 2024.

**Change in Consumer Price Index
Baltimore-Washington Consolidated Metropolitan Statistical Area**

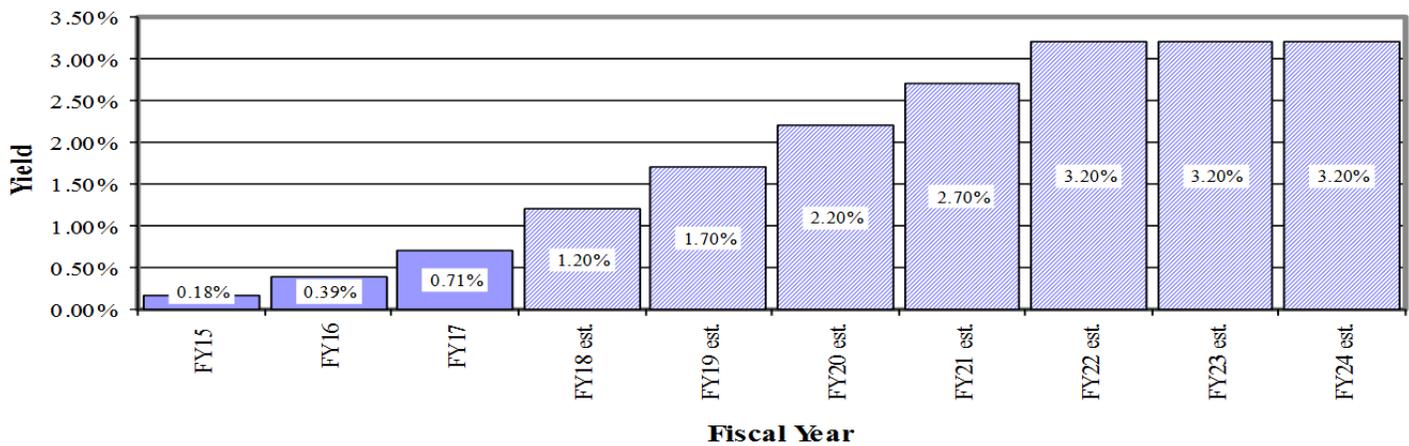


SOURCES: Bureau of Labor Statistics, U.S. Department of Labor
Montgomery County Department of Finance

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 to between 0.50 and 0.75 percent in December 2016. The target rates were increased three times in 2017 by 25 basis points each to 1.25-1.50 in December 2017. Since the yield on the County's short-term investments are 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 and an average of 0.71 percent in FY2017 with estimated increases to 1.20 percent from FY2018 to 3.20 percent by FY2024. This assumption is based on two rate increases in the targeted federal funds rate by the FOMC each year between FY2018 and FY2022, and no increases in FY2023 and FY2024, respectively.

**Yield on Investment Income
Montgomery County**



SOURCE: Montgomery County Department of Finance

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 FY19-24 Capital Improvements Program (CIP) (as of January 16, 2018). Anticipated current revenue adjustments to the January 16, 2018 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 FY17 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 FY19-24 Capital Improvements Program (as of January 16, 2018). 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 36.9 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, 2017, is 1.86 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

Capital Improvements Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most 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 FY19 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$308.3 million in FY18 and the balance is estimated to increase to \$337.9 million in FY19 (9.7%)

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 47.2 percent and 41.4 percent, respectively, of the estimated total tax revenues in FY19. The third category is the energy tax estimated for the General Fund with 5.1 percent share. In fact, these three revenue sources represent 93.7 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.7 percent and 32.2 percent, respectively. The third category is intergovernmental revenues with a 17.8 percent share of the estimated total tax supported revenues in FY19. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years.

Property Tax

Using proposed tax rates (levy year 2018) and a recommended \$692 credit, total estimated FY19 tax supported property tax revenues of \$1,808.4 million are 2.4 percent above the revised FY18 estimate. The general countywide rate for FY19 is \$0.7386 per \$100 of assessed real property, while a rate of \$1.8465 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 FY19 is \$0.9814 per \$100 of assessed real property which is 0.0198 cents below the levy year 2017 (FY2018) 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 4.4 percent from a revised \$188.6 billion in FY18 to 196.8 billion in FY19. The base is comprised of real property and personal property. For FY19, the Department of Finance estimates real property taxable assessment of approximately \$192.6 billion, an increase of 4.4 percent from FY18, with the remaining \$4.2 billion in personal property. This is the sixth consecutive increase in total property taxable assessments after two consecutive decreases.

The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The real property reassessment for Group 1 increased 11.1 percent in FY17 (9.6% for residential), and reassessment for Group 2 increased 7.8 percent in FY18 (4.8% for residential). Real property taxable assessment for Group 3 is estimated to increase 8.4 percent in FY19 (3.9% for residential). Based on data provided by SDAT, total personal property base is projected to increase 1.8 percent in FY18 and 2.8 percent in FY19.

Income Tax

Estimated FY19 income tax revenues of \$1,585.2 million are 7.0 percent above the revised FY18 estimate. Previously, future income tax estimates starting in FY19 incorporated the impact of the Wynne vs. Comptroller decision by the U.S. Supreme Court on May 18, 2015. However, with introduction and likely passage of proposed legislation by the Maryland General Assembly, an impact of Wynne repayments will start in FY21 rather than FY19. This assumption increases estimated FY19 income tax revenues by \$14.3 million. Absent this assumption, estimated FY19 income tax revenues would be 6.0 percent above the revised FY18 estimate. The estimated FY19 income tax revenues do not include the impact of the Tax Cut and Jobs Act (TCJA, or H.R. 1) on the County's estimated FY19 income tax revenues. Because of the proposed legislation before the Maryland General Assembly, actions by State of Maryland officials and regulations issued by the Internal Revenue Service, U.S. Treasury Department, as well as the effect of the federal tax law on business income that may have a negative fiscal impact on the County, the final "net" impact of the federal tax bill on the County's income tax revenues is uncertain at this time. In lieu of such uncertainty, Finance estimates FY19 income tax revenues based on the December 2017 income tax estimate by the Board of Revenue Estimates.

During any one fiscal year, the County receives income tax distributions pertaining to at least three different tax years. With the stock market crash of 2008 and subsequent severe recession, withholdings, estimated payments, and extended filings declined 11.9 percent in tax year (TY) 2008, and decreased 4.9 percent in TY2009, but increased 7.2 percent in TY2010, 6.2 percent in TY2011, and 10.0 percent in TY2012, before declining 3.8 percent in TY2013 attributed to the decline in capital gains. Following the decline in TY2013, income tax revenues increased 6.6 percent in 2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed to a 50 percent decline in capital gains for the top 100 County taxpayers. The elections of November 2016 raised expectations that tax relief for individuals, especially those individuals with high incomes, would occur in tax year 2017. As such, those individuals would delay recognizing capital gains in a later tax year. The reduction of 50 percent of the top 100 County taxpayers suggests that is what occurred as noted below in our receipts from October 15th filers in 2016.

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

Transfer and Recordation Taxes

Estimated FY19 revenues for the General Fund of \$162.9 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 3.3 percent above the revised FY18 estimate. This reflects an FY19 estimate of \$109.5 million in the transfer tax and \$53.4 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from \$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property. During the first eight months of FY18, the number of transactions for the residential transfer tax has decreased 7.9 percent and the amount of collections from the residential transfer tax has decreased 2.2 percent over the same eight-month period in FY17. Over the same eight-month period, the number of transactions for the non-residential transfer tax decreased 22.6 percent and the amount collections decreased 52.8 percent compared to FY17. Activity for the recordation tax experienced similar trends during the eight-month period. The number of residential recordation tax transactions for the General Fund decreased 5.4 percent in FY18 and the General Fund collections for from the residential recordation tax decreased 21.7 percent. Transactions for the non-residential transactions for the General Fund decreased 9.8 percent over the eight-month period in FY18 compared to the same period in FY17 and collections decreased 52.9 percent. Please note that the rate cut in the General Fund for the recordation tax in FY17 did not begin until September 1, 2016. Therefore, the percent changes between FY17 and FY18 may overstate the percentage decrease in FY18.

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

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

Residential transfer tax revenues 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.

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

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

The decline in transfer taxes between FY07 and FY09 is attributed to both a decline in home sales that began in the summer of 2005 and in average sales price for existing homes that began in late summer of 2007. Home sales declined 23.3 percent in 2007, declined 17.7 percent in 2008, increased 21.8 percent in 2009, increased a modest 0.3 percent in 2010, decreased 8.7 percent in 2011, increased 6.9 percent and 12.8 percent in 2012 and 2013, respectively, decreased 4.2 percent in 2014, increased 11.1 percent in 2015, 5.8 percent in 2016, but declined a modest 0.2 percent in 2017. While home sales decreased in 2017 by 0.2 percent, the median sales price increased 2.5 percent.

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

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, and 18.3 percent in FY09, increasing 25.3 percent in FY10, decreasing 18.3 percent in FY11, and 4.2 percent in FY12, increasing 23.4 percent in FY13, 9.4 percent in FY14, 6.4 percent in FY15, and 9.0 percent in FY16, but declining 16.7 percent due to the rate cut in the General Fund.

Energy Tax

Estimated FY19 revenues of \$194.0 million are 1.7 percent above the revised FY18 estimate. The estimated revenues for FY19 are based on the County Executive's recommendation to continue the FY19 rates at the FY18 level. The fuel-energy tax

is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product.

Telephone Tax

Estimated FY19 revenues of \$53.3 million are 3.3 percent above the revised FY18 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is \$2.00 per month, while multiple business lines (Centrex) are taxed at \$0.20 per month. The tax rate on wireless communications is \$3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phone usage and by voice-over internet protocol.

Hotel/Motel Tax

Estimated FY18 revenues of \$22.2 million are 0.9 percent above the revised FY18 estimate. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnB. The current tax rate of 7.0 percent in FY18 is also assumed for FY19. Collections grow with the costs of hotel rooms and the combined effect of room supply and hotel occupancy rate in the County. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Presidential inauguration and related activities, Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods, and during the week prior and the week during the Presidential inauguration. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county.

Admissions Tax

Estimated FY19 revenues of \$3.6 million are 3.1 percent above the revised FY18 estimate. Admissions and amusement taxes are State-administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities. Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses; and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect.

E-Cigarettes Tax

Estimated FY19 revenues from the E-Cigarettes tax of \$652,000 are 6.6 percent above the revised FY18 estimate.

NON-TAX REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at \$1.095 million in FY19. This is a \$38.7 million increase, or 3.7 percent, from the revised FY18 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

General Intergovernmental Revenues

Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in

law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY19. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY19 assumes a \$28.8 million, or 3.4 percent, increase in intergovernmental revenues from the revised FY18 estimate, of which 80.6 percent is allocated to the Montgomery County Public Schools, 4.2 percent to Montgomery Community College, and 4.6 percent to Mass Transit. Total intergovernmental revenue represents an estimated 80.1 percent of the total non-tax revenues for FY19.

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 FY19 assumes a 1.8 percent increase over the revised estimates for FY18, and \$13.1 million in available resources in FY19.

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 FY19 assumes an increase of 2.9 percent over the revised estimates for FY18, resulting in \$72.7 million in available resources in FY19.

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 FY19 assumes that fines and forfeitures will increase 0.5 percent from the revised estimates for FY18, resulting in \$29.1 million in available resources in FY19.

College Tuition

Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students and the tuition rate. The Recommended Budget for FY19 includes a 5.2 percent increase in tuition revenue over the revised estimates for FY18, resulting in \$78.2 million in available resources in FY19.

Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised FY18 tax-supported investment income estimate of \$3.9 million assumes a yield on equity of 1.20 percent and an average daily balance of \$825.0 million. The FY19 projected estimate of tax-supported investment income of \$5.3 million assumes a yield on equity of 1.70 percent. Yields have fluctuated significantly over time due to changes in the targeted federal funds rate set by the Federal Open Market Committee (FOMC) of the Federal Reserve System. In calendar year 2018, the federal funds futures market as of March 6, 2018, expects the FOMC will raise the target a minimum of three or at most four times.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY19, miscellaneous revenues will increase 11.7 percent from the revised estimates for FY18, resulting in \$19.2 million in available resources in FY19.

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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

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- 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.

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- 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 Montgomery College; 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.

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.

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 ongoing annual impact related to the change in the taxability of this source of income. The annual impact of this ruling is estimated to be \$28.6 million, and the repayment to the State for retroactive liability from past income tax filings is estimated to be \$143 million spread over 20 quarters starting in the fourth quarter of FY19. In January 2018, State legislation was introduced, proposing to delay the start of the repayment period until the fourth quarter of FY21. The County's revenue forecasts have been updated to reflect this delayed repayment schedule.

The County anticipates a shortfall in FY18 tax revenues in excess of \$100 million, driven by lower than anticipated income tax receipts. The November 2017 income tax distribution was significantly lower than expected, attributable primarily to changes in taxpayer behavior in anticipation of changes to federal tax law. H.R. 1, the Tax Cuts and Jobs Act of 2017 (TCJA) was signed into law in December 2017, enacting substantial changes to Federal income tax policy. The impact that the provisions of this law will have on the County's economic and fiscal outlook is still uncertain.

The following additional factors and events shaped the budget environment and helped to drive budget planning for FY19:

- Low inflation has resulted in relatively small increase in expected property tax revenues in FY19.
- 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.
- Uncertainty regarding potential reductions in Federal and State revenues or costs shifted to the County by the state.
- Uncertainty regarding the economic and fiscal impacts of the Tax Cuts and Jobs Act of 2017.
- Uncertainty regarding the economic and programmatic impacts of other possible changes in federal budgets, policies, and laws.

The FY18 Six-Year Fiscal Plan, approved by the County Council in June 2017, projected a 0.4 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 growth in the capital budget current revenue funding level in FY19. The Budget Director estimated an FY19 budget gap of over \$208 million in the December 2017 Fiscal Plan Update based on updated and reduced revenue estimates, and contingency planning for weather events.

To cope with these fiscal challenges while ensuring that the County Executive's priorities are met, the County implemented a number of new or modified short-term policies and initiatives to control FY18 spending and reduce the FY19 budget gap:

- Implemented a position exemption process requiring special approval to fill certain vacancies;
- Continued restrictions on new procurements over \$50,000, and expanded the exemption process to include procurements funded by current revenue in the Capital Improvements Program.

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- Improved systems for identifying turnover cost savings to avoid the need for reductions that negatively impacted services;
 - Required that departments with projected overspending in their mid-year expenditure analysis implement corrective actions.
 - Continued initiatives undertaken to maintain the County's fiscal policies and its commitments to the bond rating agencies to protect its AAA bond rating.

In preparing the FY19 operating budget submissions, departments were asked to submit budget reductions of 2.5 percent for public safety departments and 4.0 percent for non-public safety departments. 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).

There were also challenges in developing the Recommended FY19-24 Capital Improvements Program (CIP) as the County chose to: 1) reduce general obligation debt levels to improve future operating budget flexibility, 2) reallocate tax-supported cash contributions from the capital budget to support FY18 and FY19 operating budget needs, and 3) subsequently provided budget amendments to address approximately \$33 million in FY18 impact and recordation tax funding shortfalls for the capital budget. In order to maintain support for key priorities such as education, economic development, core infrastructure and critical transportation projects with reduced resources, very few new projects were included in the Recommended FY19-24 CIP, and a number of previously approved projects were delayed beyond FY24.

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
- Information Technology
- Criminal Justice
- Digital Evidence Management
- Pedestrian Safety/Vision Zero

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 recommended FY19 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.

FRAMEWORK FOR FISCAL POLICY

Legal Framework

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

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- 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 when financing in public-private partnership situations, that tax-exempt debt will be 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. If those special funds supported by all County taxpayers were to be included, the ratio would be below ten percent.

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.

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:

Transportation Impact Tax The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016 and enacted a White Flint impact tax district in 2010. These taxes are levied at rate schedules based on the classification of an area relative to transit service and accessibility. The "Red" policy areas replaced the prior Metro Station Policy Areas (MSPAs). "Orange" policy areas are corridor cities (but not MSPAs), town centers, and emerging transit-oriented development areas where transitways such as the Purple Line and Bus Rapid Transit lines are planned. "Yellow" policy areas are lower density residential neighborhoods with community-serving commercial areas; and "Green" policy areas are the Agricultural Reserve and other rural areas. In related action, the County Council adjusted impact tax rates to replace lost revenue from eliminated transportation mitigation payments. Transportation Impact Taxes are also assessed for projects within the boundaries of Rockville and Gaithersburg. These impact taxes can only be used for projects listed in a Council-approved Memorandum of Understanding with the individual municipalities.

Schools Impact Tax 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. In November, 2016, the County Council increased school impact tax rates to replace revenues lost when they eliminated School Facilities Payments and to account for land costs which had previously not been considered when calculating impact tax rates.

School Facilities Payment Prior to County Code changes approved in 2016, a school facilities payment was applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment was made on a per-student basis, based upon standard student generation rates of that type of residential development. While School Facility Payments will not provide additional future capital budget funding, payments collected prior to the change in the law are still programmed in several MCPS projects in the FY19-24 capital budget.

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 permitted 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. While the DAP payments are no longer being collected, they are reported in some active projects based on past allocations.

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.

- Transportation Improvement (Loophole) Credits Under certain conditions, a developer may choose to pay a transportation improvement credit in lieu of funding or constructing transportation improvements required in order to obtain development approval. These funds are used to offset the cost of needed improvements in the area from which they are paid.
- Systems Development Charge (SDC) This charge, enacted by the 1993 Maryland General Assembly, authorized Washington Suburban Sanitation Commission (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. Effective September 2016, the recordation tax was modified resulting in a lower tax rate for the General Fund, but a higher tax rate for MCPS CIP. At the same time, the Premium tax rate increased with 50 percent of the Premium revenues earmarked for the County Government CIP.

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 one rate Countywide for each type of housing. There are various rates for the transportation impact tax based on the classification of an area relative to transit service and accessibility as previously described.

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, a building to house County and State Health and Human Services functions, 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.

Intergovernmental Revenues

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 (although a decrease in value is reflected in the first year of the triennial cycle). 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). Taxpayers have the ability to appeal their assessment through SDAT and the MD Tax Court which could lower the total assessable base and property tax revenues.
- 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 FY19, \$16,000) 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.

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- 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 GOVERNMENTAL 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 the Montgomery County portion of the 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); 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 asset 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 approach 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.

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, 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 budgeted 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 for the preceding fiscal year. Also referred to as the Set-Aside for future projects in the capital program.

WATER QUALITY PROTECTION CHARGE - An excise tax 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
BHI	BioHealth Innovation	CVB	Conference and Visitors Bureau
BIT	Board of Investment Trustees	DBM	Maryland State Department of Budget and Management
BLC	Board of License Commissioners	DCM	Device Client Management
BOE	Board of Education	DED	Department of Economic Development
CAD	Computer Aided Dispatching	DGS	Department of General Services
CAFR	Comprehensive Annual Financial Report	DEP	Department of Environmental Protection
CAO	Chief Administrative Officer	DHCA	Department of Housing and Community Affairs
CALMS	Complaints and Licensing Management System	DLC	Department of Liquor Control
CATV	Cable Television	DOCR	Department of Correction and Rehabilitation
CBD	Central Business District	DOT	Department of Transportation
CCM	County Cable Montgomery	ECC	Emergency Communications Center
CDBG	Community Development Block Grant	EDAET	Expedited Development Approval Excise Tax
CE	County Executive	EEOC	Equal Employment Opportunity Commission
CIP	Capital Improvements Program	EFO	Educational Facilities Officer
CEC	Community Engagement Cluster	EITC	Earned Income Tax Credit
CJCC	Criminal Justice Coordinating Commission	EMOC	Equipment and Maintenance Operations Center
CJIS	Criminal Justice Information System	EOB	Executive Office Building
CNG	Compressed Natural Gas	EOC	Emergency Operations Center

Abbreviation	Description	Abbreviation	Description
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	MCEDC	Montgomery County Economic Development Corporation
GO bonds	General Obligation Bonds	MCERP	Montgomery County Employee Retirement Plans
GRIP	Guaranteed Retirement Income Plan	MCFRS	Montgomery County Fire and Rescue Service
GWA	General Wage Adjustment	MCG	Montgomery County Government
HIPAA	Health Insurance Portability and Accountability Act	MCGEO	Municipal and County Government Employees Organization
HOC	Housing Opportunities Commission	MCPD	Montgomery County Police Department
HUD	U.S. Department of Housing and Urban Development	MCPS	Montgomery County Public Schools
HVAC	Heating, Ventilation, and Air Conditioning	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
MOVE	Make Office Vacancy Extinct	PSP	Public Services Program
MPDU	Moderately Priced Dwelling Unit	PSTA	Public Safety Training Academy
MTA	Maryland Transit Administration	RMS	Records Management System
NACo	National Association of Counties	RSP	Retirement Savings Plan
NDA	Non-Departmental Account	SAG	Spending Affordability Guidelines
NTS	Non-tax supported	SBAP	Small Business Assistance Program
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	WSM	WorkSource Montgomery
PDF	Project Description Form	WSSC	Washington Suburban Sanitary Commission
PEG	Public, Educational, and Governmental cable programming	WSTC	Washington Suburban Transit Commission
PEPCO	Potomac Electric Power Company	WY	Work Year
PILOT	Payment in Lieu of Taxes	ZTAWY	Zoning Text Amendment Work Year

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