

<b>Subject:</b> FY20 Operating Budget: Utilities Non-Departmental Account		
<b>Analyst:</b> Keith Levchenko, Senior Legislative Analyst	<b>Committee:</b> T&E	
<b>Keywords:</b> #Utilities, Energy, FY20 Budget		

**Utilities Non-Departmental Account Budget Summary**

<b>Total</b>		
FY20 CE REC:	\$25,977,301	0 FTE
Increase/Decrease from FY19	-\$258,445 (-1.0%)	n/a

**COMMITTEE-RECOMMENDED CHANGES**

None

**KEY CE CHANGES FROM FY19**

- **Increase Cost: New facilities Wheaton Library/Rec Center, Kensington Fire Station addition, and Glen Echo Park / \$356,555:** The WLRC and the Kensington Fire Station addition projected operating budget impacts are based on typical energy costs per square foot for comparable facilities. The projected operating budget impact for Glen Echo Park is based on historical operating costs.
- **Decrease Cost: Energy Efficiency Savings / (-\$615,000):** The cost savings were achieved through energy-efficiency projects resulting from Energy Performance Contracting (EPC) and lighting projects.

**OTHER ISSUES**

N/A

**This report contains:**

Staff Report to the Committee	Pages 1-6
County Executive FY20 Recommended Budget Excerpt for Utilities NDA	©1-6
Excerpt of the FY19 County Government Appropriations Resolution 18-1144	©7

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Worksession

**MEMORANDUM**

April 25, 2019

TO: Transportation & Environment Committee

FROM:  Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY20 Operating Budget: Utilities Non-Departmental Account (NDA)**

PURPOSE: Review and make recommendations to the Council

**Budget Summary:**

- The FY20 Recommended Budget for the tax-supported Utilities NDA is \$25,977,301, a decrease of \$258,445 or 1.0 percent from the FY19 Approved Budget.

**Council Staff Recommendation:**

- Approve the Utilities budget as submitted by the County Executive.
- Include Paragraph 68 from the FY19 County Government Appropriation Resolution in the FY20 County Government Appropriation Resolution (allows for the transfer of up to \$5.0 million to the Debt Service Fund to finance capital projects where the energy savings would be equal to or greater than the debt service payments).

Attachments to this Memorandum

- County Executive's FY20 Recommended Budget Section for Utilities (©1-6)
- Excerpt of the FY19 County Government Appropriations Resolution 18-1144 (©7)

Executive Branch Staff Participants Include:

- David Dise, Director, Department of General Services
- Eric Coffman, Division Chief, Department of General Services, Office of Energy & Sustainability
- Chris Weatherly, Energy Program Manager, Department of General Services, Office of Energy & Sustainability
- Bruce Meier, Office of Management and Budget

*Note: Staff from the outside agencies are also planning to attend the worksession and will be available to provide information on their agencies' energy procurement and their energy efficiency/clean energy initiatives.*

## **Overview**

The Committee will review the tax-supported Utilities NDA. This review includes utility costs for electricity, natural gas, water and sewer, fuel oil, and propane. The budget for unleaded gasoline, diesel, and compressed natural gas fuels are reviewed separately in the Department of General Services (DGS) Division of Fleet Management Services.

County Government utilities are budgeted in the Utilities NDA, which is managed by DGS. This includes utilities for all County office buildings, police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, and warehouses, as well as traffic signals and streetlights. Utility costs for other tax-supported operations, which include Transit Services and Recreation, are budgeted within each special fund. Utility costs for non-tax-supported funds, which include Fleet Management Services, Parking Lot Districts, Liquor Control and Solid Waste Services, are budgeted within each enterprise fund.

Utility costs for the outside agencies, including Montgomery County Public Schools, Montgomery College, Washington Suburban Sanitary Commission, and the Maryland-National Capital Park and Planning Commission are budgeted within their respective agencies. These agencies, along with Montgomery County Government, meet regularly as part of the Interagency Committee on Energy and Utilities Management (ICEUM). ICEUM monitors changes in energy costs, as well as trends and issues in energy management and opportunities for collaboration and efficiencies.

Increased utility expenditures result primarily from greater consumption due to new facilities and services and greater alignment of budgeted costs with actual prior year expenditures by utility type. Aging buildings, increases/decreases in charges and fees, and unusually severe or mild weather conditions in a given year can also cause fluctuations in energy usage and costs.

County Government and outside agency efforts to promote energy conservation, implement energy efficiency measures and on-site clean energy generation and other cost-beneficial measures can help offset some of the expenditure pressures noted above.

In April, DGS published the FY2018 Montgomery County Green Government Report, which highlights the progress and accomplishments of Montgomery County's sustainability efforts.<sup>1</sup>

## **Agency Utility Summaries**

Utility costs by agency (from FY17 through FY20 Projected) are summarized in the following chart. Overall, utility costs will decrease in FY20 by \$1,038,246 or 1.0 percent (a decrease similar to that of FY19).

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<sup>1</sup> See <https://www.montgomerycountymd.gov/DGS-OES/Resources/Files/2018GreenGovernmentReport.pdf>.

**Table 1:  
Utility Costs by Agency**

Agency	Actual	Actual	Approved	CE Rec	FY20	Change (FY20 vs. FY19)	
	FY17	FY18	FY19	FY20	% of Total	\$	%
County Government	33,738,385	32,684,984	35,137,724	34,767,348	32.8%	(370,376)	-1.1%
MCPS	37,634,363	38,544,627	38,957,476	40,062,130	37.8%	1,104,654	2.8%
Montgomery College	7,540,902	7,533,147	8,714,025	7,830,311	7.4%	(883,714)	-10.1%
WSSC	22,510,591	20,302,204	20,576,949	19,784,417	18.7%	(792,532)	-3.9%
M-NCPPC	3,182,797	3,223,435	3,576,706	3,480,428	3.3%	(96,278)	-2.7%
<b>Total</b>	<b>104,607,038</b>	<b>102,288,397</b>	<b>106,962,880</b>	<b>105,924,634</b>	<b>100.0%</b>	<b>(1,038,246)</b>	<b>-1.0%</b>

MCPS's growth in energy costs is not surprising, given its continued student population growth and corresponding increases in school space (through new schools, additions, and revitalization/expansions). The other agencies are all seeing declines in energy costs in FY20.

Utility costs by type are summarized in the following table for all agencies. Water and sewer costs and propane are the only utility types with an increase. Water and sewer costs are projected to increase by \$361,443 or 5.0 percent due to rate increases.

**Table 2:  
Utility Costs by Type (All Agencies)**

Type of Utility	Actual	Actual	Approved	CE Rec	FY20	Change (FY20 vs. FY19)	
	FY17	FY18	FY19	FY20	% of Total	\$	%
Electricity	85,367,772	81,769,572	84,954,096	83,875,189	79.2%	(1,078,907)	-1.3%
Water and Sewer	9,805,628	9,469,491	10,786,846	11,148,289	10.5%	361,443	3.4%
Fuel Oil	115,317	333,535	236,577	232,111	0.2%	(4,466)	-1.9%
Natural Gas	9,001,618	10,330,959	10,636,103	10,239,336	9.7%	(396,767)	-3.7%
Propane	316,703	384,840	349,258	429,709	0.4%	80,451	23.0%
<b>Total</b>	<b>104,607,038</b>	<b>102,288,397</b>	<b>106,962,880</b>	<b>105,924,634</b>	<b>100.0%</b>	<b>(1,038,246)</b>	<b>-1.0%</b>

Agency Energy Procurement

Below is information provided by DGS regarding the County's current procurement methods for electricity and natural gas.

*Montgomery County currently contracts with WGL energy services for electricity supply, this contract expires in May of 2025. The County's purchase through July 2020 is for fixed rate energy supply where the County has locked in the price. Starting in FY21 the County will leverage an option in the contract to transition to a wholesale, subaccount administered by, PJM, the regional grid operator. Under this approach the County will develop short- and long-term energy purchasing positions and receive various credits that have the potential to reduce costs while allowing the County to directly purchase for long term energy supply from renewable and other energy generators where economically viable.*

*The County's natural gas contract is through WGL energy services. DGS has locked in a favorable price and has chosen to index the gas commodity related to market prices and not lock in a specific rate for supply. This has been a favorable strategy due to historically low natural gas prices. The contract expires in November 2021.*

M-NCPPC and Montgomery College also utilize fixed price contracts. The College is considering a change similar to that of the County in the future noting, "When the current fixed price

*electricity supply contract expires in June 2021, the College intends to obtain a PJM sub-account and begin to purchase its supply in the wholesale market.”*

WSSC and MCPS have both used a wholesale portfolio methodology for energy contracts for a number of years. MCPS staff note that MCPS “*combines block purchases of forward contracts (hedges) with spot market priced commodities for natural gas and electric. Forward contracts are typically purchased two to three years into the future. Currently the most forward contract expires in June, 2022.*”

### Agency Clean Energy Procurement

The County’s Energy Policy (established under Resolution 16-757 in October 2008) called for the County to achieve 20 percent or more of its energy portfolio from clean energy purchases by 2011; all the County agencies achieved this goal. The County Government purchase went up to 50 percent in FY15.

In May 2015, the Council enacted Bill 9-14, which required County Government to purchase the equivalent of 50 percent of its energy from renewable energy sources by FY15 and 100 percent by FY16. County Government achieved both milestones and has remained at 100 percent since FY16.

Montgomery College and the Maryland-National Park and Planning Commission are also currently at 100 percent. MCPS is at 33 percent.

WSSC had a longstanding direct purchase agreement with a wind power supplier covering about 30 percent of its power. This agreement expired at the end of FY17. At that time, WSSC purchased 100 percent renewable energy credits pending a new wind contract. The new contract is scheduled to begin on 7/1/2019 and will cover 30 percent of WSSC’s annual electricity consumption and last 10 years.

County government and the outside agencies have all been involved in developing solar photo voltaic (PV) projects on their properties. At its April 5 briefing on the County’s Climate Change initiatives, the Committee heard from DGS Director Dise regarding the County’s solar initiatives, including its two new microgrids (at the Public Safety Headquarters and the Montgomery County Correctional Facility) that utilize solar and combined heat and power and that also provide energy resiliency to these critical facilities. More information on these projects is available in the County’s 2018 Green Government Report (referenced earlier).

MCPS has solar PV at 12 schools, with arrays at five more schools under development. M-NCPPC added two large solar PV systems in FY18 at the South Germantown Recreational Park and Rock Creek Regional Park. Montgomery College utilizes solar arrays at its Germantown and Takoma Park campuses.

### **County Government Utilities**

The County manages approximately 22.4 million square feet of space utilizing electricity and/or and natural gas.

Utility costs for all County Government, including the NDA, special funds, and non-tax-supported funds are provided below.

Electricity accounts (by far) continue to account for the largest share of utility costs.

**Table 3:  
County Government Utility Costs by Type**

Type of Utility	Actual	Actual	Approved	CE Rec	FY20	Change (FY20 vs. FY19)	
	FY17	FY18	FY19	FY20	% of Total	\$	%
Electricity	27,788,958	26,678,783	28,099,078	27,787,635	79.9%	(311,443)	-1.1%
Water and Sewer	3,320,829	3,124,743	3,908,947	3,909,698	11.2%	751	0.0%
Fuel Oil	57,579	20,843	105,535	105,619	0.3%	84	0.1%
Natural Gas	2,496,880	2,778,133	2,901,812	2,842,044	8.2%	(59,768)	-2.1%
Propane	74,139	82,482	122,352	122,352	0.4%	-	0.0%
<b>Total</b>	<b>33,738,385</b>	<b>32,684,984</b>	<b>35,137,724</b>	<b>34,767,348</b>	<b>100.0%</b>	<b>(370,376)</b>	<b>-1.1%</b>

### Utilities NDA

Utility costs for the County Government Utilities NDA are \$25,977,301, a decrease of \$258,445 or -1.0 percent compared to the Approved FY19 Budget. These costs are supported by the general fund. Utilities NDA costs by type are summarized in the following table.

**Table 4:  
NDA Utility Costs by Type (General Fund Only)**

Type of Utility	Actual	Actual	Approved	CE Rec	FY20	Change (FY20 vs. FY19)	
	FY17	FY18	FY19	FY20	% of Total	\$	%
Electricity	21,301,895	20,408,033	20,996,761	20,738,316	79.8%	(258,445)	-1.2%
Water and Sewer	2,470,869	2,122,577	3,153,116	3,153,116	12.1%	-	0.0%
Fuel Oil	51,196	6,091	91,829	91,829	0.4%	-	0.0%
Natural Gas	1,747,702	1,962,939	1,930,638	1,930,638	7.4%	-	0.0%
Propane	31,382	19,874	63,402	63,402	0.2%	-	0.0%
<b>Total</b>	<b>25,603,044</b>	<b>24,519,514</b>	<b>26,235,746</b>	<b>25,977,301</b>	<b>100.0%</b>	<b>(258,445)</b>	<b>-1.0%</b>

The Executive's recommended FY20 Operating Budget for the Utilities NDA notes two changes. Executive Branch staff provided the following explanation for the changes.

- Increase Cost: New facilities Wheaton Library/Rec Center, Kensington Fire Station addition, and Glen Echo Park / \$356,555:*  
*The WLRC and the Kensington Fire Station addition projected operating budget impacts are based on typical per square foot rates energy costs for comparable facilities. The projected operating budget impact for Glen Echo Park is based on historical operating costs.*
- Decrease Cost: Energy Efficiency Savings / (-\$615,000):*  
*The cost savings were achieved through energy efficiency projects resulting from Energy Performance Contracting (EPC) and lighting projects. A complete list of energy efficiency projects can be found on pages 36 and 37 of the Department of General services "FY18 Montgomery County Green Government Report."*

**NOTE:** DGS staff also noted that the County was able to secure very favorable rates for energy supply; however, much of those savings was offset by increases in distribution and other costs the utility passes through to the County.

### Miscellaneous Provisions Language

Several years ago, language was added to the County Government annual Appropriations Resolution to provide flexibility for the Executive to transfer up to \$5 million in appropriation from the Utilities NDA to the Debt Service Fund. This transfer could be used to finance the cost of capital renovations to energy-related equipment in circumstances where the energy savings would be equal to or greater than the resulting debt service costs.

Executive staff have noted that DGS typically does not spend funds directly out of the utilities NDA for energy-efficiency improvements, since the County currently has two capital projects from which to draw resources for this effort. The County has the Energy Systems Modernization CIP project (appropriated at \$10.861 million for FY19 and \$10 million for FY20) from which DGS is implementing three projects, each involving multiple buildings. The CIP also includes an Energy Conservation project, which has a current appropriation for FY20 of \$150,000.

While the Utilities NDA is not currently being used to fund energy savings projects, this approach may be useful in the future as the County scales up its efforts to reduce greenhouse gas emissions.

### **Council Staff Recommendations**

**Council staff recommends including Paragraph 68 from the FY19 County Government Appropriation Resolution in the FY20 County Government Appropriation Resolution (see © 7).**

**Council staff concurs with the Executive's FY20 Recommended Budget for the Utilities NDA.**



# Utilities

**RECOMMENDED FY20 BUDGET**  
**\$25,977,301**

**FULL TIME EQUIVALENTS**  
**0.00**

☀ **DAVID DISE, DIRECTOR**

## MISSION STATEMENT

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

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

The Department of General Services manages the payment for over 1,500 separately metered utility accounts for these County facilities, streetlights, and traffic control signalized intersections.

## ACCOMPLISHMENTS

- The County has installed 7.6 megawatts of solar and other clean energy technologies on County facilities. To date, the program has produced enough clean energy to power more than 800 homes and lowering greenhouse gas emissions as much as planting 192,000 trees.
- Installed microgrids at the Public Safety Headquarters and the Montgomery County Correctional Facility that now produce clean energy and low-carbon energy to meet the energy needs of these crucial facilities, and enable them to operate independent of the energy grid during normal operations and prolonged power outages.

## BUDGET OVERVIEW

The FY20 Recommended Budget for the tax-supported Utilities NDA is \$25,997,301, a decrease of \$258,445 or one percent from the FY19 Approved Budget of \$26,235,746. Allocation of these utilities expenditures is approximately: electricity, 79.8 percent; natural gas, 7.4 percent; water and sewer, 12.1 percent; fuel oil, 0.3 percent; and propane, 0.2 percent.

The FY20 Recommended Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax-supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are supported through user fees or charges for services, instead of through taxes.



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Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these outside agencies is \$71,157,286 which includes the entire bi-county area of WSSC.

The FY20 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$25,977,301) and the other tax supported funds (\$3,883,272), is \$29,860,573, a decrease of \$133,618 or approximately 0.4 percent below the FY19 Approved utilities budget. The FY20 Recommended Budget for non-tax supported utilities expenditures is \$4,906,775, a decrease of \$236,758 or approximately 4.6 percent below the FY19 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, increased rates, and in some cases a more precise alignment of budgeted costs with actual prior year expenditures by utility type. Energy conservation and cost-saving measures (e.g., new building design, lighting technology, energy, and HVAC management systems) help offset increased utility consumption or unit costs.

Unleaded gasoline, diesel, and compressed natural gas fuels are purchased from various providers, and are budgeted in the Department of General Services, Division of Fleet Management Services; not the General Fund Utilities NDA.

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

### **TAX SUPPORTED**

#### **Department of General Services**

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

#### **Department of Transportation**

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

#### **Division of Transit Services - Mass Transit**

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

#### **Department of Recreation**

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

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### **Urban Districts**

Urban District utilities are supported by Urban District Funds.

### **NON-TAX SUPPORTED**

#### **Fleet Management Services**

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

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

#### **Parking Districts**

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

#### **Liquor Control**

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

#### **Department of Environmental Protection, Solid Waste Services**

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

#### **Other Agencies**

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

## **COUNTY PRIORITY OUTCOMES**

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ◆ **Easier Commutes**
- ◆ **Safe Neighborhoods**

## **PROGRAM CONTACTS**

Contact Angela Dizelos of the Department of General Services/Utilities Management at 240.777.6028 or Bruce Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

### BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>County General Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	24,662,067	26,235,746	25,780,746	25,977,301	-1.0 %
<b>County General Fund Expenditures</b>	<b>24,662,067</b>	<b>26,235,746</b>	<b>25,780,746</b>	<b>25,977,301</b>	<b>-1.0 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

### FY20 RECOMMENDED CHANGES

COUNTY GENERAL FUND	Expenditures	FTEs
<b>FY19 ORIGINAL APPROPRIATION</b>	<b>26,235,746</b>	<b>0.00</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: New facilities: Wheaton Library/Recreation Center, Kensington Fire Station addition, and Glen Echo Park [Utilities]	356,555	0.00
Decrease Cost: Energy Efficiency Savings [Utilities]	(615,000)	0.00
<b>FY20 RECOMMENDED</b>	<b>25,977,301</b>	<b>0.00</b>

### FUTURE FISCAL IMPACTS

#### CE RECOMMENDED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY20 Recommended</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>
No inflation or compensation change is included in outyear projections.						
<b>Subtotal Expenditures</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>	<b>25,977</b>

	B	J	K	M	N	O	P	Q
3	COUNTY UTILITIES EXPENDITURES							
4	EXPENDITURES BY DEPARTMENT/AGENCY							
5		ACTUAL	ACTUAL	ACTUAL	APPROVED	RECOMMENDED	CHANGE	% CHANGE
6		FY16	FY17	FY18	FY19	FY20	BUD/REC	BUD/REC
8	<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>							
9								
10	<b>NON-DEPARTMENTAL ACCOUNT</b>							
11	<b>Facilities</b>							
12	Traffic Signals and Streetlighting	16,370,971	16,610,750	16,038,874	17,518,550	17,260,105	(258,445)	-1.5%
13	<b>GENERAL FUND NOA EXPENDITURES</b>	<b>8,284,104</b>	<b>8,992,294</b>	<b>8,480,841</b>	<b>8,717,196</b>	<b>8,717,196</b>	<b>0</b>	<b>0.0%</b>
14		<b>24,655,075</b>	<b>25,603,044</b>	<b>24,519,715</b>	<b>26,235,746</b>	<b>25,977,301</b>	<b>(258,445)</b>	<b>-1.0%</b>
15	<b>OTHER TAX SUPPORTED OPERATIONS</b>							
16	<b>Transit Services</b>							
17	Recreation	87,135	147,363	145,044	176,200	128,700	(47,500)	-27.0%
18	<b>SUBTOTAL</b>	<b>3,473,928</b>	<b>3,675,508</b>	<b>3,681,407</b>	<b>3,582,245</b>	<b>3,754,572</b>	<b>172,327</b>	<b>4.8%</b>
19	<b>TOTAL TAX SUPPORTED</b>	<b>28,129,138</b>	<b>29,278,552</b>	<b>28,201,122</b>	<b>29,817,991</b>	<b>29,731,873</b>	<b>(86,118)</b>	<b>-0.3%</b>
20								
21	<b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>							
22	<b>Fleet Management Services</b>							
23	Parking Districts	1,089,543	987,885	1,034,918	1,630,392	1,630,392	0	0.0%
24	Liquor Control	2,457,322	2,441,011	2,486,172	2,609,921	2,369,921	(240,000)	-9.2%
25	Solid Waste Services	737,033	713,674	715,910	725,810	725,810	0	0.0%
26	<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,283,898</b>	<b>4,142,570</b>	<b>4,237,000</b>	<b>4,966,123</b>	<b>4,726,123</b>	<b>(240,000)</b>	<b>-4.8%</b>
27								
28	<b>SUMMARY - COUNTY GOVERNMENT</b>							
29	<b>TOTAL TAX SUPPORTED</b>	<b>28,129,138</b>	<b>29,278,552</b>	<b>28,201,122</b>	<b>29,817,991</b>	<b>29,731,873</b>	<b>(86,118)</b>	<b>-0.3%</b>
30	<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,283,898</b>	<b>4,142,570</b>	<b>4,237,000</b>	<b>4,966,123</b>	<b>4,726,123</b>	<b>(240,000)</b>	<b>-4.8%</b>
31	<b>TOTAL COUNTY GOVERNMENT</b>	<b>32,413,036</b>	<b>33,421,122</b>	<b>32,438,122</b>	<b>34,784,114</b>	<b>34,457,996</b>	<b>(326,118)</b>	<b>-0.9%</b>
32								
33	<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>							
34	Montgomery County Public Schools	35,805,854	37,634,363	38,544,627	38,957,476	40,062,130	1,104,654	2.8%
35	Montgomery College	7,727,904	7,540,902	7,533,147	8,714,025	7,830,311	(883,714)	-10.1%
36	Washington Suburban Sanitary Commission	22,482,138	22,510,591	20,302,204	20,576,949	18,784,417	(1,792,532)	-8.7%
37	M-NCPPG	3,165,689	3,182,797	3,223,435	3,576,706	3,480,428	(96,278)	-2.7%
38	<b>TOTAL OTHER AGENCIES EXPENDITURES</b>	<b>69,181,635</b>	<b>70,868,653</b>	<b>69,603,413</b>	<b>71,825,156</b>	<b>70,157,286</b>	<b>(1,667,870)</b>	<b>-2.3%</b>
39	<b>TOTAL UTILITIES EXPENDITURES</b>	<b>101,604,671</b>	<b>104,289,705</b>	<b>102,041,535</b>	<b>106,609,147</b>	<b>104,615,289</b>	<b>(1,993,858)</b>	<b>-1.9%</b>

COUNTY UTILITIES EXPENDITURES																																																																																																																																																																																																																																																																																																															
EXPENDITURES BY ENERGY SOURCE																																																																																																																																																																																																																																																																																																															
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	APPROVED FY19	RECOMMENDED FY20	CHANGE BUDGET/REC	% CHANGE BUDGET/REC																																																																																																																																																																																																																																																																																																								
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>																																																																																																																																																																																																																																																																																																															
<b>NON-DEPARTMENTAL ACCOUNT</b>																																																																																																																																																																																																																																																																																																															
Electricity	21,238,018	21,301,895	20,408,033	20,996,761	20,738,316	(258,445)	-1.2%																																																																																																																																																																																																																																																																																																								
Water & Sewer	1,818,926	2,470,869	2,122,577	3,153,116	3,153,116	0	0.0%																																																																																																																																																																																																																																																																																																								
Fuel Oil	40,889	51,196	6,091	91,829	91,829	0	0.0%																																																																																																																																																																																																																																																																																																								
Natural Gas	1,514,689	1,747,702	1,962,939	1,930,638	1,930,638	0	0.0%																																																																																																																																																																																																																																																																																																								
Propane	22,553	31,382	19,874	63,402	63,402	0	0.0%	<b>GENERAL FUND NOA EXPENDITURES</b>	<b>24,635,075</b>	<b>25,603,044</b>	<b>24,518,514</b>	<b>26,235,746</b>	<b>25,977,301</b>	<b>(258,445)</b>	<b>-1.0%</b>	<b>OTHER TAX SUPPORTED OPERATIONS</b>								Electricity	2,421,671	2,655,166	2,438,611	2,540,406	2,725,233	184,827	7.3%	Water & Sewer	661,955	670,521	797,245	533,822	533,822	0	0.0%	Fuel Oil	3,051	4,791	11,135	9,628	9,628	0	0.0%	Natural Gas	423,994	449,634	496,852	616,679	556,679	(60,000)	-9.7%	Propane	50,392	42,757	62,608	57,910	57,910	0	0.0%	<b>SUBTOTAL</b>	<b>3,561,063</b>	<b>3,822,869</b>	<b>3,806,451</b>	<b>3,768,445</b>	<b>3,883,272</b>	<b>124,827</b>	<b>3.3%</b>	<b>TOTAL TAX SUPPORTED</b>	<b>28,196,138</b>	<b>29,425,913</b>	<b>28,324,965</b>	<b>29,994,191</b>	<b>29,860,573</b>	<b>(133,618)</b>	<b>-0.4%</b>	<b>NON-TAX SUPPORTED OPERATIONS</b>								Electricity	4,036,045	3,831,897	3,832,139	4,561,911	4,324,086	(237,825)	-5.2%	Water & Sewer	142,969	179,439	204,921	222,009	222,760	751	0.3%	Fuel Oil	1279	1,592	3,617	4,078	4,162	84	2.1%	Natural Gas	258,265	299,544	318,342	354,495	354,727	232	0.1%	Propane	30	0	0	1,040	1,040	0	0.0%	<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,438,588</b>	<b>4,312,472</b>	<b>4,359,019</b>	<b>5,143,533</b>	<b>4,908,775</b>	<b>(236,758)</b>	<b>-4.6%</b>	<b>SUMMARY - COUNTY GOVERNMENT</b>								Electricity	27,695,734	27,788,958	26,678,783	28,099,078	27,787,636	(311,443)	-1.1%	Water & Sewer	2,623,850	3,320,829	3,124,743	3,908,947	3,909,698	751	0.0%	Fuel Oil	45,219	57,579	20,843	105,535	105,619	84	0.1%	Natural Gas	2,196,948	2,496,880	2,778,133	2,901,812	2,842,044	(59,768)	-2.1%	Propane	72,975	74,139	82,482	122,352	122,352	0	0.0%	<b>TOTAL COUNTY GOVERNMENT</b>	<b>32,634,726</b>	<b>33,738,386</b>	<b>32,684,984</b>	<b>35,137,724</b>	<b>34,787,348</b>	<b>(370,376)</b>	<b>-1.1%</b>	<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>								Electricity	57,131,969	57,578,814	55,090,789	56,855,018	56,087,554	(767,464)	-1.3%	Water & Sewer	5,088,182	6,484,799	6,344,748	6,877,899	7,238,591	360,692	5.2%	Fuel Oil	34,198	57,738	312,692	131,042	128,492	(4,550)	-3.5%	Natural Gas	6,749,514	6,504,738	7,552,826	7,734,291	7,397,292	(336,999)	-4.4%	Propane	177,232	242,564	302,358	226,906	307,357	80,451	35.6%	<b>SUBTOTAL</b>	<b>69,181,095</b>	<b>70,868,653</b>	<b>69,583,413</b>	<b>71,825,156</b>	<b>71,157,296</b>	<b>(667,870)</b>	<b>-0.9%</b>	<b>TOTAL UTILITIES EXPENDITURES</b>								Electricity	84,827,703	85,367,772	81,769,572	84,954,096	83,875,189	(1,078,907)	-1.3%	Water & Sewer	7,712,032	9,805,628	9,469,491	10,786,846	11,148,289	361,443	3.4%	Fuel Oil	79,417	115,317	333,535	236,577	232,111	(4,466)	-1.9%	Natural Gas	8,946,462	9,001,618	10,330,959	10,636,103	10,239,336	(396,767)	-3.7%	Propane	250,207	316,703	384,840	349,258	429,709	80,451	23.0%	<b>TOTAL UTILITIES EXPENDITURES</b>	<b>101,815,821</b>	<b>104,607,038</b>	<b>102,288,397</b>	<b>106,962,680</b>	<b>105,924,634</b>	<b>(1,038,046)</b>	<b>-1.0%</b>
<b>GENERAL FUND NOA EXPENDITURES</b>	<b>24,635,075</b>	<b>25,603,044</b>	<b>24,518,514</b>	<b>26,235,746</b>	<b>25,977,301</b>	<b>(258,445)</b>	<b>-1.0%</b>																																																																																																																																																																																																																																																																																																								
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Electricity	2,421,671	2,655,166	2,438,611	2,540,406	2,725,233	184,827	7.3%																																																																																																																																																																																																																																																																																																								
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Natural Gas	423,994	449,634	496,852	616,679	556,679	(60,000)	-9.7%																																																																																																																																																																																																																																																																																																								
Propane	50,392	42,757	62,608	57,910	57,910	0	0.0%																																																																																																																																																																																																																																																																																																								
<b>SUBTOTAL</b>	<b>3,561,063</b>	<b>3,822,869</b>	<b>3,806,451</b>	<b>3,768,445</b>	<b>3,883,272</b>	<b>124,827</b>	<b>3.3%</b>																																																																																																																																																																																																																																																																																																								
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Propane	30	0	0	1,040	1,040	0	0.0%																																																																																																																																																																																																																																																																																																								
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Electricity	57,131,969	57,578,814	55,090,789	56,855,018	56,087,554	(767,464)	-1.3%																																																																																																																																																																																																																																																																																																								
Water & Sewer	5,088,182	6,484,799	6,344,748	6,877,899	7,238,591	360,692	5.2%																																																																																																																																																																																																																																																																																																								
Fuel Oil	34,198	57,738	312,692	131,042	128,492	(4,550)	-3.5%																																																																																																																																																																																																																																																																																																								
Natural Gas	6,749,514	6,504,738	7,552,826	7,734,291	7,397,292	(336,999)	-4.4%																																																																																																																																																																																																																																																																																																								
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Water & Sewer	7,712,032	9,805,628	9,469,491	10,786,846	11,148,289	361,443	3.4%																																																																																																																																																																																																																																																																																																								
Fuel Oil	79,417	115,317	333,535	236,577	232,111	(4,466)	-1.9%																																																																																																																																																																																																																																																																																																								
Natural Gas	8,946,462	9,001,618	10,330,959	10,636,103	10,239,336	(396,767)	-3.7%																																																																																																																																																																																																																																																																																																								
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5/24/18

- (b) Compliance with NPDES Permit for Industrial Sites;
- (c) Compliance with NPDES Municipal Permit for Small, Separate, Storm Sewer Systems;
- (d) Special Protection area reviews and enforcement (not covered by fees);
- (e) Developing and monitoring stream buffers;
- (f) Forest conservation enforcement in and abutting stream buffers;
- (g) Environmental sections on comprehensive master plans related to water quality; and,
- (h) Review of stormwater management concepts.

68. This resolution appropriates \$26,235,746 to the Utilities Non-Departmental Account (NDA) for the cost of electricity, natural gas, and other energy-related use and operating costs. When the County executes an Energy Services Agreement or manages the project without the assistance of an Energy Services Company for capital renovations to energy related equipment to produce long-term utility savings in County facilities, the County Executive may transfer up to \$5 million from this Account to the Debt Service Fund to pay principal and interest related to the energy-related equipment. The following conditions apply to the use of this transfer authority:

- (a) The program must not require any new FY 2019 tax-supported appropriation or future tax-supported funds.
- (b) The Department of Finance evaluates whether annual savings provided under the Energy Services Agreement or other County project should be guaranteed by the County's contracted Energy Services Company or validated by other credible means to ensure that the savings and any additional revenue that result from the Energy Services Agreement are equal to or greater than the debt service costs related to the capital renovations over the life of the project financing.
- (c) The Executive must notify the Council in writing within 30 days after each transfer.

69. This resolution appropriates \$979,272 for inflation adjustments for tax-supported contractors with the Department of Health and Human Services (DHHS) and to eligible contractors with the Department of Housing and Community Affairs that are providing Special Needs Housing programs. Any inflation adjustment awarded under this paragraph must not exceed 2% of the total contract price. Any contract funded by a non-County grant is not eligible for an inflation adjustment under this paragraph. Each contractor must meet the following eligibility:

- (a) Non-profit service provider, public entity, or
- (b) Contract that provides meals on wheels, court appointed special advocates, direct mental health services to seniors, and homeless outreach.
- (c) The increase is to the General Fund value of the contract (Grant Fund value not included).
- (d) The contract must not be in its first performance period, unless a new contract has been executed as part of a DHHS administrative review, or have an automatic inflation adjustment built into the contract.