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# Fiscal Plan



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# Credits

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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.

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**TECHNICAL SUPPORT**

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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
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Economic Development	Felicia Hyatt
Fire Tax District	Rachel Silberman
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Liquor Control	Estela Boronat de Gomes
Mass Transit Facilities	Gary Nalven
M-NCPPC Administration	Shantee Jackson
M-NCPPC Enterprise	Shantee Jackson
M-NCPPC Park	Shantee Jackson
Montgomery College Current Fund	Rafael Murphy
Parking Districts	Felicia Hyatt
Permitting Services	Rafael Murphy
Central Duplicating/Print and Mail	Rachel Silberman
Recreation	Shantee Jackson
Self-Insurance: Liability & Property	Lindsay Lucas
Self-Insurance: Employee Health Benefits	Corey Orlosky
Solid Waste Refuse Collection	Richard Harris
Solid Waste Disposal	Richard Harris
Leaf Vacuuming	Felicia Hyatt
Urban Districts	Lindsay Lucas
Water Quality Protection	Richard Harris
Recreation non-tax supported	Shantee Jackson
Inmate Advisory Council Fund	Rachel Silberman



## OFFICE OF MANAGEMENT AND BUDGET

Marc Elrich  
*County Executive*

Jennifer Bryant  
*Director*

### MEMORANDUM

07-Apr-22

TO: Interested Readers

FROM: Jennifer Bryant, Director

SUBJECT: FY23-28 Fiscal Plan

#### Executive Summary:

The County Executive's recommended budget, released on March 15, 2022, is a balanced approach that is put forth as our community is emerging from impact of the COVID-19 pandemic. It makes record investments in our community to ensure that our community's prosperity continues and that everyone, regardless of race, nationality, ethnicity, or gender has access to it. It also responds to future challenges ahead, including climate change. Federal aid received by the County through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act, as well as the County aggressively seeking Federal Emergency Management Agency (FEMA) reimbursement for eligible expenditures, has provided much needed assistance in the County's response to the COVID-19. Our FY21 and FY22 revenue streams have outperformed our fiscally prudent projections. However, due to many economic pressures, we will need to be fiscally prudent as expected budget demands can challenge our available resources. This is evident in the current fiscal plan, which projects a small increase of 1.1 percent in resources available to fund agency spending in FY24.

In total, FY23 spending increases 5.7 percent, and tax-supported spending across all agencies increases 7.0 percent, including debt service. This includes funding for all the County's collective bargaining agreements and funds retiree health benefits at the latest actuarial funding schedule. The County Executive recommends an average weighted property tax rate of \$0.9785 per \$100 of assessed value (which is within the Charter Limit), and a \$692 credit for each owner-occupied residence to support a progressive property tax structure in the County.

The recommended budget funds the 99 percent of the Board of Education's request and represents a local school funding amount that is \$117.4 million above the State minimum funding requirement. While the enrollment in the County's public schools decreased this year, enrollment is projected to increase in FY24-FY28. Furthermore, demands on other County services such as home health care, senior transportation, emergency response, libraries, and recreation also increase.

This budget satisfies the County's policy to increase and maintain the budgeted total reserves of the General Fund unrestricted balance and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues.

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As the County Council considers and acts on 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 budget pressures in FY24. Any new revenues to support additional ongoing spending are likely to be 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:

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The recommended FY23-28 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 FY23-28 Recommended Operating Budget and Public Services Program (March 15, 2022) available at <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 work sessions 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 level;
- minimizing the tax burden on residents; and
- and managing indebtedness and debt service very carefully.

The Recommended Budget is consistent with the County's fiscal policies adopted through March 2021. These policies include budgeting and maintaining reserves at 10 percent of Adjusted Governmental Revenues, fully funding PAYGO, and retiree health pre-funding values based on the latest actuarial funding schedule.

## Fiscal Plan for the Tax Supported Funds:

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The recommended fiscal planning objectives for FY23-28 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 \$0.9785 per \$100 of assessed value and assumes a \$692 credit to each owner-occupied household;
- Assume property tax revenues at the Charter Limit during FY24-28 in the fiscal plan using the income tax offset credit;
- Does not assume any projections on future FEMA reimbursements for COVID-19 eligible expenditures;
- Manage fund balances in the non-tax supported funds to established policy levels where applicable;

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- Assume current State aid formulas but continue vigorous efforts 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 FY23-28;
  - 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; and
  - For services, allocate resources consistent with policy and program agendas.

The major challenges for FY23-28 will be to aggressively manage on-going costs; strengthen essential services; and continue making targeted improvements to critical service areas including responding to and recovery from the COVID-19 pandemic, education, economic development, re-imagining public safety, the social safety net, affordable housing, and transportation within projected available resources.

#### Fiscal Plan for the Non-Tax Supported Funds:

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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 Government Accounting Standards Board requirement for OPEB liability reporting is shown in the non-tax supported funds on a multi-year allocation schedule.

#### Conclusion:

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Montgomery County's long-term fiscal health is strong due to 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 FY23-28 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

JB:cm

Attachment: FY23-28 Fiscal Plan for Montgomery County, Maryland

cc: Marc Elrich, County Executive  
Councilmembers, Montgomery County Council  
Richard S. Madaleno, Chief Administrative Officer  
Fariba Kassiri, Deputy Chief Administrative Officer

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Dr. Monifa B. McKnight, Superintendent, Montgomery County Public Schools  
Dr. Jermaine F. Williams, President, Montgomery College  
Casey Anderson, Chair, Montgomery County Planning Board  
Kayrine V. Brown, Acting Executive Director, Housing Opportunities Commission  
Keith Miller, Executive Director, Revenue Authority  
Michael Coveyou, Director, Department of Finance  
Marlene Michaelson, Executive Director, Montgomery County Council



# Tax Supported Funds

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## Public Service Program

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- Fiscal Plan Summary

## Capital Improvements Program

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

# County Executive's Recommended FY23-28 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)

	App. FY22 5-27-21	Est. FY22 3-15-22	% Chg. FY22-23 App/Rec	Rec. FY23 3-15-22	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28
<b>Total Revenues</b>														
Property Tax	1,894.7	1,900.0	3.5%	1,951.4	2.8%	2,005.3	3.3%	2,072.0	3.0%	2,134.4	2.9%	2,195.6	2.9%	2,258.6
Income Tax	1,708.8	1,794.2	8.8%	1,859.0	5.1%	1,954.7	5.1%	2,054.8	4.1%	2,138.9	4.6%	2,236.2	4.9%	2,344.9
Transfer/Reconciliation Tax	169.8	221.1	34.8%	228.9	7.8%	246.9	5.6%	260.6	-1.8%	256.0	-3.0%	248.2	0.1%	248.5
Other Taxes	244.4	259.5	9.1%	266.6	0.2%	267.2	0.8%	269.4	0.3%	270.3	0.1%	270.5	0.1%	270.7
Other Revenues	1,208.4	1,158.3	0.7%	1,217.4	0.2%	1,219.8	0.1%	1,221.5	0.3%	1,224.9	0.3%	1,228.4	0.3%	1,231.7
<b>Total Revenues</b>	<b>5,216.1</b>	<b>5,333.1</b>	<b>5.9%</b>	<b>5,523.4</b>	<b>3.1%</b>	<b>5,693.8</b>	<b>3.2%</b>	<b>5,878.2</b>	<b>2.5%</b>	<b>6,024.5</b>	<b>2.6%</b>	<b>6,178.9</b>	<b>2.8%</b>	<b>6,354.5</b>
<b>Net Transfers In (Out)</b>	<b>10.6</b>	<b>16.1</b>	<b>77.7%</b>	<b>18.8</b>	<b>2.3%</b>	<b>19.3</b>	<b>2.4%</b>	<b>19.7</b>	<b>2.4%</b>	<b>20.2</b>	<b>2.3%</b>	<b>20.7</b>	<b>2.2%</b>	<b>21.1</b>
<b>Total Revenues and Transfers Available</b>	<b>5,226.7</b>	<b>5,349.2</b>	<b>6.0%</b>	<b>5,542.2</b>	<b>3.1%</b>	<b>5,713.1</b>	<b>3.2%</b>	<b>5,898.0</b>	<b>2.5%</b>	<b>6,044.7</b>	<b>2.6%</b>	<b>6,199.5</b>	<b>2.8%</b>	<b>6,375.6</b>
<b>Non-Operating Budget Use of Revenues</b>														
Debt Service	427.4	420.5	3.5%	442.5	1.0%	446.8	3.6%	462.8	1.8%	471.1	1.7%	479.0	0.6%	481.8
PAYGO	15.5	15.5	118.7%	33.9	-9.1%	30.8	-5.2%	29.2	0.0%	29.2	0.0%	29.0	0.0%	29.0
CJP Current Revenue	78.4	140.2	16.2%	91.1	24.4%	113.3	-19.9%	90.7	-4.7%	86.4	12.3%	97.1	-4.1%	93.1
Change in Other Reserves	-24.0	1.8	-137.8%	-57.0	100.3%	0.2	35.9%	0.2	-1.9%	0.2	-8.8%	0.2	5.1%	0.2
Contribution to General Fund Undesignated Reserves	13.3	-101.1	-110.8%	944.0%	12.1	60.7%	19.5	19.5	-11.7%	17.2	-41.4%	10.1	-44.3%	5.6
Contribution to Revenue Stabilization Reserves	27.5	68.9	-89.2%	3.0	30.9%	3.9	3.8%	4.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
Set Aside for other uses (supplemental appropriations)	0.0	0.4	n/a	-1.7	1307.2%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
<b>Total Other Uses of Resources</b>	<b>538.2</b>	<b>546.1</b>	<b>-5.2%</b>	<b>510.4</b>	<b>22.9%</b>	<b>627.1</b>	<b>-0.1%</b>	<b>626.4</b>	<b>0.3%</b>	<b>628.4</b>	<b>1.8%</b>	<b>639.7</b>	<b>-0.9%</b>	<b>634.2</b>
<b>Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)</b>	<b>4,688.6</b>	<b>4,803.1</b>	<b>7.3%</b>	<b>5,031.8</b>	<b>1.1%</b>	<b>5,086.0</b>	<b>3.6%</b>	<b>5,271.5</b>	<b>2.7%</b>	<b>5,416.3</b>	<b>2.6%</b>	<b>5,559.8</b>	<b>3.3%</b>	<b>5,741.4</b>
<b>Agency Uses</b>														
Montgomery County Public Schools (MCPS)	2,551.6	2,514.5	7.4%	2,739.7										
Montgomery College (MC)	265.5	245.6	3.5%	274.8										
MNCPCC (w/o Debt Service)	143.8	143.8	6.5%	153.1										
MCG	1,727.8	1,899.2	7.9%	1,864.3										
<b>Agency Uses</b>	<b>4,688.6</b>	<b>4,803.1</b>	<b>7.3%</b>	<b>5,031.8</b>	<b>1.1%</b>	<b>5,086.0</b>	<b>3.6%</b>	<b>5,271.5</b>	<b>2.7%</b>	<b>5,416.3</b>	<b>2.6%</b>	<b>5,559.8</b>	<b>3.3%</b>	<b>5,741.4</b>
<b>Total Uses</b>	<b>5,226.7</b>	<b>5,349.2</b>	<b>6.0%</b>	<b>5,542.2</b>	<b>3.1%</b>	<b>5,713.1</b>	<b>3.2%</b>	<b>5,898.0</b>	<b>2.5%</b>	<b>6,044.7</b>	<b>2.6%</b>	<b>6,199.5</b>	<b>2.8%</b>	<b>6,375.6</b>
<b>(Gap)/Available</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>

## Assumptions:

1. Property taxes are at the Charter Limit with a \$692 credit. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target. The calculation for Adjusted Governmental Revenues in FY22 and FY23 excludes the County's allocation of Federal Emergency Grants received through the Coronavirus Relief Fund and the American Rescue Plan Act.
3. PAYGO, debt service, and current revenue reflect the Recommended FY23-28 Capital Improvements Program.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY23-28.



# County Executive's Recommended FY23-28 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)

	App. FY22	Est. FY22	% Chg. FY22-23	Rec. FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28
<b>Beginning Reserves</b>														
31 Unrestricted General Fund	82.1	169.4	-16.8%	68.3	-2.1%	66.8	18.1%	79.0	24.7%	98.5	17.5%	115.7	8.7%	125.8
32 Revenue Stabilization Fund	403.8	444.6	27.2%	513.5	0.6%	516.5	0.8%	520.4	0.8%	524.4	0.8%	528.6	0.8%	532.9
33 Total Reserves	485.9	614.0	19.7%	581.8	0.3%	583.3	2.7%	599.3	3.9%	622.9	3.4%	644.3	2.2%	658.7
<b>Additions to Reserves</b>														
35 Unrestricted General Fund	13.3	-101.1	-110.8%	-1.4	944.0%	12.1	60.7%	19.5	-11.7%	17.2	-41.4%	10.1	-44.3%	5.6
37 Revenue Stabilization Fund	27.5	68.9	-89.2%	3.0	30.9%	3.9	3.8%	4.0	3.8%	4.2	3.8%	4.3	3.8%	4.5
38 Total Change in Reserves	40.8	-32.2	-96.3%	1.5	950.0%	16.0	46.9%	23.5	-9.0%	21.4	-32.6%	14.4	-29.8%	10.1
<b>Ending Reserves</b>														
40 Unrestricted General Fund	95.3	68.3	-29.9%	66.8	18.1%	79.0	24.7%	98.5	17.5%	115.7	8.7%	125.8	4.5%	131.4
41 Revenue Stabilization Fund	431.3	513.5	19.8%	516.5	0.8%	520.4	0.8%	524.4	0.8%	528.6	0.8%	532.9	0.8%	537.4
42 Total Reserves	526.7	591.8	10.8%	583.3	2.7%	599.3	3.9%	622.9	3.4%	644.3	2.2%	658.7	1.5%	668.8
43 Reserves as a % of Adjusted Governmental Revenues	9.6%	10.4%		10.0%		10.0%		10.0%		10.0%		10.0%		10.0%
<b>Other Reserves</b>														
46 Montgomery College	27.7	34.6	4.5%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0
47 M-NCPPC	4.9	7.3	8.2%	5.3	2.8%	5.4	3.2%	5.6	3.0%	5.8	2.8%	5.9	2.9%	6.1
48 MCPS	0.0	45.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
49 MCG Special Funds	0.9	5.6	56.2%	1.3	1.7%	1.4	4.0%	1.4	4.1%	1.5	3.0%	1.5	3.1%	1.6
50 MCG + Agency Reserves as a % of Adjusted Govt Revenues	10.2%	12.1%		10.8%		10.8%		10.8%		10.8%		10.8%		10.8%
<b>Retiree Health Insurance Pre-Funding</b>														
52 Montgomery County Public Schools (MCPS)	73.0	73.0		57.4		57.4		57.4		57.4		57.4		57.4
53 Montgomery College (MC)	5.6	5.6		1.7		1.7		1.7		1.7		1.7		1.7
54 MNCPPC	2.7	2.7		3.7		3.5		3.4		3.2		3.2		3.2
55 MCG	10.8	10.8		0.0		0.0		0.0		0.0		0.0		0.0
56 Subtotal Retiree Health Insurance Pre-Funding	92.2	92.2		62.8		62.8		62.5		62.3		62.3		62.3
<b>Adjusted Governmental Revenues</b>														
58 Total Tax Supported Revenues	5,214.7	5,333.1	5.9%	5,523.4	3.1%	5,693.8	3.2%	5,878.2	2.5%	6,024.5	2.6%	6,179.9	2.8%	6,354.5
59 Capital Projects Fund	131.7	131.7	17.1%	154.3	0.4%	154.9	31.0%	202.9	29.3%	262.4	-5.9%	246.8	-27.5%	179.0
60 Grants	129.2	129.2	5.5%	136.3	2.3%	139.4	2.4%	142.7	2.4%	146.1	2.3%	149.4	2.2%	152.7
61 Total Adjusted Governmental Revenues	5,475.6	5,594.0	6.2%	5,814.0	3.0%	5,988.1	3.9%	6,223.9	3.4%	6,432.9	2.2%	6,575.1	1.7%	6,806.2

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# Capital Improvements Program (CIP)

## GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

## EXPLANATION OF CHARTS:

### Debt Capacity Analysis

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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

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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

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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

## FY23-28 CAPITAL IMPROVEMENTS PROGRAM

March 15, 2022

### COUNTY EXECUTIVE RECOMMENDED

GO BOND 6 YR TOTAL = 1,750.0 MILLION

GO BOND FY23 TOTAL = 300.0 MILLION

GO BOND FY24 TOTAL = 290.0 MILLION

	FY22	FY23	FY24	FY25	FY26	FY27	FY28
1 GO Bond Guidelines (\$000)	310,000	300,000	290,000	290,000	290,000	290,000	290,000
2 GO Debt/Assessed Value	1.70%	1.65%	1.61%	1.56%	1.51%	1.45%	1.40%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.70%	11.14%	11.02%	11.10%	11.11%	11.00%	10.84%
4 \$ Debt/Capita	3,255	3,262	3,237	3,200	3,152	3,099	3,044
5 \$ Real Debt/Capita (FY22=100%)	3,255	3,165	3,072	2,967	2,855	2,744	2,638
6 Capita Debt/Capita Income	3.67%	3.29%	3.13%	2.98%	2.82%	2.68%	2.54%
7 Payout Ratio	71.81%	72.67%	73.51%	74.22%	74.54%	74.81%	74.99%
8 Total Debt Outstanding (\$000s)	3,520,835	3,533,330	3,529,750	3,512,410	3,486,060	3,453,165	3,417,300
9 Real Debt Outstanding (FY22=100%)	3,520,835	3,428,971	3,349,942	3,256,443	3,157,122	3,057,514	2,961,761
10 Note: OP/PSP Growth Assumption (2)		5.9%	3.0%	3.2%	2.5%	2.6%	2.8%

### 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 FY22 approved budget to FY23 budget for FY23 and budget to budget for FY24-28.

# GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY23-28 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 15, 2022

(\$ millions)	6 YEARS	FY23	FY24	FY25	FY26	FY27	FY28
BONDS PLANNED FOR ISSUE	1,750.000	300.000	290.000	290.000	290.000	290.000	290.000
Does not assume Council SAG in FY09 and FY10*							
Plus PAYGO Funded	181.100	33.900	30.800	29.200	29.200	29.000	29.000
Adjust for Future Inflation **	(71.062)	-	-	(7.390)	(14.609)	(21.385)	(27.678)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,860.038	333.900	320.800	311.810	304.591	297.615	291.322
Less Set Aside: Future Projects	185.780	15.926	22.883	30.081	35.214	39.189	42.487
9.99%							
<b>TOTAL FUNDS AVAILABLE FOR PROGRAMMING</b>	<b>1,674.258</b>	<b>317.974</b>	<b>297.917</b>	<b>281.729</b>	<b>269.377</b>	<b>258.426</b>	<b>248.835</b>
MCPS	(460.540)	(103.924)	(136.267)	(88.016)	(76.280)	(38.769)	(17.284)
MONTGOMERY COLLEGE	(144.128)	(20.807)	(23.015)	(21.253)	(15.504)	(27.463)	(36.086)
M-NCPPC PARKS	(76.450)	(13.997)	(12.637)	(10.933)	(12.961)	(12.961)	(12.961)
TRANSPORTATION	(620.047)	(136.358)	(112.296)	(73.873)	(78.085)	(107.598)	(111.837)
MCG - OTHER	(502.175)	(79.650)	(106.022)	(87.654)	(86.547)	(71.635)	(70.667)
Programming Adjustment - Unspent Prior Years*	129.082	36.762	92.320				-
	-						
<b>SUBTOTAL PROGRAMMED EXPENDITURES</b>	<b>(1,674.258)</b>	<b>(317.974)</b>	<b>(297.917)</b>	<b>(281.729)</b>	<b>(269.377)</b>	<b>(258.426)</b>	<b>(248.835)</b>
<b>AVAILABLE OR (GAP) TO BE SOLVED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NOTES:							
* See additional information on the GO Bond Programming							
Inflation =		3.04%	2.26%	2.37%	2.37%	2.28%	2.16%

# CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

March 15, 2022

TAX SUPPORTED APPROPRIATIONS (\$000s)	ACTUAL FY21 Exp	APPROVED FY22	LATEST FY22 APPROVED	RECOMMENDED 6 YR	RECOMMENDED FY23 APPROP	RECOMMENDED FY24	RECOMMENDED FY25	RECOMMENDED FY26	RECOMMENDED FY27	RECOMMENDED FY28
<b>GENERAL REVENUE SUPPORTED</b>										
MCG	10,500	10,374	64,083	113,153	24,544	30,452	14,092	15,110	14,921	14,034
M-NCPPC PARKS	2,693	3,913	3,913	26,588	4,398	4,598	4,398	4,398	4,398	4,398
PUBLIC SCHOOLS (MCPS)	8,264	8,062	16,062	140,151	18,488	27,749	28,793	21,707	21,707	21,707
MONTGOMERY COLLEGE	13,065	12,901	12,901	93,804	16,434	17,034	15,084	15,084	15,084	15,084
HOC	-	1,125	1,125	8,205	1,955	1,250	1,250	1,250	1,250	1,250
CIP PAYGO - REGULAR	-	15,500	15,500	181,100	33,900	30,800	29,200	29,200	29,000	29,000
CIP PAYGO - RSF CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CIP PAYGO</b>	-	15,500	15,500	181,100	33,900	30,800	29,200	29,200	29,000	29,000
<b>SUBTOTAL</b>	34,522	51,875	113,584	563,001	99,719	111,883	92,817	86,749	86,360	85,473
<b>OTHER TAX SUPPORTED</b>										
MASS TRANSIT	10,057	31,309	31,309	129,695	20,390	24,915	18,565	18,885	25,845	21,095
FIRE CONSOLIDATED	1,042	4,807	4,807	36,839	4,464	6,880	5,996	5,593	6,927	6,979
M-NCPPC PARKS	350	450	450	2,700	450	450	450	450	450	450
ECONOMIC DEVELOPMENT FUND	-	5,500	5,500	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	11,448	42,066	42,066	169,234	25,304	32,245	25,011	24,928	33,222	28,524
<b>SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:</b>	45,971	93,941	155,650	732,235	125,023	144,128	117,828	111,677	119,582	113,997
<b>INFLATION</b>	-	-	-	20,638	-	-	2,097	3,954	6,510	8,077
<b>SUBTOTAL ALLOCATION:</b>	-	-	-	20,638	-	-	2,097	3,954	6,510	8,077
<b>TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:</b>	71,976	93,941	155,650	752,873	125,023	144,128	119,925	115,631	126,092	122,074
<b>NON-TAX SUPPORTED APPROPRIATIONS (\$000s)</b>	<b>ACTUAL FY21 Exp</b>	<b>APPROVED FY22</b>	<b>LATEST FY22 APPROVED</b>	<b>RECOMMENDED 6 YR</b>	<b>RECOMMENDED FY23 APPROP</b>	<b>RECOMMENDED FY24</b>	<b>RECOMMENDED FY25</b>	<b>RECOMMENDED FY26</b>	<b>RECOMMENDED FY27</b>	<b>RECOMMENDED FY28</b>
<b>NON-TAX SUPPORTED</b>										
PARKING DISTRICTS	4,310	90	90	42,632	5,679	11,016	6,331	7,205	6,137	6,264
SOLID WASTE DISPOSAL	-	13,065	13,065	1,845	1,845	-	-	-	-	-
M-NCPPC ENTERPRISE FUND	679	400	400	3,215	-	-	750	2,465	-	-
CABLE TV FUND	8,193	4,272	4,272	23,077	4,398	4,341	4,316	3,319	3,348	3,355
WATER QUALITY PROTECTION CHARGE	4,979	4,917	4,917	20,669	3,138	3,447	3,327	3,524	3,525	3,708
LIQUOR CONTROL	-	1,267	1,267	10,582	522	2,720	1,783	1,213	2,144	2,200
CUPF	-	(796)	(796)	1,800	300	300	300	300	300	300
<b>SUBTOTAL EXPENDITURES:</b>	18,161	23,215	23,215	103,820	15,882	21,824	16,807	18,026	15,454	15,827
<b>TOTAL CURRENT REVENUE REQUIREMENTS</b>	90,138	117,156	178,865	856,693	140,905	165,952	136,732	133,657	141,546	137,901

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# Tax Supported: Six Year Fiscal Plans

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## Montgomery County Government

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- 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

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- Montgomery College Current Fund

## Maryland-National Capital Park and Planning Commission

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- M-NCPPC Administration Fund
- M-NCPPC Park Fund

## Debt Service

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- Debt Service Fund

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# Montgomery County Government

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Bethesda Urban District				
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120
Assessable Base: Real Property (000)	6,113,600	6,259,500	6,412,100	6,603,400	6,781,300	6,953,400	7,132,300
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	214,000	222,100	230,500	239,200	248,200	257,500	267,200
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>356,309</b>	<b>514,390</b>	<b>426,884</b>	<b>234,790</b>	<b>91,382</b>	<b>93,526</b>	<b>95,001</b>
<b>REVENUES</b>							
Taxes	793,270	813,096	833,812	859,235	883,147	906,459	930,701
Charges For Services	183,975	183,975	188,133	192,592	197,156	201,651	206,007
<b>Subtotal Revenues</b>	<b>977,245</b>	<b>997,071</b>	<b>1,021,945</b>	<b>1,051,827</b>	<b>1,080,303</b>	<b>1,108,110</b>	<b>1,136,708</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	(21,666)	(20,512)	(21,451)	(21,451)	(21,451)	(21,451)	(21,451)
Indirect Costs	(21,666)	(20,512)	(21,451)	(21,451)	(21,451)	(21,451)	(21,451)
Transfers From Special Fds: Non-Tax + ISF	2,408,612	2,352,550	2,303,834	2,281,122	2,262,345	2,240,932	2,260,208
Bethesda PLD	2,408,612	2,352,550	2,303,834	2,281,122	2,262,345	2,240,932	2,260,208
<b>TOTAL RESOURCES</b>	<b>3,720,500</b>	<b>3,843,499</b>	<b>3,731,212</b>	<b>3,667,894</b>	<b>3,752,028</b>	<b>3,834,253</b>	<b>3,913,846</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(3,206,110)	(3,416,615)	(3,491,305)	(3,571,395)	(3,653,385)	(3,734,135)	(3,812,375)
Labor Agreement	n/a	0	(5,117)	(5,117)	(5,117)	(5,117)	(5,117)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(3,206,110)</b>	<b>(3,416,615)</b>	<b>(3,496,422)</b>	<b>(3,576,512)</b>	<b>(3,658,502)</b>	<b>(3,739,252)</b>	<b>(3,817,492)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(3,206,110)</b>	<b>(3,416,615)</b>	<b>(3,496,422)</b>	<b>(3,576,512)</b>	<b>(3,658,502)</b>	<b>(3,739,252)</b>	<b>(3,817,492)</b>
<b>YEAR END FUND BALANCE</b>	<b>514,390</b>	<b>426,884</b>	<b>234,790</b>	<b>91,382</b>	<b>93,526</b>	<b>95,001</b>	<b>96,354</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>13.8%</b>	<b>11.1%</b>	<b>6.3%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>

#### 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 during 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. FY24-28 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.

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Silver Spring Urban District			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
Assessable Base: Real Property (000)	4,042,700	4,139,100	4,240,000	4,366,500	4,484,200	4,598,000	4,716,300
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	114,600	118,900	123,400	128,000	132,900	137,900	143,100
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>109,962</b>	<b>(219,147)</b>	<b>101,922</b>	<b>104,128</b>	<b>106,911</b>	<b>105,467</b>	<b>106,349</b>
<b>REVENUES</b>							
Taxes	1,033,015	1,058,586	1,085,349	1,118,280	1,149,292	1,179,432	1,210,766
Charges For Services	120,000	120,000	122,712	125,620	128,597	131,529	134,370
<b>Subtotal Revenues</b>	<b>1,153,015</b>	<b>1,178,586</b>	<b>1,208,061</b>	<b>1,243,900</b>	<b>1,277,889</b>	<b>1,310,961</b>	<b>1,345,136</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	2,358,336	3,058,048	2,936,402	2,928,961	2,918,725	2,915,728	2,913,182
Indirect Costs	(520,989)	(507,842)	(544,679)	(544,679)	(544,679)	(544,679)	(544,679)
Transfers From The General Fund	(520,989)	(507,842)	(544,679)	(544,679)	(544,679)	(544,679)	(544,679)
Baseline Services	174,403	761,789	588,500	479,176	368,614	365,617	363,071
Transfers From Special Fds: Non-Tax + ISF	174,403	761,789	588,500	479,176	368,614	365,617	363,071
Silver Spring PLD	2,704,922	2,804,101	2,892,581	2,994,464	3,094,790	3,094,790	3,094,790
	2,704,922	2,804,101	2,892,581	2,994,464	3,094,790	3,094,790	3,094,790
<b>TOTAL RESOURCES</b>	<b>3,621,313</b>	<b>4,017,487</b>	<b>4,246,386</b>	<b>4,276,989</b>	<b>4,303,525</b>	<b>4,332,157</b>	<b>4,364,667</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(3,840,460)	(3,915,565)	(3,941,515)	(3,969,335)	(3,997,315)	(4,025,065)	(4,053,045)
Labor Agreement	n/a	0	(200,743)	(200,743)	(200,743)	(200,743)	(200,743)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(3,840,460)</b>	<b>(3,915,565)</b>	<b>(4,142,258)</b>	<b>(4,170,078)</b>	<b>(4,198,058)</b>	<b>(4,225,808)</b>	<b>(4,253,788)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(3,840,460)</b>	<b>(3,915,565)</b>	<b>(4,142,258)</b>	<b>(4,170,078)</b>	<b>(4,198,058)</b>	<b>(4,225,808)</b>	<b>(4,253,788)</b>
<b>YEAR END FUND BALANCE</b>	<b>(219,147)</b>	<b>101,922</b>	<b>104,128</b>	<b>106,911</b>	<b>105,467</b>	<b>106,349</b>	<b>110,879</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>-6.1%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
<b>Assumptions:</b> 1. Transfers from the Silver Spring 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 during the six years based on an improved assessable base. 3. Large assessable base increases are due to economic growth and new projects coming online. 4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide. 5. The Non-Baseline Services transfer is necessary to maintain fund balance policy. 6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY24-28 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here. 7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer 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.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Wheaton Urban District			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Real Property (000)	872,000	892,800	914,600	941,900	967,300	991,800	1,017,300
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	35,600	37,000	38,400	39,800	41,300	42,900	44,500
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>(46,304)</b>	<b>(38,849)</b>	<b>76,583</b>	<b>81,661</b>	<b>82,372</b>	<b>83,100</b>	<b>84,917</b>
<b>REVENUES</b>							
Taxes	286,663	293,914	301,462	310,650	319,347	327,850	336,651
<b>Subtotal Revenues</b>	<b>286,663</b>	<b>293,914</b>	<b>301,462</b>	<b>310,650</b>	<b>319,347</b>	<b>327,850</b>	<b>336,651</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	(311,950)	(346,560)	(369,335)	(369,335)	(369,335)	(369,335)	(369,335)
Indirect Costs	(311,950)	(346,560)	(369,335)	(369,335)	(369,335)	(369,335)	(369,335)
Transfers From The General Fund	2,737,170	2,900,510	2,955,347	2,969,512	2,989,212	3,009,748	3,024,286
Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
Non-Baseline Services	2,661,080	2,824,420	2,879,257	2,893,422	2,913,122	2,933,658	2,948,196
Transfers From Special Fds: Non-Tax + ISF	200,000	300,000	300,000	300,000	300,000	300,000	300,000
Wheaton PLD	200,000	300,000	300,000	300,000	300,000	300,000	300,000
<b>TOTAL RESOURCES</b>	<b>2,865,579</b>	<b>3,109,015</b>	<b>3,264,057</b>	<b>3,292,488</b>	<b>3,321,596</b>	<b>3,351,363</b>	<b>3,376,519</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(2,904,428)	(3,032,432)	(3,058,282)	(3,086,002)	(3,114,382)	(3,142,332)	(3,169,412)
Labor Agreement	n/a	0	(124,114)	(124,114)	(124,114)	(124,114)	(124,114)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(2,904,428)</b>	<b>(3,032,432)</b>	<b>(3,182,396)</b>	<b>(3,210,116)</b>	<b>(3,238,496)</b>	<b>(3,266,446)</b>	<b>(3,293,526)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(2,904,428)</b>	<b>(3,032,432)</b>	<b>(3,182,396)</b>	<b>(3,210,116)</b>	<b>(3,238,496)</b>	<b>(3,266,446)</b>	<b>(3,293,526)</b>
<b>YEAR END FUND BALANCE</b>	<b>(38,849)</b>	<b>76,583</b>	<b>81,661</b>	<b>82,372</b>	<b>83,100</b>	<b>84,917</b>	<b>82,993</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>-1.4%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>

**Assumptions:**

1. Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase during the the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online.
4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
5. The Non-Baseline Services transfer is necessary to maintain fund balance policy.
6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY24-28 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer 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.

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Consolidated Fire District Fund							
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.1202	0.1074	0.1092	0.1060	0.1032	0.1018	0.0994
Assessable Base: Real Property (000)	203,594,600	208,453,800	213,535,700	219,904,700	225,831,100	231,561,000	237,518,700
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.3005	0.2685	0.2730	0.2650	0.2580	0.2545	0.2485
Assessable Base: Personal Property (000)	4,858,707	5,041,875	5,231,949	5,429,188	5,633,863	5,846,254	6,066,652
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>(14,366,057)</b>	<b>2,430,305</b>	<b>223,951</b>	<b>409,843</b>	<b>237,845</b>	<b>216,703</b>	<b>239,117</b>
<b>REVENUES</b>							
Taxes	257,816,298	236,039,696	246,029,411	246,051,768	246,158,377	249,156,243	249,714,967
Charges For Services	19,800,000	20,000,000	20,452,000	20,936,712	21,432,912	21,921,582	22,395,088
Intergovernmental	5,347,622	11,013,162	11,262,059	11,528,970	11,802,207	12,071,297	12,332,037
Miscellaneous	244,882	244,882	244,882	244,882	244,882	244,882	244,882
<b>Subtotal Revenues</b>	<b>283,208,802</b>	<b>267,297,740</b>	<b>277,988,352</b>	<b>278,762,332</b>	<b>279,638,378</b>	<b>283,394,004</b>	<b>284,686,974</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(11,759,652)	(13,384,740)	(15,715,160)	(16,741,710)	(16,656,760)	(17,776,610)	(17,869,450)
GO Bonds	(11,888,902)	(13,513,990)	(15,844,410)	(16,870,960)	(16,786,010)	(17,905,860)	(17,998,700)
Long Term Leases	(7,466,327)	(8,253,840)	(9,531,360)	(9,874,110)	(11,288,310)	(11,947,060)	(11,741,750)
Transfers To The General Fund	(4,422,575)	(5,260,150)	(6,313,050)	(6,996,850)	(5,497,700)	(5,958,800)	(6,256,950)
Other: DCM	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Transfers From The General Fund	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
EMST Fee Payments for Uninsured Residents	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>TOTAL RESOURCES</b>	<b>257,083,093</b>	<b>256,343,305</b>	<b>262,497,143</b>	<b>262,430,465</b>	<b>263,219,463</b>	<b>265,834,097</b>	<b>267,056,641</b>
<b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(4,807,000)	(4,464,000)	(6,880,000)	(5,996,000)	(5,593,000)	(6,927,000)	(6,979,000)
Labor Agreement	(249,845,788)	(251,655,354)	(252,771,154)	(253,760,474)	(254,875,614)	(255,973,834)	(257,037,974)
Annualizations and One-Time	n/a	0	(3,579,146)	(3,579,146)	(3,579,146)	(3,579,146)	(3,579,146)
Clarksburg Fire Station (P450300)	n/a	n/a	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000
White Flint Fire Station (P451502)	n/a	n/a	(162,000)	(162,000)	(162,000)	(162,000)	(162,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(249,845,788)</b>	<b>(251,655,354)</b>	<b>(255,207,300)</b>	<b>(256,196,620)</b>	<b>(257,409,760)</b>	<b>(258,667,980)</b>	<b>(259,732,120)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(254,652,788)</b>	<b>(256,119,354)</b>	<b>(262,087,300)</b>	<b>(262,192,620)</b>	<b>(263,002,760)</b>	<b>(265,594,980)</b>	<b>(266,711,120)</b>
<b>YEAR END FUND BALANCE</b>	<b>2,430,305</b>	<b>223,951</b>	<b>409,843</b>	<b>237,845</b>	<b>216,703</b>	<b>239,117</b>	<b>345,521</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>0.9%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Assumptions:</b> 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. This 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.							



FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Mass Transit			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0524	0.0854	0.0890	0.0836	0.0810	0.0820	0.0780
Assessable Base: Real Property (000)	203,594,600	208,453,800	213,535,700	219,904,700	225,831,100	231,561,000	237,518,700
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.1310	0.2135	0.2225	0.2090	0.2025	0.2050	0.1950
Assessable Base: Personal Property (000)	4,858,707	5,041,875	5,231,949	5,429,188	5,633,863	5,846,254	6,066,652
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>7,926,689</b>	<b>(2,210,688)</b>	<b>169,773</b>	<b>323,810</b>	<b>378,785</b>	<b>100,308</b>	<b>476,878</b>
<b>REVENUES</b>							
Taxes	112,392,463	187,688,920	200,518,476	194,055,922	193,205,703	200,695,599	195,953,394
Licenses & Permits	50,000	80,000	81,808	83,747	85,732	87,687	89,581
Charges For Services	4,059,545	14,092,542	14,631,315	15,245,093	15,933,115	16,725,129	17,584,457
Fines & Forfeitures	566,735	566,335	579,134	592,859	606,910	620,748	634,156
Intergovernmental	97,320,685	34,042,840	34,812,208	35,637,257	36,481,861	37,313,647	38,119,621
Miscellaneous	2,110	0	0	0	0	0	0
<b>Subtotal Revenues</b>	<b>214,391,538</b>	<b>236,470,637</b>	<b>250,622,941</b>	<b>245,614,878</b>	<b>246,313,321</b>	<b>255,442,810</b>	<b>252,381,209</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(27,965,387)	(30,216,665)	(31,822,290)	(32,360,870)	(31,112,275)	(30,599,490)	(30,876,790)
GO Bonds	(20,193,362)	(22,146,340)	(23,122,390)	(24,152,170)	(23,891,050)	(23,320,090)	(23,788,040)
Long Term Leases	(7,772,025)	(8,070,325)	(8,699,900)	(8,208,700)	(7,221,225)	(7,279,400)	(7,088,750)
Transfers To The General Fund	(16,000,694)	(17,914,117)	(18,787,329)	(18,787,329)	(18,787,329)	(18,787,329)	(18,787,329)
Indirect Costs	(16,000,694)	(17,914,117)	(18,787,329)	(18,787,329)	(18,787,329)	(18,787,329)	(18,787,329)
Transfers From The General Fund	7,831,310	531,310	531,310	531,310	531,310	531,310	531,310
Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
Funding for Bus Operator Comp Supplemental	7,300,000	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>186,183,456</b>	<b>186,660,477</b>	<b>200,714,405</b>	<b>195,321,799</b>	<b>197,323,812</b>	<b>206,687,609</b>	<b>203,725,278</b>
<b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(156,674,991)	(167,757,414)	(169,342,414)	(171,042,124)	(172,782,114)	(174,495,704)	(176,156,124)
Labor Agreement	n/a	0	(4,758,649)	(4,758,649)	(4,758,649)	(4,758,649)	(4,758,649)
Transportation Services Improvement Fund Exp	n/a	n/a	(194,705)	(806,580)	(713,662)	(613,179)	(503,065)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(156,674,991)</b>	<b>(167,757,414)</b>	<b>(174,295,768)</b>	<b>(176,607,353)</b>	<b>(178,254,425)</b>	<b>(179,867,532)</b>	<b>(181,417,838)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(410,153)</b>	<b>1,656,710</b>	<b>(1,179,827)</b>	<b>229,339</b>	<b>(84,079)</b>	<b>(498,199)</b>	<b>(978,609)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(188,394,144)</b>	<b>(186,490,704)</b>	<b>(200,390,595)</b>	<b>(194,943,014)</b>	<b>(197,223,504)</b>	<b>(206,210,731)</b>	<b>(203,491,447)</b>
<b>YEAR END FUND BALANCE</b>	<b>(2,210,688)</b>	<b>169,773</b>	<b>323,810</b>	<b>378,785</b>	<b>100,308</b>	<b>476,878</b>	<b>233,831</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>							
	-1.2%	0.1%	0.2%	0.2%	0.1%	0.2%	0.1%
<b>Assumptions:</b> 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 revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy. 3. Other claims on fund balance include net revenues/expenditures in the Transportation Services Improvement Fund (TSIF).							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Recreation							
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0261	0.0284	0.0320	0.0320	0.0320	0.0316	0.0310
Assessable Base: Real Property (000)	177,556,000	181,793,700	186,225,600	191,780,100	196,948,500	201,945,600	207,141,400
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0653	0.0710	0.0800	0.0800	0.0800	0.0790	0.0775
Assessable Base: Personal Property (000)	4,114,600	4,269,700	4,430,700	4,597,700	4,771,000	4,950,900	5,137,500
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>11,173,500</b>	<b>5,148,238</b>	<b>332,271</b>	<b>139,507</b>	<b>177,099</b>	<b>141,044</b>	<b>94,812</b>
<b>REVENUES</b>							
Taxes	48,742,128	54,343,542	62,770,338	64,670,379	66,452,637	67,333,354	67,800,160
Charges For Services	2,320,000	5,120,000	5,253,792	5,397,267	5,544,142	5,688,788	5,828,946
Miscellaneous	174,829	174,829	174,829	174,829	174,829	174,829	174,829
<b>Subtotal Revenues</b>	<b>51,236,957</b>	<b>59,638,371</b>	<b>68,198,959</b>	<b>70,242,475</b>	<b>72,171,608</b>	<b>73,196,971</b>	<b>73,803,935</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(10,014,090)	(10,653,890)	(11,546,130)	(12,748,660)	(14,350,130)	(15,091,360)	(14,997,550)
GO Bonds	(10,014,090)	(10,653,890)	(11,546,130)	(12,748,660)	(14,350,130)	(15,091,360)	(14,997,550)
Transfers To The General Fund	(7,207,303)	(7,873,160)	(8,026,249)	(8,026,249)	(8,026,249)	(8,026,249)	(8,026,249)
Indirect Costs	(5,360,893)	(6,026,750)	(6,179,839)	(6,179,839)	(6,179,839)	(6,179,839)	(6,179,839)
Custodial Cleaning Costs	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)
Facility Maintenance Costs	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)
DCM	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)
Transfers From The General Fund	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700
ASACs	120,990	120,990	120,990	120,990	120,990	120,990	120,990
Countywide Services	888,710	888,710	888,710	888,710	888,710	888,710	888,710
Transfers From Special Fds: Non-Tax + ISF	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Recreation Non-Tax Fund	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
<b>TOTAL RESOURCES</b>	<b>50,698,764</b>	<b>51,769,259</b>	<b>54,468,551</b>	<b>55,116,773</b>	<b>55,482,028</b>	<b>55,730,106</b>	<b>56,384,648</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(45,550,526)	(51,436,988)	(51,977,208)	(52,587,838)	(52,989,148)	(53,283,458)	(53,923,668)
Labor Agreement	n/a	0	(834,272)	(834,272)	(834,272)	(834,272)	(834,272)
Annualization and One-time	n/a	0	(419,564)	(419,564)	(419,564)	(419,564)	(419,564)
South County Regional Recreation and Aquatic Center (P721701)	n/a	n/a	(1,098,000)	(1,098,000)	(1,098,000)	(1,098,000)	(1,098,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(45,550,526)</b>	<b>(51,436,988)</b>	<b>(54,329,044)</b>	<b>(54,939,674)</b>	<b>(55,340,984)</b>	<b>(55,635,294)</b>	<b>(56,275,504)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(45,550,526)</b>	<b>(51,436,988)</b>	<b>(54,329,044)</b>	<b>(54,939,674)</b>	<b>(55,340,984)</b>	<b>(55,635,294)</b>	<b>(56,275,504)</b>
<b>YEAR END FUND BALANCE</b>	<b>5,148,238</b>	<b>332,271</b>	<b>139,507</b>	<b>177,099</b>	<b>141,044</b>	<b>94,812</b>	<b>109,144</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>10.2%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Assumptions:</b> 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 FY23 and FY28. 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 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. 4. Previously, transfers from the Recreation Activities Agency Fund to the Recreation Fund were reflected as Recreation Fund revenues. The transfer from the Recreation Activities Fund is displayed as a transfer to the Recreation Fund. Revenues in the Recreation Fund have been reduced accordingly.							



FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Economic Development Fund				
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	7,829,908	0	0	0	0	0	0
<b>REVENUES</b>							
Miscellaneous	186,320	430,000	430,000	430,000	430,000	430,000	430,000
<b>Subtotal Revenues</b>	186,320	430,000	430,000	430,000	430,000	430,000	430,000
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	2,223,306	3,566,325	3,657,673	3,750,463	3,845,453	3,939,003	4,029,653
Transfers From The General Fund	2,223,306	3,566,325	3,657,673	3,750,463	3,845,453	3,939,003	4,029,653
General Fund	2,223,306	3,566,325	3,657,673	3,750,463	3,845,453	3,939,003	4,029,653
<b>TOTAL RESOURCES</b>	10,239,534	3,996,325	4,087,673	4,180,463	4,275,453	4,369,003	4,459,653
<b>CIP CURRENT REVENUE APPROP.</b>	(5,500,000)	0	0	0	0	0	0
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(4,739,534)	(3,996,325)	(4,082,855)	(4,175,645)	(4,270,635)	(4,364,185)	(4,454,835)
Labor Agreement	n/a	0	(4,818)	(4,818)	(4,818)	(4,818)	(4,818)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(4,739,534)	(3,996,325)	(4,087,673)	(4,180,463)	(4,275,453)	(4,369,003)	(4,459,653)
<b>TOTAL USE OF RESOURCES</b>	(10,239,534)	(3,996,325)	(4,087,673)	(4,180,463)	(4,275,453)	(4,369,003)	(4,459,653)
<b>YEAR END FUND BALANCE</b>	0	0	0	0	0	0	0
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Assumptions:</b> 1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. The transfer from the General Fund is adjusted to fund program costs, net of offsetting loan repayments, intergovernmental funding, and investment income.							

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# Montgomery College

MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY23-28							
	FY22 Estimate	FY23 CE Rec.	FY24 Proj.	FY25 Proj.	FY26 Proj.	FY27 Proj.	FY28 Proj.
<b>Beginning Fund Balance</b>	<b>31,097,435</b>	<b>34,097,435</b>	<b>28,513,112</b>	<b>26,794,823</b>	<b>31,565,367</b>	<b>34,685,396</b>	<b>39,203,253</b>
<b>Revenues</b>							
General Fund Contribution	145,649,696	152,710,696	152,710,696	152,710,696	152,710,696	152,710,696	152,710,696
Tuition & Related Fees	57,576,849	56,126,488	64,531,213	62,987,281	63,916,202	63,916,202	63,916,202
Other Student Fees	2,429,297	2,280,208	1,698,726	1,658,083	1,682,536	1,682,536	1,682,536
State Aid	42,720,779	55,636,320	56,893,701	58,242,082	59,622,419	60,981,810	62,299,017
Fed, State & Priv. Gifts/Grants	390,943	300,000	306,780	314,051	321,494	328,824	335,927
Investment Income	19,819	250,000	250,875	251,753	252,634	253,518	254,405
Performing Arts Center	-	115,000	115,000	115,000	115,000	115,000	115,000
Other Revenues (asset sales, lib. fines, rentals)	728,114	1,256,949	1,264,904	1,294,882	1,325,571	1,355,794	1,385,079
Adjustments - Non Mandatory Transfer	(1,558,000)	(250,000)	-	-	-	-	-
<b>Total Revenues</b>	<b>247,957,497</b>	<b>268,425,661</b>	<b>277,771,895</b>	<b>277,573,828</b>	<b>279,946,552</b>	<b>281,344,380</b>	<b>282,698,862</b>
CIP CR	12,901,000	16,434,000	17,034,000	15,084,000	15,084,000	15,084,000	15,084,000
<b>Subtotal Revenues and Transfers</b>	<b>260,858,497</b>	<b>284,859,661</b>	<b>294,805,895</b>	<b>292,657,828</b>	<b>295,030,552</b>	<b>296,428,380</b>	<b>297,782,862</b>
<b>Total Resources Available</b>	<b>291,955,932</b>	<b>318,957,096</b>	<b>323,319,007</b>	<b>319,452,651</b>	<b>326,595,919</b>	<b>331,113,776</b>	<b>336,986,115</b>
County Share	59.5%	55.7%	54.6%	56.0%	55.2%	55.2%	55.2%
State Aid Share	17.4%	20.3%	20.4%	21.3%	21.5%	22.0%	22.5%
Tuition, Fees, Other Share	23.1%	24.0%	25.0%	22.7%	23.3%	22.8%	22.3%
<b>Total Expenditures</b>	<b>(244,957,497)</b>	<b>(274,009,984)</b>	<b>(279,490,184)</b>	<b>(272,803,285)</b>	<b>(276,826,523)</b>	<b>(276,826,523)</b>	<b>(276,826,523)</b>
CIP CR	(12,901,000)	(16,434,000)	(17,034,000)	(15,084,000)	(15,084,000)	(15,084,000)	(15,084,000)
<b>End of year Fund Balance</b>	<b>29,784,450</b>	<b>21,022,492</b>	<b>22,187,594</b>	<b>27,015,628</b>	<b>29,921,359</b>	<b>34,303,681</b>	<b>39,999,850</b>
Reserve	4,312,985	7,490,620	4,607,229	4,549,739	4,764,037	4,899,572	5,075,743
<b>Total End of Year Proj. Fund Bal (Includes Reserve)</b>	<b>34,097,435</b>	<b>28,513,112</b>	<b>26,794,823</b>	<b>31,565,367</b>	<b>34,685,396</b>	<b>39,203,253</b>	<b>45,075,593</b>
Reserve Balance as % of Resources less Contribution	3.2%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Assumptions:</b>							
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 FY23 level.							
3. Tuition and related fees revenue 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

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Administration Fund					
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0174	0.0188	0.0188	0.0186	0.0186	0.0186	0.0184
Assessable Base: Real Property (000)	176,410,000	180,620,300	185,023,700	190,542,300	195,677,400	200,642,200	205,804,400
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0435	0.0470	0.0470	0.0465	0.0465	0.0465	0.0460
Assessable Base: Personal Property (000)	4,097,300	4,251,800	4,412,100	4,578,400	4,751,000	4,930,100	5,116,000
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>3,551,206</b>	<b>1,783,208</b>	<b>1,156,497</b>	<b>1,272,502</b>	<b>1,282,528</b>	<b>1,337,959</b>	<b>1,383,738</b>
<b>REVENUES</b>							
Taxes	32,289,038	35,746,227	36,644,252	37,351,857	38,381,312	39,382,298	39,988,279
Charges For Services	204,700	204,700	209,326	214,287	219,366	224,368	229,214
Intergovernmental	415,600	428,100	437,775	448,150	458,771	469,231	479,366
Miscellaneous	100,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Subtotal Revenues</b>	<b>33,009,338</b>	<b>36,389,027</b>	<b>37,301,353</b>	<b>38,024,294</b>	<b>39,069,449</b>	<b>40,085,897</b>	<b>40,706,859</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(725,000)</b>	<b>(750,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
To M-NCPPC Park Fund	(225,000)	(250,000)	0	0	0	0	0
To Special Revenue Fund	(500,000)	(500,000)	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>35,835,544</b>	<b>37,422,235</b>	<b>38,457,850</b>	<b>39,296,796</b>	<b>40,351,977</b>	<b>41,423,856</b>	<b>42,090,597</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(34,052,336)	(36,265,738)	(37,185,348)	(38,014,268)	(39,014,018)	(40,040,118)	(40,788,718)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(34,052,336)</b>	<b>(36,265,738)</b>	<b>(37,185,348)</b>	<b>(38,014,268)</b>	<b>(39,014,018)</b>	<b>(40,040,118)</b>	<b>(40,788,718)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(34,052,336)</b>	<b>(36,265,738)</b>	<b>(37,185,348)</b>	<b>(38,014,268)</b>	<b>(39,014,018)</b>	<b>(40,040,118)</b>	<b>(40,788,718)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,783,208</b>	<b>1,156,497</b>	<b>1,272,502</b>	<b>1,282,528</b>	<b>1,337,959</b>	<b>1,383,738</b>	<b>1,301,879</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>5.0%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.1%</b>
<b>Assumptions:</b> 1. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 2. Tax rates are adjusted to maintain a fund balance of approximately three percent. 3. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				M-NCPPC Park Fund			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Property Tax Rate: Real Property	0.0556	0.0608	0.0618	0.0610	0.0608	0.0604	0.0602
Assessable Base: Real Property (000)	176,410,000	180,620,300	185,023,700	190,542,300	195,677,400	200,642,200	205,804,400
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.1390	0.1520	0.1545	0.1525	0.1520	0.1510	0.1505
Assessable Base: Personal Property (000)	4,097,300	4,251,800	4,412,100	4,578,400	4,751,000	4,930,100	5,116,000
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>11,370,502</b>	<b>5,498,873</b>	<b>4,103,770</b>	<b>4,716,309</b>	<b>4,708,337</b>	<b>4,940,479</b>	<b>4,915,703</b>
<b>REVENUES</b>							
Taxes	103,176,465	115,604,819	120,458,232	122,498,023	125,461,494	127,886,601	130,831,214
Charges For Services	3,240,547	3,163,663	3,235,162	3,311,835	3,390,325	3,467,624	3,542,525
Intergovernmental	3,665,414	3,897,355	3,985,435	4,079,890	4,176,583	4,271,809	4,364,080
Miscellaneous	200,000	70,500	55,500	55,500	55,500	55,500	55,500
<b>Subtotal Revenues</b>	<b>110,282,426</b>	<b>122,736,337</b>	<b>127,734,329</b>	<b>129,945,248</b>	<b>133,083,902</b>	<b>135,681,534</b>	<b>138,793,319</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers From The General Fund	100,000	100,000	0	0	0	0	0
From Wi-Fi in Parks	100,000	100,000	0	0	0	0	0
Transfers From Special Fds: Tax Supported	225,000	250,000	0	0	0	0	0
M-NCPPC Administration Fund	225,000	250,000	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>121,977,928</b>	<b>128,585,210</b>	<b>131,838,099</b>	<b>134,661,557</b>	<b>137,792,239</b>	<b>140,622,013</b>	<b>143,709,022</b>
<b>CIP CURRENT REVENUE APPROP.</b>							
PSP OPER. BUDGET APPROP/ EXP'S.	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Operating Budget	(109,698,997)	(116,829,432)	(119,469,782)	(122,301,212)	(125,199,752)	(128,054,302)	(130,820,272)
Debt Service: Other	(6,330,058)	(7,202,008)	(7,202,008)	(7,202,008)	(7,202,008)	(7,202,008)	(7,202,008)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(116,029,055)</b>	<b>(124,031,440)</b>	<b>(126,671,790)</b>	<b>(129,503,220)</b>	<b>(132,401,760)</b>	<b>(135,256,310)</b>	<b>(138,022,280)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(116,479,055)</b>	<b>(124,481,440)</b>	<b>(127,121,790)</b>	<b>(129,953,220)</b>	<b>(132,851,760)</b>	<b>(135,706,310)</b>	<b>(138,472,280)</b>
<b>YEAR END FUND BALANCE</b>	<b>5,498,873</b>	<b>4,103,770</b>	<b>4,716,309</b>	<b>4,708,337</b>	<b>4,940,479</b>	<b>4,915,703</b>	<b>5,236,742</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>4.5%</b>	<b>3.2%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>3.6%</b>
<b>Assumptions</b> 1. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 2. Tax rates are adjusted to maintain a fund balance of approximately three to four percent. 3. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.							





# Debt Service

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT							
	Actual FY20	Actual FY21	Budget FY22	Estimated FY22	Recommended FY23	% Chg App/App	App % GO Bonds
<b>GO BOND DEBT SERVICE EXPENDITURES</b>							
General County	71,597,357	72,406,533	72,736,570	73,207,078	73,669,270		18.8%
Roads & Storm Drains	78,635,686	77,448,929	81,511,740	80,307,371	81,692,170		20.8%
Public Housing	60,110	49,823	52,060	52,050	50,060		0.0%
Parks	9,634,126	9,304,075	9,611,110	9,432,154	9,610,150		2.5%
Public Schools	153,776,579	150,934,211	153,878,840	152,882,317	157,349,560		40.1%
Montgomery College	27,880,119	27,610,768	27,721,800	27,623,562	28,754,980		7.3%
Bond Anticipation Notes/Commercial Paper	4,593,302	551,912	1,300,000	1,010,000	4,725,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,427,921	3,245,430	3,400,000	2,700,000	2,720,000		
Cost of Issuance	768,559	417,748	1,030,000	1,000,000	1,033,000		
Line(s) of Credit	-	992,500	1,400,000	483,260	-		
<b>Total General Fund</b>	<b>349,373,759</b>	<b>342,961,929</b>	<b>352,642,120</b>	<b>348,697,792</b>	<b>359,604,190</b>	<b>2.0%</b>	<b>89.5%</b>
Fire Tax District Fund	7,866,588	7,732,894	7,513,040	7,466,327	8,253,840		2.1%
Mass Transit Fund	21,710,478	19,187,126	20,997,580	20,193,362	22,146,340		5.6%
Recreation Fund	10,759,993	9,917,452	10,475,490	10,014,090	10,653,890		2.7%
<b>Total Tax Supported Other Funds</b>	<b>40,337,058</b>	<b>36,837,472</b>	<b>38,988,110</b>	<b>37,673,779</b>	<b>41,054,070</b>	<b>5.3%</b>	<b>10.5%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>389,710,817</b>	<b>379,799,401</b>	<b>391,628,230</b>	<b>386,371,571</b>	<b>400,658,260</b>	<b>2.3%</b>	<b>100.0%</b>
<b>TOTAL GO BOND DEBT SERVICE EXPENDITURES</b>	<b>389,710,817</b>	<b>379,799,401</b>	<b>391,628,230</b>	<b>386,371,571</b>	<b>400,658,260</b>	<b>2.3%</b>	<b>100.0%</b>
<b>LONG-TERM LEASE EXPENDITURES</b>							
Revenue Authority - Conference Center	991,834	987,709	991,000	991,000	991,600		
Revenue Authority - Crossvines Project	-	-	250,000	140,000	860,200		
Fire and Rescue Equipment	2,060,843	-	1,500,000	36,000	725,000		
<b>TOTAL LONG-TERM LEASE EXPENDITURES</b>	<b>3,052,677</b>	<b>987,709</b>	<b>2,741,000</b>	<b>1,167,000</b>	<b>2,576,800</b>	<b>-8.0%</b>	
<b>SHORT-TERM LEASE EXPENDITURES / FINANCING</b>							
Technology Modernization Project	3,646,948	3,646,948	3,647,100	3,647,100	3,647,100		
Libraries System Modernization	96,955	96,955	48,500	48,500	-		
Corrections Security System	161,802	-	-	-	-		
Digital Evidence Data Storage	-	153,888	264,000	247,800	247,800		
Ride On Buses	6,885,469	5,244,330	1,738,200	1,738,200	712,400		
Public Safety System Modernization	3,564,498	1,322,580	387,200	17,200	320,200		
Fire Breathing Apparatus	-	1,045,422	-	-	-		
Fuel Management System	829,410	414,706	-	-	-		
Transit System Radios	-	-	365,000	-	375,000		
Police Body Armor	-	-	110,000	-	225,300		
Intelligent Transit System	-	-	980,000	-	960,000		
Fire Defibrillators	-	-	150,000	-	151,300		
Radio Lifecycle Replacement	-	-	-	-	1,047,500		
<b>TOTAL SHORT-TERM LEASE EXPENDITURES</b>	<b>15,185,082</b>	<b>11,924,835</b>	<b>7,690,000</b>	<b>5,698,800</b>	<b>7,686,600</b>	<b>0.0%</b>	
<b>OTHER LONG-TERM DEBT</b>							
Silver Spring Music Venue	290,643	294,055	292,000	74,000	215,700		
Incubators	926,325	931,759	936,720	936,720	4,244,500		
Site II Acquisition	1,238,855	1,238,855	-	-	-		
Rockville Core	-	-	1,508,500	1,508,500	1,508,850		
Energy Performance Leases QECBs	1,075,762	646,218	660,540	647,690	660,820		
Energy Performance Leases Other	1,352,884	1,622,101	1,674,150	1,687,000	1,716,210		
Wheaton Redevelopment	-	-	2,355,550	2,355,550	2,356,300		
MHI-HUD Loan - Non-Tax supported	54,396	52,034	49,650	49,650	47,230		
Water Quality Protection Charge Bonds - Non-Tax supported	6,149,188	8,119,113	8,887,800	8,493,500	9,450,600		
MHI - Property Acquisition Fund - Non-Tax supported	9,623,486	9,621,452	13,318,400	8,495,500	12,188,800		
MHI - Property Acquisition Fund - HOC - Non-Tax supported	-	-	3,400,000	3,071,100	3,073,200		
COPs - Rockville Core	-	374,117	-	-	-		
COPs - Wheaton Redevelopment	-	584,882	-	-	-		
COPs - Fire SCBA and Apparatus	-	1,393,352	4,396,575	4,396,575	4,383,850		
COPs - Fleet Equipment	-	57,178	329,250	329,250	329,100		
COPs - Buses	-	2,904,832	6,033,825	6,033,825	6,022,925		
COPs - Fuel Management	-	94,756	188,800	188,800	187,400		
COPs - PSSM	-	1,237,780	2,504,800	2,504,800	2,496,500		
COPs - Corrections	-	154,733	151,350	151,350	151,350		
<b>TOTAL OTHER LONG-TERM DEBT</b>	<b>20,711,539</b>	<b>29,327,217</b>	<b>46,677,910</b>	<b>40,913,810</b>	<b>49,033,335</b>	<b>5.0%</b>	
<b>DEBT SERVICE EXPENDITURES</b>							
Tax Supported	412,863,045	403,661,681	420,725,740	414,041,431	435,195,165	3.4%	
Non-Tax Supported - Other Long-term Debt	15,827,070	18,377,481	28,011,400	20,109,750	24,759,830		
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>428,690,115</b>	<b>422,039,162</b>	<b>448,737,140</b>	<b>434,151,181</b>	<b>459,954,995</b>	<b>2.5%</b>	
<b>GO BOND DEBT SERVICE FUNDING SOURCES</b>							
General Funds	327,754,879	339,132,535	347,718,444	344,690,857	356,141,680		
BABs Crossover Funds with Escrow Agent	2,589,550	-	-	-	-		
Other Interest: Installment Notes, Interest & Penalties	1,465,500	-	-	-	-		
Federal Subsidy on General Obligation Bonds	3,684,798	1,141,164	-	-	-		
Federal Grants	-	992,500	1,400,000	483,260	-		
Premium on General Obligation Bonds	14,745,679	1,832,030	3,523,678	3,523,678	3,462,510		
<b>Total General Fund Sources</b>	<b>350,240,406</b>	<b>343,098,249</b>	<b>352,642,120</b>	<b>348,697,793</b>	<b>359,604,190</b>		
Fire Tax District Funds	7,868,547	7,648,423	7,513,040	7,466,327	8,253,840		
Mass Transit Fund	21,231,181	19,198,766	20,997,580	20,193,362	22,146,340		
Recreation Fund	10,425,227	9,853,986	10,475,490	10,014,090	10,653,890		
<b>Total Other Funding Sources</b>	<b>39,345,955</b>	<b>36,701,155</b>	<b>38,988,110</b>	<b>37,673,779</b>	<b>41,054,070</b>		
<b>TOTAL GO BOND FUNDING SOURCES</b>	<b>389,586,361</b>	<b>379,799,404</b>	<b>391,628,230</b>	<b>386,371,572</b>	<b>400,658,260</b>		
<b>NON GO BOND FUNDING SOURCES</b>							
General Funds	12,060,682	12,173,568	13,384,930	12,564,259	18,300,527		
MHI Fund - HUD Loan	54,396	52,034	49,650	49,650	47,230		
Water Quality Protection Fund	6,273,845	8,350,885	8,887,800	8,493,500	9,450,600		
MHI - Property Acquisition Fund	9,623,486	9,621,452	16,718,400	11,566,000	15,262,000		
Wheaton Redevelopment contributions	-	295,560	2,143,550	2,143,550	2,146,053		
Motor Pool Fund	-	57,178	518,050	518,050	516,500		
Mass Transit Fund	8,885,469	8,149,162	9,117,025	7,772,025	8,070,325		
Fire Tax District Fund	2,890,283	2,948,235	6,036,575	4,422,575	5,260,150		
Federal Subsidy - QECBs	209,993	51,046	252,930	249,400	243,350		
Capitalized Interest - Energy Performance Leases	45,405	-	-	-	-		
ESCO Pepco and Utility Rebates	610,395	90,638	-	-	-		
Developer Payments - Site II	450,000	-	-	-	-		
<b>TOTAL NON GO BOND FUNDING SOURCES</b>	<b>39,103,754</b>	<b>42,239,758</b>	<b>57,108,910</b>	<b>47,779,609</b>	<b>59,296,735</b>		
<b>TOTAL FUNDING SOURCES</b>	<b>428,690,115</b>	<b>422,039,162</b>	<b>448,737,140</b>	<b>434,151,181</b>	<b>459,954,995</b>		
<b>TOTAL GENERAL OBLIGATION BOND SALES</b>							
Actual and Estimated Bond Sales	320,000,000	320,000,000	310,000,000	310,000,000	300,000,000		
Council SAG Approved Bond Funded Expenditures	320,000,000	320,000,000	310,000,000	310,000,000	300,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended FY23	Projected FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28
<b>GO BOND DEBT SERVICE EXPENDITURES</b>						
General County	73,669,270	77,615,240	79,246,360	79,804,650	82,804,290	89,649,780
Roads & Storm Drains	81,692,170	83,673,900	85,381,650	88,705,630	92,411,210	98,302,460
Public Housing	50,060	46,650	18,080	33,540	22,890	51,980
Parks	9,610,150	10,444,560	10,626,920	11,131,460	12,177,700	12,546,210
Public Schools	157,349,500	154,390,490	161,415,230	163,340,490	160,703,000	149,722,730
Montgomery College	28,754,980	29,800,220	30,825,400	30,890,290	31,281,270	34,145,130
Bond Anticipation Notes/Commercial Paper	4,725,000	5,565,000	6,370,000	6,825,000	7,175,000	7,315,000
Bond Anticipation Notes/Liquidity & Remarketing	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000
Cost of Issuance	1,033,000	1,056,000	1,085,000	1,111,000	1,136,000	1,162,000
<b>Total General Fund</b>	<b>359,604,190</b>	<b>365,315,060</b>	<b>377,688,640</b>	<b>384,568,230</b>	<b>390,431,420</b>	<b>393,615,290</b>
Fire Tax District Fund	8,253,840	9,531,360	9,874,110	11,268,310	11,947,060	11,741,750
Mass Transit Fund	22,146,340	23,122,390	24,152,170	23,891,050	23,320,090	23,788,040
Recreation Fund	10,653,890	11,546,130	12,748,660	14,350,130	15,091,360	14,997,550
<b>Total Tax Supported Other Funds</b>	<b>41,054,070</b>	<b>44,199,880</b>	<b>46,774,940</b>	<b>49,529,490</b>	<b>50,358,510</b>	<b>50,527,340</b>
<b>TOTAL TAX SUPPORTED</b>	<b>400,658,260</b>	<b>409,514,940</b>	<b>424,463,580</b>	<b>434,097,720</b>	<b>440,789,930</b>	<b>444,142,630</b>
<b>TOTAL GO BOND DEBT SERVICE EXPENDITURES</b>						
<b>LONG-TERM LEASE EXPENDITURES</b>						
Revenue Authority - Conference Center	991,600	-	-	-	-	-
Fire and Rescue Equipment	725,000	1,654,000	2,235,000	2,723,000	3,186,000	3,637,000
Revenue Authority - Crossvines Project	860,200	860,200	859,200	862,000	858,800	859,400
<b>TOTAL LONG-TERM LEASE EXPENDITURES</b>	<b>2,576,800</b>	<b>2,514,200</b>	<b>3,094,200</b>	<b>3,585,000</b>	<b>4,044,800</b>	<b>4,496,400</b>
<b>SHORT-TERM LEASE EXPENDITURES / FINANCING</b>						
Technology Modernization Project	3,647,100	1,823,500	-	-	-	-
Digital Evidence Data Storage	247,800	247,800	247,800	93,800	-	-
Ride On Buses	712,400	712,400	898,400	1,207,400	1,517,400	1,934,000
Intelligent Transit System	960,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000
Public Safety System Modernization	320,200	1,364,400	1,364,400	1,364,400	1,364,400	1,364,400
Transit System Radios	375,000	750,000	750,000	750,000	750,000	375,000
Fire Defibrillators	151,300	269,300	373,200	373,200	373,200	221,900
Police Body Armor	225,300	225,300	225,300	225,300	225,300	-
Radio Lifecycle Replacement	1,047,500	3,258,000	5,745,600	7,362,600	8,173,200	7,720,300
<b>TOTAL SHORT-TERM LEASE EXPENDITURES</b>	<b>7,666,600</b>	<b>10,570,700</b>	<b>11,524,700</b>	<b>13,296,700</b>	<b>14,323,500</b>	<b>13,535,600</b>
<b>OTHER LONG-TERM DEBT</b>						
Silver Spring Music Venue	215,700	214,900	293,200	293,210	292,700	293,300
Incubators	4,244,500	-	-	-	-	-
Rockville Core	1,508,850	1,508,400	1,507,900	1,505,400	1,505,750	1,508,750
Energy Performance Leases QECBs	660,820	823,700	823,700	823,700	823,700	823,700
Energy Performance Leases Other	1,716,210	1,624,910	1,654,140	1,689,430	1,703,470	1,749,600
Wheaton Redevelopment	2,358,300	2,358,100	2,354,800	2,358,300	2,358,300	2,358,300
MHI-HUD Loan - Non-Tax supported	47,230	54,510	-	-	-	-
Water Quality Protection Charge Bonds - Non-Tax supported	9,450,600	10,298,150	12,305,150	15,665,850	17,469,100	17,617,175
MHI - Property Acquisition Fund - Non-Tax supported	12,188,800	14,835,600	14,728,520	19,051,790	19,052,299	22,352,600
MHI - Property Acquisition Fund - HOC - Non-Tax supported	3,073,200	3,071,000	3,069,500	3,072,100	3,070,300	3,068,800
COPs - Fire SCBA and Apparatus	4,383,850	4,389,750	4,388,650	2,401,500	2,399,600	2,398,050
COPs - Fleet Equipment	329,100	328,450	327,300	325,650	328,375	325,475
COPs - Buses	6,022,925	5,317,500	4,640,300	3,343,825	3,092,000	2,859,750
COPs - Fuel Management	187,400	185,800	189,000	-	-	-
COPs - PSSM	2,496,500	-	-	-	-	-
COPs - Corrections	151,350	151,150	155,750	73,500	-	-
<b>TOTAL OTHER LONG-TERM DEBT</b>	<b>49,033,335</b>	<b>45,159,920</b>	<b>46,437,910</b>	<b>50,604,255</b>	<b>52,095,594</b>	<b>55,353,500</b>
<b>DEBT SERVICE EXPENDITURES</b>						
Tax Supported	435,195,165	439,502,500	455,417,220	463,793,935	471,662,125	474,489,555
Non-Tax Supported - Other Long-term Debt	24,759,830	28,257,260	30,103,170	37,789,740	39,591,899	43,038,575
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>459,954,995</b>	<b>467,759,760</b>	<b>485,520,390</b>	<b>501,583,676</b>	<b>511,253,824</b>	<b>517,528,130</b>
<b>GO BOND DEBT SERVICE FUNDING SOURCES</b>						
General Funds	356,141,680	363,602,875	377,688,640	384,568,230	390,431,420	393,615,290
Federal Grants	-	-	-	-	-	-
Premium on General Obligation Bonds	3,462,510	1,712,185	-	-	-	-
<b>Total General Fund Sources</b>	<b>359,604,190</b>	<b>365,315,060</b>	<b>377,688,640</b>	<b>384,568,230</b>	<b>390,431,420</b>	<b>393,615,290</b>
Fire Tax District Fund	8,253,840	9,531,360	9,874,110	11,268,310	11,947,060	11,741,750
Mass Transit Fund	22,146,340	23,122,390	24,152,170	23,891,050	23,320,090	23,788,040
Recreation Fund	10,653,890	11,546,130	12,748,660	14,350,130	15,091,360	14,997,550
<b>Total Other Funding Sources</b>	<b>41,054,070</b>	<b>44,199,880</b>	<b>46,774,940</b>	<b>49,529,490</b>	<b>50,358,510</b>	<b>50,527,340</b>
<b>TOTAL GO BOND FUNDING SOURCES</b>	<b>400,658,260</b>	<b>409,514,940</b>	<b>424,463,580</b>	<b>434,097,720</b>	<b>440,789,930</b>	<b>444,142,630</b>
<b>NON GO BOND FUNDING SOURCES</b>						
General Funds	18,300,627	12,081,230	12,578,602	13,747,458	14,251,647	13,528,297
MHI Fund - HUD Loan	47,230	54,510	0	-	-	-
Water Quality Protection Fund	9,450,600	10,298,150	12,305,150	15,665,850	17,469,100	17,617,175
MHI - Property Acquisition Fund	15,262,000	17,908,600	17,798,020	22,123,890	22,122,599	25,421,400
Wheaton Redevelopment Contributions	2,146,053	2,145,871	2,142,868	2,146,053	2,146,053	2,144,233
Motor Pool Fund	516,500	514,250	516,300	325,650	328,375	325,475
Mass Transit Fund	8,070,325	8,699,900	8,208,700	7,221,225	7,279,400	7,088,750
Fire Tax District Fund	5,280,150	6,313,050	6,996,850	5,497,700	5,958,800	6,256,950
Federal Subsidy - QECBs	243,350	233,260	222,320	210,030	203,220	203,220
Revenue Authority - Crossvines Project	-	-	288,000	548,100	704,800	800,000
<b>TOTAL NON GO BOND FUNDING SOURCES</b>	<b>59,298,735</b>	<b>58,244,820</b>	<b>61,056,810</b>	<b>67,485,956</b>	<b>70,463,894</b>	<b>73,385,500</b>
<b>TOTAL FUNDING SOURCES</b>	<b>459,954,995</b>	<b>467,759,760</b>	<b>485,520,390</b>	<b>501,583,676</b>	<b>511,253,824</b>	<b>517,528,130</b>
<b>TOTAL GENERAL OBLIGATION BOND SALES</b>						
Estimated Bond Sales	300,000,000	290,000,000	290,000,000	290,000,000	290,000,000	290,000,000
Council SAG Approved Bond Funded Expenditures	300,000,000	290,000,000	280,000,000	270,000,000	270,000,000	270,000,000
<b>ESTIMATED INTEREST RATE</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>





# Non-Tax Supported: Six Year Fiscal Plans

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## Montgomery County Government

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- 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
- Recreation Non-Tax Supported
- Inmate Advisory Council Fund

## Maryland-National Capital Park and Planning Commission

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- Enterprise Fund

## Washington Suburban Sanitary Commission

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- Water and Sewer Operating Funds

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# Montgomery County Government

## FY23 CE RECOMMENDED CABLE COMMUNICATIONS PLAN (in \$000's)

		ACT	APP	EST	CE REC	Proj.	Proj.	Proj.	Proj.	Proj.
		FY21	FY22	FY22	FY23	FY24	FY25	FY26	FY27	FY28
1	BEGINNING FUND BALANCE	1,844	2,711	1,456	11	164	(81)	(812)	(1,354)	(2,085)
2	REVENUES									
3	Franchise Fees	14,667	13,768	14,783	14,358	13,913	13,534	13,305	13,180	13,073
4	PEG Operating Grant	3,377	3,444	3,471	3,312	3,117	2,921	2,780	2,669	2,540
5	PEG Capital Grant	5,393	5,254	5,399	5,303	5,231	5,199	5,203	5,239	5,304
6	Interest Earned	15	153	13	77	100	104	104	112	117
7	TFCG Application Review Fees	143	250	225	250	250	250	250	250	250
8	Miscellaneous	75	-	0	1,000	1,000	1,000	-	-	-
9	TOTAL ANNUAL REVENUES	23,670	22,869	23,891	24,300	23,611	23,009	21,643	21,450	21,284
10	TOTAL RESOURCES-CABLE FUND	25,514	25,580	25,347	24,312	23,775	22,928	20,831	20,096	19,198
11	MUNICIPAL SUPPORT									
12	Municipal Franchise Fee Distribution									
13	City of Rockville	656	739	661	642	622	605	595	590	656
14	City of Takoma Park	208	227	210	204	197	192	189	187	208
15	Other Municipalities	243	250	245	238	231	224	221	219	243
16	SUBTOTAL	1,108	1,216	1,116	1,084	1,051	1,022	1,005	995	1,108
17	Municipal Capital Support									
18	Rockville Equipment	788	847	771	740	747	743	743	748	788
19	Takoma Park Equipment	184	198	180	177	174	173	173	175	184
20	Municipal League Equipment	183	198	180	177	174	173	173	175	183
21	MUNICIPAL PEG/INET CAPITAL SUBTOTAL	1,155	1,243	1,131	1,093	1,096	1,089	1,090	1,098	1,155
22	Municipal Operating Support									
23	Rockville PEG Support	224	250	222	212	199	187	178	171	224
24	Takoma Park PEG Support	395	428	386	368	346	325	309	297	395
25	Muni. League PEG Support	395	428	386	868	846	825	309	297	395
26	SUBTOTAL	1,015	1,105	993	1,448	1,392	1,336	795	764	1,015
27	MUNICIPAL SUPPORT SUBTOTAL	3,278	3,564	3,241	3,625	3,538	3,447	2,890	2,857	3,278
28	OBP OPERATING									
29	Operating	26	-	0	0					
30	SUBTOTAL	26	-	0	0					
31	OBP FIBERNET OPERATING									
32	FiberNet - OBP Personnel Charges	866	1,385	831	1,385	1,385	1,385	1,385	1,385	1,385
33	FiberNet - OBP Engineering & Operations	1,886	1,391	2,110	0	-	-	-	-	-
34	FiberNet - OBP Network Operations Center	1,263	910	1,064	0	-	-	-	-	-
35	FiberNet - DOT Personnel Charges	98	95	95	95	95	95	95	95	95
36	FiberNet - DOT Operations & Maintenance	854	488	488	488	488	488	488	488	488
37	FiberNet - DOT Miss Utility	238	291	291	291	291	291	291	291	291
38	SUBTOTAL	5,206	4,560	4,879	2,258	2,258	2,258	2,258	2,258	2,258
39	OBP COMMUNITY TECHNOLOGY									
40	TFCG Application Review	364	230	230	230	250	250	250	250	250
41	Personnel Costs - OBP Community Technology	919	662	771	662	662	662	662	662	662
42	Personnel Costs - Charges for County Atty	113	111	111	111	111	111	111	111	111
43	Operating	247	144	144	144	144	144	144	144	144
44	Legal and Professional Services	776	475	350	475	475	475	475	475	475
45	SUBTOTAL	2,419	1,622	1,607	1,622	1,642	1,642	1,642	1,642	1,642

46	<b>OBP DIGITAL EQUITY</b>									
47	Personnel Costs	177	-	0	211	211	211	211	211	211
48	Digital Equity Programs				375	375	375	375	375	375
49	Youth and Arts Community Media	31	100	100	100	100	100	100	100	100
50	<b>SUBTOTAL</b>	<b>208</b>	<b>100</b>	<b>100</b>	<b>686</b>	<b>686</b>	<b>686</b>	<b>686</b>	<b>686</b>	<b>686</b>
51	<b>OBP COMMUNITY ENGAGEMENT</b>									
52	Personnel Costs	655	746	663	746	746	746	746	746	746
53	Operating Expenses	152	99	99	145	145	145	145	145	145
54	Contracts - TV Production	100	87	87	87	87	87	87	87	87
55	Community Engagement Productions	64	91	91	91	91	91	91	91	91
56	Closed Captioning	283	163	163	163	163	163	163	163	163
57	<b>SUBTOTAL</b>	<b>1,254</b>	<b>1,186</b>	<b>1,103</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>
58	<b>MEDIA - PIO, COUNCIL, M-NCPPC</b>									
59	<b>Public Information Office</b>									
60	Personnel Costs	629	799	799	541	541	541	541	541	541
61	Operating Expenses	4	11	11	11	11	11	11	11	11
62	<b>SUBTOTAL</b>	<b>632</b>	<b>810</b>	<b>810</b>	<b>552</b>	<b>552</b>	<b>552</b>	<b>552</b>	<b>552</b>	<b>552</b>
63	<b>County Council</b>									
64	Personnel Costs	666	669	669	669	669	669	669	669	669
65	Operating Expenses	10	11	11	11	11	11	11	11	11
66	Contracts - TV Production	385	253	253	253	253	253	253	253	253
67	<b>SUBTOTAL</b>	<b>1,062</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>	<b>932</b>
68	<b>Park &amp; Planning</b>									
69	Operating Expenses	24	24	24	24	24	24	24	24	24
70	Contracts - TV Production	76	99	99	99	99	99	99	99	99
71	<b>SUBTOTAL</b>	<b>100</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>
72	<b>SUBTOTAL</b>	<b>1,794</b>	<b>1,865</b>	<b>1,865</b>	<b>1,607</b>	<b>1,607</b>	<b>1,607</b>	<b>1,607</b>	<b>1,607</b>	<b>1,607</b>

	ACT	APP	EST	CE REC	Proj.	Proj.	Proj.	Proj.	Proj.
	FY21	FY22	FY22	FY23	FY24	FY25	FY26	FY27	FY28
73 MEDIA - CONNECT MONTGOMERY ALLIANCE									
74 PEG Equipment	914	759	759	794	794	794	794	794	794
75 Operating & Marketing Expenses	178	185	185	260	260	260	260	260	260
76 SUBTOTAL	1,091	943	943	1,053	1,053	1,053	1,053	1,053	1,053
77 MEDIA - MONTGOMERY COMMUNITY MEDIA									
78 Personnel Costs	2,260	2,392	2,394	2,537	2,537	2,537	2,537	2,537	2,537
79 Operating Expenses	180	54	52	54	54	54	54	54	54
80 Rent & Utilities	389	383	383	383	383	383	383	383	383
81 SUBTOTAL	2,829	2,829	2,829	2,974	2,974	2,974	2,974	2,974	2,974
82 ADJUSTMENTS									
83 Compensation Adjustment				168	-	-	-	-	-
84 MCG Multi-Program Adjustments	472	-		0	-	-	-	-	-
85 SUBTOTAL	472	-	0	168	-	-	-	-	-
86 GENERAL FUND TRANSFERS									
87 MEDIA - MONTGOMERY COLLEGE									
88 Personnel Costs	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588
89 Operating Expenses	209	209	209	209	209	209	209	209	209
90 SUBTOTAL	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797	1,797
91 MEDIA - MONTGOMERY CO PUBLIC SCHOOLS									
92 Personnel Costs	1,648	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694
93 Operating Expenses	121	76	76	76	76	76	76	76	76
94 SUBTOTAL	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770
95 ADDITIONAL TRANSFERS									
96 Indirect Costs Transfer to Gen Fund	843	831	831	856	856	856	856	856	856
97 Transfer to the General Fund	0		0		-	-	-	-	-
98 Transfer to the Gen Fund-M-NCPPC	0	100	100	100	100	100	100	100	100
99 SUBTOTAL	843	931	931	956	956	956	956	956	956
100 CAPITAL IMPROVEMENT PROJECTS									
101 FiberNet - CIP	3,081	3,592	3,592	3,718	3,661	3,636	2,639	2,668	2,675
102 ultraMontgomery - CIP	680	680	680	680	680	680	680	680	680
103 EXPENDITURE SUMMARY									
104 DIRECT BUDGET EXPENDITURES	16,193	16,670	16,566	15,227	14,992	14,901	14,344	14,310	14,731
105 GENERAL FUND TRANSFERS	4,410	4,497	4,497	4,522	4,522	4,522	4,522	4,522	4,522
106 CIP TRANSFERS	3,761	4,272	4,272	4,398	4,341	4,316	3,319	3,348	3,355
107 TOTAL EXPENDITURES	24,363	25,439	25,336	24,148	23,856	23,740	22,186	22,181	22,609
108 BALANCE RESOURCES MINUS EXPENDITURES	1,151	141	11	164	(81)	(812)	(1,354)	(2,085)	(3,411)
109 ADJUSTMENTS									
110 Prior Year Adjustments	(305)	-	0		-	-	-	-	-
111 Encumbrance Adjustment	0	-			-	-	-	-	-
112 TOTAL ADJUSTMENTS	(305)	-	0	0	-	-	-	-	-
113 FUND BALANCE	1,456	141	11	164	(81)	(812)	(1,354)	(2,085)	(3,411)
114 FUND BALANCE PER POLICY GUIDANCE	1,186	1,134	1,202	1,175	1,141	1,111	1,093	1,083	1,075
115 Cable Fund Direct Expenditures	16,193	16,670	16,566	15,227	14,992	14,901	14,344	14,310	14,731
116 Cable Fund Personnel	4,025	4,466	3,938	4,587	4,419	4,419	4,419	4,419	4,419
117 Cable Fund Operating	12,168	12,204	12,629	10,640	10,573	10,482	9,925	9,892	10,313
118 Cable Fund Restricted Capital Expenditures	5,830	6,274	6,162	6,285	6,231	6,199	5,203	5,239	5,304
119 Cable Fund Media Production Expenditures	10,636	10,737	10,542	11,088	11,032	10,976	10,435	10,404	10,654
120 Annual Impact - Revenue Minus Expenditures	(693)	(2,570)	(1,445)	153	(245)	(731)	(543)	(731)	(1,325)

**Notes:**

- These revenues and expenditures are based on the Executive's recommended 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.
- Franchise fees and PEG revenues are subject to municipal pass-through payment. Municipal payments are estimates. Actual payments will be calculated based upon actual revenue received, subscriber numbers and formulas specified within the Municipal MOUs.
- Restricted revenue and expenditures: Certain Cable Fund revenues other than 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..
- Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
- Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
- These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions.

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Montgomery Housing Initiative				
FISCAL PROJECTIONS	FY22 APPROVED	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>								
Indirect Cost Rate	19.18%	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	1.6%	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.1%	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	20,635,425	47,597,551	12,747,400	3,276,600	823,600	582,700	334,500	394,600
<b>REVENUES</b>								
Taxes	14,853,187	19,925,844	19,610,377	20,248,308	21,011,408	21,780,993	22,589,703	23,409,166
Charges For Services	70,200	70,200	70,200	71,787	73,488	75,230	76,945	78,607
Miscellaneous	15,323,239	15,101,859	13,405,516	12,980,236	13,097,956	13,276,756	13,462,356	13,655,026
<b>Subtotal Revenues</b>	30,246,626	35,097,903	33,086,093	33,300,331	34,182,852	35,132,979	36,129,004	37,142,799
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	11,568,462	16,720,262	14,462,879	11,798,765	11,886,476	7,538,823	7,517,848	4,196,479
Transfers To Debt Service Fund	(16,718,400)	(11,566,600)	(15,262,000)	(17,906,600)	(17,798,020)	(22,123,890)	(22,122,599)	(25,421,400)
MHI HOC Housing Opportunity Fund	(3,400,000)	(3,071,100)	(3,073,200)	(3,071,000)	(3,069,500)	(3,072,100)	(3,070,300)	(3,068,800)
MHI Property Acquisition	(13,318,400)	(8,495,500)	(12,188,800)	(14,835,600)	(14,728,520)	(19,051,790)	(19,052,299)	(22,352,600)
Transfers To The General Fund	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Indirect Costs	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Transfers From The General Fund	28,740,829	28,740,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
General Fund	25,340,829	25,340,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
Designated Reserve for Affordable Housing	3,400,000	3,400,000	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	62,450,513	99,415,716	60,296,372	48,375,696	46,892,928	43,254,501	43,981,352	41,733,878
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
Operating Budget	(43,072,867)	(30,397,146)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)	n/a	n/a	0	(10,020)	(20,770)	(31,770)	(42,610)	(53,110)
Compensation Adjustment	n/a	n/a	0	(106,342)	(220,077)	(338,782)	(460,123)	(583,110)
Debt Service: Other (Non-Tax Funds only)	(49,650)	(49,650)	(47,230)	(54,510)	0	0	0	0
Annualizations and One-Time	n/a	n/a	0	(101,042)	(101,042)	(101,042)	(101,042)	(101,042)
Rental Assistance Program (RAP)	n/a	(9,770,540)	(19,510,377)	(20,248,308)	(21,011,408)	(21,780,993)	(22,589,703)	(23,409,166)
Affordable Housing Loans	n/a	(4,000,000)	(13,572,750)	(11,096,144)	(9,021,201)	(4,731,684)	(4,457,544)	(1,570,620)
HHS Housing Programs	n/a	n/a	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	n/a	0	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)
Homeownership Assistance Program	n/a	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(43,122,517)	(46,217,336)	(49,066,087)	(47,552,096)	(46,310,228)	(42,920,001)	(43,586,752)	(41,652,778)
<b>OTHER CLAIMS ON FUND BALANCE</b>	(17,997,996)	(40,450,980)	(7,953,685)	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(61,120,513)	(86,668,316)	(57,019,772)	(47,552,096)	(46,310,228)	(42,920,001)	(43,586,752)	(41,652,778)
<b>YEAR END FUND BALANCE</b>	1,330,000	12,747,400	3,276,600	823,600	582,700	334,500	394,600	81,100
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	2.1%	12.8%	5.4%	1.7%	1.2%	0.8%	0.9%	0.2%

**Assumptions:**

1. Approximately \$100 million will be allocated in affordable housing, including expenditures of \$57.0 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$14.89 million of debt, \$7.1 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY23. The funding provides a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing and a variety of services for permanent supportive housing and community development.
2. A supplemental request totaling \$14.75 million in Loan Repayments for the Acquisition and Preservation of Affordable Housing CIP Project #760100 was submitted to the Council in January 2022 for approval. The funding will be used to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors.
3. \$40 million in cash is dedicated to a new CIP project, Preservation of Naturally Occurring Affordable Housing Fund, P762201, to preserve those NOAH properties in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors.
4. The six-year CIP includes \$25 million in Recordation Tax Premium for the Affordable Housing Acquisition and Preservation (760100) for additional housing acquisition and/or preservation activities in FY24 through FY26.
5. 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% 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:**

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates.
2. The Executive recommends an additional \$4.8 million to be transferred from the General Fund to the MHI fund, compared to \$25.3 million approved for FY22. A combination totaling \$30.2 million transferred from the General Fund, the additional \$1.5 million collected from land sale proceeds, and the projected \$2.5 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal.
3. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.



FY22-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Water Quality Protection Fund							
FISCAL PROJECTIONS	FY22 Estimate	FY23 CE Rec	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Investment Income Yield	0.20%	1.15%	1.45%	1.45%	1.45%	1.45%	1.45%
Number of Equivalent Residential Units (ERUs) Billed	367,400	368,000	368,000	368,000	368,000	368,000	368,000
Water Quality Protection Charge (\$/ERU)	\$113.50	\$119.50	\$123.00	\$129.50	\$141.00	\$147.00	\$148.00
Target Debt Service Coverage Ratio	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%
<b>BEGINNING FUND BALANCE</b>	16,763,728	6,319,238	6,384,683	6,237,039	6,581,554	7,578,360	8,967,275
<b>REVENUES</b>							
Charges For Services	41,137,400	43,414,720	44,696,280	47,076,320	51,287,160	53,484,120	53,796,880
Bag Tax Receipts	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous	462,979	547,500	547,500	547,500	547,500	547,500	547,500
<b>Subtotal Revenues</b>	44,100,379	46,462,220	47,743,780	50,123,820	54,334,660	56,531,620	56,844,180
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	(11,312,530)	(12,287,840)	(13,133,110)	(15,140,990)	(18,502,540)	(20,306,390)	(20,441,265)
Transfers To General Fund	(1,876,810)	(1,893,920)	(1,893,920)	(1,893,920)	(1,893,920)	(1,893,920)	(1,881,770)
Transfers to Debt Service Fund (Non-Tax)	(9,435,720)	(10,393,920)	(11,239,190)	(13,247,070)	(16,608,620)	(18,412,470)	(18,559,495)
<b>TOTAL RESOURCES</b>	49,551,576	40,493,618	40,995,353	41,219,869	42,413,674	43,803,590	45,370,190
<b>CIP CURRENT REVENUE APPROPRIATION</b>	(4,917,000)	(3,138,000)	(3,447,000)	(3,327,000)	(3,524,000)	(3,525,000)	(3,708,000)
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(29,371,862)	(30,970,935)	(30,970,935)	(30,970,935)	(30,970,935)	(30,970,935)	(30,904,710)
Annualizations and One-Time (PC)	0	0	(70,096)	(70,096)	(70,096)	(70,096)	(70,096)
Labor Contracts	0	0	(282,164)	(282,164)	(282,164)	(282,164)	(282,164)
Labor Contracts Other	0	0	11,881	11,881	11,881	11,881	11,881
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(29,371,862)	(30,970,935)	(31,311,315)	(31,311,315)	(31,311,315)	(31,311,315)	(31,245,090)
<b>OTHER CLAIMS ON FUND BALANCE</b>	(8,943,476)	0	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(43,232,338)	(34,108,935)	(34,758,315)	(34,638,315)	(34,835,315)	(34,836,315)	(34,953,090)
<b>YEAR END FUND BALANCE</b>	6,319,238	6,384,683	6,237,039	6,581,554	7,578,360	8,967,275	10,417,101
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	12.8%	15.8%	15.2%	16.0%	17.9%	20.5%	23.0%
<b>NET REVENUE</b>	12,851,707	13,597,365	14,538,546	16,918,586	21,129,426	23,326,386	23,717,321
<b>DEBT SERVICE COVERAGE RATIO</b>	1.36	1.31	1.29	1.28	1.27	1.27	1.28
<b>Assumptions:</b> 1. These projections are based on the County Executive's Recommended operating 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 FY23 and FY28 have been incorporated in the future fiscal impact (FFI) rows. 4. The operating budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in 2021. Debt service on bonds and loans 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). In December 2019, the County closed on \$50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY23-28 are included in the fiscal plan, as well as anticipated debt payments for loans issued to the Maryland-National Capital Park and Planning Commission issued in FY24. 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. 6. The Water Quality Protection fund balance minimum policy target is 5% of resources.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Community Use of Public Facilities					
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	3,263,259	2,493,399	1,690,748	871,672	932,514	1,278,970	1,907,325
<b>REVENUES</b>							
Charges For Services	7,540,700	11,435,470	11,693,912	11,971,058	12,254,772	12,534,181	12,804,919
Miscellaneous	1,152	46,260	60,550	62,860	65,250	67,740	70,320
<b>Subtotal Revenues</b>	7,541,852	11,481,730	11,754,462	12,033,918	12,320,022	12,601,921	12,875,239
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	(937,347)	(1,029,329)	(1,055,970)	(1,055,508)	(1,055,998)	(1,055,998)	(1,055,718)
Transfers To Debt Service Fund	(329,777)	(330,162)	(330,134)	(329,672)	(330,162)	(330,162)	(329,882)
Wheaton Redevelopment	(329,777)	(330,162)	(330,134)	(329,672)	(330,162)	(330,162)	(329,882)
Transfers To The General Fund	(767,570)	(859,167)	(885,836)	(885,836)	(885,836)	(885,836)	(885,836)
Indirect Costs	(610,240)	(651,837)	(678,506)	(678,506)	(678,506)	(678,506)	(678,506)
CAAP	(150,000)	(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)
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
<b>TOTAL RESOURCES</b>	9,867,764	12,945,800	12,389,240	11,850,082	12,196,538	12,824,893	13,726,846
<b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>	(176,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Operating Budget	(7,166,549)	(10,923,236)	(11,070,402)	(10,470,402)	(10,470,402)	(10,470,402)	(10,470,402)
Labor Agreement	n/a	0	(147,166)	(147,166)	(147,166)	(147,166)	(147,166)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(7,166,549)	(10,923,236)	(11,217,568)	(10,617,568)	(10,617,568)	(10,617,568)	(10,617,568)
<b>OTHER CLAIMS ON FUND BALANCE</b>	(31,816)	(31,816)	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(7,374,365)	(11,255,052)	(11,517,568)	(10,917,568)	(10,917,568)	(10,917,568)	(10,917,568)
<b>YEAR END FUND BALANCE</b>	2,493,399	1,690,748	871,672	932,514	1,278,970	1,907,325	2,809,278
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	25.3%	13.1%	7.0%	7.9%	10.5%	14.9%	20.5%
<p><b>Assumptions:</b></p> <p>1. The FY22 Estimate Beginning Fund Balance includes an accounting adjustment of approximately \$3.0M, which includes previously undistributed revenue.</p> <p><b>Notes:</b></p> <p>1. The fund balance is calculated on a net assets basis.</p> <p>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.</p> <p>3. Community Use of Public Facilities has a fund balance policy target of 10 percent of resources.</p> <p>4. The other claims on fund balance include the OPEB liability allocation (GASB 75).</p>							



## Bethesda PLD

FY23-28 Public Services Program: Fiscal Plan Bethesda Parking Lot District	Estimated 2022	Recommended 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
<b>Assumptions</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Investment Income Yield	0.20%	1.15%	1.45%	1.45%	1.45%	1.45%	1.45%
<b>Beginning Fund Balance</b>	<b>15,775,322</b>	<b>10,240,181</b>	<b>8,829,858</b>	<b>5,562,143</b>	<b>6,844,475</b>	<b>7,987,985</b>	<b>8,670,736</b>
<b>Revenues</b>							
Charges for Services	10,921,136	16,699,827	16,237,327	16,237,327	16,237,327	16,237,327	16,237,327
Fines & Forfeits	3,027,897	3,087,500	3,087,500	3,087,500	3,087,500	3,087,500	3,087,500
Miscellaneous	386,381	6,766,050	2,458,500	2,462,280	2,466,210	2,470,290	2,474,520
<b>Subtotal Revenues</b>	<b>14,335,414</b>	<b>26,553,377</b>	<b>21,783,327</b>	<b>21,787,107</b>	<b>21,791,037</b>	<b>21,795,117</b>	<b>21,799,347</b>
<b>Transfers</b>							
Transfers to/from General Fund	(449,122)	123,117	(464,231)	(475,234)	(486,497)	(497,589)	(508,337)
Indirect Costs	(449,122)	(435,883)	(464,231)	(475,234)	(486,497)	(497,589)	(508,337)
Lot 43 Current Appraisal Delta	-	559,000	-	-	-	-	-
Transfers to/from Special Funds : Tax Supported	(2,408,612)	(2,352,550)	(2,303,834)	(2,281,122)	(2,262,345)	(2,240,932)	(2,260,208)
Bethesda Urban District	(2,408,612)	(2,352,550)	(2,303,834)	(2,281,122)	(2,262,345)	(2,240,932)	(2,260,208)
Transfers to/from Other Funds	-	(3,000,000)	(2,400,000)	-	110,000	110,000	-
Wheaton PLD Transfers	-	-	-	-	110,000	110,000	-
Silver Spring PLD Transfers	-	(3,000,000)	(2,400,000)	-	-	-	-
<b>Subtotal Transfers</b>	<b>(2,857,734)</b>	<b>(5,229,433)</b>	<b>(5,168,065)</b>	<b>(2,756,356)</b>	<b>(2,638,842)</b>	<b>(2,628,521)</b>	<b>(2,768,545)</b>
<b>Total Resources</b>	<b>27,253,002</b>	<b>31,564,125</b>	<b>25,445,119</b>	<b>24,592,894</b>	<b>25,996,670</b>	<b>27,154,581</b>	<b>27,701,539</b>
<b>CIP Current Revenue Appropriation Expenditure</b>							
Facilities Planning Parking: Bethesda PLD	(243,000)	(30,000)	(190,000)	(130,000)	(100,000)	(90,000)	(90,000)
Parking Bethesda Facilities Renovations	(4,430,000)	(8,775,000)	(5,424,000)	(3,065,000)	(3,065,000)	(3,065,000)	(3,065,000)
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>	<b>(4,673,000)</b>	<b>(8,805,000)</b>	<b>(5,614,000)</b>	<b>(3,195,000)</b>	<b>(3,165,000)</b>	<b>(3,155,000)</b>	<b>(3,155,000)</b>
<b>Appropriations/Expenditures</b>							
Operating Budget	(10,045,312)	(11,604,998)	(11,968,076)	(12,251,719)	(12,542,085)	(13,028,045)	(13,309,450)
Personnel Costs	(2,061,479)	(2,375,383)	(2,529,872)	(2,589,830)	(2,651,209)	(2,711,656)	(2,770,228)
Operating Expenses	(7,983,833)	(9,229,615)	(9,438,204)	(9,661,890)	(9,890,876)	(10,316,388)	(10,539,222)
Existing Debt Service	(2,301,400)	(2,300,700)	(2,300,900)	(2,301,700)	(2,301,600)	(2,300,800)	(2,301,400)
<b>Subtotal PSP Operating Budget Appropriation</b>	<b>(12,346,712)</b>	<b>(13,905,698)</b>	<b>(14,268,976)</b>	<b>(14,553,419)</b>	<b>(14,843,685)</b>	<b>(15,328,845)</b>	<b>(15,610,850)</b>
Other Claims on Fund Balance	6,891	(23,569)	-	-	-	-	-
Transfers OPEB	(23,569)	(23,569)	-	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance	30,460	-	-	-	-	-	-
<b>Total Use of Resources</b>	<b>(17,012,821)</b>	<b>(22,734,267)</b>	<b>(19,882,976)</b>	<b>(17,748,419)</b>	<b>(18,008,685)</b>	<b>(18,483,845)</b>	<b>(18,765,850)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>	<b>(5,535,141)</b>	<b>(1,410,323)</b>	<b>(3,267,715)</b>	<b>1,282,332</b>	<b>1,143,510</b>	<b>682,751</b>	<b>264,952</b>
<b>Year End Fund Balance</b>	<b>10,240,181</b>	<b>8,829,858</b>	<b>5,562,143</b>	<b>6,844,475</b>	<b>7,987,985</b>	<b>8,670,736</b>	<b>8,935,688</b>
Bond Restricted Reserve	(5,052,954)	(5,079,479)	(5,107,511)	(5,135,509)	(5,165,037)	(5,193,732)	(5,222,870)
<b>Year End Available Fund Balance</b>	<b>5,187,226</b>	<b>3,750,379</b>	<b>454,633</b>	<b>1,708,966</b>	<b>2,822,948</b>	<b>3,477,005</b>	<b>3,712,819</b>
Available Fund Balance as a % of Next Year's PSP							
Expenses	37%	26%	3%	12%	18%	22%	23%
<b>Target Balance</b>	<b>3,476,425</b>	<b>3,567,244</b>	<b>3,638,355</b>	<b>3,710,921</b>	<b>3,832,211</b>	<b>3,902,713</b>	<b>3,958,061</b>

## Other Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY24-28 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities, and other programmatic commitments. 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.

## Silver Spring PLD

FY23-28 Public Services Program: Fiscal Plan Silver Spring Parking Lot District							
	Estimated 2022	Recommended 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
<b>Assumptions</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Investment Income Yield	0.20%	1.15%	1.45%	1.45%	1.45%	1.45%	1.45%
<b>Beginning Fund Balance</b>							
	5,122,798	221,183	1,348,723	1,538,817	1,682,397	611,669	665,238
<b>Revenues</b>							
Charges for Services	8,158,980	13,743,892	14,253,892	14,943,892	14,943,892	14,943,892	14,943,892
Parking Fees Base	12,920,413	12,920,413	12,920,413	12,920,413	12,920,413	12,920,413	12,920,413
Reduced Fees - COVID	(5,286,433)	(786,521)	(786,521)	(786,521)	(786,521)	(786,521)	(786,521)
Increased Rates	525,000	1,500,000	2,010,000	2,700,000	2,700,000	2,700,000	2,700,000
Discovery G9	-	110,000	110,000	110,000	110,000	110,000	110,000
Fines & Forfeits	1,882,995	1,808,036	1,808,036	1,808,036	1,808,036	1,808,036	1,808,036
Parking Fines	1,897,689	1,897,689	1,897,689	1,897,689	1,897,689	1,897,689	1,897,689
Reduced Fines - COVID	(14,695)	(89,654)	(89,654)	(89,654)	(89,654)	(89,654)	(89,654)
Miscellaneous	54,226	93,960	116,810	120,500	124,330	128,300	132,430
Investment Income	12,390	73,960	96,810	100,500	104,330	108,300	112,430
Miscellaneous Revenues	41,836	20,000	20,000	20,000	20,000	20,000	20,000
<b>Subtotal Revenues</b>	<b>10,096,201</b>	<b>15,645,888</b>	<b>16,178,738</b>	<b>16,872,428</b>	<b>16,876,258</b>	<b>16,880,228</b>	<b>16,884,358</b>
<b>Transfers</b>							
Transfers to/from General Fund	(507,278)	(488,504)	(519,232)	(531,420)	(543,896)	(556,183)	(568,088)
Indirect Costs	(502,278)	(483,504)	(514,232)	(526,420)	(538,896)	(551,183)	(563,088)
General Fund - Other	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers to/from Special Funds : Tax Supported	(2,704,922)	(2,804,101)	(2,892,581)	(2,994,464)	(3,094,790)	(3,094,790)	(3,094,790)
Silver Spring Urban District	(2,704,922)	(2,804,101)	(2,892,581)	(2,994,464)	(3,094,790)	(3,094,790)	(3,094,790)
Transfers to/from Other Funds	-	3,000,000	2,400,000	-	-	-	-
Bethesda PLD Transfers	-	3,000,000	2,400,000	-	-	-	-
Wheaton PLD Transfers	-	-	-	-	-	-	-
<b>Subtotal Transfers</b>	<b>(3,212,200)</b>	<b>(292,605)</b>	<b>(1,011,814)</b>	<b>(3,525,883)</b>	<b>(3,638,686)</b>	<b>(3,650,973)</b>	<b>(3,662,878)</b>
<b>Total Resources</b>	<b>12,006,799</b>	<b>15,574,466</b>	<b>16,515,647</b>	<b>14,885,361</b>	<b>14,919,969</b>	<b>13,840,924</b>	<b>13,886,718</b>
<b>CIP Current Revenue Appropriation Expenditure</b>							
Facilities Planning Parking: Silver Spring PLD	(113,000)	(115,000)	(135,000)	(204,000)	(155,000)	(90,000)	(90,000)
Parking Silver Spring Facilities Renovations	(1,733,000)	(3,600,000)	(4,870,000)	(2,800,000)	(3,715,000)	(2,610,000)	(2,610,000)
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>	<b>(1,846,000)</b>	<b>(3,715,000)</b>	<b>(5,005,000)</b>	<b>(3,004,000)</b>	<b>(3,870,000)</b>	<b>(2,700,000)</b>	<b>(2,700,000)</b>
<b>Appropriations/Expenditures</b>							
Operating Budget	(9,942,821)	(10,491,887)	(9,971,830)	(10,198,964)	(10,438,299)	(10,475,686)	(10,701,387)
Personnel Costs	(2,148,759)	(2,634,899)	(2,802,357)	(2,868,773)	(2,936,763)	(3,003,721)	(3,068,601)
Operating Expenses	(7,794,062)	(7,856,988)	(7,169,473)	(7,330,192)	(7,501,536)	(7,471,965)	(7,632,785)
<b>Subtotal PSP Operating Budget Appropriation</b>	<b>(9,942,821)</b>	<b>(10,491,887)</b>	<b>(9,971,830)</b>	<b>(10,198,964)</b>	<b>(10,438,299)</b>	<b>(10,475,686)</b>	<b>(10,701,387)</b>
Other Claims on Fund Balance	3,205	(18,855)	-	-	-	-	-
Transfers OPEB	(18,855)	(18,855)	-	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance	22,060	-	-	-	-	-	-
<b>Total Use of Resources</b>	<b>(11,785,616)</b>	<b>(14,225,742)</b>	<b>(14,976,830)</b>	<b>(13,202,964)</b>	<b>(14,308,299)</b>	<b>(13,175,686)</b>	<b>(13,401,387)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>	<b>(4,901,615)</b>	<b>1,127,540</b>	<b>190,094</b>	<b>143,580</b>	<b>(1,070,727)</b>	<b>53,569</b>	<b>(179,907)</b>
<b>Year End Fund Balance</b>							
	221,183	1,348,723	1,538,817	1,682,397	611,669	665,238	485,331
Available Fund Balance as a % of Next Year's PSP Expenses	2%	14%	15%	16%	6%	6%	4%
<b>Target Balance</b>	<b>2,622,972</b>	<b>2,492,957</b>	<b>2,549,741</b>	<b>2,609,575</b>	<b>2,618,922</b>	<b>2,675,347</b>	<b>2,715,991</b>

## Other Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY24-28 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities, and other programmatic commitments. 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.

## Wheaton PLD

FY23-28 Public Services Program: Fiscal Plan Wheaton Parking Lot District							
	Estimated 2022	Recommended 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
<b>Assumptions</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Investment Income Yield	0.20%	1.15%	1.45%	1.45%	1.45%	1.45%	1.45%
<b>Beginning Fund Balance</b>							
	591,312	549,315	395,639	557,658	582,048	524,804	422,600
<b>Revenues</b>							
Charges for Services	1,446,597	1,876,250	1,876,250	1,876,250	1,876,250	1,876,250	1,876,250
Parking Fees Base	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000
Reduced Fees - COVID	(153,403)	(98,750)	(98,750)	(98,750)	(98,750)	(98,750)	(98,750)
Increased Rates	225,000	600,000	600,000	600,000	600,000	600,000	600,000
Fines & Forfeits	320,238	452,200	452,200	452,200	452,200	452,200	452,200
Parking Fines	476,000	476,000	476,000	476,000	476,000	476,000	476,000
Reduced Fines - COVID	(155,762)	(23,800)	(23,800)	(23,800)	(23,800)	(23,800)	(23,800)
Miscellaneous	948	4,890	6,400	6,640	6,890	7,150	7,420
Investment Income	820	4,890	6,400	6,640	6,890	7,150	7,420
Miscellaneous Revenues	128	-	-	-	-	-	-
<b>Subtotal Revenues</b>	<b>1,767,783</b>	<b>2,333,340</b>	<b>2,334,850</b>	<b>2,335,090</b>	<b>2,335,340</b>	<b>2,335,600</b>	<b>2,335,870</b>
<b>Transfers</b>							
Transfers to/from General Fund	40,523	(72,511)	(77,222)	(79,052)	(80,926)	(82,771)	(84,559)
Indirect Costs	(74,802)	(72,511)	(77,222)	(79,052)	(80,926)	(82,771)	(84,559)
Transfer from General Fund	115,325	-	-	-	-	-	-
Transfers to/from Special Funds : Tax Supported	(200,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Wheaton Urban District	(200,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Transfers to/from Other Funds	-	-	-	(110,000)	(110,000)	-	-
Bethesda PLD Transfers	-	-	-	(110,000)	(110,000)	-	-
Silver Spring PLD Transfers	-	-	-	-	-	-	-
<b>Subtotal Transfers</b>	<b>(159,477)</b>	<b>(372,511)</b>	<b>(377,222)</b>	<b>(489,052)</b>	<b>(490,926)</b>	<b>(382,771)</b>	<b>(384,559)</b>
<b>Total Resources</b>	<b>2,199,618</b>	<b>2,510,144</b>	<b>2,353,267</b>	<b>2,403,696</b>	<b>2,426,463</b>	<b>2,477,633</b>	<b>2,373,912</b>
<b>CIP Current Revenue Appropriation Expenditure</b>							
Facilities Planning Parking: Wheaton PLD	(75,000)	(155,000)	(35,000)	(20,000)	(58,000)	(45,000)	(165,000)
Parking Wheaton Facilities Renovations	(88,000)	(362,000)	(112,000)	(112,000)	(112,000)	(237,000)	(244,000)
<b>Subtotal CIP Current Revenue Appropriation Expenditure</b>	<b>(163,000)</b>	<b>(517,000)</b>	<b>(147,000)</b>	<b>(132,000)</b>	<b>(170,000)</b>	<b>(282,000)</b>	<b>(409,000)</b>
<b>Appropriations/Expenditures</b>							
Operating Budget	(1,486,917)	(1,593,969)	(1,648,609)	(1,689,648)	(1,731,659)	(1,773,033)	(1,813,123)
Personnel Costs	(350,261)	(395,156)	(420,828)	(430,801)	(441,011)	(451,066)	(460,809)
Operating Expenses	(1,136,656)	(1,198,813)	(1,227,781)	(1,258,846)	(1,290,648)	(1,321,967)	(1,352,314)
<b>Subtotal PSP Operating Budget Appropriation</b>	<b>(1,486,917)</b>	<b>(1,593,969)</b>	<b>(1,648,609)</b>	<b>(1,689,648)</b>	<b>(1,731,659)</b>	<b>(1,773,033)</b>	<b>(1,813,123)</b>
Other Claims on Fund Balance	(386)	(3,536)	-	-	-	-	-
Transfers OPEB	(3,536)	(3,536)	-	-	-	-	-
Claim on Fund Balance – Prepays Retiree Health Insurance	3,150	-	-	-	-	-	-
<b>Total Use of Resources</b>	<b>(1,650,303)</b>	<b>(2,114,505)</b>	<b>(1,795,609)</b>	<b>(1,821,648)</b>	<b>(1,901,659)</b>	<b>(2,055,033)</b>	<b>(2,222,123)</b>
<b>Revenue vs Outflows (Transfer+Total Use of Resources) Gap</b>	<b>(41,997)</b>	<b>(153,676)</b>	<b>162,019</b>	<b>24,390</b>	<b>(57,245)</b>	<b>(102,204)</b>	<b>(270,811)</b>
<b>Year End Fund Balance</b>							
	549,315	395,639	557,658	582,048	524,804	422,600	151,789
<b>Available Fund Balance as a % of Next Year's PSP Expenses</b>							
	34%	24%	33%	34%	30%	23%	8%
<b>Target Balance</b>	<b>398,492</b>	<b>412,152</b>	<b>422,412</b>	<b>432,915</b>	<b>443,258</b>	<b>453,281</b>	<b>461,592</b>

## Other Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY24-28 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities, and other programmatic commitments. 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.

**FY23 - FY28 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation**

	FY22 Estimate	FY23 CE Rec	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	1.62%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Number of Households (mid-FY)	93,339	93,628	93,917	94,206	94,568	95,001	95,435
<b>Charge Per Household</b>	<b>\$ 117.00</b>	<b>\$ 127.00</b>	<b>\$ 137.00</b>	<b>\$ 147.00</b>	<b>\$ 157.00</b>	<b>\$ 167.00</b>	<b>\$ 177.00</b>
Percent Rate Increase (Decrease)	9.35%	8.55%	7.87%	7.30%	6.80%	6.37%	5.99%
<b>Beginning Cash</b>	<b>1,721,560</b>	<b>1,931,379</b>	<b>1,456,883</b>	<b>1,650,118</b>	<b>2,043,611</b>	<b>1,153,100</b>	<b>805,254</b>
Revenues	10,790,614	11,915,526	12,899,049	13,881,942	14,882,116	15,901,437	16,929,645
Loans							
Expenses	(10,267,311)	(11,275,388)	(11,577,990)	(12,346,517)	(14,615,971)	(15,077,577)	(15,405,013)
Transfers	(313,484)	(314,634)	(327,824)	(341,932)	(356,656)	(371,706)	(386,961)
Change in Asset/Liability Accounts							
Loan Payoff		(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	
<b>Ending Cash Balance</b>	<b>1,931,379</b>	<b>1,456,883</b>	<b>1,650,118</b>	<b>2,043,611</b>	<b>1,153,100</b>	<b>805,254</b>	<b>1,942,925</b>
<b>BEGINNING NET ASSETS</b>	<b>(3,325,006)</b>	<b>(3,100,187)</b>	<b>(2,774,683)</b>	<b>(1,781,448)</b>	<b>(587,955)</b>	<b>(678,466)</b>	<b>(226,312)</b>
<b>REVENUES</b>							
Charges for Services	10,786,464	11,890,756	12,866,629	13,848,282	14,847,176	15,865,167	16,891,995
Investment Income (per Dept. of Finance)	4,150	24,770	32,420	33,660	34,940	36,270	37,650
Miscellaneous	15,000						
<b>Subtotal Revenues</b>	<b>10,805,614</b>	<b>11,915,526</b>	<b>12,899,049</b>	<b>13,881,942</b>	<b>14,882,116</b>	<b>15,901,437</b>	<b>16,929,645</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(313,484)</b>	<b>(314,634)</b>	<b>(327,824)</b>	<b>(341,932)</b>	<b>(356,656)</b>	<b>(371,706)</b>	<b>(386,961)</b>
<b>OMB Transfer Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>7,167,124</b>	<b>8,500,705</b>	<b>9,796,542</b>	<b>11,758,562</b>	<b>13,937,505</b>	<b>14,851,265</b>	<b>16,316,372</b>
<b>OPERATING BUDGET APPROP/EXPENSES</b>							
Personnel Costs	(1,588,362)	(1,687,378)	(1,759,260)	(1,836,140)	(1,916,379)	(1,998,400)	(2,081,534)
OMB Adjustments - Labor Adjustments			(56,313)	(56,313)	(56,313)	(56,313)	(56,313)
Refuse Collection Contracts	(8,338,271)	(9,075,167)	(9,248,828)	(9,928,303)	(12,105,057)	(12,472,371)	(12,704,782)
Other Operating Costs	(330,073)	(502,238)	(513,589)	(525,761)	(538,222)	(550,493)	(562,384)
OMB Adjustments - Retiree Health Insurance OPEB	(10,605)	(10,605)					
<b>Subtotal PSP Oper. Budget Approp / Exp.</b>	<b>(10,267,311)</b>	<b>(11,275,388)</b>	<b>(11,577,990)</b>	<b>(12,346,517)</b>	<b>(14,615,971)</b>	<b>(15,077,577)</b>	<b>(15,405,013)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(10,267,311)</b>	<b>(11,275,388)</b>	<b>(11,577,990)</b>	<b>(12,346,517)</b>	<b>(14,615,971)</b>	<b>(15,077,577)</b>	<b>(15,405,013)</b>
<b>YEAR END - NET ASSETS*</b>	<b>(3,100,187)</b>	<b>(2,774,683)</b>	<b>(1,781,448)</b>	<b>(587,955)</b>	<b>(678,466)</b>	<b>(226,312)</b>	<b>911,359</b>
<b>End-of-Year Earnings as a % of Resources</b>	<b>-43.3%</b>	<b>-32.6%</b>	<b>-18.2%</b>	<b>-5.0%</b>	<b>-4.9%</b>	<b>-1.5%</b>	<b>5.6%</b>

**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 percent and 15 percent of resources at the end of the six-year planning period. Year-end fund balances in FY23-28 are projections only and will change with the change in the underlying assumptions (ie. growth in house counts, CPI, investment income yield) in future fiscal plans.
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 to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
3. The fund balance is negative in FY22-27 because of a \$4 million liability that results from a FY18 loan from the Disposal Fund. This \$4 million loan was executed to more gradually phase in the increases in collection contract costs. The cash balance of the fund remains positive across the six-year period. Refuse collection charges will be adjusted annually to achieve cost recovery, pay back the loan, and progress toward the fund balance policy target of between 10 percent and 15 percent.



FY23-28 DIVISION OF RECYCLING AND RESOURCE MANAGEMENT							
FISCAL PROJECTIONS	ESTIMATED FY22	CE Rec FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27	PROJECTED FY28
Single-Family Charges (\$/Household)	244.78	288.20	316.29	343.75	368.95	386.33	406.10
% change in rate from previous year	9.8%	17.7%	9.7%	8.7%	7.3%	4.7%	5.1%
Multi-Family Charges (\$/Dwelling Unit)	17.29	17.83	18.63	19.36	20.18	21.48	23.77
% change in rate from previous year	6.4%	3.2%	4.4%	3.9%	4.2%	6.5%	10.6%
Nonresidential Charges (medium "category" charge)	644.61	664.71	692.54	707.14	733.80	757.17	803.33
% change in rate from previous year	5.9%	3.1%	4.2%	2.1%	3.8%	3.2%	6.1%
<b>OPERATIONS CALCULATION</b>							
<b>REVENUES</b>							
Disposal Fees	28,269,206	29,237,262	29,305,726	29,373,982	29,330,637	29,285,459	29,220,751
Charges for Services/SBC	67,381,319	78,181,938	85,793,159	93,163,195	100,647,695	106,306,120	113,923,536
Miscellaneous	20,628,247	17,404,563	17,990,420	18,211,988	18,491,309	18,739,053	19,033,766
Investment Income	99,290	592,670	775,750	805,300	835,980	867,830	900,890
Subtotal Revenues	116,378,061	125,416,433	133,865,055	141,554,465	149,305,621	155,198,462	163,078,943
<b>INTERFUND TRANSFERS</b>	215,596	(273,126)	(176,067)	(369,693)	(184,805)	(348,193)	(412,645)
<b>EXPENDITURES</b>							
Personnel Costs	(10,894,758)	(11,706,220)	(12,204,905)	(12,738,259)	(13,294,921)	(13,863,944)	(14,440,684)
Operating Expenses	(109,786,615)	(117,347,989)	(117,866,635)	(123,738,174)	(131,681,236)	(135,755,540)	(142,312,236)
Capital Outlay	(2,291,444)	(2,315,605)	(1,172,998)	(956,488)	(1,351,706)	(1,384,183)	(1,884,183)
Subtotal Expenditures	(122,972,817)	(131,369,814)	(131,244,538)	(137,432,921)	(146,327,863)	(151,003,667)	(158,637,103)
<b>CURRENT RECEIPTS TO CIP</b>	(24,801,563)	(1,845,000)	-	-	-	-	-
<b>OTHER CLAIMS ON FUND BALANCE - OPEB</b>	(84,842)	(84,842)	-	-	-	-	-
<b>REMOVAL OF ONE-TIME ITEMS</b>	-	-	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
<b>POTENTIAL FUTURE EXPENDITURES - LABOR CONTRACTS</b>	-	-	(460,889)	(460,889)	(460,889)	(460,889)	(460,889)
<b>PAYOUT OF GUDE REMEDIATION</b>	18,329,000	1,584,034	-	-	-	-	-
<b>PAYOUT OF CLOSURE COSTS (Non-CIP)</b>	2,071,036	2,290,056	2,329,424	2,233,747	2,289,469	2,344,989	2,388,551
<b>CY ACCRUED CLOSURE COSTS</b>	(25,755)	(65,168)	(54,017)	(57,566)	(55,401)	(54,769)	(53,331)
<b>NET CHANGE</b>	(10,891,284)	(4,347,427)	7,708,968	8,917,144	8,016,132	9,125,933	9,353,526
<b>CASH POSITION</b>							
<b>ENDING CASH &amp; INVESTMENTS</b>							
Unrestricted Cash	28,407,453	29,907,428	30,308,173	35,183,373	40,681,325	41,534,913	51,170,691
Restricted Cash	36,686,761	36,689,366	40,286,012	43,267,107	43,481,048	44,324,496	40,739,679
Subtotal Cash & Investments	65,094,214	66,596,794	70,594,185	78,450,480	84,162,373	85,859,409	91,910,370
<b>RESERVE &amp; LIABILITY REQUIREMENTS</b>							
Management Reserve	(27,368,711)	(27,003,138)	(28,291,984)	(30,145,305)	(31,119,889)	(32,709,855)	(32,709,855)
Debt Service Reserve	(2,204,500)	(2,141,000)	(2,063,500)	(1,983,000)	(1,899,500)	(1,812,500)	(1,812,500)
Renewal & Replacement Reserve	(4,521,882)	(4,659,348)	(4,764,648)	(4,877,570)	(4,993,169)	(5,107,013)	(5,217,324)
Stability Reserve	(2,591,668)	(2,885,880)	(5,165,880)	(6,261,232)	(5,468,490)	(4,695,128)	(1,000,000)
Subtotal Reserve Requirements	(36,686,761)	(36,689,366)	(40,286,012)	(43,267,107)	(43,481,048)	(44,324,496)	(40,739,679)
Closure/Postclosure Liability	(19,360,188)	(17,196,228)	(14,981,749)	(12,866,495)	(10,693,355)	(8,464,063)	(6,189,771)
Gude Remediation Liability	(40,630,034)	(39,046,000)	(39,046,000)	(39,046,000)	(39,046,000)	(39,046,000)	(39,046,000)
Subtotal Reserve & Liability Requirements	(96,676,983)	(92,931,594)	(94,313,761)	(95,179,602)	(93,220,403)	(91,834,559)	(85,975,450)
<b>CASH &amp; INVESTMENTS OVER/(UNDER)</b>							
<b>RESERVE &amp; LIABILITY REQUIREMENTS</b>	(31,582,769)	(26,334,800)	(23,719,576)	(16,729,122)	(9,058,030)	(5,975,150)	5,934,920
<b>Net Assets</b>							
<b>ENDING NET ASSETS</b>							
Less: Reserve Requirements	(36,686,761)	(36,689,366)	(40,286,012)	(43,267,107)	(43,481,048)	(44,324,496)	(40,739,679)
<b>NET ASSETS OVER/(UNDER)</b>							
<b>RESERVE REQUIREMENTS</b>	5,313,912	7,466,995	12,895,701	20,764,718	29,683,241	34,043,866	48,498,348

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Leaf Vacuuming Fund				
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Charge per single family household	116.46	118.67	125.47	125.84	131.45	132.38	134.71
% of leaves attributed to single-family households	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
% of leaves attributed to multi-family units and townhouse units	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
<b>BEGINNING FUND BALANCE</b>	<b>937,775</b>	<b>941,285</b>	<b>784,735</b>	<b>635,516</b>	<b>487,338</b>	<b>340,238</b>	<b>194,268</b>
<b>REVENUES</b>							
Charges For Services	8,887,327	8,739,229	9,226,347	9,253,792	9,666,219	9,734,858	9,906,122
Miscellaneous	3,510	20,950	27,420	28,460	29,540	30,670	31,840
<b>Subtotal Revenues</b>	<b>8,890,837</b>	<b>8,760,179</b>	<b>9,253,767</b>	<b>9,282,252</b>	<b>9,695,759</b>	<b>9,765,528</b>	<b>9,937,962</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(2,235,322)</b>	<b>(2,001,142)</b>	<b>(2,213,667)</b>	<b>(2,114,390)</b>	<b>(2,397,816)</b>	<b>(2,335,130)</b>	<b>(2,372,706)</b>
Transfers To The General Fund	(636,264)	(613,300)	(651,727)	(662,965)	(674,406)	(686,052)	(697,908)
Indirect Costs	(636,264)	(613,300)	(651,727)	(662,965)	(674,406)	(686,052)	(697,908)
Transfers To Special Fds: Non-Tax + ISF	(1,599,058)	(1,387,842)	(1,561,940)	(1,451,425)	(1,723,410)	(1,649,078)	(1,674,798)
Solid Waste Disposal	(1,599,058)	(1,387,842)	(1,561,940)	(1,451,425)	(1,723,410)	(1,649,078)	(1,674,798)
<b>TOTAL RESOURCES</b>	<b>7,593,290</b>	<b>7,700,322</b>	<b>7,824,835</b>	<b>7,803,378</b>	<b>7,785,281</b>	<b>7,770,636</b>	<b>7,759,524</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(6,652,005)	(6,915,587)	(7,040,067)	(7,166,788)	(7,295,791)	(7,427,116)	(7,500,804)
Labor Agreement	n/a	0	(149,252)	(149,252)	(149,252)	(149,252)	(149,252)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(6,652,005)</b>	<b>(6,915,587)</b>	<b>(7,189,319)</b>	<b>(7,316,040)</b>	<b>(7,445,043)</b>	<b>(7,576,368)</b>	<b>(7,650,056)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(6,652,005)</b>	<b>(6,915,587)</b>	<b>(7,189,319)</b>	<b>(7,316,040)</b>	<b>(7,445,043)</b>	<b>(7,576,368)</b>	<b>(7,650,056)</b>
<b>YEAR END FUND BALANCE</b>	<b>941,285</b>	<b>784,735</b>	<b>635,516</b>	<b>487,338</b>	<b>340,238</b>	<b>194,268</b>	<b>109,468</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>12.4%</b>	<b>10.2%</b>	<b>8.1%</b>	<b>6.2%</b>	<b>4.4%</b>	<b>2.5%</b>	<b>1.4%</b>
<b>Notes:</b> 1. The Leaf Vacuuming rates are adjusted to achieve cost recovery. 2. The Vacuum Leaf Collection fund balance policy target is \$250,000. In the future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Permitting Services							
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Enterprise Fund Stabilization Factor (EFSF)	1.05	1.05	0.72	0.96	0.99	0.98	0.97
<b>BEGINNING FUND BALANCE</b>	<b>20,758,919</b>	<b>28,180,602</b>	<b>29,017,814</b>	<b>14,458,983</b>	<b>11,762,378</b>	<b>11,474,304</b>	<b>11,628,440</b>
<b>REVENUES</b>							
Licenses & Permits	49,111,609	47,332,397	48,402,110	49,549,239	50,723,556	51,880,054	53,000,664
Charges For Services	1,481,344	1,036,552	1,059,978	1,085,099	1,110,815	1,136,141	1,160,682
Fines & Forfeitures	56,350	40,264	41,174	42,150	43,149	44,133	45,086
Miscellaneous	48,310	288,370	377,450	391,830	406,760	422,260	438,350
Subtotal Revenues	50,697,613	48,697,583	49,880,712	51,068,318	52,284,280	53,482,588	54,644,782
EFSF Fee Increase	0	0	(15,119,897)	(4,199,888)	(2,753,564)	(3,261,032)	(4,088,623)
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(6,740,402)</b>	<b>(6,541,152)</b>	<b>(6,762,575)</b>	<b>(6,761,354)</b>	<b>(6,762,649)</b>	<b>(6,762,649)</b>	<b>(6,761,909)</b>
Transfers To Debt Service Fund	(871,553)	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,831)
Wheaton Redevelopment	(871,553)	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,831)
Transfers To The General Fund	(5,868,849)	(5,668,581)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)
Indirect Costs	(5,868,849)	(5,668,581)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)
<b>TOTAL RESOURCES</b>	<b>64,716,130</b>	<b>70,337,033</b>	<b>72,135,951</b>	<b>58,765,947</b>	<b>57,284,009</b>	<b>58,194,243</b>	<b>59,511,313</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(36,578,478)	(41,067,049)	(41,297,019)	(41,543,629)	(41,796,089)	(42,044,719)	(42,285,629)
Labor Agreement	n/a	0	(1,207,070)	(1,207,070)	(1,207,070)	(1,207,070)	(1,207,070)
Annualizations and One-Time	n/a	n/a	(52,982)	(52,982)	(52,982)	(52,982)	(52,982)
Subtotal PSP Oper Budget Approp / Exp's	(36,578,478)	(41,067,049)	(42,557,071)	(42,803,681)	(43,056,141)	(43,304,771)	(43,545,681)
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>42,950</b>	<b>(252,170)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(36,535,528)</b>	<b>(41,319,219)</b>	<b>(42,557,071)</b>	<b>(42,803,681)</b>	<b>(43,056,141)</b>	<b>(43,304,771)</b>	<b>(43,545,681)</b>
<b>YEAR END FUND BALANCE</b>	<b>28,180,602</b>	<b>29,017,814</b>	<b>14,458,983</b>	<b>11,762,378</b>	<b>11,474,304</b>	<b>11,628,440</b>	<b>11,877,009</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>43.5%</b>	<b>41.3%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>	<b>20.0%</b>
<b>Assumptions:</b> 1. The Enterprise Fund Stabilization Factor (EFSF) is the factor by which the fee calculation is adjusted to cover DPS labor and operating expenses in accordance with the DPS reserve policy of 15 to 20 percent of total resources, as set by the 2002 Principles of the Fiscal Management of the Permitting Services Fund. 2. It is assumed there will be no change in the EFSF in FY23. The EFSF in FY22 was 1.05, a 0% increase over the previous year. 3. The projections are based on the Executive's recommended budget and include CPI, revenue, and resource assumptions in that budget. The projected future revenues and fund balances may vary based on changes to the EFSF, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here. 4. DPS contributed \$21 million in current revenue in prior years to fund its proportional share of the Wheaton Redevelopment CIP# P361701. DPS will support \$14.6 million in non-taxable debt for this project. 5. Other claims on fund balance include the OPEB liability allocation (GASB 75) and Prepays for Retiree Health Insurance.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Alochol Beverage Services			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	18,614,396	19,067,854	15,528,774	11,570,272	8,354,149	7,097,401	4,368,853
<b>REVENUES</b>							
Licenses & Permits	1,324,555	1,324,555	1,354,490	1,386,591	1,419,454	1,451,817	1,483,176
Charges For Services	23,887	23,887	24,427	25,006	25,599	26,183	26,749
Fines & Forfeitures	63,383	63,383	64,815	66,351	67,924	69,473	70,974
Miscellaneous	97,121,073	99,121,849	101,124,618	103,148,778	105,213,481	107,319,555	109,467,805
<b>Subtotal Revenues</b>	98,532,898	100,533,674	102,568,350	104,626,726	106,726,458	108,867,028	111,048,704
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	(31,779,243)	(34,917,233)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)
Transfers To The General Fund	(31,779,243)	(34,917,233)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)
Indirect Costs	(3,853,071)	(3,917,233)	(4,142,142)	(4,142,142)	(4,142,142)	(4,142,142)	(4,142,142)
Earnings Transfer	(27,926,172)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)
<b>TOTAL RESOURCES</b>	85,368,051	84,684,295	82,954,982	81,054,857	79,938,465	80,822,287	80,275,415
<b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b>	(3,052,000)	(522,000)	(2,720,000)	(1,783,000)	(1,213,000)	(2,144,000)	(2,200,000)
Operating Budget	(54,164,764)	(59,404,928)	(61,576,804)	(63,891,902)	(64,954,558)	(66,048,928)	(67,127,958)
Debt Service: Other (Non-Tax Funds only)	(9,237,460)	(8,860,940)	(8,653,590)	(8,591,490)	(8,239,190)	(9,826,190)	(9,824,240)
Labor Agreement	n/a	0	(2,249,096)	(2,249,096)	(2,249,096)	(2,249,096)	(2,249,096)
Annualizations and One-Time	n/a	n/a	3,814,780	3,814,780	3,814,780	3,814,780	3,814,780
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(63,402,224)	(68,265,868)	(68,664,710)	(70,917,708)	(71,628,064)	(74,309,434)	(75,386,514)
<b>OTHER CLAIMS ON FUND BALANCE</b>	154,027	(367,653)	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(66,300,197)	(69,155,521)	(71,384,710)	(72,700,708)	(72,841,064)	(76,453,434)	(77,586,514)
<b>YEAR END FUND BALANCE</b>	19,067,854	15,528,774	11,570,272	8,354,149	7,097,401	4,368,853	2,688,901
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	22.3%	18.3%	13.9%	10.3%	8.9%	5.4%	3.3%
<b>Assumptions:</b> 1. These projections are based on the Executive's recommended budget. The projected future expenditures, revenues and fun balances may vary based on changes not assumed here to fee or tax rated, 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. Revenues projections reflect ABS gross profit forecast. 4. Other claims on fund balance include the OPEB liability allocation (GASB 75) and Prepaids for Retiree Health Insurance.							



FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Risk Management			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	13,690,577	7,377,699	12,681,831	15,318,134	16,001,733	16,730,628	17,500,467
<b>REVENUES</b>							
Charges For Services	77,514,144	89,979,622	92,013,162	94,193,874	96,426,268	98,624,787	100,755,082
Miscellaneous	1,296,060	2,767,200	3,313,100	3,401,230	3,492,710	3,587,680	3,686,270
<b>Subtotal Revenues</b>	78,810,204	92,746,822	95,326,262	97,595,104	99,918,978	102,212,467	104,441,352
<b>TOTAL RESOURCES</b>	92,500,781	100,124,521	108,008,093	112,913,238	115,920,711	118,943,095	121,941,819
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(85,125,881)	(87,433,939)	(92,506,105)	(96,727,651)	(99,006,229)	(101,258,774)	(103,451,849)
Labor Agreement	n/a	0	(183,854)	(183,854)	(183,854)	(183,854)	(183,854)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(85,125,881)	(87,433,939)	(92,689,959)	(96,911,505)	(99,190,083)	(101,442,628)	(103,635,703)
<b>OTHER CLAIMS ON FUND BALANCE</b>	2,799	(8,751)	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(85,123,082)	(87,442,690)	(92,689,959)	(96,911,505)	(99,190,083)	(101,442,628)	(103,635,703)
<b>YEAR END FUND BALANCE</b>	7,377,699	12,681,831	15,318,134	16,001,733	16,730,628	17,500,467	18,306,116
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	8.0%	12.7%	14.2%	14.2%	14.4%	14.7%	15.0%
<b>Assumptions:</b> 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 FY23, the funding is at the 81 percent confidence level, which is within the 80 to 85 percent confidence level that funding will be sufficient to cover all incurred liabilities. 2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses. 3. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75) and Prepaids for Retiree Health Insurance.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Print and Mail			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Rate Adjustment	0	0	5.0%	3.0%	3.0%	3.0%	3.0%
<b>BEGINNING FUND BALANCE</b>	115,272	12,471	27,335	195,878	302,277	305,762	295,528
<b>REVENUES</b>							
Charges For Services	8,159,467	8,397,754	8,817,642	8,889,978	8,964,484	9,041,225	9,120,268
Miscellaneous	1,620	9,670	12,660	13,140	13,640	14,160	14,700
<b>Subtotal Revenues</b>	8,161,087	8,407,424	8,830,302	8,903,118	8,978,124	9,055,385	9,134,968
<b>TOTAL RESOURCES</b>	8,276,359	8,419,895	8,857,637	9,098,996	9,280,401	9,361,147	9,430,496
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(8,276,894)	(8,369,856)	(8,486,376)	(8,621,336)	(8,799,256)	(8,890,236)	(8,969,306)
Labor Agreement	n/a	0	(175,383)	(175,383)	(175,383)	(175,383)	(175,383)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	(8,276,894)	(8,369,856)	(8,661,759)	(8,796,719)	(8,974,639)	(9,065,619)	(9,144,689)
<b>OTHER CLAIMS ON FUND BALANCE</b>	13,006	(22,704)	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	(8,263,888)	(8,392,560)	(8,661,759)	(8,796,719)	(8,974,639)	(9,065,619)	(9,144,689)
<b>YEAR END FUND BALANCE</b>	12,471	27,335	195,878	302,277	305,762	295,528	285,807
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	0.2%	0.3%	2.2%	3.3%	3.3%	3.2%	3.0%
<b>Notes:</b> 1. The FY22 estimate is based on second quarter revenue and expenditure projections. 2. Printing, Mail, and Records Management/Imaging rates are adjusted to receive cost recovery and maintain the year-end fund balance at the policy level. 3. The fund balance for this internal service should be between three and five percent. 4. The other claims of fund balance represents the OPEB liability allocation (GASB 75) and Prepaids for Retiree Health Insurance.							

## EMPLOYEE HEALTH BENEFITS SELF INSURANCE FUND

<b>FY23-28 FISCAL PROJECTION</b>							
	Estimate - FY22	Projected - FY23	Projected - FY24	Projected - FY25	Projected - FY26	Projected - FY27	Projected - FY28
BEGINNING BALANCE	(13,602,257)	1,170,573	1,183,805	12,023,391	17,891,295	19,091,100	20,378,202
REVENUES							
Premium Contributions	252,444,914	265,930,848	283,471,602	303,219,491	324,042,994	346,401,807	370,416,688
Premium Contributions: Retiree Insurance NDA	50,618,652	28,928,437	62,712,253	60,364,241	58,864,568	62,330,744	66,029,249
Investment Income	13,570	81,000	106,020	110,060	114,250	118,600	123,120
OPEB Trust Utilization		20,000,000					
TOTAL REVENUES	303,077,136	314,940,286	346,289,875	363,693,791	383,021,812	408,851,152	436,569,057
OTHER CHANGES	-	-	-	-	-	-	-
Claim on Fund Balance	7,558,000	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	297,032,879	316,110,859	347,473,680	375,717,183	400,913,106	427,942,251	456,947,260
EXPENDITURES							
Claims, Premiums, & Carrier Administration	290,032,716	308,819,553	329,037,414	351,092,369	374,751,812	400,140,345	427,392,977
Actives	182,684,082	194,642,513	207,068,659	220,710,430	235,307,721	250,932,634	267,663,235
Retirees	107,348,635	114,177,040	121,968,755	130,381,940	139,444,091	149,207,711	159,729,741
In-house expenses	5,829,590	6,107,500	6,412,875	6,733,519	7,070,195	7,423,704	7,794,890
TOTAL EXPENDITURES	295,862,306	314,927,053	335,450,289	357,825,888	381,822,006	407,564,049	435,187,866
ENDING BALANCE	1,170,573	1,183,805	12,023,391	17,891,295	19,091,100	20,378,202	21,759,393
TARGET FUND BALANCE (5% OF EXPENDITURES)	14,793,120	15,746,350	16,772,510	17,891,290	19,091,100	20,378,200	21,759,390
ENDING BALANCE AS % OF EXPENDITURES	0.4%	0.4%	3.6%	5.0%	5.0%	5.0%	5.0%

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Motor Pool			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Rate Adjustment	0	0	2.3%	3.8%	1.6%	1.4%	1.2%
<b>BEGINNING FUND BALANCE</b>	<b>9,667,271</b>	<b>5,743,440</b>	<b>4,937,692</b>	<b>3,096,315</b>	<b>2,912,895</b>	<b>3,008,430</b>	<b>3,071,619</b>
<b>REVENUES</b>							
Charges For Services	79,000,000	88,632,853	90,635,955	94,080,121	95,585,403	96,923,598	98,086,680
Intergovernmental	172,190	0	0	0	0	0	0
Miscellaneous	317,590	347,870	274,597	247,897	238,059	252,930	269,071
<b>Subtotal Revenues</b>	<b>79,489,780</b>	<b>88,980,723</b>	<b>90,910,552</b>	<b>94,328,018</b>	<b>95,823,462</b>	<b>97,176,528</b>	<b>98,355,751</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(518,050)</b>	<b>(516,500)</b>	<b>(514,250)</b>	<b>(516,300)</b>	<b>(325,650)</b>	<b>(328,375)</b>	<b>(325,475)</b>
Transfers To Debt Service Fund	(518,050)	(516,500)	(514,250)	(516,300)	(325,650)	(328,375)	(325,475)
Long Term Leases	(518,050)	(516,500)	(514,250)	(516,300)	(325,650)	(328,375)	(325,475)
<b>TOTAL RESOURCES</b>	<b>88,639,001</b>	<b>94,207,663</b>	<b>95,333,994</b>	<b>96,908,032</b>	<b>98,410,708</b>	<b>99,856,582</b>	<b>101,101,895</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(82,893,442)	(89,073,182)	(91,741,114)	(93,498,572)	(94,905,713)	(96,288,398)	(97,451,900)
Labor Agreement	n/a	0	(1,018,565)	(1,018,565)	(1,018,565)	(1,018,565)	(1,018,565)
Annualizations and Elimination of One-Time Items	n/a	n/a	522,000	522,000	522,000	522,000	522,000
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(82,893,442)</b>	<b>(89,073,182)</b>	<b>(92,237,679)</b>	<b>(93,995,137)</b>	<b>(95,402,278)</b>	<b>(96,784,963)</b>	<b>(97,948,465)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(2,119)</b>	<b>(196,789)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(82,895,561)</b>	<b>(89,269,971)</b>	<b>(92,237,679)</b>	<b>(93,995,137)</b>	<b>(95,402,278)</b>	<b>(96,784,963)</b>	<b>(97,948,465)</b>
<b>YEAR END FUND BALANCE</b>	<b>5,743,440</b>	<b>4,937,692</b>	<b>3,096,315</b>	<b>2,912,895</b>	<b>3,008,430</b>	<b>3,071,619</b>	<b>3,153,430</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>6.5%</b>	<b>5.2%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>
<b>Notes:</b> 1. Motor Pool charges for services are adjusted to achieve cost recovery. This fund's policy targets break-even for operating expenditures plus sufficient fund balance to fund planned fleet replacements in the subsequent year(s). 2. The current fund balance will support the purchase of zero-emission vehicles to transition the County's fleet in accordance with the County's Climate Action Plan. 3. 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. 4. The other claims on fund balance include the OPEB liability allocation (GASB 75) and Prepaids for Retiree Health Insurance.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Recreation Non-Tax Supported			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>834,108</b>	<b>867,934</b>	<b>871,034</b>	<b>976,794</b>	<b>1,191,763</b>	<b>1,518,533</b>	<b>1,955,425</b>
<b>REVENUES</b>							
Charges For Services	8,100,000	8,100,000	8,283,060	8,479,369	8,680,330	8,878,242	9,070,012
Miscellaneous	520	3,100	4,060	4,210	4,370	4,540	4,710
<b>Subtotal Revenues</b>	<b>8,100,520</b>	<b>8,103,100</b>	<b>8,287,120</b>	<b>8,483,579</b>	<b>8,684,700</b>	<b>8,882,782</b>	<b>9,074,722</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>	<b>(4,500,000)</b>
Transfers To Special Fds: Tax Supported	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
Recreation Tax Supported	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
<b>TOTAL RESOURCES</b>	<b>4,434,628</b>	<b>4,471,034</b>	<b>4,658,154</b>	<b>4,960,373</b>	<b>5,376,463</b>	<b>5,901,315</b>	<b>6,530,147</b>
Operating Budget	(3,566,694)	(3,600,000)	(3,681,360)	(3,768,610)	(3,857,930)	(3,945,890)	(4,031,120)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(3,566,694)</b>	<b>(3,600,000)</b>	<b>(3,681,360)</b>	<b>(3,768,610)</b>	<b>(3,857,930)</b>	<b>(3,945,890)</b>	<b>(4,031,120)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(3,566,694)</b>	<b>(3,600,000)</b>	<b>(3,681,360)</b>	<b>(3,768,610)</b>	<b>(3,857,930)</b>	<b>(3,945,890)</b>	<b>(4,031,120)</b>
<b>YEAR END FUND BALANCE</b>	<b>867,934</b>	<b>871,034</b>	<b>976,794</b>	<b>1,191,763</b>	<b>1,518,533</b>	<b>1,955,425</b>	<b>2,499,027</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>19.6%</b>	<b>19.5%</b>	<b>21.0%</b>	<b>24.0%</b>	<b>28.2%</b>	<b>33.1%</b>	<b>38.3%</b>
<b>Assumptions:</b> 1. Since 1991, Montgomery County has accounted for its non-employee instructor led courses, and related costs, in the Recreation Activities Agency Fund (RAAF). Due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities", the RAAF was discontinued beginning in FY20. Because of Recreation's objective to flexibly respond to customer demands for Recreation activities formerly accounted for in the RAAF, this Non-Tax Supported Recreation Fund was established. 2. Prior to FY20, transfers from the RAAF to the Recreation Fund were reflected as Recreation Fund revenues. Beginning in FY20, the transfer from the Recreation Activities Fund is displayed as a transfer to the Recreation Fund.							

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Inmate Advisory Council Fund			
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>543,054</b>	<b>469,819</b>	<b>176,064</b>	<b>156,599</b>	<b>137,344</b>	<b>118,309</b>	<b>99,494</b>
<b>REVENUES</b>							
Miscellaneous	245,765	249,245	250,535	250,745	250,965	251,185	251,415
<b>Subtotal Revenues</b>	<b>245,765</b>	<b>249,245</b>	<b>250,535</b>	<b>250,745</b>	<b>250,965</b>	<b>251,185</b>	<b>251,415</b>
<b>TOTAL RESOURCES</b>	<b>788,819</b>	<b>719,064</b>	<b>426,599</b>	<b>407,344</b>	<b>388,309</b>	<b>369,494</b>	<b>350,909</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(319,000)	(543,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(319,000)</b>	<b>(543,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(319,000)</b>	<b>(543,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(270,000)</b>
<b>YEAR END FUND BALANCE</b>	<b>469,819</b>	<b>176,064</b>	<b>156,599</b>	<b>137,344</b>	<b>118,309</b>	<b>99,494</b>	<b>80,909</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>59.6%</b>	<b>24.5%</b>	<b>36.7%</b>	<b>33.7%</b>	<b>30.5%</b>	<b>26.9%</b>	<b>23.1%</b>
<b>Notes:</b> 1. The Inmate Advisory Council Fund was established by supplemental appropriation in FY21. 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, and other factors not assumed here.							



# Maryland-National Capital Park and Planning Commission

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Enterprise Fund				
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>7,922,740</b>	<b>9,388,142</b>	<b>11,318,750</b>	<b>13,292,985</b>	<b>14,564,014</b>	<b>14,167,942</b>	<b>16,284,046</b>
<b>REVENUES</b>							
Charges For Services	10,527,396	11,728,190	11,993,247	12,277,487	12,568,463	12,855,024	13,132,692
Miscellaneous	814,566	815,496	833,926	853,690	873,923	893,848	913,155
<b>Subtotal Revenues</b>	<b>11,341,962</b>	<b>12,543,686</b>	<b>12,827,173</b>	<b>13,131,177</b>	<b>13,442,386</b>	<b>13,748,872</b>	<b>14,045,847</b>
<b>TOTAL RESOURCES</b>	<b>19,264,702</b>	<b>21,931,828</b>	<b>24,145,923</b>	<b>26,424,162</b>	<b>28,006,400</b>	<b>27,916,814</b>	<b>30,329,894</b>
<b>CIP CURRENT REVENUE APPROP.</b>	<b>(400,000)</b>	<b>0</b>	<b>0</b>	<b>(750,000)</b>	<b>(2,465,000)</b>	<b>0</b>	<b>0</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(9,476,560)	(10,613,078)	(10,852,938)	(11,110,148)	(11,373,458)	(11,632,768)	(11,884,038)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(9,476,560)</b>	<b>(10,613,078)</b>	<b>(10,852,938)</b>	<b>(11,110,148)</b>	<b>(11,373,458)</b>	<b>(11,632,768)</b>	<b>(11,884,038)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(9,876,560)</b>	<b>(10,613,078)</b>	<b>(10,852,938)</b>	<b>(11,860,148)</b>	<b>(13,838,458)</b>	<b>(11,632,768)</b>	<b>(11,884,038)</b>
<b>YEAR END FUND BALANCE</b>	<b>9,388,142</b>	<b>11,318,750</b>	<b>13,292,985</b>	<b>14,564,014</b>	<b>14,167,942</b>	<b>16,284,046</b>	<b>18,445,856</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>48.7%</b>	<b>51.6%</b>	<b>55.1%</b>	<b>55.1%</b>	<b>50.6%</b>	<b>58.3%</b>	<b>60.8%</b>
<b>Assumptions:</b> 1. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 2. These projections are based on the County Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.							

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# Washington Suburban Sanitary Commission

## WSSC Water PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER AND SEWER OPERATING FUNDS

FISCAL PROJECTIONS	FY22 APPROVED	FY23 CE REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>SPENDING AFFORDABILITY RESULTS</b>							
New Water and Sewer Debt (\$millions)	\$409.7	\$358.8	\$380.9	\$382.9	\$390.7	\$362.7	\$307.8
Total Water and Sewer Operating Expenses (\$millions)	\$842.3	\$860.9	\$912.7	\$976.1	\$1,033.1	\$1,066.9	\$1,111.6
Debt Service (\$millions)	\$309.0	\$324.1	\$345.4	\$375.7	\$398.5	\$419.4	\$439.2
Average Water and Sewer Rate Increase	5.9%	6.5%	8.5%	6.0%	4.0%	4.0%	4.0%
<b>BEGINNING FUND BALANCE (\$000)</b>	<b>168,897</b>	<b>169,317</b>	<b>187,634</b>	<b>224,882</b>	<b>252,384</b>	<b>268,597</b>	<b>292,893</b>
<b>REVENUES (\$000)</b>							
Water and Sewer Rate Revenue	717,803	753,445	821,335	871,712	907,776	945,358	984,497
Interest Income	1,000	2,800	2,800	2,800	2,800	2,800	2,800
Account Maintenance Fee	31,866	33,903	36,958	39,176	40,743	42,373	44,068
Infrastructure Investment Fee	38,808	41,311	45,033	47,735	49,644	51,630	53,695
Miscellaneous	39,050	33,515	34,058	34,359	40,537	41,282	36,667
<b>Total Revenues</b>	<b>828,527</b>	<b>864,974</b>	<b>940,184</b>	<b>995,782</b>	<b>1,041,500</b>	<b>1,083,443</b>	<b>1,121,727</b>
SDC Debt Service Offset	5,772	5,772	5,772	5,772	5,772	5,748	5,748
Reconstruction Debt Service Offset (REDO)	6,000	4,000	2,000				
Use of Fund Balance							
Premium Transfer		2,500					
Underwriters Discount Transfer	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Miscellaneous Offset							
<b>TOTAL FUNDS AVAILABLE</b>	<b>842,299</b>	<b>879,246</b>	<b>949,956</b>	<b>1,003,554</b>	<b>1,049,272</b>	<b>1,091,191</b>	<b>1,129,475</b>
<b>EXPENDITURES (\$000)</b>							
Salaries and Wages	133,039	136,410	142,548	148,963	155,666	162,671	169,991
Heat, Light, and Power	18,493	18,817	19,569	18,776	18,014	18,861	19,521
Regional Sewage Disposal	59,160	60,343	61,550	62,781	64,037	65,317	66,624
Debt Service	309,045	324,144	345,360	375,671	398,462	419,424	439,234
PAYGO	27,585	31,016	44,000	65,000	80,000	80,000	100,000
All Other	294,977	294,099	299,681	304,861	316,880	320,622	316,229
Unspecified Expenditure Reductions		(3,900)					
<b>TOTAL USE OF RESOURCES</b>	<b>842,299</b>	<b>860,929</b>	<b>912,708</b>	<b>976,051</b>	<b>1,033,059</b>	<b>1,066,895</b>	<b>1,111,599</b>
<b>REVENUE/EXPENDITURE SURPLUS/(GAP)</b>	<b>0</b>	<b>18,317</b>	<b>37,248</b>	<b>27,503</b>	<b>16,213</b>	<b>24,296</b>	<b>17,876</b>
<b>YEAR END FUND BALANCE w/o additional reserve contribution</b>	<b>168,897</b>	<b>169,317</b>	<b>187,634</b>	<b>224,882</b>	<b>252,384</b>	<b>268,597</b>	<b>292,893</b>
Adjustments	420						
<b>Additional Reserve Contribution</b>		<b>18,317</b>	<b>37,248</b>	<b>27,502</b>	<b>16,213</b>	<b>24,296</b>	<b>17,876</b>
<b>TOTAL YEAR END FUND BALANCE</b>	<b>169,317</b>	<b>187,634</b>	<b>224,882</b>	<b>252,384</b>	<b>268,597</b>	<b>292,893</b>	<b>310,769</b>
Debt Service as a Percentage of Water and Sewer Operating Budget	36.7%	37.7%	37.8%	38.5%	38.6%	39.3%	39.5%
Total End of Fiscal Year Operating Reserve	169,317	187,634	224,882	252,384	268,597	292,893	310,769
Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue	20.4%	21.7%	23.9%	25.3%	25.8%	27.0%	27.7%
Total Workyears (all funds)	1,786	1,796	1,796	1,799	1,799	1,799	1,799

### Assumptions:

- The County Executive's operating budget recommendation is for FY23 only and incorporates the Executive's revenue and expenditure assumptions for that budget.
- The FY24-28 projections reflect WSSC Water's multi-year forecast and assumptions, which are not adjusted to conform to the County Executive's Recommended budget for WSSC Water. 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 FY23 water and sewer operating budget for WSSC Water.
- The FY23 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY22 budget jointly approved by Montgomery and Prince George's counties. The FY23 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC Water's proposed FY22 budget. The FY23 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC Water budget for FY23. The FY24-28 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 Water.
- The total FY22 estimated workyears shown correspond to the actual workyears as of December, 2021.
- Estimates of revenue in FY24-28 assume the rate increases projected by WSSC Water in the Average Water and Sewer Rate Increase line.
- In the projection for FY24-28 additional unspecified expenditure reductions are included to close WSSC Water's projected revenue shortfall in these years.
- Totals in this chart and WSSC Water's FY23 Proposed Long-Range Fiscal Plan for Water and Sewer Operating Funds may not match due to rounding.



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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)

## Initiatives

### Agriculture

- ★ Funding provided for the addition of one new Agricultural Business Development Specialist position related to the County's Climate Action Plan. This position will help implement zero waste goals from farm composting, and promote farm to food bank initiatives and agritourism.
- ★ Funding provided for the addition of one new Senior Engineer position related to the County's Climate Action Plan and Water Quality Protection Plan initiatives. While assigned to the Office of Agriculture, this position will be funded through the Water Quality Protection Fund (WQPF).
- ★ The Office of Agriculture is working with members of the County's delegation on legislation that will expand on-farm composting opportunities by increasing the footprint for the composting area without a permit from the Maryland Department of the Environment (MDE).
- ★ Continue to work with the Department of Technology and Enterprise Business Solutions (TEBS) to expand broadband/high speed internet access in rural areas of the County.
- ★ The Office of Agriculture (OAG) partnered with the Department of Environmental Protection and the Sugarloaf Citizens Association to review the Association's agreement with the County seeking an amendment to the agreement that would allow smaller 20-yard dump trucks to deliver leaf grow to table food farmers that are working with the OAG that will improve soil health.
- ★ Montgomery County's Farm to Food Bank program, a partnership between the Montgomery County Food Security Task Force, the Department of Health and Human Services, Manna Food Center, the Montgomery County Food Council, the Montgomery County Office of Agriculture, and the Greater Washington Community Foundation - has collectively invested and committed over \$630,000 to support a sustained and resilient local food supply and provide more nutritious and culturally diverse produce to residents who experience hunger. Since July of 2020, over 112,235 pounds of fresh, locally produced food has been purchased or donated to over 30 food assistance providers, providing over 90,000 meals for the Montgomery County community.

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## Alcohol Beverage Services

- ★ Maryland Local Program - Targeted towards helping small Maryland distilleries, wineries, and breweries build distribution and sales and partnering with them to ensure long term success.
- ★ Update all store point of sale register systems to remove technology barriers and enable ABS to do things like curbside pickup, buy online and pick up in store, and queue line checkout.

## Animal Services

- ★ Add one Animal Care Attendant to increase the productivity of animal shelter operations.
- ★ Provide funds for one Staff Veterinarian, which will address increased facility volume related to in-house emergencies, surgical procedures, and equity outreach.
- ★ Fostered better partnerships with rescues and other animal welfare resources, both within and outside the Montgomery County Community, creating better placement alternatives for animals in shelter care.
- ★ Enhanced pet licensing compliance rates through legislative and marketing efforts designed to promote compliance.
- ★ Expanded shelter operations and field services presence in the community to serve as a valued resource regarding the care and welfare of all animals.
- ★ Continued research into low cost spay/neuter clinic options to help reduce domestic animal pet population in the community and reduce shelter intake numbers.

## Board of Elections

- ★ Expand opportunities for voters to request and cast their ballot, including: permanent vote by mail, additional early voting sites, and additional ballot drop boxes.
- ★ Improve resiliency and scalability of election operations by applying lessons learned from the 2020 Presidential Election.

## Cable Television Communications Plan

- ★ Deploy 40,000 free computers to low-income residents and seek grant funding to expand additional digital equity programs including offering assistance to low-income residents to enroll in home broadband subsidy programs, expanding Senior Planet Montgomery to affordable housing developments, and expanding Senior Planet Montgomery through licensing for working parents.
- ★ Leverage County funding and seek additional grant funding to expand MoCoNet, the County's residential broadband network at affordable housing developments. In addition, receive grant funding to develop constituent-facing technology resources, launch pilot programs to train technology ambassadors, and expand access to technology training for MoCoNet subscribers to improve consumer technology knowledge and confidence, and reduce technology assistance calls to the County.
- ★ Leverage FY22 Community Communications Survey findings to strategically deploy County Cable Montgomery (CCM) resources. The goal is to provide communications over preferred communications platforms, in formats and languages that enable the County to reach more residents with information, especially those communities that are not currently engaging with the County.
- ★ Leverage caption encoders with Artificial Intelligence (AI) technology to improve the quality of multilingual captioning for County Cable Montgomery live and video on demand programming. The encoders provide multi-lingual captioning support. AI technology enables customized machine learning of County specific names, terms, and phrases to improve captioning accuracy. In addition, the encoders will create cost-efficiencies by reducing schedule and set-up time.

## Community Engagement Cluster

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- ★ The additional Program Managers provided to the Regional Service Centers (RSCs) will focus on addressing community business and economic development-related needs, help RSC Directors advance development, community engagement, and providing timely and effective government response and accountability. The Program Managers assist with duties associated with emerging economic and/or community development activities occurring in the regional area.
  - ★ The Office of Food System Resilience, new for FY23, enacts a key recommendation of the Food Security Taskforce and will tackle the long-term changes needed to meaningfully improve the food system and make permanent the expansion of coordination efforts with non-profit partners and public-private partnerships that grew out of the COVID-19 response. The focus of the Office will be to facilitate targeted food system projects and coordinate food systems efforts across the County.
  - ★ Funding has been continued for Newcomers legal services. Other migrant legal services programs have been consolidated into CEC to promote greater coordination and efficiency in fund usage and a permanent Legal Services Program Manager II has been created to coordinate these programs.
  - ★ The Office of Community Partnerships has enhanced their outreach and communication efforts from the Translations Unit to include materials in the top six spoken languages in the county (Spanish, Chinese, Korean, French, Amharic, and Vietnamese).
  - ★ Adding an Administrative Specialist III position to the Business Management Team will enhance CEC's capacity to support the growing range of programs and initiatives across all offices and Regional Service Centers.

## Consumer Protection

- ★ In December 2021, the OCP celebrated its 50th anniversary and engaged in a week-long program that consisted of consumer education presentations, an anniversary open house, and recognition from the County Executive and members of the County Council.
- ★ OCP has built out the Public Election Fund Liaison function as assigned by the County Executive and has created a useful FAQ for members of the public, media, and candidates to consult on public election fund-related questions.
- ★ OCP received media coverage from NBC-4 for its investigations that uncovered forced arbitration clauses in local auto repair shops' service contracts.
- ★ OCP expanded its language access program, establishing an in-house roster of volunteers that speak five different languages to assist residents and merchants with limited English proficiency.

## Correction and Rehabilitation

- ★ Eliminate administrative fees charged to participants for the Intervention Program for Substance Abusers and the Alternative Community Service Program to implement a recommendation of the 2021 Reimagining Public Safety Task Force Report to reduce barriers to these and other court related programs.
- ★ Relaunch the Bakery Program to support workforce development and provide inmates with an opportunity to earn a food service certificate and gain practical food preparation skills.
- ★ Add a correctional officer to enhance contraband screening.
- ★ Fund the purchase of two new electric perimeter security vehicles through the Motor Pool Fund Contribution NDA to address wear and tear on the existing gas powered engines from constant use at slow speeds and reduce environmental impacts.
- ★ Add a correctional officer to support medical unit security.

## County Attorney

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- ★ Publishes monthly report in the County's dataMontgomery portal and publishes quarterly reports on the OCA website with status reports covering litigation, contracts, code enforcement, workers compensation and debt collection. Beginning 2022, and in compliance of Bill 19-21, OCA will periodically provide County Executive and County Council certain settlement agreements entered by the County. The County Attorney will also quarterly brief the County Council on pending litigation. OCA supports a responsive and visible government.
  - ★ Successfully completed all documents required to submit the Wheaton Office Building to a condominium regime (M-NCPPC owns the building, and the County owns the underground garage), leased a portion of the M-NCPPC condo unit to the County for office space, assisted in the Marian Fryer Plaza to be put to community use, and transferred 8787 Georgia Avenue for redevelopment of M-NCPPC's former headquarters.
  - ★ Successfully quieted title to the property located at 4010 Randolph Road in Silver Spring, the Bushey Drive Elementary School site and most recently the headquarters for the County's Department of Recreation. Because OCA quieted title, the County may convey the property to an affordable housing developer who will provide rental and for-sale housing to households whose income is within the range of 30 percent to 70 percent of the area median income for the Washington Metropolitan Statistical Area.
  - ★ The new Property and Real Estate Development Project and Transaction Focused Attorney will support the Department of General Services and the Department of Transportation as they engage in significantly more complex real estate development projects that require assigning an experienced lawyer to work exclusively on those projects. Many of these projects will require the creation of development agreements, condominium documents, covenants, easements, and other transactional documents that require months of effort to complete.

## County Executive

- ★ In order to equitably meet the County's greenhouse gas reduction goals and increase resilience in the face of climate hazards, the County Executive is providing funds to create a Climate Change Officer position to lead this work.
- ★ The County Executive is providing funds to address disparities in the Black Business Community and to provide training and resources to the Montgomery County Business Community.
- ★ In support of the Montgomery County Business Community, additional funding is being provided for the Business Advancement Team. This funding will enable increased communication and support to businesses throughout the County looking for assistance and guidance in their efforts to start, sustain, and grow their businesses.
- ★ The County Executive has launched an initiative to improve the experience of small retail and restaurant businesses in their interactions with County government services.
- ★ To better serve residents, the County Executive's Office has initiated a cross-departmental effort to improve the experience of residents across County services by implementing cohesive and equitable customer service solutions through process improvement, technology, and measuring performance.
- ★ In an effort to provide job coaching and placement services to County residents and expand career paths and opportunities for all citizens, the County Executive is providing continued support for Worksource Montgomery's programs.
- ★ In December 2021, a Development Ombudsman was appointed to focus on building stronger relationships with industry partners and other State and local entities, and to facilitate the resolution of systematic issues and projects associated with business development.

## Emergency Management and Homeland Security

- ★ Add funding for a Climate Adaption Manager who will provide targeted outreach and other educational opportunities for vulnerable communities within Montgomery County. This position will also coordinate the department's involvement in the County's Climate Initiative, and will provide specific guidance on mitigating heat island effects and flash flood occurrences.
- ★ Provide \$800,000 in security grants to non-profit organizations in Montgomery County that have experienced or are at greater risk for experiencing hate crimes.

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- ★ Coordinated with emergency management planners across the National Capital Region on the Threat and Hazard Identification Risk Assessment, with regional public safety partners on a consequence management plan for the State of the Union, and with Prince George's County on the Maryland Emergency Response System.
  - ★ Provided support to the County's COVID-19 vaccination clinics through management of logistics such as signage, traffic control and shuttle transportation and coordinate with the Department of Health and Human Services to develop the County's Test to Stay protocols for non-public schools in line with Maryland Department of Health guidance.
  - ★ Coordinated with the Maryland Department of Housing and Community Development to open several disaster programs for eligible residents including Maryland Business Recovery Loan Program, Maryland Disaster Housing Assistance Program, and Maryland Disaster Relief Housing Program.
  - ★ Developed a climate action plan in partnership with the Department of Environmental Protection, Department of Transportation, and the County's Climate Officer. OEMHS' work has focused largely on climate adaptation, updating the Extreme Temperature plan, and mapping social vulnerability in the County to begin targeted outreach efforts.
  - ★ Coordinated and participated in a joint exercise with Fort Detrick's Forest Glen Annex, testing the emergency response procedure for a train derailment. The department also conducted the Capital Fortitude exercise which reviewed the county's medical supply distribution plan.

## Environmental Protection

- ★ Add two positions to address flooding Countywide, including a general flood program manager and a mapping specialist. In addition, amend the CIP to create a new Flood Control Study project to investigate sub-watershed-level flooding solutions.
- ★ Provide funding and positions to implement a Building Energy Performance Standards program to improve energy efficiency and reduce the greenhouse gas emissions from buildings, one of the largest emitters in the County. This is a cutting edge initiative on which Montgomery County is leading the way.
- ★ Add funding for climate justice efforts, engaging with minority and low-income communities to collaboratively solve locally-felt environmental problems. Funds are also added for the electrification and resiliency of low- and moderate-income housing.
- ★ Initiate enhanced inspection and maintenance of stream restorations and best management practices (BMPs), required under the newly-issued MS4 Permit.

## Finance

- ★ Partnering with the County Executive's Innovation Office to develop ways to encourage more residents to pay County taxes and other bills online versus in-person or through the mail, reducing the use of paper and carbon emissions.
- ★ Switching Robotic Process Automation platforms that offer greater integration capability with the County's existing information technology investments.
- ★ Continuing partnership with the Department of Technology and Enterprise Business Solutions to enhance the department's Disaster Recovery and Business Continuity capability.
- ★ Implementing an Account Verification Service for all online Automated Clearing House payments to ensure that a payer's bank account standing is valid prior to submitting a payment to prevent returns.
- ★ Risk Management has made significant progress in developing electronic claim reporting forms to streamline reporting and eliminate significant paper waste in the Claims Section. The electronic claim reporting form initiative has been tested with the Motor Vehicle Accident Notice (MVA) Form and will be tested with the Liability Accident Notice Form. The MVA form will be piloted with Alcohol Beverage Services (ABS) and the Division of Highway Services (HWY) by April 2022; and the Liability Accident Notice Form will be piloted with the Department of General Services by the end of the fiscal year.



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- ★ For the 2022 Election Cycle, the Public Election Fund has authorized and distributed \$1,804,355 in matching fund contributions to 16 candidates who have been certified and are running in contested elections as of February 28, 2022.
  - ★ The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2020, with the program generating over \$3.4 million in interest income and creating an estimated 2,972 jobs.

## **Fire and Rescue Service**

- ★ Add a paramedic chase car to enhance advanced life support (ALS) emergency medical service delivery in Silver Spring.
- ★ Add an Emergency Medical Service Duty Officer position to enhance advanced life support field supervision.
- ★ Increase the capacity of the Mobile Integrated Health program by adding two paramedics to support the existing social worker and registered nurse on home visits, complement the County's Mobile Crisis Team, and enhance other public health efforts, assist with emergency room diversion options, and better address the needs of frequent 911 callers.
- ★ Add a permanent Emergency Medical Service System Capacity Officer to coordinate patient transport to hospitals and balance emergency department loads. This enhancement is expected to assist in reducing hospital drop times and increase EMS transport availability.
- ★ Add civilian staff in Support Services to enhance emergency medical services logistics and the small tools function to enhance service and reduce uniform backfill overtime.
- ★ Provide an additional therapist and administrative staff to expand mental health services and add contract resources for Fire and Rescue Occupational Medical Services to support Montgomery County Fire and Rescue Service personnel.
- ★ Add funds to support a new flexible emergency medical service, entering service in FY24. The nature of this resource will be informed by enhanced data analysis to ensure maximum community impact.
- ★ Add funds to support new lease costs associated with expanded and improved space for the Mental Health Unit and Special Operations warehouse expansion.
- ★ Add night/weekend career staffing at Sandy Spring Fire Station 40 to support volunteer staffing and address failures to respond.
- ★ Provide funding to address long-standing structural budget deficiencies in fleet and facilities maintenance, wireless communications, and medical supplies.
- ★ Increase support for local fire and rescue department emergency medical service activities and infrastructure through an Emergency Service Transporter Supplemental Payment Program Distribution.
- ★ Add an Emergency Medical Service Quality Management Battalion Chief to evaluate emergency medical services system performance and assist in optimizing resource deployment.
- ★ Add funds to un-lapse a Program Manager II position to promote the integration of volunteer and career fire and rescue activities.
- ★ MCFRS will undergo an assessment of workload and resource deployment by an independent contractor in FY22, with a focus on evaluating the effectiveness of the existing deployment model and identifying resource efficiencies. Efforts will be made to incorporate recommendations from the assessment in order to reduce the use of details and overtime costs.

## **Fleet Management Services**

- ★ Expand the zero-emission vehicle replacement program with new expenditures to support the planned replacement of County fleet vehicles with zero-emission alternatives where feasible, including the purchase of the County's first heavy-duty electric truck to be

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delivered this summer.

- ★ Develop a plan to transition the County fleet to 100 percent zero-emissions as specified in the Climate Action Plan, working with individual County government departments to reduce overall vehicle use, identify suitable zero-emission replacement vehicles, and restructure operations around the use of zero-emissions vehicles where necessary.
- ★ Support the County's goal of a zero-emission bus fleet through the development of a multi-year request for proposals (RFP) to purchase electric buses to be located at the Brookville Bus Depot in Silver Spring. Up to 70 electric buses at this location will be supported by a solar microgrid charging facility, expected to become operational in spring 2022.
- ★ Purchase solar-powered charging stations to support electric vehicles at County facilities.

## General Services

- ★ Provide funds through the capital budget to implement a capital asset management system to track, monitor, and provide long-range planning for the maintenance and/or replacement of the County's capital assets. This promotes more effective and efficient preventative maintenance and more timely replacement of building systems that have reached the end of useful life.
- ★ DGS's County Space Strategy will reduce the leased space footprint, relocate County staff and programs to owned space, promote efficiencies by consolidating staff and programs, and reduce the energy footprint. Immediate efforts include an inventory of existing lease space, identifying portions of the leased portfolio that should not be renewed, and developing an exit strategy. Work will include expanded telework and activating underutilized assets by employing new space use strategies such as shared workspaces and hoteling where appropriate.

## Health and Human Services

- ★ The FY23 budget provides increased direct support to youth most impacted by the pandemic via mental health, therapeutic recreation, Healing Informed Positive Youth Development, and Family Strengthening and Intervention services. In addition to sustaining these needed supports initially funded via pandemic relief funds, the County Executive is further expanding supports to reach more youth and families by providing additional mental health and social services at existing High School Wellness Centers; and to provide services in more school communities by opening a new Wellness Center at Kennedy High School, new Linkages to Learning centers at Odessa Shannon Middle School and the new Gaithersburg Elementary School #8, mental health and social services at ten high schools without Wellness Centers that MCPS has prioritized as being in need of more resources, and an expansion of community-based youth crisis stabilization services and youth Mental Health First Aid trainings.
- ★ The Bienvenidos Initiative (Newcomers Initiative) was propelled by the unprecedented increase in the number of unaccompanied migrant children and asylum-seeking families approaching the southern U.S. border and arriving in Montgomery County. Through the application of an equity lens framework, the initiative focuses on expanding the County's capacity to address the unique needs of this subset of the newcomer population in the mental health, legal and social services realm. The initiative brings together a robust network of providers that offer consistent information and access to services regardless of point of entry. Funds are allocated to support the expansion of existing healing informed and culturally based school and community-based services; such as Wellness Center services, family reunification, Street Outreach Network supports, youth leadership development, legal screening and representation for any and all newcomers in the County.
- ★ In FY22, the County made important and significant changes to the approach to sheltering people experiencing homelessness. The prior policy and funding provided a limited number of year-round beds which expanded during the winter months. The new policy more than doubles the year-round shelter capacity and support services including improved access to primary care, behavioral health, and vocational services. This includes the opening of a new emergency shelter for men.
- ★ One of the best strategies to eradicate homelessness is to prevent households from entering the homeless continuum by resolving their housing crisis through conflict resolution, problem-solving, and flexible funding. In FY23, additional funding is recommended to implement a centralized shelter intake and homeless diversion program. This new program will include a 24-hour, 7-days-a-week shelter hotline and case management staff to help households avoid homelessness.
- ★ When homelessness cannot be prevented, the approach of the County is to quickly connect households to permanent housing. The FY23 budget makes permanent the funding that was provided through ARPA in FY22, as well as providing an additional \$2,000,000 for

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Rapid Rehousing and \$3,000,000 for the County Rental Assistance Program. Rapid Rehousing provides a short-term housing subsidy and intensive wraparound services to ensure households can maintain housing stability after the subsidy ends. The Rental Assistance Program provides a permanent shallow housing subsidy to those with vulnerable housing and those exiting homelessness.

- ★ In response to the disproportionate impact of the COVID-19 pandemic on our County's low income and immigrant population, the Department of Health and Human Services, in collaboration with the Office of Emergency Management and Homeland Security, and in partnership with multiple non-profit organizations, created eight Service Consolidation Hubs located in strategic geographical areas to provide food, diapers, and essentials as well as access to benefits and services to households in need. The FY23 budget continues the work of the hubs with an eye toward permanent post-pandemic services.
- ★ Students attending Montgomery County Public Schools are experiencing more complex medical issues including diabetes, mental health concerns, and need for student case management and referrals, creating the need for more school Community Health Nurses. Having a nurse in every middle school, high school, and large elementary schools will assist in addressing increasing student health and wellness needs. The FY23 budget provides additional nurses to fully meet this policy level. In addition, increasing complexity of student health and wellness needs means school Community Health Nurses and school Health Room Techs, as well as school Administrators and staff, need additional, comprehensive training. While school Community Health Nurses in schools have been asked to provide this training in the past, increased activity in health rooms, COVID, and emerging disease prevents health room staff from being able to research topics and provide training to staff. School Health Managers and Administrators are spending a significant amount of time doing trainings and new staff orientation. The FY23 budget provides for a School Health Staff Training team which will allow for more timely trainings and mentoring of new staff across School Health Services.
- ★ The FY23 budget provides for the establishment of an additional Adult Protective Services team which will greatly enhance the County's capacity to properly, safely, and timely meet the State mandated requirements to immediately investigate reports of abuse, neglect, and exploitation of adults age 18 and over at risk of abuse, neglect, and exploitation. As Adult Protective Services (APS) are mandated, they do not allow wait lists. APS cases have grown in the past five years driven in large part by the growth in financial exploitation cases. Continued mandated reporting by fiduciary institutions, increased awareness of abuse in the community, and the growing number of older County residents has resulted in a steady growth for investigation of allegations of financial exploitation.
- ★ The FY23 budget provides additional funding for the expansion of the supplement given to Medical Adult Day Care (MADC) and Developmental Disability (DD) providers. The funding for MADDC will greatly help the providers of this crucial community-based service meet the growing needs in our community and offset the costs of providing services not provided or allowed by Medicaid, which funds more than eighty percent of the constituents receiving MADDC services. As the number of older adults and adults with disabilities in need of this service is expected to grow over the next two decades, this investment by the County supports the infrastructure that enables delivery of service to this population and their families. The increase in the annual supplement to providers of services to adults with developmental disabilities will continue to help the DD providers network, as part of the County's long-standing commitment to residents with developmental disabilities.
- ★ The FY23 budget provides a 6% inflationary adjustment to non-profit contracts. This will enable the non-profit partners to continue to provide vital services to County residents in the midst of rising costs.

## **Housing and Community Affairs**

- ★ Provide the highest level of affordable housing funding in the County's history by investing nearly \$100 million in affordable housing. This includes \$57 million in the Montgomery Housing Initiative (MHI) Fund, \$36.7 million in the Affordable Housing Acquisition and Preservation CIP project, and an additional \$6 million for the new Affordable Housing Opportunity Fund. 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" programs, and creation of mixed-income housing.
- ★ Dedicate one-time funding of \$40 million to create a new capital project, Preservation of Naturally Occurring Affordable Housing Fund, to support acquisition and preservation of at-risk currently naturally occurring affordable housing (NOAH), including units along the Purple Line and other County transit corridors.
- ★ Continue to protect lower-income residents from rent increases by working with nonprofits to identify and preserve at-risk naturally-occurring affordable housing and actively engaging purchasers with Rental Agreements to preserve affordable rents.

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- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Five developments, including one senior and four family projects, have already been identified for potential funding in FY23. These developments would preserve or produce a total of 815 units, including 317 affordable units.
  - ★ Commit additional resources in the Rental Assistance Program to pursue extension of approximately 125 expiring Moderately Priced Dwelling Units for another five years.
  - ★ Collaborate with Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the residents who need it the most. A renewed focus will be on eviction prevention, including targeted assistance and financial literacy seminars in areas experiencing high eviction rates.
  - ★ Continue to apply for and receive 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.
  - ★ Allocate \$2 million from existing resources to explore, subject to the County's collective bargaining laws, a pilot program for down payment assistance to full-time career employees of Montgomery County and Montgomery County Public Schools to help make first time homebuying more affordable in the County.
  - ★ Add an Investigator III Position for the Landlord-Tenant Mediation Program to support increasing demand for tenant services.
  - ★ Add two positions in the Common Ownership Community Program to enhance staffing capacity and restructure program operations to provide more effective and efficient service delivery.

## Human Resources

- ★ As part of the continued work to implement the OHR Strategic Plan, new positions have been added to OHR's budget to address gaps in service delivery, enhance the customer experience, address critical areas of improvement, and strengthen partnerships within the Human Resources Community.

## Human Rights

- ★ Add \$25,000 to the Partnership Fund in the FY23 Recommended budget to provide partial compensation for property damage to victims of racial, ethnic, religion, sexual orientation and disability based hate/violence. The Partnership Fund's goals are to demonstrate community support for the victims and ease the financial consequences of such violence.
- ★ Held the Fair Employment Summit in partnership with United State Equal Employment Opportunity Commission and County Aging Advocates for County private and public employers with a focus on Age Discrimination, local laws and State and Federal employment case law and understanding the new workplace in a COVID-19 environment
- ★ Planned and coordinated the Eighth 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. This event was important as the Office continued to see an increase of reported incidents of hate and acts of violence.
- ★ Completion of a Credit Reinvestment Analysis (CRA) of county banks and lending institutions with a focus on encouraging investments in housing, economic development, and bank literacy in racial minority communities.
- ★ Planned and coordinated First Official Juneteenth Holiday County Celebration focus on acknowledging the end of slavery in the confederate states and ultimate abolition of slavery throughout the United States.
- ★ Held a Fair Housing Summit for housing providers, realtors, rental agents, and real estate professionals with a focus on local, State, and Federal fair housing laws and the historic discriminatory practices by government policies and practices that influence discriminatory behavior today.

## Inspector General

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- ★ Continue expansion to implement Bill 11-19 by adding Auditor positions which will allow the OIG to conduct a systematic risk-based rotating group by group review of the internal accounting and contracting processes and controls used by each department and principal office in the Executive Branch, as well as audit high-risk County contracts and agreements. Auditing the County's accounting and contracting processes on a recurring basis ensures that accounting/contracting programs are running effectively and efficiently.
  - ★ Advance Diversity Equity and Inclusion (DEI) through every facet of work. In FY21, OIG began applying a DEI lens to the planning phase of every announced engagement to identify areas of impact and ensure inclusion of diverse perspectives. OIG employed visual and verbal resources in our interviews, adopted an inclusive language guide and increased our language capacity to better engage with and serve residents.

## Intergovernmental Relations

- ★ Continue to enhance collaboration with the County Executive, County Council, County departments, independent agencies (Montgomery County Public Schools, Washington Suburban Sanitary Commission, Maryland-National Capital Park and Planning Commission, Montgomery College, Revenue Authority, and Housing Opportunities Commission), and the County's various Boards, Committees, and Commission to enhance: (1) the process for developing Federal and State priorities to maximize opportunities; and (2) Federal and State advocacy efforts regarding legal, legislative, fiscal and regulatory matters.
- ★ Continue to enhance the Office of Intergovernmental Relations' Legislative Tracking System to maximize its workflow management and public information capabilities.

## Management and Budget

- ★ Provide funding for an additional Administrative Services Coordinator position to expand the Shared Services Team. The Shared Services Team continues to provide direct, hands-on assistance to 12 departments throughout County government in contracts and human resources transactions, budgeting and fiscal planning, and other administrative tasks.
- ★ Provide funding for an additional Fiscal and Policy Analyst position to further incorporate racial equity, climate change, and other analytical lenses into the budget and policy development processes.
- ★ During the development of the FY23 County Executive's Recommended Budget, the Office of Management and Budget planned and executed seven operating budget forums to provide residents an opportunity to have their voices heard. For the first time in history, one budget forum was conducted in Spanish making these forums more accessible and interactive.
- ★ Along with the County Executive's Innovation and Civic Design Team, implemented the County Executive's Employee Input Initiative that encouraged employees to submit ideas that make work easier, improve customer service, make outcomes better, save money, contribute to smarter spending, and make government better. The submitted ideas were evaluated for implementation level of effort, value for money, staffing needs, feasibility, and benefit. In total, 125 ideas were submitted by 74 employees in 20 departments.

## Parking District Services

- ★ Management of the Bethesda facility improvements to include payment system upgrades (including pay by plate in the Woodmont Corner, Garage 11), machine location plan, and sign replacements.
- ★ Installation of new LED light fixtures in additional parking garages to improve lighting and energy efficiency.
- ★ Expansion of the Electric Vehicle Charging Station program in existing and additional facilities.
- ★ Explore opportunities to install solar photovoltaic systems on garage rooftops within the Parking Lot Districts that can provide discounted electricity to lower and moderate income (LMI) communities in the County as well as County owned facilities.

## Permitting Services

- ★ Conducted outreach to educate the public on safety and other DPS measures including promoting international Building Safety Month in May, deck safety and other educational webinars.

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- ★ The Zoning Division will conduct an outreach campaign to inform the general public, industry professionals and sister government agencies on relevant and timely topics intended to promote health, public safety, general welfare, and goodwill throughout the County.
  - ★ Participated in the development of NFPA 915, a new code for remote inspections, and Tiny Homes Guide.
  - ★ Implemented a predesign consultation process for residential projects that gives both the customers and staff a better understanding of the project requirements and next steps.

## Police

- ★ Development of a License Plate Reader and Security Camera deployment plan for the 3rd District - Silver Spring which will add resources to addressing crime deterrence and crime solving in the Central Business District.
- ★ The Montgomery County Police Department will conduct a workload analysis of police officers in each of the County's six districts to determine appropriate staffing levels and establish operational efficiency. This analysis will be ongoing and initial findings are projected to be available during FY23.
- ★ MCPD will implement biennial mental health assessments for all current and incoming Police Officers beginning in FY23.
- ★ The Recruitment Unit will receive an additional police officer and a civilian administrative support position to improve recruitment efforts and to attract the best talent to Montgomery County's police force.
- ★ The Community Resources Bureau will increase the number of police officers that receive crisis intervention training which will, in coordination with the Department of Health and Human Services, improve the public safety response to individuals experiencing a mental health crisis. In addition, the Bureau is coordinating community engagement events and surveys to improve MCPD's violence intervention initiatives.

## Procurement

- ★ Provide funds to address a structural deficit related to printing, imaging, and interoffice mail.
- ★ The Montgomery County Office of Procurement won a National Association of Counties (NACo) Achievement Award in the category of Information Technology for the DPO Violation E-Notification and Response System.
- ★ The Department of Procurement was awarded the Achievement of Excellence in Procurement Award (AEP), which is earned by public and non-profit agencies that demonstrate a commitment to procurement excellence. This annual program recognizes procurement organizations that embrace Innovation, Professionalism, Productivity, Leadership, and e-Procurement.

## Public Information

- ★ Funding provided for Spanish language communications outreach via Radio America, communicating directly with this specific segment of the County's population.
- ★ Fund 6 new Term MC311 positions to increase the productivity of Service Center operations.
- ★ Provide funding for two new Public Information Officers due to expanded County-wide communications programming.

## Public Libraries

- ★ Reduce Montgomery County Public Library's lapse budget by \$1,500,000 which will enable the Department to recruit more librarians and other support staff and improve customer service.

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- ★ Increase Montgomery County Public Library's collections budget by \$900,000 to reduce wait times for eBooks.
  - ★ Equalized library public service hours across all locations and expanded Sunday service hours to eight hours systemwide.
  - ★ Partnered with Health and Human Services, Office of Emergency Management and Homeland Security, Department of General Services, and the County Executive's Office to distribute over 800,000 COVID rapid test kits and over 1 million N95 masks to the public from 19 library branch locations.
  - ★ Awarded \$8 million of American Rescue Plan Act (ARPA) Emergency Connectivity Funds, in partnership with Technology and Enterprise Business Solutions, to provide 20,000 laptop computers to County residents who lack access to an internet connected device.
  - ★ Awarded \$100,000 from the Maryland State Library through ARPA funds to purchase an outreach van that will allow the Department to bring resources and services to under-served communities.

## **Racial Equity and Social Justice**

- ★ Enhance communications and support the development of departments' community engagement plans to ensure members of the community who are traditionally underserved have access and opportunities to express their views in County decisions.
- ★ Continue providing support to the Department of Environmental Protection to help center people of color in their work as this population is often the most burdened by climate change.
- ★ Add funds for consulting services to assist with planning for the Montgomery County Lynching Memorial Project.

## **Recreation**

- ★ Summer School Wrap Around Program (Funded by the Early Care and Education Non-Departmental Account.): A program that creates a pathway between summer school and summer camp, establishing a full day of classroom and experiential opportunities.
- ★ Kids Day Out: A partnership with Montgomery County Public Schools at 13 Recreation Centers across the County. This ongoing initiative was established to address the needs of working families on days when school is not in session by providing safe, affordable, enriching, and well-organized recreation activities.
- ★ PLAYMontgomery: A campaign focusing on equity and access to youth sports, expanding no cost or low-cost opportunities to lifetime leisure sports such as swimming lessons and creating opportunities for youth in underserved communities to try out new sports that may otherwise be unattainable such as lacrosse, volleyball, skateboarding, biking, and kayaking.
- ★ Fit N Fun: A program pairing free swim lessons, skateboard instruction, bike safety, and rock climbing instruction at Long Branch, Plum Gar, White Oak, and Upper County Community Center.
- ★ Fire Fit - Fire Smart: A program for teenage girls providing fitness and wellness activities, fire safety, nutrition, and an opportunity to create an introduction to fire and rescue as a career pathway. Partners included Montgomery County Fire and Rescue and the University of Maryland Nutrition Extension program.
- ★ The Department is participating in a three-year research project and grant opportunity with the American Camp Association to increase career pathways for camp, recreation, and related out-of-school time fields.

## **Recycling and Resource Management**

- ★ Implement a Save-as-You-Throw pilot program to gauge the feasibility of the program in Montgomery County. If successful, it could greatly increase the material sent for recycling rather than refuse disposal.
- ★ Expand the commercial food scraps recycling program and recruit additional large-scale commercial generators of food scraps, and expand the single-family residential food scraps collection pilot started in FY22 to include an additional 1,700 homes in FY23 added to



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the initial 1,700 homes already participating in the curbside pilot.

- ★ Improve the processing efficiency at the composting facility using software that maximizes compost process efficiency. A new Load Scan system increases the availability of Leafgro by creating accurate load measurement for bulk shipments of Leafgro. Leafgro is compost sold by the County from yard trim collected from single family homes throughout the County.

## **Sheriff**

- ★ In accordance with Chapter 90 of 2021 from the Maryland General Assembly, the Sheriff's Office will reimburse reasonable and necessary veterinary treatment expenses for retired canines.
- ★ The Family Justice Center is developing a training institute that will cover topics such as Domestic Violence Dynamics, Domestic Violence in the Workplace, How to Talk to Children About Dating Violence, and Bystander Intervention. The Family Justice Center Training Institute is expected to launch in early 2022 and will be available to the general public and Montgomery County employees.
- ★ The Family Justice Center is working with the Montgomery County Department of Technology Services to develop paperless and fully electronic systems for intake and record-keeping. Full implementation of the new procedures is expected during the first half of FY23.
- ★ The Domestic Violence Coordinating Council's Victim Services Committee has identified potential partners to provide enhanced services for victims of domestic violence who also abuse substances.
- ★ The Family Justice Center will continue to explore a partnership with the Shady Grove Medical Center's Forensic Nursing Unit to provide virtual forensic medical consultations to clients that have been abused or assaulted, either physically or sexually.
- ★ The Family Justice Center will continue to explore ways to acknowledge October as Domestic Violence Awareness Month via virtual and in-person awareness events and social media campaigns.
- ★ The Sheriff's Office will fill a vacant Principal Administrative Aide position that was previously lapsed, to coordinate the administrative responsibilities associated with Tenant Eviction Services.

## **State's Attorney**

- ★ Funding to replace legacy case management system with a new cloud-based system that will allow for better data analysis and a faster transfer of information from the courts.
- ★ Add two Assistant State's Attorney positions to support the Circuit Court Prosecution Unit.

## **Technology and Enterprise Business Solutions**

- ★ Replace and update County technology infrastructure, which will result in a 90% reduction in back-up and recovery times and will provide a ransomware recovery platform, which will greatly protect the County from potential ransomware attacks.
- ★ Implement a Network Equipment Modernization Program to update the County's network equipment and improve service reliability, cybersecurity, and recovery.
- ★ Significantly expand cybersecurity capabilities to combat today's and tomorrow's increased information security threats. Areas of expansion include improved information security risk management assessments and procedures, deployment of next-generation endpoint (e.g., desktops, servers, laptops, and mobile devices), advanced threat prevention/response, and simulated cyber-attacks to help protect County data and systems.
- ★ Implement an Enterprise Mobile Application Management (MAM) solution to enhance security on mobile computing devices to strengthen security of County data.

## **Transit Services**

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- ★ Improve the affordability of transit service in the County by reducing fares on all Ride On routes by one half, bringing the cost of most Ride On trips to \$1.00. Following the suspension of fare collection during the COVID-19 pandemic, a fare equity study was conducted to identify fare policy options that would produce the greatest and most equitable benefit for County residents. It was found that a \$1.00 fare would provide the best balance of benefits and costs, while being simple to communicate and implement and flexible for future changes to the larger regional fare system.
  - ★ Restore Ride On service and Call-N-Ride to pre-pandemic levels.
  - ★ Enhance transit service delivery through a series of system-wide changes to be recommended in the Ride On Reimagined study. This comprehensive study is examining Montgomery County's entire existing and planned transit system, providing the opportunity to guide the future direction of Ride On through data analysis and community engagement. County residents, transit passengers and advocacy groups, community leaders, and other stakeholders will participate in the development of policy recommendations and implementation strategies. The study will address County priorities to improve racial equity and address climate change. A new planning position has been added to assist in the coordination of this study and to implement recommended changes to address current and future needs of the community served by Ride On.
  - ★ Initiate a zero-emission bus fleet transition study to develop concrete strategies to transform the Ride On fleet and achieve the zero-emission fleet targets and greenhouse gas reduction goals outlined in the County's Climate Action Plan. The plan will also contain a program of requirements for a new zero-emission bus operations and maintenance facility. By summer 2022, a draft plan that addresses implementation through 2027 will be completed. The study will be completed by the end of fiscal year 2023.
  - ★ Improve transportation services and address barriers for residents who are disabled, seniors, and individuals with limited incomes. Supported by dedicated revenues from Transportation Network Company fees, Transit Services will increase subsidies for wheelchair accessible taxicabs; expand the Call-N-Ride program; provide new grants to nonprofit transportation service partners; implement a Passenger Assistance Safety and Sensitivity training program for taxi drivers; and fund accessible transportation initiatives by other County government departments, including a new zero-emission bus for the Department of Recreation to provide direct transportation to and from the County's senior centers.
  - ★ Initiate the TravelSmart Ambassador Program, which will use targeted outreach and messaging to educate a variety of audiences on transportation options for all types of trips. This initiative will focus on underserved and vulnerable populations, including non-native English speakers, seniors, and people with disabilities, as well as residents new to the area and suburban residents who often are unaware of how transit and other non-driving options can be effectively used. By advocating for alternatives to driving, this program will help the County achieve its Climate Action Plan goals to double the use of transit and active transportation by 2035 while capitalizing on the substantial investment in existing, new, and future transportation options such as Ride On, bus rapid transit (BRT), the Purple Line, and robust pedestrian and bike infrastructure.
  - ★ Expand the impacts of Transportation Demand Management (TDM) programs in the County to increase the use of transit and other alternatives to driving alone. TDM programs are a key strategy outlined in the County's Climate Action Plan to reduce greenhouse gas emissions from the transportation sector. Outreach and increased data gathering will be conducted in the White Oak TMD and other previously underserved activity centers in the County. This initiative will increase direct assistance to businesses and their employees, and to residents of multi-unit buildings. Other TDM expansions include installation of parking corrals for e-scooters and e-bikes, increases in the number of adult cycling classes offered, and a web portal to facilitate developer compliance with NextGen TDM requirements.

## Urban Districts

- ★ The Bethesda Urban Partnership (BUP), in collaboration with the Montgomery County Department of Transportation (MCDOT), the Department of Permitting Services, and the Maryland-National Capital Park and Planning Commission developed a plan for permanent use of the Norfolk Ave Steetery. The design proposes creating a "public activity corridor" with distinct areas for special use such as a children's play area, live music, dining, and special events which will improve the use of this public space and increase economic development.
- ★ The Bethesda Arts and Entertainment Board will complete a large public art mural in Spring 2022 on the face of the public parking Garage 11 on Old Georgetown Rd in partnership with MCDOT. The mural will continue the Board's goal of beautifying downtown Bethesda with public art.

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- ★ The Silver Spring Urban District (SSUD) continued to work closely with MCDOT, the State, and local businesses to minimize business and quality of life disruptions from the Purple Line construction project. The district works closely to support business operations and to provide substantive information that guides pedestrian and vehicular safety efforts.
  - ★ To promote partnership opportunities for local businesses, SSUD has resumed efforts for the Silver Spring Summer Concerts, the Silver Spring Jazz Festival, Taste the World Fenton Village, and the Montgomery County Thanksgiving Day Parade. Additionally, the SSUD is pursuing promotional events including collaborating with the District of Columbia on the National Cherry Blossom Festival.
  - ★ The Wheaton Urban District working in partnership with the Community Use of Public Facilities will open the Marian Fryar Performing Arts Plaza for programming to provide additional increased opportunities for community events and outdoor recreation as well as increased economic development in Downtown Wheaton

## ■ Productivity Improvements

### Agriculture

- ✱ The Office of Agriculture is working with the Office of Technology Enterprise Business Solutions (TEBS) to find a more efficient way to streamline its client intake process and data collection.

### Alcohol Beverage Services

- ✱ Expanded business education through virtual trainings.
- ✱ Opened a new retail concept and flagship store, Oak Barrel & Vine, now live at Cabin John which will be used as a prototype to remodel all stores.
- ✱ Initiated business outreach to assist with restaurant recovery.

### Animal Services

- ✱ Adoption policies and procedures were revised to coincide with recommendations from national organizations to reduce barriers to adoption and create additional pathways for under-served areas in the County; thereby, reducing an animals' stay at the shelter facility.
- ✱ Significant improvements were made to the Volunteer Program streamlining processes to make processing applications and on-boarding new volunteers through a new automated system. Also, orientations and training processes are now accomplished virtually reducing wait times and delays for starting new volunteers.
- ✱ In response to COVID-19 restrictions, the OAS Adoptions Program modified procedures by incorporating a hybrid format that supports both appointment-based and in-person walk-ins.
- ✱ OAS transitioned to a new e-Citation system that replaced the antiquated system of issuing handwritten citations. This system provides an automated solution that has enhanced the interaction between officers and the court system, while also reducing the time officers remained on a call for service.

### Board of Elections

- ✱ Reconfigured facility to accommodate expanded vote by mail along with a return to traditional polling places on Election Day.
- ✱ Conducted process mapping exercises to modernize vote by mail ballot handling and results reporting.
- ✱ Expanded use of Short Message Service (SMS) texting application to allow voters to register to vote, find their nearest early voting center or drop box, or sign up to be an Election Judge.
- ✱ Live video stream of election procedures to bolster public confidence.

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## Cable Television Communications Plan

- ✱ Winner of National Association of Counties Best in the Nation Award for transforming Senior Planet Montgomery from an in-person training program serving 800 people per year to offering lectures and courses via Zoom to serve 7,000 seniors per year.
- ✱ Expanded MoCoNet residential broadband service to three new affordable housing locations.
- ✱ Reconfigured the County Council hearing room to effectively support hybrid meetings (Zoom and in-person combined) that can be cast to cable channels, Facebook and YouTube. Upgrading the video Storage Area Network (SAN) local area network video file sharing platform to improve efficiency of Council and Public Information Office (PIO) producers and editors to cost-effectively support demand for video communications among a new 11-member County Council.

## Circuit Court

- ✱ Transitioned to the Maryland Electronic Courts (MDEC) system, creating a single Judiciary-wide integrated case management system that is used by all courts within the State Court system.

## Correction and Rehabilitation

- ✱ In collaboration with Department of General Services, implement the Montgomery County Detention Center (MCDC) Stabilization project to reduce the facility's existing footprint by demolishing unused space that will save on building maintenance, repairs, and energy costs. Planning is underway for a new Criminal Justice Complex to replace the existing MCDC facility.
- ✱ Partner with the Department of Technology and Enterprise Business Solutions to initiate Wi-Fi infrastructure at DOCR facilities to enhance implementation of the new electronic health records system, delivery of programs and services, training opportunities, and work productivity.

## County Attorney

- ✱ Successfully launched the Non-Procurement Contract Portal in accordance with Administrative Procedure 2-4. The portal allows all County agencies to view a list of non-procurement contracts subject to AP 2-4, create an online checklist (e-Checklist) for preparation of contracts, view FAQs (frequently asked questions) related to AP 2-4, and user instructions.
- ✱ In collaboration with TEBS and DGS, OCA initiated and helped develop an archiving application to allow County agencies to submit online transmittal form for archiving records with built-in workflows. OCA manages a large volume of legal files that must be kept according to their retention policy. The new application allows agencies to submit requests to archive to DGS electronically, request archived records and return records via the one-stop portal. The project will be completed in FY22 and is in the process of final phase of testing and user training.
- ✱ Improved its current version of the Legal Hold application by developing a preservation process. The new processes include a dedicated SharePoint portal to allow OCA to notify agencies to preserve electronic records upon Notice of Claims which may later evolve into lawsuits and created a built-in workflow to send email notifications. The portal allows agencies to respond to preservation notices, track progress, and allow TEBS to place legal holds to O365. The new application enables OCA to track preservation and legal hold records.
- ✱ Developed and will implement a new online portal application with built-in workflow to centralize all routing and responses to subpoenas issued to HHS and other agencies for summons of records and witness testimony. OCA processes over 300 subpoenas per year under the current ad hoc and labor-intensive process (snail mail, email, etc.). The new system allows agencies to immediately create an online entry and upload subpoenas to OCA for processing. OCA is notified by the application via email, can file email in the ProLaw case management system, and assign attorneys to respond. This application enables OCA to manage, sort and track all pending subpoenas for appropriate responses, e.g. Motion to Quash/Motion for Protective Order. OCA legal staff can view status of a subpoena and track its outcome accurately.
- ✱ Complex County lawsuits with large volumes of depositions, transcripts, exhibits, discovery documents and videos, requiring labor intensive efforts to review, prepare, and compile documents, media files, and deposition transcript excerpts for trial have risen significantly. To make the pre-litigation process manageable, OCA deploys a third-party off-the-shelf cloud-based application to empower attorneys who work on the large lawsuits to better prepare for hearings, depositions, and trials. The software allows for

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full-text searching, coding, and tagging throughout and across multiple transcripts and records.

- ✱ Continues to expand the electronic citation application for use by more departments. Taxicab and Alcohol Beverages Services were added this year and the departments have been trained to issue citations electronically using e-Citation.

## County Executive

- ✱ The Office of Internal Audit completed and published ten audit reports (FY21 and FY22, to date) on a wide array of programming.
- ✱ Working with Departments, the Office of Internal Audit has seen continued progress in closure of open recommendations from the Office of the Inspector General, Office of Legislative Oversight, and Internal Audit reviews, maintaining the closure rate of 87% or better for all audit recommendations.
- ✱ The Innovation Team enhanced support for the County employee Accelerator community using structured problem solving to deliver rapid process improvement to users. In FY22, Accelerator projects ranged from making it easier for Health and Human Services clients to schedule appointments to improving the dental referral process for those experiencing homelessness.
- ✱ The Innovation Team partnered service designers with County departments seeking human-centered design capacity to make online 311 information clearer to residents, improve job ad language to reduce gender bias in hiring, map Board of Elections processes for transparency and streamlining, reduce administrative burden in police recruitment, and engage residents in visioning for the future of libraries.

## Emergency Management and Homeland Security

- ✱ The Office of Emergency Management and Homeland Security continues to build its Un-Manned Aircraft Systems program and currently has two licensed pilots along with two other pilots that will obtain their licensing. OEMHS conducts regular training to be able to deploy for damage assessment or in support of public safety agencies.
- ✱ Completed a series of workplace emergency preparedness videos to be used in County trainings.
- ✱ Coordinated with the Maryland Department of Emergency Management to establish a network of automated weather and environmental monitoring stations designed to observe mesoscale meteorological phenomena, such as dry lines, squall lines, and sea breezes.

## Environmental Protection

- ✱ Enhanced coordination and cooperation between General Services and the Department of Environmental Protection (DEP) to allow for transfer of stormwater management facilities built by DGS to DEP for maintenance in a manner that reflects clear information on the condition of the assets. This allows for improved planning and budgeting to ensure these facilities are inspected and maintained.
- ✱ Enhanced use of a social justice tool to guide placement of new stormwater management facilities and structures to address equity and ensure that water quality improvements are installed in an equitable manner.

## Finance

- ✱ Implemented a Business Intelligence dashboard that allows departments to quickly reconcile Accounts Receivable payments.
- ✱ Implemented a Timecard Correction electronic workflow for employees that significantly reduces the total time required for the review and approval of updates.
- ✱ Implemented an online application that allows businesses to pay for telephone excise tax without the use of paper and significantly reduces the cost of administration.

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- ✱ Automated an internal business payroll reconciliation process leveraging Robotic Process Automation that significantly reduces the time to complete tasks.
  - ✱ Updated the Central Vendor Registration System based on collaboration with the Department of Transportation to improve the customer experience by including the capability to translate content to multiple languages, simplifying the workflow, and updating instructions based on resident feedback.

## **Fire and Rescue Service**

- ✱ Completed the installation of a grant-funded vehicle exhaust elimination system that allows all fire station vehicles to be hooked to the system and prevents exposure to dangerous exhaust.
- ✱ Purchased over \$200,000 of personal protective gear funded by a FEMA grant to safeguard firefighters and paramedics from COVID.
- ✱ Placed four new brush engines and a rescue squad into service to replace aging apparatus and reduce maintenance costs.
- ✱ Provide MCFRS personnel language interpretation service through cell phones placed on apparatus.
- ✱ Launched alternative care options to low acuity patients including (1) safe treatment in place via telehealth consult and (2) transport to an urgent care center in lieu of an emergency department. These alternatives provide improved care efficiency for the patient, decrease MCFRS transport unit cycle times which make more units available for emergencies, and reduce volume in local emergency departments.
- ✱ In May 2021, MCFRS expanded the telehealth program to include high-risk patients who refuse transport to a hospital, to improve patient safety.
- ✱ Merged the Information Technology and Technical Operations section into a single Technology Services Section. Abolished the civilian manager and battalion chief to create a new assistant chief, resulting in greater efficiencies and cost savings.
- ✱ In FY22 the State's new Emergency Service Transporter Supplemental Payment Program will begin providing several million dollars of federal funding annually to the County to partially cover the cost of ambulance transport of Medicaid patients

## **Fleet Management Services**

- ✱ The Division of Fleet Management Services (DFMS) has completed the first phase of a zero-emission fleet transition plan. This plan, to be followed by a second implementation phase, sets a path for the County to achieve the fleet emissions targets specified in the Climate Action Plan. DFMS purchases zero-emission vehicles in all cases where a suitable vehicle is available on the market.
- ✱ Continue the process of targeting underutilized County vehicles to eliminate from the fleet, producing savings via reduced replacement and maintenance costs to accelerate the County's transition to zero-emissions.
- ✱ Improvements at County fleet maintenance facilities include replacement of old shop lifts with hybrid electric units that utilize regenerative battery power, development of a contactless parts delivery process to avoid the spread of COVID-19, and the installation of air/noise/light pollution sensors around the perimeter of the Brookville Maintenance Facility to monitor environmental impacts of bus and shop operations.
- ✱ Streamlined invoice processing through electronic document submission.
- ✱ In fiscal year 2022, DFMS purchased portable electric vehicle charging stations to position in areas which otherwise lack sufficient utility infrastructure to support electric vehicles.
- ✱ The DFMS parts team achieved significant improvements in inventory parts handling, implemented material handling upgrades for more efficient parts storage and processing, and implemented automated tool boxes and computerized locker systems to maximize tool availability for repairs.

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## General Services

- ✱ Completed an inventory of major capital assets and performed preventative maintenance, repair, and groundskeeping for 435 County-owned and County-leased facilities.
- ✱ Continue to install energy reduction measures and improved air filtration systems in all County facilities.
- ✱ Salted, sanded, plowed and removed snow for 8.0 million square feet of parking lots, and over 83 miles of sidewalks during the snow season.
- ✱ Energy efficiency and climate related work includes developing a Combined Heat & Power plant with the MLK Jr Swim Center renovation; completing 20 LED lighting projects; expanding public electric vehicle charging stations to all County facilities; expanding a Monitoring Based Pilot to reduce energy consumption by 3 million kWh annually; and complete Scotland Neighborhood Center "Resiliency Hub" and solar installation. This model will expand to six more neighborhood centers to create "Hubs" throughout the County with an equity-focused distribution.
- ✱ Produced building signage for all County facilities concerning COVID-related access requirements and protocols and managed all logistics to distribute COVID testing kits to distribution centers throughout the County.
- ✱ Advanced work on public-private partnerships and other projects including childcare at the former Silver Spring Library, converting the former Recreation headquarters property to an affordable housing development through a public-private partnership, redevelopment of the former Public Safety Training Academy, locating a site for the Wheaton Arts and Cultural Facility, evaluating properties for future transitional housing development, and relocation of the Montgomery County Public School Shady Grove Bus Depot.
- ✱ Managed the use of leased space to optimize the County's leasing footprint, increase utilization rates, and consolidate and terminate leased spaces to minimize costs and respond to evolving telecommuting trends.

## Health and Human Services

- ✱ The Services to End and Prevent Homelessness (SEPH) Service Area utilized an online application system for COVID-19 rent relief and virtual intake for housing stabilization services enabling clients to access services from their home, which also allowed for centralized case assignments versus by office availability. This enabled the program to process over 11,000 rent relief applications between May 2021 to February 2022, resulting in the prevention of evictions for over 5,400 households along with \$55 million in direct rent relief assistance.
- ✱ Mobile Crisis and Outreach Teams (MCOTs) are becoming a true civilian response to behavioral health crises. The Department is working on getting approval for a Common Triage and Dispatch Protocol that specifies criteria by which the MCOTs respond without police presence. In addition, the Department is in the process of adding peer support specialists to the MCOTs, so instead of two clinicians responding, a peer support specialist is paired with a clinician; thereby, enhancing the number of clients that may be served.
- ✱ The Department is developing a central call center and point of contact to connect residents to frequently requested Department of Health and Human Services' (DHHS) services and programs. The Internal Call Center team will provide end-to-end assistance to Montgomery County residents seeking supports and services. The Call Center will be staffed by a team of highly trained, bilingual Customer Service Representatives, who also possess knowledge of resources provided by community partners. Establishing an Internal Call Center will enable residents to access DHHS' services and resources in a faster, more efficient manner.

## Housing and Community Affairs

- ✱ Implemented the Affordable Housing Opportunity Fund to provide ready capital for acquisition and preservation of at-risk affordable housing. The fund launch in the first calendar quarter of 2022 provides opportunities for affordable housing developers to compete with market purchasers on cost of capital and timely execution to support preservation of affordability.
- ✱ Implementing internet-facing support for resident access to information and services, including an affordable housing search application called 'Rental Marketplace' and the Moderately Priced Dwelling Units (MPDU) Portal for applicants. The Rental Marketplace leverages rental survey reporting to provide residents with an intuitive and efficient interface to identify rental properties by rent levels. The MPDU Portal provides secure registration, document submission, training, and processing of applications.



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- ✱ Produced the online, interactive "Housing and Building Code Enforcement Guide" to support public awareness of housing and building standards, and how to obtain support to promote healthy, safe, and thriving communities.
  - ✱ Responded to COVID impact by implementing the Microenterprise Stabilization Program, creating one of the few CDBG COVID funded programs for businesses implemented nationwide. The Program provided 177 small businesses with up to \$10,000 grants to address COVID business impacts for business owners who met Community Development Block Grant household income eligibility.

## Human Resources

- ✱ Created a comprehensive mental health resources information webpage for first responders in the County (Police, Fire/Rescue, Corrections, Sheriff's Office).
- ✱ Launched MCG Delivers, a project-based program that challenged an assembled team to address a real world problem facing Montgomery County Government.
- ✱ OMS Launched Employee COVID-19 Vaccine Disclosure System.
- ✱ Improved police stress management office space to ensure compliance with COVID-19 related protocols for continuation of in-person mental health service delivery.
- ✱ Implemented electronic health record system to streamline documentation and logistical tasks for improved service delivery.
- ✱ Automated the Tuition Assistance Program application process to enhance and improve the time to review and approve applications.
- ✱ Automated and streamlined the certification process for completing Continuing Education Units (CEU) for users, improved distribution time, and partially eliminated the manual process for licensure compliance.
- ✱ Launched eMultilingual in March 2021, significantly reducing data entry for staff and expediting time to certify for employees and candidates.
- ✱ Digitized public safety promotional records.

## Inspector General

- ✱ Identify, acquire, and implement case management systems, automated complaints processing, audit program management, and investigatory engagements.
- ✱ Develop a mechanism to track savings and improvements identified through OIG audits, investigations, and referrals, and a follow-up system for management to report on actual savings and improvements.
- ✱ Implement outreach programs to help educate County employees on how they can help the OIG to fight fraud, waste and abuse, and improve the effectiveness and efficiency of the programs and operations of the County government and independent County agencies.

## Intergovernmental Relations

- ✱ Continued to improve the public interface of the Office of Intergovernmental Relations' (OIR) website, including a direct link to OIR's legislative tracking system that provides easy access to the legislative history and County position statements for bills tracked by OIR.
- ✱ Continued participation in training, education, and networking opportunities at the local, State, and Federal levels, including programs and opportunities sponsored by MACo, NACo, Montgomery County Chamber of Commerce, and TeleCommUnity (a collection of local governments who coordinate advocacy at the Federal level to ensure respect for local rights in Federal legislative and regulatory activity).

## Management and Budget

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- ✱ Designed, developed, and implemented a new Position Budgeting System (BASIS -Workforce) to replace the onerous legacy workforce system that has been in existence since 2011. The new system is more user-friendly, integrates seamlessly with OMB systems and other Countywide fiscal and personnel systems, and provides a more accurate approach to salary and benefits calculations.
  - ✱ Coordinated interdepartmental efforts on the tracking and usage of Federal COVID-19 assistance - this included coordinating the compilation of the extensive documentation required to submit eligible emergency expenditures for reimbursement from the Federal Emergency Management Agency (FEMA), as well as coordinating Federal Coronavirus Relief Funds and Federal American Rescue Plan Act Funds to ensure accurate reporting to the U.S. Treasury Department on use of the funds.
  - ✱ Incorporated racial equity and social justice analysis as well as climate change analysis into the budget development and decision-making process for both the FY23 County Executive's recommended operating and capital budgets, including the development of interactive mapping tools to help inform the County's ongoing equity work.
  - ✱ Maintained the County's public-facing Covid-19 dashboard, keeping the public informed on the metrics related to the pandemic, including case rates, hospitalization data, and vaccination rates.
  - ✱ In partnership with the Office of Legislative Oversight, the Office of Intergovernmental Relations, Montgomery County Public Schools, and County Council staff, worked to improve State legislation and regulations to generate \$82.5 million in increased State Aid for School Construction. This includes over \$300 million in Built to Learn funding.

## Permitting Services

- ✱ Section Managers monitor the new Commercial Building Dashboard on an hourly basis to identify and, in over 95% of cases, remedy a potential issue prior to becoming a customer complaint.
- ✱ DPS cross-trains staff and engineers to cover multiple specialties and functions to expedite plan reviews and ensure service gaps do not occur due to employee leave. Using this strategy DPS has been able to maintain performance goals with limited use of overtime.
- ✱ DPS has increased inspection numbers and revenues beyond previous years by using temps to "roll forward" permit conditions to proactively inspect occupancies instead of waiting for payments.
- ✱ DPS uses the "red card" method for customers who have expired permits to prompt them to go online and renew permits. This practice is very useful for businesses that may not be open when a DPS inspector arrives.

## Police

- ✱ Incorporate unmanned aerial systems and ground robotics into calls for service with the goal of using these technologies to locate missing individuals, document evidence, and increase public safety.
- ✱ The Safe Traffic Incident Management System is a key element of the Vision Zero Initiative and its goal of reducing traffic fatalities to zero by 2030. The Traffic Operations Division, in collaboration with the County's Vision Zero Coordinator, will monitor relevant data to ensure that trends are consistent with the Initiative's goals.

## Procurement

- ✱ Expanded Minority, Female, and Disabled-Owned Business (MFD) certification to include acceptance of Veteran's Affairs (VA) Service Disabled Veteran-owned Businesses as of October 1, 2021.
- ✱ Coordinated donation of Continuous Positive Airway Pressure (CPAP) machines for nursing homes in partnership with the Office of Emergency Management and Homeland Security and the Department of General Services.
- ✱ Partnered with the Office of the County Attorney and Department of Health and Human Services in development of a County Council Resolution provision to allow process flexibility and agility when implementing contract scope and funding changes resulting from the pandemic.

## Public Information

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- ✱ MC311 created a feature where customers can press "3" during the welcome message to be directed to an agent focused on trash collection and recycling, which increased customer satisfaction.
  - ✱ MC311 altered training for remote operations which also accelerated training, getting customer service representatives handling calls professionally after 3-4 weeks vs. 8-10 weeks.
  - ✱ During the past year, MC311 has reduced complexity and streamlined business processes to handle requests for service and information with the Office of Human Resources (OHR), Department of Health and Human Services (HHS), Department of Environmental Protection (DEP), and the Department of Permitting Services (DPS) resulting in shorter wait times for customers.
  - ✱ While standardizing and simplifying Knowledge Based Articles (KBA) with plain language, to improve customer satisfaction, MC311 has reduced the number of KBAs considerably.
  - ✱ MC311 continues to hire Spanish speaking customer service representatives for both permanent and contract positions. MC311 currently has 21 multi-lingual speakers on staff, including contractors.

## **Public Libraries**

- ✱ Increased the distribution of marketing messages from 5,468 subscribers to more than 285,000 using the new OrangeBoy Savannah Community Engagement platform beginning November 2021.
- ✱ Enhanced the monthly "Check Us Out" eNewsletter with personal video message from the Director.
- ✱ Implemented a new model for recruitment and selection within the Department to streamline the process.
- ✱ Launched Strategic Plan process in partnership with the County Executive's Innovation Team.
- ✱ Partnering with Chesapeake Bay Foundation and Friends of the Library Montgomery County to launch a more relevant Summer Reading program in 2022 that will help children understand and support the health of the Chesapeake Bay.
- ✱ Activated outdoor space at the Long Branch Library to respond to community needs.
- ✱ The Department developed a wide range of virtual programs for all ages.
- ✱ Purchased equipment to support outdoor programming.

## **Recreation**

- ✱ Launched a new, fully integrated recreation and parks management software solution in partnership with Community Use of Public Facilities and Montgomery Parks. This new platform is designed to increase efficiency and productivity while providing extensive reporting and statistical data, and a more intuitive and interactive experience for customers.
- ✱ Converted the printed Recreation Guide to a more environmentally friendly, cost efficient, and interactive "Build Your Own Guide", creating a more impactful and customizable customer experience.
- ✱ Implemented REC ZIP, an improvement strategy designed to digitize and automate several business processes allowing internal and external customers to interact virtually with Recreation's administrative team without delay. Customer refunds, contractor and vendor invoices, and bank deposits are examples of improvements which allowed for seamless continuation of financial services throughout the pandemic. The result is a more customer friendly, environmentally responsible, and financially accountable operation.
- ✱ Launched a weekly newsletter to share information about programs and services, and provide health and wellness information.

## **Recycling and Resource Management**

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- ✱ The Collection Section of Recycling and Resource Management (RRM) reconfigured collection routes in Service Areas 10, 11, 12, and 13 to re-balance routes that had become unbalanced due to new residential construction in these areas and necessitated longer work hours and increased driving to service them.
  - ✱ Due to the continuing effects of COVID-19, many education, training, and outreach events were conducted either virtually or online. This has resulted in some cost savings because in-person education and training events were not held at various meeting venues.
  - ✱ The contractors and the County staff overseeing operations at the Transfer Station continue to increase safety and compliance at the facility. Due diligence by County staff to inspect trash loads for recyclable materials has raised awareness and compliance with Chapter 48, forbidding recyclable material from being disposed of as trash, and helps increase recycling rates.

## **Sheriff**

- ✱ The Family Justice Center has remained open throughout the COVID-19 public health crisis. As of June 7, 2021, all Family Justice Center staff were brought back on-site full-time. Safety precautions such as disinfecting interview rooms between each use, requiring COVID-19-related screening questions and temperature checks for all visitors, and mandatory face coverings continued to be implemented to protect the health and safety of staff and clients.
- ✱ The Family Justice Center launched the Family Violence Prevention Campaign in collaboration with partner agencies and stakeholders. Due to the public health crisis created by the Covid-19 pandemic, its associated lockdowns, and the transition to more virtual public interactions, the dangers of family violence face are magnified. The campaign message of "Do You Feel Unsafe at Home?" is available in English and Spanish on all printed material and in French, Mandarin, Amharic, Korean, Swahili, Igbo, Arabic, Tagalog, Russian, Urdu, Hindi, Vietnamese, Farsi and Portuguese through electronic messaging. This fiscal year the Domestic Violence Coordinating Council will distribute over 48,000 awareness cards throughout the County.
- ✱ RespectFest, which was part of the Domestic Violence Coordinating Council's Choose Respect Initiative, took place virtually in April 2021 and included a keynote survivor speaker, workshops for middle school and high school students, Yoga and Self Defense Classes, and workshops for parents and youth serving providers. In addition, students could also engage in online activities that addressed issues like consent, healthy vs. unhealthy relationships, how to help a friend, how to be an ally to LGBTQ+ folks, and technology abuse.

## **State's Attorney**

- ✱ The State's Attorney's Office continues to have a robust internship program. In 2021, the internship program added over 14,160 hours of service to the office which equates to 6.8 FTEs. The internship program has students from high school, undergraduate school, law school, and recent law school graduates as participants.
- ✱ The State's Attorney's Office and its partner agencies (the Sheriff's Office, Department of Police, County Executive's Office and Commission for Women) were recipients of a 2021 National Association of Counties Achievement Award for their Family Violence Awareness Campaign during the pandemic.

## **Technology and Enterprise Business Solutions**

- ✱ Implemented Multi Factored Authentication (MFA) for 100% of employees, contractors, and volunteers when accessing any of the County's single sign on (SSO) applications, any services using Office 365, or any remote access services. This has minimized the threats from phishing attacks and stolen credentials, greatly reducing the potential for data compromise or data loss. Full implementation of MFA was completed in July 2021 and involved significant coordination across all departments and senior county leadership.
- ✱ Implemented the Learning Pathways platform, integrating self-paced Microsoft training within Microsoft Teams. It gives over 9,000 users with access to the most up-to-date training classes in the form of over 30 different learning paths. Classes include Word, PowerPoint, OneDrive, SharePoint, Power Platform, Azure, Privacy & Security, Working Remotely and more. Since its launch in July 2021, the Learning Pathways portal has received 5,138 home page views and a cumulative 9,404 visits across the other site pages.
- ✱ Developed Privacy and Security training to inform Montgomery County Government employees on best practices for protecting data and Personally Identifiable Information (PII) in County-managed applications including SharePoint, OneDrive, Outlook and more.
- ✱ Upgraded FiberNet to its third generation "FiberNet3" to provide a significant increase in bandwidth and greatly enhanced reliability,

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making it a Carrier Class network.

## Transit Services

- ✱ Transit Services has implemented workforce software that enables bus operators to use their Montgomery County ID badge to sign in and out of work. Bus operators may view their work assignment, vehicle assignment, dispatch messages, and relevant traffic detour information. The transit software expedites the sign in and out process as bus operators begin and end their work shifts.
- ✱ A Ride On Ridership dashboard has been added to the MCDOT website. This dashboard reports on a variety of Ride On performance measures including total ridership, weekday/Saturday/Sunday ridership, on-time performance, missed trip rate, and complaint rate.
- ✱ Transit Services is working to identify opportunities to improve Ride On bus operator training through a study to examine current training practices and procedures and compare them to transit industry best practices. The study will develop a series of recommendations to improve bus operator training and safety, both in the field and in the classroom, and to promote transit safety for bus operators and passengers.

## Transportation

- ✱ Provide ten School Bus Citations and Infrastructure Safety Analysis studies per year to inform roadway improvements that address pedestrian and operational safety, while maintaining or enhancing the safety of children who are boarding and debarking school buses. These studies will also help reduce the number of citations issued at designated Montgomery County Public School bus stops; including stops which do not provide physical separation from opposing traffic lanes. Traffic lanes that are void of physical separation have generated more than 1,000 citations annually.
- ✱ Enhance tree maintenance to address backlogs in removing diseased trees, tree planting, and stump grinding to improve Montgomery County's urban forest health. Two hundred and twenty four additional street trees will be removed and 505 additional stumps will be grounded to create suitable sites to maximize canopy efforts and foster the planting of 617 additional trees.
- ✱ Increase the number of traffic signals evaluated per year in the Traffic Signal Optimization program to reduce vehicle delays and traffic congestion caused by inadequate signal timing. This will allow the County to move away from a 12-14 year review cycle to a four to six year review cycle, nearing the industry standard of three to five years.
- ✱ Increase Bikeshare maintenance to extend the life of stations by replacing obsolete ecoboards. Ecoboards serve as the operational intelligence of each bikeshare station.

## Urban Districts

- ✱ The Bethesda Urban District held two "Savor Bethesda" restaurant weeks in July 2021 and February 2022 to support and promote local restaurants.
- ✱ The Bethesda Urban District is applying for re-designation as a state arts and entertainment district to continue efforts in promoting downtown Bethesda as a destination for the arts. To support establishing Bethesda as a destination for the arts events such as the Local Writer Showcase, Bernard/Ebb Songwriting Awards, Bethesda Fine Arts Festival, and the Summer Concert Series have been programmed.
- ✱ The Silver Spring Urban District worked closely with the Department of Environmental Protection (DEP) to initiate a flame weeding program. This natural and effective weed management program drastically reduced the staff time associated with weed control without risk of harmful pesticide runoff into the local ecosystem.
- ✱ Silver Spring Urban District has piloted the use of technology products, at no additional expense, to enhance communication, data processing, and deployment of staff. New technology practices increased response time to community concerns, added a repository of active projects to guide strategy, and enhanced data collection and reporting for the district.
- ✱ The Wheaton Urban District, in collaboration with DEP, has begun providing additional recycling cans to increase recycling capacity.



# Appendices

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- 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				
	FY22 Approved Ending Fund Balance	FY23 Recommended Ending Fund	Change in Fund Balance	% Change
<b>TAX SUPPORTED</b>				
<b>Montgomery County Government</b>				
County General Fund	95,338,182	66,845,790	-28,492,392	-29.9%
Bethesda Urban District	144,372	426,884	282,512	195.7%
Silver Spring Urban District	23,705	101,922	78,217	330.0%
Wheaton Urban District	144,374	76,583	-67,791	-47.0%
Mass Transit	135,048	169,773	34,725	25.7%
Fire	260,576	223,951	-36,625	-14.1%
Recreation	144,378	332,271	187,893	130.1%
Revenue Stabilization Fund	431,312,013	516,496,428	85,184,415	19.8%
<b>Montgomery College</b>				
Emergency Repair Fund	551,494	444,599	-106,895	-19.4%
Current Fund MC	27,152,053	28,513,112	1,361,059	5.0%
<b>Maryland-National Capital Park and Planning Commission</b>				
Administration Fund	1,060,652	1,156,497	95,845	9.0%
Park Fund	3,822,484	4,103,770	281,286	7.4%
<b>NON-TAX SUPPORTED</b>				
<b>Montgomery County Government</b>				
Water Quality Protection Fund	4,981,883	6,384,684	1,402,801	28.2%
Cable Television	140,351	163,965	23,614	16.8%
Community Use of Public Facilities	-1,232,607	1,690,748	2,923,355	N/A
Bethesda Parking District	5,350,146	8,829,858	3,479,712	65.0%
Silver Spring Parking District	178,670	1,348,724	1,170,054	654.9%
Wheaton Parking District	0	395,639	395,639	N/A
Permitting Services	8,354,571	29,017,814	20,663,243	247.3%
Solid Waste Collection	-3,700,698	-2,774,683	926,015	N/A
Vacuum Leaf Collection	745,510	784,735	39,225	5.3%
Liquor Control	9,684,529	15,528,774	5,844,245	60.3%

#### Explanation of Changes in Fund Balance Greater Than 10%:

- County General Fund**  
 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 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. In FY23, significant legally mandated contributions to the Revenue Stabilization Fund were made, allowing for reduced fund balances in the County General Fund.
- Bethesda Urban District**  
 The FY23 recommended fund balance increased due to a large transfer from the Parking Lot Districts.
- Silver Spring Urban District**  
 The FY22 approved fund balance was below the policy level of 2.5% of resources. In FY23, General Fund transfers have been increased to achieve the policy target.
- Wheaton Urban District**  
 The FY22 approved fund balance was above the 2.5% of resources policy level. The FY23 fund balance is set at the policy level.
- Mass Transit**  
 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.



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▪ <u>Recreation</u>	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 prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent this reserve policy.
▪ <u>Bethesda Parking District</u>	The Recommended FY23 ending fund balance is higher due to improved revenue projections which also incorporate FY22 approved rate increases.
▪ <u>Liquor Control</u>	The increase in fund balance is due to FY21 closing better than estimated and FY23 revenue projections that are expected to increase due to the anticipated lifting of COVID-19 restrictions.
▪ <u>Revenue Stabilization Fund</u>	The increase in fund balance is due to legally required contributions of 0.5 percent of Adjusted Governmental Revenues.
▪ <u>Fire</u>	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 prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent this reserve policy.
▪ <u>Emergency Repair Fund MC</u>	The ending fund balance decreased since the College used more resources to upgrade campus facilities to safely hold in-person classes during the pandemic.
▪ <u>Water Quality Protection Fund</u>	The fund balance will increase since bond covenants require adequate budget-year revenues irrespective of total fund balance amount.
▪ <u>Cable Television</u>	The FY23 fund balance increased due to reduced cable revenues offset by a Maryland Municipal League Funding Exchange offset. In addition, some costs were shifted to the General Fund.
▪ <u>Community Use of Public Facilities</u>	The change in fund balance is related to an accounting adjustment that includes previously undistributed revenue.
▪ <u>Silver Spring Parking District</u>	The Recommended FY23 ending fund balance is higher due to improved revenue projections which also incorporate FY22 approved rate increases and extended hours.
▪ <u>Wheaton Parking District</u>	The Recommended FY23 ending fund balance is higher due to improved revenue projections which also incorporate FY22 approved rate increases and extended hours.
▪ <u>Permitting Services</u>	The FY22 Permitting Services budget anticipated COVID-19 related revenue reductions which never materialized. As a result, the FY23 fund balance will increase significantly.
▪ <u>Solid Waste Collection</u>	The overall fund balance figure is negative while the Collection Fund repays a loan from the Disposal Fund. The fund balance deficit declines 25% as revenues exceed expenses and the loan is repaid.

# TRENDS AND PROJECTIONS

DEMOGRAPHIC AND PLANNING INDICATORS	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>POPULATION</b>								
Annual Increase	1,069,095	1,076,176	1,083,304	1,090,480	1,097,702	1,105,957	1,114,273	1,122,652
Population Growth Since 2013	1,471	7,081	7,128	7,176	7,222	8,255	8,316	8,379
County Resident Births (Prior Calendar Year) (a)	5.9%	6.6%	7.3%	8.0%	8.7%	9.5%	10.3%	11.2%
<b>HOUSEHOLDS</b>								
Household Annual Growth (%)	11,480	11,700	12,000	12,200	12,400	12,620	12,820	12,920
Household Annual Growth Since 2013	393,091	395,962	398,854	401,767	404,702	407,974	411,272	414,597
Household Growth Since 1992	1.8%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%
Household Size	7.3%	8.0%	8.8%	9.6%	10.4%	11.3%	12.2%	13.1%
<b>RESIDENT EMPLOYMENT (Jan = Calendar Year)</b>								
Resident Employment Annual Growth (%)	35.0%	36.0%	37.0%	38.0%	39.0%	40.1%	41.2%	42.4%
Resident Employment Growth Since 2013	2.72	2.72	2.72	2.71	2.71	2.71	2.71	2.71
Resident Employment Per Household	512,396	529,137	540,819	549,909	554,382	558,879	563,058	566,752
Jobs in County (a)	-2.1%	3.3%	2.2%	1.5%	1.0%	0.8%	0.7%	0.7%
<b>PERSONAL INCOME (\$ Millions)</b>								
Per Capita Personal Income	0.4%	3.7%	6.0%	7.5%	8.6%	9.5%	10.3%	11.0%
Annual Growth (%)	1.30	1.34	1.36	1.37	1.37	1.37	1.37	1.37
<b>CONSUMER PRICE INDEX (CPI) - Fiscal Year</b>								
Inflation Growth (Fiscal Year) Since 2013	549,300	555,100	560,900	566,700	572,500	578,900	585,300	591,700
<b>CONSUMER PRICE INDEX (CPI) - Calendar Year (%)</b>								
Annual Growth (%)	\$99,800	\$102,500	\$107,500	\$112,600	\$118,000	\$123,500	\$129,000	\$134,800
Growth of Base Since 1992 (%)	\$93,350	\$95,240	\$99,230	\$103,260	\$107,500	\$111,670	\$115,770	\$120,070
Growth of Base Since 2013 (%)	1.7%	2.0%	4.2%	4.1%	4.1%	3.9%	3.7%	3.7%
<b>ASSESSABLE TAX BASE (\$ Millions)</b>								
Annual Growth (%)	2.02%	5.37%	3.04%	2.26%	2.37%	2.37%	2.28%	2.16%
Growth of Base Since 1992 (%)	17.4%	212.2%	76.7%	31.4%	37.8%	37.8%	32.6%	25.6%
Growth of Base Since 2013 (%)	3.96%	4.68%	2.29%	2.34%	2.37%	2.35%	2.20%	2.16%
<b>INVESTMENT INCOME YIELD (%)</b>								
Annual Growth (%)	\$203,030	\$208,453	\$213,496	\$218,768	\$225,334	\$231,465	\$237,407	\$243,585
Annual Increase (Decrease)	2.8%	2.7%	2.4%	2.5%	3.0%	2.7%	2.6%	2.6%
<b>MCPs ENROLLMENT (Sept = Calendar Year)</b>								
Annual Growth (%)	239.4%	248.5%	256.9%	265.7%	276.7%	286.9%	296.9%	307.2%
Annual Increase (Decrease)	25.4%	28.8%	31.9%	35.1%	39.2%	43.0%	46.7%	50.5%
<b>MONTGOMERY COLLEGE ENROLLMENTS (b)</b>								
Annual Growth (%)	161,583	158,232	161,211	163,529	164,779	165,358	166,002	166,160
Annual Growth Since 1992 (%)	-2.2%	-2.1%	1.9%	1.4%	0.8%	0.4%	0.1%	0.1%
Annual Growth in FTE's (%)	-3.684	-3.351	2.979	2.318	1.250	579	644	158
<b>Full Time Equivalents (Sept = Calendar Year) (c)</b>								
Annual Growth (%)	17,773	16,478	15,581	15,174	15,379	15,544	15,609	15,609
Annual Growth Since 1992 (%)	-11.3%	-7.3%	-5.4%	-2.6%	1.4%	1.1%	0.4%	0.0%
Annual Growth in FTE's (%)	16,453	15,230	14,184	13,711	13,543	13,762	13,762	13,762
Annual Growth in FTE's (%)	-6.5%	-7.4%	-6.9%	-3.3%	-1.2%	1.6%	0.0%	0.0%

- (a) Projections related to County Resident Births and Jobs in the County are provided by M-NCPPC and are as of March 2022.
- (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and include projections through FY27.
- (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and include projections through FY26.
- Since no projections are provided for FY27 or FY28, the projections for FY26 were used.

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2015 through March 2022**

A	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27	M % Chg. FY27-28	N Projected FY28
<b>Population</b>													
December 2015	1,084,000		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	1,084,000		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	1,092,000	0.7%	1,099,200		n/a		n/a		n/a		n/a		n/a
March 2017	1,092,000	0.7%	1,099,200		n/a		n/a		n/a		n/a		n/a
December 2017	1,083,520	0.6%	1,090,270	0.6%	1,097,060		n/a		n/a		n/a		n/a
March 2018	1,083,520	0.6%	1,090,270	0.6%	1,097,060		n/a		n/a		n/a		n/a
December 2018	1,109,302	0.9%	1,119,686	0.9%	1,130,167	0.9%	1,140,746		n/a		n/a		n/a
March 2019	1,109,302	0.9%	1,119,686	0.9%	1,130,167	0.9%	1,140,746		n/a		n/a		n/a
December 2019	1,088,955	0.8%	1,097,899	0.8%	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a		n/a
March 2020	1,088,955	0.8%	1,097,899	0.8%	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a		n/a
December 2020	1,081,809	0.7%	1,088,972	0.7%	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098		n/a
March 2021	1,081,809	0.7%	1,088,972	0.7%	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098		n/a
December 2021	1,077,700	0.7%	1,085,600	0.7%	1,093,570	0.7%	1,101,590	0.7%	1,109,670	0.7%	1,117,810	0.7%	1,126,010
March 2022	1,076,176	0.7%	1,083,304	0.7%	1,090,480	0.7%	1,097,702	0.8%	1,105,957	0.8%	1,114,273	0.8%	1,122,652
<b>MOE Enrollment</b>													
December 2015	166,598		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	166,598		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	168,480	0.0%	168,480		n/a		n/a		n/a		n/a		n/a
March 2017	168,480	0.0%	168,480		n/a		n/a		n/a		n/a		n/a
December 2017	167,552	0.4%	168,283	0.4%	169,012		n/a		n/a		n/a		n/a
March 2018	167,552	0.4%	168,283	0.4%	169,012		n/a		n/a		n/a		n/a
December 2018	167,594	1.5%	170,118	1.3%	172,303	1.2%	174,322		n/a		n/a		n/a
March 2019	167,594	1.5%	170,118	1.3%	172,303	1.2%	174,322		n/a		n/a		n/a
December 2019	168,629	1.0%	170,278	0.4%	171,029	0.3%	171,492	-0.1%	171,319		n/a		n/a
March 2020	168,629	1.0%	170,278	0.4%	171,029	0.3%	171,492	-0.1%	171,319		n/a		n/a
December 2020	164,750	0.8%	166,055	1.1%	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761		n/a
March 2021	164,750	0.8%	166,055	1.1%	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761		n/a
December 2021	158,232	1.9%	161,211	1.4%	163,529	0.8%	164,779	0.4%	165,358	0.4%	166,022	0.1%	166,160
March 2022	158,232	1.9%	161,211	1.4%	163,529	0.8%	164,779	0.4%	165,358	0.4%	166,022	0.1%	166,160

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2015 through March 2022**

A	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27	M % Chg. FY27-28	N Projected FY28
<b>College Enrollment (FTE)</b>													
December 2015	20,755		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	21,011		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	19,964	0.0%	19,964		n/a		n/a		n/a		n/a		n/a
March 2017	19,964	0.0%	19,964		n/a		n/a		n/a		n/a		n/a
December 2017	20,064	2.0%	20,459	0.0%	20,459		n/a		n/a		n/a		n/a
March 2018	20,064	2.0%	20,459	0.0%	20,459		n/a		n/a		n/a		n/a
December 2018	18,348	1.1%	18,555	1.0%	18,744	0.0%	18,744		n/a		n/a		n/a
March 2019	20,064	2.0%	20,459	0.0%	20,459	0.0%	20,459		n/a		n/a		n/a
December 2019	18,348	1.1%	18,555	1.0%	18,744	0.0%	18,744	0.0%	18,744		n/a		n/a
March 2020	18,092	0.6%	18,201	1.9%	18,541	1.1%	18,747	0.0%	18,747		n/a		n/a
December 2020	18,882	0.6%	18,998	0.6%	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292		n/a
March 2021	18,882	0.6%	18,998	0.6%	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292		n/a
December 2021	15,230	-6.9%	14,184	-3.3%	13,711	-1.2%	13,543	1.6%	13,762	0.0%	13,762	0.0%	13,762
March 2022	15,230	-6.9%	14,184	-3.3%	13,711	-1.2%	13,543	1.6%	13,762	0.0%	13,762	0.0%	13,762
<b>CPI (Fiscal Year)</b>													
December 2015	2.6%		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	2.7%		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	2.6%	0.0%	2.6%		n/a		n/a		n/a		n/a		n/a
March 2017	2.5%	0.0%	2.5%		n/a		n/a		n/a		n/a		n/a
December 2017	2.4%	0.0%	2.4%	0.0%	2.4%		n/a		n/a		n/a		n/a
March 2018	2.3%	3.5%	2.4%	2.1%	2.4%		n/a		n/a		n/a		n/a
December 2018	2.9%	0.0%	2.9%	0.0%	2.9%	0.0%	2.9%		n/a		n/a		n/a
March 2019	2.7%	0.0%	2.7%	0.0%	2.7%	0.0%	2.7%		n/a		n/a		n/a
December 2019	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a		n/a
March 2020	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a		n/a
December 2020	1.6%	22.8%	2.0%	21.6%	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a
March 2021	1.6%	22.8%	2.0%	21.6%	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a
December 2021	4.0%	-19.3%	3.3%	-23.0%	2.5%	-3.2%	2.4%	-1.6%	2.4%	-3.3%	2.3%	-3.9%	2.2%
March 2022	5.4%	-43.4%	3.0%	-25.7%	2.3%	4.9%	2.4%	0.0%	2.4%	-3.8%	2.3%	-5.3%	2.2%

**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2015 through March 2022**

A	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27	M % Chg. FY27-28	N Projected FY28
<b>Growth Resident Employment (%)</b>													
December 2015	1.1%		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	0.9%		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	0.9%	-22.2%	0.7%		n/a		n/a		n/a		n/a		n/a
March 2017	1.0%	10.0%	1.1%		n/a		n/a		n/a		n/a		n/a
December 2017	0.9%	11.1%	1.0%	-10.0%	0.9%		n/a		n/a		n/a		n/a
March 2018	0.9%	0.0%	0.9%	-11.1%	0.8%		n/a		n/a		n/a		n/a
December 2018	0.8%	-12.5%	0.7%	0.0%	0.7%	0.0%	0.7%		n/a		n/a		n/a
March 2019	0.9%	0.0%	0.9%	-11.1%	0.8%	0.0%	0.8%		n/a		n/a		n/a
December 2019	0.8%	-1.0%	0.8%	-0.6%	0.8%	-0.8%	0.8%	-0.8%	0.8%		n/a		n/a
March 2020	0.8%	-1.0%	0.8%	6.7%	0.8%	0.1%	0.8%	-0.2%	0.8%		n/a		n/a
December 2020	0.8%	212.5%	2.5%	-28.0%	1.8%	-27.8%	1.3%	-23.1%	1.0%	-30.0%	0.7%		n/a
March 2021	0.2%	1000.0%	2.2%	-9.1%	2.0%	-30.0%	1.4%	-21.4%	1.1%	-27.3%	0.8%		n/a
December 2021	3.7%	-40.5%	2.2%	-36.4%	1.4%	-35.7%	0.9%	-11.1%	0.8%	-12.5%	0.7%	0.0%	0.7%
March 2022	3.3%	-33.3%	2.2%	-31.8%	1.5%	-33.3%	1.0%	-20.0%	0.8%	-12.5%	0.7%	0.0%	0.7%
<b>Personal Income (CY)</b>													
December 2015	110,830		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	107,220		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	108,150	4.6%	113,080		n/a		n/a		n/a		n/a		n/a
March 2017	108,010	4.2%	112,560		n/a		n/a		n/a		n/a		n/a
December 2017	107,870	4.2%	112,440	4.1%	117,080		n/a		n/a		n/a		n/a
March 2018	106,730	3.9%	110,940	3.9%	115,230		n/a		n/a		n/a		n/a
December 2018	106,870	3.2%	110,330	4.5%	115,310	4.7%	120,760		n/a		n/a		n/a
March 2019	110,800	4.2%	115,400	4.2%	120,200	4.3%	125,400		n/a		n/a		n/a
December 2019	110,900	4.4%	115,800	3.7%	120,100	4.7%	125,700	4.8%	131,700		n/a		n/a
March 2020	110,000	4.3%	114,700	4.4%	119,700	4.6%	125,200	4.8%	131,200		n/a		n/a
December 2020	100,700	5.3%	106,000	5.0%	111,300	4.7%	116,500	4.5%	121,800	4.4%	127,200		n/a
March 2021	95,900	5.3%	101,000	6.1%	107,200	6.0%	113,600	5.5%	119,800	4.8%	125,600		n/a
December 2021	107,030	4.6%	111,970	4.8%	117,400	4.9%	123,150	4.3%	128,400	4.2%	133,820	4.3%	139,540
March 2022	102,500	4.9%	107,500	4.7%	112,600	4.8%	118,000	4.7%	123,500	4.5%	129,000	4.5%	134,800



**Changes in Assumptions: Economic, Demographic, and Revenues**  
**December 2015 through March 2022**

A	N Projected FY22	M % Chg. FY22-23	N Projected FY23	M % Chg. FY23-24	N Projected FY24	M % Chg. FY24-25	N Projected FY25	M % Chg. FY25-26	N Projected FY26	M % Chg. FY26-27	N Projected FY27	M % Chg. FY27-28	N Projected FY28
<b>Property Tax Revenues</b>													
December 2015	1,843.4		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	2,016.5		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	2,003.7	3.2%	2,067.9		n/a		n/a		n/a		n/a		n/a
March 2017	1,992.9	3.1%	2,055.4		n/a		n/a		n/a		n/a		n/a
December 2017	1,992.1	3.3%	2,057.4	3.2%	2,124.1		n/a		n/a		n/a		n/a
March 2018	1,970.6	3.2%	2,033.5	3.3%	2,099.6		n/a		n/a		n/a		n/a
December 2018	1,970.2	3.9%	2,046.2	3.8%	2,124.8	3.6%	2,202.3		n/a		n/a		n/a
March 2019	1,951.9	3.5%	2,020.5	3.5%	2,091.4	3.3%	2,160.7		n/a		n/a		n/a
December 2019	1,872.7	2.3%	1,915.7	2.3%	1,959.4	2.3%	2,004.7	2.3%	2,050.8		n/a		n/a
March 2020	1,961.1	2.3%	2,005.8	2.3%	2,051.4	2.3%	2,098.7	2.3%	2,146.9		n/a		n/a
December 2020	1,877.3	2.8%	1,930.3	2.8%	1,984.5	2.9%	2,042.0	2.9%	2,101.5	2.9%	2,163.1		n/a
March 2021	1,884.7	2.5%	1,931.0	2.8%	1,984.4	2.8%	2,040.5	2.8%	2,098.1	2.9%	2,157.9		n/a
December 2021	1,898.1	3.4%	1,963.2	3.7%	2,036.5	3.2%	2,102.1	3.0%	2,166.1	2.7%	2,224.3	2.4%	2,278.6
March 2022	1,900.0	2.7%	1,951.4	2.8%	2,005.3	3.3%	2,072.0	3.0%	2,134.4	2.9%	2,195.6	2.9%	2,258.6
<b>Income Tax Revenues</b>													
December 2015	1,857.5		n/a		n/a		n/a		n/a		n/a		n/a
March 2016	1,868.3		n/a		n/a		n/a		n/a		n/a		n/a
December 2016	1,849.2	5.0%	1,941.2		n/a		n/a		n/a		n/a		n/a
March 2017	1,832.6	4.5%	1,914.6		n/a		n/a		n/a		n/a		n/a
December 2017	1,807.1	4.3%	1,884.8	4.9%	1,976.9		n/a		n/a		n/a		n/a
March 2018	1,794.1	4.2%	1,869.9	4.8%	1,959.3		n/a		n/a		n/a		n/a
December 2018	1,794.0	4.4%	1,872.2	4.6%	1,958.1	4.3%	2,043.0		n/a		n/a		n/a
March 2019	1,762.6	4.6%	1,843.2	4.8%	1,930.8	4.7%	2,021.1		n/a		n/a		n/a
December 2019	1,724.5	4.5%	1,801.6	4.9%	1,890.1	4.6%	1,977.8	5.3%	2,083.2		n/a		n/a
March 2020	1,763.4	4.6%	1,844.3	5.1%	1,938.8	4.2%	2,020.6	3.8%	2,096.9		n/a		n/a
December 2020	1,647.2	3.2%	1,699.6	4.4%	1,774.9	5.1%	1,865.0	5.3%	1,964.2	5.5%	2,072.7		n/a
March 2021	1,708.8	3.5%	1,769.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,049.1	6.0%	2,171.1		n/a
December 2021	1,703.3	4.3%	1,776.3	5.5%	1,874.1	5.0%	1,967.2	4.3%	2,051.1	5.0%	2,154.6	5.3%	2,267.8
March 2022	1,794.2	3.6%	1,859.0	5.1%	1,954.7	5.1%	2,054.8	4.1%	2,138.9	4.5%	2,236.2	4.9%	2,344.9

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

KEY REVENUE CATEGORIES		App. FY22	Est. FY22	% Chg. FY22-23	Rec. FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28
<b>TAXES</b>		5-27-21	3-15-22	App/Rec	3-15-22										
1	Property Tax	1,894.7	1,900.0	3.5%	1,951.4	2.8%	2,005.3	3.3%	2,072.0	3.0%	2,134.4	2.9%	2,195.6	2.9%	2,258.6
2	Income Tax	1,708.8	1,794.2	8.8%	1,859.0	5.1%	1,954.7	5.1%	2,054.8	4.1%	2,139.9	4.6%	2,236.2	4.9%	2,344.9
3	Transfer Tax	117.2	149.5	32.1%	154.7	7.8%	166.9	5.6%	176.1	-1.8%	173.0	-3.0%	167.8	0.1%	168.0
4	Recordation Tax	52.7	71.6	40.8%	74.2	7.8%	80.0	5.6%	84.4	-1.8%	82.9	-3.0%	80.5	0.1%	80.5
5	Energy Tax	175.7	185.3	6.2%	186.5	0.1%	186.7	0.1%	186.9	0.1%	187.1	0.1%	187.3	0.1%	187.4
6	Telephone Tax	55.1	53.9	-0.9%	54.6	-0.3%	54.4	-0.3%	54.3	-0.3%	54.1	-0.3%	53.9	-0.3%	53.7
7	Hotel/Motel Tax	11.8	16.6	83.5%	21.7	1.8%	22.1	9.0%	24.1	3.1%	24.9	0.5%	25.0	0.5%	25.1
8	Admissions Tax	0.8	2.6	221.9%	2.7	3.4%	2.8	3.4%	2.9	3.5%	3.1	3.5%	3.2	3.5%	3.2
9	E-Cigarette Tax	1.0	1.1	17.5%	1.1	3.4%	1.2	3.2%	1.2	3.1%	1.3	3.0%	1.3	3.0%	1.3
10	<b>Total Local Taxes</b>	<b>4,007.7</b>	<b>4,174.8</b>	<b>7.4%</b>	<b>4,305.9</b>	<b>3.9%</b>	<b>4,474.1</b>	<b>4.1%</b>	<b>4,656.8</b>	<b>3.1%</b>	<b>4,799.5</b>	<b>3.1%</b>	<b>4,950.5</b>	<b>3.5%</b>	<b>5,122.8</b>
<b>INTERGOVERNMENTAL AID</b>															
11	Highway User	7.9	8.5	10.7%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8
12	Police Protection	14.3	14.3	43.0%	20.5	0.0%	20.5	0.0%	20.5	0.0%	20.5	0.0%	20.5	0.0%	20.5
13	Libraries	5.6	5.6	2.2%	5.8	0.0%	5.8	0.0%	5.8	0.0%	5.8	0.0%	5.8	0.0%	5.8
14	Health Services Case Formula	4.8	4.8	0.7%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8
15	Mass Transit	97.9	97.3	-65.2%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0	0.0%	34.0
16	Public Schools	771.6	771.6	10.7%	854.2	0.0%	854.2	0.0%	854.2	0.0%	854.2	0.0%	854.2	0.0%	854.2
17	Community College	42.7	42.7	30.2%	55.6	0.0%	55.6	0.0%	55.6	0.0%	55.6	0.0%	55.6	0.0%	55.6
18	Other	72.8	56.7	-19.4%	58.6	-3.0%	56.9	-3.0%	55.2	0.0%	55.2	0.0%	55.2	0.0%	55.2
19	<b>Total Intergovernmental Aid</b>	<b>1,017.7</b>	<b>1,001.6</b>	<b>2.4%</b>	<b>1,042.4</b>	<b>-0.2%</b>	<b>1,040.7</b>	<b>-0.2%</b>	<b>1,038.9</b>	<b>0.0%</b>	<b>1,038.9</b>	<b>0.0%</b>	<b>1,038.9</b>	<b>0.0%</b>	<b>1,038.9</b>
<b>FEES AND FINES</b>															
20	Licenses & Permits	13.5	13.3	2.6%	13.8	1.5%	14.0	1.5%	14.2	1.5%	14.5	1.5%	14.7	1.5%	14.9
21	Charges for Services	53.1	41.1	2.8%	54.6	1.8%	55.6	1.9%	56.6	1.9%	57.7	1.8%	58.8	1.7%	59.8
22	Fines & Forfeitures	38.3	28.0	-21.8%	29.9	1.6%	30.4	1.6%	30.9	1.6%	31.4	1.6%	31.9	1.6%	32.4
23	Montgomery College Tuition	69.8	60.0	-16.3%	58.4	1.8%	59.5	1.9%	60.6	1.9%	61.7	1.8%	62.9	1.7%	64.0
24	<b>Total Fees and Fines</b>	<b>174.6</b>	<b>142.4</b>	<b>-10.2%</b>	<b>156.8</b>	<b>1.7%</b>	<b>159.5</b>	<b>1.8%</b>	<b>162.4</b>	<b>1.8%</b>	<b>165.3</b>	<b>1.8%</b>	<b>168.2</b>	<b>1.7%</b>	<b>171.0</b>
<b>MISCELLANEOUS</b>															
25	Investment Income	0.5	0.9	602.5%	3.7	27.8%	4.7	3.6%	4.9	3.6%	5.0	3.6%	5.2	3.6%	5.4
26	Other Miscellaneous	15.6	13.4	-6.5%	14.6	2.3%	14.9	2.4%	15.3	2.4%	15.6	2.3%	16.0	2.2%	16.3
27	<b>Total Miscellaneous</b>	<b>16.1</b>	<b>14.2</b>	<b>13.2%</b>	<b>18.3</b>	<b>7.4%</b>	<b>19.6</b>	<b>2.7%</b>	<b>20.1</b>	<b>2.7%</b>	<b>20.7</b>	<b>2.8%</b>	<b>21.2</b>	<b>2.5%</b>	<b>21.7</b>
28	<b>TOTAL REVENUES</b>	<b>5,216.1</b>	<b>5,333.1</b>	<b>5.9%</b>	<b>5,523.4</b>	<b>3.1%</b>	<b>5,693.8</b>	<b>3.2%</b>	<b>5,878.2</b>	<b>2.5%</b>	<b>6,024.5</b>	<b>2.5%</b>	<b>6,178.9</b>	<b>2.5%</b>	<b>6,354.5</b>
Calculation for Adjusted Governmental Revenues*															
29	<b>Total Tax Supported Revenues</b>	<b>5,214.7</b>	<b>5,333.1</b>	<b>5.9%</b>	<b>5,523.4</b>	<b>3.1%</b>	<b>5,693.8</b>	<b>3.2%</b>	<b>5,878.2</b>	<b>2.5%</b>	<b>6,024.5</b>	<b>2.5%</b>	<b>6,178.9</b>	<b>2.5%</b>	<b>6,354.5</b>
30	<b>Capital Projects Fund</b>	<b>131.7</b>	<b>131.7</b>	<b>17.1%</b>	<b>154.3</b>	<b>0.4%</b>	<b>154.9</b>	<b>31.0%</b>	<b>202.9</b>	<b>29.3%</b>	<b>262.4</b>	<b>-5.9%</b>	<b>246.8</b>	<b>-27.5%</b>	<b>179.0</b>
31	<b>Grants</b>	<b>129.2</b>	<b>129.2</b>	<b>5.5%</b>	<b>136.3</b>	<b>2.3%</b>	<b>139.4</b>	<b>2.4%</b>	<b>142.7</b>	<b>2.4%</b>	<b>146.1</b>	<b>2.3%</b>	<b>149.4</b>	<b>2.2%</b>	<b>152.7</b>
32	<b>MCG Adjusted Revenues</b>	<b>5,475.6</b>	<b>5,594.0</b>	<b>6.2%</b>	<b>5,814.0</b>	<b>3.0%</b>	<b>5,988.1</b>	<b>3.9%</b>	<b>6,223.9</b>	<b>3.4%</b>	<b>6,432.9</b>	<b>2.2%</b>	<b>6,575.1</b>	<b>1.7%</b>	<b>6,685.2</b>
*The calculation for AGR in FY22 and FY23 excludes the County's allocation of Federal Emergency Grants received through the Coronavirus Relief Fund and the American Rescue Plan Act.															



## Non Agency Uses of Resources

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- Capital Investment (CIP Current Revenue and PAYGO) and Debt Service are based on the latest Executive Recommendation (current through March 15, 2022). Additional changes may be transmitted to the County Council in April 2022.
- FY23-28 Retiree Health Insurance Pre-Funding values are based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2021).
- Revenue Stabilization (Rainy Day) Fund balance is projected at \$516.5 million at the end of FY23. The mandatory contribution is estimated to be \$0 in FY23 and \$3.0 million of investment income is estimated to be added to the fund in FY23. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- The FY23-28 reserves (Revenue Stabilization Fund plus the General Fund unrestricted balance) are consistent with legal requirements and the minimum policy target. The FY23 CE Recommended budget satisfies the County's policy to increase and maintain the budgeted total reserves of the General Fund unrestricted balance and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues.



# 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 FY23 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 data from Moody's Analytics and Metropolitan Washington Council of Governments (COG) 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 1,062,061 in 2020 (Census) to 1,155,154 by 2032. This reflects an average annual growth rate of 0.70 percent.
- Current projections estimate the number of households to increase from 390,241 (Census) in 2020 to 427,566 by 2032. Household growth over that period is projected to grow at an average annual rate of 0.76 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 11,460 in 2021 to 12,920 by 2028.
- The County expects Montgomery County Public School student enrollment to increase by 7,928 between FY22 and FY28.
- Montgomery College full-time equivalent student enrollments are projected to decrease from 15,230 in FY22 to 13,762 in FY26.

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 government expenses;
- Devolution of Federal responsibilities to state and local governments;
- Changes in financial markets;
- Major demographic changes;
- Military conflicts and acts of terrorism; and domestic or global health incidences;
- Major international economic and political changes;

Note that the effect of the COVID-19 virus on the County's revenues (and expenditures) has had an impact. This ongoing public health event is being monitored and updates on the impact of COVID-19 on revenues and expenditures will be provided to the Executive and the County Council as soon they become available.

### Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY23 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.

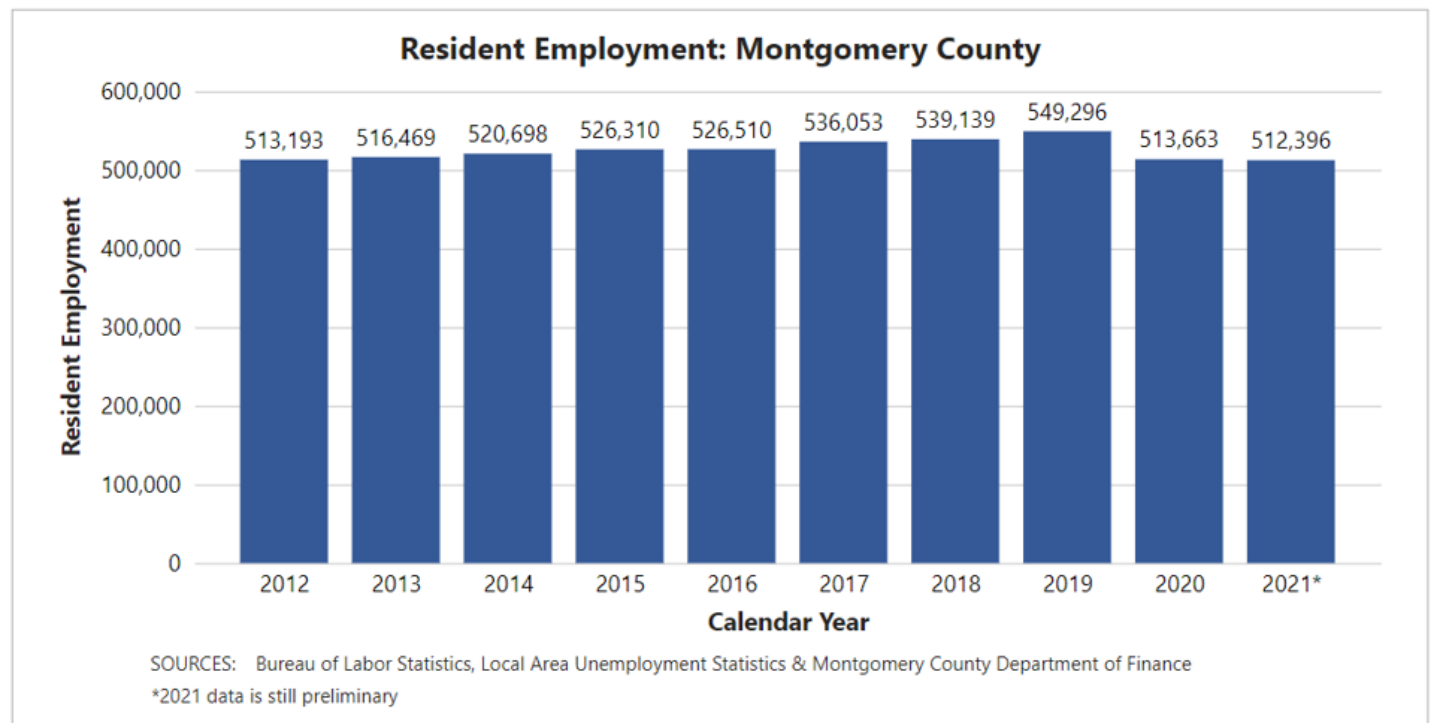
## Economic Assumptions

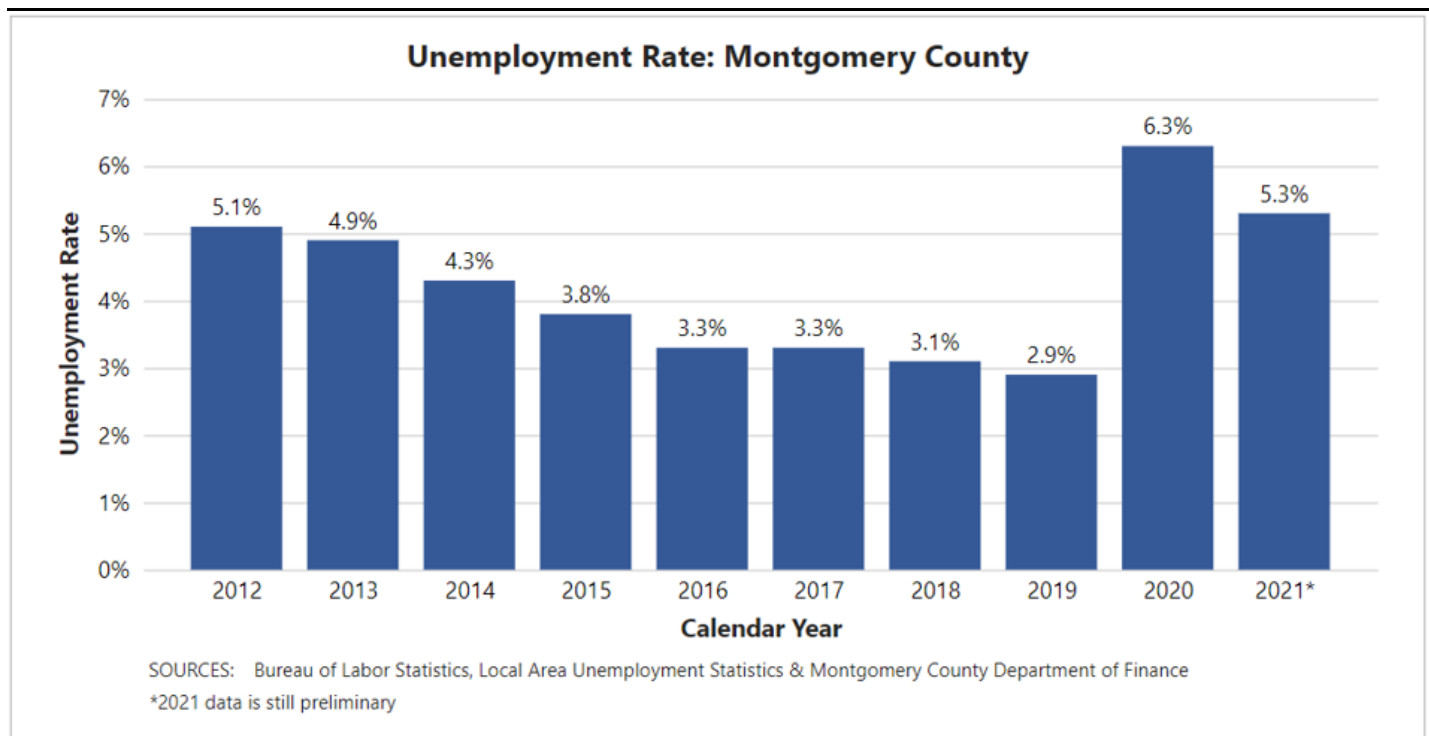
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment 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 continued to experience mixed economic performance during calendar (CY) 2021, again attributed to COVID-19. The areas of weakness included another, albeit small, decrease in resident employment along with a decline in the resident labor force, high unemployment, and reduced construction of residential housing and non-residential projects. However, demand to live in Montgomery County continued to increase with higher sales of existing homes and another sharp increase in the median sales price for existing homes.

## Resident Employment

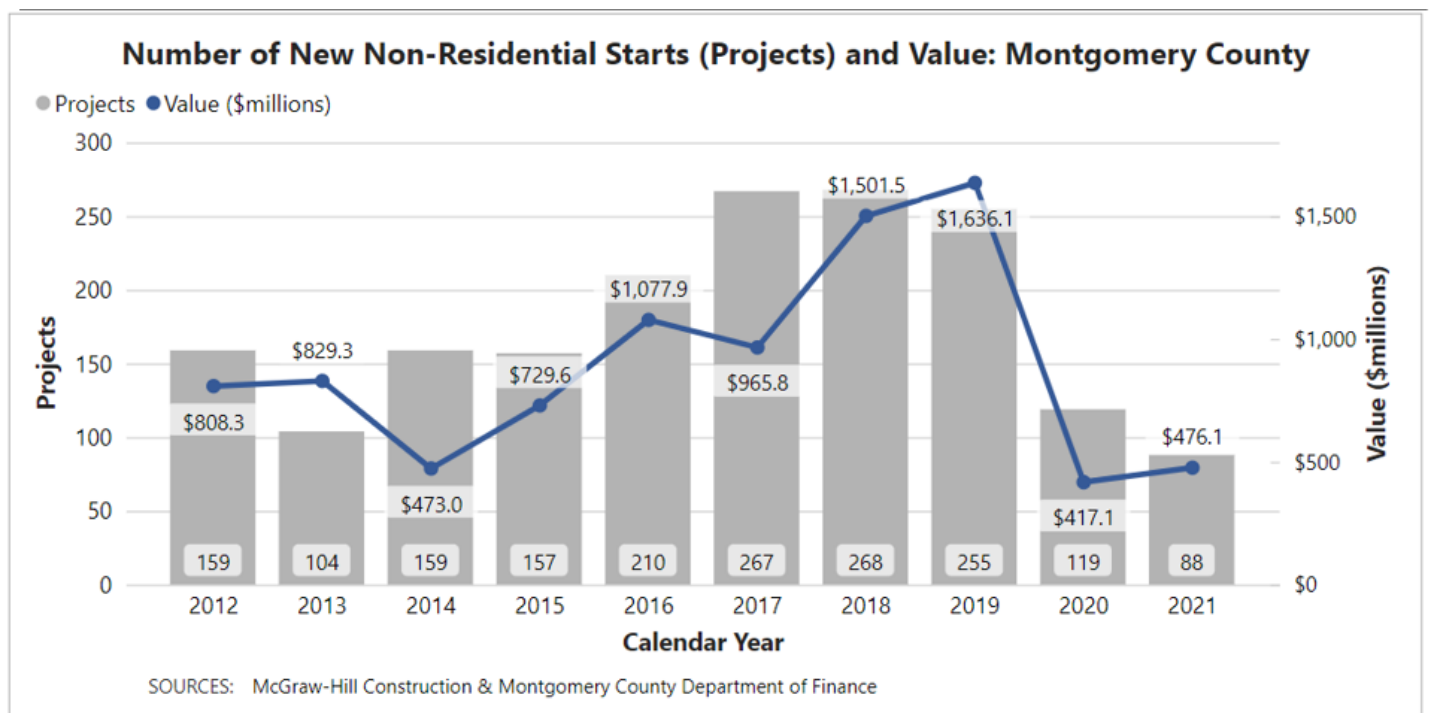
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in CY2021 decreased by another 1,270 from CY2020 (0.25%) after a decline of 35,600 between 2019 and 2020 (6.8%). The County's unemployment rate came down from 6.3 percent to 5.3 percent, but this was due to the labor force dropping by 17,000 people. Unemployment in CY2020 remained twice the pre-pandemic rate in CY2019.

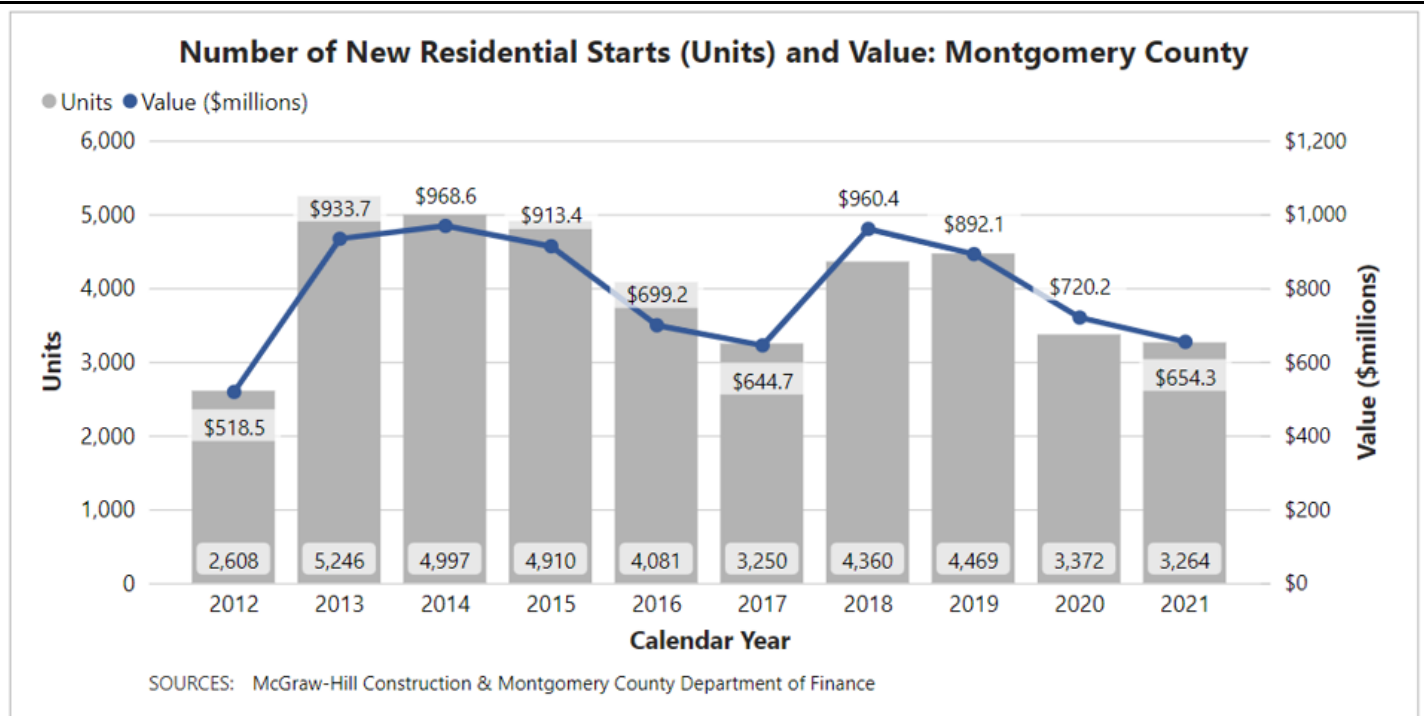




## Construction Activity

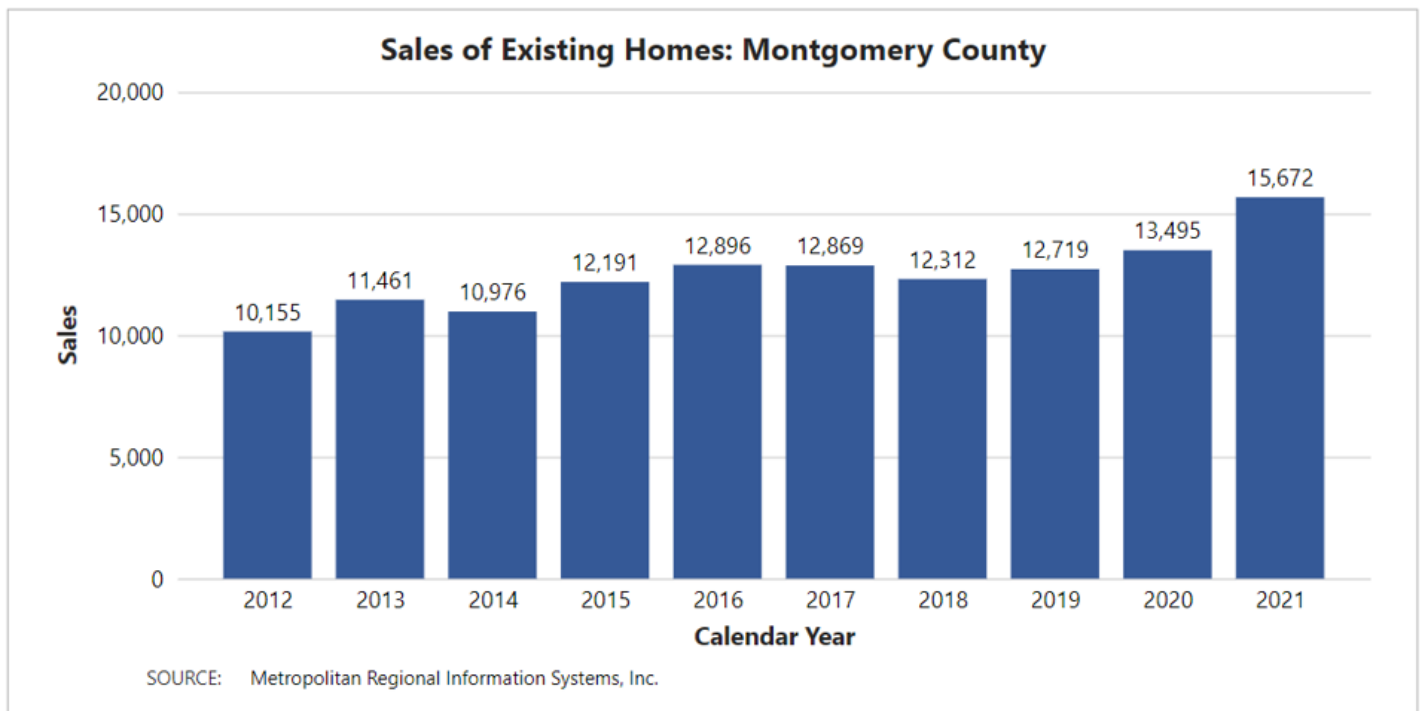
The construction of new residential units decreased another 3.2 percent in CY2021, following a 24.5 percent decrease from CY2019 to CY2020. Total value added from new residential units decreased from \$720.1 million in CY2020 to \$654.3 million in CY2021 (9.1%). The total value added from non-residential projects increased but remained below recent highs attained between 2017 and 2019. Non-residential project value went from \$417.0 million in CY2020 to \$476.0 million (14.2%) in CY2021.

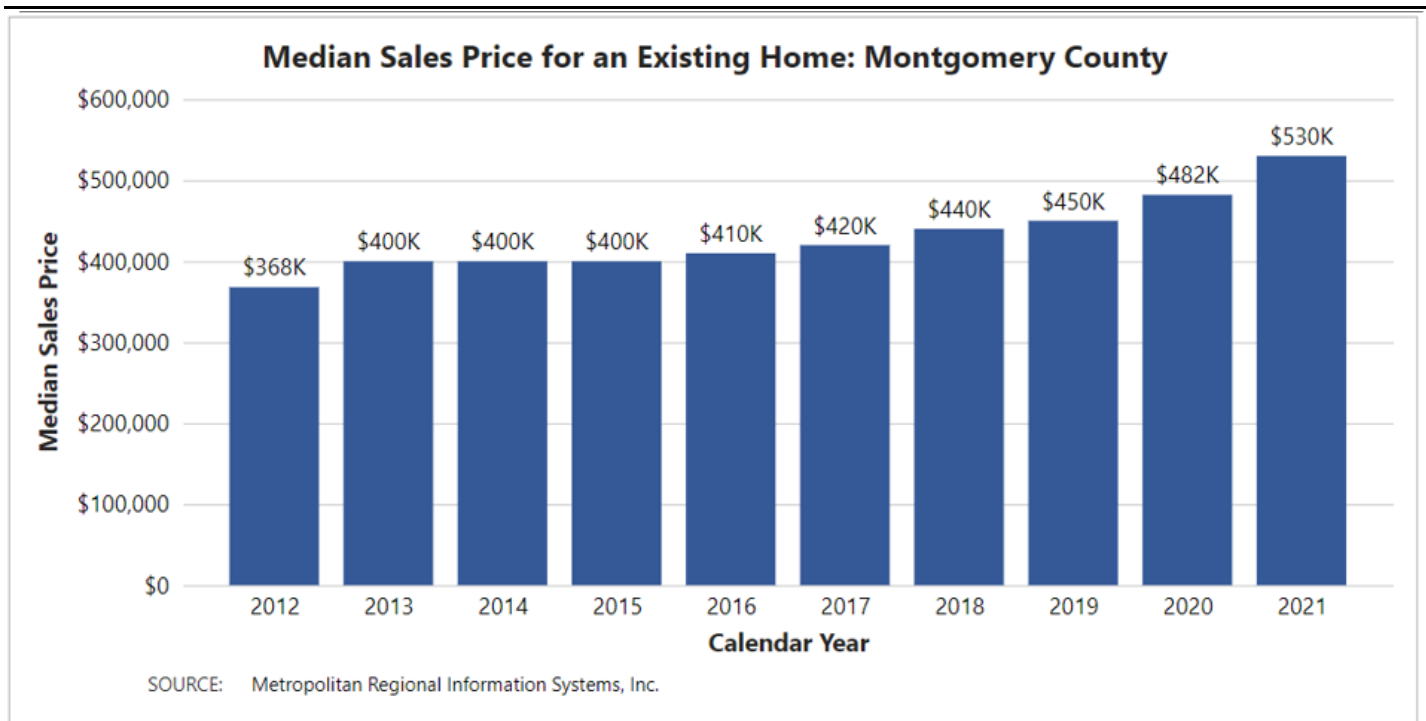




## Residential Real Estate

Demand for existing homes remains strong, with total sales increasing by 16.1 percent in CY2021, following a 6.1 percent increase in 2020. The median sales price for existing homes increased another 9.9 percent in CY2021 after increasing by 7.1 percent in CY2020.





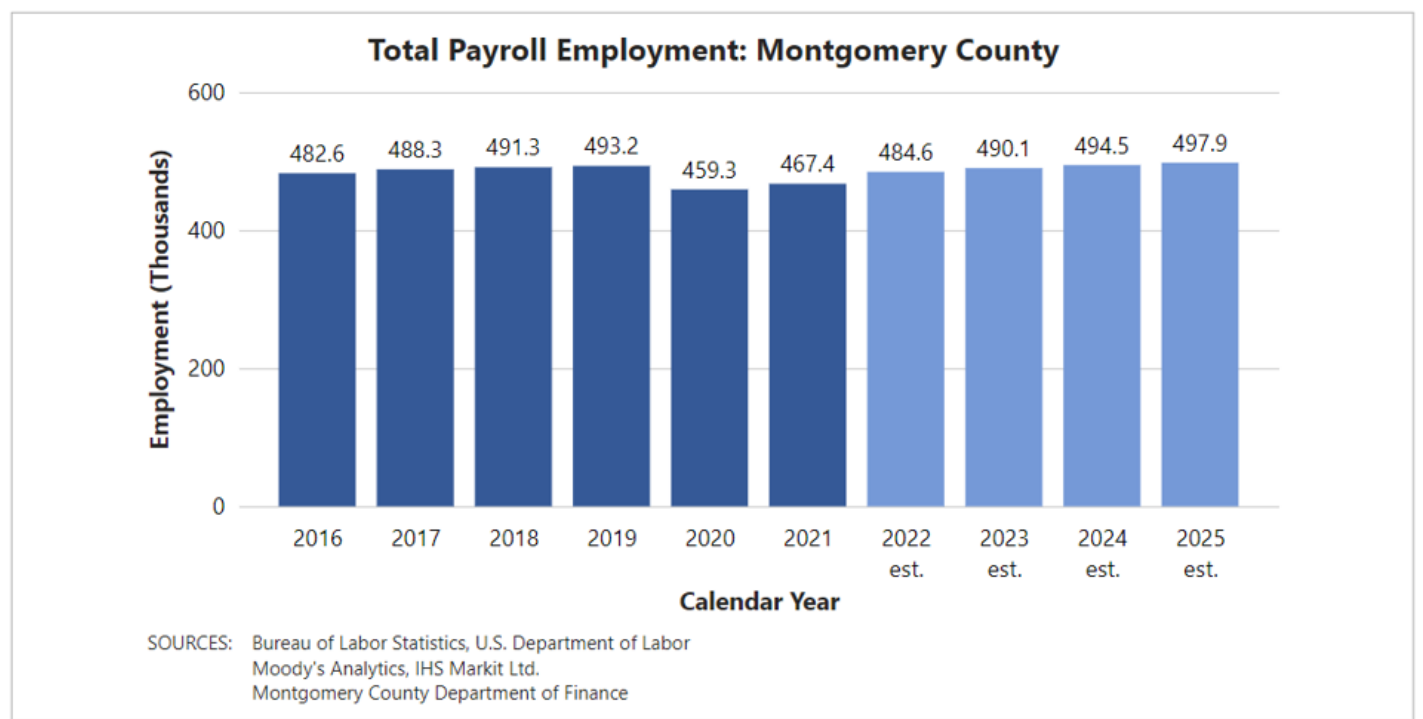
## CONCLUSION

The two economic indicators, employment and construction, confirm that the County's economy remains weakened due to COVID-19 during CY2021. That performance included a decrease in residential employment, an elevated unemployment rate, and a decrease in residential and non-residential construction. However, the residential real estate market experienced positive performance during COVID-19.

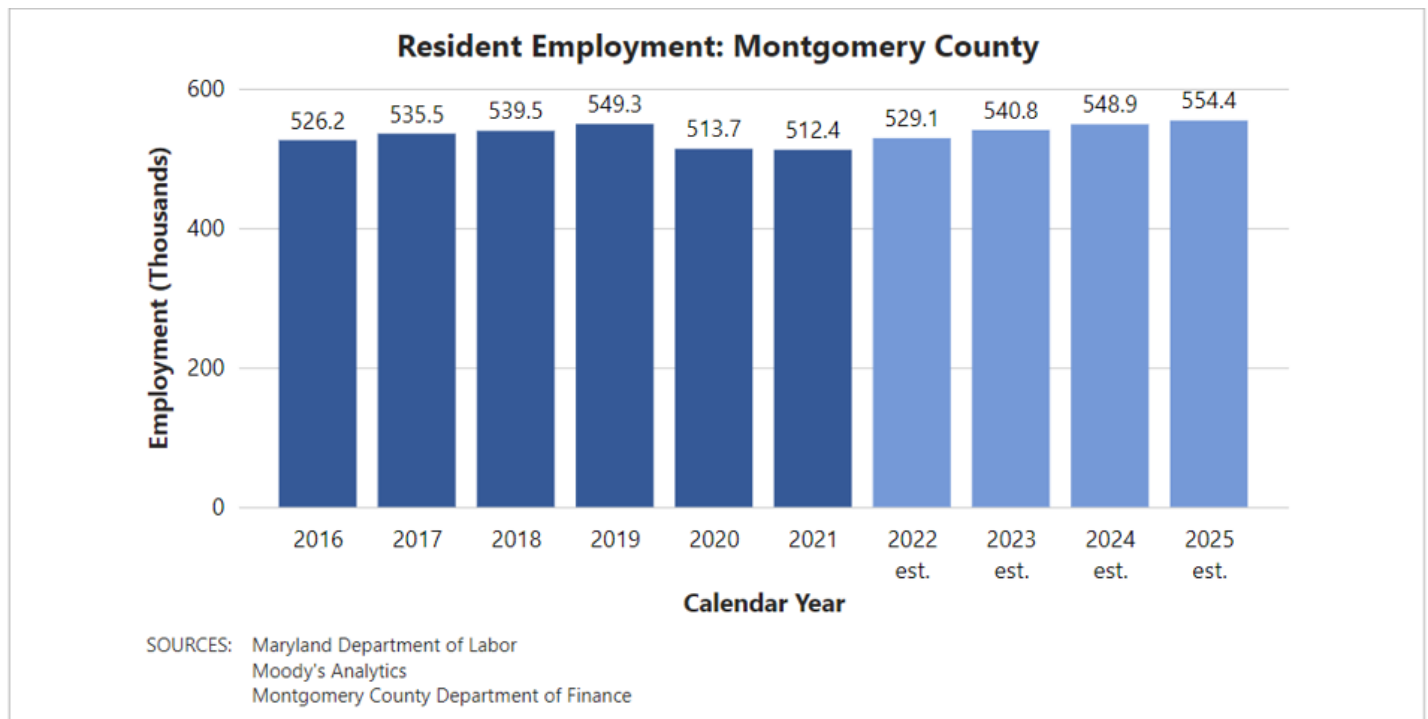
## ECONOMIC OUTLOOK

The Department of Finance (Finance) forecasts that despite notable declines in the size of the labor force and the number of employed residents between CY2019 and CY2020, the County will have strong income growth through CY2021 and CY2022.

**Employment.** Finance assumes that payroll employment will increase from CY2020 to CY2024 at an average annual rate of 1.9 percent. This is above the average annual growth rate of 0.7 percent experienced between CY2015 and CY2019 before the COVID induced drop in employment. Finance assumes payroll employment will exceed pre-pandemic level by CY2024.

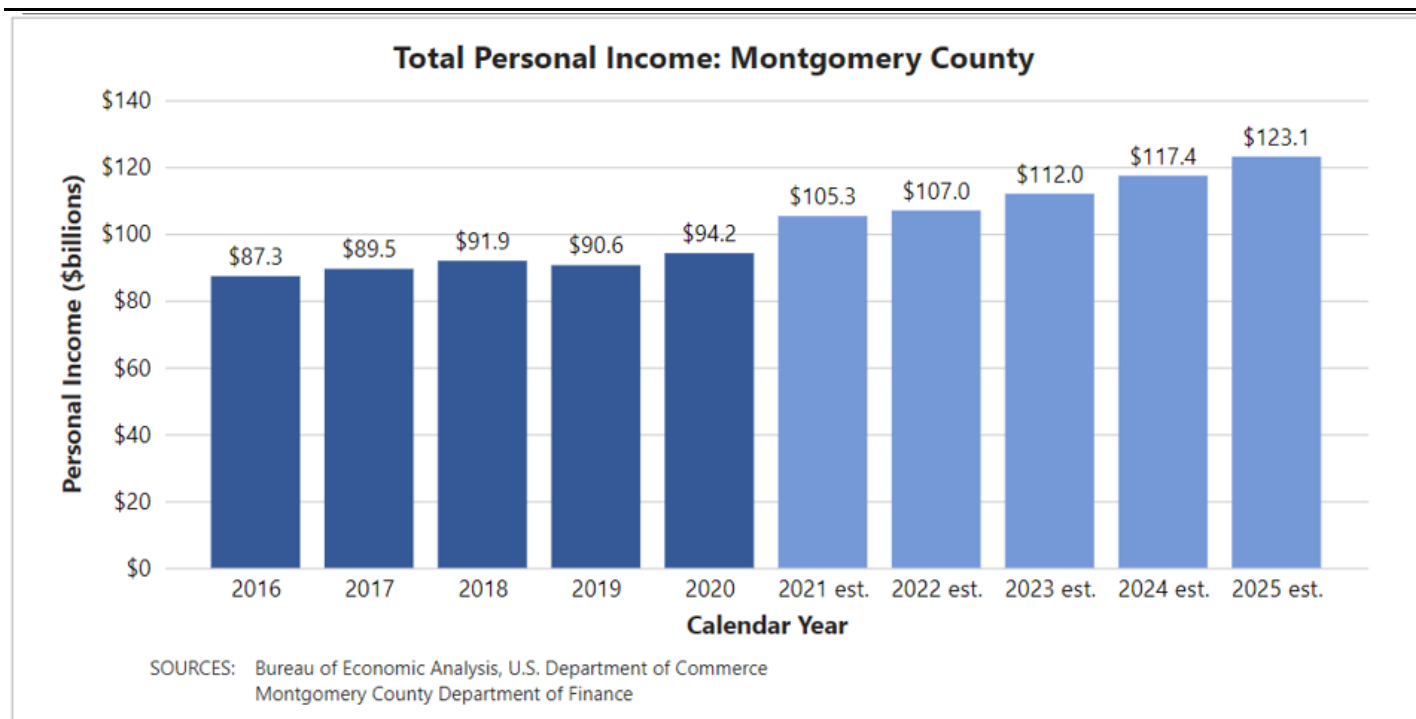


Finance assumes that resident employment will increase at an average annual rate of 1.1 percent from CY2020 to CY2024. That rate is similar to the average annual growth rate of 1.0 percent between CY2015 and CY2019 before the COVID induced drop in employment. Finance estimates the resident employment will not reach its pre-pandemic level in CY2019 until CY2024.

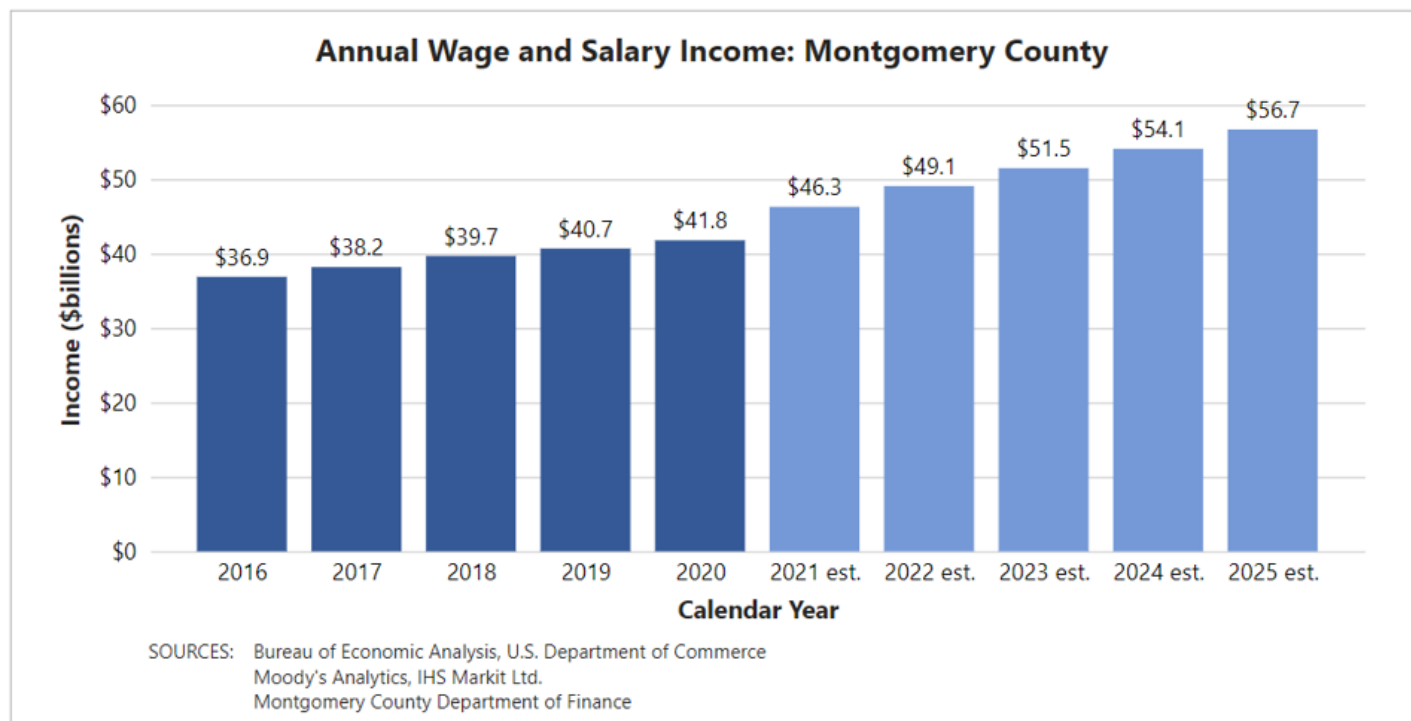


**Personal Income.** Finance assumes that total personal income in Montgomery County will increase at an average annual rate of 5.7 percent from CY2021 to CY2024 compared to an average annual growth rate of 1.9 percent from CY2016 to CY2020. Despite declines in employment, total personal income was not significantly affected by the COVID pandemic due to the limited employment loss among office workers, and due to Federal and State fiscal stimulus payments to individuals and corporations.

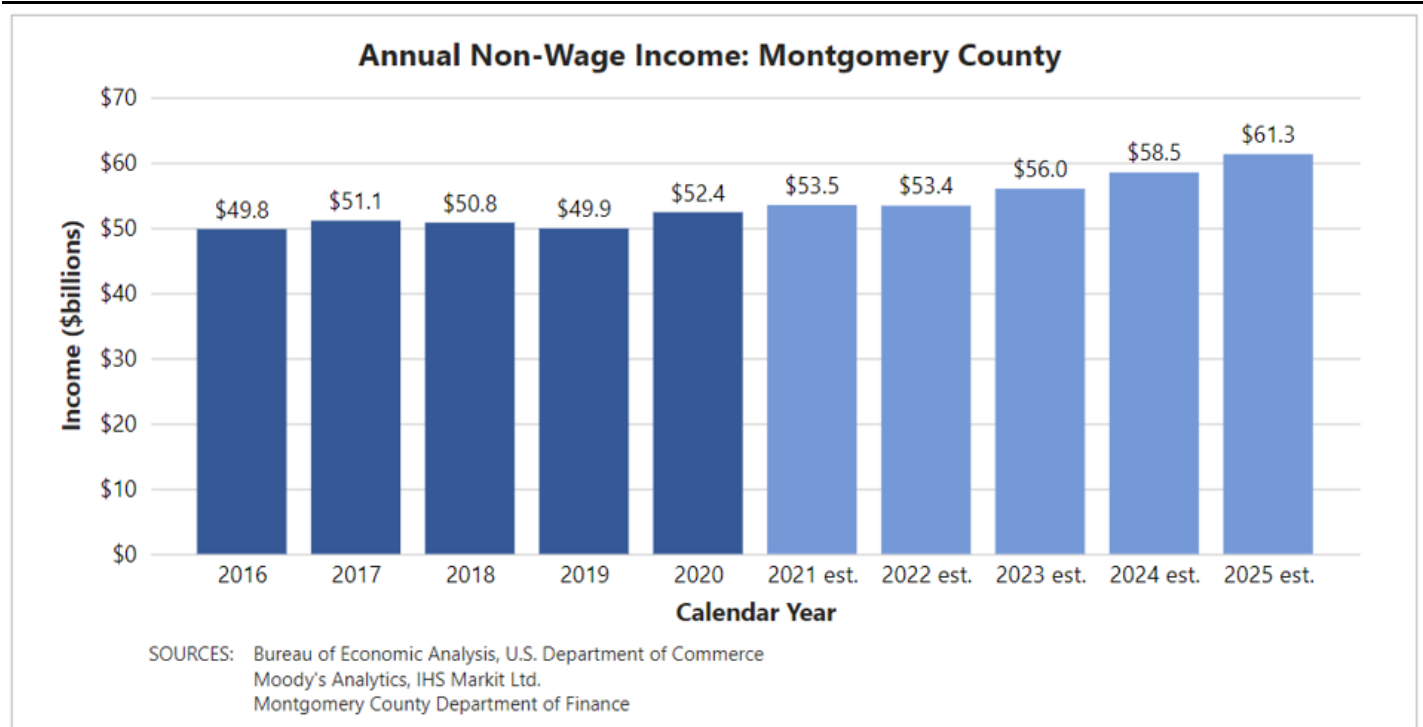




**Wage and Salary Income.** Finance assumes wage and salary income will increase at an average annual rate of 6.7 percent from CY2021 to CY2024 compared to the average annual growth rate of 3.2 percent from CY2016 to CY2020. Total wage and salary income was not substantially affected by the COVID pandemic despite increased unemployment.

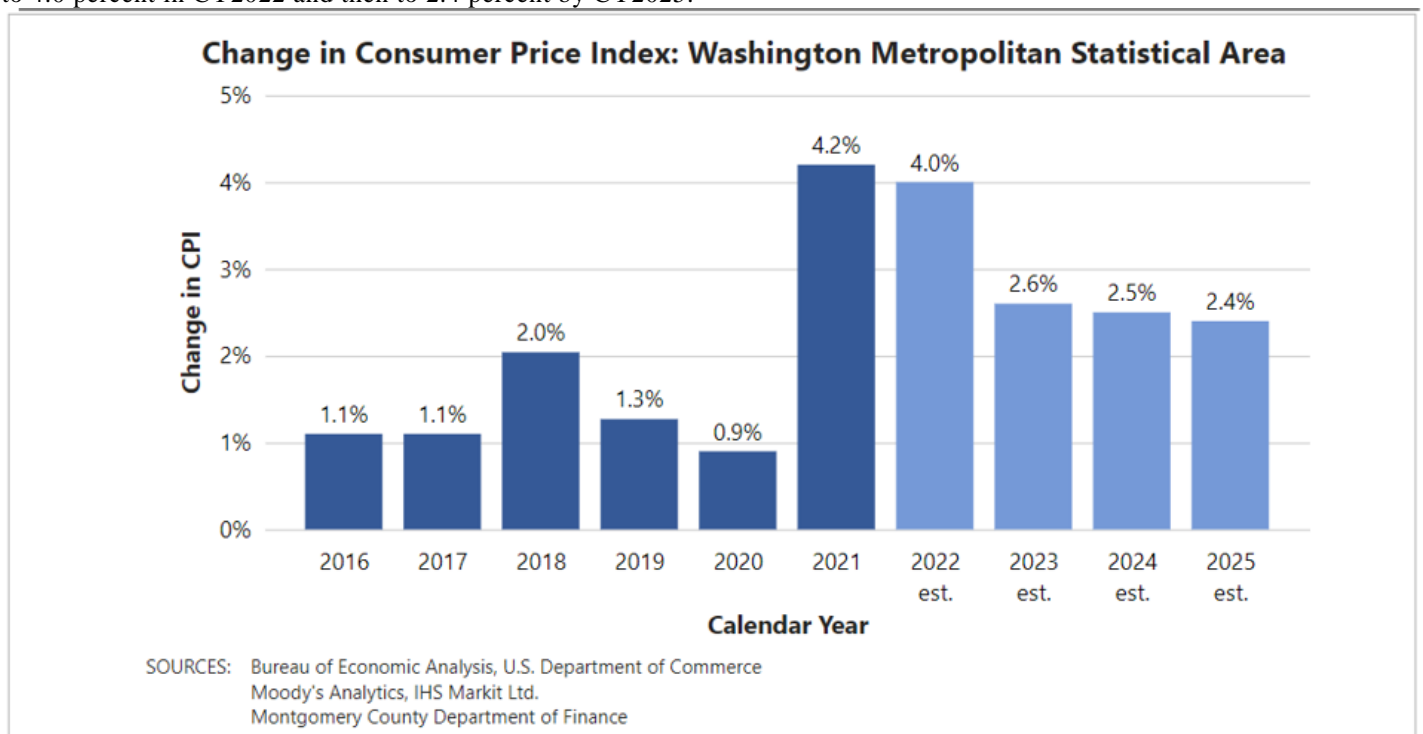


**Non-Wage Income<sup>1</sup>** Finance assumes that non-wage income in Montgomery County will increase at an average annual rate of 2.8 percent from CY2020 to CY2024 compared to the average annual growth rate of 1.3 percent from CY2016 to CY2020. Non-wage income appears to have experienced little impact from the COVID pandemic.

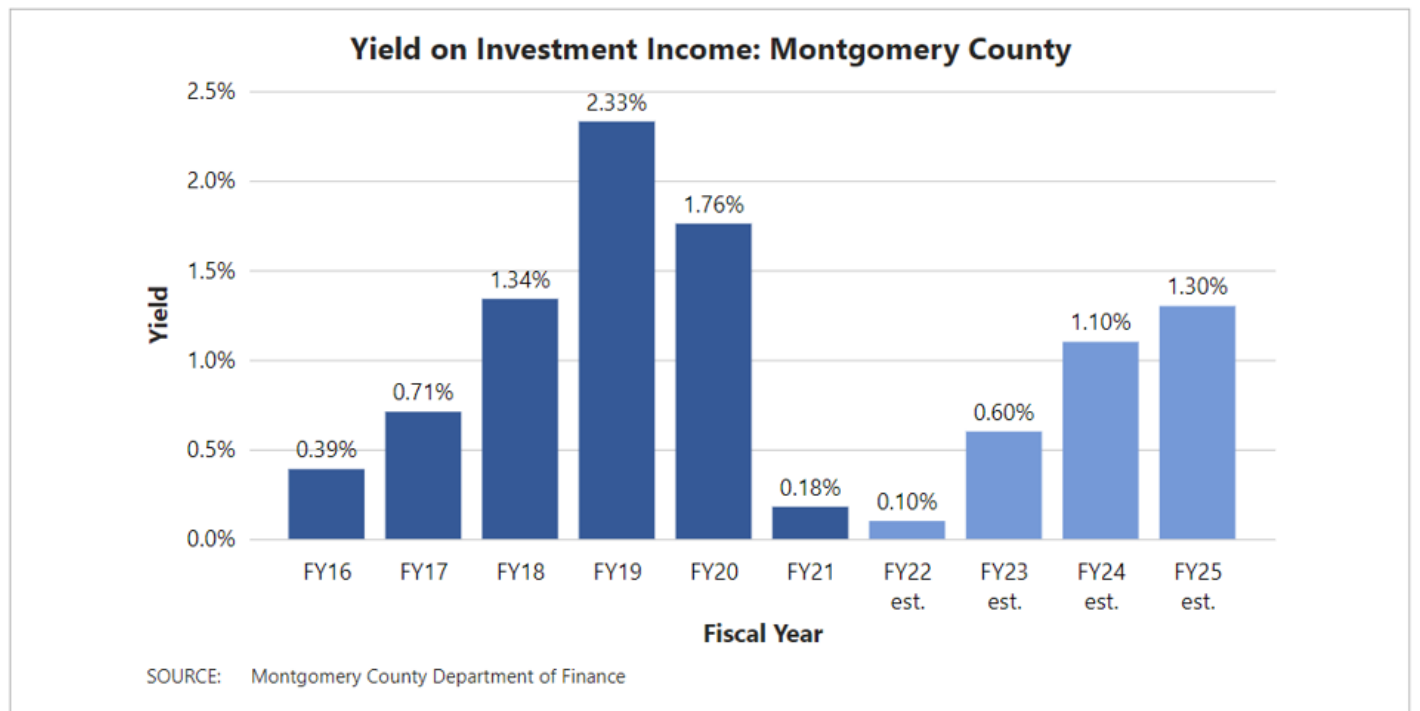


<sup>1</sup> Non-wage income is the sum of proprietor's income, supplements to wages and salaries, transfer receipts, dividends/interest /rents, adjustment for residence, less contributions for government social insurance.

**Inflation (annual average).** Finance assumes that the overall regional inflation index will moderate from 4.2 percent in CY2021 to 4.0 percent in CY2022 and then to 2.4 percent by CY2025.



**Interest Rates.** Since the yield on the County's short-term investments are highly correlated with the Federal funds rate, the County earned an average of 0.18 percent in investment income on its short-term portfolio for fiscal year (FY) 2021 and is estimated to earn an average of 0.10 percent in FY2022. Anticipated rate increased to the targeted federal funds rate by the Federal Open Market Committee of the Board of Governors of the Federal Reserve System in response to inflation pressures would result in yields rising to 0.60 percent in FY2023 and then to 1.30 percent by FY2025.



## 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 FY23-28 Capital Improvements Program (CIP) (as of January 18, 2022). Anticipated current revenue adjustments to the January 18, 2022 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 FY21 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

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balance for future fiscal years is assumed to equal the target fund balance for the preceding year.

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## 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.

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## Debt Service Obligations

Debt service estimates are those made to support the County Executive's Recommended FY23-28 Capital Improvements Program (as of January 18, 2022). 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 35.9 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, 2021, is 1.72 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

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## Capital Improvements Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent 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.

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## 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. For FY22 and FY23, funds received by the County to broadly respond to the COVID-19 pandemic under H.R. 748, the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, and H.R. 1319 the American Rescue Plan Act (ARPA) are excluded from the calculation of Adjusted Government Revenues for the purposes of calculating the mandatory contribution to the Fund. The FY23 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$513.5 million in FY22 and the balance is estimated to increase to \$516.5 million in FY23.

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## Other Uses

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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.

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## 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"). This budget satisfies the County's policy to increase and maintain the budgeted total reserve of the unrestricted General Fund and Revenue Stabilization Fund at 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 45.3 percent and 43.2 percent, respectively, of the estimated total tax revenues in FY23. The third category is the energy tax estimated for the General Fund with 4.3 percent share. In fact, these three revenue sources represent 92.8 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 35.3 percent and 33.7 percent, respectively. The third category is intergovernmental revenues with a 18.9 percent share of the estimated total tax supported revenues in FY23. 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.

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## Property Tax

Using proposed tax rates (levy year 2022) and a recommended \$692 credit, total estimated FY23 tax supported property tax revenues of \$1,951.4 million are 2.7 percent above the revised FY22 estimate. The general countywide rate for FY23 (Levy Year 2022) is \$0.6900 per \$100 of assessed real property, while a rate of \$1.7250 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 FY23 (Levy Year 2022) is \$0.9785 per \$100 of assessed real property which is the same weighted rate for FY22 (Levy Year 2021). In November 2020, County residents voted to amend Section 305 of the County Charter "to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved the previous year, unless all current Councilmembers vote affirmatively for the increase."

The countywide total property taxable assessment is estimated to increase approximately 2.4 percent from a revised \$208.5 billion in FY22 to \$213.5 billion in FY23. The base is comprised of real property and personal property. For FY23, the Department of Finance estimates a real property taxable assessment of approximately \$208.5 billion, an increase of 2.4 percent from FY22, with the remaining \$5.0 billion in personal property. This is the tenth consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

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 triennial residential property reassessment for Group 2 increased 4.8 percent and commercial property increased 16.5 percent in FY21 (LY20) and the triennial residential property reassessment for Group 3 increased 6.6 percent and commercial property increased 14.4 percent in FY22 (LY21). Based on data from SDAT the triennial reassessment for real property is estimated to increase 11.3

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percent for residential properties in Group 1 and is estimated to increase 10.3 percent for commercial property in FY23 (LY22).

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## Income Tax

The base for Montgomery County's income tax is Maryland net taxable income (NTI). NTI is federal adjusted gross income, as determined by the Internal Revenue Code, with Maryland-specific adjustments, both positive and negative, and the subtraction of Maryland standard or itemized deductions and personal exemptions, all as determined by Maryland law. The Maryland Comptroller's Office administers the local income tax as part of the state income tax. Local income tax revenues are collected along with state income tax revenues, through employer withholding on a periodic basis, estimated payments and final payments and refunds. The County receives its income tax revenues largely through quarterly distributions from the State of withholding and estimated payments (roughly 80 percent to 85 percent of annual receipts) with additional distributions to reconcile the quarterly distributions for a tax year as tax returns are processed and for delinquent payments, interest and penalties and other unallocated collections.

A number of economic indicators impact the County's quarterly distribution from withholdings and estimated payments. Those indicators include growth in resident employment; wage and salary income; income from dividends, interest and rents; and capital gains. Based on the economic data and forecasts provided by Moody's Analytics and IHS Markit, County resident employment decreased at an average annual rate of 3.4 percent from CY2019 to CY2021. Finance estimates that resident employment will reach its pre-pandemic level by CY2024. However, Finance assumes wage and salary income will increase at an average annual rate of 7.1 percent from CY2019 to CY2021 and 3.2 percent from CY2021 to CY2024. The growth in wage and salary income is driven by the tight labor market and the need for employers to increase wages to attract employees. Wage and salary income remained strong during the COVID-19 pandemic despite the decline in employment from CY2019 to CY2021. Finally, Finance assumes nonwage income in Montgomery County will increase at an average annual rate of 4.1 percent from CY2019 to CY2021 and increase at a slightly slower average annual rate of 3.0 percent from CY2021 to CY2024 reflecting lower transfer payments following the end of most COVID-19 federal and state fiscal stimulus programs and lower but still growing capital gains. Finance estimates that COVID-19 had and is expected to have no material impact on nonwage income.

Estimated FY23 income tax revenues of 1,859.1 million are 3.6 percent above the revised FY22 estimate. The FY22 estimate has been revised from \$1,703.3 million in the December Fiscal Plan to \$1,794.2 million due to strength in the February quarterly income tax distribution and expected additional income tax due to the Comptrollers review of tax records for taxpayers who had filed for extensions for TY2020, as described below. Recent tax years have had substantial variation in the level of income tax reconciling distributions due to amendments to state and federal tax law influencing the timing and amount of tax payments. Reconciling distributions increased dramatically in November and January FY2019 by 75.0 percent pertaining to TY2018. This increase was due to the elections of November 2016 raising expectations that tax relief for individuals, especially those with high incomes, would occur in TY2018. As such, those individuals would delay recognizing capital gains until a later tax year, resulting in the large gain described. The Maryland Comptroller cautioned against assuming a similarly strong reconciling distribution in TY2019 (FY20) and TY2020 (FY21). In fact, in alignment with this caution the reconciling distributions declined 15.6 percent for TY2019 (FY20) and 60.2 percent for TY2020 (FY21). Since the initial report of the reconciling distribution for TY2020 experienced a decline of 60.2 percent, the Maryland Comptroller staff reviewed the tax records for those taxpayers who filed for an extension pertaining to TY2020. Based on that review, Maryland Comptroller staff notified the County that it will receive a \$58 million distribution in FY22. Because of that distribution, the estimate for FY22 is 5.3 percent above the December Fiscal Plan estimate. The impact of this distribution for FY22 will carry forward to future years, increasing expected income tax revenues.

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## Transfer and Recordation Taxes

Estimated FY23 revenues for the General Fund of \$229.0 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 3.5 percent above the revised FY22 estimate. This reflects a FY23 estimate of \$154.8 million in the transfer tax and \$74.2 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from \$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property.

Residential transfer tax revenues follow 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. Based on the

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activity in the real estate markets described in the economic assumptions section above and the forecast from Moody's Analytics, Finance estimates the sales of existing homes in the County will decrease 4.8 percent in CY22 but increase 1.5 percent in CY23. Over the same two years, median sales prices will increase 6.1 percent in CY22 and 3.1 percent in CY23.

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## Energy Tax

Estimated FY23 revenues of \$186.5 million are 0.6 percent above the revised FY22 estimate. 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. Because of the impacts of COVID-19, non-residential tax collections declined 22.8 percent in FY21 from FY20 while residential tax collections increased 28.5 percent in FY21 from FY20. However, through the first seven-months for FY22, non-residential tax collections have increased 62.3 percent while residential tax collections have decreased 41.3 percent. As the share of total tax collections through the first-seven months through January, the residential share has declined from 58.6 percent in FY21 to 33.9 percent in FY22.

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## Telephone Tax

Estimated FY23 revenues of \$54.6 million are 1.3 percent above the revised FY22 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 phones and by voice-over internet protocol. Over the past decade, approximately 80 percent of the gross telephone tax is attributed to the cellular wireless component.

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## Hotel/Motel Tax

Estimated FY23 revenues of \$21.8 million are 31.2 percent above the revised FY22 estimate attributed to a significant increase in the occupancy rate and increases in room rates. 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 is 7.0 percent. 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 Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county. Business and conference travel has lagged the rebound in tourist travel following the COVID pandemic lows, which leaves the County's hotel industry and tax revenues at a level below the FY19 peak. Because of the recovery from the worst impacts of COVID-19, tax collections from the hotel/motel tax are estimated to increase 157.8 percent in FY22 and continue to rebound from its pandemic low in FY21.

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## Admissions/Amusement Tax

Estimated FY23 revenues of \$2.7 million are 3.0 percent above the revised FY22 estimate. Estimated revenues for FY22 are expected to increase 55.7 percent similar to the increase in the hotel/motel tax. 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. The estimated increase in FY23 revenues is attributed to a rebound in the growth in attendance.

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## E-Cigarettes Tax

Estimated FY23 revenues from the E-Cigarettes tax of \$1.1 million are 3.5 percent above the revised FY22 estimate. On March 31, 2020, the Montgomery County Council enacted legislation that prohibited an electronic devices manufacturer from distributing flavored electronic cigarettes to certain retail stores in the County. As such, FY22 revenues are estimated to decline

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4.8 percent from FY21 following a decline of 13.4 percent in FY21.

## ■ NON-TAX SUPPORTED 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 \$1.218 billion in FY23. This is a \$59.7 million increase, or 5.1 percent, from the revised FY22 estimate. Non-tax revenues include intergovernmental revenues, investment income, licenses and permits, charges for services, fines, and forfeitures, and miscellaneous revenues.

### General Intergovernmental Revenues

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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 FY23. 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 FY23 assumes a \$40.7 million, or 18.9 percent, increase in intergovernmental revenues from the revised FY22 estimate, of which 82.0 percent of the increase would be allocated to the Montgomery County Public Schools, 5.6 percent to other intergovernmental, 5.3 percent to Montgomery Community College, and 3.3 percent to Mass Transit. Total intergovernmental revenue represents an estimated 86.4 percent of non-tax supported revenues.

### Licenses and Permits

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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 FY23 assumes a 3.6 percent increase over the revised estimates for FY22, resulting in \$13.8 million in available resources in FY23.

### Charges for Services

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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 FY23 assumes an increase of 32.8 percent over the revised estimates for FY22, resulting in \$54.6 million in available resources in FY23.

### Fines and Forfeitures

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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 FY23 assumes that fines and forfeitures will increase 7.1 percent from the revised estimates for FY22, resulting in \$29.9 million in available resources in FY23.

### College Tuition

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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 FY23 assumes a 7.1 percent decrease in tuition from \$60.0 million in FY22 to \$58.4 million in FY23.

### Investment Income

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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 FY22 tax-supported investment income estimate of \$857,439 assumes a yield of 0.20 percent and an average daily portfolio balance of \$705.6 million. The FY23 projected estimate of tax-supported investment income of \$3.7 million assumes a yield of 1.15 percent and an average daily portfolio balance of \$733 million. The Federal Open Market Committee (FOMC) is expected to begin increasing the targeted federal funds rate starting in March 2022 in response to the rapid growth in the rate of inflation and may continue to increase the fed funds rate during FY22 and FY23. The estimated investment income for FY22 and FY23 will reflect the actions by the FOMC and the County's average daily portfolio balance.

## Other Miscellaneous

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The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY22, miscellaneous revenues will increase 9.2 percent from the revised estimates for FY21, resulting in \$14.6 million in available resources in FY23.

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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's 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 towards 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, payment of salaries and benefits, debt service, and other expenditures are all essential to maintaining control over 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 Budget for more detailed policies that relate more directly to the CIP). Numerous other fiscal policies that relate to particular programs or issues are not included here but are believed to be consistent with the guiding principles expressed below.

The presentation of fiscal policies is in the following order:

- Policies for fiscal control
- Policies for expenditures and allocation of costs
- Short-term fiscal and service policies
- Current CIP fiscal policies
- Policies for governmental management
- Policies for revenues and program funding
- Fiscal policies for user fees and charges
- Framework for fiscal policy

## FISCAL CONTROL POLICIES

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## Structurally Balanced Budget

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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 the required reserves for that fiscal year. Recurring revenues should fund recurring expenses. No deficit may be planned or incurred.

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## Reserves

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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 a total reserve of ten percent of revenues including the Revenue Stabilization Fund, as defined in the Revenue Stabilization Fund law (Section 20-65, Montgomery County Code). The County had originally planned to achieve the 10 percent target by FY20, but the COVID pandemic negatively impacted reserves and the 10 percent target was not achieved until FY21.

On March 2, 2021, the County Council approved a revised Reserve and Select Fiscal Policies resolution (No. 19-753) to improve the County's long-term fiscal management. Regarding the use of budgeted reserves during economic recessions or national emergencies, the resolution states that the County Executive and County Council will collaboratively first identify targeted budget reductions that will minimize impact on the County's service delivery to reduce the need to use County Government Reserves. Following a decrease in County Government Reserves during an economic recession or national emergency, the County must replenish the Reserves to its policy goal within the following three fiscal years as outlined in the County's six-year fiscal plan. The County's replenishment plan should not defer all replenishment until the third year of the plan.

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## Use of One-Time Revenues

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One-time revenues and revenues in excess of projections must be prioritized to meet the county's fiscal policy goals or budgeted as required by law. One-time revenues and revenues greater than projected that remain after any contribution required by law will be applied in the following order until the policy goal is met, or the resources are fully utilized: 1) Reserves to policy goal; 2) Retiree health benefits (OPEB) more than the annual actuarial pre-funding contribution and/or pension pre-funding more than the annual actuarial goal, if unfunded liabilities exist; and then 3) Other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP in excess of the County's targeted goal.

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## PAYGO

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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 issuance that year. While a 10 percent PAYGO cash allocation is the intended policy goal, during times of extreme financial duress such as those experienced from COVID during FY21 and FY22, the PAYGO allocations have been temporarily reduced or suspended. Further information about the County's recent PAYGO budgets are included in the Short-term Fiscal and Service Policies section below.

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## COMPENSATION SUSTAINABILITY POLICY

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As stipulated in Resolution 19-753, as a means to preserve long-term budget sustainability, the annual growth rate of total compensation costs (including all wage and benefit costs) should be similar to the annual growth rate of tax-supported revenues. In submitting a recommended annual operating budget, the Executive should indicate how recommended compensation cost increases compare with projected rates of revenue growth. Should recommended compensation cost increases exceed the projected one-year or six-year rate of revenue growth, then the Executive should provide a written explanation of: 1) how operating budget resources are re-allocated to pay for total compensation costs; and b) how the recommended rate of compensation cost growth can be sustained over time.

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## Fiscal Plan

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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.

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## Budgetary Control

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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 WSSC Water (Washington Suburban Sanitary Commission) 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.

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## Financial Management

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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).

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## Basis of Budgeting/Accounting Method

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The County's basis of accounting used in the preparation and presentation of its Annual Comprehensive Financial Report 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. Custodial 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 Employee Health Benefits 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.
- For the Urban Districts, Economic Development Fund, and Revenue Stabilization Fund, which are included with the General Fund for financial reporting purposes, separate budgets are legally adopted.
  - Encumbrances outstanding are charged to budgetary appropriations and considered budgetary expenditures of the current period; any cancellations of such encumbrances in a subsequent year are classified with miscellaneous revenue for budgetary purposes;
  - Debt service payments, lease 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.

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- The County does not budget for the retirement of Commercial Paper Bond Anticipation Notes (BANs). The outstanding balance of any BANS issued are retired with the issuance of General Obligation Bonds.
  - Certain amounts, such as those relating to the purchase of new fleet vehicles and certain inter-fund services such as permitting and solid waste services, are budgeted as fund expenditures but are reclassified to inter-fund transfers for accounting purposes.
  - Year-end GAAP incurred but not reported (IBNR) adjustment amounts in the self-insurance internal service funds are not budgeted; any such adjustments to IBNR claims reserve as of year-end are incorporated into the budget preparation process of the following fiscal year.
  - Proprietary fund budgets include the annual required contribution to pre-fund retiree health insurance benefit costs; however, certain pre-funded retiree health insurance-related costs in the proprietary funds and General Fund may be reclassified for accounting purposes.
  - Proceeds from debt issued specifically for Montgomery Housing Initiative (MHI) affordable housing/property acquisition is classified as a resource in the MHI fund.
  - The County does not budget for the annual change in fair market value of its investments, which is included in revenue for accounting purposes.
  - The County does not budget for the operating results of the Montgomery County Conference Center, owned by the County and administered by a third party; instead, the budget includes cash distributions between the parties that represent distribution of net operating revenues and reimbursement for net operating losses.

## Internal Accounting Controls

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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

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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

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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

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The County 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, 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.

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

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## 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 residents 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.

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## 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.

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## 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.

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## 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.

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## Public Investment in Infrastructure

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

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## 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.

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## 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, or is the most cost-effective means of procuring goods and services.

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## Use of Restricted Funds

In order to align costs with designated resources for specific programs or services, the County will generally first charge expenses

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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.

Like many jurisdictions around the country, Montgomery County spent most of FY21 and FY22 focusing on responding to the COVID19 pandemic. Initially, there was tremendous uncertainty about the pandemic's fiscal impacts to the County; and, therefore, non-COVID related costs were reduced so that resources could be redeployed to pandemic response activities. The County proactively supported activities such as:

- COVID testing, contact tracing, and vaccination efforts to improve health outcomes for residents;
- Business assistance to support companies and non-profit agencies negatively impacted by the pandemic;
- Food and rental assistance and income supports for families facing pandemic-related financial distress;
- Child care and other services for families struggling to educate and provide care for their children during the pandemic; and
- Targeted programs and outreach for traditionally underserved residents and/or communities experiencing greater rates of health and income disparities due to the pandemic.

In order to mount the County's pandemic response, it was necessary to fund unplanned and expensive costs for health programs, personal protective equipment, differential hazard pay for employees, facility improvements, cleaning and maintenance, and grants to struggling organizations and families. The County undertook the following activities to mitigate negative pandemic-related financial impacts:

- Aggressively pursued all eligible Federal Emergency Management Administration reimbursement;
- Developed plans to fully allocate all eligible pandemic-related Federal aid;
- Implemented two lines of credit worth \$250 million to ensure easy availability of cash, if needed;
- Redeployed underutilized staff to pandemic-related work;
- Undertook multiple savings plans, delayed hiring and procurements for non-COVID related functions, and limited non-pandemic related budget increases; and
- Suspended (FY21) and reduced by half (FY22) PAYGO cash contributions to the capital budget.

COVID-related fiscal uncertainties led the County Council to approve a resolution clarifying expected procedures for managing reserves in the case of an economic recession or national emergency. Under the new policy, the Council established a goal to identify budget reductions as the first action to reduce the use of reserves during an economic recession or national emergency. In the event that total reserves fall below 10% of Adjusted Gross Revenues, the County must replenish the County Government Reserves to its policy goal within three fiscal years. The County Council also requested that the County Executive follow a new practice as a means to preserve long-term budget sustainability such that the annual growth rate of total compensation costs (including all wage and benefit costs) should be similar to the annual growth rate of tax-supported revenues. When the recommended compensation costs are in excess of the projected one-year or six-year rate of revenue growth, the County Executive should explain how they will be affordable in the future.

As a result of the County's actions in FY21 and FY22 as well as the overall economic support from Federal and State pandemic relief for individuals and businesses, the County's finances for FY23 are very solid. Based on revenue estimates developed early in the COVID pandemic, the County estimated that it would not achieve its 10 percent reserves target until FY24 -four years later than the original target date. However, based on improved revenues and the County's cost savings measures, the 10 percent reserves target was met by FY21. Midyear estimates of FY22 tax revenues are very positive, and, and it seems likely that the County will exceed the 10 percent reserves target in FY22.

Revenue estimates for FY22 and FY23 continue to outperform prior budget figures. As a result, the County has shifted its focus from COVID response to COVID recovery. Similarly, due to the County's high vaccination rate, residents have fared better medically than residents in other parts of the State or the country which has allowed the County to loosen COVID-related restrictions on businesses and other organizations allowing them to return to more normal operations.

While resources continue to be devoted to providing necessary health surveillance, health care, and treatment programs, the



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County's revenue growth will support increased investments in education, affordable housing, social safety net programs, economic development, and environmental priorities as well.

Regarding OPEB expenses, the County has determined that the Actuarially Determined Contribution (ADC) amount, as well as the overall level of assets in the OPEB Trust, requires a shift from the current policy of building the Trust to a policy that begins to utilize the assets for their intended purpose while maintaining enough assets to support continued, consistent utilization. In FY23, the actuarial analysis assumed a utilization of Trust assets due to the funded status of the plan. As a result, in FY23 the County will utilize \$20 million in OPEB Trust assets to pay for retiree health care expenses while finalizing a long-term OPEB funding and utilization policy that ensures the fund's sustainability.

The County Executive directed the Office of Management and Budget (OMB) to create opportunities for dialogue with all County employees to gather ideas that could improve customer service, improve County operations, shape the development of the operating budget, and possibly be implemented into the budget. OMB partnered with the Civic Design Team to solicit ideas for new funding initiatives, opportunities to reallocate funds, cost savings measures, how to get better value for County residents and process improvement opportunities. A total of 125 ideas were submitted by 74 employees. Ideas were reviewed, sorted, categorized and ranked, and all Montgomery County government employees were presented with the opportunity to vote on the employee suggestions. Ideation Workshops were held to obtain clarification on some ideas and to fully vet the suggestions. The most promising suggestions were considered as part of the budget development process.

The Office of Management and Budget coordinated with the Office of Racial Equity and Social Justice to incorporate racial equity considerations into the budgeting process, systems, meetings, and decision-making process. Departments were asked to consider how their programs considered racial/ethnic disparities and/or disproportionalities in their outcomes; how programs sought to address identified inequities; potential programmatic disproportionate effects on communities of color and low-income communities and how those effects could be mitigated; and how programs could build capacity to engage with marginalized communities. A chapter on Racial Equity later in this publication provides more details on the process and outcomes of this effort.

The Office of Management and Budget also incorporated climate change considerations into the budgeting process, systems, meetings and decision-making process. For example, departments were asked if their programs reduce greenhouse gas emissions, increase the resiliency of County infrastructure to withstand future impacts of climate change, sequester carbon, or provide other environmental benefits related to climate change. A chapter on Climate Change later in this publication provides more details on the process and outcomes of this effort.

To develop the Recommended FY23-28 Capital Improvements Program (CIP), the County prioritized increased investments in schools, affordable housing, early care centers for young children, facilities to address barriers to residents' well-being, and maintenance of core infrastructure. Priority was given to projects that advanced racial equity, social justice, and efforts to counter climate change and its impacts.

Regarding County debt limits, the County continues to reduce the amount of annual General Obligation debt issued to limit the impact to the operating budget. The County is aggressively pursuing State and Federal funding to support school construction, economic development-oriented transportation projects, and public health and corrections facilities as a strategy to provide needed infrastructure without an undue tax burden. Increases in non-County funding sources as well as estimated FY23 to FY28 increases in recordation taxes and impact taxes have helped the County mitigate the impact of construction cost increases and increase funding for PAYGO above the 10 percent policy level. As a result, very few previously approved projects needed to be deferred for fiscal reasons.

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 FY23 budget consistent with current economic and fiscal realities while achieving the County Executive's key priority outcomes.

## ■ CURRENT CIP FISCAL POLICIES

### Policy on Eligibility for Inclusion in the CIP

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Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, add to the physical infrastructure and capital assets of the County, or enhance the

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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

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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 or taxable debt as its funding source. It is County fiscal policy that financing in partnership situations ensures 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

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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

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To maintain our AAA rating, the County considers 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 issuer's 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.

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**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.

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## 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, above). 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, different repayment terms may be used. General Obligation Bonds are secured by the unlimited taxing authority pledge of the County.

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## 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.

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## 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.

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## 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 or funding agreement with the conduit issuer and the County lease or funding agreement payments pay 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.

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## 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 may have to pay taxes on the interest. 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.

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## 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, such

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as land sale proceeds, 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.

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## Policy on Use of Short-Term Financing

Short-term financing (terms of ten 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.

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## 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 after funding pension and OPEB contributions above the annual actuarial goal (if unfunded liabilities exist), use one-time revenues for the funding of PAYGO above the County's 10% goal or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

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## 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.

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## 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. During FY21 and FY22, COVID-related budget pressures resulted, respectively, in suspended and reduced PAYGO funding. In the FY23 - FY28 CIP, additional PAYGO has been recommended to help compensate for the FY21 and FY22 reductions.

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## 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.

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## Policy on Taxing New Private Sector Development

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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 new and improved transportation and other infrastructure required to serve that development. To implement this policy, the County has established the following taxes:

**Impact Tax - Transportation.** In November 2020, the County Council approved the 2020-2024 Growth and Infrastructure Policy (formerly known as the Subdivision Staging Policy). The new policy continued existing rates but modified geographic boundaries of the Red Policy Areas to include certain Metro stations. 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). The new policy required that non-exempt dwelling units in a development with at least 25% affordable units must pay a discounted tax rate by housing type applicable in the Red Policy Area. Except for a development located in the City of Rockville, a discounted rate is also applied to development in a Desired Growth and Investment Area within an Orange or Yellow Policy Area. The impact tax exemption is expanded to include development located in a Qualified Opportunity Zone certified by the U.S. Treasury Department.

**Impact Tax - Schools.** Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The Growth and Infrastructure Policy eliminated residential development moratoria and designated neighborhoods by two School Impact Areas - Infill and Turnover - for the school impact taxes that vary by housing, commensurate with the average student generation rates of that type of residential development. Non-exempt dwelling units in a development with at least 25% affordable units must pay a discounted rate by housing type applicable in the Infill School Impact Area. A discounted rate is applied to residential development with multi-family dwelling units or in a Desired Growth and Investment Area. Exemption of school impact tax is applied to development in a Qualified Opportunity Zone.

**Utilization Premium Payments.** The Growth and Infrastructure Policy also required developers of new housing to make Utilization Premium Payments (UPP) in areas with overcrowded schools, effective March 9, 2021. Three utilization thresholds for residential development at the individual school level were established; however, the UPP is exempt if any development plan was filed prior to February 26, 2021 that includes 25% affordable units, under a government regulation or binding agreement, or in a former Enterprise Zone that was filed and accepted before January 1, 2021.

**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 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

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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.

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## Employee Involvement

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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.

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## Intergovernmental Program Efforts

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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. The County will also actively seek funding from other governmental sources to further mutual policy goals.

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## Alternative Service Delivery

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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.

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## Risk Management

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

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## Employee Compensation

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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.

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## Pension Funds

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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.

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## Retiree Health Benefits Trust

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The County phased-in full pre-funding of its Actuarially Determined Contribution (ADC), 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. In FY15, full pre-funding was reached, and the County applied a policy of contributing the full ADC in each budget. The actuarial valuation for FY23 assumed a utilization of Trust assets due to the funded status of the plan with an ADC lower than the projected pay-as-you-go costs. Beginning in FY23, the County is shifting the policy from one intended to build the Trust to one that utilizes and maintains the Trust.

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## Surplus Property

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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.

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## Fiscal Impact Reviews

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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.

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## Economic Impact Statements

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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.

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## Resource Management

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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

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### Diversification of Revenues

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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.

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### Revenue Projections

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

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### Property Tax

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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 November 2020 amendment to the County Charter (Section 305), prohibits the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year, unless all current Councilmembers vote affirmatively for the increase.

In addition, §5-104 of the State Education Article allows a county to set a property tax rate greater than what would otherwise be



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allowed under that county's charter limit.

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## County Income Tax

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

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## 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 although some of the existing special districts do not currently impose a tax. Such property taxes are included in the overall limit set on annual real property tax revenue increases by Section 305 of the County Charter.

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## 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.

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## 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.

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## One-Time or "Windfall" Revenues

One-time revenues and revenues in excess of projections must be prioritized first to restoring reserves to policy levels or as required by law. Existing policy has been that 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 in the following priority order: OPEB more than the annual actuarial pre-funding contribution and/or pension prefunding more than the annual actuarial goal, if unfunded liabilities exist and then for other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP in excess of the County's targeted PAYGO goal. This assumes that excess revenues which must go to the Revenue Stabilization Fund (see below) have already been allocated to the RSF. The County is currently reviewing its OPEB policies to determine what level of unfunded liabilities are reasonable given a structured approach that balances the needs of current and future taxpayers to cover health costs for retirees.

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## 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 a 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.

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## User Fees and Charges

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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.

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## 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.

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## Reserves and Revenue Stabilization

The County goal will be to budget for and maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of the prior year's General Fund revenues and the Revenue Stabilization Fund (or, "rainy day"), which together, will represent 10 percent of Adjusted Governmental Revenues, except for a period of economic recession or national emergency. This budget satisfies the County's policy given the current national pandemic emergency. 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.

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 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 County's goal is to identify targeted budget reductions to reduce the use of reserves during an economic recession or national emergency. In the event that total reserves fall below 10 percent of Adjusted Gross Revenues, the County must replenish the County Government Reserves to its policy goal within three fiscal years following the decrease, which must be included in the County's six-year fiscal plan.

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.

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### 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

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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 principle 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.

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## 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.

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## 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

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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 fees, 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.

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**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

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

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

### Fiscal Planning Projections and Assumptions

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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-Arlington-Alexandria,DC-VA-MD-WV area, is an important indicator of future costs of government goods and services, including anticipated wage and salary adjustments.
- 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 programs and services.
- 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)

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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

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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.

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## Intergovernmental Agreements

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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.

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# 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.

In March 2021, pursuant to Bill 6-21, Section 20-84 was added to the County Code establishing a Revenue Estimating Group to review and forecast revenues. The Revenue Estimating Group develops revenue forecasts and any revisions to those forecasts, develops a methodology to forecast revenues, and provides quarterly reports on revenue projections to the Executive and Council each year on February 15, May 15, September 15, and December 15.

## CURRENT CIP FISCAL POLICIES

The fiscal policies followed by the County Executive and County 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.



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- 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.

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.

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These ratios will be calculated and reported each year in conjunction with the spending affordability and 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 or Enterprise funds, 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 ten 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**

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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 Revenue 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, according to Resolution 19-753, use one-time revenues from any source in this order: reserves to the policy goal; OPEB/Pension Prefunding; and other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP more than the County's target goal.

### **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 2020 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 prior actions, the County Council also 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.

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**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 and community type, commensurate with the average student generation rates of that type of residential development. In November, 2020, the County Council identified two different types of communities that had very different student generation rates and incorporated that analysis into the impact tax rate structure. During their 2020 Subdivision Staging Policy (aka Growth and Infrastructure Policy) review, the County also expanded the number of impact tax waivers and added an additional Utilization Premium Payment (UPP). A UPP is calculated as a percent of the applicable impact tax rate and is necessary when school overcrowding in the impacted community is more severe. Previously, 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.

**Utilization Premium Payment (UPP)** As part of the County Council's November 2020 action on the Growth and Infrastructure policy, the County Council established Utilization Premium Payments as a means to charge higher fees to developers wanting to move forward with projects in communities where there was already significant school overcrowding. UPP rates are calculated as a percent of the relevant impact tax based on how many school levels (elementary, middle, and high school) meet overcrowding standards.

## 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;

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investment income on working capital or bond proceeds; recordation taxes; 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, limits the increase in 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 Revenue 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 general obligation 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. (The other half of the recordation tax premium is used for rental assistance in the operating budget.) 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. Land sale proceeds can also be used to repay interim financing if that was assumed in approved projects.

**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.

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## 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.

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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, the Montgomery County Airpark, and the Crossvines custom winery and vineyard.

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.

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Most State road construction is done under the State Consolidated Transportation Program and is not reflected in the CIP. Beginning in FY23, the CIP will include Op Lanes Maryland State transit funding. This funding is the portion of the State's planned I-495 and I-270 Phase I toll lane proceeds which the Maryland Department of Transportation pledged to fund high priority public transit projects in Montgomery County.

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:

- The Local Government Article authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six



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percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County and 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.

- The Local Government Article 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 of the Tax - Property Article 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 FY 23, \$20,350,000) 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 . (Note: In December 2022, there will be 11 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 November 2020 prohibits the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year unless all current Councilmembers vote affirmatively for the increase. This amendment replaces the previous limit that required an affirmative vote of all current Councilmembers to levy a tax on real property that would produce total revenue that exceeds the total revenue produced by the tax rate on real property the preceding fiscal year plus any increase in the Consumer Price Index for the Washing Metropolitan Statistical Area and exempts real property tax revenue derived from specific properties.
- 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.

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- In March of 2021, the County's Reserve and Selected Fiscal Policies was updated in Resolution 19-753, to provide priority order for the use of one-time revenues. It also states that, if reserves fall below the policy level due to an economic recession or a national emergency, that reserves must be replenished to the policy level within three fiscal years.

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 from 2013 to 2017 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

Montgomery County Public Schools and Montgomery College Enrollment projections, which provide an indication of the size and scale of required facilities and services.

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## 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) ;
- 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 affordable 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;
- agreements with the State of Maryland for cost shares in the construction of transportation and other vital inter-jurisdictional infrastructure; and
- 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).

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- 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.
  - Capital budget decisions can positively or negatively affect the County's racial equity and climate change goals.

## ■ INCORPORATING RACIAL EQUITY INTO THE CAPITAL BUDGET

During the FY23 capital budget development season, racial equity was part of all budget meetings to ensure that racial equity was considered as recommendations were developed and before budget decisions were made. As part of the budget development season, the Office of Management and Budget and the Office of Racial Equity and Social Justice created a budget equity tool to assist departments in applying a racial equity and social justice lens to the process and bring conscious attention to racial inequities before decisions are made. Departments were asked to:

- explain the project's potential racial equity impacts;
- identify racial inequities in the County that were considered in the project request;
- explain how the racial inequities were considered, provide the data sources identified by the department (including quantitative and qualitative data);
- explain ways the project aims to address or reduce the identified inequities;
- identify community residents that will potentially benefit the most or potentially be burdened the most by the project; and
- describe the potential disproportionate effects on communities of color and low-income communities as a result of the project and how those effects would be mitigated.

During the budget development season, the Office of Management and Budget carried out the following activities:

- prioritized projects serving the Washington Council of Government's Equity Emphasis Areas. These areas have high concentrations of residents with low-incomes and/or high concentrations of residents of color;
- sought to limit negative impacts of any fiscal delays or reductions on projects serving Equity Emphasis Areas;
- considered how departments determine what subprojects are chosen for level of effort projects and how racial equity could be incorporated into those decision-making processes;
- considered what population demographics tend to be served by different types of facilities when that data exists; and
- used mapping tools to analyze some of the issues above.

The County's fiscal policies and practices will be influenced by the Office of Racial Equity and Social Justice's as they:

- perform an equity assessment to identify policies that do not advance equity;
- train all Montgomery County employees on racial equity and social justice;
- guide County departments to examine policies, procedures, and practices to determine if they create or exacerbate racial disparities in the County; and
- develop metrics to measure the success of County government programs, short-term and long-term goals.

## ■ CLIMATE CHANGE CONSIDERATIONS IN THE CAPITAL BUDGET

During the FY23 capital budget development season, climate change was also part of County budget considerations. As part of the budget development season, the Office of Management and Budget., the County's Climate Change Officer, and the Department of Environmental Protection provided assistance to departments to bring conscious attention to climate change before budget decisions were made. Departments were asked to include the following in their budget submission:

- indicate the projects' impact on greenhouse gas emissions;
- identify how the project will increase the use or generation of renewable energy;
- identify aspects of the project that will help the County withstand future impacts of climate change (e.g., high heat days, severe storms, flooding, and high winds);
- indicate if the project is pursuing or has earned a green building certification (e.g., International Green Construction Code (which includes a number of alternative compliance pathways, including LEED (Leadership, in Energy and Environmental Design); NDGS (National Green Building Standard); PHIUS+ (Passive House Institute US); BREEAM (Building Research Establishment Environmental Assessment Method); or Green Globes; and

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- identify their department Climate Change Ambassador who will mobilize staff to green their department's day-to-day operations, build resiliency among vulnerable community members, and work as a team with other department Ambassadors to facilitate deep emission reductions across all departments.



# Glossary

**ACTIVITY** - A subdivision of a service. Some services require only one activity while other services require two or more activities.

**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 (M-NCPPC), 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 (MC), 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 or 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 Expenses.

**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.

**BENCHMARK** - A standard or point of reference against which things may be compared or assessed.

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**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 assessed 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 Maryland (Section 305). The affirmative votes of seven Councilmembers 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 (SAG).

**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

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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 (MC311)** - 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.

**COSTS** - Funding required to delivering the services described in the program.

**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.

**COUNTYSTAT** - An internal performance management and data analytics 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.

**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.

**EFFECTIVENESS** - A type of performance measure used to track the quality, timeliness, and accuracy of service delivery.

**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.



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**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 Alcohol Beverage Services (ABS), 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 as prescribed in the Charter of Montgomery County Maryland (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

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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.

**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 (GAAP) 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.

**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

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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.

**INITIATIVES** - Results to be achieved through additional resources for new services or service enhancements for the next fiscal year directed toward achieving progress in one of the County Executive's priority outcome areas.

**INPUT** - Resources used to produce an output or outcome, such as work years 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, payments in lieu of taxes, and formula funding.

**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, and Liability and Property Coverage 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.

**KEY INDICATOR** - A measure which helps to quantify the achievement of an outcome on a population wide level. It is a benchmark which helps to quantify the achievement of a result and is used to track the progress of the County Executive's Seven Priority Outcomes.

**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.

**MISSION STATEMENT** - 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 (MCPS),

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Montgomery College (MC), Maryland-National Capital Park and Planning Commission (M-NCPPC), Washington Suburban Sanitary Commission (WSSC), 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 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.

**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 (PSP).

**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.

**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.

**OUTCOME BASED BUDGETING** - A method of preparing budgets that moves away from a traditional, incremental way of allocating funds to a department to allocating funds for programs and services that will achieve desired results. When allocating resources under this approach, outcome based budgeting maximizes the value of the dollars that are spent.

**OUTCOMES** - The 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.

**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 MEASURES** - The quantitative means to know how well a program is working at providing services and improving the lives of those served. It provides the ability to make changes and determine whether those changes improved the program's performance, essentially improving the customer's quality of life.

**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.

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**PERSONNEL COMPLEMENT** - The full- and part-time positions, work years 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- or full-time basis.

**PRIORITY OUTCOME** - A condition of well being for a population or subpopulation in a geographic area. Within this discussion, a Priority Outcome refers to a condition of well being for Montgomery County residents.

**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 or department's mission. A program encompasses all associated activities (services) 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- or long-term in nature, and will have measurable outputs and outcomes. A program should be discrete enough to be able to be summed up in five or fewer performance measures.

**PROGRAM PROPOSAL** - A request for funding a program in the County's Outcome Based Budgeting process. It includes a description of how a program aligns with the County Executive's Seven Priority Outcomes and Key Indicators, evidence to support the service impact, performance measures, and an explanation of performance and how it will be improved.

**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 County 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.

**REAL PROPERTY** - Real estate, including land and improvements (buildings, fences, pavements, etc.), classified for purposes of assessment. See also Personal Property.

**REALLOCATION OF APPROPRIATION** - The transfer of unencumbered appropriations (expenditure authority) within the same appropriation category and within the same department and fund.

**RECORDATION TAX** - Tax levied when changes occur in deeds, mortgages, leases, and other contracts pertaining to the title of either real or personal property. The revenues are used to pay for school CIP projects, housing rental assistance for low to moderate income households, and other government activities.

**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 work years, 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** - A term used to describe what you are trying to accomplish.

**RETIREE'S HEALTH BENEFITS TRUST FUND** - One or more funds used to support the expenses associated with retiree health benefits.

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**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.

**SERVICE PROPOSAL** - See Program Proposal.

**SERVICES** - An activity or set of activities that are the means for achieving desired outcomes, performed by County government that has identifiable costs for budgeting purposes; a clear public purpose and measurable results; and clear lines of accountability for its performance and financial management. A service is discrete in that it is not overly dependent on other services to achieve its results and does not combine activities with substantially differing results, funding streams, and/or lines of accountability.

**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 (GAAP), 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 Charter of Montgomery County Maryland (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.

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**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 which authorizes 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 (SAG).

**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.

**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 Charter of Montgomery County Maryland (Section 310) requires that unappropriated surplus 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.

**VALUE** - Results per dollar spent.

**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.

**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.*



# Acronyms

Abbreviation	Description	Abbreviation	Description
<b>ABS</b>	Alcohol Beverage Services	<b>COB</b>	Council Office Building
<b>ACFR</b>	Annual Comprehensive Financial Report	<b>COBRA</b>	Consolidated Omnibus Budget Reconciliation Act
<b>ADA</b>	Americans with Disabilities Act	<b>COC</b>	Common Ownership Communities
<b>AHCMC</b>	Arts and Humanities Council of Montgomery County	<b>COG</b>	Council of Governments
<b>ALARF</b>	Advance Land Acquisition Revolving Fund	<b>COMAR</b>	Code of Maryland Annotated Regulations
<b>APFO</b>	Adequate Public Facilities Ordinance	<b>CPI-U</b>	Consumer Price Index - Urban
<b>ATMS</b>	Advanced Transportation Management System	<b>CR</b>	Current Revenue
<b>BAN</b>	Bond Anticipation Note	<b>CRIMS</b>	Correction and Rehabilitation Information Management System
<b>BHI</b>	BioHealth Innovation	<b>CUPF</b>	Community Use of Public Facilities
<b>BIT</b>	Board of Investment Trustees	<b>CVB</b>	Conference and Visitors Bureau
<b>BOA</b>	Board of Appeals	<b>DBM</b>	Maryland State Department of Budget and Management
<b>BOE</b>	Board of Education (MCPS)	<b>DCM</b>	Device Client Management
<b>BOE</b>	Board of Elections (MCG)	<b>DFMS</b>	Division of Fleet Management Services
<b>CAO</b>	Chief Administrative Officer	<b>DGS</b>	Department of General Services
<b>CABLE TV</b>	Cable Television	<b>DEP</b>	Department of Environmental Protection
<b>CBD</b>	Central Business District	<b>DHCA</b>	Department of Housing and Community Affairs
<b>CC</b>	County Council	<b>DOCR</b>	Department of Correction and Rehabilitation
<b>CCM</b>	County Cable Montgomery	<b>DOT</b>	Department of Transportation
<b>CDBG</b>	Community Development Block Grant	<b>DPS</b>	Department of Permitting Services
<b>CE</b>	County Executive	<b>ECC</b>	Emergency Communications Center
<b>CEX</b>	County Executive's Office	<b>EDAET</b>	Expedited Development Approval Excise Tax
<b>CIP</b>	Capital Improvements Program	<b>EDF</b>	Economic Development Fund
<b>CEC</b>	Community Engagement Cluster	<b>EEOC</b>	Equal Employment Opportunity Commission
<b>CJCC</b>	Criminal Justice Coordinating Commission	<b>EITC</b>	Earned Income Tax Credit
<b>CJIS</b>	Criminal Justice Information System	<b>EMOC</b>	Equipment and Maintenance Operations Center
<b>CNG</b>	Compressed Natural Gas		

Abbreviation	Description	Abbreviation	Description
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<b>EOB</b>	Executive Office Building	<b>HVAC</b>	Heating, Ventilation, and Air Conditioning
<b>EOC</b>	Emergency Operations Center	<b>IAFC</b>	International Association of Fire Chiefs
<b>ERP</b>	Enterprise Resource Planning	<b>IAFF</b>	International Association of Fire Fighters
<b>ERS</b>	Employee Retirement System	<b>ICEUM</b>	Interagency Committee on Energy and Utility Management
<b>ESOL</b>	English for Speakers of Other Languages	<b>IJIS</b>	Integrated Justice Information System
<b>FEMA</b>	Federal Emergency Management Agency	<b>IT</b>	Information Technology
<b>FFI</b>	Future Fiscal Impact	<b>ITPCC</b>	Interagency Technology Policy and Coordination Committee
<b>FIN</b>	Department of Finance	<b>LEP</b>	Limited English Proficiency
<b>FLSA</b>	Fair Labor Standards Act	<b>LER</b>	Labor and Employee Relations
<b>FOP</b>	Fraternal Order of Police	<b>LFRD</b>	Local Fire and Rescue Department
<b>FRC</b>	Fire and Rescue Commission	<b>LSBRP</b>	Local Small Business Reserve Program
<b>FTE</b>	Full-Time Equivalent	<b>MACo</b>	Maryland Association of Counties
<b>FY</b>	Fiscal Year	<b>MC</b>	Montgomery College
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>MCAASP</b>	Montgomery County Association of Administrative and Supervisory Personnel
<b>GASB</b>	Government Accounting Standards Board	<b>MCCF</b>	Montgomery County Correctional Facility
<b>GDA</b>	General Development Agreement	<b>MCCSSE</b>	Montgomery County Council of Supporting Service Employees
<b>GDP</b>	Gross Domestic Product	<b>MCDC</b>	Montgomery County Detention Center
<b>GFOA</b>	Government Finance Officers Association	<b>MCEA</b>	Montgomery County Education Association
<b>GIS</b>	Geographic Information Systems	<b>MCEDC</b>	Montgomery County Economic Development Corporation
<b>GO Bonds</b>	General Obligation Bonds	<b>MCERP</b>	Montgomery County Employee Retirement Plans
<b>GRIP</b>	Guaranteed Retirement Income Plan	<b>MCFRS</b>	Montgomery County Fire and Rescue Service
<b>GWA</b>	General Wage Adjustment	<b>MCG</b>	Montgomery County Government
<b>HHS</b>	Health and Human Services	<b>MCGEO</b>	Municipal and County Government Employees Organization
<b>HIPAA</b>	Health Insurance Portability and Accountability Act	<b>MCPD</b>	Montgomery County Police Department
<b>HOC</b>	Housing Opportunities Commission	<b>MCPL</b>	Montgomery County Public Libraries
<b>HUD</b>	U.S. Department of Housing and Urban Development	<b>MCPS</b>	Montgomery County Public Schools

Abbreviation	Description	Abbreviation	Description
<b>MCT</b>	Montgomery Community Television	<b>PIO</b>	Office of Public Information
<b>MFD</b>	Minority, Female, and Disabled	<b>PLAR</b>	Planned Lifecycle Asset Replacement
<b>MHI</b>	Montgomery Housing Initiative	<b>PLD</b>	Parking Lot District
<b>MLS</b>	Management Leadership Service	<b>POR</b>	Program of Requirements
<b>M-NCPPC</b>	Maryland-National Capital Park and Planning Commission	<b>PRO</b>	Office of Procurement
<b>MOU</b>	Memorandum of Understanding	<b>PSCC</b>	Public Safety Communications Center
<b>MPDU</b>	Moderately Priced Dwelling Unit	<b>PSP</b>	Public Services Program
<b>MSPB</b>	Merit System Protection Board	<b>PSTA</b>	Public Safety Training Academy
<b>MTA</b>	Maryland Transit Administration	<b>RMS</b>	Records Management System
<b>NACo</b>	National Association of Counties	<b>RRF</b>	Resource Recovery Facility
<b>NDA</b>	Non-Departmental Account	<b>RSP</b>	Retirement Savings Plan
<b>NTS</b>	Non-Tax Supported	<b>SAG</b>	Spending Affordability Guidelines
<b>OAG</b>	Office of Agriculture	<b>SBAP</b>	Small Business Assistance Program
<b>OAS</b>	Office of Animal Services	<b>SHA</b>	State Highway Administration
<b>OBI</b>	Operating Budget Impact	<b>SWM</b>	Stormwater Management
<b>OCA</b>	Office of County Attorney	<b>TEBS</b>	Department of Technology and Enterprise Business Solutions
<b>OCP</b>	Office of Consumer Protection	<b>TMC</b>	Transportation Management Center
<b>OHR</b>	Office of Human Resources	<b>TMD</b>	Transportation Management District
<b>OIG</b>	Office of the Inspector General	<b>TS</b>	Tax Supported
<b>OIR</b>	Office of Intergovernmental Relations	<b>WMATA</b>	Washington Metropolitan Area Transit Authority
<b>OEMHS</b>	Office of Emergency Management and Homeland Security	<b>WQPB</b>	Water Quality Protection Bond
<b>OLO</b>	Office of Legislative Oversight	<b>WQPC</b>	Water Quality Protection Charge
<b>OLR</b>	Office of Labor Relations	<b>WSM</b>	WorkSource Montgomery
<b>OMB</b>	Office of Management and Budget	<b>WSSC</b>	Washington Suburban Sanitary Commission
<b>OPEB</b>	Other Post Employment Benefits	<b>WSTC</b>	Washington Suburban Transit Commission
<b>OSHA</b>	Occupational Safety and Health Administration	<b>WY</b>	Work Year
<b>OZAH</b>	Office of Zoning and Administrative Hearings		
<b>PAYGO</b>	Pay-as-you-go financing		
<b>PDF</b>	Project Description Form		
<b>PEG</b>	Public, Educational, and Governmental Cable Programming		
<b>PEPCO</b>	Potomac Electric Power Company		
<b>PILOT</b>	Payment in Lieu of Taxes		

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