



Committee: PS
Committee Review: Completed
Staff: Naeem M. Mia, Legislative Analyst
Purpose: Final action – vote expected
Keywords: #ABS #RetailRefreshCIP

AGENDA ITEM #5
 May 11, 2022
Action

SUBJECT

Alcohol and Beverage Services (ABS) - FY23 Operating Budget
 ABS Retail Refresh CIP – FY23-28 Capital Improvements Program (CIP)

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

Liquor Control	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
	\$66,348,075	\$68,265,868	2.9%
Personnel Costs	\$38,470,464 443.80 FTEs	\$39,171,651 428.80 FTEs	1.8% - 15.0 FTEs
Operating Costs	\$16,795,811	\$19,112,477	13.8%
Capital Outlay	\$250,800	\$1,120,800	346.9%
Debt Service	\$10,831,000	\$8,860,04	-18.2%
Total Expenditures (All Funds)	\$66,348,075 443.80 FTEs	\$68,265,868 428.80 FTEs	2.9% -3.4%

COMMITTEE RECOMMENDATIONS

- Approve 3-0 as recommended by Council staff
- Council staff concurs with the County Executive’s recommended operating budget and the FY23-28 recommended capital budget for the ABS Retail Refresh CIP

SUMMARY OF KEY ISSUES

- None

This report contains:

Staff Report

Pages 1-4

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MEMORANDUM

April 18, 2022

TO: Public Safety (PS) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **FY23 Recommended Operating Budget – Alcohol and Beverage Services (ABS)**

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- Kathie Durbin, Director, ABS
- John Utermohle, Chief of Administrative Services, ABS
- Kent Massie, Chief of Retail Operations, ABS
- Courtney Orsini, Management and Budget Specialist, ABS
- Estela Boronat de Gomes, Fiscal and Policy Analyst, Office of Management and Budget (OMB)

A. Staff Recommendation

- 1) Approve the Executive’s Recommended FY23 Operating Budget request for ABS.

B. Fiscal Summary

Liquor Control	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
	\$66,348,075	\$68,265,868	2.9%
Personnel Costs	\$38,470,464 443.80 FTEs	\$39,171,651 428.80 FTEs	1.8% - 15.0 FTEs
Operating Costs	\$16,795,811	\$19,112,477	13.8%
Capital Outlay	\$250,800	\$1,120,800	346.9%
Debt Service	\$10,831,000	\$8,860,04	-18.2%
Total Expenditures (All Funds)	\$66,348,075 443.80 FTEs	\$68,265,868 428.80 FTEs	2.9% -3.4%

Major Cost Changes (with service impact):

- New Retail Point-of-Sale System (+ \$2,000,000)
- Six New Delivery Trucks (+ \$900,000)

Major Cost Changes (with no service impact):

- New Material Handling Equipment (+ \$120,000)
- Risk Management Adjustment (+ \$271,621)
- Retail Store Leases (+ \$257,282)
- Information Technology Contracts (+ \$222,451)
- Debt Service (- \$1,970,060)
- Annualization of FY22 Compensation Increases (+ \$883,824)
- FY23 Compensation Adjustment (+ \$766,922)

C. Major Budget Items for FY23

1) New Retail Point-of-Sale System (+ \$2.0M)

ABS is negotiating the purchase of a new computer system with Microsoft Dynamics 365 for approximately \$3.1M. In the last two budgets (FY21 and FY22), \$1.1M was allocated for this purpose, as this estimate was completed ahead of receiving any responses to the solicitation for these services. Therefore, ABS is requesting a \$2M FY23 budget enhancement to purchase the new Point of Sales software, hardware, and service.

2) Six New Delivery Trucks (+ \$900K)

The original delivery truck replacement plan to replace 40 trucks over six fiscal years was slated to begin in the FY18 as shown below. Due to the FY19 savings plan and subsequent budget cycles, ABS has only replaced a portion of the vehicles due for replacement. As such, the department is “catching up” in FY23 with six new replacements; the estimated cost per new truck is \$150,000.

<u>Calendar Year</u>	<u>Planned Purchase</u>	<u>Actual Purchased</u>
2017	16	10
2018	6	6
2019	4	1
2020	5	1
2021	5	0
2022	4	1
Total - FY17 - FY23:	<u>40</u>	<u>19</u>

3) New Material Handling Equipment (+ \$120,000)

Three forklifts are currently beyond their useful life and are due for replacement. The cost of a new forklift is \$40,000.

4) Risk Management Adjustment (+ \$271,621)

ABS' share of the FY23 Self-Insurance Fund (SIF) includes all expenses including support contracts, commercial insurance, self-insured expected losses and all related operational expenses. The contributions stayed flat from FY21 in FY22 to reduce the burden on all agencies during a period of uncertainty, so the FY23 increase is essentially a two-year "catch-up" increase. With business returning to normal and the anticipated increased costs for commercial insurance in FY23, the ABS share has increased.

5) Retail Store Leases (+ \$257,282)

The cost of leases at 26 retail locations is increasing from a total of \$7,054,705 to \$7,311,987 (or 3.65%).

6) Information Technology Contracts (+ \$222,451)

IT contracts have increased significantly, from \$20,809 in FY22 to \$243,261 in FY23. Approximately \$233,000 of the \$243,261 increase is due to periodic, one-time license renewal costs that are paid once every 2 to 5 years.

7) Debt Service (- \$1,970,060)

Series 2011 and 2013 bonds were refinanced in FY21 resulting in reduced debt service costs.

D. General Fund Transfers – FY18 to FY23 (for reference)

Fiscal Year	Indirect Cost	General Fund Transfer	Total Transfers
FY23 Recommended	3,917,233	31,000,000	34,917,233
FY22 Estimated	3,853,071	27,926,172	31,779,243
FY21 Final	3,747,981	27,926,172	31,674,153
FY20 Final	3,625,919	26,474,980	30,100,899
FY19 Final	3,495,654	22,975,809	26,471,463
FY18 Final	3,495,951	21,163,320	24,659,271

E. Sales by Retail Store – FY18 to FY21 (for reference)

Final sales revenues (from FY19 to FY21) for each retail location is found on Circle 11. Only full-year data is included. FY22 actuals will be available in summer 2022.

This packet contains:

	<u>Circle Page #</u>
1. Department Page from FY23 Recommended Operating Budget Book	1-10
2. Sales by Retail Store – FY18 to FY21	11



Alcohol Beverage Services

RECOMMENDED FY23 BUDGET

\$68,265,868

FULL TIME EQUIVALENTS

428.80

 KATHIE DURBIN, DIRECTOR

MISSION STATEMENT

The mission of Alcohol Beverage Services (ABS) is to provide licensing, wholesale and retail sales of beverage alcohol products, enforcement, and effective education and training programs, while promoting moderation and responsible behavior in all phases of distribution and consumption. The Department diligently promotes, enforces, and obeys all laws and regulations governing beverage alcohol while generating revenue for the benefit of Montgomery County's General Fund. The Department strives to provide its customers with the added benefits inherent in the oversight provided by the Montgomery County Government.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Alcohol Beverage Services is \$68,265,868, an increase of \$1,917,793 or 2.89 percent from the FY22 Approved Budget of \$66,348,075. Personnel Costs comprise 57.38 percent of the budget for 334 full-time position(s) and 127 part-time position(s), and a total of 428.80 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 42.62 percent of the FY23 budget.

In FY23, Alcohol Beverage Services will transfer \$35 million to the General Fund and make \$8.9 million in debt service payments on Liquor Control Revenue Bonds for a total contribution of \$43.8 million.

The above projections and proposed expenditures form the basis for working capital decisions concerning the ABS Enterprise Fund.

The following information is provided to facilitate County Council and public input for final County Executive decisions on the determination of adequate working capital within, and use of resources in, the Liquor Enterprise Fund and net proceeds to be deposited to the General Fund. Consistent with Article 2B, Section 15-207, the County Executive must make resource allocation decisions for the Fund.

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:

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- ◆ **A Greener County**
 - ◆ **Effective, Sustainable Government**
 - ◆ **Safe Neighborhoods**
 - ◆ **A Growing Economy**

INITIATIVES

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

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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

PROGRAM CONTACTS

Contact Courtney Orsini of the Alcohol Beverage Services at 240.777.1921 or Estela Boronat de Gomes of the Office of Management and Budget at 240.777.2785 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 FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

PROGRAM DESCRIPTIONS

★ Administration

The Administration Program provides comprehensive leadership for the department including strategic planning, policy development and implementation, accountability, maintenance of partnerships with non-governmental service providers, and human resource management. This program also provides all accounting, financial, procurement, and information technology services for the department. Finance and accounting staff perform special analyses, reporting, and preparation and monitoring of the department's budget, as well as oversight of procurement, and contract management. Information and technology staff provide the design, operation, maintenance, and protection of all information technology initiatives for the department.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Total sales overall	\$304,492,379	\$303,901,776	\$303,947,986	\$305,467,725	\$306,995,065
Transfer to General Fund	\$26,474,980	\$27,926,172	\$28,000,000	\$31,000,000	\$31,000,000
Gross profit	\$95,300,046	\$93,186,736	\$97,109,283	\$99,051,469	\$99,794,355
Average licensee satisfaction score from annual survey (scale of 1-5) ¹	3.7	3.6	3.7	3.7	3.8

¹ The Annual Licensee Customer Satisfaction Survey (FY18-FY21) has had a response rate of 8-11%. The Department has committed to increasing the response rate through active outreach to licensees in FY22-FY23.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	16,506,306	23.20
Enhance: New Retail Point of Sale System	2,000,000	0.00
Increase Cost: IT Contracts	222,451	0.00
Decrease Cost: Debt Service	(1,970,060)	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.	(2,240,269)	1.00
FY23 Recommended	14,518,428	24.20

Delivery Operations

This program includes the distribution of distilled spirits, wine, and beer to licensed establishments and County retail stores.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of unique licensees affected by a delivery discrepancy (monthly average) - licensees only	418	479	450	425	400
Number of unique licensees affected by a delivery discrepancy of stock items (monthly average) - licensees only	381	441	400	375	350
Number of unique licensees affected by a delivery discrepancy of special order items (monthly average) - licensees only	179	203	200	175	150
Percent of items shipped on time and intact - licensees only	97.8%	96.1%	98.0%	98.0%	99.0%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,602,136	77.00
Enhance: Six New Delivery Trucks	900,000	0.00
Decrease Cost: Mid-Year Abolishment - Pooled Truck Driver	0	(3.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(565,043)	2.23
FY23 Recommended	6,937,093	76.23

Licensure, Regulation and Education

This program includes issuance of beverage alcohol licenses; inspecting and investigating licensed facilities to ensure compliance with all applicable laws, rules, and regulations; and serving as support staff and providing expert testimony at hearings for issuance, fining, suspension, or revocation of licenses. This program also encompasses community partnerships by defining issues and strategies, and monitoring efforts with various agencies, departments, civic organizations, businesses, and individuals to provide and coordinate innovative programs and measures to ensure safe and vibrant communities relative to the service and consumption of beverage alcohol.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of annual alcohol compliance checks to minors (under 21) ¹	88	0	400	400	400
Number of licensed business inspections	333	3,707	4,000	4,000	4,000
Number of valid licensed businesses registered with ABS	1,028	1,033	1,045	1,045	1,045
Percent of licensees that fail compliance checks (Number of establishments that fail / Number of total compliance checks)	26.0%	0.0%	20.0%	20.0%	20.0%
Rating of licensed businesses satisfied with ALERT training (scale of 1-5)	4.8	4.9	5.0	5.0	5.0
Rating of licensees satisfied with Licensing Application Process (scale of 1-5)	4.8	4.9	5.0	5.0	5.0

¹ Decreases in FY20-21 are due to the limited in-person dining and on-premise alcohol sales caused by the COVID-19 virus.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	1,881,239	10.39
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	18,487	0.00
FY23 Recommended	1,899,726	10.39

Marketing

This program leads the marketing efforts for the department, including design and branding, advertising, internal and external communications, events, and promotions.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	700,859	2.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(29,992)	0.00
FY23 Recommended	670,867	2.00

Retail Sales Operations

This program oversees sales of distilled spirits, wine, and beer to retail customers and licensees through the operation of retail stores that are located throughout Montgomery County.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Total retail stores sales	\$139,790,523	\$137,680,088	\$139,563,892	\$140,959,531	\$141,664,328
Same store sales year over year	\$139,790,523	\$137,680,088	\$139,563,892	\$140,959,531	\$141,664,328
Average licensee satisfaction score from annual survey - Retail Operations (scale of 1-5) ¹	3.7	3.7	3.7	3.7	3.8

¹ The Annual Licensee Customer Satisfaction Survey (FY18-FY21) has had a response rate of 8-11%. The Department has committed to increasing the response rate through active outreach to licensees in FY22-FY23.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	30,623,740	229.98
Increase Cost: Retail Store Leases	257,282	0.00
Technical Adj: Midyear Position Adjustment	0	1.00
Decrease Cost: Flex Clerk Conversions	(765,031)	(13.00)

FY23 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	3,016,411	(1.00)
FY23 Recommended	33,132,402	216.98

☀ Warehouse Operations

This program involves management of the County's beverage alcohol warehouse and includes the purchase, receipt, and storage of over 35,000 different stock and special order items.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Percent of shipped items returned	0.6%	0.5%	0.5%	0.5%	0.5%
Percent of items shipped on time and intact - stock products - licensees only	97.9%	96.1%	98.0%	98.0%	99.0%
Percent of items shipped on time and intact - special order products - licensees only	95.9%	96.7%	97.0%	97.0%	98.0%
Average licensee satisfaction score from annual survey - Wholesale Operations (scale of 1-5) ¹	3.8	3.8	3.8	3.8	3.9

¹ The Annual Licensee Customer Satisfaction Survey (FY18-FY21) has had a response rate of 8-11%. The Department has committed to increasing the response rate through active outreach to licensees in FY22-FY23.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	10,033,795	101.23
Increase Cost: New Material Handling Equipment	120,000	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.	953,557	(2.23)
FY23 Recommended	11,107,352	99.00

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
LIQUOR CONTROL					
EXPENDITURES					
Salaries and Wages	29,577,132	28,543,742	26,822,337	29,147,659	2.1 %
Employee Benefits	9,108,989	9,926,722	9,177,202	10,023,992	1.0 %
Liquor Control Personnel Costs	38,686,121	38,470,464	35,999,539	39,171,651	1.8 %
Operating Expenses	20,024,119	16,795,811	17,914,425	19,112,477	13.8 %
Capital Outlay	866,281	250,800	250,800	1,120,800	346.9 %
Debt Service Other	8,704,806	10,831,000	9,237,460	8,860,940	-18.2 %
Liquor Control Expenditures	68,281,327	66,348,075	63,402,224	68,265,868	2.9 %
PERSONNEL					
Full-Time	312	332	332	334	0.6 %
Part-Time	144	130	130	127	-2.3 %
FTEs	442.50	443.80	443.80	428.80	-3.4 %
REVENUES					
Bag Tax	6,687	0	0	0	—

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Investment Income	14,379	91,900	11,790	70,380	-23.4 %
Liquor Licenses	137,820	1,206,955	1,206,955	1,206,955	—
Liquor Sales	95,978,072	99,717,348	97,109,283	99,051,469	-0.7 %
Miscellaneous Revenues	1,006,842	0	0	0	—
Other Charges/Fees	716	23,887	23,887	23,887	—
Other Fines/Forfeitures	52,834	63,383	63,383	63,383	—
Other Licenses/Permits	61,801	117,600	117,600	117,600	—
Liquor Control Revenues	97,259,151	101,221,073	98,532,898	100,533,674	-0.7 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	3,764	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	3,764	0	0	0	—
Operating Expenses	156,410	0	0	0	—
Grant Fund - MCG Expenditures	160,174	0	0	0	—

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

REVENUES

Federal Grants	160,174	0	0	0	—
Grant Fund - MCG Revenues	160,174	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	68,441,501	66,348,075	63,402,224	68,265,868	2.9 %
Total Full-Time Positions	312	332	332	334	0.6 %
Total Part-Time Positions	144	130	130	127	-2.3 %
Total FTEs	442.50	443.80	443.80	428.80	-3.4 %
Total Revenues	97,419,325	101,221,073	98,532,898	100,533,674	-0.7 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
LIQUOR CONTROL		
FY22 ORIGINAL APPROPRIATION	66,348,075	443.80
<u>Changes (with service impacts)</u>		
Enhance: New Retail Point of Sale System [Administration]	2,000,000	0.00
Enhance: Six New Delivery Trucks [Delivery Operations]	900,000	0.00

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY22 Compensation Increases	883,824	0.00
Increase Cost: FY23 Compensation Adjustment	766,922	0.00
Increase Cost: Risk Management Adjustment	271,621	0.00
Increase Cost: Retail Store Leases [Retail Sales Operations]	257,282	0.00
Increase Cost: IT Contracts [Administration]	222,451	0.00
Increase Cost: New Material Handling Equipment [Warehouse Operations]	120,000	0.00
Increase Cost: Motor Pool Adjustment	85,340	0.00
Increase Cost: Annualization of FY22 Personnel Costs	53,166	0.00
Increase Cost: Printing and Mail Adjustment	18,782	0.00
Decrease Cost: Mid-Year Abolishment - Pooled Truck Driver [Delivery Operations]	0	(3.00)
Technical Adj: Midyear Position Adjustment [Retail Sales Operations]	0	1.00
Decrease Cost: Elimination of One-Time Items Approved in FY22	(150,000)	0.00
Decrease Cost: Retirement Adjustment	(237,694)	0.00
Decrease Cost: OPEB Adjustment	(538,810)	0.00
Decrease Cost: Flex Clerk Conversions [Retail Sales Operations]	(765,031)	(13.00)
Decrease Cost: Debt Service [Administration]	(1,970,060)	0.00
FY23 RECOMMENDED	68,265,868	428.80

PROGRAM SUMMARY

Program Name	FY22 APPR Expenditures	FY22 APPR FTEs	FY23 REC Expenditures	FY23 REC FTEs
Administration	16,506,306	23.20	14,518,428	24.20
Delivery Operations	6,602,136	77.00	6,937,093	76.23
Licensure, Regulation and Education	1,881,239	10.39	1,899,726	10.39
Marketing	700,859	2.00	670,867	2.00
Retail Sales Operations	30,623,740	229.98	33,132,402	216.98
Warehouse Operations	10,033,795	101.23	11,107,352	99.00
Total	66,348,075	443.80	68,265,868	428.80

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
LIQUOR CONTROL						
EXPENDITURES						
FY23 Recommended	68,266	68,266	68,266	68,266	68,266	68,266
No inflation or compensation change is included in outyear projections.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
Elimination of One-Time Items Recommended in FY23	0	(3,815)	(3,815)	(3,815)	(3,815)	(3,815)
Items recommended for one-time funding in FY23, including Retail Point of Sale System, New Delivery Trucks, and New Material Handling Equipment, will be eliminated from the base in the outyears.						
Debt Service	0	(207)	(269)	(622)	965	963
Debt service estimates include Liquor Control Revenue Bonds, Master Lease Agreements for Forklifts, Delivery Trucks, and ERP system.						
Labor Contracts	0	2,249	2,249	2,249	2,249	2,249
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	68,266	66,493	66,431	66,078	67,665	67,663

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Alcohol Beverage Services					
FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 CE Recommended	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	4.0%	3.3%	2.5%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.1%	0.6%	1.1%	1.3%	1.5%	1.5%	1.5%
BEGINNING FUND BALANCE	18,614,396	19,067,854	15,528,774	11,573,803	8,362,163	5,790,886	419,227
REVENUES							
Taxes	0	0	0	0	0	0	0
Licenses & Permits	1,324,555	1,324,555	1,357,802	1,390,796	1,424,036	1,456,932	1,489,276
Charges For Services	23,887	23,887	24,487	25,082	25,681	26,274	26,857
Fines & Forfeitures	63,383	63,383	64,974	66,553	68,144	69,718	71,266
Miscellaneous	97,121,073	99,121,849	101,124,618	103,148,778	105,213,481	107,319,555	109,467,805
Subtotal Revenues	98,532,898	100,533,674	102,571,881	104,631,209	106,731,342	108,872,479	111,055,204
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(31,779,243)	(34,917,233)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)	(35,142,142)
Indirect Costs	(3,853,071)	(3,917,233)	(4,142,142)	(4,142,142)	(4,142,142)	(4,142,142)	(4,142,142)
Earnings Transfer	(27,926,172)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)	(31,000,000)
TOTAL RESOURCES	85,368,051	84,684,295	82,958,513	81,062,871	79,951,363	79,521,223	76,332,289
CIP CURRENT REVENUE APPROP.							
	(3,052,000)	(522,000)	(2,720,000)	(1,783,000)	(1,213,000)	(2,144,000)	(2,200,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(54,164,764)	(59,404,928)	(61,576,804)	(63,891,902)	(66,273,971)	(68,697,490)	(71,153,635)
Debt Service: Other (Non-Tax Funds only)	(9,237,460)	(8,860,940)	(8,653,590)	(8,591,490)	(8,239,190)	(9,826,190)	(9,824,240)
Labor Agreement	n/a	0	(2,249,096)	(2,249,096)	(2,249,096)	(2,249,096)	(2,249,096)
Annualizations and One-Time	n/a	n/a	3,814,780	3,814,780	3,814,780	3,814,780	3,814,780
Subtotal PSP Oper Budget Approp / Exp's	(63,402,224)	(68,265,868)	(68,664,710)	(70,917,708)	(72,947,477)	(76,957,996)	(79,412,191)
OTHER CLAIMS ON FUND BALANCE	154,027	(367,653)	0	0	0	0	0
TOTAL USE OF RESOURCES	(66,300,197)	(69,155,521)	(71,384,710)	(72,700,708)	(74,160,477)	(79,101,996)	(81,612,191)
YEAR END FUND BALANCE	19,067,854	15,528,774	11,573,803	8,362,163	5,790,886	419,227	(5,279,902)
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	22.3%	18.3%	14.0%	10.3%	7.2%	0.5%	-6.9%
Assumptions:							
1. These projections are based on the Executive's recommended budget. The projected future expenditures, revenues and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.							
2. Fund Balance policy equals one month's operating expenses, one payroll, and \$1,500,000 for inventory in cash balance.							
3. operating expenditures grow with CPI. Revenues projections reflect ABS gross profit forecast.							
4. Other claims on fund balance include the OPEB liability 5 year allocation in FY20-FY23.							

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#	Retail Store	FY18 Sales	FY19 Sales	FY20 Sales	FY21 Sales	% of Total Retails Sales (FY21)
1	Montrose- Rockville	7,784,792	8,716,170	9,825,227	9,484,719	6.9%
2	Westwood-Bethesda	7,889,314	8,030,867	9,017,079	8,780,354	6.4%
3	Muddy Branch- Gaithersburg	6,120,537	6,414,020	6,981,193	6,878,588	5.0%
4	Darnestown- Gaithersburg	6,349,576	6,477,373	7,398,917	6,705,610	4.9%
5	Potomac	6,411,067	6,126,100	7,253,981	7,621,378	5.5%
6	Kensington	6,556,998	6,564,045	7,212,186	7,361,808	5.3%
7	Seneca Meadows- Germantown	4,354,337	6,451,199	7,159,633	7,198,297	5.2%
8	Hampden Lane- Bethesda	5,626,221	5,864,410	6,256,824	6,588,424	4.8%
9	Downtown Rockville	3,527,585	4,942,053	5,723,634	5,846,558	4.2%
10	Silver Spring	5,514,583	5,260,810	5,299,785	4,601,312	3.3%
11	Goshen Crossing- Gaithersburg	5,165,637	5,376,430	6,127,309	6,108,763	4.4%
12	Kingsview- Germantown	4,999,720	5,224,788	5,930,106	6,175,961	4.5%
13	Olney	5,094,971	5,003,833	5,507,351	5,225,931	3.8%
14	Aspen Hill- Silver Spring	3,629,439	3,956,794	5,036,290	5,223,956	3.8%
15	Walnut Hill- Gaithersburg	4,251,573	4,454,102	4,901,872	4,977,555	3.6%
16	Wheaton	4,208,686	4,225,185	4,584,345	4,333,465	3.1%
17	White Oak- Silver Spring	4,262,228	4,392,159	4,629,319	4,024,453	2.9%
18	Clarksburg	3,155,700	3,647,363	4,256,706	4,489,766	3.3%
19	Leisure World- Silver Spring	4,008,827	3,991,085	4,383,857	4,489,629	3.3%
20	Fallsgrove- Shady Grove	3,989,545	4,091,101	4,327,948	3,994,949	2.9%
21	Burtonsville	3,535,321	3,613,738	3,941,401	3,486,327	2.5%
22	Cabin John- Potomac	4,640,748	4,846,907	3,796,610	3,918,727	2.8%
23	Cloverly- Silver Spring	3,429,016	3,347,581	3,701,711	3,647,463	2.6%
24	King Farm- Rockville	2,810,912	3,062,020	3,236,929	3,160,134	2.3%
25	Flower Avenue- Silver Spring	2,590,573	2,546,323	2,858,245	2,420,728	1.8%
26	Poolesville	-	-	117,090	935,239	0.7%
		119,907,906	126,626,456	139,465,548	137,680,094	100.0%