



**Staff:** Keith Levchenko, Senior Legislative Analyst  
**Purpose:** Review – straw vote expected  
**Keywords:** #DEPBudget and Recycling and Resource Management and Solid Waste

AGENDA ITEM #12  
 May 7, 2020  
**Worksession**

**SUBJECT**

FY21 Department of Environmental Protection Recycling and Resource Management Division Budget (including the Solid Waste Collection Fund and the Solid Waste Disposal Fund)

*NOTE: Both the Solid Waste Collection and Disposal Funds are self-supporting funds meaning any increases or decreases in the budgets for these funds may do not affect General Fund resources. Budget changes could affect solid waste charges (discussed later) which are collected through property tax bills and tipping fees at the Transfer Station.*

**EXPECTED ATTENDEES**

Adam Ortiz, Director, Department of Environmental Protection (DEP)  
 Patty Bubar, Deputy Director (DEP)  
 Willie Wainer, Chief, Division of Recycling and Resource Management, DEP  
 Rich Harris, Office of Management and Budget

**EXECUTIVE RECOMMENDATION – TOTAL**

FY21 Executive Recommendation	\$131,231,547	114.56 FTE
Increase (Decrease) from FY20	\$15,497,722 13.4%	8.32 FTE 7.8%)

**COUNCIL STAFF RECOMMENDATION – TOTAL**

FY21 Council Staff Recommendation	<b>\$130,400,749</b>	<b>0.0 FTE</b>
Increase (Decrease) from FY20	\$14,666,924 12.7%	(2.32) FTE (1.06%)
Increase (Decrease) from CE FY21 Rec	(\$830,798) (0.6%)	(6.0) FTE (5.2%)

**SOLID WASTE COLLECTION FUND**

**EXECUTIVE RECOMMENDATION**

FY21 Executive Recommendation	\$10,478,328	11.78 FTE
Increase (Decrease) from FY20	\$894,608 9.3%	0.32 FTE 2.8%

**COUNCIL STAFF RECOMMENDATION**

FY21 Council Staff Recommendation	<b>\$10,453,157</b>	<b>11.78 FTE</b>
Increase (Decrease) from FY20	\$869,437 9.1%	0.32 FTE 2.8%)
Increase (Decrease) from CE FY21 Rec	(\$25,171) (0.24%)	0.0 FTE 0.0%

**EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES**

- **FY21 Compensation Adjustment (\$25,171):** Compensation adjustments will be considered for all of County Government separately and are not included in the “continuity of services” budget calculated by Council Staff.

**CONTINUITY OF SERVICES FROM FY20**

- **Increase Cost for Refuse Collection Contracts (+\$832,748):** This increase is caused by higher unit prices in a new contract for Area 3 as well as CPI adjustments assumed for the existing contracts. The eight refuse contracts total about \$23.7 million in FY20, so this equates to about a 3.5 percent increase.
- **Other Items**
  - Annualizations of FY20 Personnel Costs, FY20 Compensation Increases, and FY20 MLS Pay for Performance Increases \$71,118
  - Motor Pool Savings (\$18,719)
  - Printing and Mail Adjustments \$32
  - Retirement Adjustment Savings (\$29,648)
  - OPEB Adjustment (\$10,330)
  - Risk Management Adjustment \$24,506

**POTENTIAL REDUCTIONS - None**

**POTENTIAL ITEMS RELATED TO COVID-19**

- The FY21 Recommended Budget for the Collection Fund does not assume any changes related to COVID-19.

**SOLID WASTE COLLECTION FUND**

- The Solid Waste Collection Fund Fiscal Plan is attached on Page 67-16. This plan shows continuing increases in collection contract costs as new service area contracts are awarded. Five refuse collection contracts will be rebid in FY21 and take effect in FY22. To smooth the collection charge increases over time, the Solid Waste Disposal Fund provided a \$4.0 million loan to the Collection Fund. As noted in the Fiscal Plan, “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.”*

## SOLID WASTE DISPOSAL FUND

### EXECUTIVE RECOMMENDATION

FY21 Executive Recommendation	\$120,753,219	102.78 FTE
Increase (Decrease) from FY20	\$14,603,114 13.8%	8.0 FTE 8.4%

### COUNCIL STAFF RECOMMENDATION

FY21 Council Staff Recommendation	<b>\$119,947,592</b>	<b>96.78 FTE</b>
Increase (Decrease) from FY20	\$13,797,487 13.0%	2.0 FTE 2.1%
Increase (Decrease) from CE FY21 Rec	(\$805,627) (0.67%)	(6.0) FTE (5.8%)

### EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES

- **Add 3 Field Inspectors to Reduce Recycling Contamination (\$341,439):** These additional staff would be deployed throughout the County to follow recycling collection haulers and target areas with high curbside recycling contamination rates with stepped up outreach and enforcement. A recent pilot program successfully reduced contamination rates in targeted areas by 50 percent. Substantial cost savings can be realized if these contamination rates can be reduced countywide resulting in reduced tonnages of non-recyclable materials having to be processed at the MRF or bypassed to facilities outside the County. Council Staff believes this initiative is well-justified. However, it does not fit within the “continuity of services” definition being used for the Council’s review of the FY21 budget.
  
- **Add 3 Code Enforcement Positions for F/T Coverage at Transfer Station (\$196,847):** These positions would give DEP more coverage during the Transfer Station’s operating hours to enforce safety rules and inspect refuse loads to identify, deter, and ultimately to reduce mixed loads (loads with trash and recyclable materials). As with the field inspectors discussed earlier, reduced tonnages of contamination can lead to reduced costs. Council Staff believes this initiative is well-justified. However, it does not fit within the “continuity of services” definition being used for the Council’s review of the FY21 budget.
  
- **FY21 Compensation Adjustment (\$189,341):** Compensation adjustments will be considered for all of County Government separately and are not included in the “continuity of services” budget calculated by Council Staff.

## CONTINUITY OF SERVICES FROM FY20

- **Increase Costs for the NEA Operating Contract for the Resource Recovery Facility (RRF) (+\$12,372,628):** This cost increase involves several components. The largest part of the increase is capital cost payouts (\$5.4 million) which is the County's contractual cost share for this capital work, and reduced electricity sales revenue (\$3.6 million). Other increases include non-processible waste costs, the operator's fixed fee increases (based on inflation adjusters), insurance and utilities, and other costs.
- **Increase Costs for Out of County Haul (+\$1,293,632):** The volume of non-processible waste continues to rise each year. Costs per ton are also increasing.
- **Miscellaneous Recycling Program Adjustments (+\$684,316):**
- **Increase Costs Recycling Center Operations Contracts (+422,999):** This increase is primarily caused by the continued need to export 12,000 tons of material from the facility at a cost of \$75 per ton, plus some other increases in operating costs.
- **Revenue Analysis and System Evaluation (+\$266,172):** The County is mandated to conduct periodic solid waste generation studies at least every five years (Executive Regulation 9-99). This study will update the systems benefit charge assumptions for nonresidential generators of solid waste. The most recent study was done in 2016.
- **Wheaton Building Operating Costs (+\$220,493):** This item includes parking, maintenance, waste/sewer charges and energy/electricity usage.
- **Increase Cost for Landfill Maintenance (+174,886):** This includes an increase in the capital budget for this item in FY21 and other miscellaneous cost increases.
- **Adjustment for Mixed Paper Recycling (+\$94,837):** This includes an increase in the mixed paper capital equipment budget for FY21.
- **Adjustments to Transfer Station Costs (+\$731,949):** This item includes a reduction in budgeted capital cost replacement from FY20 to FY21 and higher contractual operating costs.
- **Reduce Budgeted Debt Service for Project Not Going Forward (+\$1,817,000):** These dollars were previously reserved for annual debt service for a new Materials Recovery Facility. After lack of success in finding potential sites for a new facility, DEP is now planning to study over the next year how to optimize and upgrade its operations on the current site.
- **Implementation of Commercial Food Waste Program (+\$417,599):** This effort continues DEP's efforts from FY20 to implement the County's Strategic Plan to Advance Composting; in particular commercial food waste diversion. This FY21 initiative is intended to increase food scraps recycled by commercial generators to a projected 8,400 tons.

- **Pilot of Single-Family Food Waste Program (+\$408,000):** This pilot program will inform the County’s efforts over the next couple of years to move toward its goal of providing curbside collection of food scraps.
- **Provide bins to Single-Family homes for at-home foot waste composting (\$40,000)**
- **Other Items**
  - Annualizations of FY20 Personnel Costs, FY20 Compensation Increases, and FY20 MLS Pay for Performance Increases \$334,258
  - Retirement Adjustment Savings (\$177,192)
  - OPEB Adjustment (\$201,380)
  - Risk Management Adjustment \$77,251
  - Motor Pool Savings (\$29,910)
  - Printing and Mail Adjustments \$1,262
  - Property Tax Billing Chargeback from Finance (\$13,636)
  - Reduce DEP Chargebacks (\$27,772)
  - Other Miscellaneous Adjustments (\$12,007)

## POTENTIAL REDUCTIONS

- **Reduce Resource Recovery Facility (RRF) Costs from Increased Energy Revenue in FY21 (\$1.8 million):** Energy from the RRF is currently sold on the energy market as Tier 1 energy and the proceeds are used to offset the RRF’s operating costs. The FY20 budget assumes \$1.4 million in energy revenue credits from the Tier 1 designation. The recommended budget assumes that, beginning in FY21 waste-to-energy would no longer be considered Tier 1 energy and these credits will end. However, the 2020 General Assembly did not pass legislation to change the tier designation, so for FY21 at least, the County will continue to see these energy revenue credits and thus the offsetting cost reduction for the RRF. **However, DEP staff have noted that average MWh pricing is down substantially in FY20 and this will affect revenue projections for FY21 and forward. These lower rates will offset the FY21 bump from the energy revenue credits continuing. Therefore, the overall budgetary impact (and impact on Solid Waste charges) may be minimal.**

## POTENTIAL ITEMS RELATED TO COVID-19

- The FY21 Recommended Budget for the Disposal Fund does not assume any changes related to COVID-19. Over the past two months, DEP has experienced a 30 percent increase in residential trash received at the Transfer Station, although overall trash processed is close to normal levels. The residential increase is assumed to be temporary and a result of the Governor’s Stay at Home orders. DEP also has some “front-facing” staff and contractors working at the Transfer Station and Materials Recovery Facility (MRF).

## SOLID WASTE DISPOSAL FUND

- The Solid Waste Disposal Fund Fiscal Plan is attached on Page 67-17.

## SOLID WASTE SERVICE CHARGES

- On March 16, the Executive transmitted his FY21 proposed Solid Waste charges. These charges are consistent with the Executive's Recommended FY21 Operating Budget. They are approved annually by the Council by resolution. Action is tentatively scheduled for May 13, 2020.
- The table on ©1 compares the Executive's recommended FY21 Solid Waste charges with the approved FY20 charges. Descriptions of the various charges are provided on Page 67-18.
- Increases in these charges that would be experienced by residential and non-residential customers on their property tax bills under the Executive's recommended charges would vary depending on the services provided. For single-family residential property owners, the charges will increase between 4.7 to 7.3 percent. Multi-family property owners will see increases ranging from 2.4 to 3.3 percent. Non-residential customers will see increases of 2.6 percent. Tipping fees charged at the Shady Grove Transfer Station are recommended to remain unchanged from the FY20 levels.
- The increase in the single-family base systems benefit charge from \$20.97 to \$31.10 is attributed to the increase in the Resource Recovery Facility program costs of \$12.23 million and a change in the waste generation rate or percentage for the single-family sector, going from 35.7% to 37.2%. The refuse collection charge increases are the result of contract cost increases for refuse collection in Subdistrict A as new contracts are awarded.

### **This report contains:**

CE Recommended FY21 Budget (DEP Excerpt)  
Solid Waste Service Charges Comparison Chart

Pages 67-1 – 67-20  
Page ©1

**Alternative format requests for people with disabilities.** If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at [adacompliance@montgomerycountymd.gov](mailto:adacompliance@montgomerycountymd.gov)



# Recycling and Resource Management

**RECOMMENDED FY21 BUDGET**

**\$131,231,547**

**FULL TIME EQUIVALENTS**

**114.56**

ADAM ORTIZ, DIRECTOR

## MISSION STATEMENT

The mission of the Department of Environmental Protection (DEP) is to enhance the quality of life in our community by protecting and improving Montgomery County's air, water, and land in a sustainable way while fostering smart growth, a thriving economy, and healthy communities.

## BUDGET OVERVIEW

The total recommended FY21 Operating Budget for the Recycling and Resource Management is \$131,231,547, an increase of \$15,497,722 or 13.39 percent from the FY20 Approved Budget of \$115,733,825. Personnel Costs comprise 10.06 percent of the budget for 86 full-time position(s) and two part-time position(s), and a total of 114.56 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 89.94 percent of the FY21 budget.

In addition, this department's Capital Improvements Program (CIP) requires current revenue funding.

## COUNTY PRIORITY OUTCOMES

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

- A Greener County**
- Effective, Sustainable Government**

## INITIATIVES

- Continues to implement initiatives and programs that resulted from the Strategic Plan to Advance Composting, Compost Use, and Food Scraps Diversion in Montgomery County. The department is currently implementing a composting program for major producers of food scraps, and in FY21 is both planning a pilot residential food scraps collection program as well as provide compost bins for interested homeowners throughout the County.
- Partner with the Wheaton Urban District as well as the Mid-County Regional Services Center to address the lack of recycling bins in the Urban Districts. This partnership strives to increase the number of recycling bins along the streetscapes and

---

sidewalks to improve compliance with recycling mandates, set an example for others in the public and private sector to follow.

- ★ Reduce contamination and increase recycling, DEP is fully implementing a program that sends DEP field inspectors out to communities to monitor customers' blue bins prior to collection. Recycling staff provide educational materials to the target area, while personnel at the Materials Recovery Facility to sort material from the targeted area to determine if our efforts reduced contamination over time. This program yielded positive results in its pilot phase, showing a decrease in contamination and an increase in recycling.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Installed a new electric screening system at the Dickerson Compost Facility. This new system has no hydraulic lines or motors, consumes less diesel fuel, and is a projected to increase in LeafGro production and reduce screening costs. The department estimates a gain in production hours and an increase in LeafGro sales.
- ★ Established a Safety and Health Work Group for the Transfer Station. The purpose of this work group is to coordinate with the contractors responsible for operations at the facility to address safety issues and initiatives across the site, and to make health and safety an integral part of standard operating procedures, cultures, and programs. Three positions are added to ensure County oversight of the property during all hours of operation as well.
- ★ Relocate Department of Environmental Protection offices to Wheaton as part of a Countywide initiative to centralize government services to support business growth and development. This move was planned as part of the Wheaton Redevelopment Program, which will encourage private reinvestment in Wheaton through targeted, complementary public investment.

## PROGRAM CONTACTS

Contact Patrice Bubar of the Recycling and Resource Management at 240.777.7786 or Richard H. Harris of the Office of Management and Budget at 240.777.2795 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

## PROGRAM DESCRIPTIONS

### ★ Administration and Support

This program provides support to the Department's Division of Resource Recovery and Management's operations, programs, and mission, and overall management and policy direction to the core professional services of budget and financial management.

The program

- develops and evaluates CIP and operating budgets in a strategic and economically responsible manner for fair and equitable rate structures;



- maintains solid waste enterprise funds in a financially prudent manner through efficient financial management;
- assists with execution of procurement actions on a timely basis and at the best possible value;
- reviews and develops policies and procedures that strengthen internal controls; and
- identifies efficiencies across the department using metrics, quantitative and financial models, and forecasting tools to analyze the fiscal impact of proposed changes to the solid waste management activities.

The Department of Housing and Community Affairs provides staff to respond to resident complaints dealing with storage and removal of solid waste, illegal solid waste dumping, storage of unregistered or inoperable vehicles on private property, improper screening of dumpsters (particularly those in shopping areas), and control and regulation of weeds throughout the County.

Furthermore, "Clean or Lien" provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required. Department of Environmental Protection staff in Energy and Environment Compliance Division provide surface and subsurface environmental compliance monitoring at all County solid waste facilities, and reviews reports air monitoring at the Resource Recovery Facility (RRF).

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>0</b>	<b>0.00</b>
Realignment of Programs	5,620,249	35.95
Increase Cost: Revenue Analysis and System Evaluation	266,172	0.00
Increase Cost: Wheaton Building Operating Costs	220,493	0.00
Decrease Cost: Reduced Finance Chargeback	(13,636)	0.00
Decrease Cost: FY20 Budgeted Debt Service for a Project That Will Not Move Forward	(1,817,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	2,354,096	3.21
<b>FY21 Recommended</b>	<b>6,630,374</b>	<b>39.16</b>

## Disposal

This program provides for the operation of the Montgomery County Resource Recovery Facility (RRF). The RRF serves as the primary disposal facility for non-recycled waste generated in the County. Renewable energy in the form of electricity is generated and sold into the competitive energy market. This program also includes costs for related operations at the Transfer Station and for the transportation of waste from the Transfer Station to the RRF. Also, it provides for the operation of the receiving, processing, and shipping facility for municipal solid waste generated within the County.

In addition, the program provides for the rail shipment of ash residue from the RRF to Fulton Rail Yard near Richmond, Virginia, where it is unloaded and transported by truck to the Old Dominion Landfill, a contracted landfill where the ash is processed for further metals removal and recycling. Ash is beneficially reused as alternate daily cover and road base within the lined areas of Old Dominion Landfill. This program also provides for the shipment of non-processible waste, such as construction material and, if necessary, bypass waste, from the Transfer Station to either recycling facilities, rubble landfills, or other contracted landfills. It provides for the operation of a satellite drop-off site at the Poolesville Highway Services Depot and funds the proper disposal of household hazardous waste such as flammable products, insecticides, mercury, and reactive and corrosive chemicals. The materials are handled through the County's hazardous waste contractor and permitted hazardous waste management facilities.

The program maintains the closed Oaks Landfill in an environmentally sound and cost-effective manner in accordance with applicable State and Federal regulations. Mandated duties under this program include managing landfill gas through collection, flaring, and gas-to-energy systems, and maintaining leachate storage and pre-treatment facilities. This program also provides for the acceptance and treatment of waste generated by the cleanout of storm water oil/grit separators. Finally, the program maintains the closed Gude Landfill, including monitoring of air and water quality around the landfill. In addition, planning for remediation mandated by the Maryland Department of the Environment to minimize potentially adverse environmental impacts and the design of post-completion uses for the site that serve the community are part of this program.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of customers dropping off household hazardous waste at the Transfer Station	125,160	113,985	119,684	125,668	131,952
Percent of total municipal solid waste sent to landfill	11.7%	9.7%	10.1%	10.1%	10.8%
Percent of non-residential municipal solid waste recycled	57.9%	58.5%	59.6%	60.6%	61.8%

  

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>0</b>	<b>0.00</b>
Realignment of Programs	53,874,995	21.04
Increase Cost: Change Order and other Contract Increases	12,372,628	0.00
Increase Cost: Funding for Out of County Haul	1,293,632	0.00
Enhance: Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station	196,847	3.00
Increase Cost: Landfill Maintenance (Gude, Oaks, and Site 2)	174,886	0.00
Increase Cost: Recycling Outreach and Education	12,797	0.00
Increase Cost: Other Miscellaneous Adjustments	1,437	0.00
Shift: Reduced Department of Environmental Protection Chargebacks Following Reorganization	(27,772)	0.00
Decrease Cost: Adjustment to Household Hazard Waste Program	(30,271)	0.00
Decrease Cost: Adjustment to Transfer Station Based on Experience	(731,949)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(178,455)	0.11
<b>FY21 Recommended</b>	<b>66,958,775</b>	<b>24.15</b>

## ☀ Materials and Collection

This program provides for collection of refuse from single family residences in the southern parts of the County (Subdistrict A) and the funds to secure, administer, monitor, and enforce contracts with private collectors for collection of residential refuse and recyclables for the entire County. It also responds to the residents' service needs.

In addition, the program enforces the County's recycling regulations as they apply to single-family residences, and other waste generators, and enforcement of requirements of Chapter 48 of the County Code. It also supports solid waste program goals and ensures the success of recycling initiatives and progress to achieve the County's recycling goal. Also, the program provides for mandatory recycling and waste reduction for multi-family properties, for all businesses, and for broadly educating everyone living, visiting, and working in the County. Program efforts include technical support, assistance, education, outreach, and training.

It provides for the separation, processing, and marketing of recyclable materials at the Recycling Center (MRF). The MRF receives recyclable material collected under the County curbside collection program from all single-family residences as well as some materials from municipalities, multi-family properties, and non-residential properties that have established recycling

programs. The materials are then sorted, baled, and shipped to markets for recycling. The program also provides for the processing, baling, and shipping of the County's residential and some non-residential mixed paper and corrugated paper (cardboard) as well.

The processing, transporting, composting, and marketing of yard trim received by the County is also included in this program, including leaves received from the County's Leaf Vacuuming Program. Processing includes grinding brush to produce mulch at the Transfer Station and composting of all leaves and grass, sold wholesale as LeafGro in bulk and bagged forms.

The program promotes recycling of food scraps as part of the County's overall effort to increase recycling and to reduce the amount of food waste within the County. The program includes initiatives to recycle food scraps and other acceptable organic materials generated by the single-family residential, multi-family residential, and commercial sectors, through composting and/or other technologies.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of site visits to provide recycling assistance to businesses	5,378	5,365	4,680	4,680	4,680
Average number of refuse collections missed per week, not picked up within 24 hours	11.9	10.5	9.9	9.8	9.7
Average number of recycling collections missed per week, not picked up within 24 hours	20.3	14.2	14.1	14.0	13.9
Percent of single-family municipal solid waste recycled	66.7%	67.8%	68.1%	68.3%	68.6%
Percent of multi-family municipal solid waste recycled <sup>1</sup>	30.3%	30.3%	30.7%	30.9%	31.4%
Percent of total municipal solid waste recycled <sup>2</sup>	61.6%	62%	63%	63.5%	64%
Single-family recycling (tonnages)	268,765	273,359	275,531	276,111	278,996
Multi-family recycling (tonnages)	28,551	29,495	30,741	31,999	32,788
Non-residential recycling (tonnages)	323,195	329,563	339,120	349,102	360,089
Total recycling (tonnage)	620,510	632,417	645,392	657,213	671,874

<sup>1</sup> 1. This reporting is performed on a calendar year basis. 2. CY18 data has been submitted on the MRA Tonnage Report to the State of Maryland, Maryland Department of the Environment (MDE) for their review.

<sup>2</sup> CY18 data has been submitted on the MRA Tonnage Report to the State of Maryland, Maryland Department of the Environment (MDE) for their review.

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>0</b>	<b>0.00</b>
Realignment of Programs	56,238,581	49.25
Increase Cost: Collection Contracts for Refuse	832,478	0.00
Increase Cost: Miscellaneous Recycling Program Adjustment (Residential, Multi-family, Commercial)	684,316	0.00
Increase Cost: Recycling Center Operations Contracts	422,999	0.00
Add: Implementation of the Commercial Food Waste Program	417,599	0.00
Enhance: Pilot of Single Family Food Waste Program	408,000	0.00
Enhance: Provide Three Field Inspectors to Reduce Recycling Contamination in the Field	341,439	3.00
Decrease Cost: Adjustment in Cost for Mixed Paper Recycling	94,837	0.00
Enhance: Recycling Bins for Wheaton	78,000	0.00
Add: Provide Bins to Single Family Homes for At-Home Food Waste Composting	40,000	0.00
Increase Cost: Volunteer Program Adjustment	2,120	0.00
Increase Cost: Yard Trim Reduction Program	1,910	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(1,919,881)	(1.00)
<b>FY21 Recommended</b>	<b>57,642,398</b>	<b>51.25</b>

---

## REALIGNED PROGRAMS

Funding in the following programs has been realigned to other programs within this department.

### Administration and Support

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY20 Approved</b>	<b>3,780,732</b>	<b>20.02</b>
Realignment of Programs	(3,780,732)	(20.02)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Commercial Recycling

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY20 Approved</b>	<b>2,008,483</b>	<b>10.00</b>
Realignment of Programs	(2,008,483)	(10.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Dickerson Compost Facility

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY20 Approved</b>	<b>5,329,030</b>	<b>1.15</b>
Realignment of Programs	(5,329,030)	(1.15)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Dickerson Master Plan Implementation

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY20 Approved</b>	<b>84,301</b>	<b>0.51</b>
Realignment of Programs	(84,301)	(0.51)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Enforcement

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY20 Approved</b>	<b>1,355,947</b>	<b>9.93</b>
Realignment of Programs	(1,355,947)	(9.93)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Food Waste Organics Recycling

<b>FY21 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
---------------------------------	---------------------	-------------

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>1,002,280</b>	<b>1.00</b>
Realignment of Programs	(1,002,280)	(1.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Gude Landfill

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>755,541</b>	<b>1.00</b>
Realignment of Programs	(755,541)	(1.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Household & Small Quantity Hazardous Waste Management

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>1,179,946</b>	<b>0.00</b>
Realignment of Programs	(1,179,946)	0.00
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Multi-Family Recycling

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>991,876</b>	<b>5.00</b>
Realignment of Programs	(991,876)	(5.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Oaks Landfill

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>2,141,939</b>	<b>1.23</b>
Realignment of Programs	(2,141,939)	(1.23)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Out Of County Refuse Disposal

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>13,903,133</b>	<b>1.00</b>
Realignment of Programs	(13,903,133)	(1.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Recycling Center

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>10,152,280</b>	<b>4.50</b>
Realignment of Programs	(10,152,280)	(4.50)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Recycling Outreach And Education

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>589,863</b>	<b>2.00</b>
Realignment of Programs	(589,863)	(2.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Residential Collection

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>36,028,007</b>	<b>29.00</b>
Realignment of Programs	(36,028,007)	(29.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Resource Recovery Facility & Related Waste Transfer

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>26,985,832</b>	<b>1.20</b>
Realignment of Programs	(26,985,832)	(1.20)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Satellite Sites

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>248,667</b>	<b>1.70</b>
Realignment of Programs	(248,667)	(1.70)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Site 2

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>159,366</b>	<b>0.40</b>
Realignment of Programs	(159,366)	(0.40)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

 Support for Recycling Volunteers

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>146,681</b>	<b>0.00</b>
Realignment of Programs	(146,681)	0.00
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Transfer Station

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>8,416,270</b>	<b>14.00</b>
Realignment of Programs	(8,416,270)	(14.00)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Waste System Planning

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>398,147</b>	<b>2.60</b>
Realignment of Programs	(398,147)	(2.60)
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

### Yard Trim Reduction

FY21 Recommended Changes	Expenditures	FTEs
<b>FY20 Approved</b>	<b>75,504</b>	<b>0.00</b>
Realignment of Programs	(75,504)	0.00
<b>FY21 Recommended</b>	<b>0</b>	<b>0.00</b>

## BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
<b>SOLID WASTE DISPOSAL</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	7,689,139	8,004,639	7,493,109	8,812,998	10.1 %
Employee Benefits	2,391,149	2,791,967	2,618,247	2,731,801	-2.2 %
<b>Solid Waste Disposal Personnel Costs</b>	<b>10,080,288</b>	<b>10,796,606</b>	<b>10,111,356</b>	<b>11,544,799</b>	<b>6.9 %</b>
Operating Expenses	83,330,740	90,374,283	90,374,283	105,597,810	16.8 %
Capital Outlay	3,577,111	4,979,216	4,979,216	3,610,610	-27.5 %
<b>Solid Waste Disposal Expenditures</b>	<b>96,988,139</b>	<b>106,150,105</b>	<b>105,464,855</b>	<b>120,753,219</b>	<b>13.8 %</b>
<b>PERSONNEL</b>					
Full-Time	76	76	76	82	7.9 %
Part-Time	2	2	2	2	—
FTEs	94.78	94.78	94.78	102.78	8.4 %

## BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
<b>REVENUES</b>					
Investment Income	2,015,311	1,719,840	1,684,500	1,274,760	-25.9 %
Miscellaneous Revenues	1,007,288	45,000	45,000	320,000	611.1 %
Other Charges/Fees	272,013	190,000	190,000	295,000	55.3 %
Other Fines/Forfeitures	33,669	35,000	35,000	36,000	2.9 %
Other Licenses/Permits	10,440	10,000	10,000	12,000	20.0 %
Property Rentals	0	38,500	38,500	5,000	-87.0 %
Sale of Recycled Materials	3,984,055	6,149,327	6,149,327	3,977,791	-35.3 %
Solid Waste Disposal Fees/Operating Revenues	29,359,385	29,119,333	27,893,752	29,019,751	-0.3 %
Systems Benefit Charge	66,376,952	68,439,293	68,427,348	71,088,902	3.9 %
<b>Solid Waste Disposal Revenues</b>	<b>103,059,113</b>	<b>105,746,293</b>	<b>104,473,427</b>	<b>106,029,204</b>	<b>0.3 %</b>

## SOLID WASTE COLLECTION

### EXPENDITURES

Salaries and Wages	1,266,256	1,187,740	1,189,768	1,268,724	6.8 %
Employee Benefits	330,244	404,544	404,544	390,201	-3.6 %
<b>Solid Waste Collection Personnel Costs</b>	<b>1,596,500</b>	<b>1,592,284</b>	<b>1,594,312</b>	<b>1,658,925</b>	<b>4.2 %</b>
Operating Expenses	7,193,005	7,991,436	7,989,408	8,819,403	10.4 %
<b>Solid Waste Collection Expenditures</b>	<b>8,789,505</b>	<b>9,583,720</b>	<b>9,583,720</b>	<b>10,478,328</b>	<b>9.3 %</b>

### PERSONNEL

Full-Time	4	4	4	4	—
Part-Time	0	0	0	0	—
FTEs	11.46	11.46	11.46	11.78	2.8 %

### REVENUES

Investment Income	115,756	65,540	96,760	73,220	11.7 %
Miscellaneous Revenues	20,794	0	12,000	0	—
Other Charges/Fees	13,841	0	0	0	—
Systems Benefit Charge	7,089,239	8,818,850	8,736,845	9,885,837	12.1 %
<b>Solid Waste Collection Revenues</b>	<b>7,239,630</b>	<b>8,884,390</b>	<b>8,845,605</b>	<b>9,959,057</b>	<b>12.1 %</b>

## DEPARTMENT TOTALS

<b>Total Expenditures</b>	<b>105,777,644</b>	<b>115,733,825</b>	<b>115,048,575</b>	<b>131,231,547</b>	<b>13.4 %</b>
<b>Total Full-Time Positions</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>86</b>	<b>7.5 %</b>
<b>Total Part-Time Positions</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>—</b>
<b>Total FTEs</b>	<b>106.24</b>	<b>106.24</b>	<b>106.24</b>	<b>114.56</b>	<b>7.8 %</b>
<b>Total Revenues</b>	<b>110,298,743</b>	<b>114,630,683</b>	<b>113,319,032</b>	<b>115,988,261</b>	<b>1.2 %</b>

## FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
--	--------------	------



**FY21 RECOMMENDED CHANGES**

	<b>Expenditures</b>	<b>FTEs</b>
<b>SOLID WASTE DISPOSAL</b>		
	<b>FY20 ORIGINAL APPROPRIATION</b>	<b>106,150,105 94.78</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Implementation of the Commercial Food Waste Program [Materials and Collection]	417,599	0.00
Enhance: Pilot of Single Family Food Waste Program [Materials and Collection]	408,000	0.00
Enhance: Provide Three Field Inspectors to Reduce Recycling Contamination in the Field [Materials and Collection]	341,439	3.00
Enhance: Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station [Disposal]	196,847	3.00
Enhance: Recycling Bins for Wheaton [Materials and Collection]	78,000	0.00
Add: Provide Bins to Single Family Homes for At-Home Food Waste Composting [Materials and Collection]	40,000	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Change Order and other Contract Increases [Disposal]	12,372,628	0.00
Increase Cost: Funding for Out of County Haul [Disposal]	1,293,632	0.00
Increase Cost: Miscellaneous Recycling Program Adjustment (Residential, Multi-family, Commercial) [Materials and Collection]	684,316	0.00
Increase Cost: Recycling Center Operations Contracts [Materials and Collection]	422,999	0.00
Increase Cost: Revenue Analysis and System Evaluation [Administration and Support]	266,172	0.00
Increase Cost: Annualization of FY20 Personnel Costs	236,982	2.00
Increase Cost: Wheaton Building Operating Costs [Administration and Support]	220,493	0.00
Increase Cost: FY21 Compensation Adjustment	189,341	0.00
Increase Cost: Landfill Maintenance (Gude, Oaks, and Site 2) [Disposal]	174,886	0.00
Increase Cost: Annualization of FY20 Compensation Increases	95,177	0.00
Decrease Cost: Adjustment in Cost for Mixed Paper Recycling [Materials and Collection]	94,837	0.00
Increase Cost: Risk Management Adjustment	77,251	0.00
Increase Cost: Recycling Outreach and Education [Disposal]	12,797	0.00
Increase Cost: Volunteer Program Adjustment [Materials and Collection]	2,120	0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	2,099	0.00
Increase Cost: Yard Trim Reduction Program [Materials and Collection]	1,910	0.00
Increase Cost: Other Miscellaneous Adjustments [Disposal]	1,437	0.00
Increase Cost: Print and Mail Adjustment	1,262	0.00
Decrease Cost: Reduced Finance Chargeback [Administration and Support]	(13,636)	0.00
Shift: Reduced Department of Environmental Protection Chargebacks Following Reorganization [Disposal]	(27,772)	0.00
Decrease Cost: Motor Pool Adjustment	(29,910)	0.00
Decrease Cost: Adjustment to Household Hazard Waste Program [Disposal]	(30,271)	0.00
Decrease Cost: Retirement Adjustment	(177,192)	0.00
Decrease Cost: OPEB Adjustment	(201,380)	0.00
Decrease Cost: Adjustment to Transfer Station Based on Experience [Disposal]	(731,949)	0.00
Decrease Cost: FY20 Budgeted Debt Service for a Project That Will Not Move Forward [Administration and Support]	(1,817,000)	0.00

## FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>FY21 RECOMMENDED</b>	<b>120,753,219</b>	<b>102.78</b>
<b>SOLID WASTE COLLECTION</b>		
<b>FY20 ORIGINAL APPROPRIATION</b>	<b>9,583,720</b>	<b>11.46</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Collection Contracts for Refuse [Materials and Collection]	832,478	0.00
Increase Cost: Annualization of FY20 Personnel Costs	55,696	0.32
Increase Cost: FY21 Compensation Adjustment	25,171	0.00
Increase Cost: Risk Management Adjustment	24,506	0.00
Increase Cost: Annualization of FY20 Compensation Increases	14,314	0.00
Increase Cost: MLS Pay for Performance (Increase to Base Pay)	1,108	0.00
Increase Cost: Print and Mail Adjustment	32	0.00
Decrease Cost: OPEB Adjustment	(10,330)	0.00
Decrease Cost: Motor Pool Adjustment	(18,719)	0.00
Decrease Cost: Retirement Adjustment	(29,648)	0.00
<b>FY21 RECOMMENDED</b>	<b>10,478,328</b>	<b>11.78</b>

## PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Administration and Support	0	0.00	6,630,374	39.16
Administration and Support	3,780,732	20.02	0	0.00
Commercial Recycling	2,008,483	10.00	0	0.00
Dickerson Compost Facility	5,329,030	1.15	0	0.00
Dickerson Master Plan Implementation	84,301	0.51	0	0.00
Disposal	0	0.00	66,958,775	24.15
Enforcement	1,355,947	9.93	0	0.00
Food Waste Organics Recycling	1,002,280	1.00	0	0.00
Gude Landfill	755,541	1.00	0	0.00
Household & Small Quantity Hazardous Waste Management	1,179,946	0.00	0	0.00
Materials and Collection	0	0.00	57,642,398	51.25
Multi-Family Recycling	991,876	5.00	0	0.00
Oaks Landfill	2,141,939	1.23	0	0.00
Out Of County Refuse Disposal	13,903,133	1.00	0	0.00
Recycling Center	10,152,280	4.50	0	0.00
Recycling Outreach And Education	589,863	2.00	0	0.00
Residential Collection	36,028,007	29.00	0	0.00

## PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Resource Recovery Facility & Related Waste Transfer	26,985,832	1.20	0	0.00
Satellite Sites	248,667	1.70	0	0.00
Site 2	159,366	0.40	0	0.00
Support for Recycling Volunteers	146,681	0.00	0	0.00
Transfer Station	8,416,270	14.00	0	0.00
Waste System Planning	398,147	2.60	0	0.00
Yard Trim Reduction	75,504	0.00	0	0.00
<b>Total</b>	<b>115,733,825</b>	<b>106.24</b>	<b>131,231,547</b>	<b>114.56</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY20 Total\$	FY20 FTEs	FY21 Total\$	FY21 FTEs
<b>SOLID WASTE DISPOSAL</b>					
General Services	General Fund	254,618	0.00	287,570	0.00
Parking District Services	Bethesda Parking	68,959	0.00	64,324	0.00
Parking District Services	Silver Spring Parking	129,559	0.00	124,627	0.00
Parking District Services	Montgomery Hills Parking	0	0.00	0	0.00
Parking District Services	Wheaton Parking	12,538	0.00	12,061	0.00
Alcohol Beverage Services	Liquor	20,069	0.00	16,603	0.00
<b>Total</b>		<b>485,743</b>	<b>0.00</b>	<b>505,185</b>	<b>0.00</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
<b>SOLID WASTE DISPOSAL</b>						
<b>EXPENDITURES</b>						
<b>FY21 Recommended</b>	<b>120,753</b>	<b>120,753</b>	<b>120,753</b>	<b>120,753</b>	<b>120,753</b>	<b>120,753</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY21</b>	<b>0</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
New positions in the FY21 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Elimination of One-Time Items Recommended in FY21</b>	<b>0</b>	<b>(192)</b>	<b>(192)</b>	<b>(192)</b>	<b>(192)</b>	<b>(192)</b>
Items recommended for one-time funding in FY21, including vehicles for Field Inspector positions and recycling bins for downtown Wheaton, will be eliminated from the base in the outyears.						
<b>Retiree Health Insurance Pre-funding</b>	<b>0</b>	<b>(13)</b>	<b>(29)</b>	<b>(29)</b>	<b>(31)</b>	<b>(6)</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
<b>Labor Contracts</b>	<b>0</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>120,753</b>	<b>120,720</b>	<b>120,704</b>	<b>120,704</b>	<b>120,702</b>	<b>120,727</b>

### SOLID WASTE COLLECTION

#### EXPENDITURES

<b>FY21 Recommended</b>	<b>10,478</b>	<b>10,478</b>	<b>10,478</b>	<b>10,478</b>	<b>10,478</b>	<b>10,478</b>
No inflation or compensation change is included in outyear projections.						
<b>Retiree Health Insurance Pre-funding</b>	<b>0</b>	<b>(1)</b>	<b>(2)</b>	<b>(1)</b>	<b>(2)</b>	<b>0</b>
<b>Labor Contracts</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>10,478</b>	<b>10,483</b>	<b>10,482</b>	<b>10,483</b>	<b>10,482</b>	<b>10,484</b>

## ANNUALIZATION OF FULL PERSONNEL COSTS

	FY21 Recommended		FY22 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Provide Three Field Inspectors to Reduce Recycling Contamination in the Field	204,939	3.00	273,252	3.00
Add Three Code Enforcement Positions for Full Time County Employee Coverage of Transfer Station	196,847	3.00	262,463	3.00
<b>Total</b>	<b>401,786</b>	<b>6.00</b>	<b>535,715</b>	<b>6.00</b>

---

**SOLID WASTE ENTERPRISE FUND**  
**RATES AND FISCAL PROJECTIONS FOR FY21-26**

**Assumptions:**

- In FY21, the County Executive recommends the following solid waste system service charges:  
  
Single-Family:     \$223.26  
Multi-Family:     \$16.45  
Non-Residential:   \$611.48  
(medium category)
  
- Refuse collection services are maintained at their current levels, with the annual collection charge increasing \$12.00 (12.6%) from \$95.00/ household in FY20 to \$107.00/household in FY21.
  
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) and waste delivered in open-top roll-off boxes is unchanged at \$60 per ton, and \$70 per ton, respectively.
  
- Expenditures for certain programs, such as the Resource Recovery Facility, Transfer Station, and Out-of-County Haul are Base Systems Costs and calculated based on waste generation estimates for each sector. Expenditures for programs such as the Recycling Center, Recycling Collection, and Dickerson Compost Facility are Incremental Costs and calculated based on the cost of the incremental services received by each sector. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

<b>RESOURCES &amp; USE OF RESOURCES</b>		<b>Solid Waste Collection</b>					
	FY20 Estimate	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	20.45%	18.64%	18.64%	18.64%	18.64%	18.64%	18.64%
CPI (Fiscal Year)	2.32%	1.59%	1.61%	1.60%	1.58%	1.56%	1.54%
Number of Households (mid-FY)	92,115	92,391	92,667	92,943	93,219	93,495	93,932
<b>Charge Per Household</b>	<b>\$ 95.00</b>	<b>\$ 107.00</b>	<b>\$ 122.00</b>	<b>\$ 137.00</b>	<b>\$ 146.00</b>	<b>\$ 146.00</b>	<b>\$ 146.00</b>
Percent Rate Increase (Decrease)	23.38%	12.63%	14.02%	12.30%	6.57%	0.00%	0.00%
<b>BEGINNING NET ASSETS</b>	<b>(1,875,686)</b>	<b>(2,956,311)</b>	<b>(3,800,411)</b>	<b>(3,601,005)</b>	<b>(2,390,431)</b>	<b>(626,298)</b>	<b>746,589</b>
<b>REVENUES</b>							
Charges for Services	8,736,845	9,885,837	11,305,374	12,733,191	13,609,974	13,650,270	13,714,072
Investment Income (per Dept. of Finance)	96,760	73,220	70,610	70,610	70,610	70,610	70,610
Miscellaneous	12,000						
<b>Subtotal Revenues</b>	<b>8,845,605</b>	<b>9,959,057</b>	<b>11,375,984</b>	<b>12,803,801</b>	<b>13,680,584</b>	<b>13,720,880</b>	<b>13,784,682</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(331,905)</b>	<b>(314,224)</b>	<b>(325,387)</b>	<b>(336,921)</b>	<b>(348,803)</b>	<b>(361,043)</b>	<b>(373,647)</b>
<b>TOTAL RESOURCES</b>	<b>6,638,014</b>	<b>6,688,523</b>	<b>7,250,186</b>	<b>8,865,875</b>	<b>10,941,350</b>	<b>12,733,539</b>	<b>14,157,624</b>
<b>OPERATING BUDGET APPROP/EXPENSES</b>							
Operating Budget	(9,583,720)	(10,478,328)	(10,803,419)	(11,209,403)	(11,531,321)	(11,950,722)	(12,626,087)
OMB Adjustments - Labor Adjustments			(71,724)	(71,724)	(71,724)	(71,724)	(71,724)
OMB Adjustments Labor Contracts other			33,916	33,916	33,916	33,916	33,916
OMB Adjustments - Retiree Health Insurance OPEB			640	1,510	1,480	1,580	330
Other Claims against Net Assets	(10,605)	(10,605)	(10,605)	(10,605)			
<b>Subtotal PSP Oper. Budget Approp / Exp.</b>	<b>(9,594,325)</b>	<b>(10,488,933)</b>	<b>(10,851,191)</b>	<b>(11,256,306)</b>	<b>(11,567,648)</b>	<b>(11,986,950)</b>	<b>(12,663,565)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(9,594,325)</b>	<b>(10,488,933)</b>	<b>(10,851,191)</b>	<b>(11,256,306)</b>	<b>(11,567,648)</b>	<b>(11,986,950)</b>	<b>(12,663,565)</b>
<b>YEAR END - NET ASSETS*</b>	<b>(2,956,311)</b>	<b>(3,800,411)</b>	<b>(3,601,005)</b>	<b>(2,390,431)</b>	<b>(626,298)</b>	<b>746,589</b>	<b>1,494,058</b>
<b>End-of-Year Earnings as a % of Resources</b>	<b>-44.5%</b>	<b>-56.8%</b>	<b>-49.7%</b>	<b>-27.0%</b>	<b>-5.7%</b>	<b>5.9%</b>	<b>10.6%</b>
<b>Ending Cash Balance</b>	<b>2,127,427</b>	<b>1,283,327</b>	<b>682,733</b>	<b>1,093,308</b>	<b>2,057,440</b>	<b>2,630,327</b>	<b>2,577,797</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 FY21-26 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 FY21-23 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.

FY21-26 DIVISION OF SOLID WASTE SERVICES							
FISCAL PROJECTIONS	PROJECTED FY20	PROJECTED FY21	PROJECTED FY22	PROJECTED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26
Single-Family Charges (\$/Household)	213.26	223.26	245.47	288.27	324.72	350.92	373.78
% change in rate from previous year	4.0%	4.7%	9.9%	17.4%	12.6%	8.1%	6.5%
Multi-Family Charges (\$/Dwelling Unit)	16.06	16.45	16.70	16.87	17.17	17.37	17.80
% change in rate from previous year	0.0%	2.4%	1.5%	1.1%	1.8%	1.2%	2.4%
Nonresidential Charges (medium "category" charge)	596.13	611.48	625.86	637.41	640.89	641.19	643.38
% change in rate from previous year	0.0%	2.6%	2.4%	1.8%	0.5%	0.0%	0.3%
<b>OPERATIONS CALCULATION</b>							
<b>REVENUES</b>							
Disposal Fees	35,747,454	33,553,289	34,250,045	34,978,532	36,087,698	37,230,495	38,405,432
Charges for Services/SBC	56,524,189	59,903,457	65,685,956	75,981,620	85,067,577	91,251,350	96,384,231
Miscellaneous	10,517,284	11,297,698	11,315,822	11,340,233	11,359,640	11,379,056	11,403,410
Investment Income	1,684,500	1,274,760	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230
<b>Subtotal Revenues</b>	<b>104,473,427</b>	<b>106,029,204</b>	<b>112,481,053</b>	<b>123,529,615</b>	<b>133,744,145</b>	<b>141,090,131</b>	<b>147,422,303</b>
<b>INTERFUND TRANSFERS</b>	<b>(600,945)</b>	<b>112,449</b>	<b>434,338</b>	<b>418,425</b>	<b>102,597</b>	<b>113,289</b>	<b>409,132</b>
<b>EXPENDITURES</b>							
Personnel Costs	(10,111,356)	(11,544,799)	(11,980,955)	(12,412,269)	(12,856,628)	(13,180,957)	(13,647,563)
Operating Expenses	(90,374,283)	(105,597,810)	(111,578,204)	(115,081,581)	(120,365,152)	(127,386,882)	(131,519,233)
Capital Outlay	(4,979,216)	(3,610,610)	(2,519,634)	(1,048,826)	(1,186,442)	(1,301,118)	(1,081,562)
Other Expenditure Restrictions	-	-	-	-	-	-	-
<b>Subtotal Expenditures</b>	<b>(105,464,855)</b>	<b>(120,753,219)</b>	<b>(126,078,793)</b>	<b>(128,542,676)</b>	<b>(134,408,222)</b>	<b>(141,868,957)</b>	<b>(146,248,358)</b>
<b>CURRENT RECEIPTS TO CIP</b>	<b>(707,000)</b>	<b>(456,000)</b>	<b>(18,329,000)</b>	<b>(7,845,000)</b>	-	-	-
<b>OTHER CLAIMS ON FUND BALANCE - OPEB</b>	-	-	12,570	29,420	28,810	30,930	6,360
<b>POTENTIAL FUTURE EXPENDITURES - LABOR CONT</b>	-	-	(37,808)	(37,808)	(37,808)	(37,808)	(37,808)
<b>PAYOUT OF GUDE REMEDIATION</b>	<b>707,000</b>	<b>456,000</b>	<b>18,329,000</b>	<b>7,847,815</b>	-	-	-
<b>CY GUDE REMEDIATION</b>	-	-	-	-	-	-	-
<b>PAYOUT OF CLOSURE COSTS (Non-CIP)</b>	<b>1,815,518</b>	<b>1,858,390</b>	<b>1,840,526</b>	<b>1,872,232</b>	<b>1,904,152</b>	<b>1,936,280</b>	<b>1,968,608</b>
<b>CY ACCRUED CLOSURE COSTS</b>	<b>(38,575)</b>	<b>(31,612)</b>	<b>(32,099)</b>	<b>(31,706)</b>	<b>(31,920)</b>	<b>(32,128)</b>	<b>(32,328)</b>
<b>SET ASIDE: FUTURE NEEDS</b>	<b>(84,842)</b>	<b>(84,842)</b>	<b>(84,842)</b>	<b>(84,842)</b>	-	-	-
<b>NET CHANGE</b>	<b>99,728</b>	<b>(12,869,630)</b>	<b>(11,465,057)</b>	<b>(2,844,527)</b>	<b>1,301,752</b>	<b>1,231,736</b>	<b>3,487,908</b>
<b>CASH POSITION</b>							
<b>ENDING CASH &amp; INVESTMENTS</b>							
Unrestricted Cash	65,982,619	52,218,368	20,316,518	9,058,127	7,288,955	8,043,494	9,739,283
Restricted Cash	30,884,328	32,485,985	33,014,812	33,752,001	35,197,486	36,182,269	36,254,862
<b>Subtotal Cash &amp; Investments</b>	<b>96,866,947</b>	<b>84,704,353</b>	<b>53,331,330</b>	<b>42,810,129</b>	<b>42,486,441</b>	<b>44,225,763</b>	<b>45,994,145</b>
<b>RESERVE &amp; LIABILITY REQUIREMENTS</b>							
Management Reserve	(25,156,921)	(26,266,415)	(26,779,724)	(28,001,713)	(29,556,033)	(30,468,408)	(30,468,408)
Debt Service Reserve	-	-	-	-	-	-	-
Future System Contingency Reserve	-	-	-	-	-	-	-
Research & Development Reserve	-	-	-	-	-	-	-
Renewal & Replacement Reserve	(4,356,771)	(4,426,044)	(4,497,303)	(4,569,261)	(4,641,453)	(4,713,861)	(4,786,454)
Stability Reserve	(1,370,636)	(1,793,526)	(1,737,784)	(1,181,027)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Subtotal Reserve Requirements</b>	<b>(30,884,328)</b>	<b>(32,485,985)</b>	<b>(33,014,812)</b>	<b>(33,752,001)</b>	<b>(35,197,486)</b>	<b>(36,182,269)</b>	<b>(36,254,862)</b>
Closure/Postclosure Liability	(14,422,354)	(12,595,577)	(10,787,151)	(9,007,553)	(7,196,249)	(5,353,025)	(3,477,673)
Gude Remediation Liability	(26,632,815)	(26,176,815)	(7,847,815)	(0)	(0)	(0)	(0)
Current Liabilities Not Including Debt/Closure	-	-	-	-	-	-	-
<b>Subtotal Reserve &amp; Liability Requirements</b>	<b>(71,939,497)</b>	<b>(71,258,377)</b>	<b>(51,649,778)</b>	<b>(42,759,554)</b>	<b>(42,393,735)</b>	<b>(41,535,294)</b>	<b>(39,732,535)</b>
<b>CASH &amp; INVESTMENTS OVER/(UNDER) RESERVE &amp; LIABILITY REQUIREMENTS</b>	<b>24,927,450</b>	<b>13,445,976</b>	<b>1,681,552</b>	<b>50,575</b>	<b>92,706</b>	<b>2,690,469</b>	<b>6,261,610</b>
<b>Net Assets</b>							
<b>ENDING NET ASSETS</b>							
Less: Reserve Requirements	(30,884,328)	(32,485,985)	(33,014,812)	(33,752,001)	(35,197,486)	(36,182,269)	(36,254,862)
<b>NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS</b>	<b>57,942,394</b>	<b>46,501,252</b>	<b>35,782,893</b>	<b>31,899,180</b>	<b>31,803,994</b>	<b>32,384,494</b>	<b>35,720,429</b>

## FY21 Solid Waste Service Charges

1. **Purpose** - To fund solid waste management services provided to residents and businesses in Montgomery County through service charges to all entities that benefit from such services.
2. **Classification of Service Charges** - There are five basic categories of service charges:

**Base Systems Benefit Charge** - Paid by all entities to cover costs of system administration, historical debt service, waste reduction, and “stand-by” disposal capacity.

**Incremental Systems Benefit Charge** - Paid by entities based on sector-specific services they receive (single-family homeowners pay for curbside recycling collection and processing, businesses pay for the commercial recycling program, etc.)

**Disposal Charges** - Paid as a service charge via the tax bill or at the Transfer Station by all entities who deliver solid waste to Montgomery County for disposal. At the Solid Waste Transfer Station, this charge is referred to as the “Tipping Fee” for accepting municipal solid waste for disposal.

**Leaf Vacuuming Charge** - Covers the cost of leaf vacuuming service provided in the Leaf Vacuuming District.

**Refuse Collection Charge** - Paid by homeowners who receive once weekly refuse collection service by County contractors.

3. **Implementation of Service Charges** - Service charges are collected from the various sectors in the following manner:

	<b>Base Systems Benefit</b>	<b>Incremental Systems Benefit</b>	<b>Disposal Charge</b>	<b>Leaf Vacuuming Charge</b>	<b>Refuse Collection Charge</b>
<b>Unincorporated Single-Family</b>	Via tax bill	Via tax bill	Via tax bill	Via tax bill to those serviced	Via tax bill to those serviced
<b>Incorporated Single-Family</b>	Via tax bill	Not applicable	Charged at Transfer Station	Not applicable	Not applicable
<b>Unincorporated Multi-family</b>	Via tax bill	Via tax bill	Charged at Transfer Station	Via tax bill to those serviced	Not applicable
<b>Incorporated Multi-family</b>	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
<b>Unincorporated Non-Residential</b>	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable
<b>Incorporated Non-Residential</b>	Via tax bill	Via tax bill	Charged at Transfer Station	Not applicable	Not applicable



FY21 SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING								
	Base Charge (\$/ton)	Billing Rate (tons/HH)	Disposal Charge	Base Systems Benefit Charge	Incremental Systems Benefit Charge	Refuse Collection Charge	Leaf Vacuuming Charge	Total Bill
Code Reference	48-32(a)(1)	x	48-32(c)(2)	48-8A(b)(2)(A)	48-8A(b)(2)(B)	48-29	48-47	=
<b>SUBDISTRICT A (Refuse Collection District)*</b>								
Inside Leaf Vacuuming District	\$ 60.00	0.84838	\$ 50.90	\$ 31.10	\$ 141.26	\$ 107.00	\$ 116.46	\$ 446.72
Outside Leaf Vacuuming District	\$ 60.00	0.84838	\$ 50.90	\$ 31.10	\$ 141.26	\$ 107.00		\$ 330.26
Incorporated				\$ 31.10				\$ 31.10
<b>SUBDISTRICT B SINGLE-FAMILY**</b>								
Incorporated				\$ 31.10				\$ 31.10
Inside Leaf Vacuuming District								
Unincorporated	\$ 60.00	0.84838	\$ 50.90	\$ 31.10	\$ 141.26		\$ 116.46	\$ 339.72
Outside Leaf Vacuuming District								
Unincorporated	\$ 60.00	0.84838	\$ 50.90	\$ 31.10	\$ 141.26			\$ 223.26
<b>MULTI-FAMILY RESIDENTIAL**</b>								
Incorporated				\$ 4.87	\$ 11.58			\$ 16.45
Unincorporated								
Outside Leaf Vacuuming District				\$ 4.87	\$ 11.58			\$ 16.45
Inside Leaf Vacuuming District				\$ 4.87	\$ 11.58		\$ 4.54	\$ 20.99
<b>NONRESIDENTIAL - \$/2,000 SQ. FT. ***</b>								
<b>Code Reference</b>								
Waste Generation Categories								
Low				\$ 87.59	\$ 34.71			\$ 122.30
Medium Low				\$ 262.77	\$ 104.12			\$ 366.89
Medium				\$ 437.94	\$ 173.54			\$ 611.48
Medium High				\$ -	\$ -			\$ -
High				\$ 788.29	\$ 312.37			\$ 1,100.66
<b>OTHER FY21 SOLID WASTE FEES</b>								
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")				\$ 60.00 /disposal ton				
Waste delivered for disposal <500 lb loads in privately owned and operated vehicles or trailers <1,000 capacity per Section 48-32(c)(2):				\$ 0.00/disposal ton				
				Solid Waste Service Charges (Section 48-32(a)(2)):				
				Paper and Commingled Containers			\$ 0.00 /ton	
				Solid Waste Service Charges (Section 48-32(b)(2)):				
				All Yard Trim received at the Transfer Station (weighing > 500 pounds/load)			\$ 46.00 /ton	
Waste delivered in open-top roll-off box		\$ 70.00 /disposal ton		Miscellaneous (48-31(f)):		Compost Bins		\$ 0.00 each

\* Note: Base Systems Benefit Charges are set to cover County Base Systems Costs net of Disposal Charges.

\*\* With respect to Base and Incremental Systems Benefit Charges, this category includes dwellings in buildings of six or fewer households.

\*\*\* The Nonresidential rate multiplied by the total number of 2,000 square foot units of enclosed area equals the nonresidential charge.

---

THIS PAGE INTENTIONALLY LEFT BLANK

**Comparison of Approved FY20 Solid Waste Service Charges  
and the County Executive's Recommended FY21 Charges**

<b>Charge</b>	<b>Approved FY20</b>	<b>Recommended FY21</b>	<b>% Change From FY20</b>
<b>SINGLE FAMILY</b>			
Base Systems Benefit Charge	\$20.97	\$31.10	48.3%
Incremental Systems Benefit Charge	\$140.77	\$141.26	0.3%
Disposal Fee	\$51.52	\$50.90	-1.2%
Leaf Vacuuming Charge	\$108.16	\$116.46	7.7%
Refuse Collection Charge	\$95.00	\$107.00	12.6%
<b>Total Charges, Households Receiving:</b>			
Recycling Collection Only	\$213.26	\$223.26	4.7%
Recycling and Leaf Collection	\$321.42	\$339.72	5.7%
Recycling and Refuse Collection	\$308.26	\$330.26	7.1%
Recycling, Leaf and Refuse Collection	\$416.42	\$446.72	7.3%
<b>MULTI-FAMILY</b>			
Base Systems Benefit Charge	\$4.39	\$4.87	10.9%
Incremental Systems Benefit Charge	\$11.67	\$11.58	-0.8%
Leaf Vacuuming Charge	\$4.26	\$4.54	6.6%
<b>Total Charges</b>			
Units inside Leaf Vacuuming District	\$20.32	\$20.99	3.3%
Units outside Leaf Vacuuming District	\$16.06	\$16.45	2.4%
<b>NONRESIDENTIAL</b>			
<b>(by waste generation category per 2,000 sq. feet of gross floor area)</b>			
Low	\$119.23	\$122.30	2.6%
Medium Low	\$357.67	\$366.89	2.6%
Medium	\$596.13	\$611.48	2.6%
Medium High	\$0.00	\$0.00	n/a
High	\$1,073.02	\$1,100.66	2.6%
<b>TIPPING FEES</b>			
Refuse (weighing >500 lbs per load)	\$60.00	\$60.00	0.0%
Refuse (weighing 500 lbs per load or less)	\$0.00	\$0.00	0.0%
Refuse in Open Top Containers	\$70.00	\$70.00	0.0%
All Yard Trim (weighing >500 lbs per load)	\$46.00	\$46.00	0.0%
All Yard Trim (weighing 500 lbs per load or less)	\$0.00	\$0.00	0.0%
Other Recyclables	\$0.00	\$0.00	0.0%