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# Utilities

## 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.

## HIGHLIGHTS

The County owns, operates, and/or maintains 412 facilities totaling 9,759,852 square feet. The Department of General Services manages the payment for 1,321 separately metered utility accounts for these facilities. The Utilities non-departmental account (NDA) budget funds 804 of these accounts, in addition to 68,426 streetlights, and 832 traffic-controlled signalized intersections.

## BUDGET OVERVIEW

The FY16 Recommended Budget for the tax supported Utilities non-departmental account (NDA) is \$25,621,891 an increase of \$387,758 or 1.5 percent from the FY15 Approved Budget of \$25,234,133. Allocation of these utilities expenditures is approximately: electricity, 85.4 percent; natural gas, 7.0 percent; water and sewer, 6.5 percent; and fuel oil, 0.8 percent, and propane, 0.2 percent.

The FY16 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 not supported by taxes, but through user fees or charges for services.

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 \$74,311,947 which includes the entire bi-county area of WSSC.

The FY16 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$25,621,891) and the other tax supported funds (\$3,710,379), is \$29,332,270, an increase of \$1,266,265 or approximately 4.5 percent from the FY15 Approved utilities budget. The FY16 Recommended budget for non-tax supported utilities expenditures is \$5,325,559, no change from the FY15 Approved Budget.

In both the tax and non-tax supported funds, utilities expenditures result primarily from higher commodity unit costs due to market price fluctuations; greater consumption due to new facilities or services; 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, and energy and HVAC management systems) are assumed to offset increased utility consumption for new facilities and higher 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 Interagency Committee on Energy and Utilities Management (ICEUM) also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY15 Budget.

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.

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## **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 non-departmental account.

### ***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 citizen centers.

### ***Urban Districts***

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services Centers.

## **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 not appropriated directly but in the budgets of other departments.

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 funds 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-owned and contractor-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.

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## **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.

## **LINKAGE TO COUNTY RESULT AREAS**

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Safe Streets and Secure Neighborhoods***

## **PROGRAM CONTACTS**

Contact Angela Dizelos of the Utilities at 240.777.6028 or Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

## **PROGRAM DESCRIPTIONS**

### ***Utilities (for All General Fund Departments)***

The Utilities non-departmental account provides the General Fund utilities operating expense appropriations for the facilities maintained by the Department of General Services and the Department of Transportation. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

## BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% 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	24,499,868	25,234,133	25,234,133	25,621,891	1.5%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>24,499,868</b>	<b>25,234,133</b>	<b>25,234,133</b>	<b>25,621,891</b>	<b>1.5%</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	—
<b>GRANT FUND MCG</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Grant Fund MCG Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	0	0	0	0	—
Capital Outlay	0	0	0	0	—
<b>Grant Fund MCG Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</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	—
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>24,499,868</b>	<b>25,234,133</b>	<b>25,234,133</b>	<b>25,621,891</b>	<b>1.5%</b>
<b>Total Full-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total FTEs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>—</b>
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>

## FY16 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY15 ORIGINAL APPROPRIATION</b>	<b>25,234,133</b>	<b>0.00</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Renewable Energy	222,798	0.00
Increase Cost: Due to unit costs and consumption changes	113,184	0.00
Increase Cost: New buildings opening	56,604	0.00
Decrease Cost: ESCO Utility Savings	-4,828	0.00
<b>FY16 RECOMMENDED:</b>	<b>25,621,891</b>	<b>0.00</b>

# FUTURE FISCAL IMPACTS

Title	CE REC. FY16	FY17	FY18	(\$000's) FY19	FY20	FY21
<b>This table is intended to present significant future fiscal impacts of the department's programs.</b>						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY16 Recommended</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>
No inflation or compensation change is included in outyear projections.						
<b>Subtotal Expenditures</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>	<b>25,622</b>



<b>COUNTY UTILITIES EXPENDITURES</b>						
<b>EXPENDITURES BY DEPARTMENT/AGENCY</b>						
	<b>ACTUAL FY13</b>	<b>ACTUAL FY14</b>	<b>APPROVED FY15</b>	<b>RECOMMENDED FY16</b>	<b>CHANGE BUD/APPR</b>	<b>% CHANGE REC/APPR</b>
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>						
<b>NON-DEPARTMENTAL ACCOUNT</b>						
Facilities	13,487,035	15,372,911	15,061,601	16,449,359	1,387,758	9.2%
Traffic Signals and Streetlighting	9,193,413	9,126,957	10,172,532	9,172,532	(1,000,000)	-9.8%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>22,680,448</b>	<b>24,499,868</b>	<b>25,234,133</b>	<b>25,621,891</b>	<b>387,758</b>	<b>1.5%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>						
Transit Services	73,694	291,007	91,730	276,200	184,470	201.1%
Recreation	2,755,137	3,116,581	2,740,142	3,434,179	694,037	25.3%
<b>SUBTOTAL</b>	<b>2,828,831</b>	<b>3,407,588</b>	<b>2,831,872</b>	<b>3,710,379</b>	<b>878,507</b>	<b>31.0%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>25,509,279</b>	<b>27,907,456</b>	<b>28,066,005</b>	<b>29,332,270</b>	<b>1,266,265</b>	<b>4.5%</b>
<b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>						
Fleet Management Services	1,069,366	1,350,157	1,630,392	1,630,392	0	0.0%
Parking Districts	2,183,187	2,299,158	2,598,489	2,598,489	0	0.0%
Liquor Control	852,105	899,856	865,810	865,810	0	0.0%
Solid Waste Services	132,380	156,874	230,868	230,868	0	0.0%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,237,038</b>	<b>4,706,045</b>	<b>5,325,559</b>	<b>5,325,559</b>	<b>0</b>	<b>0.0%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>						
<b>TOTAL TAX SUPPORTED</b>	<b>25,509,279</b>	<b>27,907,456</b>	<b>28,066,005</b>	<b>29,332,270</b>	<b>1,266,265</b>	<b>4.5%</b>
<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,237,038</b>	<b>4,706,045</b>	<b>5,325,559</b>	<b>5,325,559</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL COUNTY GOVERNMENT</b>	<b>29,746,317</b>	<b>32,613,501</b>	<b>33,391,564</b>	<b>34,657,829</b>	<b>1,266,265</b>	<b>3.8%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>						
Montgomery County Public Schools	35,779,753	39,444,381	35,692,609	38,802,112	3,109,503	8.7%
Montgomery College	7,096,728	6,992,988	7,613,648	7,840,755	227,107	3.0%
Washington Suburban Sanitary Commission	23,062,585	24,934,389	23,246,536	23,783,400	536,864	2.3%
M-NCPPC	2,819,826	2,915,931	3,969,940	3,885,680	(84,260)	-2.1%
<b>TOTAL OTHER AGENCIES EXPENDITURES</b>	<b>68,758,892</b>	<b>74,287,689</b>	<b>70,522,733</b>	<b>74,311,947</b>	<b>3,789,214</b>	<b>5.4%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>98,505,209</b>	<b>106,901,190</b>	<b>103,914,297</b>	<b>108,969,776</b>	<b>5,055,479</b>	<b>4.9%</b>

<b>COUNTY UTILITIES EXPENDITURES</b>						
<b>EXPENDITURES BY ENERGY SOURCE</b>						
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>APPROVED</b>	<b>RECOMMENDED</b>	<b>CHANGE</b>	<b>% CHANGE</b>
	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>BUDGET/REC</b>	<b>BUDGET/REC</b>
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>						
<b>NON-DEPARTMENTAL ACCOUNT</b>						
Electricity	19,560,557	20,756,510	21,490,160	21,821,289	331,129	1.5%
Water & Sewer	1,528,193	1,630,635	1,676,271	1,701,615	25,344	1.5%
Fuel Oil	83,127	132,406	210,000	213,171	3,171	1.5%
Natural Gas	1,478,902	1,928,192	1,797,702	1,824,910	27,208	1.5%
Propane	29,669	52,125	60,000	60,906	906	1.5%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>22,680,448</b>	<b>24,499,868</b>	<b>25,234,133</b>	<b>25,621,891</b>	<b>387,758</b>	<b>1.5%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>						
Electricity	1,805,671	2,126,218	1,832,172	2,437,831	605,659	33.1%
Water & Sewer	472,923	539,650	360,090	525,138	165,048	45.8%
Fuel Oil	81,133	78,790	0	96,521	96,521	#DIV/0!
Natural Gas	437,411	590,644	639,610	591,314	(48,296)	-7.6%
Propane	31,693	72,286	0	59,575	59,575	#DIV/0!
<b>SUBTOTAL</b>	<b>2,828,831</b>	<b>3,407,588</b>	<b>2,831,872</b>	<b>3,710,379</b>	<b>878,507</b>	<b>0.0%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>25,509,279</b>	<b>27,907,456</b>	<b>28,066,005</b>	<b>29,332,270</b>	<b>1,266,265</b>	<b>4.5%</b>
<b>NON-TAX SUPPORTED OPERATIONS</b>						
Electricity	3,762,544	4,188,447	4,685,740	4,685,740	0	0.0%
Water & Sewer	99,596	107,825	186,590	186,590	0	0.0%
Fuel Oil	0	2,918	0	0	0	#DIV/0!
Natural Gas	374,898	406,855	452,189	452,189	0	0.0%
Propane	0	0	1,040	1,040	0	0.0%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,237,038</b>	<b>4,706,045</b>	<b>5,325,559</b>	<b>5,325,559</b>	<b>0</b>	<b>0.0%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>						
Electricity	25,128,772	27,071,175	28,008,072	28,944,860	936,788	3.3%
Water & Sewer	2,100,712	2,278,110	2,222,951	2,413,343	190,392	8.6%
Fuel Oil	164,260	214,114	210,000	309,692	99,692	47.5%
Natural Gas	2,291,211	2,925,691	2,889,501	2,868,413	(21,088)	-0.7%
Propane	61,362	124,411	61,040	121,521	60,481	99.1%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>29,746,317</b>	<b>32,613,501</b>	<b>33,391,564</b>	<b>34,657,829</b>	<b>1,266,265</b>	<b>3.8%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>						
Electricity	56,244,835	62,598,187	56,767,657	59,467,772	2,700,115	4.8%
Water & Sewer	4,496,191	3,567,374	5,058,360	5,488,149	429,789	8.5%
Fuel Oil	289,160	231,536	351,100	319,734	(31,366)	-8.9%
Natural Gas	7,540,076	7,674,647	8,083,160	8,735,268	652,108	8.1%
Propane	188,630	215,945	262,456	301,024	38,568	14.7%
<b>SUBTOTAL</b>	<b>68,758,892</b>	<b>74,287,689</b>	<b>70,522,733</b>	<b>74,311,947</b>	<b>3,789,214</b>	<b>5.4%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>						
Electricity	81,373,607	89,669,362	84,775,729	88,412,632	3,636,903	4.3%
Water & Sewer	6,596,903	5,845,484	7,281,311	7,901,492	620,181	8.5%
Fuel Oil	453,420	445,650	561,100	629,426	68,326	12.2%
Natural Gas	9,831,287	10,600,338	10,972,661	11,603,681	631,020	5.8%
Propane	249,992	340,356	323,496	422,545	99,049	30.6%
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>98,505,209</b>	<b>106,901,190</b>	<b>103,914,297</b>	<b>108,969,776</b>	<b>5,055,479</b>	<b>4.9%</b>