



Montgomery County, Maryland · Office of Management and Budget

County Executive's FY20-25 Fiscal Plan

March 2019





Office of Management and Budget
101 Monroe Street
Rockville, Maryland 20850

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Fiscal Plan





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Credits

Significant contributions have been made by many individuals to the evolution of this Fiscal Plan over recent years through leadership, conceptual development, technical refinement, and persistent questioning. Their support has been essential and is appreciated.

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ADDITIONAL CREDITS

Much of the work on the Fiscal Plan components, especially regarding Special Funds, has been led by specific OMB staff, working with the leadership and staff of other departments and agencies whose contributions have been crucial to both the technical development of the tools and to the substance of recommendations for consideration by the Executive and Council. The names of the respective OMB staff are listed below as points of contact for further information and can be reached at 240.777.2800.

| SPECIAL FUND | OMB STAFF |
|--|------------------|
| Cable Television | Jennifer Nordin |
| Montgomery Housing Initiative | Pofen Salem |
| Community Use of Public Facilities | Deborah Lambert |
| Economic Development | Pofen Salem |
| Fire Tax District | Rachel Silberman |
| Fleet Management Services (Motor Pool) | Bruce Meier |
| Liquor Control | Jennifer Nordin |
| Mass Transit Facilities | Brady Goldsmith |
| M-NCPPC Administration | Jennifer Nordin |
| M-NCPPC Enterprise | Jennifer Nordin |
| M-NCPPC Park | Jennifer Nordin |
| Montgomery College Current Fund | Rich Harris |
| Parking Districts | Lindsay Lucas |
| Permitting Services | Alison Dollar |
| Central Duplicating/Print and Mail | Bruce Meier |
| Recreation | Deborah Lambert |
| Self-Insurance: Liability & Property | Deborah Lambert |
| Self-Insurance: Employee Health Benefits | Corey Orlosky |
| Solid Waste Refuse Collection | Trevor Lobaugh |
| Solid Waste Disposal | Trevor Lobaugh |
| Leaf Vacuuming | Brady Goldsmith |
| Urban Districts | Lindsay Lucas |
| Water Quality Protection | Trevor Lobaugh |



OFFICE OF MANAGEMENT AND BUDGET


Marc Elrich
County Executive

Richard S. Madaleno
Director

MEMORANDUM

April 8, 2019

TO: Interested Readers

FROM: Richard S. Madaleno, Director 

SUBJECT: FY20-25 Fiscal Plan

Executive Summary:

The County Executive's recommended budget, released on March 15, 2019, closed a significant budget gap due to a shortfall in the FY18 closeout of \$44.1 million and a downward revision in income tax estimates of \$85 million across FY19 and FY20. Due to many economic pressures, the shortfalls between expected budget demands and estimated revenues will likely continue into the foreseeable future. With only middling and fitful economic growth and uncertainty caused by Federal tax law changes, our income tax revenues are projected to grow only modestly. In addition, the County will begin making quarterly payments to the State for refunds pertaining to the Wynne case starting in FY21 totaling \$28.6 million annually through the first half of FY26.

While the enrollment growth in the County's public schools slowed this year, the effects of a decade of rapid enrollment growth continues to challenge our school system and our County budget. As the County's total population continues to increase and age, demands on other County services such as home health care, senior transportation, emergency response, libraries, and recreation also increase.

The County Executive recommends an average weighted property tax rate of \$0.9786 per \$100 of assessed value, and a \$692 credit for each owner-occupied residence to support a progressive property tax structure in the County. This recommendation maintains overall property tax revenues at the limit allowed by the County's Charter. In total, spending increases 2.5 percent in FY20, and tax-supported spending across all agencies increases 2.3 percent, including debt service.

The recommended budget funds 99.5 percent of the Board of Education's request and increases local school funding by \$2.5 million above the State minimum funding requirement to meet the needs of a rapidly growing and changing student population. As we move forward in our budget deliberations, the Governor and General Assembly are negotiating multiple changes to State education aid formulas that will have to be accounted for before the County Council enacts this budget. We remain optimistic that this new package of aid will allow the County to fully fund the Board's request.

The recommended budget provides a down payment on early childhood education, increases our investment in a multimodal transportation system, focuses on economic development programs for small businesses, and begins to address structural budget deficits in County government departments. This budget identifies additional efficiencies and cost savings, including annualization of expenditure reductions implemented in FY19 as part of the savings plan approved by the County Council in January 2019. In addition, the recommended budget includes funding for all the County's collective bargaining agreements, satisfies the County's policy to increase and maintain budgeted total reserves at ten percent of adjusted governmental revenues by FY20, and funds retiree health benefits at the required level. Finally, the energy tax rates approved by the Council in May 2015 are maintained in the recommended budget. The energy tax is more broad based than either property or income taxes since it includes taxes on energy usage of institutions and facilities, such as the federal government, that otherwise would not pay taxes. Because of its broader base, the energy tax lowers the overall tax burden on residents and businesses in the County.

The County Executive's recommended budget is a balanced approach to meet the expanding needs of a growing population in a fiscally responsible manner. This approach is also necessary to continue to provide the County with the flexibility to meet future, sometimes unforeseen, challenges. While this budget moves the County forward in addressing some of its long-term pressures, additional measures to rebalance revenues and spending may be necessary. This challenge is evident in the current fiscal plan, which projects only a 0.5 percent increase in resources available to fund agency spending in FY21.

As the County Council considers and adopts the operating budget, the County Executive believes it is essential that it adhere to the general parameters of his recommended budget. Included in this recommendation is a \$10 million set aside for the County Council to allocate during the budget reconciliation process. Additional spending beyond the recommended level or reducing ongoing revenues, without corresponding expenditure reductions, would further increase the gap in FY21. Any new revenues to support additional ongoing spending are likely to be very constrained. Continued adherence to prudent fiscal policies that protect residents and taxpayers will allow the County to maintain current service levels and address important priorities.

Background:

The recommended FY20-25 fiscal plans for the tax supported and non-tax supported funds of the agencies of County government are provided for your information. Many of these fiscal plans were initially published in the FY20-25 Recommended Operating Budget and Public Services Program (March 15, 2019) available at <http://montgomerycountymd.gov/operatingbudget>.

As in past years, this information is intended to assist the County Council and other interested parties as the County Executive's recommended budget is considered during the Council's budget worksessions this spring.

Interested readers should note that the fiscal plans included in this publication are not intended to be prescriptive but are instead intended to present one possible outcome of policy choices regarding taxes, user fees, and spending decisions. Other important assumptions are explained in footnotes at the bottom of each fiscal plan display. One significant benefit of presenting multi-year projections is that the potential future year impacts of current policy decisions can be considered by decision makers when making fiscal decisions in the near term. The County's fiscal policies support:

- prudent and sustainable fiscal management: constraining expenditure growth to expected resources;
- identifying and implementing productivity improvements;
- avoiding the programming of one-time revenues to on-going expenditures;
- growing the local economy and tax base;
- obtaining a fair share of State and Federal Aid;
- maintaining prudent reserve levels;

-
- minimizing the tax burden on residents; and
 - and managing indebtedness and debt service very carefully.

The Recommended Budget is consistent with the fiscal policies recommended by the County Executive and approved by the County Council in June 2010 and amended in November 2011. These policies include building total reserves to ten percent of Adjusted Governmental Revenues by 2020 (including mandatory contributions to the Revenue Stabilization Fund), fully funding PAYGO, and increasing contributions to fully fund the retiree health insurance trust at the annual required contribution.

Fiscal Plan for the Tax Supported Funds:

The recommended fiscal planning objectives for FY20-25 for the tax supported funds are:

- Adhere to sound fiscal policies;
- Tax supported reserves (operating margin and the Revenue Stabilization Fund) are at the policy level;
- The average weighted property tax rate is \$0.9786 per \$100 of assessed value and assumes a \$692 credit to each owner-occupied household;
- Assume property tax revenues at the Charter Limit during FY21-25 in the fiscal plan using the income tax offset credit;
- Manage fund balances in the non-tax supported funds to established policy levels where applicable;
- Assume current State aid formulas but continue vigorous efforts to increase State (and Federal) operating and capital funding;
- Maintain priority to economic development and tax base growth:
 - seize opportunities to recruit and retain significant employers compatible with the County's priorities;
 - give priority to capital investment that supports economic development/tax base growth.
- Maintain essential services;
- Limit exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible;
- Manage all debt service commitments very carefully, consistent with standards used by the County to maintain high credit ratings and future budget flexibility. Recognize the fixed commitment inherent in all forms of multi-year financing (long-term bonds, shorter-term borrowing, and lease-backed revenue bonds) that must be accommodated within limited debt capacity;
- Program PAYGO to be at least 10 percent of anticipated General Obligation Bond levels to contain future borrowing costs in FY21-25;
- For capital investment, allocate debt, current revenue, and other resources made available by the fiscal objectives above according to priorities established by policy and program agendas; and
- For services, allocate resources consistent with policy and program agendas.

The major challenges for FY20-25 will be to aggressively manage on-going costs; strengthen essential services; and continue making targeted improvements to critical service areas including education, economic development, public safety, the social safety net, affordable housing, and transportation within projected available resources.

Fiscal Plans for the Non-Tax Supported Funds:

By definition, each of the non-tax supported (fee-supported) funds is independent, covering all operating and capital investment expenses from its designated revenue sources. The fiscal health of each fund is satisfactory; though looking ahead,

some funds will need to meet expected challenges by increasing fees and/or reducing expenditures. A new Government Accounting Standards Board requirement for OPEB liability reporting is shown in the non-tax supported funds on a five-year allocation schedule.

Conclusion:

Montgomery County's long-term fiscal health is strong as a result of its underlying economy and the financial management policies endorsed by its elected officials. Nonetheless, the County will continue to face significant challenges in the years ahead. The FY20-25 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

RSM:cm

Attachment: FY20-25 Fiscal Plan for Montgomery County, Maryland

cc: Marc Elrich, County Executive
Councilmembers, Montgomery County Council
Andrew Kleine, Chief Administrative Officer
Dr. Jack Smith, Superintendent, Montgomery County Public Schools
Dr. DeRionne P. Pollard, President, Montgomery College
Casey Anderson, Chair, Montgomery County Planning Board
Stacy Spann, Executive Director, Housing Opportunities Commission
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Fariba Kassiri, Deputy Chief Administrative Officer
Marlene Michaelson, Executive Director, Montgomery County Council

How the FY20 GAP Was Closed

\$ in Millions

(Negative numbers increase the gap; positive numbers close the gap)

| | <u>\$ millions</u> |
|---|--------------------|
| 1 GAP as of December 2018 | (44.120) |
| 2 Major resource changes since December: | |
| 3 February tax revenue update | (82.647) |
| 4 Fines, licenses, fees, and other misc. revenues | 0.036 |
| 5 Other Intergovernmental revenues | 6.076 |
| 6 FY19 County Government Approved Savings Plan (operating) | 15.894 |
| 7 FY19 County Government - updated year-end spending estimate | (18.401) |
| 8 FY19 estimated snow removal costs | (13.000) |
| 9 FY19 OPEB Trust Fund contribution adjustment to increase reserves (Savings Plan proposal) | 89.613 |
| 10 FY19 MD National Park and Planning Commission (M-NCPPC) spending estimate | 2.578 |
| 11 FY20 Agency Budget Requests | |
| 12 MCPS | (3.561) |
| 13 Montgomery College | 1.590 |
| 14 M-NCPPC | (5.914) |
| 15 County Government | (63.163) |
| 16 Revised Gap (lines 1-15) | (115.019) |
| 17 Measures to Close the Gap | |
| 18 Change in Available Resources | |
| 19 Net Transfers | (6.586) |
| 20 Change in Agency Budget Requests: | |
| 21 MCPS Local Contribution \$2.5 million above Maintenance of Effort (MOE) | 14.456 |
| 22 College Local Contribution at MOE | 3.066 |
| 23 0.8% operating budget increase for MNCPPC | 5.336 |
| 24 Change in Non-Agency spending: | |
| 25 CIP Current Revenue proposed reduction | 51.141 |
| 26 Updated Debt Service projection | 22.716 |
| 27 FY19 & FY20 Set Aside in December 2018 Fiscal Plan | 35.000 |
| 28 FY20 Unallocated resources/set aside for other uses | (14.000) |
| 29 Change to reserves | 3.890 |
| 30 Gap on March 15, 2019 | 0.000 |

The MCPS request was \$17.0 million above Maintenance of Effort (MOE). The County Executive's Recommended Budget increases local funding \$12.0 million, which is \$2.5 million above MOE.

Montgomery College's request was \$3.1 million above MOE or 2.2 percent. The County Executive's Recommended Budget maintains local funding at the MOE level. In total, local funding to the College would increase 43.6 percent and 81.1 percent on a per student full-time enrollment basis since 2014.

MONTGOMERY COUNTY FUNDS

Presented below are the various funds of Montgomery County. Funds are shown by general category (tax supported vs. non-tax supported) and by agency. The funds within the tax supported category are those included in the Fiscal Plan Summary.

| Tax Supported Funds: | Non-Tax Supported Funds: |
|--|---|
| MCPS: Current Fund | MCPS: Grant, Food Service, Adult Education, other Enterprise, and Internal Service Funds |
| Montgomery College: Current, Tax Supported Grants, and Emergency Repair Funds | Montgomery College: Grant, Continuing Education, Cable Television, Auxiliary Funds, and Internal Service Funds |
| M-NCPPC: Administration, Parks, and Advanced Land Acquisition Funds | M-NCPPC: Grant, Enterprise, Property Management, Special Revenue, and Internal Service Funds |
| Montgomery County Government: General, Recreation, Urban Districts, Mass Transit, Fire, and Economic Development Funds | Montgomery County Government: Grant, Solid Waste Collection and Disposal, Leaf Vacuuming, Parking Districts, Cable Television, Liquor Control, Permitting Services, Community Use of Public Facilities, Montgomery Housing Initiative, Water Quality Protection, and Internal Service Funds |
| Debt Service Associated with General and Special Tax Supported Funds | Debt Service Associated with Non-Tax Supported Funds is appropriated in the individual fund that is obligated to make the debt service payment (e.g., Parking District Revenue Bonds) |
| Revenue Stabilization Fund | Housing Opportunities Commission (HOC), Revenue Authority, WSSC |



Tax Supported Funds

Public Service Program

- Fiscal Plan Summary

Capital Improvements Program

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

County Executive's Recommended FY20-25 Public Services Program Tax Supported Fiscal Plan Summary

| (\$ in Millions) | | | | | | | | | | | | | | | |
|---|--------------|--------------|-------------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| | App. FY19 | Est. FY19 | % Chg. FY19-20 | Rec. FY20 | % Chg. FY20-21 | Projected FY21 | % Chg. FY21-22 | Projected FY22 | % Chg. FY22-23 | Projected FY23 | % Chg. FY23-24 | Projected FY24 | % Chg. FY24-25 | Projected FY25 | |
| Total Revenues | 5-24-18 | 3-15-19 | | 3-15-19 | | | | | | | | | | | |
| | 1,808.4 | 1,786.5 | 1.6% | 1,836.8 | 3.1% | 1,893.8 | 3.1% | 1,951.9 | 3.5% | 2,020.5 | 3.5% | 2,091.4 | 3.3% | 2,160.7 | |
| | 1,585.2 | 1,542.9 | 3.5% | 1,640.3 | 3.8% | 1,702.9 | 3.5% | 1,762.6 | 4.6% | 1,843.2 | 4.8% | 1,930.8 | 4.7% | 2,021.1 | |
| | 162.9 | 180.6 | 12.2% | 182.8 | 0.5% | 183.7 | 2.1% | 187.7 | 3.0% | 193.3 | 4.9% | 202.7 | 4.5% | 211.8 | |
| | 273.7 | 278.3 | 3.5% | 283.2 | -1.4% | 279.3 | 1.6% | 283.7 | -1.2% | 280.3 | 1.6% | 284.9 | -0.7% | 283.0 | |
| | 1,098.1 | 1,110.1 | 2.3% | 1,123.9 | -1.1% | 1,111.2 | 0.4% | 1,115.6 | 0.4% | 1,120.2 | 0.4% | 1,124.8 | 0.4% | 1,129.6 | |
| | 4,928.3 | 4,898.4 | 2.8% | 5,066.9 | 2.1% | 5,170.9 | 2.5% | 5,301.4 | 2.9% | 5,457.5 | 3.2% | 5,634.6 | 3.0% | 5,806.3 | |
| Net Transfers In (Out) | 34.9 | 26.1 | -54.2% | 16.0 | 2.5% | 16.4 | 2.7% | 16.8 | 2.7% | 17.3 | 2.7% | 17.8 | 2.7% | 18.2 | |
| Total Revenues and Transfers Available | 4,963.3 | 4,924.4 | 2.4% | 5,082.9 | 2.1% | 5,187.3 | 2.5% | 5,318.3 | 2.9% | 5,474.8 | 3.2% | 5,652.4 | 3.0% | 5,824.5 | |
| Non-Operating Budget Use of Revenues | | | | | | | | | | | | | | | |
| Debt Service | 420.0 | 416.5 | 2.5% | 430.5 | 4.4% | 449.4 | 2.7% | 461.7 | 3.3% | 476.9 | 0.0% | 477.1 | 1.8% | 485.9 | |
| PAYGO | 33.0 | 33.0 | -3.0% | 32.0 | -3.1% | 31.0 | -3.2% | 30.0 | 0.0% | 30.0 | 0.0% | 30.0 | 0.0% | 30.0 | |
| CIP Current Revenue | 35.6 | 26.3 | 3.6% | 36.9 | 137.3% | 87.5 | -14.3% | 75.0 | 30.4% | 97.8 | 0.8% | 98.7 | 0.0% | 98.7 | |
| Change in Other Reserves | -37.3 | -17.8 | 40.4% | -22.2 | 100.8% | 0.2 | -2.9% | 0.2 | 15.2% | 0.2 | 6.0% | 0.2 | -0.7% | 0.2 | |
| Contribution to General Fund Undesignated Reserves | 29.7 | 63.7 | -72.6% | 5.8 | 23.5% | 7.1 | -26.2% | 5.3 | 6.1% | 5.6 | 20.1% | 6.7 | 15.2% | 7.7 | |
| Contribution to Revenue Stabilization Reserves | 21.1 | 32.1 | -31.8% | 20.2 | -80.2% | 4.0 | 91.2% | 7.6 | 25.0% | 9.6 | 27.6% | 12.2 | -15.6% | 10.3 | |
| Set Aside for other uses (supplemental appropriations) | -4.0 | -4.0 | 450.0% | 14.0 | 42.9% | 20.0 | 0.0% | 20.0 | 0.0% | 20.0 | 0.0% | 20.0 | 0.0% | 20.0 | |
| Total Other Uses of Resources | 498.2 | 549.8 | 3.8% | 517.2 | 15.9% | 599.2 | 0.1% | 599.8 | 6.7% | 640.1 | 0.8% | 644.9 | 1.2% | 652.8 | |
| Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses) | 4,465.1 | 4,374.6 | 2.3% | 4,565.7 | 0.5% | 4,588.1 | 2.8% | 4,718.5 | 2.5% | 4,834.7 | 3.6% | 5,007.5 | 3.3% | 5,171.7 | |
| Agency Uses | | | | | | | | | | | | | | | |
| Montgomery County Public Schools (MCPS) | 2,444.1 | 2,425.9 | 1.6% | 2,483.7 | | | | | | | | | | | |
| Montgomery College (MC) | 265.5 | 261.2 | -1.2% | 262.4 | | | | | | | | | | | |
| MNCPCC (w/o Debt Service) | 128.3 | 126.5 | 0.8% | 129.3 | | | | | | | | | | | |
| MCG | 1,627.2 | 1,560.9 | 3.9% | 1,690.4 | | | | | | | | | | | |
| Agency Uses | 4,465.1 | 4,374.6 | 2.3% | 4,565.7 | 0.5% | 4,588.1 | 2.8% | 4,718.5 | 2.5% | 4,834.7 | 3.6% | 5,007.5 | 3.3% | 5,171.7 | |
| Total Uses | 4,963.3 | 4,924.4 | 2.4% | 5,082.9 | 2.1% | 5,187.3 | 2.5% | 5,318.3 | 2.9% | 5,474.8 | 3.2% | 5,652.4 | 3.0% | 5,824.5 | |
| (Gap)/Available | 0.0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | |

Assumptions:

1. Property taxes are at the Charter Limit with a \$692 credit. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target.
3. PAYGO, debt service, and current revenue reflect the County Executive's Amendments to the FY19-24 Capital Improvements Program and additional proposed current revenue amendments.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY20-25.

County Executive's Recommended FY20-25 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)

| | App. FY19 | Est. FY19 | % Chg. FY19-20 App/Rec | Rec. FY20 | % Chg. FY20-21 | Projected FY21 | % Chg. FY21-22 | Projected FY22 | % Chg. FY22-23 | Projected FY23 | % Chg. FY23-24 | Projected FY24 | % Chg. FY24-25 | Projected FY25 |
|---|----------------|----------------|------------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Beginning Reserves | | | | | | | | | | | | | | |
| Unrestricted General Fund | 133.0 | 102.7 | 25.1% | 166.4 | 3.5% | 172.2 | 4.1% | 179.3 | 2.9% | 184.6 | 3.0% | 190.2 | 3.5% | 196.9 |
| Revenue Stabilization Fund | 308.3 | 308.7 | 10.6% | 340.8 | 5.9% | 361.0 | 1.1% | 365.0 | 2.1% | 372.7 | 2.6% | 382.3 | 3.2% | 394.5 |
| Total Reserves | 441.2 | 411.4 | 15.0% | 507.2 | 5.1% | 533.2 | 2.1% | 544.4 | 2.4% | 557.3 | 2.7% | 572.5 | 3.3% | 591.4 |
| Additions to Reserves | | | | | | | | | | | | | | |
| Unrestricted General Fund | 21.1 | 63.7 | -72.6% | 5.8 | 23.5% | 7.1 | -26.2% | 5.3 | 6.1% | 5.6 | 20.1% | 6.7 | 15.2% | 7.7 |
| Revenue Stabilization Fund | 29.7 | 32.1 | -31.8% | 20.2 | -80.2% | 4.0 | 91.2% | 7.6 | 25.0% | 9.6 | 27.6% | 12.2 | -15.6% | 10.3 |
| Total Change in Reserves | 50.8 | 95.8 | -48.8% | 26.0 | -57.2% | 11.1 | 16.0% | 12.9 | 17.3% | 15.2 | 24.9% | 18.9 | -4.6% | 18.0 |
| Ending Reserves | | | | | | | | | | | | | | |
| Unrestricted General Fund | 154.1 | 166.4 | 11.8% | 172.2 | 4.1% | 179.3 | 2.9% | 184.6 | 3.0% | 190.2 | 3.5% | 196.9 | 3.9% | 204.7 |
| Revenue Stabilization Fund | 338.0 | 340.8 | 6.8% | 361.0 | 1.1% | 365.0 | 2.1% | 372.7 | 2.6% | 382.3 | 3.2% | 394.5 | 2.6% | 404.8 |
| Total Reserves | 492.0 | 507.2 | 8.4% | 533.2 | 2.1% | 544.4 | 2.4% | 557.3 | 2.7% | 572.5 | 3.3% | 591.4 | 3.1% | 609.4 |
| Reserves as a % of Adjusted Governmental Revenues | 9.4% | 9.7% | | 10.0% | | 10.0% | | 10.0% | | 10.0% | | 10.0% | | 10.0% |
| Other Reserves | | | | | | | | | | | | | | |
| Montgomery College | 4.7 | 7.5 | -3.8% | 4.5 | 0.0% | 4.5 | 0.0% | 4.5 | 0.0% | 4.5 | 0.0% | 4.5 | 0.0% | 4.5 |
| M-NCPPC | 4.3 | 5.6 | 14.1% | 4.9 | 3.1% | 5.1 | 3.1% | 5.3 | 3.5% | 5.4 | n/a | 5.6 | 3.3% | 5.8 |
| MCPS | 0.0 | 25.0 | n/a | 0.0 | n/a | 0.0 | n/a | 0.0 | n/a | 0.0 | n/a | 0.0 | n/a | 0.0 |
| MCG Special Funds | 0.8 | -5.8 | -18.1% | 0.7 | 4.1% | 0.7 | 2.9% | 0.7 | 3.0% | 0.7 | 3.5% | 0.8 | 3.9% | 0.8 |
| MCG + Agency Reserves as a % of Adjusted Govt Revenues | 9.6% | 10.4% | | 10.2% | | 10.2% | | 10.2% | | 10.2% | | 10.2% | | 10.2% |
| Retiree Health Insurance Pre-Funding | | | | | | | | | | | | | | |
| Montgomery County Public Schools (MCPS) | 79.4 | 27.2 | | 78.5 | | 85.0 | | 89.2 | | 88.2 | | 87.7 | | 81.1 |
| Montgomery College (MC) | 2.8 | 0.0 | | 5.4 | | 5.5 | | 5.6 | | 5.4 | | 5.3 | | 5.2 |
| MNCPPC | 3.0 | 3.0 | | 2.8 | | 2.7 | | 2.6 | | 2.6 | | 2.5 | | 2.5 |
| MCG | 43.6 | 9.0 | | 34.7 | | 34.5 | | 34.3 | | 31.7 | | 29.9 | | 28.6 |
| Subtotal Retiree Health Insurance Pre-Funding | 128.8 | 39.2 | | 121.4 | | 127.7 | | 131.6 | | 128.0 | | 125.5 | | 117.4 |
| Adjusted Governmental Revenues | | | | | | | | | | | | | | |
| Total Tax Supported Revenues | 4,928.3 | 4,898.4 | 2.8% | 5,066.9 | 2.1% | 5,170.9 | 2.5% | 5,301.4 | 2.9% | 5,457.5 | 3.2% | 5,634.6 | 3.0% | 5,806.3 |
| Capital Projects Fund | 187.2 | 187.2 | -22.2% | 145.7 | -15.0% | 123.9 | 1.2% | 125.4 | 1.3% | 126.9 | 1.7% | 129.1 | 0.0% | 129.1 |
| Grants | 118.5 | 118.5 | 0.4% | 119.0 | 2.5% | 122.0 | 2.7% | 125.3 | 2.7% | 128.7 | 2.7% | 132.2 | 2.7% | 135.7 |
| Total Adjusted Governmental Revenues | 5,234.0 | 5,204.1 | 1.9% | 5,331.7 | 1.6% | 5,416.8 | 2.5% | 5,552.1 | 2.9% | 5,713.1 | 3.2% | 5,895.9 | 3.0% | 6,071.1 |

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Capital Improvements Program (CIP)

GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

EXPLANATION OF CHARTS:

Debt Capacity Analysis

This chart displays the performance of the G.O. bond funded portion of the Capital Improvements Program and various long- and short-term leases, against a variety of economic and fiscal indicators. Taken together, these comparisons are considered, along with other factors, by credit rating agencies in determining the County's G.O. bond rating. Therefore, the County manages its debt-related decisions against these same criteria to ensure continuation of our AAA rating, the best available.

General Obligation Bond Adjustment Chart

This chart compares the General Obligation bonds available for programming, with recommended programmed bond funded expenditures for the Capital Improvements Program. The line labeled "Bonds Planned for Issue" generally follows Spending Affordability Guidelines set by the County Council for general obligation debt. Amounts in the line labeled "Less Set Aside: Future Projects" indicate the amount available for possible future expenditures not yet programmed in individual projects. The debt service implied by these planned bond issues is budgeted in both tax supported and non-tax supported operating budgets.

Schedule A-3, for the Capital Improvements Program Current Revenue Requirements

This chart displays the CIP current revenue requirements of County agencies, by fund, across the six years of the Capital Improvements Program. Generally, current revenue assumptions made for the January Recommended CIP are conservative, and, if resources allow, additional current revenue may be recommended at the time PSP decisions are made in March. Because of the non-recurring nature of capital projects, the CIP is a good place to invest "one time" funds. The Total Current Revenue Requirement also includes PAYGO contributions made as direct offsets to debt obligations. Inflation and set-asides for future projects are unallocated amounts to cover increased costs due to inflation and for future unprogrammed projects.

DEBT CAPACITY ANALYSIS

FY19-24 Amended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 15, 2019

GO BOND 6 YR TOTAL = 1,860.0 MILLION

GO BOND FY19 TOTAL = 330.0.0 MILLION

GO BOND FY20 TOTAL = 320.0 MILLION

| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 GO Bond Guidelines (\$000) | 340,000 | 330,000 | 320,000 | 310,000 | 300,000 | 300,000 | 300,000 |
| 2 GO Debt/Assessed Value | 1.84% | 1.74% | 1.72% | 1.69% | 1.65% | 1.61% | 1.57% |
| 3 Debt Service + LTL + Short-Term Leases/Revenues (GF) | 11.31% | 11.65% | 11.46% | 11.73% | 11.70% | 11.69% | 11.33% |
| 4 \$ Debt/Capita | 3,279 | 3,210 | 3,195 | 3,208 | 3,232 | 3,193 | 3,176 |
| 5 \$ Real Debt/Capita (FY18=100%) | 3,279 | 3,148 | 3,063 | 2,999 | 2,943 | 2,831 | 2,742 |
| 6 Capita Debt/Capita Income | 3.82% | 3.62% | 3.40% | 3.32% | 3.21% | 3.10% | 2.99% |
| 7 Payout Ratio | 68.70% | 69.58% | 70.19% | 71.10% | 71.94% | 72.71% | 73.42% |
| 8 Total Debt Outstanding (\$000s) | 3,483,555 | 3,413,440 | 3,478,995 | 3,525,420 | 3,553,415 | 3,575,350 | 3,589,700 |
| 9 Real Debt Outstanding (FY18=100%) | 3,483,555 | 3,348,151 | 3,335,078 | 3,296,189 | 3,235,019 | 3,169,414 | 3,098,476 |
| 10 Note: OP/PSP Growth Assumption (2) | | 1.9% | 2.8% | 2.0% | 2.6% | 2.9% | 3.2% |

Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY19 approved budget to FY20 budget for FY20 and budget to budget for FY21-24.

| GENERAL OBLIGATION BOND ADJUSTMENT CHART | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| FY19-24 Amended Capital Improvements Program | | | | | | | |
| COUNTY EXECUTIVE RECOMMENDED | | | | | | | |
| January 15, 2019 | | | | | | | |
| (\$ millions) | 6 YEARS | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
| BONDS PLANNED FOR ISSUE | 1,860.000 | 330.000 | 320.000 | 310.000 | 300.000 | 300.000 | 300.000 |
| Plus PAYGO Funded | 186.000 | 33.000 | 32.000 | 31.000 | 30.000 | 30.000 | 30.000 |
| Adjust for Implementation ** | - | - | - | - | - | - | - |
| Adjust for Future Inflation ** | (85.738) | - | - | (8.512) | (17.153) | (25.822) | (34.251) |
| SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments) | 1,960.262 | 363.000 | 352.000 | 332.488 | 312.847 | 304.178 | 295.749 |
| Less Set Aside: Future Projects | 135.226 | 5.973 | 12.583 | 15.020 | 24.773 | 33.224 | 43.653 |
| 6.90% | | | | | | | |
| TOTAL FUNDS AVAILABLE FOR PROGRAMMING | 1,825.036 | 357.027 | 339.417 | 317.468 | 288.074 | 270.954 | 252.096 |
| MCPS | (744.484) | (98.104) | (143.837) | (130.837) | (109.555) | (139.257) | (122.894) |
| MONTGOMERY COLLEGE | (121.622) | (20.926) | (13.921) | (22.169) | (24.776) | (15.774) | (24.056) |
| M-NCPPC PARKS | (66.628) | (12.139) | (10.687) | (10.152) | (10.818) | (11.431) | (11.401) |
| TRANSPORTATION | (460.091) | (105.447) | (124.606) | (73.734) | (73.885) | (40.871) | (41.548) |
| MCG - OTHER | (489.219) | (120.411) | (103.375) | (80.576) | (69.040) | (63.620) | (52.197) |
| Programming Adjustment - Overspent Prior Years* | 57.008 | | 57.009 | - | | (0.001) | - |
| | - | | | | | | |
| SUBTOTAL PROGRAMMED EXPENDITURES | (1,825.036) | (357.027) | (339.417) | (317.468) | (288.074) | (270.954) | (252.096) |
| AVAILABLE OR (GAP) | - | - | - | - | - | - | - |
| NOTES: | | | | | | | |
| * See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart | | | | | | | |
| ** Adjustments Include: | | | | | | | |
| Inflation = | | 1.95% | 2.27% | 2.56% | 2.85% | 2.85% | 2.85% |

CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

March 15, 2019

| TAX SUPPORTED APPROPRIATIONS (\$000s) | ACTUAL FY18 Exp | RECOMMENDED 6 YR | APPROVED FY19 Approp. | RECOMMENDED FY20 Approp. | RECOMMENDED FY21 | RECOMMENDED FY22 | RECOMMENDED FY23 | RECOMMENDED FY24 |
|--|--------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| GENERAL REVENUE SUPPORTED | | | | | | | | |
| MCG | 10,573 | 61,692 | 8,410 | (1,396) | 13,628 | 14,223 | 13,441 | 13,386 |
| M-NCPPC PARKS | 2,131 | 23,288 | 2,258 | 3,438 | 4,398 | 4,398 | 4,398 | 4,398 |
| PUBLIC SCHOOLS (MCPS) | 25,000 | 90,594 | 3,802 | 3,888 | 21,993 | 14,652 | 23,657 | 22,602 |
| MONTGOMERY COLLEGE | 12,709 | 85,581 | 11,661 | 13,584 | 15,084 | 15,084 | 15,084 | 15,084 |
| HOC | - | 8,100 | 1,250 | 1,350 | 1,750 | 1,250 | 1,250 | 1,250 |
| CIP PAYGO - REGULAR | 34,000 | 186,000 | 33,000 | 32,000 | 31,000 | 30,000 | 30,000 | 30,000 |
| CIP PAYGO - RSF CONTRIBUTION | - | - | - | - | - | - | - | - |
| TOTAL CIP PAYGO | 34,000 | 186,000 | 33,000 | 32,000 | 31,000 | 30,000 | 30,000 | 30,000 |
| SUBTOTAL | 84,413 | 455,255 | 60,381 | 52,864 | 87,853 | 79,607 | 87,830 | 86,720 |
| OTHER TAX SUPPORTED | | | | | | | | |
| MASS TRANSIT | 19,691 | 94,665 | (1,533) | 14,664 | 17,052 | 10,657 | 27,178 | 26,647 |
| FIRE CONSOLIDATED | - | 22,073 | 99 | 1,011 | 5,616 | 5,116 | 5,116 | 5,115 |
| M-NCPPC PARKS | 350 | 2,100 | 350 | 350 | 350 | 350 | 350 | 350 |
| RECREATION | - | (25) | (25) | - | - | - | - | - |
| URBAN DISTRICTS | - | - | - | - | - | - | - | - |
| ECONOMIC DEVELOPMENT FUND | - | 11,000 | - | - | 5,500 | 5,500 | - | - |
| SUBTOTAL | 20,041 | 129,813 | (1,109) | 16,025 | 28,518 | 21,623 | 32,644 | 32,112 |
| SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION: | 104,453 | 585,068 | 59,272 | 68,889 | 116,371 | 101,230 | 120,474 | 118,832 |
| INFLATION | - | 23,126 | - | - | 2,160 | 3,774 | 7,366 | 9,826 |
| SUBTOTAL ALLOCATION: | - | 23,126 | - | - | 2,160 | 3,774 | 7,366 | 9,826 |
| TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT: | 104,453 | 608,194 | 59,272 | 68,889 | 118,531 | 105,004 | 127,840 | 128,658 |
| NON-TAX SUPPORTED EXPENDITURES (\$000s) | ACTUAL FY18 Exp | RECOMMENDED 6 YR | APPROVED FY19 | RECOMMENDED FY20 | RECOMMENDED FY21 | RECOMMENDED FY22 | RECOMMENDED FY23 | RECOMMENDED FY24 |
| NON-TAX SUPPORTED | | | | | | | | |
| MONTGOMERY HOUSING INITIATIVE | - | - | - | - | - | - | - | - |
| PARKING DISTRICTS | 6,876 | 45,486 | 10,357 | 9,863 | 7,001 | 6,065 | 6,100 | 6,100 |
| SOLID WASTE DISPOSAL | 169 | 28,531 | 1,331 | 8,400 | 12,300 | 6,500 | - | - |
| PERMITTING SERVICES | 20,991 | 4,009 | 4,009 | - | - | - | - | - |
| M-NCPPC ENTERPRISE FUND | 2,012 | 7,686 | 4,125 | 500 | 2,661 | 400 | - | - |
| CABLE TV FUND | 3,040 | 25,727 | 4,520 | 4,430 | 4,249 | 4,176 | 4,176 | 4,176 |
| WATER QUALITY PROTECTION CHARGE | 13,943 | 26,237 | 5,090 | 3,228 | 4,306 | 4,186 | 5,396 | 4,031 |
| CUPF | - | 1,667 | 750 | 613 | 304 | - | - | - |
| SUBTOTAL EXPENDITURES: | 47,033 | 139,343 | 30,182 | 27,034 | 30,821 | 21,327 | 15,672 | 14,307 |
| TOTAL CURRENT REVENUE REQUIREMENTS | 151,486 | 747,537 | 89,454 | 95,923 | 149,352 | 126,331 | 143,512 | 142,965 |

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Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Bethesda Urban District Fund
- Silver Spring Urban District Fund
- Wheaton Urban District Fund
- Fire Tax District Fund
- Mass Transit Facilities Fund
- Recreation Fund
- Economic Development Fund

Montgomery College

- Montgomery College Current Fund

Maryland-National Capital Park and Planning Commission

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

Debt Service

- Debt Service Fund

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Montgomery County Government

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Bethesda Urban District | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0120 | 0.0120 | 0.0120 | 0.0120 | 0.0120 | 0.0120 | 0.0120 |
| Assessable Base: Real Property (000) | 5,295,600 | 5,484,000 | 5,669,300 | 5,846,900 | 6,026,300 | 6,213,300 | 6,421,900 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| Assessable Base: Personal Property (000) | 242,000 | 249,600 | 259,600 | 268,900 | 278,200 | 287,800 | 297,900 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 199,612 | 113,230 | 83,438 | 84,858 | 83,243 | 84,613 | 83,621 |
| REVENUES | | | | | | | |
| Taxes | 704,078 | 728,825 | 753,919 | 777,886 | 802,068 | 827,246 | 855,151 |
| Charges For Services | 189,877 | 194,567 | 199,490 | 204,876 | 210,408 | 216,089 | 221,923 |
| Subtotal Revenues | 893,955 | 923,392 | 953,409 | 982,762 | 1,012,476 | 1,043,335 | 1,077,074 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To The General Fund | (23,670) | (21,597) | (21,839) | (21,839) | (21,839) | (21,839) | (21,839) |
| Indirect Costs | (23,670) | (21,597) | (21,839) | (21,839) | (21,839) | (21,839) | (21,839) |
| Transfers From The General Fund | 800,318 | 750,318 | 750,318 | 750,318 | 750,318 | 750,318 | 750,318 |
| From General Fund: Baseline Services | 800,318 | 750,318 | 750,318 | 750,318 | 750,318 | 750,318 | 750,318 |
| Transfers From Special Fds: Non-Tax + ISF | 1,532,530 | 1,619,864 | 1,627,270 | 1,600,070 | 1,578,773 | 1,551,240 | 1,525,340 |
| Bethesda Parking District Fees | 1,532,530 | 1,619,864 | 1,627,270 | 1,600,070 | 1,578,773 | 1,551,240 | 1,525,340 |
| TOTAL RESOURCES | 3,402,745 | 3,385,207 | 3,392,596 | 3,396,169 | 3,402,971 | 3,407,667 | 3,414,514 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (3,289,515) | (3,301,769) | (3,306,553) | (3,311,741) | (3,317,173) | (3,322,861) | (3,328,816) |
| Labor Agreement | n/a | 0 | (1,185) | (1,185) | (1,185) | (1,185) | (1,185) |
| Subtotal PSP Oper Budget Approp / Exp's | (3,289,515) | (3,301,769) | (3,307,738) | (3,312,926) | (3,318,358) | (3,324,046) | (3,330,001) |
| TOTAL USE OF RESOURCES | (3,289,515) | (3,301,769) | (3,307,738) | (3,312,926) | (3,318,358) | (3,324,046) | (3,330,001) |
| YEAR END FUND BALANCE | 113,230 | 83,438 | 84,858 | 83,243 | 84,613 | 83,621 | 84,513 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 3.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |

Assumptions:

1. Transfers from the Bethesda Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Silver Spring Urban District | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0240 | 0.0240 | 0.0240 | 0.0240 | 0.0240 | 0.0240 | 0.0240 |
| Assessable Base: Real Property (000) | 3,732,200 | 3,865,000 | 3,995,700 | 4,120,800 | 4,247,200 | 4,379,000 | 4,526,100 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 |
| Assessable Base: Personal Property (000) | 131,400 | 135,500 | 140,900 | 146,000 | 151,000 | 156,200 | 161,700 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | (50,524) | 147,510 | 95,816 | 99,210 | 96,622 | 99,686 | 100,064 |
| REVENUES | | | | | | | |
| Taxes | 968,997 | 1,003,131 | 1,037,543 | 1,070,439 | 1,103,586 | 1,138,140 | 1,176,523 |
| Charges For Services | 150,000 | 150,000 | 153,795 | 157,947 | 162,212 | 166,592 | 171,090 |
| Subtotal Revenues | 1,118,997 | 1,153,131 | 1,191,338 | 1,228,386 | 1,265,798 | 1,304,732 | 1,347,613 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To The General Fund | (458,066) | (536,019) | (541,989) | (541,989) | (541,989) | (541,989) | (541,989) |
| Indirect Costs | (458,066) | (536,019) | (541,989) | (541,989) | (541,989) | (541,989) | (541,989) |
| Transfers From The General Fund | 539,660 | 539,660 | 539,600 | 539,600 | 539,600 | 539,600 | 539,600 |
| From General Fund: Baseline Services | 539,660 | 539,660 | 539,600 | 539,600 | 539,600 | 539,600 | 539,600 |
| Transfers From Special Fds: Non-Tax + ISF | 2,780,710 | 2,529,843 | 2,611,041 | 2,598,941 | 2,598,941 | 2,589,941 | 2,582,341 |
| From Silver Spring Parking District Fees | 2,780,710 | 2,529,843 | 2,611,041 | 2,598,941 | 2,598,941 | 2,589,941 | 2,582,341 |
| TOTAL RESOURCES | 3,930,777 | 3,834,125 | 3,895,806 | 3,924,148 | 3,958,972 | 3,991,970 | 4,027,629 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (3,783,267) | (3,738,309) | (3,766,569) | (3,797,499) | (3,829,259) | (3,861,879) | (3,895,379) |
| Labor Agreement | n/a | 0 | (30,027) | (30,027) | (30,027) | (30,027) | (30,027) |
| Subtotal PSP Oper Budget Approp / Exp's | (3,783,267) | (3,738,309) | (3,796,596) | (3,827,526) | (3,859,286) | (3,891,906) | (3,925,406) |
| TOTAL USE OF RESOURCES | (3,783,267) | (3,738,309) | (3,796,596) | (3,827,526) | (3,859,286) | (3,891,906) | (3,925,406) |
| YEAR END FUND BALANCE | 147,510 | 95,816 | 99,210 | 96,622 | 99,686 | 100,064 | 102,223 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 3.8% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Assumptions: 1. Transfers from the Silver Spring District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources. 2. Property tax revenue is assumed to increase the six years based on an improved assessable base. 3. Large assessable base increases are due to economic growth and new projects coming online. 4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide. 5. The Non-Baseline Services transfer is necessary to maintain fund balance policy. 6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here. 7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Wheaton Urban District | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| Assessable Base: Real Property (000) | 755,500 | 782,400 | 808,900 | 834,200 | 859,800 | 886,500 | 916,200 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 | 0.0750 |
| Assessable Base: Personal Property (000) | 36,200 | 37,300 | 38,800 | 40,200 | 41,600 | 43,000 | 44,500 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 155,270 | 242,247 | 52,840 | 56,708 | 58,152 | 60,400 | 62,401 |
| REVENUES | | | | | | | |
| Taxes | 252,372 | 261,217 | 270,241 | 278,833 | 287,514 | 296,523 | 306,503 |
| Subtotal Revenues | 252,372 | 261,217 | 270,241 | 278,833 | 287,514 | 296,523 | 306,503 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To The General Fund | 1,790,801 | 1,637,736 | 1,911,073 | 1,974,181 | 2,043,912 | 2,115,912 | 2,189,692 |
| Indirect Costs | (267,976) | (308,542) | (312,685) | (312,685) | (312,685) | (312,685) | (312,685) |
| Transfers From The General Fund | 2,022,240 | 1,909,741 | 2,187,221 | 2,250,329 | 2,320,060 | 2,392,060 | 2,465,840 |
| From General Fund: Baseline Services | 76,090 | 76,090 | 76,090 | 76,090 | 76,090 | 76,090 | 76,090 |
| From General Fund: Non-Baseline Services | 1,946,150 | 1,833,651 | 2,111,131 | 2,174,239 | 2,243,970 | 2,315,970 | 2,389,750 |
| Transfers From Special Fds: Non-Tax + ISF | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 |
| From Wheaton Parking District Fees | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 | 36,537 |
| TOTAL RESOURCES | 2,198,443 | 2,141,200 | 2,234,154 | 2,309,722 | 2,389,578 | 2,472,835 | 2,558,596 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (1,956,196) | (2,088,360) | (2,156,707) | (2,230,831) | (2,308,439) | (2,389,695) | (2,474,770) |
| Labor Agreement | n/a | 0 | (20,739) | (20,739) | (20,739) | (20,739) | (20,739) |
| Subtotal PSP Oper Budget Approp / Exp's | (1,956,196) | (2,088,360) | (2,177,446) | (2,251,570) | (2,329,178) | (2,410,434) | (2,495,509) |
| TOTAL USE OF RESOURCES | (1,956,196) | (2,088,360) | (2,177,446) | (2,251,570) | (2,329,178) | (2,410,434) | (2,495,509) |
| YEAR END FUND BALANCE | 242,247 | 52,840 | 56,708 | 58,152 | 60,400 | 62,401 | 63,087 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 11.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Assumptions: 1. Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources. 2. Property tax revenue is assumed to increase of the six years based on an improved assessable base. 3. Large assessable base increases are due to economic growth and new projects coming online. 4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide. 5. The Non-Baseline Services transfer is necessary to maintain fund balance policy. 6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here. 7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | Consolidated Fire District | | | | |
|--|----------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.1065 | 0.1054 | 0.1098 | 0.1112 | 0.1130 | 0.1152 | 0.1160 |
| Assessable Base: Real Property (000) | 190,819,800 | 197,609,600 | 204,288,100 | 210,685,600 | 217,150,900 | 223,888,600 | 231,405,800 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.2663 | 0.2635 | 0.2745 | 0.2780 | 0.2825 | 0.2880 | 0.2900 |
| Assessable Base: Personal Property (000) | 4,317,616 | 4,452,130 | 4,631,584 | 4,797,520 | 4,962,519 | 5,133,717 | 5,314,609 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | (14,591,542) | (2,481,395) | 129,822 | 306,978 | 343,106 | 137,683 | 401,815 |
| REVENUES | | | | | | | |
| Taxes | 213,470,661 | 218,732,869 | 235,644,398 | 246,180,456 | 257,892,302 | 271,120,291 | 282,193,979 |
| Charges For Services | 19,500,000 | 19,500,000 | 19,993,350 | 20,533,170 | 21,087,566 | 21,656,930 | 22,241,667 |
| Intergovernmental | 2,162,054 | 198,622 | 203,647 | 209,145 | 214,792 | 220,591 | 226,547 |
| Miscellaneous | 267,872 | 269,372 | 269,372 | 269,372 | 269,372 | 269,372 | 269,372 |
| Subtotal Revenues | 235,400,587 | 238,700,863 | 256,110,767 | 267,192,143 | 279,464,032 | 293,267,184 | 304,931,565 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Debt Service Fund | (10,745,637) | (12,325,600) | (14,209,520) | (15,613,120) | (17,309,210) | (19,541,950) | (19,911,730) |
| GO Bonds | (7,825,087) | (8,005,050) | (8,596,770) | (9,324,170) | (10,670,260) | (12,528,000) | (12,372,780) |
| Long Term Leases | (2,920,550) | (4,320,550) | (5,612,750) | (6,288,950) | (6,638,950) | (7,013,950) | (7,538,950) |
| Transfers To The General Fund | (551,232) | (120,750) | (120,750) | (120,750) | (120,750) | (120,750) | (120,750) |
| Telecommunications NDA | (430,482) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers From The General Fund | 17,790,965 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| EMST Payment for Uninsured Residents | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Fund Balance transfer | 17,540,965 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 227,303,141 | 224,023,118 | 242,160,319 | 252,015,251 | 262,627,178 | 273,992,167 | 285,550,900 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| PSP OPER. BUDGET APPROP/ EXP'S. | (99,000) | (1,011,000) | (5,616,000) | (5,116,000) | (5,116,000) | (5,115,000) | (5,115,000) |
| Operating Budget | (229,685,536) | (222,882,296) | (232,247,538) | (242,413,342) | (253,036,692) | (264,138,549) | (275,740,842) |
| Labor Agreement | n/a | 0 | (1,716,514) | (1,716,514) | (1,716,514) | (1,716,514) | (1,716,514) |
| Annualizations and One-Time | n/a | n/a | (2,167,289) | (2,167,289) | (2,167,289) | (2,167,289) | (2,167,289) |
| Clarksburg Fire Station | n/a | n/a | 0 | (153,000) | (203,000) | (203,000) | (203,000) |
| Kensington Fire Station | n/a | n/a | (106,000) | (106,000) | (106,000) | (106,000) | (106,000) |
| White Flint Fire Station | 0 | 0 | 0 | 0 | (144,000) | (144,000) | (144,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (229,685,536) | (222,882,296) | (236,237,341) | (246,556,145) | (257,373,495) | (268,475,352) | (280,077,645) |
| OTHER CLAIMS ON FUND BALANCE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL USE OF RESOURCES | (229,784,536) | (223,893,296) | (241,853,341) | (251,672,145) | (262,489,495) | (273,590,352) | (285,192,645) |
| YEAR END FUND BALANCE | (2,481,395) | 129,822 | 306,978 | 343,106 | 137,683 | 401,815 | 358,255 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | -1.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Assumptions: 1. The tax rates for the Consolidated Fire Tax District are adjusted to fund the planned program of public services and maintain a positive fund balance. The County's policy is to maximize tax supported reserves in the General Fund, which results in minimizing reserves in the County's tax supported special revenue funds. 2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here . 3. The cost of capital facilities will be included in future budgets as projects are completed and their costs defined. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Mass Transit | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0498 | 0.0668 | 0.0694 | 0.0658 | 0.0732 | 0.0712 | 0.0694 |
| Assessable Base: Real Property (000) | 190,819,800 | 197,609,600 | 204,288,100 | 210,685,600 | 217,150,900 | 223,888,600 | 231,405,800 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.1245 | 0.1670 | 0.1735 | 0.1645 | 0.1830 | 0.1780 | 0.1735 |
| Assessable Base: Personal Property (000) | 4,317,616 | 4,452,130 | 4,631,584 | 4,797,520 | 4,962,519 | 5,133,717 | 5,314,609 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 3,340,793 | (4,898,880) | 264,241 | 415,365 | 330,957 | 402,554 | 324,927 |
| REVENUES | | | | | | | |
| Taxes | 99,820,084 | 138,627,663 | 148,940,995 | 145,671,529 | 167,059,438 | 167,567,402 | 168,829,845 |
| Licenses & Permits | 400,000 | 400,000 | 410,120 | 421,193 | 432,565 | 444,244 | 456,239 |
| Charges For Services | 24,795,017 | 24,756,974 | 25,383,326 | 26,068,677 | 26,772,532 | 27,495,391 | 28,237,766 |
| Fines & Forfeitures | 525,000 | 525,000 | 538,283 | 552,817 | 567,743 | 583,072 | 598,815 |
| Intergovernmental | 41,317,057 | 41,317,057 | 42,362,378 | 43,506,162 | 44,680,828 | 45,887,210 | 47,126,164 |
| Subtotal Revenues | 166,857,158 | 205,626,694 | 217,635,102 | 216,220,378 | 239,513,106 | 241,977,319 | 245,248,829 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Debt Service Fund | (41,840,158) | (46,926,982) | (52,641,259) | (52,261,949) | (53,051,279) | (50,128,029) | (47,011,709) |
| GO Bonds | (21,483,125) | (22,400,120) | (23,026,420) | (25,473,310) | (27,288,440) | (25,078,490) | (24,041,170) |
| Long Term Leases | (6,644,300) | (8,364,300) | (13,244,300) | (10,418,100) | (9,392,300) | (8,679,000) | (6,600,000) |
| Transfers To The General Fund | (14,244,043) | (16,693,872) | (16,901,849) | (16,901,849) | (16,901,849) | (16,901,849) | (16,901,849) |
| Indirect Costs | (14,113,024) | (16,693,872) | (16,901,849) | (16,901,849) | (16,901,849) | (16,901,849) | (16,901,849) |
| Telecommunications NDA | (131,019) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers From The General Fund | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 |
| Parking Fines | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 | 531,310 |
| TOTAL RESOURCES | 128,357,793 | 153,800,832 | 165,258,084 | 164,373,794 | 186,792,784 | 192,251,844 | 198,562,047 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| PSP OPER. BUDGET APPROP/ EXP'S. | 1,533,000 | (14,664,000) | (17,052,000) | (10,657,000) | (27,178,000) | (26,647,000) | (26,647,000) |
| Operating Budget | (134,789,673) | (138,872,591) | (144,018,719) | (149,613,837) | (155,440,230) | (161,507,917) | (167,827,365) |
| Labor Agreement | n/a | 0 | (1,017,000) | (1,017,000) | (1,017,000) | (1,017,000) | (1,017,000) |
| Annualizations and One-Time | n/a | n/a | (1,612,000) | (1,612,000) | (1,612,000) | (1,612,000) | (1,612,000) |
| US 29 FLASH Operating Expenses | n/a | n/a | (1,422,000) | (1,422,000) | (1,422,000) | (1,422,000) | (1,422,000) |
| Annualization of Route Frequency Reductions | n/a | n/a | 279,000 | 279,000 | 279,000 | 279,000 | 279,000 |
| Subtotal PSP Oper Budget Approp / Exp's | (134,789,673) | (138,872,591) | (147,790,719) | (153,385,837) | (159,212,230) | (165,279,917) | (171,599,365) |
| TOTAL USE OF RESOURCES | (133,256,673) | (153,536,591) | (164,842,719) | (164,042,837) | (186,390,230) | (191,926,917) | (198,246,365) |
| YEAR END FUND BALANCE | (4,898,880) | 264,241 | 415,365 | 330,957 | 402,554 | 324,927 | 315,682 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | -3.8% | 0.2% | 0.3% | 0.2% | 0.2% | 0.2% | 0.2% |
| <u>Assumptions:</u> 1. These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include inflation or unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. The County's policy is to maximize tax supported reserves in the General fund, which is limited by the County Charter to five percent of the prior year's General Fund reserves. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy. 3. Positive figure in FY19 CIP Current Revenue Appropriation is due to the FY19 Savings Plan. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Recreation | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0254 | 0.0254 | 0.0268 | 0.0284 | 0.0292 | 0.0292 | 0.0286 |
| Assessable Base: Real Property (000) | 166,559,500 | 172,486,100 | 178,315,500 | 183,899,600 | 189,542,900 | 195,424,000 | 201,985,500 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.0635 | 0.0635 | 0.0670 | 0.0710 | 0.0730 | 0.0730 | 0.0715 |
| Assessable Base: Personal Property (000) | 3,557,200 | 3,668,000 | 3,815,900 | 3,952,600 | 4,088,500 | 4,229,500 | 4,378,600 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 876,465 | 1,101,660 | 46,353 | 60,356 | 49,181 | 57,937 | 56,889 |
| REVENUES | | | | | | | |
| Taxes | 44,305,451 | 45,871,958 | 50,052,084 | 54,713,451 | 57,991,591 | 59,801,241 | 60,544,118 |
| Charges For Services | 10,580,542 | 6,119,792 | 6,274,622 | 6,444,038 | 6,618,028 | 6,796,714 | 6,980,226 |
| Miscellaneous | 129,597 | 129,597 | 129,597 | 129,597 | 129,597 | 129,597 | 129,597 |
| Subtotal Revenues | 55,015,590 | 52,121,347 | 56,456,303 | 61,287,086 | 64,739,216 | 66,727,552 | 67,653,941 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Debt Service Fund | (17,053,534) | (13,243,811) | (14,775,279) | (16,733,645) | (16,978,678) | (17,012,626) | (16,041,497) |
| GO Bonds | (9,856,307) | (11,530,970) | (13,214,720) | (15,297,660) | (15,670,630) | (15,835,970) | (14,999,780) |
| Long Term Leases | (1,525,700) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers To The General Fund | (6,681,227) | (7,222,541) | (7,184,109) | (7,184,109) | (7,184,109) | (7,184,109) | (7,184,109) |
| Indirect Costs | (4,551,187) | (5,376,131) | (5,337,699) | (5,337,699) | (5,337,699) | (5,337,699) | (5,337,699) |
| Custodial Cleaning Costs | (611,360) | (611,360) | (611,360) | (611,360) | (611,360) | (611,360) | (611,360) |
| Facility Maintenance Costs | (1,151,850) | (1,151,850) | (1,151,850) | (1,151,850) | (1,151,850) | (1,151,850) | (1,151,850) |
| DCM | (83,200) | (83,200) | (83,200) | (83,200) | (83,200) | (83,200) | (83,200) |
| Telecommunications NDA | (283,630) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers From The General Fund | 1,009,700 | 1,009,700 | 1,009,700 | 1,009,700 | 1,009,700 | 1,009,700 | 1,009,700 |
| ASACs | 120,990 | 120,990 | 120,990 | 120,990 | 120,990 | 120,990 | 120,990 |
| Countywide Services | 888,710 | 888,710 | 888,710 | 888,710 | 888,710 | 888,710 | 888,710 |
| Transfers From Special Fds: Non-Tax + ISF | 0 | 4,500,000 | 4,613,850 | 4,738,424 | 4,866,361 | 4,997,753 | 5,132,692 |
| From Recreation Non-Tax Supported Fund | 0 | 4,500,000 | 4,613,850 | 4,738,424 | 4,866,361 | 4,997,753 | 5,132,692 |
| TOTAL RESOURCES | 38,838,521 | 39,979,196 | 41,727,377 | 44,613,797 | 47,809,719 | 49,772,863 | 51,669,333 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (37,761,861) | (39,932,843) | (41,468,932) | (42,928,194) | (44,628,360) | (46,592,552) | (48,509,048) |
| Labor Agreement | n/a | 0 | 187,935 | 187,935 | 187,935 | 187,935 | 187,935 |
| Annualizations of Positions | n/a | n/a | (7,016) | (7,016) | (7,016) | (7,016) | (7,016) |
| Elimination of One-Time Items | n/a | n/a | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Wheaton Redevelopment Office Move | n/a | n/a | (383,000) | (388,000) | (388,000) | (388,000) | (388,000) |
| Savings from Replacement of Shared Agency | n/a | n/a | 53,667 | 107,334 | 107,334 | 107,334 | 107,334 |
| ActiveMONTGOMERY Booking System | n/a | n/a | (89,675) | (89,675) | (89,675) | (89,675) | (89,675) |
| MLK Facility Closure for Renovation | n/a | n/a | 0 | (1,487,000) | (2,974,000) | (2,974,000) | (2,974,000) |
| South County Regional Recreation and Aquatic Center | n/a | n/a | 0 | (1,487,000) | (2,974,000) | (2,974,000) | (2,974,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (37,761,861) | (39,932,843) | (41,667,021) | (44,564,616) | (47,751,782) | (49,715,974) | (51,632,470) |
| TOTAL USE OF RESOURCES | (37,736,861) | (39,932,843) | (41,667,021) | (44,564,616) | (47,751,782) | (49,715,974) | (51,632,470) |
| YEAR END FUND BALANCE | 1,101,660 | 46,353 | 60,356 | 49,181 | 57,937 | 56,889 | 36,863 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 2.8% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |

Assumptions:

1. The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.
2. Related revenues, debt service, and operating costs have been incorporated for new facilities between FY21 and FY25.
3. The FY20-25 fiscal plan reflects expense savings from the implementation of a system (CIP project P722001) to replace the existing shared agency ActiveMONTGOMERY booking system.
4. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
5. Previously, transfers from the Recreation Activities Agency Fund to the Recreation Fund were reflected as Recreation Fund revenues. In the future, the transfer from the Recreation Activities Fund will be displayed as a transfer to the Recreation Fund. Revenues in the Recreation Fund will be reduced accordingly.

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Economic Development Fund | | | |
|---|------------------|-------------|--------------------|---------------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 4,075,590 | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUES | | | | | | | |
| Miscellaneous | 283,708 | 293,448 | 293,448 | 293,448 | 293,448 | 293,448 | 293,448 |
| Subtotal Revenues | 283,708 | 293,448 | 293,448 | 293,448 | 293,448 | 293,448 | 293,448 |
| INTERFUND TRANSFERS (Net Non-CIP) | 4,346,051 | 5,186,165 | 10,686,695 | 10,686,695 | 5,186,695 | 5,186,695 | 5,186,695 |
| Transfers From The General Fund | 4,346,051 | 5,186,165 | 10,686,695 | 10,686,695 | 5,186,695 | 5,186,695 | 5,186,695 |
| TOTAL RESOURCES | 8,705,349 | 5,479,613 | 10,980,143 | 10,980,143 | 5,480,143 | 5,480,143 | 5,480,143 |
| CIP CURRENT REVENUE APPROP. | 0 | 0 | (5,500,000) | (5,500,000) | 0 | 0 | 0 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (8,705,349) | (5,479,613) | (5,479,613) | (5,479,613) | (5,479,613) | (5,479,613) | (5,479,613) |
| Labor Agreement | n/a | 0 | (530) | (530) | (530) | (530) | (530) |
| Subtotal PSP Oper Budget Approp / Exp's | (8,705,349) | (5,479,613) | (5,480,143) | (5,480,143) | (5,480,143) | (5,480,143) | (5,480,143) |
| TOTAL USE OF RESOURCES | (8,705,349) | (5,479,613) | (10,980,143) | (10,980,143) | (5,480,143) | (5,480,143) | (5,480,143) |
| YEAR END FUND BALANCE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Assumptions: 1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 2. The transfer from the General Fund is adjusted to fund program costs, net of offsetting loan repayments, intergovernmental funding, and investment income. 3. The conditional grant agreement of \$5M with Federal Realty Investment Trust will be disbursed at \$1M per year beginning in FY20 through FY24. The funding will be disbursed through a supplemental appropriation to be approved by the Council. | | | | | | | |

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Montgomery College

| MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY20-25 | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | FY19 Estimate | FY20 CE Rec. | FY21 Proj. | FY22 Proj. | FY23 Proj. | FY24 Proj. | FY25 Proj. |
| Beginning Fund Balance | 10,940,047 | 7,025,800 | 4,055,352 | 3,797,505 | 3,671,435 | 3,701,683 | 3,760,398 |
| Revenues | | | | | | | |
| General Fund Contribution | 142,083,727 | 142,083,727 | 142,083,727 | 142,083,727 | 142,083,727 | 142,083,727 | 142,083,727 |
| Tuition & Related Fees | 74,191,966 | 74,591,370 | 74,886,684 | 75,255,826 | 76,104,853 | 76,880,052 | 76,880,052 |
| Other Student Fees | 1,248,973 | 1,269,277 | 1,274,302 | 1,280,583 | 1,295,030 | 1,308,221 | 1,308,221 |
| State Aid | 36,589,976 | 37,213,559 | 38,076,914 | 39,040,260 | 40,094,347 | 41,176,894 | 42,288,670 |
| Fed, State & Priv. Gifts/Grants | 300,000 | 325,000 | 332,540 | 340,953 | 350,159 | 359,613 | 369,323 |
| Investment Income | 200,000 | 155,000 | 158,798 | 162,689 | 166,675 | 170,759 | 174,943 |
| Risk Management Dividend | - | - | - | - | - | - | - |
| Performing Arts Center | 75,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 |
| Other Revenues (asset sales, lib. fines, rentals) | 654,411 | 1,459,000 | 1,492,849 | 1,530,618 | 1,571,945 | 1,614,388 | 1,657,976 |
| Adjustments - Non Mandatory Transfer | 1,234,485 | 1,500,000 | | | | | |
| Total Revenues | 256,578,538 | 258,731,933 | 258,440,814 | 259,829,656 | 261,801,736 | 263,728,654 | 264,897,912 |
| CIP CR | 13,561,000 | 13,584,000 | 13,584,000 | 13,584,000 | 13,584,000 | 13,584,000 | 13,584,000 |
| Subtotal Revenues and Transfers | 270,139,538 | 272,315,933 | 272,024,814 | 273,413,656 | 275,385,736 | 277,312,654 | 278,481,912 |
| Total Resources Available | 281,079,585 | 279,341,733 | 276,080,166 | 277,211,161 | 279,057,171 | 281,014,337 | 282,242,310 |
| County Share | 54.5% | 54.3% | 54.9% | 54.7% | 54.3% | 53.9% | 53.6% |
| State Aid Share | 14.0% | 14.2% | 14.7% | 15.0% | 15.3% | 15.6% | 16.0% |
| Tuition, Fees, Other Share | 31.4% | 31.5% | 30.4% | 30.3% | 30.4% | 30.5% | 30.4% |
| Total Expenditures | (260,492,785) | (261,702,381) | (258,698,661) | (259,955,726) | (261,771,488) | (263,669,939) | (264,861,073) |
| CIP CR | (13,561,000) | (13,584,000) | (13,584,000) | (13,584,000) | (13,584,000) | (13,584,000) | (13,584,000) |
| End of year Fund Balance | 3,262,754 | 345,132 | 185,132 | 25,132 | (0) | (0) | (0) |
| Reserve | 3,763,046 | 3,710,220 | 3,612,373 | 3,646,303 | 3,701,683 | 3,760,398 | 3,797,237 |
| Total End of Year Proj. Fund Bal (Includes Reserve) | 7,025,800 | 4,055,352 | 3,797,505 | 3,671,435 | 3,701,683 | 3,760,398 | 3,797,237 |
| Fund Bal & Reserve as % of Resources less Contribution | 5.6% | 3.3% | 3.2% | 3.0% | 3.0% | 3.0% | 3.0% |
| Assumptions: 1. The table reflects the College's reserve policy, where the college will hold in reserve an amount equal to 3% to 5% of the Current Fund appropriation excluding the County contribution. 2. The County's local out-year contribution is held constant at the County Executive recommended FY20 level. 3. Tuition and related fees revenue change at the rate of full-time equivalent student changes. 4. Other revenues, State aid, and expenditures grow based on CPI. | | | | | | | |

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Maryland-National Capital Park and Planning Commission

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | M-NCPPC Administration Fund | | | | |
|--|---------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0156 | 0.0168 | 0.0172 | 0.0172 | 0.0172 | 0.0172 | 0.0172 |
| Assessable Base: Real Property (000) | 165,538,900 | 171,429,100 | 177,222,800 | 182,772,700 | 188,381,500 | 194,226,500 | 200,747,800 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.0390 | 0.0420 | 0.0430 | 0.0430 | 0.0430 | 0.0430 | 0.0430 |
| Assessable Base: Personal Property (000) | 3,541,600 | 3,652,000 | 3,799,200 | 3,935,300 | 4,070,600 | 4,211,000 | 4,359,400 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 5,688,088 | 2,261,166 | 995,598 | 1,027,227 | 1,088,560 | 1,111,582 | 1,136,046 |
| REVENUES | | | | | | | |
| Taxes | 27,046,895 | 30,157,293 | 31,929,000 | 32,936,232 | 33,953,190 | 35,012,719 | 36,191,306 |
| Charges For Services | 204,200 | 198,400 | 203,420 | 208,912 | 214,553 | 220,346 | 226,295 |
| Intergovernmental | 391,700 | 403,500 | 403,500 | 403,500 | 403,500 | 403,500 | 403,500 |
| Miscellaneous | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Subtotal Revenues | 27,742,795 | 30,859,193 | 32,635,920 | 33,648,644 | 34,671,243 | 35,736,565 | 36,921,101 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Special Fds: Tax Supported | 0 | (325,000) | 0 | 0 | 0 | 0 | 0 |
| To M-NCPC Park Fund | 0 | (325,000) | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 33,430,883 | 32,795,359 | 33,631,518 | 34,675,871 | 35,759,803 | 36,848,147 | 38,057,147 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (31,169,717) | (31,799,761) | (32,604,291) | (33,587,311) | (34,648,221) | (35,712,101) | (36,804,701) |
| Subtotal PSP Oper Budget Approp / Exp's | (31,169,717) | (31,799,761) | (32,604,291) | (33,587,311) | (34,648,221) | (35,712,101) | (36,804,701) |
| TOTAL USE OF RESOURCES | (31,169,717) | (31,799,761) | (32,604,291) | (33,587,311) | (34,648,221) | (35,712,101) | (36,804,701) |
| YEAR END FUND BALANCE | 2,261,166 | 995,598 | 1,027,227 | 1,088,560 | 1,111,582 | 1,136,046 | 1,252,446 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 6.8% | 3.0% | 3.1% | 3.1% | 3.1% | 3.1% | 3.3% |
| Assumptions: 1. FY19 estimates include the FY19 Approved Savings Plan. 2. All labor and operating costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 3. Tax rates are adjusted to maintain a fund balance of approximately three percent. 4. These projections are based on the Executive's recommended budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may changed based on factors not assumed here. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | M-NCPPC Park Fund | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Property Tax Rate: Real Property | 0.0530 | 0.0548 | 0.0542 | 0.0540 | 0.0540 | 0.0538 | 0.0534 |
| Assessable Base: Real Property (000) | 165,538,900 | 171,429,100 | 177,222,800 | 182,772,700 | 188,381,500 | 194,226,500 | 200,747,800 |
| Property Tax Collection Factor: Real Property | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% | 99.4% |
| Property Tax Rate: Personal Property | 0.1325 | 0.1370 | 0.1355 | 0.1350 | 0.1350 | 0.1345 | 0.1335 |
| Assessable Base: Personal Property (000) | 3,541,600 | 3,652,000 | 3,799,200 | 3,935,300 | 4,070,600 | 4,211,000 | 4,359,400 |
| Property Tax Collection Factor: Personal Property | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 7,065,369 | 3,341,100 | 3,950,225 | 3,910,064 | 3,968,996 | 4,097,696 | 4,410,689 |
| REVENUES | | | | | | | |
| Taxes | 91,890,091 | 98,370,220 | 100,613,475 | 103,404,447 | 106,597,226 | 109,516,530 | 112,361,379 |
| Charges For Services | 2,947,100 | 3,216,214 | 3,297,584 | 3,386,619 | 3,478,058 | 3,571,966 | 3,668,409 |
| Intergovernmental | 3,344,909 | 3,422,473 | 3,509,062 | 3,603,807 | 3,701,110 | 3,801,040 | 3,903,668 |
| Miscellaneous | 182,100 | 215,800 | 218,811 | 221,900 | 225,069 | 228,321 | 228,321 |
| Subtotal Revenues | 98,364,200 | 105,224,707 | 107,638,932 | 110,616,773 | 114,001,463 | 117,117,857 | 120,161,777 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers From The General Fund | 100,000 | 325,000 | 0 | 0 | 0 | 0 | 0 |
| Wifi In the Parks | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers From Special Fds: Tax Supported | 0 | 325,000 | 0 | 0 | 0 | 0 | 0 |
| From M-NCPPC Administration Fund | 0 | 325,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 105,529,569 | 108,890,807 | 111,589,157 | 114,526,837 | 117,970,459 | 121,215,553 | 124,572,466 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| (350,000) | (350,000) | (350,000) | (350,000) | (350,000) | (350,000) | (350,000) | (350,000) |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (95,377,184) | (97,466,172) | (100,034,592) | (102,812,552) | (105,639,842) | (108,492,122) | (111,395,732) |
| Debt Service: Other (Non-Tax Funds only) | (6,461,285) | (7,124,410) | (7,294,501) | (7,395,289) | (7,882,921) | (7,962,742) | (8,440,526) |
| Subtotal PSP Oper Budget Approp / Exp's | (101,838,469) | (104,590,582) | (107,329,093) | (110,207,841) | (113,522,763) | (116,454,864) | (119,836,258) |
| TOTAL USE OF RESOURCES | (102,188,469) | (104,940,582) | (107,679,093) | (110,557,841) | (113,872,763) | (116,804,864) | (120,186,258) |
| YEAR END FUND BALANCE | 3,341,100 | 3,950,225 | 3,910,064 | 3,968,996 | 4,097,696 | 4,410,689 | 4,386,208 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 3.2% | 3.6% | 3.5% | 3.5% | 3.5% | 3.6% | 3.5% |
| Assumptions: 1. FY19 estimates include the FY19 Approved Savings Plan. 2. All labor and operating costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 3. All projections are based on the Executive's Recommended Budget and include the assumptions of that budget. Projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to rates, inflation, labor agreements, and other factors 4. Tax rates are adjusted to maintain a fund balance of approximately 3-4 percent of resources. | | | | | | | |



Debt Service

| DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|------------------|-------------------|
| | Actual FY17 | Actual FY18 | Budget FY19 | Estimated FY19 | Recommended FY20 | % Chg Rec/Rec | Rec % GO Bonds |
| GO BOND DEBT SERVICE EXPENDITURES | | | | | | | |
| General County | 58,302,269 | 61,573,861 | 70,037,020 | 68,467,542 | 71,907,760 | | 18.6% |
| Roads & Storm Drains | 70,310,726 | 74,528,705 | 77,869,410 | 77,508,499 | 79,373,220 | | 20.6% |
| Public Housing | 62,475 | 60,055 | 58,330 | 58,335 | 58,330 | | 0.0% |
| Parks | 8,227,409 | 8,984,883 | 9,417,240 | 9,333,582 | 9,754,070 | | 2.5% |
| Public Schools | 148,735,322 | 150,398,822 | 154,958,720 | 154,402,936 | 154,898,510 | | 40.2% |
| Montgomery College | 23,487,154 | 24,610,342 | 26,017,730 | 26,342,614 | 27,855,450 | | 7.2% |
| Bond Anticipation Notes/Commercial Paper | 2,148,047 | 3,672,862 | 7,650,000 | 7,650,000 | 8,062,500 | | |
| Bond Anticipation Notes/Liquidity & Remarketing | 2,103,596 | 2,269,555 | 2,800,000 | 2,502,000 | 2,600,000 | | |
| Cost of Issuance | 711,478 | 940,998 | 1,047,100 | 900,000 | 1,071,200 | | |
| Total General Fund | 314,088,476 | 327,040,083 | 349,855,550 | 347,165,508 | 355,581,040 | 1.6% | 89.1% |
| Fire Tax District Fund | 7,283,040 | 7,524,661 | 7,873,730 | 7,825,087 | 8,005,050 | | 2.1% |
| Mass Transit Fund | 18,924,844 | 20,378,554 | 21,894,010 | 21,483,125 | 22,400,120 | | 5.8% |
| Recreation Fund | 8,192,300 | 9,320,281 | 9,542,400 | 9,856,307 | 11,530,970 | | 3.0% |
| Total Tax Supported Other Funds | 34,400,184 | 37,223,496 | 39,310,140 | 39,164,519 | 41,936,140 | 6.7% | 10.9% |
| TOTAL TAX SUPPORTED | 348,488,660 | 364,263,579 | 389,165,690 | 386,330,027 | 397,517,180 | 2.1% | 100.0% |
| TOTAL GO BOND DEBT SERVICE EXPENDITURES | 348,488,660 | 364,263,579 | 389,165,690 | 386,330,027 | 397,517,180 | 2.1% | 100.0% |
| LONG-TERM LEASE EXPENDITURES | | | | | | | |
| Revenue Authority - Conference Center | 988,534 | 986,634 | 989,440 | 989,440 | 991,850 | | |
| Revenue Authority - HHS Piccard Drive | 395,743 | - | - | - | - | | |
| Revenue Authority - Recreation Pools | 1,524,496 | 1,526,249 | 1,525,700 | 1,525,700 | - | | |
| Fire and Rescue Equipment | 3,715,800 | 3,717,900 | 500,000 | 618,250 | 2,018,250 | | |
| Fleet Equipment | - | - | - | - | 190,000 | | |
| TOTAL LONG-TERM LEASE EXPENDITURES | 6,624,572 | 6,230,782 | 3,015,140 | 3,133,390 | 3,200,100 | 6.1% | |
| SHORT-TERM LEASE EXPENDITURES / FINANCING | | | | | | | |
| Technology Modernization Project | 5,667,891 | 5,675,821 | 4,661,600 | 4,661,600 | 3,647,100 | | |
| Libraries System Modernization | 48,478 | 96,955 | 97,000 | 97,000 | 97,000 | | |
| Corrections Security System | - | - | 220,000 | 81,000 | 162,000 | | |
| Ride On Buses | 8,364,053 | 5,276,084 | 6,718,600 | 6,644,300 | 8,364,300 | | |
| Public Safety System Modernization | 3,157,691 | 988,120 | 4,228,200 | 3,566,300 | 3,566,300 | | |
| Fire Breathing Apparatus | - | - | 1,484,000 | 1,472,700 | 1,472,700 | | |
| Fuel Management System | 631,522 | 631,522 | 912,600 | 829,600 | 829,600 | | |
| TOTAL SHORT-TERM LEASE EXPENDITURES | 17,869,634 | 12,668,502 | 18,322,000 | 17,352,500 | 18,139,000 | -1.0% | |
| OTHER LONG-TERM DEBT | | | | | | | |
| Silver Spring Music Venue - Tax supported | 290,455 | 290,805 | 291,000 | 291,000 | 291,000 | | |
| NDA Incubator - Tax Supported | - | - | - | - | 928,000 | | |
| Site II Acquisition - Tax supported | 400,000 | 400,000 | 1,238,900 | 1,238,900 | 1,238,900 | | |
| Energy Performance Leases QECBs - Tax supported | 325,332 | 326,126 | 728,080 | 641,360 | 659,970 | | |
| Energy Performance Leases Other - Tax supported | 112,659 | 466,583 | 663,190 | 890,530 | 1,264,490 | | |
| MHI-HUD Loan - Non-Tax supported | 61,274 | 59,021 | 56,750 | 56,750 | 54,400 | | |
| Water Quality Protection Charge Bonds - Non-Tax supported | 6,148,160 | 6,100,007 | 6,148,600 | 6,148,600 | 6,361,900 | | |
| MHI - Property Acquisition Fund - Non-Tax supported | 7,199,246 | 7,206,058 | 9,501,510 | 8,688,530 | 9,623,700 | | |
| TOTAL OTHER LONG-TERM DEBT | 14,537,125 | 14,848,600 | 18,628,030 | 17,955,670 | 20,422,360 | 9.6% | |
| DEBT SERVICE EXPENDITURES | | | | | | | |
| Tax Supported | 374,111,312 | 384,646,377 | 413,424,000 | 409,877,707 | 423,238,640 | 2.4% | |
| Non-Tax Supported - Other Long-term Debt | 13,408,680 | 13,365,086 | 15,706,860 | 14,893,880 | 16,040,000 | | |
| TOTAL DEBT SERVICE EXPENDITURES | 387,519,992 | 398,011,463 | 429,130,860 | 424,771,587 | 439,278,640 | 2.4% | |
| GO BOND DEBT SERVICE FUNDING SOURCES | | | | | | | |
| General Funds | 297,850,103 | 302,826,842 | 318,864,140 | 316,399,238 | 335,107,250 | | |
| BABs Crossover Funds with Escrow Agent | - | - | 5,179,100 | 5,179,100 | 2,589,550 | | |
| Other Interest: Installment Notes, Interest & Penalties | 76,713 | 1,272,378 | - | - | - | | |
| Federal Subsidy on General Obligation Bonds | 5,624,450 | 5,372,848 | 5,087,370 | 5,186,890 | 3,602,570 | | |
| Premium on General Obligation Bonds | 11,421,071 | 17,973,769 | 20,724,940 | 20,400,240 | 14,281,670 | | |
| Total General Fund Sources | 314,972,337 | 327,445,837 | 349,855,550 | 347,165,468 | 355,581,040 | | |
| Fire Tax District Funds | 7,124,641 | 7,524,661 | 7,873,730 | 7,825,087 | 8,005,050 | | |
| Mass Transit Fund | 18,517,146 | 19,739,278 | 21,894,010 | 21,483,125 | 22,400,120 | | |
| Recreation Fund | 7,828,616 | 8,914,525 | 9,542,400 | 9,856,307 | 11,530,970 | | |
| Total Other Funding Sources | 33,470,404 | 36,178,464 | 39,310,140 | 39,164,519 | 41,936,140 | | |
| TOTAL GO BOND FUNDING SOURCES | 348,442,741 | 363,624,301 | 389,165,690 | 386,329,987 | 397,517,180 | | |
| NON GO BOND FUNDING SOURCES | | | | | | | |
| General Funds | 11,315,267 | 9,527,325 | 12,387,400 | 11,908,630 | 11,727,710 | | |
| MHI Fund - HUD Loan | 61,274 | 59,021 | 56,750 | 56,750 | 54,400 | | |
| Water Quality Protection Fund | 6,148,160 | 6,100,007 | 6,148,600 | 6,148,600 | 6,361,900 | | |
| MHI - Property Acquisition Fund | 7,199,246 | 7,206,058 | 9,501,510 | 8,688,530 | 9,623,700 | | |
| Motor Pool Fund | - | - | - | - | 190,000 | | |
| Mass Transit Fund | 8,364,053 | 5,276,084 | 6,718,600 | 6,644,300 | 8,364,300 | | |
| Recreation Fund | 1,524,496 | 1,526,249 | 1,525,700 | 1,525,700 | - | | |
| Fire Tax District Fund | 4,347,322 | 4,349,422 | 2,896,600 | 2,920,550 | 4,320,550 | | |
| Federal Subsidy - QECBs | 65,494 | 283,802 | 272,010 | 277,350 | 262,190 | | |
| Capitalized Interest - Energy Performance Leases | 51,940 | 59,194 | 8,000 | 130,600 | 47,300 | | |
| Energy Performance Leases - PEPCO and Utility Rebate | - | - | - | 140,590 | 359,410 | | |
| Developer Payments - Site II | - | - | 450,000 | - | 450,000 | | |
| TOTAL NON GO BOND FUNDING SOURCES | 39,077,251 | 34,387,162 | 39,965,170 | 38,441,600 | 41,761,460 | | |
| Actual and Estimated Bond Sales | 500,000,000 | 340,000,000 | 330,000,000 | 330,000,000 | 320,000,000 | | |
| Council SAG Approved Bond Funded Expenditures | 299,500,000 | 340,000,000 | 330,000,000 | 330,000,000 | 320,000,000 | | |

| DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT | | | | | | |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Recommended FY20 | Projected FY21 | Projected FY22 | Projected FY23 | Projected FY24 | Projected FY25 |
| GO BOND DEBT SERVICE EXPENDITURES | | | | | | |
| General County | 71,907,760 | 74,090,830 | 73,992,070 | 74,606,800 | 81,170,970 | 82,163,120 |
| Roads & Storm Drains | 79,373,220 | 80,749,400 | 84,039,230 | 84,805,620 | 84,076,960 | 84,072,490 |
| Public Housing | 58,330 | 57,290 | 58,320 | 56,330 | 51,180 | 18,100 |
| Parks | 9,754,070 | 9,921,620 | 10,715,690 | 11,265,310 | 12,423,070 | 12,912,270 |
| Public Schools | 154,898,510 | 157,899,650 | 161,616,530 | 166,455,750 | 167,307,720 | 176,944,730 |
| Montgomery College | 27,855,450 | 28,023,290 | 28,332,230 | 29,822,400 | 31,736,940 | 33,441,600 |
| Bond Anticipation Notes/Commercial Paper | 8,062,500 | 8,250,000 | 8,325,000 | 8,662,500 | 9,112,500 | 9,862,500 |
| Bond Anticipation Notes/Liquidity & Remarketing | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Cost of Issuance | 1,071,200 | 1,097,500 | 1,124,400 | 1,151,950 | 1,180,200 | 1,209,200 |
| Total General Fund | 355,581,040 | 362,689,580 | 370,803,470 | 379,426,660 | 389,659,540 | 403,224,010 |
| Fire Tax District Fund | 8,005,050 | 8,596,770 | 9,324,170 | 10,670,260 | 12,528,000 | 12,372,780 |
| Mass Transit Fund | 22,400,120 | 23,026,420 | 25,473,310 | 27,288,440 | 25,078,490 | 24,041,170 |
| Recreation Fund | 11,530,970 | 13,214,720 | 15,297,660 | 15,670,630 | 15,835,970 | 14,999,780 |
| Total Tax Supported Other Funds | 41,936,140 | 44,837,910 | 50,095,140 | 53,629,330 | 53,442,460 | 51,413,730 |
| TOTAL TAX SUPPORTED | 397,517,180 | 407,527,490 | 420,898,610 | 433,055,990 | 443,102,000 | 454,637,740 |
| TOTAL GO BOND DEBT SERVICE EXPENDITURES | 397,517,180 | 407,527,490 | 420,898,610 | 433,055,990 | 443,102,000 | 454,637,740 |
| LONG-TERM LEASE EXPENDITURES | | | | | | |
| Revenue Authority - Conference Center | 991,850 | 987,710 | 991,000 | 991,600 | - | - |
| Fire and Rescue Equipment | 2,018,250 | 3,626,250 | 4,618,250 | 4,968,250 | 5,343,250 | 5,868,250 |
| Fleet Equipment | 190,000 | 380,000 | 380,000 | 380,000 | 380,000 | 380,000 |
| TOTAL LONG-TERM LEASE EXPENDITURES | 3,200,100 | 4,993,960 | 5,989,250 | 6,339,850 | 5,723,250 | 6,248,250 |
| SHORT-TERM LEASE EXPENDITURES / FINANCING | | | | | | |
| Technology Modernization Project | 3,647,100 | 3,647,100 | 3,647,100 | 3,647,100 | 1,823,500 | - |
| Libraries System Modernization | 97,000 | 97,000 | 48,500 | - | - | - |
| Corrections Security System | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 | 162,000 |
| Digital Evidence Data Storage | - | 162,500 | 162,500 | 162,500 | 162,500 | 162,500 |
| Ride On Buses | 8,364,300 | 11,284,300 | 8,458,100 | 7,432,300 | 6,719,000 | 4,640,000 |
| Intelligent Transit System | - | 1,960,000 | 1,960,000 | 1,960,000 | 1,960,000 | 1,960,000 |
| Public Safety System Modernization | 3,566,300 | 2,612,500 | 3,685,300 | 3,668,100 | 1,090,000 | 1,090,000 |
| Fire Breathing Apparatus | 1,472,700 | 1,472,700 | 1,472,700 | 1,472,700 | 1,472,700 | 1,472,700 |
| Fuel Management System | 829,600 | 513,800 | 198,000 | 198,000 | 198,000 | 198,000 |
| TOTAL SHORT-TERM LEASE EXPENDITURES | 18,139,000 | 21,911,900 | 19,794,200 | 18,702,700 | 13,587,700 | 9,685,200 |
| OTHER LONG-TERM DEBT | | | | | | |
| Silver Spring Music Venue - Tax supported | 291,000 | 294,100 | 292,000 | 294,100 | 291,000 | 292,000 |
| Site II Acquisition - Tax supported | 1,238,900 | 1,238,900 | 1,238,900 | 1,238,900 | 1,238,900 | 1,238,900 |
| NDA Incubator - Tax Supported | 928,000 | 931,500 | 936,720 | 4,244,500 | - | - |
| Rockville Core - Tax Supported | - | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Energy Performance Leases QECBs - Tax supported | 659,970 | 660,270 | 660,540 | 660,820 | 701,140 | 695,550 |
| Energy Performance Leases Other - Tax supported | 1,264,490 | 1,356,820 | 1,320,150 | 1,362,210 | 1,393,470 | 1,528,290 |
| Wheaton Redevelopment - Non-Tax Supported | - | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 |
| MHI-HUD Loan - Non-Tax supported | 54,400 | 52,050 | 49,650 | 47,230 | 54,510 | - |
| Water Quality Protection Charge Bonds - Non-Tax supported | 6,361,900 | 7,376,550 | 8,186,800 | 8,887,400 | 9,541,250 | 9,547,950 |
| MHI - Property Acquisition Fund - Non-Tax supported | 9,623,700 | 11,921,700 | 11,918,400 | 11,918,500 | 11,922,900 | 11,916,800 |
| TOTAL OTHER LONG-TERM DEBT | 20,422,360 | 29,131,890 | 29,903,160 | 33,953,660 | 30,443,170 | 30,519,490 |
| DEBT SERVICE EXPENDITURES | | | | | | |
| Tax Supported | 423,238,640 | 441,914,940 | 454,130,370 | 468,899,070 | 469,037,460 | 477,325,930 |
| Non-Tax Supported - Other Long-term Debt | 16,040,000 | 21,650,300 | 22,454,850 | 23,153,130 | 23,818,660 | 23,764,750 |
| TOTAL DEBT SERVICE EXPENDITURES | 439,278,640 | 463,565,240 | 476,585,220 | 492,052,200 | 492,856,120 | 501,090,680 |
| GO BOND DEBT SERVICE FUNDING SOURCES | | | | | | |
| General Funds | 335,107,250 | 360,374,750 | 368,576,770 | 377,330,700 | 387,563,580 | 401,128,050 |
| BABs Crossover Funds with Escrow Agent | 2,589,550 | - | - | - | - | - |
| Federal Subsidy on General Obligation Bonds | 3,602,570 | 2,226,700 | 2,226,700 | 2,095,960 | 2,095,960 | 2,095,960 |
| Premium on General Obligation Bonds | 14,281,670 | 88,130 | - | - | - | - |
| Total General Fund Sources | 355,581,040 | 362,689,580 | 370,803,470 | 379,426,660 | 389,659,540 | 403,224,010 |
| Fire Tax District Fund | 8,005,050 | 8,596,770 | 9,324,170 | 10,670,260 | 12,528,000 | 12,372,780 |
| Mass Transit Fund | 22,400,120 | 23,026,420 | 25,473,310 | 27,288,440 | 25,078,490 | 24,041,170 |
| Recreation Fund | 11,530,970 | 13,214,720 | 15,297,660 | 15,670,630 | 15,835,970 | 14,999,780 |
| Total Other Funding Sources | 41,936,140 | 44,837,910 | 50,095,140 | 53,629,330 | 53,442,460 | 51,413,730 |
| TOTAL GO BOND FUNDING SOURCES | 397,517,180 | 407,527,490 | 420,898,610 | 433,055,990 | 443,102,000 | 454,637,740 |
| NON GO BOND FUNDING SOURCES | | | | | | |
| General Funds | 11,727,710 | 14,447,470 | 15,451,360 | 18,748,570 | 9,190,190 | 7,509,250 |
| MHI Fund - HUD Loan | 54,400 | 52,050 | 49,650 | 47,230 | 54,510 | 0 |
| Water Quality Protection Fund | 6,361,900 | 7,376,550 | 8,186,800 | 8,887,400 | 9,541,250 | 9,547,950 |
| MHI - Property Acquisition Fund | 9,623,700 | 11,921,700 | 11,918,400 | 11,918,500 | 11,922,900 | 11,916,800 |
| Non-tax funds - Wheaton Redevelopment | 0 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 | 2,300,000 |
| Motor Pool Fund | 190,000 | 380,000 | 380,000 | 380,000 | 380,000 | 380,000 |
| Mass Transit Fund | 8,364,300 | 13,244,300 | 10,418,100 | 9,392,300 | 8,679,000 | 6,600,000 |
| Fire Tax District Fund | 4,320,550 | 5,612,750 | 6,288,950 | 6,638,950 | 7,013,950 | 7,538,950 |
| Federal Subsidy - QECBs | 262,190 | 252,930 | 243,350 | 233,260 | 222,320 | 209,990 |
| Capitalized Interest - Energy Performance Leases | 47,300 | - | - | - | - | - |
| Energy Performance Leases - PEPCO and Utility Rebate | 359,410 | - | - | - | - | - |
| Developer Payments - Site II | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| TOTAL NON GO BOND FUNDING SOURCES | 41,761,460 | 56,037,750 | 55,686,610 | 58,996,210 | 49,754,120 | 46,452,940 |
| TOTAL FUNDING SOURCES | 439,278,640 | 463,565,240 | 476,585,220 | 492,052,200 | 492,856,120 | 501,090,680 |
| TOTAL GENERAL OBLIGATION BOND SALES | | | | | | |
| Estimated Bond Sales | 320,000,000 | 310,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| Council SAG Approved Bond Funded Expenditures | 320,000,000 | 310,000,000 | 300,000,000 | 300,000,000 | 300,000,000 | 300,000,000 |
| ESTIMATED INTEREST RATE | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |



Non-Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Cable Television Communications Plan
- Montgomery Housing Initiative Fund
- Water Quality Protection Fund
- Community Use of Public Facilities Fund
- Parking District Funds
- Solid Waste Collection and Disposal Funds
- Leaf Vacuuming Fund
- Permitting Services Fund
- Liquor Control Fund
- Risk Management Fund
- Central Duplicating, Mail and Records Mgmt. Fund
- Employee Health Benefits Self Insurance Fund
- Motor Pool Fund

Maryland-National Capital Park and Planning Commission

- Enterprise Fund

Washington Suburban Sanitary Commission

- Water and Sewer Operating Funds

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Montgomery County Government

FY20 CABLE COMMUNICATIONS PLAN (in \$000's)

| | | Act FY18 | APP FY19 | Est FY19 | REC FY20 | Proj. FY21 | Proj. FY22 | Proj. FY23 | Proj. FY24 | Proj. FY25 |
|----|---|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|
| 1 | BEGINNING FUND BALANCE | 6,031 | 1,960 | 443 | 68 | 1,372 | 2,195 | 2,849 | 2,968 | 2,444 |
| 2 | REVENUES | | | | | | | | | |
| 3 | Franchise Fees | 16,999 | 17,868 | 16,631 | 16,235 | 15,944 | 15,692 | 15,455 | 15,245 | 14,997 |
| 4 | Gaithersburg PEG Contribution | 159 | 165 | 151 | 144 | 138 | 137 | 135 | 133 | 133 |
| 5 | PEG Operating Grant | 3,967 | 4,013 | 3,946 | 3,848 | 3,809 | 3,793 | 3,786 | 3,784 | 3,782 |
| 6 | PEG Capital Grant | 6,273 | 6,644 | 6,018 | 5,932 | 5,797 | 5,662 | 5,526 | 5,391 | 5,255 |
| 8 | Interest Earned | 125 | 107 | 107 | 263 | 263 | 263 | 263 | 263 | 263 |
| 9 | TFCG Application Review Fees | 139 | 150 | 150 | 150 | 243 | 250 | 250 | 250 | 251 |
| 10 | Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | TOTAL ANNUAL REVENUES | 27,662 | 28,947 | 27,003 | 26,572 | 26,194 | 25,797 | 25,415 | 25,066 | 24,681 |
| 12 | TOTAL RESOURCES-CABLE FUND | 33,693 | 30,907 | 27,446 | 26,640 | 27,566 | 27,992 | 28,264 | 28,034 | 27,125 |
| 13 | EXPENDITURE OF RESTRICTED FUNDS | | | | | | | | | |
| 14 | A. EXPENDITURE OF RESTRICTED CAPITAL FUNDS | | | | | | | | | |
| 15 | Municipal Capital Support | | | | | | | | | |
| 16 | Rockville Equipment | 868 | 931 | 860 | 847 | 828 | 368 | 359 | 350 | 342 |
| 17 | Takoma Park Equipment | 203 | 217 | 201 | 198 | 193 | 189 | 184 | 180 | 175 |
| 18 | Municipal League Equipment | 203 | 217 | 201 | 198 | 193 | 189 | 184 | 180 | 175 |
| 19 | SUBTOTAL | 1,274 | 1,365 | 1,261 | 1,243 | 1,215 | 745 | 727 | 709 | 692 |
| 20 | PEG Capital | 724 | 759 | 759 | 759 | 759 | 759 | 759 | 759 | 759 |
| 21 | ultraMontgomery - CIP | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 |
| 22 | FiberNet - CIP | 3,890 | 3,840 | 3,840 | 3,750 | 3,569 | 3,496 | 3,496 | 3,496 | 3,497 |
| 24 | (Must be greater or equal to Line 6) SUBTOTAL | 6,568 | 6,644 | 6,539 | 6,431 | 6,223 | 5,680 | 5,662 | 5,644 | 5,628 |
| 25 | B. EXPENDITURE OF OTHER RESTRICTED FUNDS | | | | | | | | | |
| 26 | Municipal Franchise Fee Distribution | | | | | | | | | |
| 27 | City of Rockville | 757 | 757 | 757 | 739 | 725 | 714 | 703 | 694 | 682 |
| 28 | City of Takoma Park | 233 | 268 | 233 | 227 | 223 | 220 | 216 | 213 | 210 |
| 29 | Other Municipalities | 248 | 243 | 256 | 250 | 246 | 242 | 238 | 235 | 231 |
| 30 | SUBTOTAL | 1,238 | 1,268 | 1,246 | 1,216 | 1,194 | 1,175 | 1,158 | 1,142 | 1,123 |
| 31 | Municipal Operating Support | | | | | | | | | |
| 32 | Rockville PEG Support | 270 | 300 | 256 | 250 | 248 | 247 | 246 | 246 | 246 |
| 33 | Takoma Park PEG Support | 447 | 458 | 438 | 428 | 423 | 421 | 421 | 420 | 420 |
| 34 | Muni. League PEG Support | 447 | 458 | 438 | 428 | 423 | 421 | 421 | 420 | 420 |
| 35 | SUBTOTAL | 1,164 | 1,215 | 1,133 | 1,105 | 1,094 | 1,089 | 1,087 | 1,087 | 1,086 |
| 36 | SUBTOTAL | 2,402 | 2,483 | 2,379 | 2,321 | 2,288 | 2,265 | 2,245 | 2,229 | 2,210 |
| 37 | TOTAL EXPENDITURES OF RESTRICTED FUNDS | 8,970 | 9,127 | 8,919 | 8,753 | 8,511 | 7,945 | 7,907 | 7,873 | 7,838 |
| 38 | NET TOTAL ANNUAL REVENUES | 18,692 | 19,820 | 18,084 | 17,819 | 17,683 | 17,852 | 17,508 | 17,193 | 16,843 |
| 39 | NET TOTAL RESOURCES-CABLE FUND | 24,723 | 21,780 | 18,527 | 17,887 | 19,055 | 20,046 | 20,356 | 20,161 | 19,287 |

| | | Act FY18 | APP FY19 | Est FY19 | REC FY20 | Proj. FY21 | Proj. FY22 | Proj. FY23 | Proj. FY24 | Proj. FY25 |
|----|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| 40 | EXPENDITURES OF NON-RESTRICTED FUNDS | | | | | | | | | |
| 41 | A. Transmission Facilities Coordinating Group | | | | | | | | | |
| 42 | TFCG Application Review | 341 | 230 | 230 | 230 | 250 | 250 | 250 | 250 | 250 |
| 43 | SUBTOTAL | 341 | 230 | 230 | 230 | 250 | 250 | 250 | 250 | 250 |
| 44 | B. FRANCHISE ADMINISTRATION | | | | | | | | | |
| 45 | Personnel Costs - Cable Administration / OBP | 873 | 849 | 641 | 1,098 | 1,131 | 1,165 | 1,200 | 1,236 | 1,273 |
| 46 | Personnel Costs - DTS Administration | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 47 | Personnel Costs - Charges for County Atty | 123 | 118 | 118 | 121 | 125 | 128 | 132 | 136 | 140 |
| 48 | Operating | 137 | 68 | 68 | 68 | 68 | 68 | 68 | 68 | 68 |
| 49 | Engineering & Inspection Services | 109 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 |
| 50 | Legal and Professional Services | 21 | 100 | 300 | 475 | 475 | 475 | 250 | 250 | 250 |
| 51 | SUBTOTAL | 1,283 | 1,212 | 1,204 | 1,839 | 1,876 | 1,913 | 1,727 | 1,767 | 1,808 |
| 52 | SUBTOTAL | 1,624 | 1,442 | 1,434 | 2,069 | 2,126 | 2,163 | 1,977 | 2,017 | 2,058 |
| 53 | C. MONTGOMERY COUNTY GOVERNMENT - CCM | | | | | | | | | |
| 54 | Media Production & Engineering | | | | | | | | | |
| 55 | Personnel Costs | 694 | 707 | 707 | 882 | 908 | 936 | 964 | 993 | 1,022 |
| 56 | Operating | 24 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| 57 | Contracts - TV Production | 48 | 87 | 87 | 87 | 87 | 87 | 87 | 87 | 87 |
| 58 | New Media, Webstreaming & VOD Services | 44 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 |
| 59 | SUBTOTAL | 810 | 884 | 884 | 1,059 | 1,085 | 1,113 | 1,141 | 1,170 | 1,199 |
| 60 | Public Information Office | | | | | | | | | |
| 61 | Personnel Costs | 689 | 799 | 799 | 842 | 867 | 893 | 920 | 948 | 976 |
| 62 | Operating Expenses | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| 64 | SUBTOTAL | 700 | 811 | 811 | 853 | 879 | 905 | 931 | 959 | 987 |
| 65 | County Council | | | | | | | | | |
| 66 | Personnel Costs | 577 | 620 | 620 | 641 | 660 | 680 | 700 | 721 | 743 |
| 67 | Operating Expenses | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| 68 | Contracts - TV Production | 89 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 |
| 69 | General Sessions and Committee Meetings | 48 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 71 | SUBTOTAL | 726 | 884 | 884 | 904 | 924 | 943 | 964 | 985 | 1,006 |
| 72 | MNCPPC | | | | | | | | | |
| 73 | Contracts - TV Production | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 | 99 |
| 74 | New Media, Webstreaming & VOD Services | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| 75 | SUBTOTAL | 123 | 123 | 123 | 123 | 123 | 123 | 123 | 123 | 123 |
| 76 | SUBTOTAL | 2,359 | 2,702 | 2,702 | 2,939 | 3,010 | 3,083 | 3,159 | 3,236 | 3,316 |

FY20 CABLE COMMUNICATIONS PLAN (in \$000's)

| | | Act FY18 | APP FY19 | Est FY19 | REC FY20 | Proj. FY21 | Proj. FY22 | Proj. FY23 | Proj. FY24 | Proj. FY25 |
|-----|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 77 | D. MONTGOMERY COLLEGE - MC ITV | | | | | | | | | |
| 78 | Personnel Costs | 1,463 | 1,506 | 1,506 | 1,555 | 1,602 | 1,650 | 1,699 | 1,750 | 1,803 |
| 79 | Operating Expenses | 221 | 221 | 221 | 209 | 209 | 209 | 209 | 209 | 209 |
| 80 | SUBTOTAL | 1,684 | 1,727 | 1,727 | 1,764 | 1,811 | 1,859 | 1,908 | 1,959 | 2,012 |
| 81 | E. PUBLIC SCHOOLS - MCPS ITV | | | | | | | | | |
| 82 | Personnel Costs | 1,564 | 1,656 | 1,656 | 1,679 | 1,729 | 1,781 | 1,835 | 1,890 | 1,946 |
| 83 | Operating Expenses | 133 | 133 | 133 | 121 | 121 | 121 | 121 | 121 | 121 |
| 84 | SUBTOTAL | 1,697 | 1,790 | 1,789 | 1,800 | 1,851 | 1,903 | 1,956 | 2,011 | 2,068 |
| 85 | F. COMMUNITY ACCESS PROGRAMMING | | | | | | | | | |
| 86 | Personnel Costs | 2,095 | 2,096 | 2,096 | 2,166 | 2,231 | 2,298 | 2,367 | 2,438 | 2,511 |
| 87 | Operating Expenses | 65 | 65 | 65 | 54 | 54 | 54 | 54 | 54 | 54 |
| 88 | Rent & Utilities | 425 | 459 | 459 | 493 | 502 | 513 | 523 | 533 | 544 |
| 89 | New Media, Webstreaming & VOD Services | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| 90 | SUBTOTAL | 2,608 | 2,644 | 2,643 | 2,736 | 2,811 | 2,888 | 2,967 | 3,049 | 3,132 |
| 91 | G. PEG OPERATING | | | | | | | | | |
| 92 | Operating Expenses | 169 | 161 | 161 | 181 | 181 | 181 | 181 | 181 | 181 |
| 93 | Youth and Arts Community Media | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 94 | Community Engagement | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| 95 | Closed Captioning | 151 | 163 | 163 | 163 | 163 | 163 | 163 | 163 | 163 |
| 96 | Technical Operations Center (TOC) | 5 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| 98 | SUBTOTAL | 516 | 525 | 524 | 544 | 544 | 544 | 544 | 544 | 544 |
| 99 | H. OPB FIBERNET OPERATING | | | | | | | | | |
| 100 | FiberNet - Personnel Charges for DTS | 361 | 949 | 949 | 609 | 627 | 646 | 665 | 685 | 706 |
| 101 | FiberNet - Operations & Maintenance DTS | 1,276 | 1,329 | 1,329 | 1,374 | 1,374 | 1,374 | 1,374 | 1,374 | 1,374 |
| 102 | FiberNet - Network Operations Center | 858 | 910 | 910 | 910 | 910 | 910 | 910 | 910 | 910 |
| 103 | FiberNet - Personnel Charges for DOT | 116 | 106 | 106 | 109 | 112 | 116 | 119 | 123 | 126 |
| 104 | FiberNet - Operations & Maintenance DOT | 90 | 291 | 300 | 291 | 291 | 291 | 291 | 291 | 291 |
| 105 | FiberNet - Miss Utility (DOT) | 285 | 688 | 644 | 489 | 488 | 488 | 488 | 488 | 488 |
| 106 | SUBTOTAL | 2,986 | 4,273 | 4,238 | 3,782 | 3,803 | 3,825 | 3,848 | 3,871 | 3,895 |
| 107 | TOTAL EXPENDITURE OF UNRESTRICTED FUNDS | 13,474 | 15,102 | 15,057 | 15,635 | 15,955 | 16,265 | 16,359 | 16,687 | 17,025 |
| 108 | TOTAL EXPENDITURE OF RESTRICTED FUNDS | 8,970 | 9,127 | 8,919 | 8,753 | 8,511 | 7,945 | 7,907 | 7,873 | 7,838 |
| 109 | TOTAL EXPENDITURES - PROGRAMS | 22,444 | 24,230 | 23,975 | 24,388 | 24,466 | 24,210 | 24,266 | 24,560 | 24,863 |

FY20 CABLE COMMUNICATIONS PLAN (in \$000's)

| | | Act FY18 | APP FY19 | Est FY19 | REC FY20 | Proj. FY21 | Proj. FY22 | Proj. FY23 | Proj. FY24 | Proj. FY25 |
|-----|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 110 | I. OTHER | | | | | | | | | |
| 111 | Indirect Costs Transfer to Gen Fund | 725 | 756 | 756 | 880 | 906 | 933 | 1,030 | 1,030 | 1,030 |
| 113 | Telecom Transfer to the Gen Fund | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| 114 | Transfer to the General Fund | 9,021 | 5,208 | 1,906 | 0 | 0 | 0 | 0 | 0 | 0 |
| 115 | Legislative Community Communications NDA | 1,290 | 540 | 636 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Transfer to the Maryland-National Capital Park and | | | | | | | | | |
| 116 | Planning Commission | 100 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| 117 | SUBTOTAL | 11,141 | 6,609 | 3,403 | 880 | 906 | 933 | 1,030 | 1,030 | 1,030 |
| 118 | TOTAL EXPENDITURES | 33,585 | 30,839 | 27,378 | 25,267 | 25,372 | 25,143 | 25,296 | 25,590 | 25,893 |
| 119 | J. ADJUSTMENTS | | | | | | | | | |
| 120 | Prior Year Adjustments | (335) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 121 | TOTAL ADJUSTMENTS | (335) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 122 | FUND BALANCE | 443 | 68 | 68 | 1,372 | 2,195 | 2,849 | 2,968 | 2,444 | 1,232 |
| 123 | FUND BALANCE PER POLICY GUIDANCE | 1,381 | 1,450 | 1,351 | 1,332 | 1,316 | 1,296 | 1,277 | 1,261 | 1,241 |
| 124 | K. SUMMARY - EXPENDITURES BY FUNDING SOURCE | | | | | | | | | |
| 125 | Transfer to Gen Fund-Indirect Costs | 725 | 756 | 756 | 880 | 906 | 933 | 1,030 | 1,030 | 1,030 |
| 126 | Transfer to Gen Fund-Mont Coll Cable Fund | 1,684 | 1,727 | 1,727 | 1,764 | 1,929 | 2,018 | 2,018 | 2,018 | 2,018 |
| 127 | Transfer to Gen Fund-Public Sch Cable Fund | 1,697 | 1,790 | 1,789 | 1,800 | 2,070 | 2,164 | 2,164 | 2,164 | 2,164 |
| 128 | Transfer to CIP Fund | 4,570 | 4,520 | 4,520 | 4,430 | 4,249 | 4,176 | 4,176 | 4,176 | 4,177 |
| 129 | Transfer to Gen Fund-Other | 9,021 | 5,208 | 1,906 | 0 | 0 | 0 | 0 | 0 | 0 |
| 130 | Transfer to Gen Fund-Telecom | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| 131 | Transfer to the General Fund-Legislative Branch NDA | 1,290 | 540 | 636 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Transfer to the Maryland-National Capital Park and | | | | | | | | | |
| 132 | Planning Commission | 100 | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| 133 | FUND TRANSFERS SUBTOTAL | 19,092 | 14,646 | 11,439 | 8,874 | 9,154 | 9,291 | 9,388 | 9,388 | 9,389 |
| 134 | Cable Fund Expenditure of Unrestricted Funds | 10,093 | 11,586 | 11,541 | 12,071 | 12,294 | 12,503 | 13,269 | 13,269 | 13,270 |
| 135 | Cable Fund Direct Expenditures | 14,493 | 16,193 | 15,939 | 16,393 | 16,218 | 15,852 | 15,908 | 16,202 | 16,504 |
| 136 | Cable Fund Personnel | 3,453 | 4,150 | 3,941 | 4,302 | 4,431 | 4,564 | 5,035 | 5,035 | 5,036 |
| 137 | Cable Fund Operating | 10,756 | 11,356 | 11,354 | 11,603 | 11,637 | 11,221 | 11,037 | 11,085 | 11,132 |

Notes:

1. These revenues and expenditures are based on the Executive's recommended budget. The projected future expenditures, revenues, transfers, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.
2. Franchise Fee revenue projections are based on a forecast developed by the Department of Finance.
3. Transfers to the General Fund Other, Legislative Branch NDA, and M-NCPPC have been eliminated in FY20 due to declining revenues and fund balance policy guidelines.
4. Franchise fees and PEG revenues are subject to municipal pass-through payment.
5. Restricted revenue and expenditures: Certain Cable Fund revenues, required in excess of the federal limit on franchise fees, and corresponding expenditures (Municipal Franchise Fees/Pass-throughs, PEG Capital/Equipment Grants, and PEG Operating Revenue) are contractually required by franchise, municipal, and settlement agreements, and by the County Code, and may only be used for permissible federal purposes and in a manner consistent with applicable agreements.
6. Municipal payments are estimates. Actual payments will be calculated based upon actual revenue received, subscriber numbers and formulas specified within the Municipal MOU's.
7. Montgomery Community Television, Inc., d/b/a Montgomery Community Media, is designated as a sole source contractor to provide community access media services.
8. Fund balance per policy guidance is calculated as 8% of total non-restricted revenues (franchise fees, tower fees, and investment income).
9. The Cable Fund makes a fund transfer to Montgomery College and MCPS to support MCPS ITV and MC ITV.
10. Subtotals may be adjusted due to rounding.

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Montgomery Housing Initiative | | | |
|--|---------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 APPROVED | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.0% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 1.7% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 11,633,504 | 7,160,000 | 3,170,000 | 2,250,000 | 1,330,000 | 410,000 | 0 |
| REVENUES | | | | | | | |
| Taxes | 14,471,142 | 16,467,562 | 16,555,163 | 16,906,665 | 17,411,062 | 18,254,387 | 19,071,076 |
| Charges For Services | 70,200 | 70,200 | 71,976 | 73,919 | 75,915 | 77,965 | 80,070 |
| Miscellaneous | 6,966,946 | 7,407,006 | 7,407,006 | 7,407,006 | 7,407,006 | 7,407,006 | 7,407,006 |
| Subtotal Revenues | 21,508,288 | 23,944,768 | 24,034,145 | 24,387,590 | 24,893,983 | 25,739,358 | 26,558,152 |
| INTERFUND TRANSFERS (Net Non-CIP) | 12,830,992 | 15,242,985 | 14,816,848 | 12,945,148 | 12,945,048 | 12,940,648 | 12,946,748 |
| Transfers To Debt Service Fund | (9,501,510) | (9,623,700) | (11,921,700) | (11,918,400) | (11,918,500) | (11,922,900) | (11,916,800) |
| MHI Property Acquisition | (9,501,510) | (9,623,700) | (11,921,700) | (11,918,400) | (11,918,500) | (11,922,900) | (11,916,800) |
| Transfers To The General Fund | (371,142) | (476,191) | (479,328) | (479,328) | (479,328) | (479,328) | (479,328) |
| Indirect Costs | (371,142) | (476,191) | (479,328) | (479,328) | (479,328) | (479,328) | (479,328) |
| Transfers From The General Fund | 22,703,644 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 |
| From General Fund | 22,703,644 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 | 25,342,876 |
| Transfers From Special Fds: Non-Tax + ISF | 0 | 0 | 1,875,000 | 0 | 0 | 0 | 0 |
| From PLD Land Sale Proceeds | 0 | 0 | 1,875,000 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 45,972,784 | 46,347,753 | 42,020,993 | 39,582,738 | 39,169,031 | 39,090,006 | 39,504,900 |
| CIP CURRENT REVENUE APPROP. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (3,507,307) | (3,710,205) | (3,710,205) | (3,710,205) | (3,710,205) | (3,710,205) | (3,710,205) |
| Debt Service: Other (Non-Tax Funds only) | (56,750) | (56,750) | (56,750) | (56,750) | (56,750) | (56,750) | (56,750) |
| Labor Agreement | n/a | 0 | (11,040) | (11,040) | (11,040) | (11,040) | (11,040) |
| Annualizations and One-Time | n/a | n/a | (42,270) | (42,270) | (42,270) | (42,270) | (42,270) |
| Rental Assistance Program (RAP) | (14,246,142) | (16,367,562) | (16,455,163) | (16,806,665) | (17,311,062) | (18,154,387) | (18,971,076) |
| Falkland Chase 5 yr | (562,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| Burnt Mills 10 yr | (267,060) | (267,060) | (267,060) | (267,060) | (267,060) | (267,060) | 0 |
| Housing First | (8,369,080) | (8,369,080) | (8,369,080) | (8,369,080) | (8,369,080) | (8,369,080) | (8,369,080) |
| Neighborhoods to Call Home | (1,181,340) | (1,181,340) | (1,181,340) | (1,181,340) | (1,181,340) | (1,181,340) | (1,181,340) |
| Special Needs and Nonprofit Housing | (2,380,510) | (2,380,510) | (2,380,510) | (2,380,510) | (2,380,510) | (2,380,510) | (2,380,510) |
| 100,000 Homes | (437,120) | (437,120) | (437,120) | (437,120) | (437,120) | (437,120) | (437,120) |
| Zero: 2016 | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) |
| Affordable Housing Initiative | (3,682,481) | (7,625,233) | (5,307,515) | (3,437,758) | (3,439,654) | (3,437,304) | (3,445,509) |
| Subtotal PSP Oper Budget Approp / Exp's | (35,589,790) | (41,294,860) | (39,118,053) | (37,599,798) | (38,106,091) | (38,947,066) | (39,504,900) |
| OTHER CLAIMS ON FUND BALANCE | (6,292,994) | (1,882,893) | (652,940) | (652,940) | (652,940) | (142,940) | 0 |
| TOTAL USE OF RESOURCES | (41,882,784) | (43,177,753) | (39,770,993) | (38,252,738) | (38,759,031) | (39,090,006) | (39,504,900) |
| YEAR END FUND BALANCE | 4,090,000 | 3,170,000 | 2,250,000 | 1,330,000 | 410,000 | 0 | 0 |
| Affordable Housing and Acquisition and Preservation CIP Project #P760100 | (22,000,000) | (17,000,000) | (8,707,061) | (13,248,739) | (2,947,242) | (3,019,492) | (3,142,992) |
| TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project) | (63,882,784) | (60,177,753) | (48,478,054) | (51,501,477) | (41,706,273) | (42,109,498) | (42,647,892) |
| Assumptions: 1. A total of \$63.07 million will be invested in affordable housing, including expenditures of \$41.3 million reflected in this fund, as well as an additional \$4.77 million loan repayments reallocated in FY19 and \$17 million in FY20 for the Affordable Housing Acquisition and Preservation CIP Projects #760100. The CIP includes the issuance of \$15.56 million of debt and \$1.44 million in estimated loan repayments in FY20. The funding provides a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing, and a variety of services for permanent supportive housing and community development. 2. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources. | | | | | | | |
| Notes: 1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates. 2. The Executive recommends an additional \$2.64 million to be transferred from the General Fund to the MHI fund, compared to the FY19 amount. A combination totaling \$25.34 million transferred from the General Fund, MPDU alternative payments, and one-time funding from HIF reserves will exceed the 2.5% policy goal. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | Water Quality Protection Fund | | | | | |
|--|---------------------|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.15% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.30% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% |
| Number of Equivalent Residential Units (ERUs) Billed | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 | 365,000 |
| Water Quality Protection Charge (\$/ERU) | \$104.25 | \$104.25 | \$108.00 | \$112.00 | \$116.00 | \$120.00 | \$125.00 |
| Collection Factor for Charge | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% | 99.5% |
| BEGINNING FUND BALANCE | 13,876,247 | 9,393,540 | 9,877,960 | 8,208,774 | 6,320,354 | 3,369,143 | 2,133,626 |
| REVENUES | | | | | | | |
| Charges For Services | 37,415,935 | 37,515,190 | 38,851,800 | 40,299,200 | 41,751,900 | 43,204,600 | 45,020,480 |
| Bag Tax Receipts | 2,471,921 | 2,471,921 | 2,471,921 | 2,471,921 | 2,471,921 | 2,471,921 | 2,471,921 |
| Miscellaneous | 1,076,880 | 984,070 | 984,070 | 984,070 | 984,070 | 984,070 | 984,070 |
| Subtotal Revenues | 40,964,736 | 40,971,181 | 42,307,791 | 43,755,191 | 45,207,891 | 46,660,591 | 48,476,471 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To General Fund | (7,900,961) | (8,399,880) | (9,414,530) | (10,224,780) | (10,925,380) | (11,579,230) | (11,585,930) |
| Indirect Costs | (1,752,361) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) |
| Telecommunications Charge | (1,739,210) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) | (2,037,980) |
| Transfers to Debt Service Fund (Non-Tax) | (13,151) | 0 | 0 | 0 | 0 | 0 | 0 |
| | (6,148,600) | (6,361,900) | (7,376,550) | (8,186,800) | (8,887,400) | (9,541,250) | (9,547,950) |
| TOTAL RESOURCES | 46,940,022 | 41,964,841 | 42,771,221 | 41,739,185 | 40,602,865 | 38,450,504 | 39,024,167 |
| CIP CURRENT REVENUE APPROPRIATION | | | | | | | |
| PSP OPER. BUDGET APPROP/ EXP'S. | (4,750,000) | (3,228,000) | (4,306,000) | (4,186,000) | (5,396,000) | (4,031,000) | (4,031,000) |
| Operating Budget | (25,083,515) | (28,858,886) | (29,312,186) | (29,803,446) | (30,317,796) | (30,856,326) | (31,420,166) |
| Annualizations and One-Time (PC) | 0 | 0 | (33,460) | (33,460) | (33,460) | (33,460) | (33,460) |
| Labor Contracts | 0 | 0 | (56,015) | (56,015) | (56,015) | (56,015) | (56,015) |
| Labor Contracts Other | 0 | 0 | 11,177 | 11,177 | 11,177 | 11,177 | 11,177 |
| Maintenance of New and Newly Transferred Facilities | 0 | 0 | (113,980) | (780,127) | (821,095) | (695,892) | (695,892) |
| Operating Impacts of CIP Projects (per CC Approved FY19-24 PDFs) | 0 | 0 | (20,000) | (5,000) | (35,000) | (50,000) | (50,000) |
| Building Lease Operating Budget Impacts | 0 | 0 | 549,675 | 732,900 | 732,900 | 732,900 | 732,900 |
| Wheaton Redevelopment Project Operating Budget Impacts | 0 | 0 | (1,265,648) | (1,265,540) | (1,266,403) | (1,265,972) | (1,265,972) |
| Anticipated Increases for Payments to Municipalities | 0 | 0 | (16,010) | (33,320) | (52,030) | (72,290) | (94,250) |
| Subtotal PSP Oper Budget Approp / Exp's | (25,083,515) | (28,858,886) | (30,256,447) | (31,232,831) | (31,837,722) | (32,285,878) | (32,871,678) |
| OTHER CLAIMS ON FUND BALANCE | (7,712,967) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL USE OF RESOURCES | (37,546,482) | (32,086,886) | (34,562,447) | (35,418,831) | (37,233,722) | (36,316,878) | (36,902,678) |
| YEAR END FUND BALANCE | 9,393,540 | 9,877,960 | 8,208,774 | 6,320,354 | 3,369,143 | 2,133,626 | 2,121,489 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | | | | | | | |
| | 20.0% | 23.5% | 19.2% | 15.1% | 8.3% | 5.5% | 5.4% |
| NET REVENUE | 14,128,860 | 10,074,315 | 10,013,364 | 10,484,380 | 11,332,189 | 12,336,733 | 13,566,813 |
| DEBT SERVICE COVERAGE RATIO | 2.30 | 1.58 | 1.36 | 1.28 | 1.28 | 1.29 | 1.42 |

Assumptions:

1. These projections are based on the County 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.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY21 and FY25 have been incorporated in the future fiscal impact (FFI) rows.
4. The operating budget includes planning and implementation costs for compliance with the Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in February 2010. Debt service on bonds that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued \$37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A) and \$46.5 million dated April 6, 2016 (Series 2016A). The actual debt service costs for the Series 2012A and 2016A bond issuances and projected debt service for anticipated MDE Water Quality Revolving Loan awards in years FY20-25 are included in the fiscal plan. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | Community Use of Public Facilities | | | | |
|--|---------------------|---------------------|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 6,372,109 | 4,771,665 | 3,429,758 | 2,342,025 | 1,709,749 | 1,088,775 | 506,431 |
| REVENUES | | | | | | | |
| Charges For Services | 11,431,922 | 11,926,753 | 12,228,500 | 12,558,670 | 12,897,754 | 13,245,993 | 13,868,555 |
| Miscellaneous | 108,083 | 104,195 | 76,379 | 56,820 | 42,968 | 29,174 | 15,721 |
| Subtotal Revenues | 11,540,005 | 12,030,948 | 12,304,879 | 12,615,490 | 12,940,722 | 13,275,167 | 13,884,276 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To The General Fund | (689,493) | (768,770) | (776,023) | (776,023) | (776,023) | (776,023) | (776,023) |
| Indirect Costs | (849,493) | (928,770) | (936,023) | (936,023) | (936,023) | (936,023) | (936,023) |
| CAAP | (609,960) | (721,440) | (728,693) | (728,693) | (728,693) | (728,693) | (728,693) |
| DCM | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) |
| Telecommunications NDA | (7,330) | (7,330) | (7,330) | (7,330) | (7,330) | (7,330) | (7,330) |
| Transfers From The General Fund | (32,203) | 0 | 0 | 0 | 0 | 0 | 0 |
| After School | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| Elections | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 | 135,000 |
| TOTAL RESOURCES | 17,222,621 | 16,033,843 | 14,958,614 | 14,181,492 | 13,874,448 | 13,587,919 | 13,614,684 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| PSP OPER. BUDGET APPROP/ EXP'S. | (750,000) | (613,000) | (304,000) | 0 | 0 | 0 | 0 |
| Operating Budget | (11,669,140) | (11,959,269) | (12,157,759) | (12,370,428) | (12,589,403) | (12,815,317) | (13,051,130) |
| Labor Agreement | n/a | 0 | (35,469) | (35,469) | (35,469) | (35,469) | (35,469) |
| Elimination of One-Time Expenses | 0 | n/a | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 |
| Increase in MCPS Reimbursable Staff Costs | n/a | n/a | (12,660) | (25,600) | (38,830) | (52,360) | (65,890) |
| Utility Reimbursements to MCPS | n/a | n/a | (74,492) | (151,592) | (231,391) | (313,982) | (396,573) |
| Maintenance Reimbursement to MCPS | n/a | n/a | 0 | (10,426) | (21,740) | (33,054) | (44,368) |
| Custodial Supply Reimbursements to MCPS | n/a | n/a | (325) | (3,627) | (6,978) | (10,329) | (13,680) |
| Security Services at Silver Spring Civic Building | n/a | n/a | (5,973) | (12,244) | (18,515) | (24,786) | (31,057) |
| Wheaton Redevelopment | n/a | n/a | (197,000) | (190,000) | (180,000) | (171,000) | (171,000) |
| Retiree Health Insurance Pre-Funding | n/a | n/a | 510 | 1,520 | 10,530 | 16,870 | 21,470 |
| Savings from Replacement of ActiveMONTGOMERY | n/a | n/a | 72,395 | 144,791 | 144,791 | 144,791 | 144,791 |
| ActiveMONTGOMERY Fiscal Assistant | n/a | n/a | 0 | 83,148 | 83,148 | 83,148 | 83,148 |
| Subtotal PSP Oper Budget Approp / Exp's | (11,669,140) | (11,959,269) | (12,280,773) | (12,439,927) | (12,753,857) | (13,081,488) | (13,429,758) |
| OTHER CLAIMS ON FUND BALANCE | (31,816) | (31,816) | (31,816) | (31,816) | (31,816) | 0 | 0 |
| TOTAL USE OF RESOURCES | (12,450,956) | (12,604,085) | (12,616,589) | (12,471,743) | (12,785,673) | (13,081,488) | (13,429,758) |
| YEAR END FUND BALANCE | 4,771,665 | 3,429,758 | 2,342,025 | 1,709,749 | 1,088,775 | 506,431 | 184,926 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | 27.7% | 21.4% | 15.7% | 12.1% | 7.8% | 3.7% | 1.4% |
| Assumptions: 1. Changes in interfund transfers reflect the election cycle, receipts from the General Fund to offset the cost of free use and unpermitted field use, and technology modernization costs. 2. The ICB must review and approve any changes in fees. A 2% fee increase is assumed in FY25. 3. The fiscal plan assumes a one time use of surplus funds to replace the on-line booking system shared by CUPF, the Recreation Department, and M-NCPPC. This use is shown as a current revenue transfer in FY20 and FY21 to the CIP project, Shared Agency Booking System Replacement (P722001). 4. The fiscal plan assumes additional programmed expenses in FY20 for the purchase and installation of audiovisual equipment at the Silver Spring Civic Building. Notes: 1. The fund balance is calculated on a net assets basis. 2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 3. Community Use of Public Facilities has a fund balance policy target of 10% of resources. 4. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75). | | | | | | | |

| FY20-25 Public Services Program: Fiscal Plan Bethesda Parking Lot District | | Estimated | Recommended | Projected | Projected | Projected | Projected | Projected |
|---|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 | Assumptions | | | | | | | |
| 2 | Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| 3 | CPI (Fiscal Year) | 2.15% | 2.32% | 2.53% | 2.70% | 2.70% | 2.70% | 2.70% |
| 4 | Investment Income Yield | 2.30% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% |
| 5 | Beginning Fund Balance | \$ 17,600,624 | \$ 16,057,015 | \$ 12,373,038 | \$ 13,387,838 | \$ 12,653,759 | \$ 11,689,175 | \$ 12,678,004 |
| 6 | | | | | | | | |
| 7 | Revenues | | | | | | | |
| 8 | Charges for Services | \$ 15,555,081 | \$ 15,555,081 | \$ 15,555,081 | \$ 15,555,081 | \$ 15,555,081 | \$ 14,755,081 | \$ 14,755,081 |
| 9 | Fines & Forfeits | \$ 3,250,000 | \$ 3,250,000 | \$ 3,250,000 | \$ 3,250,000 | \$ 3,250,000 | \$ 3,250,000 | \$ 3,250,000 |
| 10 | Miscellaneous | \$ 761,090 | \$ 787,310 | \$ 6,412,310 | \$ 787,310 | \$ 787,310 | \$ 2,787,310 | \$ 2,787,310 |
| 11 | Subtotal Revenues | \$ 19,566,171 | \$ 19,592,391 | \$ 25,217,391 | \$ 19,592,391 | \$ 19,592,391 | \$ 20,792,391 | \$ 20,792,391 |
| 12 | | | | | | | | |
| 13 | Transfers | \$ (2,359,658) | \$ (2,331,137) | \$ (5,031,116) | \$ (3,018,273) | \$ (3,011,743) | \$ (1,979,397) | \$ (2,089,117) |
| 14 | Transfers to General Fund | \$ (427,128) | \$ (491,273) | \$ (503,846) | \$ (518,203) | \$ (532,970) | \$ (548,157) | \$ (563,777) |
| 15 | Indirect Costs | \$ (414,329) | \$ (491,273) | \$ (503,846) | \$ (518,203) | \$ (532,970) | \$ (548,157) | \$ (563,777) |
| 16 | Telecommunications NDA | \$ (12,799) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 17 | Transfers to Special Funds : Tax Supported | \$ (1,532,530) | \$ (1,619,864) | \$ (1,627,270) | \$ (1,600,070) | \$ (1,578,773) | \$ (1,551,240) | \$ (1,525,340) |
| 18 | Bethesda Urban District | \$ (1,532,530) | \$ (1,619,864) | \$ (1,627,270) | \$ (1,600,070) | \$ (1,578,773) | \$ (1,551,240) | \$ (1,525,340) |
| 19 | Transfers to Other Funds | \$ (400,000) | \$ (220,000) | \$ (2,900,000) | \$ (900,000) | \$ (900,000) | \$ 120,000 | \$ - |
| 20 | Transfer to Wheaton PLD | \$ (400,000) | \$ (220,000) | \$ 100,000 | \$ 200,000 | \$ 200,000 | \$ 120,000 | \$ - |
| 21 | Transfer to Silver Spring PLD | \$ - | \$ - | \$ (3,000,000) | \$ (1,100,000) | \$ (1,100,000) | \$ - | \$ - |
| 22 | Total Resources | \$ 34,807,137 | \$ 33,318,269 | \$ 32,559,313 | \$ 29,961,956 | \$ 29,234,407 | \$ 30,502,168 | \$ 31,381,278 |
| 23 | CIP Current Revenue Appropriation Expenditure | \$ (3,805,562) | \$ (5,906,400) | \$ (3,843,677) | \$ (3,208,200) | \$ (3,155,000) | \$ (3,155,000) | \$ (3,155,000) |
| 24 | Other CIP Revenue Appropriation Expenditure | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 25 | | | | | | | | |
| 26 | Appropriations/Expenditures | | | | | | | |
| 27 | Operating Budget | \$ (10,267,797) | \$ (10,374,862) | \$ (10,640,381) | \$ (10,943,588) | \$ (11,255,434) | \$ (11,576,167) | \$ (11,906,039) |
| 28 | Existing Debt Service | \$ (4,653,194) | \$ (4,640,400) | \$ (4,634,250) | \$ (3,104,192) | \$ (3,091,012) | \$ (3,078,709) | \$ (3,068,191) |
| 29 | Retiree Health Insurance Pre-Funding | \$ - | \$ - | \$ 470 | \$ 1,420 | \$ 9,850 | \$ 15,780 | \$ 20,080 |
| 30 | Labor Agreement | \$ - | \$ - | \$ (30,068) | \$ (30,068) | \$ (30,068) | \$ (30,068) | \$ (30,068) |
| 31 | Subtotal PSP Operating Budget Appropriation | \$ (14,920,991) | \$ (15,015,262) | \$ (15,304,229) | \$ (14,076,427) | \$ (14,366,664) | \$ (14,669,164) | \$ (14,984,219) |
| 32 | Other Claims on Fund Balance | \$ (23,569) | \$ (23,569) | \$ (23,569) | \$ (23,569) | \$ (23,569) | \$ - | \$ - |
| 33 | Total Use of Resources | \$ (18,750,122) | \$ (20,945,231) | \$ (19,171,475) | \$ (17,308,196) | \$ (17,545,233) | \$ (17,824,164) | \$ (18,139,219) |
| 34 | | | | | | | | |
| 35 | Year End Fund Balance | \$ 16,057,015 | \$ 12,373,038 | \$ 13,387,838 | \$ 12,653,759 | \$ 11,689,175 | \$ 12,678,004 | \$ 13,242,059 |
| 36 | Bond Restricted Reserve | \$ (7,947,468) | \$ (8,571,342) | \$ (8,829,945) | \$ (8,896,610) | \$ (8,961,636) | \$ (9,027,651) | \$ (9,097,409) |
| 37 | Year End Available Fund Balance | \$ 8,109,547 | \$ 3,801,696 | \$ 4,557,893 | \$ 3,757,149 | \$ 2,727,539 | \$ 3,650,353 | \$ 4,144,650 |
| | Available Fund Balance As A Percent of Next Year's PSP Expenses | 54% | 25% | 31% | 26% | 19% | 24% | 28% |
| | Target Balance | \$ 3,753,816 | \$ 3,826,057 | \$ 3,519,107 | \$ 3,591,666 | \$ 3,667,291 | \$ 3,746,055 | \$ 3,746,055 |

Assumptions:

1. The cash balance includes funds required to be held by the District to cover Bond Covenants.
2. Bond coverage (annual net revenues over debt service requirements) is maintained at about 226 percent in FY20. The minimum requirement is 125 percent.
3. Revenue for the air rights lease for Garage 49 is assumed in FY19 through FY25.
4. Revenue growth in FY24 projected as a result of increased occupancy of existing facilities associated with the Marriott development.
5. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
6. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.
7. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75).

| FY20-25 Public Services Program: Fiscal Plan Silver Spring Parking Lot District | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Estimated | Recommended | Projected | Projected | Projected | Projected | Projected |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 Assumptions | | | | | | | |
| 2 Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| 3 CPI (Fiscal Year) | 2.15% | 2.32% | 2.53% | 2.70% | 2.70% | 2.70% | 2.70% |
| 4 Investment Income Yield | 2.30% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% |
| 5 Beginning Fund Balance | \$ 16,891,415 | \$ 8,777,412 | \$ 5,767,419 | \$ 7,397,774 | \$ 7,117,991 | \$ 6,461,696 | \$ 4,334,534 |
| 6 | | | | | | | |
| 7 Revenues | | | | | | | |
| 8 Charges for Services | \$ 10,663,333 | \$ 13,440,413 | \$ 15,040,413 | \$ 15,040,413 | \$ 15,040,413 | \$ 15,040,413 | \$ 15,040,413 |
| 9 Fines & Forfeits | \$ 1,897,689 | \$ 1,897,689 | \$ 1,897,689 | \$ 1,897,689 | \$ 1,897,689 | \$ 1,897,689 | \$ 1,897,689 |
| 10 Miscellaneous | \$ 435,120 | \$ 226,457 | \$ 168,799 | \$ 210,863 | \$ 203,644 | \$ 186,712 | \$ 131,831 |
| 11 Subtotal Revenues | \$ 12,996,142 | \$ 15,564,559 | \$ 17,106,901 | \$ 17,148,965 | \$ 17,141,746 | \$ 17,124,814 | \$ 17,069,933 |
| 12 | | | | | | | |
| 13 Transfers | \$ (3,340,130) | \$ (3,083,000) | \$ (178,227) | \$ (2,082,147) | \$ (2,098,623) | \$ (3,206,569) | \$ (3,216,398) |
| 14 Transfers to General Fund | \$ (559,420) | \$ (553,157) | \$ (567,186) | \$ (583,206) | \$ (599,682) | \$ (616,628) | \$ (634,057) |
| 15 Indirect Costs | \$ (472,228) | \$ (548,157) | \$ (562,186) | \$ (578,206) | \$ (594,682) | \$ (611,628) | \$ (629,057) |
| To RSC | \$ (5,000) | \$ (5,000) | \$ (5,000) | \$ (5,000) | \$ (5,000) | \$ (5,000) | \$ (5,000) |
| Telecommunications NDA | \$ (82,192) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 17 Transfers to Special Funds : Tax Supported | \$ (2,780,710) | \$ (2,529,843) | \$ 388,959 | \$ (1,498,941) | \$ (1,498,941) | \$ (2,589,941) | \$ (2,582,341) |
| 19 Silver Spring Urban District | \$ (2,780,710) | \$ (2,529,843) | \$ (2,611,041) | \$ (2,598,941) | \$ (2,598,941) | \$ (2,589,941) | \$ (2,582,341) |
| 21 Transfer from Bethesda PLD | \$ - | \$ - | \$ 3,000,000 | \$ 1,100,000 | \$ 1,100,000 | \$ - | \$ - |
| 22 | | | | | | | |
| 23 Total Resources | \$ 26,547,427 | \$ 21,258,971 | \$ 22,696,093 | \$ 22,464,592 | \$ 22,161,114 | \$ 20,379,941 | \$ 18,188,069 |
| 24 | | | | | | | |
| 25 CIP Current Revenue Appropriation Expenditure | \$ (6,395,593) | \$ (3,800,000) | \$ (3,000,000) | \$ (2,700,000) | \$ (2,700,000) | \$ (2,700,000) | \$ (2,700,000) |
| 26 | | | | | | | |
| 27 Appropriations/Expenditures | | | | | | | |
| 28 Operating Budget | \$ (11,355,567) | \$ (11,672,697) | \$ (12,246,431) | \$ (12,595,403) | \$ (12,954,320) | \$ (13,323,463) | \$ (13,703,126) |
| Labor Agreement | \$ - | \$ - | \$ (33,373) | \$ (33,373) | \$ (33,373) | \$ (33,373) | \$ (33,373) |
| Retiree Health Benefits Pre-Funding | \$ - | \$ - | \$ 340 | \$ 1,030 | \$ 7,130 | \$ 11,430 | \$ 14,540 |
| 29 Subtotal PSP Operating Budget Appropriation | \$ (11,355,567) | \$ (11,672,697) | \$ (12,279,464) | \$ (12,627,746) | \$ (12,980,563) | \$ (13,345,406) | \$ (13,721,959) |
| 30 Other Claims on Fund Balance | \$ (18,855) | \$ (18,855) | \$ (18,855) | \$ (18,855) | \$ (18,855) | \$ - | \$ - |
| 31 Total Use of Resources | \$ (17,770,015) | \$ (15,491,552) | \$ (15,298,319) | \$ (15,346,601) | \$ (15,699,418) | \$ (16,045,406) | \$ (16,421,959) |
| 32 | | | | | | | |
| 33 Year End Available Fund Balance | \$ 8,777,412 | \$ 5,767,419 | \$ 7,397,774 | \$ 7,117,991 | \$ 6,461,696 | \$ 4,334,534 | \$ 1,766,110 |
| Available Fund Balance As A Percent of Next Year's | | | | | | | |
| 34 PSP Expenses | 75% | 47% | 59% | 55% | 48% | 32% | 13% |
| 35 Target Balance | \$ 2,918,174 | \$ 3,069,866 | \$ 3,156,937 | \$ 3,245,141 | \$ 3,336,352 | \$ 3,430,490 | \$ 3,430,490 |

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Increases to revenue from FY21-25 are based on a combination of increased hours of enforcement in lots and garages and overall rates, with the details to be determined in collaboration with the Silver Spring Chamber of Commerce and the County Council.
3. The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.
4. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75).

| FY20-25 Public Services Program: Fiscal Plan Wheaton Parking Lot District | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Estimated | Recommended | Projected | Projected | Projected | Projected | Projected |
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 Assumptions | | | | | | | |
| 2 Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| 3 CPI (Fiscal Year) | 2.15% | 2.32% | 2.53% | 2.70% | 2.70% | 2.70% | 2.70% |
| 4 Investment Income Yield | 2.30% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% |
| 5 Beginning Fund Balance | \$ 973,824 | \$ 917,671 | \$ 606,532 | \$ 419,011 | \$ 522,541 | \$ 485,877 | \$ 475,079 |
| 6 | | | | | | | |
| 7 Revenues | | | | | | | |
| 8 Charges for Services | \$ 725,000 | \$ 850,000 | \$ 1,525,000 | \$ 1,975,000 | \$ 1,975,000 | \$ 1,975,000 | \$ 1,975,000 |
| 9 Fines & Forfeits | \$ 476,000 | \$ 476,000 | \$ 476,000 | \$ 476,000 | \$ 476,000 | \$ 476,000 | \$ 476,000 |
| 10 Miscellaneous | \$ 19,440 | \$ 21,885 | \$ 15,649 | \$ 10,810 | \$ 13,482 | \$ 12,536 | \$ 12,257 |
| 11 Subtotal Revenues | \$ 1,220,440 | \$ 1,347,885 | \$ 2,016,649 | \$ 2,461,810 | \$ 2,464,482 | \$ 2,463,536 | \$ 2,463,257 |
| 12 | | | | | | | |
| 13 Transfers | \$ 288,852 | \$ 102,845 | \$ (221,285) | \$ (323,700) | \$ (326,184) | \$ (248,738) | \$ (131,366) |
| 14 Transfers to General Fund | \$ (74,611) | \$ (80,618) | \$ (84,748) | \$ (87,163) | \$ (89,647) | \$ (92,201) | \$ (94,829) |
| 15 Indirect Costs | \$ (70,547) | \$ (80,618) | \$ (84,748) | \$ (87,163) | \$ (89,647) | \$ (92,201) | \$ (94,829) |
| 16 Telecommunications NDA | \$ (4,064) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 17 Transfers to Special Funds : Tax Supported | \$ 363,463 | \$ 183,463 | \$ (136,537) | \$ (236,537) | \$ (236,537) | \$ (156,537) | \$ (36,537) |
| 18 Wheaton Urban District | \$ (36,537) | \$ (36,537) | \$ (36,537) | \$ (36,537) | \$ (36,537) | \$ (36,537) | \$ (36,537) |
| 19 Transfer from Bethesda PLD | \$ 400,000 | \$ 220,000 | \$ (100,000) | \$ (200,000) | \$ (200,000) | \$ (120,000) | \$ - |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 Total Resources | \$ 2,483,116 | \$ 2,368,401 | \$ 2,401,895 | \$ 2,557,121 | \$ 2,660,839 | \$ 2,700,674 | \$ 2,806,971 |
| 23 | | | | | | | |
| 24 CIP Current Revenue Appropriation Expenditure | \$ (156,000) | \$ (157,000) | \$ (157,000) | \$ (157,000) | \$ (245,000) | \$ (245,000) | \$ (245,000) |
| 25 | | | | | | | |
| 26 Appropriations/Expenditures | | | | | | | |
| 27 Operating Budget | \$ (1,405,909) | \$ (1,601,333) | \$ (1,817,315) | \$ (1,869,101) | \$ (1,922,363) | \$ (1,977,142) | \$ (2,033,482) |
| 28 Retiree Health Insurance Pre-Funding | \$ - | \$ - | \$ 50 | \$ 140 | \$ 1,020 | \$ 1,630 | \$ 2,070 |
| 29 Labor Agreement | \$ - | \$ - | \$ (5,083) | \$ (5,083) | \$ (5,083) | \$ (5,083) | \$ (5,083) |
| 30 Subtotal PSP Operating Budget Appropriation | \$ (1,405,909) | \$ (1,601,333) | \$ (1,822,348) | \$ (1,874,044) | \$ (1,926,426) | \$ (1,980,595) | \$ (2,036,495) |
| 31 Other Claims on Fund Balance | \$ (3,536) | \$ (3,536) | \$ (3,536) | \$ (3,536) | \$ (3,536) | \$ - | \$ - |
| 32 Total Use of Resources | \$ (1,565,445) | \$ (1,761,869) | \$ (1,982,884) | \$ (2,034,580) | \$ (2,174,962) | \$ (2,225,595) | \$ (2,281,495) |
| 33 | | | | | | | |
| 34 Year End Available Fund Balance | \$ 917,671 | \$ 606,532 | \$ 419,011 | \$ 522,541 | \$ 485,877 | \$ 475,079 | \$ 525,475 |
| Available Fund Balance As A Percent of Next Year's | | | | | | | |
| PSP Expenses | 57% | 33% | 22% | 27% | 25% | 23% | 26% |
| Target Balance | \$ 400,333 | \$ 455,587 | \$ 468,511 | \$ 481,606 | \$ 495,149 | \$ 509,124 | \$ 509,124 |

Assumptions:

- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY21-25 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Increases to revenue from FY21-25 are based on the completion of the Wheaton Revitalization Program in FY20, and a combination of increased hours of enforcement in lots and garages and overall rates starting in FY21, with the details to be determined in collaboration with the Wheaton Chamber of Commerce and the County Council.
- The Parking Lot Districts have a fund balance policy target equal to 25 percent of the following year's projected operating budget expenses.
- The other claims on fund balance represents the OPEB liability five year allocation (GASB 75).

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Solid Waste Collection | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Number of Households | 92,057 | 92,830 | 93,519 | 94,207 | 94,895 | 95,584 | 96,272 |
| Charge per Household (once-weekly refuse collection) | \$ 77.00 | \$ 95.00 | \$ 112.00 | \$ 130.00 | \$ 130.00 | \$ 130.00 | \$ 130.00 |
| Percentage Rate Increase (Decrease) | 0.0% | 23.4% | 17.9% | 16.1% | 0.0% | 0.0% | 0.0% |
| BEGINNING FUND BALANCE | (140,204) | (2,348,402) | (3,396,515) | (3,102,260) | (1,375,770) | 20,871 | 1,174,574 |
| REVENUES | | | | | | | |
| Charges For Services | 7,086,460 | 8,818,850 | 10,474,128 | 12,246,910 | 12,336,350 | 12,425,920 | 12,515,360 |
| Miscellaneous | 61,530 | 65,540 | 65,540 | 65,540 | 65,540 | 65,540 | 65,540 |
| Subtotal Revenues | 7,147,990 | 8,884,390 | 10,539,668 | 12,312,450 | 12,401,890 | 12,491,460 | 12,580,900 |
| INTERFUND TRANSFERS (Net Non-CIP) | (286,394) | (331,905) | (345,635) | (360,282) | (375,844) | (392,272) | (409,428) |
| Transfers To The General Fund | (286,394) | (331,905) | (345,635) | (360,282) | (375,844) | (392,272) | (409,428) |
| Indirect Costs | (281,394) | (326,905) | (340,635) | (355,282) | (370,844) | (387,272) | (404,428) |
| DCM | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) |
| TOTAL RESOURCES | 6,721,392 | 6,204,083 | 6,797,518 | 8,849,908 | 10,650,276 | 12,120,059 | 13,346,046 |
| CIP CURRENT REVENUE APPROP. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (9,059,189) | (9,589,993) | (9,878,776) | (10,204,815) | (10,609,703) | (10,937,208) | (11,362,207) |
| Labor Contracts | n/a | n/a | (12,702) | (12,702) | (12,702) | (12,702) | (12,702) |
| Labor Contracts Other | n/a | n/a | 2,245 | 2,245 | 2,245 | 2,245 | 2,245 |
| Retiree Health Insurance Pre-Funding | n/a | n/a | 60 | 200 | 1,360 | 2,180 | 2,770 |
| Subtotal PSP Oper Budget Approp / Exp's | (9,059,189) | (9,589,993) | (9,889,173) | (10,215,072) | (10,618,800) | (10,945,485) | (11,369,894) |
| OTHER CLAIMS ON FUND BALANCE | (10,605) | (10,605) | (10,605) | (10,605) | (10,605) | 0 | 0 |
| TOTAL USE OF RESOURCES | (9,069,794) | (9,600,598) | (9,899,778) | (10,225,677) | (10,629,405) | (10,945,485) | (11,369,894) |
| YEAR END FUND BALANCE | (2,348,402) | (3,396,515) | (3,102,260) | (1,375,770) | 20,871 | 1,174,574 | 1,976,152 |
| YEAR END CASH BALANCE | 2,673,081 | 1,624,968 | 1,919,223 | 2,845,713 | 3,442,354 | 3,796,057 | 3,797,635 |
| END-OF-YEAR RESERVES AS A | | | | | | | |
| PERCENT OF RESOURCES | -34.9% | -54.7% | -45.6% | -15.5% | 0.2% | 9.7% | 14.8% |
| 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 FY21-25 are projections only and will change with the change in the underlying assumptions (i.e. growth in house counts, CPI, Investment Income Yield) in future fiscal years. 2. These projections are based on the Executive's recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. 3. The fund balance is negative from FY19-22 because of a \$4 million liability that results from a FY18 loan from the Disposal fund. This \$4 million loan was executed in FY18 to more gradually phase in the rate increases needed to cover substantial 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 towards the fund balance policy target of 10 percent to 15 percent. 4. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75). | | | | | | | |

FY20-25 DIVISION OF SOLID WASTE SERVICES

| FISCAL PROJECTIONS | ESTIMATED FY19 | PROJECTED FY20 | PROJECTED FY21 | PROJECTED FY22 | PROJECTED FY23 | PROJECTED FY24 | PROJECTED FY25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Single-Family Charges (\$/Household) | 205.11 | 213.26 | 227.70 | 245.63 | 264.98 | 285.74 | 310.95 |
| % change in rate from previous year | 0.0% | 4.0% | 6.8% | 7.9% | 7.9% | 7.8% | 8.8% |
| Multi-Family Charges (\$/Dwelling Unit) | 16.06 | 16.06 | 15.71 | 15.06 | 14.32 | 13.61 | 12.81 |
| % change in rate from previous year | 0.0% | 0.0% | -2.2% | -4.1% | -4.9% | -5.0% | -5.8% |
| Nonresidential Charges (medium "category" charge) | 596.13 | 596.13 | 572.42 | 539.51 | 499.02 | 462.38 | 428.22 |
| % change in rate from previous year | 0.0% | 0.0% | -4.0% | -5.7% | -7.5% | -7.3% | -7.4% |

OPERATIONS CALCULATION

| | | | | | | | |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES | | | | | | | |
| Disposal Fees | 34,579,008 | 34,410,364 | 35,168,478 | 36,100,316 | 36,899,619 | 37,733,592 | 38,949,843 |
| Charges for Services/SBC | 54,999,401 | 57,080,730 | 59,995,000 | 63,388,557 | 67,162,352 | 71,495,199 | 76,228,446 |
| Miscellaneous | 12,537,747 | 12,525,359 | 12,606,488 | 12,750,202 | 12,889,810 | 13,032,283 | 13,177,631 |
| Investment Income | 1,614,540 | 1,719,840 | 1,719,840 | 1,719,840 | 1,719,840 | 1,719,840 | 1,719,840 |
| Subtotal Revenues | 103,730,696 | 105,746,293 | 109,489,804 | 113,958,915 | 118,671,621 | 123,980,914 | 130,075,760 |
| INTERFUND TRANSFERS | (7,557,587) | (600,946) | 609,682 | 650,979 | 537,207 | 416,420 | 354,851 |
| EXPENDITURES | | | | | | | |
| Personnel Costs | (9,759,539) | (10,844,281) | (11,338,962) | (11,826,538) | (12,344,540) | (12,891,403) | (13,324,160) |
| Operating Expenses | (83,321,778) | (91,809,283) | (96,613,139) | (103,680,009) | (111,707,814) | (117,879,034) | (123,766,911) |
| Capital Outlay | (5,206,697) | (4,979,216) | (7,314,900) | (2,415,568) | (783,613) | (607,452) | (560,452) |
| Other Expenditure Restrictions | | | | | | | |
| Subtotal Expenditures | (98,288,014) | (107,632,780) | (115,267,001) | (117,922,113) | (124,835,967) | (131,377,889) | (137,651,523) |
| CURRENT RECEIPTS TO CIP | (1,330,853) | (8,400,000) | (12,300,000) | (6,500,000) | - | - | - |
| OTHER CLAIMS ON FUND BALANCE - OPEB | (84,842) | (84,842) | (84,842) | (84,842) | (84,842) | - | - |
| POTENTIAL FUTURE EXPENDITURES | - | - | - | - | - | - | - |
| PAYOUT OF GUDE REMEDIATION | 1,330,853 | 8,400,000 | 12,300,000 | 6,500,000 | - | - | - |
| CY GUDE REMEDIATION | - | - | - | - | - | - | - |
| PAYOUT OF CLOSURE COSTS (Non-CIP) | 1,706,854 | 1,815,811 | 1,910,981 | 1,906,652 | 1,955,020 | 2,005,649 | 2,057,646 |
| CY ACCRUED CLOSURE COSTS | (29,329) | (37,937) | (42,699) | (46,820) | (48,369) | (50,628) | (51,997) |
| NET CHANGE | (522,222) | (794,401) | (3,384,075) | (1,537,229) | (3,805,330) | (5,025,534) | (5,215,263) |

CASH POSITION

| | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ENDING CASH & INVESTMENTS | | | | | | | |
| Unrestricted Cash | 64,034,107 | 52,519,350 | 33,401,117 | 20,858,360 | 16,286,409 | 13,029,894 | 6,793,430 |
| Restricted Cash | 27,438,338 | 29,485,258 | 32,477,690 | 36,181,876 | 36,481,512 | 34,215,474 | 34,713,490 |
| Subtotal Cash & Investments | 91,472,445 | 82,004,608 | 65,878,807 | 57,040,236 | 52,767,921 | 47,245,368 | 41,506,920 |
| RESERVE & LIABILITY REQUIREMENTS | | | | | | | |
| Management Reserve | (22,044,954) | (23,635,417) | (24,188,565) | (25,628,951) | (26,991,852) | (28,298,859) | (28,677,401) |
| Debt Service Reserve | - | - | - | - | - | - | - |
| Future System Contingency Reserve | - | - | - | - | - | - | - |
| Research & Development Reserve | - | - | - | - | - | - | - |
| Renewal & Replacement Reserve | (4,393,385) | (4,484,328) | (4,582,983) | (4,688,392) | (4,799,977) | (4,916,615) | (5,036,089) |
| Stability Reserve | (1,000,000) | (1,385,513) | (3,706,142) | (5,864,533) | (4,689,683) | (1,000,000) | (1,000,000) |
| Subtotal Reserve Requirements | (27,438,338) | (29,485,258) | (32,477,690) | (36,181,876) | (36,481,512) | (34,215,474) | (34,713,490) |
| Closure/Postclosure Liability | (13,993,780) | (12,215,906) | (10,347,624) | (8,487,792) | (6,642,069) | (4,747,976) | (2,803,256) |
| Gude Remediation Liability | (27,200,000) | (18,800,000) | (6,500,000) | - | - | - | - |
| Current Liabilities Not Including Debt/Closure | (10,000,000) | (7,000,000) | (4,000,000) | (4,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Subtotal Reserve & Liability Requirements | (78,632,118) | (67,501,164) | (53,325,314) | (48,669,668) | (45,123,581) | (40,963,450) | (39,516,746) |
| CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS | 12,840,327 | 14,503,444 | 12,553,493 | 8,370,568 | 7,644,340 | 6,281,918 | 1,990,174 |
| Net Assets | | | | | | | |
| ENDING NET ASSETS | 87,036,802 | 88,422,359 | 89,320,332 | 87,124,373 | 81,518,332 | 74,546,007 | 67,364,549 |
| Less: Reserve Requirements | (27,438,338) | (29,485,258) | (32,477,690) | (36,181,876) | (36,481,512) | (34,215,474) | (34,713,490) |
| NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS | 59,598,464 | 58,937,101 | 56,842,642 | 50,942,497 | 45,036,820 | 40,330,533 | 32,651,059 |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Vacuum Leaf Collection | | | |
|---|--------------------|--------------------|--------------------|------------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| % of leaves attributed to single-family households | 97.2% | 97.2% | 97.2% | 97.2% | 97.2% | 97.2% | 97.2% |
| % of leave attributed to multi-family units and townhome un | 2.8% | 2.8% | 2.8% | 2.8% | 2.8% | 2.8% | 2.8% |
| Charges per single-family household | \$ 102.93 | \$ 108.16 | \$ 120.31 | \$ 124.09 | \$ 127.10 | \$ 129.64 | \$ 132.74 |
| BEGINNING FUND BALANCE | 356,062 | 393,534 | 214,601 | 246,779 | 238,672 | 270,565 | 302,458 |
| REVENUES | | | | | | | |
| Charges For Services | 7,595,788 | 7,988,714 | 8,886,176 | 9,165,350 | 9,387,871 | 9,575,176 | 9,804,922 |
| Miscellaneous | 20,750 | 26,850 | 32,950 | 39,050 | 39,050 | 39,050 | 39,050 |
| Subtotal Revenues | 7,616,538 | 8,015,564 | 8,919,126 | 9,204,400 | 9,426,921 | 9,614,226 | 9,843,972 |
| INTERFUND TRANSFERS (Net Non-CIP) | (1,376,852) | (1,655,833) | (2,379,152) | (2,515,985) | (2,504,307) | (2,491,781) | (2,515,311) |
| Transfers To The General Fund | (621,852) | (725,833) | (751,862) | (773,459) | (795,681) | (818,549) | (842,079) |
| Indirect Costs | (621,852) | (725,833) | (751,862) | (773,459) | (795,681) | (818,549) | (842,079) |
| Transfers To Special Fds: Non-Tax + ISF | (755,000) | (930,000) | (1,627,290) | (1,742,526) | (1,708,626) | (1,673,232) | (1,673,232) |
| To Solid Waste Disposal Fund | (755,000) | (930,000) | (1,627,290) | (1,742,526) | (1,708,626) | (1,673,232) | (1,673,232) |
| TOTAL RESOURCES | 6,595,748 | 6,753,265 | 6,754,575 | 6,935,194 | 7,161,286 | 7,393,010 | 7,631,119 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (6,202,214) | (6,538,664) | (6,472,798) | (6,661,524) | (6,855,723) | (7,055,554) | (7,261,180) |
| Labor Agreement | n/a | 0 | (34,998) | (34,998) | (34,998) | (34,998) | (34,998) |
| Subtotal PSP Oper Budget Approp / Exp's | (6,202,214) | (6,538,664) | (6,507,796) | (6,696,522) | (6,890,721) | (7,090,552) | (7,296,178) |
| TOTAL USE OF RESOURCES | (6,202,214) | (6,538,664) | (6,507,796) | (6,696,522) | (6,890,721) | (7,090,552) | (7,296,178) |
| YEAR END FUND BALANCE | 393,534 | 214,601 | 246,779 | 238,672 | 270,565 | 302,458 | 334,941 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 6.0% | 3.2% | 3.7% | 3.4% | 3.8% | 4.1% | 4.4% |
| Assumptions: 1. Leaf Vacuuming rates are adjusted to achieve cost recovery. 2. The Vacuum Leaf Collection fund balance policy target is \$250,000. In future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Permitting Services | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.23% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% | 20.45% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Enterprise Stabilization Factor (EFSF) | 0 | 1.05% | 1.00% | 1.03% | 1.11% | 1.14% | 1.17% |
| BEGINNING FUND BALANCE | 16,417,858 | 14,474,146 | 11,590,938 | 9,804,245 | 7,906,079 | 8,225,480 | 8,570,903 |
| REVENUES | | | | | | | |
| Licenses & Permits | 41,133,607 | 43,344,335 | 43,646,898 | 44,862,498 | 48,968,367 | 50,924,201 | 52,669,443 |
| Charges For Services | 801,639 | 1,661,907 | 1,678,526 | 1,695,311 | 1,712,264 | 1,729,387 | 1,746,681 |
| Fines & Forfeitures | 97,050 | 89,772 | 89,772 | 89,772 | 90,670 | 91,576 | 92,492 |
| Miscellaneous | 880,000 | 880,000 | 880,000 | 880,000 | 880,000 | 880,000 | 880,000 |
| Subtotal Revenues | 42,912,296 | 45,976,014 | 46,295,196 | 47,527,581 | 51,651,301 | 53,625,164 | 55,388,616 |
| INTERFUND TRANSFERS (Net Non-CIP) | (5,642,377) | (6,588,136) | (4,588,136) | (4,588,136) | (4,588,136) | (4,588,136) | (4,588,136) |
| Transfers To The General Fund | (5,642,377) | (6,588,136) | (6,588,136) | (6,588,136) | (6,588,136) | (6,588,136) | (6,588,136) |
| Indirect Costs | (5,481,305) | (6,479,116) | (6,479,116) | (6,479,116) | (6,479,116) | (6,479,116) | (6,479,116) |
| Telecommunications NDA | (52,052) | 0 | 0 | 0 | 0 | 0 | 0 |
| DCM | (109,020) | (109,020) | (109,020) | (109,020) | (109,020) | (109,020) | (109,020) |
| Transfers From The General Fund | 0 | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Reinstate Green Tape and Public Agency Permits | 0 | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| TOTAL RESOURCES | 53,687,777 | 53,862,024 | 53,297,998 | 52,743,690 | 54,969,245 | 57,262,508 | 59,371,382 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (38,961,461) | (42,018,916) | (43,715,653) | (45,558,337) | (47,481,898) | (49,489,995) | (51,586,438) |
| FFI -Annualizations and One-Time | 0 | 0 | (67,114) | (67,114) | (67,114) | (67,114) | (67,114) |
| FFI- Labor Agreement | 0 | 0 | (337,000) | (337,000) | (337,000) | (337,000) | (337,000) |
| FFI- Retiree Health Insurance Pre-Funding | 0 | 0 | 3,870 | 11,650 | 80,820 | 129,490 | 164,800 |
| FFI- IT Maintenance | n/a | 0 | (2,173) | (7,153) | (7,403) | (8,986) | (9,345) |
| FFI- IT Replacement Plan | n/a | n/a | 460,000 | (60,000) | 160,000 | (160,000) | 0 |
| FFI- Wheaton Operating Budget Impacts (OBIs) | n/a | n/a | 416,487 | 1,432,513 | 1,161,000 | 1,242,000 | 1,342,000 |
| Subtotal PSP Oper Budget Approp / Exp's | (38,961,461) | (42,018,916) | (43,241,583) | (44,585,441) | (46,491,595) | (48,691,605) | (50,493,097) |
| OTHER CLAIMS ON FUND BALANCE | (252,170) | (252,170) | (252,170) | (252,170) | (252,170) | 0 | 0 |
| TOTAL USE OF RESOURCES | (39,213,631) | (42,271,086) | (43,493,753) | (44,837,611) | (46,743,765) | (48,691,605) | (50,493,097) |
| YEAR END FUND BALANCE | 14,474,146 | 11,590,938 | 9,804,245 | 7,906,079 | 8,225,480 | 8,570,903 | 8,878,285 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 27.0% | 21.5% | 18.4% | 15.0% | 15.0% | 15.0% | 15.0% |
| Assumptions: 1. The Enterprise Fund Stabilization Factor (EFSF) is assumed to be a 5% increase over current fees for FY20. 2. The EFSF is the factor by which the fee calculation is adjusted to cover DPS labor and operating expenses and to manage the DPS reserve policy of 15 to 20 percent of total resources in the out years as set by the 2002 Principles of the Fiscal Management of the Permitting Services Fund. 3. Projections above are based on the Executive's recommended budget and include CPI, revenue, and resource assumptions of that budget. The projected future revenues and fund balances may vary based on changes to the EFSF, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here. 4. The General Fund transfer for Public Agency Permits and Green Tape Programs will be deferred through FY20 for fiscal reasons. 5. DPS contributed \$21 million in current revenue in prior years (FY17- \$6,591,000, FY18- \$14,400,000), and is intended to support \$14.47 million in non-taxable debt to fund its proportional share of the Wheaton Redevelopment CIP# P361701. \$4.009 million that had been planned to be funded in current revenues in FY19 will now be non-taxable debt funded to meet reserve policy. 6. Other claims on fund balance represents GASB 75 OPEB liability. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | | | | |
|---|------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Liquor Control | | | | | | | |
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 6,356,749 | 2,386,036 | 2,142,459 | 3,798,376 | 4,725,394 | 6,070,991 | 6,785,858 |
| REVENUES | | | | | | | |
| Licenses & Permits | 1,825,222 | 1,892,222 | 1,940,095 | 1,992,478 | 2,046,275 | 2,101,524 | 2,158,265 |
| Charges For Services | 22,959 | 23,418 | 24,010 | 24,658 | 25,324 | 26,008 | 26,710 |
| Fines & Forfeitures | 316,916 | 316,916 | 324,934 | 333,707 | 342,717 | 351,970 | 361,473 |
| Miscellaneous | 86,108,266 | 90,488,295 | 95,128,541 | 98,202,593 | 101,354,126 | 103,343,028 | 105,356,996 |
| Subtotal Revenues | 88,273,363 | 92,720,851 | 97,417,580 | 100,553,436 | 103,768,442 | 105,822,530 | 107,903,444 |
| INTERFUND TRANSFERS (Net Non-CIP) | (28,171,463) | (28,400,899) | (28,671,780) | (29,671,780) | (30,671,780) | (31,671,780) | (32,671,780) |
| Indirect Costs | (3,495,654) | (3,625,919) | (3,671,780) | (3,671,780) | (3,671,780) | (3,671,780) | (3,671,780) |
| Earnings Transfer | (24,506,777) | (24,774,980) | (25,000,000) | (26,000,000) | (27,000,000) | (28,000,000) | (29,000,000) |
| Telecommunications NDA | (169,032) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 66,458,649 | 66,705,988 | 70,888,259 | 74,680,032 | 77,822,056 | 80,221,741 | 82,017,522 |
| PSP OPER. BUDGET APPROP/ EXPS. | | | | | | | |
| Operating Budget | (52,875,460) | (54,931,076) | (57,009,667) | (59,268,168) | (61,623,284) | (64,079,290) | (65,203,975) |
| Debt Service: Other (Non-Tax Funds only) | (10,829,500) | (9,264,800) | (9,264,800) | (9,264,800) | (9,264,800) | (9,264,800) | (9,264,800) |
| Labor Agreement | n/a | 0 | (458,609) | (458,609) | (458,609) | (458,609) | (458,609) |
| Labor Contracts Other | n/a | 0 | (4,981) | (4,981) | (4,981) | (4,981) | (4,981) |
| FFI Efficiencies | n/a | n/a | 1,200,000 | 1,400,000 | 1,600,000 | 1,850,000 | 2,000,000 |
| FFI Debt Service | n/a | n/a | (912,300) | (1,589,600) | (1,216,450) | (1,006,300) | (945,700) |
| FFI Retail Store Leases | n/a | n/a | (279,263) | (423,097) | (569,808) | (719,453) | (906,511) |
| FFI Retiree Health Insurance Pre Funding | n/a | n/a | 7,390 | 22,270 | 154,520 | 247,550 | 315,060 |
| Subtotal PSP Oper Budget Approp / Exp's | (63,704,960) | (64,195,876) | (66,722,230) | (69,586,985) | (71,383,412) | (73,435,883) | (74,469,516) |
| OTHER CLAIMS ON FUND BALANCE | (367,653) | (367,653) | (367,653) | (367,653) | (367,653) | 0 | 0 |
| TOTAL USE OF RESOURCES | (64,072,613) | (64,563,529) | (67,089,883) | (69,954,638) | (71,751,065) | (73,435,883) | (74,469,516) |
| YEAR END FUND BALANCE | 2,386,036 | 2,142,459 | 3,798,376 | 4,725,394 | 6,070,991 | 6,785,858 | 7,548,006 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 3.6% | 3.2% | 5.4% | 6.3% | 7.8% | 8.5% | 9.2% |
| 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 DLC gross profit forecasts. 4. OPEB Liability 5 year allocation is shown as a claim on fund balance in FY19-FY23. 5. Beginning in FY20 telecommunication costs are captured within indirect costs. | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Risk Management | | | |
|--|------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | (2,830,634) | (1,300,859) | 50,768 | 3,247,900 | 10,425,824 | 23,966,141 | 24,120,701 |
| REVENUES | | | | | | | |
| Charges For Services | 67,705,020 | 72,775,743 | 77,605,223 | 85,389,562 | 95,779,631 | 86,577,073 | 90,960,004 |
| Intergovernmental | 718,913 | 628,737 | 653,886 | 686,580 | 721,252 | 757,315 | 795,181 |
| Miscellaneous | 1,850,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Subtotal Revenues | 70,273,933 | 75,404,480 | 80,259,109 | 88,076,142 | 98,500,883 | 89,334,388 | 93,755,185 |
| INTERFUND TRANSFERS (Net Non-CIP) | (4,312) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers To The General Fund | (4,312) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 67,438,987 | 74,103,621 | 80,309,877 | 91,324,042 | 108,926,707 | 113,300,529 | 117,875,886 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (68,731,095) | (74,044,102) | (77,031,153) | (80,867,744) | (84,933,292) | (89,163,555) | (93,604,556) |
| Labor Agreement | n/a | 0 | (22,253) | (22,253) | (22,253) | (22,253) | (22,253) |
| Retiree Health Benefit Trust Pre-Funding | n/a | n/a | 180 | 530 | 3,730 | 5,980 | 7,610 |
| Subtotal PSP Oper Budget Approp / Exp's | (68,731,095) | (74,044,102) | (77,053,226) | (80,889,467) | (84,951,815) | (89,179,828) | (93,619,199) |
| OTHER CLAIMS ON FUND BALANCE | (8,751) | (8,751) | (8,751) | (8,751) | (8,751) | 0 | 0 |
| TOTAL USE OF RESOURCES | (68,739,846) | (74,052,853) | (77,061,977) | (80,898,218) | (84,960,566) | (89,179,828) | (93,619,199) |
| YEAR END FUND BALANCE | (1,300,859) | 50,768 | 3,247,900 | 10,425,824 | 23,966,141 | 24,120,701 | 24,256,687 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | -1.9% | 0.1% | 4.0% | 11.4% | 22.0% | 21.3% | 20.6% |
| Assumptions: 1. Risk Management contributions are adjusted as necessary to reflect the County's fiscal policy of maintaining an unrestricted net asset balance, in excess of claims reserves, sufficient to achieve a confidence level in the range of 80 to 85 percent that funding will be sufficient to cover all incurred liabilities. For FY20, the funding is at the 55% confidence level, which is short of the 80 to 85% confidence level that funding will be sufficient to cover all incurred liabilities. Therefore, additional contributions were made to FY21 through FY23 to achieve the 80% confidence level by FY23. 2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses. 3. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75). | | | | | | | |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | | Printing and Mail | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Rate Adjustment | | | 5.5% | 3.5% | 3.1% | 3.1% | 3.2% |
| BEGINNING FUND BALANCE | 325,922 | 443,989 | 279,951 | 273,610 | 285,300 | 288,341 | 300,156 |
| REVENUES | | | | | | | |
| Charges For Services | 8,136,904 | 8,086,904 | 8,531,684 | 8,830,293 | 9,104,032 | 9,386,257 | 9,686,617 |
| Miscellaneous | 7,804 | 7,804 | 7,804 | 7,804 | 7,804 | 7,804 | 7,804 |
| Subtotal Revenues | 8,144,708 | 8,094,708 | 8,539,488 | 8,838,097 | 9,111,836 | 9,394,061 | 9,694,421 |
| INTERFUND TRANSFERS (Net Non-CIP) | (32,700) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers To The General Fund | (32,700) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | (32,700) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 8,437,930 | 8,538,697 | 8,819,439 | 9,111,707 | 9,397,136 | 9,682,402 | 9,994,577 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (7,971,238) | (8,236,042) | (8,494,676) | (8,776,373) | (9,068,592) | (9,371,746) | (9,686,282) |
| Labor Agreement | n/a | 0 | (29,000) | (29,000) | (29,000) | (29,000) | (29,000) |
| Retiree Health Insurance Pre-funding | 0 | 0 | 550 | 1,670 | 11,500 | 18,500 | 23,540 |
| Subtotal PSP Oper Budget Approp / Exp's | (7,971,238) | (8,236,042) | (8,523,126) | (8,803,703) | (9,086,092) | (9,382,246) | (9,691,742) |
| OTHER CLAIMS ON FUND BALANCE | (22,704) | (22,704) | (22,704) | (22,704) | (22,704) | 0 | 0 |
| TOTAL USE OF RESOURCES | (7,993,942) | (8,258,746) | (8,545,830) | (8,826,407) | (9,108,796) | (9,382,246) | (9,691,742) |
| YEAR END FUND BALANCE | 443,989 | 279,951 | 273,610 | 285,300 | 288,341 | 300,156 | 302,835 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 5.3% | 3.3% | 3.1% | 3.1% | 3.1% | 3.1% | 3.0% |
| Assumptions: 1. Printing, Mail and Records Management/Imaging rates are adjusted to achieve cost recovery. 2. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors. 3. The fund balance for this internal service fund should be between 3% and 5%. 4. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75). | | | | | | | |

EMPLOYEE HEALTH BENEFITS SELF INSURANCE FUND

| FY20-25 FISCAL PROJECTION | Estimate - FY19 | Projected - FY20 | Projected - FY21 | Projected - FY22 | Projected - FY23 | Projected - FY24 | Projected - FY25 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| BEGINNING BALANCE | 4,376,750 | 6,121,813 | 13,678,723 | 14,757,368 | 15,964,897 | 17,235,267 | 18,564,803 |
| REVENUES | | | | | | | |
| Premium Contributions | 209,541,975 | 235,854,908 | 237,032,221 | 256,103,691 | 276,048,219 | 296,869,197 | 318,829,376 |
| Premium Contributions: Retiree Insurance NDA | 50,642,478 | 46,113,000 | 58,631,781 | 63,839,769 | 69,365,485 | 75,194,387 | 81,389,664 |
| Investment Income | 527,600 | 562,010 | 562,010 | 562,010 | 562,010 | 562,010 | 562,010 |
| TOTAL REVENUES | 260,712,053 | 282,529,918 | 296,226,012 | 320,505,471 | 345,975,713 | 372,625,594 | 400,781,050 |
| FUND TRANSFER TO THE GENERAL FUND | (10,500,000) | (2,100,000) | - | - | - | - | - |
| Transfer from the Health Fund to the GF | (10,500,000) | - | - | - | - | - | - |
| Transfer from the Health Fund to RHBT | | (2,100,000) | - | - | - | - | - |
| TOTAL FUNDS AVAILABLE | 254,588,804 | 286,551,731 | 309,904,734 | 335,262,839 | 361,940,610 | 389,860,861 | 419,345,853 |
| EXPENDITURES | | | | | | | |
| Claims, Premiums, & Carrier Administration | 243,698,294 | 267,180,617 | 289,170,355 | 313,022,081 | 338,115,689 | 364,376,921 | 392,111,910 |
| Actives | 155,179,126 | 171,594,722 | 184,938,113 | 199,392,745 | 214,521,781 | 230,244,344 | 246,761,101 |
| Retirees | 88,519,168 | 95,585,895 | 104,232,243 | 113,629,336 | 123,593,908 | 134,132,577 | 145,350,809 |
| In-house expenses | 4,768,697 | 5,692,391 | 5,977,011 | 6,275,861 | 6,589,654 | 6,919,137 | 7,265,094 |
| TOTAL EXPENDITURES | 248,466,991 | 272,873,008 | 295,147,366 | 319,297,942 | 344,705,343 | 371,296,058 | 399,377,003 |
| ENDING BALANCE | 6,121,813 | 13,678,723 | 14,757,368 | 15,964,897 | 17,235,267 | 18,564,803 | 19,968,850 |
| TARGET FUND BALANCE (5% OF EXPENDITURES) | 12,423,350 | 13,643,650 | 14,757,370 | 15,964,900 | 17,235,270 | 18,564,800 | 19,968,850 |
| ENDING BALANCE AS % OF EXPENDITURES | 2.5% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | Motor Pool | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 CE REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| Rate Adjustment | | | 9.5% | 2.4% | 0.6% | 1.9% | 2.3% |
| BEGINNING FUND BALANCE | 6,609,158 | 7,557,019 | 1,481,429 | 1,735,920 | 2,779,487 | 2,829,467 | 2,926,936 |
| REVENUES | | | | | | | |
| Charges For Services | 74,750,295 | 78,819,714 | 86,307,587 | 88,378,969 | 88,909,243 | 90,598,519 | 92,682,285 |
| Miscellaneous | 1,517,130 | 360,780 | 360,780 | 360,780 | 360,780 | 360,780 | 360,780 |
| Subtotal Revenues | 76,267,425 | 79,180,494 | 86,668,367 | 88,739,749 | 89,270,023 | 90,959,299 | 93,043,065 |
| INTERFUND TRANSFERS (Net Non-CIP) | (1,000,000) | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) |
| Transfers To Debt Service Fund | 0 | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) |
| Long Term Leases | 0 | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) | (190,000) |
| Transfers To The General Fund | (1,000,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 81,876,583 | 86,547,513 | 87,959,796 | 90,285,669 | 91,859,510 | 93,598,766 | 95,780,001 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (74,122,776) | (84,869,295) | (85,954,661) | (87,243,566) | (88,826,138) | (90,706,023) | (92,987,020) |
| Labor Agreement | n/a | 0 | (231,000) | (231,000) | (231,000) | (231,000) | (231,000) |
| Annualizations and One-Time (BRT) | n/a | n/a | 155,283 | 155,283 | 155,283 | 155,283 | 155,283 |
| Retiree Health Insurance Pre-funding | 0 | 0 | 3,290 | 9,890 | 68,600 | 109,910 | 139,880 |
| Subtotal PSP Oper Budget Approp / Exp's | (74,122,776) | (84,869,295) | (86,027,088) | (87,309,393) | (88,833,255) | (90,671,830) | (92,922,857) |
| OTHER CLAIMS ON FUND BALANCE | (196,789) | (196,789) | (196,789) | (196,789) | (196,789) | 0 | 0 |
| TOTAL USE OF RESOURCES | (74,319,565) | (85,066,084) | (86,223,877) | (87,506,182) | (89,030,044) | (90,671,830) | (92,922,857) |
| YEAR END FUND BALANCE | 7,557,019 | 1,481,429 | 1,735,920 | 2,779,487 | 2,829,467 | 2,926,936 | 2,857,144 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 9.2% | 1.7% | 2.0% | 3.1% | 3.1% | 3.1% | 3.0% |
| Assumptions: 1. Motor Pool rates are adjusted to achieve cost recovery and maintain a fund balance of approximately 3 percent of resources. 2. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors. 3. The other claims on fund balance represents the OPEB liability five year allocation (GASB 75). | | | | | | | |



Maryland-National Capital Park and Planning Commission

| FY20-25 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | | M-NCPPC Enterprise Fund | | | | |
|--|---------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATE | FY20 REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.2% | 2.3% | 2.5% | 2.7% | 2.7% | 2.7% | 2.7% |
| Investment Income Yield | 2.3% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 9,062,718 | 6,689,470 | 8,052,110 | 7,285,994 | 7,213,936 | 7,575,402 | 8,220,985 |
| REVENUES | | | | | | | |
| Charges For Services | 10,381,709 | 10,619,420 | 10,831,808 | 11,048,444 | 11,269,413 | 13,494,801 | 13,764,697 |
| Miscellaneous | 972,071 | 977,622 | 992,286 | 1,007,170 | 1,022,278 | 1,037,612 | 1,053,176 |
| Subtotal Revenues | 11,353,780 | 11,597,042 | 11,824,094 | 12,055,614 | 12,291,691 | 14,532,413 | 14,817,873 |
| TOTAL RESOURCES | 20,416,498 | 18,286,512 | 19,876,204 | 19,341,608 | 19,505,627 | 22,107,815 | 23,038,858 |
| CIP CURRENT REVENUE APPROP. | | | | | | | |
| PSP OPER. BUDGET APPROP/ EXP'S. | (4,125,000) | (500,000) | (2,661,120) | (400,000) | 0 | 0 | (500,000) |
| Operating Budget | (9,602,028) | (9,734,402) | (9,929,090) | (10,127,672) | (10,330,225) | (12,286,830) | (12,532,567) |
| Debt Service | n/a | n/a | 0 | (1,600,000) | (1,600,000) | (1,600,000) | (1,600,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (9,602,028) | (9,734,402) | (9,929,090) | (11,727,672) | (11,930,225) | (13,886,830) | (14,132,567) |
| TOTAL USE OF RESOURCES | (13,727,028) | (10,234,402) | (12,590,210) | (12,127,672) | (11,930,225) | (13,886,830) | (14,632,567) |
| YEAR END FUND BALANCE | 6,689,470 | 8,052,110 | 7,285,994 | 7,213,936 | 7,575,402 | 8,220,985 | 8,406,291 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 32.8% | 44.0% | 36.7% | 37.3% | 38.8% | 37.2% | 36.5% |
| Assumptions: 1. Revenues, expenditures, and CIP current revenues, and debt service reflect M-NCPPC estimates. 2. All labor and operating costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government. 3. All projections are based on the Executive's Recommended Budget and include the assumptions of that budget. Projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to rates, inflation, labor agreements, and other factors. 4. Debt service estimates reflect revenue bonds. 5. Fund balance policy is equal to 10 percent of operating revenues plus one year's debt service (November 7, 2000). 6. CIP Current Revenue Appropriation includes funds for the County's Shared Agency Booking System Replacement (P722001) capital project and M-NCPPC's Enterprise Facilities' Improvements (P998773) capital project. | | | | | | | |

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Washington Suburban Sanitary Commission

| WSSC PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER AND SEWER OPERATING FUNDS | | | | | | | | |
|--|-------------------|------------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS | FY19 ESTIMATED | FY20 PROPOSED | FY20 CE REC | FY21 PROJECTION | FY22 PROJECTION | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION |
| SPENDING AFFORDABILITY RESULTS | | | | | | | | |
| New Water and Sewer Debt (\$millions) | \$486.8 | \$384.9 | \$384.9 | \$439.2 | \$432.1 | \$368.7 | \$350.0 | \$350.0 |
| Total Water and Sewer Operating Expenses (\$millions) | \$277.1 | \$306.3 | \$306.3 | \$324.0 | \$342.0 | \$357.4 | \$377.3 | \$393.2 |
| Debt Service (\$millions) | \$762.7 | \$802.6 | \$802.6 | \$830.5 | \$861.8 | \$901.1 | \$935.3 | \$966.0 |
| Average Water and Sewer Rate Increase | 4.5% | 5.0% | 5.0% | 6.0% | 6.0% | 6.0% | 5.5% | 5.0% |
| BEGINNING FUND BALANCE (\$000) | 185,297 | 173,717 | 173,717 | 162,376 | 158,006 | 162,879 | 172,225 | 185,393 |
| REVENUES (\$000) | | | | | | | | |
| Water and Sewer Rate Revenue | 627,942 | 658,899 | 658,899 | 698,900 | 740,834 | 785,284 | 828,475 | 869,899 |
| Interest Income | 1,500 | 5,500 | 5,500 | 4,821 | 4,844 | 4,846 | 3,941 | 3,939 |
| Account Maintenance Fee | 32,182 | 32,296 | 32,296 | 32,331 | 32,376 | 32,441 | 32,505 | 32,570 |
| Infrastructure Investment Fee | 38,894 | 39,331 | 39,331 | 39,409 | 39,484 | 39,560 | 40,544 | 40,623 |
| Miscellaneous | 34,731 | 35,700 | 35,700 | 36,173 | 36,764 | 37,369 | 37,988 | 38,622 |
| Total Revenues | 735,249 | 771,726 | 771,726 | 811,634 | 854,302 | 899,500 | 943,453 | 985,653 |
| SDC Debt Service Offset | 3,364 | 4,658 | 4,658 | 4,984 | 4,983 | 4,982 | 4,984 | 4,984 |
| Reconstruction Debt Service Offset (REDO) | 12,500 | 11,600 | 11,600 | 9,500 | 7,400 | 6,000 | | |
| Use of Fund Balance | 11,580 | 11,341 | 11,341 | 8,000 | 7,000 | 6,000 | 5,000 | |
| Premium Transfer | 0 | 2,900 | 2,900 | | | | | |
| Miscellaneous Offset | | 395 | 395 | | | | | |
| TOTAL FUNDS AVAILABLE | 762,693 | 802,620 | 802,620 | 834,118 | 873,685 | 916,482 | 953,437 | 990,637 |
| EXPENDITURES (\$000) | | | | | | | | |
| Salaries and Wages | 127,901 | 129,675 | 129,675 | 139,672 | 145,957 | 152,525 | 159,389 | 166,561 |
| Heat, Light, and Power | 20,577 | 19,436 | 19,436 | 21,830 | 22,485 | 23,160 | 23,854 | 24,570 |
| Regional Sewage Disposal | 53,617 | 59,000 | 59,000 | 61,200 | 62,424 | 63,672 | 64,946 | 66,245 |
| Debt Service | 277,061 | 306,307 | 306,307 | 324,047 | 341,953 | 357,427 | 377,262 | 393,204 |
| PAYGO | 31,016 | 31,016 | 31,016 | 31,016 | 31,016 | 31,016 | 31,016 | 31,016 |
| All Other | 252,521 | 257,186 | 257,186 | 262,722 | 267,977 | 273,336 | 278,803 | 284,379 |
| Reserve Contribution | | | | 3,631 | 11,873 | 15,346 | 18,167 | 24,662 |
| Unspecified Expenditure Reductions | | | | (10,000) | (10,000) | | | |
| TOTAL USE OF RESOURCES | 762,693 | 802,620 | 802,620 | 834,118 | 873,685 | 916,482 | 953,437 | 990,637 |
| REVENUE/EXPENDITURE SURPLUS/(GAP) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| YEAR END FUND BALANCE w/o additional reserve contribution | 173,717 | 162,376 | 162,376 | 154,376 | 151,006 | 156,879 | 167,225 | 185,393 |
| Additional Reserve Contribution | 0 | 0 | 0 | 3,631 | 11,873 | 15,346 | 18,167 | 24,662 |
| TOTAL YEAR END FUND BALANCE | 173,717 | 162,376 | 162,376 | 158,007 | 162,879 | 172,225 | 185,393 | 210,055 |
| Debt Service as a Percentage of Water and Sewer Operating Budget | 36.3% | 38.2% | 38.2% | 38.8% | 39.1% | 39.0% | 39.6% | 39.7% |
| Total End of Fiscal Year Operating Reserve | 73,525 | 73,525 | 73,525 | 77,156 | 89,029 | 104,375 | 122,542 | 147,204 |
| Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue | 11.7% | 11.2% | 11.2% | 11.0% | 12.0% | 13.3% | 14.8% | 16.9% |
| Total Workyears (all funds) | 1,649 | 1,776 | 1,776 | -- | -- | -- | -- | -- |
| Assumptions: | | | | | | | | |
| 1. The County Executive's operating budget recommendation is for FY20 only and incorporates the Executive's revenue and expenditure assumptions for that budget. | | | | | | | | |
| 2. The FY21-25 projections reflect WSSC's multi-year forecast and assumptions, which are not adjusted to conform to the County Executive's Recommended budget for WSSC. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the County Executive's Recommended FY20 water and sewer operating budget for WSSC. | | | | | | | | |
| 3. The FY19 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY19 budget jointly approved by Montgomery and Prince George's counties. The FY20 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC's proposed FY20 budget. The FY20 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC budget for FY20. The FY21-25 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year and are provided by WSSC. | | | | | | | | |
| 4. The total FY19 estimated workyears shown correspond to the actual workyears as of December, 2018. | | | | | | | | |
| 5. Estimates of revenue in FY21-25 assume the rate increases projected by WSSC in the Average Water and Sewer Rate Increase line. | | | | | | | | |
| 6. In the projection for FY21-25 additional unspecified expenditure reductions are included to close WSSC's projected revenue shortfall in these years. | | | | | | | | |

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Department Highlights

Montgomery County strongly encourages its departments and agencies to identify and implement productivity improvements within their budgets. Such initiatives are essential, especially in difficult fiscal times when agencies and departments are called on to significantly reduce costs and preserve essential services. Below is an identification of the accomplishments, initiatives, innovations and productivity improvements implemented by departments. Some examples include:

- Process re-engineering initiatives
- Implementing a new IT application
- Public-private partnerships that maintain services at lower cost or achieve higher service levels
- Consolidating programs
- Reorganizations
- Contracting out services or, alternatively, bringing contracted services in-house, to reduce costs
- Increasing use of volunteers
- Re-negotiating maintenance/license agreements
- Re-configuring programs to generate increased revenues
- Reducing publication costs by placing more information on the web and producing fewer hard copies
- Introducing employee incentives (within personnel guidelines)

Accomplishments

Agriculture

- ✓ On July 20th, the OAG hosted Montgomery County Farmers and County Officials at an event to recognize and celebrate the County's 50 years of Conservation Tillage. Councilmembers Craig Rice and Sidney Katz presented a Proclamation to Robert Raver, a retired extension agent honoring him as the "Father of no-till agriculture in Montgomery County."
- ✓ The OAG organized its 29th Annual Farm Tour and Harvest Sale. This event was a huge success based on feedback from the participating farms like Kingsbury's Orchard who wrote, "Thanks to all of you for a very successful 2018 Farm Tour! We had hundreds of customers here at Kingbury's Orchard including many new faces. Saturday was our busiest day of the summer. You did an outstanding job of getting the word out, and we appreciate all of your hard work and support for farmers in Montgomery County."
- ✓ In August 2018, the OAG along with agriculture agency partners shared an exhibit tent at the Montgomery County Fair to educate the public about the Agricultural Reserve, the County agricultural industry, and the opportunities that exist to obtain fresh, local food. The OAG tent received a blue ribbon champion award for its educational display.
- ✓ On September 25th, the OAG and Montgomery County Soil Conservation District hosted Secretary Joseph Bartenfelder, along with other officials from the Maryland Department of Agriculture to a tour of several County farms including: Brooke Grove Farm (an equestrian facility), Pleasant Valley Farm (a commodity and produce farm), Waredaca Brewery (the County's first Farm brewery), and Rockhill Orchard and Woodbourne Creamery (the County's only fully robotic dairy). The tour provided the Secretary a first hand look at the diversity of Montgomery County agriculture, as well as, providing the opportunity for the farmers to meet and speak directly with MDA officials about their operations.
- ✓ From October 8 through October 26, 2018, approximately 4,000 fourth grade students and teachers visited the Agricultural History Farm Park to participate in the Close Encounters with Agriculture (CEWA) Program. This multi-phased, interactive program consists of three educational tracks (the environment, nutrition, and agriculture) that are conducted by the staff of OAG and its agency partners. The evaluation responses received from the participating MCPS and private schools illustrated the programs success. This year, the County Cable Office filmed parts of the program to produce a segment that will be featured in their Montgomery Heartland series.

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- ✓ The OAG and DTS received a National Association of Counties (NaCo) award for the interactive GIS based map of the farms participating in the 2018 Farm Tour and Harvest Sale.

Board of Elections

- ✓ RECORD TURNOUT GUBERNATORIAL ELECTION - In FY19, more than 400,000 voters cast ballots in the Gubernatorial General Election - shattering the previous record of 308,429 voters who turned out for a gubernatorial general election in 2006.
- ✓ HAND RECOUNT OF PAPER BALLOTS - In FY19, the Board and staff conducted two hand recounts in the Democratic primary for County Executive and in the Democratic primary for the House of Delegates in Legislative District 16. During the recount, staff created new procedures and set precedents for how recounts will likely be conducted using paper ballots in the future.
- ✓ EXPANDED OUTREACH TO ENLIST 16 YEAR OLD ELECTION JUDGES - The Board expanded its award-winning Future Vote Program and leveraged a new state law allowing 16 year old students the choice of either Student Service Learning Hours or a paid stipend as an Election Judge. The Board's staff visited every high school to recruit and engage a record number of students in the program.

Cable Television Communications Plan

- ✓ Increased live social media coverage of Executive and County Council events.
- ✓ In partnership with Comcast, started a pilot project to extend broadband and cable services into the Montgomery County Agricultural Reserve within the community of Sugarland Road. Construction began October 2018.
- ✓ Launched Condado TV in December 2017 which aggregates Public, Education, and Government Spanish language programming.
- ✓ PEG channels provided live coverage of the 2018 Inauguration of the Montgomery County Executive and Montgomery County Council, the primary and general elections, and coverage of several candidate forums.
- ✓ Montgomery Community Media (MCM) held the second annual "EPIC Awards" (Excellence in Programming and Innovative Content) to recognize the creators of outstanding and innovative multimedia content distributed on broadcast and/or broadband platforms.
- ✓ Received multiple awards from the Alliance for Community Media (ACM), National Association of Telecommunications Officers and Advisors (NATOA) and Telly Awards.
- ✓ Launched County Conduit Network to facilitate efficient use of scarce room in public rights-of-way to support underground installation of communications, reduce public disruptions from continuous construction, and speed access to broadband service in commercial buildings.
- ✓ Worked with County Council to enact legislation to enable streamlined deployment of small-cell installations in commercial and commercial/residential areas, where network capacity constraints are greatest.
- ✓ Hosted first Broadband Summit to bring together building owners, property managers, broadband network service providers, and businesses to discuss how to improve access to robust and reliable high-speed broadband services in commercial buildings in the County.
- ✓ Developed online Transmission Facility Coordinating Group (TFCG) application filing system, to improve public engagement and review of communications antenna mapping, applications, and recommendations.

Circuit Court

- ✓ During FY18, the Montgomery County Circuit Court processed over 35,000 original and reopened case filings and over 36,000 terminations. The Circuit Court also held approximately 39,200 hearings and 1,850 trials.
- ✓ Reviewed and audited 914 Fiduciary Reports filed by court-appointed guardians and trustees, as well as monitored the filings of 252 Inventory Reports, 976 Fiduciary Reports, and 983 Annual Reports.

-
- ✓ The Court's Family Law Self-Help Center received 10,313 visits, a 3.6% increase from FY17 (9,959 visits). The center also provides evening service every Tuesday, and 569 clients were served in FY18.
 - ✓ Kids Spot, the Court's child waiting area, served 1,046 children between the ages of 2 and 12 in FY18.
 - ✓ Participated in the Maryland Judiciary's Maryland Electronic Courts (MDEC) initiative to transition from the court's legacy case management system to the new Statewide system. Activities include review and comment on scope/solution documentation, fit gap tracking, data migration planning, data/code mapping, and internal planning meetings.

Community Engagement Cluster

- ✓ Produced and distributed, through the Montgomery County Commission for Women (CFW), "A Tale of Two Counties: The Status of Women in Montgomery County 2018." The report is an update to the 2007 Status of Women Report and covers the following: Women and the Economy, Women and Health, Women and Poverty, Women and Politics, Women and Education, and Women and Public Safety. The report's findings were covered by WAMU, the Bethesda Beat, and WDVM.
- ✓ Organized the 39th Annual Women's Legislative Briefing in January 2019, hosted by CFW.
- ✓ Offered 30 seminars, serving over several hundred residents through CFW programming. Consistent with the CFW's commitment to impact and aligning its work to a set of clear priorities that reflect the needs of the community, the programming committee crafted a mission for its engagement through seminars and workshops: To enrich the lives of women and families by Informing, Educating, Empowering, and Supporting residents of the County.
- ✓ Supported and provided leadership, through CFW, the Montgomery County Human Trafficking Prevention Committee (Committee). The 2018 accomplishments of the Committee include: (1) creation of victim referral cards that are distributed by the Vice Unit of the Montgomery County Police Department, (2) completion of a written report that provides an overview of findings from a survey of Montgomery County hotels concerning their human trafficking training practices, and (3) reviewed and inspected "bodyworks" establishment to ensure they were not fronts for sex trafficking.
- ✓ Served 8,057 residents through volunteer-taught classes such as English for Speakers of Other Languages (ESOL), Spanish, computer skills, or job search skills; 5,253 residents through information and referral services; and 3,570 residents through partner organization programs such as ESOL and citizenship preparation classes via the Gilchrist Center in FY18.
- ✓ Designed and implemented a new data tracking system for the Gilchrist Center, in partnership with Department of Technology Services. The new system uses tablets making customer information collection much more accurate, effective, and efficient. The new automated system received a National Association of Counties Achievement Award, which is awarded to outstanding programs of the year.
- ✓ Recognized as one of four U.S. communities for the Welcoming Communities Transatlantic Exchange Program, the U.S.-Germany exchange program for immigrant integration practitioners. The Gilchrist Center led the initiative on behalf of the County. The German delegation stayed for four days in Montgomery County to learn best immigrant integration practices, visiting MCPS, Linkages to Learning, Impact Silver Spring, Montgomery College, etc. The Montgomery County team of four visited German cities in November 2018 as part of the program.
- ✓ Hosted a delegation of six British cities to Montgomery County in May 2018 through the University of Oxford's Inclusive Cities Program to learn about best welcoming practices and exchange ideas with Montgomery County's immigrant integration practitioners.
- ✓ Continued to strengthen the culture of giving and serving in Montgomery County by connecting volunteers with critical community needs through the Montgomery County Volunteer Center (MCVC). For the Community Service Week 2018 and Martin Luther King Day 2019, 5,819 volunteers engaged 171 different projects. Three new partners hosted MLK Day project sites in 2019. More than 1,100 local nonprofit and government agencies have active accounts on MCVC website listing volunteer opportunities, including 207 agency accounts created in 2018. More than 15,000 volunteers have created accounts on the website to respond to volunteer opportunities, 9,454 volunteer accounts were created in 2018. A total of 20,417 referrals were made through the website in 2018. Continued and built on partnership with MCPS to manage Student Service Learning volunteer opportunities for all students in middle and high school. Provided monthly capacity building trainings for agencies attended by 268 nonprofit professionals in 2018. The new

50+ Volunteer Network program interviewed 209 volunteers and matched skilled volunteers with 147 opportunities at nonprofit and government agencies. In FY18, volunteers with the Tax Aide Program of RSVP completed 4,972 tax returns for 6,448 low to moderate income residents, resulting in total tax refunds of \$4,601,275.

- ✓ Distributed \$25,000 in neighborhood matching funds through the Regional Services Centers (RSCs) to over 30 grassroots-based neighborhood groups to undertake hyper-local small events to build communities and strengthen networks across racial and social divides, including block parties, special neighborhood gatherings, and community conversations.
- ✓ Improved the Mid-County Regional Service Office website and upgraded the weekly e-newsletter which has a subscription of over 2,000 with an open rate of 25 - 29 percent. The Silver Spring Regional Services Center (SSRSC) also increased its eNewsletter subscription to over 6,000; and now lists it on NextDoor.com with an additional 9,000 subscribers.
- ✓ Strengthened opportunities for civic engagement and communication with county government from the Upcounty Regional Office by assisting the Germantown Alliance in their mission to be a recognized and credible voice for the Germantown community of 100,000 residents; and by introducing strategies for a developing Clarksburg Clothing Closet that will serve Upcounty residents, especially those entering and returning to the workforce.
- ✓ Guided a successful strategy from the Upcounty Regional Office that included assistance from Landlord-Tenant Affairs and CASA de Maryland to improve the relationship between Middlebrook Gardens' 500+ residents and their property management company.
- ✓ Led a multi-agency and community partnership effort through the East County Regional Service Center (ECRSC) to hold the Second Annual East County Job Fair which brought together 65 public and private recruiters and 706 job seekers. Over 200 participants attended a series of workshops designed to promote small business development.
- ✓ Joined, organized, and provided leadership to three Neighborhood Action Teams with the SSRSC: Oakview Community; Progress Place Environs; and Downtown Safety.
- ✓ Organized eight listening sessions for over 1,300 residents across the county over a period of four weeks through the Office of Community Partnerships (OCP) to assist the transition process of the County Executive's Office. Helped to organize and staff the transition team meetings along with other administrative support. Partners for the listening sessions included CUPF, REC, Montgomery Community Media.

Community Use of Public Facilities

- ✓ Enhanced safety and playability conditions on school ballfields as a result of a \$1,000,000 cumulative contribution for the renovation of school ballfields by Montgomery Parks, M-NCPPC. Initial FY17 and FY18 work plans that carried into FY19 resulted in the renovation of 22 fields at 9 school locations. 16 new ballfields at 5 locations were added in FY19 for renovation.
- ✓ Enhanced the community's awareness of the role of the Interagency Coordinating Board (ICB) and CUPF's mission using social media and assignment of dedicated staff. In addition to distributing monthly newsletters, participating in community events, and providing information on its website, CUPF posts regularly on the County's NextDoor social media account, which has over 100,000 followers.
- ✓ Assisted a total of 78 groups, of which 45% were new users, who received support in their use of the Silver Spring Civic Building and Veterans Plaza through the Community Access Program during FY18.
- ✓ Contributed \$840,000 between FY17 and FY18 to the security and maintenance at 20 County locations with installation of security cameras, furniture, equipment, and flooring replacements. Another \$500,000 has been allocated during FY19 for work at 12 locations with similar improvements.

Consumer Protection

- ✓ OCP conducted an in-depth investigation on new home builders and initiated a hearing process to take action against new home builders who were found to be in violation of County and State consumer protection laws and numerous building code violations.
- ✓ OCP successfully filed several Application for Statement of Charges to initiate criminal action against unlicensed home improvement contractors that have victimized consumers in Montgomery County.

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- ✓ The Maryland Financial Consumer Protection Commission was established to monitor changes related to the federal Consumer Financial Protection Bureau and in the marketplace, and to make recommendations to the Governor, Maryland General Assembly, and Maryland Congressional Delegation. Based in part upon sharing information provided by OCP, the Commission published an initial report which resulted in the introduction and passage of state legislation to protect consumers.

Correction and Rehabilitation

- ✓ Rebranded and rededicated the Model Learning Center, DOCR's education program with Montgomery College and Montgomery County Public Schools.
- ✓ Received the Maryland Commission on Correctional Standards Recognition of Achievement Award for 100% compliance with standards for Community Corrections Facility (March 2018).
- ✓ Continued utilization and expansion of tablet learning technology for inmate education and resources, receiving the National Association of Counties Award for "Reentry Tablet Program" at Montgomery County Correctional Facility.
- ✓ Total upgrade and configuration of Central Control at the Montgomery County Correctional Facility.
- ✓ Pre-Release and Reentry Services completed the Prison Rape Elimination Act (PREA) audit inspection (March 2018).
- ✓ Established on-site Temporary Cash Assistance (TCA) eligibility screenings and healthcare enrollments for Pre-Release and Reentry Services' participants.
- ✓ Pre-Release Center facility roof replacement.

County Attorney

- ✓ Argued before the U.S Court of Appeals for the 4th Circuit defending a Federal District Court's grant of the County's motion to dismiss Pulte Home's claim for \$168,000,000.
- ✓ County prevailed in a seven-year long series of trials/hearings against a claim that the County violated the Rehabilitation Act/American with Disabilities Act in the U.S. District Court for Maryland. Argued the case before the U.S. Court of Appeals for the 4th Circuit defending the verdict rendered by the District Court in favor of the County.
- ✓ Maryland Court of Special Appeals affirmed the Tax Court's denial of Lockheed Martin's \$1.3 million refund claim for the hotel/motel tax paid by Lockheed Martin to the County.

Economic Development Fund

- ✓ A new local Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Matching Grant Fund program was established in FY19 to support Montgomery County companies who were awarded a Federal SBIR or STTR Phase I or Phase II grant from the National Institutes of Health (NIH) and conduct at least 51 percent of its research and development operations in the County. This program made awards to 13 qualified companies through the end of 2018, including nine Phase I awards and four Phase II awards.
- ✓ In FY18, a microlending program was created to provide loans ranging from \$500 to \$15,000 for County residents needing additional help to start or grow a small business. From December 2017 through July 2018, 28 microloans were made for a total of \$100,400 to local small businesses in a variety of industries, including: food services, tax preparation services, painting/construction, and photography.
- ✓ Beginning in FY18, the County established a Small Business Assistance Program to provide financial and technical assistance for small businesses in downtown Wheaton adversely impact by the Wheaton Redevelopment project. Through the end of 2018, more than \$537,000 in financial assistance was provided to 17 impacted businesses.
- ✓ The Impact Assistance Fund provides financial assistance and/or technical assistance to certain financially healthy small businesses in

designated areas of the County that are adversely impacted by a redevelopment project initiated by the County, a redevelopment project located on County-owned property, or a redevelopment project constructed by a private entity for use in whole or in part by the County as a public facility. Currently, assistance is available for businesses in Silver Spring that are impacted by the Studio Plaza redevelopment project and in Bethesda for businesses that are impacted by the Bethesda Metro Station redevelopment project. Through February 2019, nine companies have received disbursements for a total of \$225,000 in financial assistance.

- ✓ EDF staff worked with MCEDC and the State of Maryland to offer an EDF grant of \$200,000 to attract Autolus Therapeutics, an European biopharmaceutical cell therapy company working on cancer treatments. The company will build an 85,000 square foot office, lab, and manufacturing facility in Rockville, bringing 200 jobs to the County.
- ✓ The first microbrewery MOVE (Make Office Vacancies Extinct) grant was awarded to True Respite Brewing Company, LLC to help with its upfront production costs. The company leases over 9,550 square feet of Class B office space in Rockville, and approximately 75 percent of the space is dedicated for production facility.
- ✓ The first small business revolving loan (\$75,000 loan in 2015) provided to a microbrewery, Denizen's Brewing Company, was repaid in full in 2018. The loan helped the company create 32 jobs in the Montgomery County.

Emergency Management and Homeland Security

- ✓ Full implementation of the Extreme Temperature strategy, including use of emergency alerts and integration with Montgomery County Police Department animal services regulations.
- ✓ Development and implementation of a snow protocol for status of County Government, including notification of employees and residents about changes to the status of government due to inclement weather.
- ✓ Complete revision of the County's Emergency Operations Plan.
- ✓ Complete revision of the Hazard Mitigation Plan as required by the Federal Emergency Management Agency on a five-year cycle.
- ✓ Completed the Volunteer and Donations Management Plan, and facilitated the development of a Community Organizations Active in Disaster (COAD) group and held monthly meetings.
- ✓ Conducted numerous preparedness presentations and trainings for the general public and specific vulnerable communities. Added new programs including "You are the Help until Help Arrives" and "Stop the Bleed"
- ✓ Coordinated a complex integration of a full-scale regional emergency preparedness exercise including regional hospitals, Montgomery College, and the County's Emergency Management Group. The exercise included an active shooter scenario at Montgomery College, which tested the College's response plans and the hospitals' surge capacity.
- ✓ Managed 39 Homeland Security grant projects across two Federal fiscal years. Projects included the purchase of equipment and supplies, as well as contractor and personnel support for County and municipal law enforcement, Montgomery County Fire and Rescue Service (MCFRS), Department of General Service (DGS), Department of Transportation (DOT), and Department of Correction and Rehabilitation (DCOR).

Environmental Protection

- ✓ Successfully met the requirements of the Consent Decree and the 2010 MS4 permit, in Calendar Year 2018 by completing the impervious surface restoration requirement and implementing and identifying stormwater management controls for an additional 3,781 acres.
- ✓ Fulfilled the Supplemental Environmental Project requirement of the Consent Decree in Calendar Year 18 by completing the construction of two bioretention practices and one rain garden at Olney Elementary School. A celebration of this accomplishment was held on site with the County Executive, students, teachers, PTA representatives, Maryland Department of the Environment, local watershed groups, and parents.

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- ✓ During FY18, the County's Commercial Property Assessed Clean Energy (C-PACE) Financing program accepted an additional ten projects, resulting in the implementation of more than \$6 million in privately funded improvements to commercial buildings.
 - ✓ Continued planting trees through Tree Montgomery utilizing funds provided by the Tree Canopy Law. The total number of shade trees planted through the program is more than 2,200, earning over 7 acres of impervious area restored under the MS4 permit.
 - ✓ Responded to over 1,800 environmental complaints and requests related to air, water quality, illegal dumping, noise, and other environmental compliance issues in FY18.
 - ✓ As part of the multi-agency Montgomery County Climate Mobilization Workgroup, submitted a comprehensive report outlining 100+ measures to move the County toward decarbonization by 2035, a goal established by the County Council through a December 2017 resolution.
 - ✓ Since 2016, DEP's Residential Energy Program has engaged more than 20,000 residents at over 250 events about ways to reduce their energy use and save money. Events have been held at congregations, libraries, senior centers, schools, and Manna food distribution sites in an effort to reach a wide variety of residents. In addition to discussions about ways to save energy, activities have included swapping inefficient incandescent light bulbs for energy saving LEDs, and helping residents sign up for Quick Home Energy Checkups from their electric utility.

Ethics Commission

- ✓ Based on initiatives of the Ethics Commission, the County Council amended the County's public ethics law and approved regulations the Ethics Commission submitted addressing employee conduct and ethics program administration.
- ✓ More than 99% of executive branch public financial disclosure filers attended mandatory ethics training between May 17, 2017 and July 1, 2018.

Finance

- ✓ Retained the County's AAA bond rating from all three major credit rating agencies in the fall of 2018.
- ✓ Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the FY17 Comprehensive Annual Financial Report (CAFR).
- ✓ Received the GFOA award for Outstanding Achievement in Popular Annual Financial Reporting for producing the County's first Popular Annual Financial Report (PAFR) in FY17.
- ✓ Successfully issued \$330 million in General Obligation bonds in FY19 with an interest rate (True Interest Cost) of 3.28 percent.
- ✓ Received a perfect score across all six divisions for the Office of Emergency Management and Homeland Security end of year Continuity of Operations Planning (COOP) status for 2017.
- ✓ The average daily investment portfolio increased from \$845 million in FY17 to \$871 million in FY18. Investment income jumped from \$6.0 million in FY17 to over \$11.7 million in FY18, with an average portfolio yield of 1.34 percent in FY18 (compared to 0.71 percent in FY17). This 1.34 percent average yield also compares favorably versus the benchmark yield of 1.29 percent (S&P Local Government Index).
- ✓ The County's Commercial Property Assessed Clean Energy Program (C-PACE), completed its first project in December of 2016, which was also the first C-PACE Project to be completed in the State. The Program currently has 12 completed projects with a total of \$8.4 million in C-PACE financing. To date, the County has completed more projects, in both volume and total financed value, than all other Maryland counties combined.
- ✓ During the inaugural 2018 election cycle of the County's Public Election Fund Program, there were 68 candidates who appeared on the 2018 County Council and County Executive election ballots, 40 of those candidates filed an intent to participate in the program with 23 candidates qualifying for the Program and receiving approximately \$5.25 million in matching public funds. Of the 10 elected offices

eligible to participate in the Program, 7 of those offices were attained by a candidate who participated in the PEF Program, including the highest elected office of County Executive.

- ☑ Performed a security assessment of all County operations that accept credit card payments to ensure that each organization is operating in a Payment Card Industry Data Security Standard (PCI-DSS) compliant manner.
- ☑ Risk Management staff issued a new insurance broker contract with minimal cost increases.
- ☑ Risk Management held the 4th Montgomery County Self Insurance Program Annual Meeting and celebrated the 40th anniversary of the founding of the Montgomery County Self Insurance Program and its years of service to the County and member agencies.

Fire and Rescue Service

- ☑ Completed a twelve-year effort to staff all 35 engines with four personnel, allowing for a more rapid fire attack as well as reduced response times to medical calls. The fourth person on each engine is a paramedic, which expands the availability of paramedics throughout the County and results in paramedics arriving to medical calls more quickly than they did prior to four-person staffing when they were solely on medic units.
- ☑ Achieved five-year reaccreditation -- MCFRS is one of nearly 250 agencies worldwide with this distinction and is only one of two internationally accredited combination (career and volunteer) fire and rescue departments in Maryland. The accreditation model provides an extensive organizational review, self-assessment and evaluation process that enables fire and emergency service agencies to examine performance levels and compare them to industry best practices.
- ☑ In the latest Montgomery County Resident Survey, MCFRS received 95 percent positive ratings for fire service and 94 percent positive ratings for ambulance and emergency medical service.
- ☑ The Public Safety Training Academy conducted two six-month recruit classes in FY 2018, training 69 firefighter recruits who graduated and began serving in the field.
- ☑ Added weekday staffing, four personnel, at Burtonsville Station 15 to reduce failures to respond.
- ☑ Worked with CountyStat to update the report that calculates the number of employees required to staff a shift position in each operational area. This is an important factor in the explanation of personnel costs.
- ☑ Launched new scheduling website and upgraded to web-based scheduling system allowing full access to staffing data off-site.

Fleet Management Services

- ☑ **Achieved Significant Improvements in Inventory Parts Handling** - The Parts fill rate ended the year at 88 percent and the Parts stock turns improved to 2.07. The annual Parts inventory had the best ever year-end variance at .02 percent.
- ☑ **Material Handling Upgrade (Space Saver)** - The existing material handling equipment at the Brookville Maintenance Facility (BMF) received the first phase of upgraded technology for the operating system of the Space Saver's automated parts shelving system. The upgrade allows for the continued use of this material handling equipment that provides more efficient parts storage and processing.
- ☑ **Expansion of Automated Tool Boxes, Computerized Cabinet/Locker Systems** - Due to the successful results of the initial installation of Automated Tool Boxes at the Equipment Maintenance and Transit Operations Center (EMTOC) in maximizing tool availability for repairs while minimizing tool losses, an additional automated tool box was added to the EMTOC transit operations.

General Services

- ☑ Lead the County's efforts to install 7.6 megawatts of solar and other clean energy technologies on County facilities. To date, the program has produced enough clean energy to power more than 800 homes and lowering greenhouse gas emissions as much as planting 192,000 trees.

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- ✓ Reviewed and revised the County's Emergency Operations Plan for compliance with the Americans with Disabilities Act, and presented training for staff designated to work emergency shelters in the event of a disaster or severe weather emergency. Expanded the services for effective communication with people who are deaf or hard of hearing by providing assistive listening systems in County meeting rooms. As of June 30, 2018, twenty-six (26) assistive listening devices have been installed in County buildings and six (6) portable systems have been procured for use by departments using other meeting rooms.
 - ✓ Substantially completed building envelope, lighting, HVAC, HVAC controls, and water conservation retrofits at the Pre-Release Center, Longwood Community Center, Twinbrook Library, Kensington Park Library, and the Silver Spring Health Center that are expected to save the County \$240,439 per year. This includes installing a Combined Heat and Power system at the Pre-Release Center.
 - ✓ Installed microgrids at the Public Safety Headquarters and the Montgomery County Correctional Facility that now produce clean energy and low-carbon energy to meet the energy needs of these crucial facilities, and enable them to operate independent of the energy grid during normal operations and prolonged power outages.
 - ✓ Multifunction Printers - Eliminated more than 1,000,000 pages being printed (676,666 pages deleted; 406,108 pages expired). Saved or reduced more than 1,382,397 gallons of water, 51,803 lbs. of carbon dioxide and 55 trees. Records Management and Imaging - Shredded 234,178 lbs.

Health and Human Services

- ✓ The Montgomery County Vietnam Veterans Memorial Wall opened in Rockville on May 21, 2018. The Memorial includes the names of 130 County service members who lost their lives or were reported missing in action in Vietnam during the war. Over 400 people attended the event, including dozens of Vietnam War Veterans.
- ✓ Bone Builders, a popular fall prevention and bone strengthening program, tripled in size. The program is primarily held at County Recreation Centers and is facilitated using minimal staff time and dedicated volunteer leaders.
- ✓ Linkages to Learning (LTL) is one of four programs highlighted in Montgomery County's winning application to the 2018 Welcoming Communities Transatlantic Exchange (WCTE), an international network that shares welcoming initiatives to integrate newcomers in their communities. In November 2018, LTL conducted local site visits with peers in Germany and attended a final conference to collectively discuss lessons learned and strategies for the application of welcoming initiatives in both countries.
- ✓ The East County Opportunity Zone Project continues to build a network that supports workforce development, health and wellness, and parent engagement in an under-served community. It has provided assistance with eviction prevention, utility disconnection prevention, childcare services, vocational employment assistance, senior services, behavioral health services, and assistance with somatic health.
- ✓ The Early Childhood Services ChildLink Program conducted the Pregnant and Parenting Teen Speaker Series at a total of 5 high schools in FY18, serving a total of 83 teens. The series will expand to six high schools in FY19. This program is one of the Department's two generation poverty alleviation strategies.
- ✓ The Welcome Back Center of Suburban Maryland offered services to internationally trained health professionals - including 80 nurses, 20 behavioral health professionals, and 3 physicians - who are working towards licensure and/or certification in the healthcare field to secure jobs in Maryland. Program clients hired as Registered Nurses saw a 282 percent increase in wages on average.
- ✓ In FY18, the African American Health Program (AAHP) expanded Healing Our Village (HOV) into community outreach engagement sites - 1,391 individuals received blood glucose, blood pressure, and BMI screening at community events. HOV's expansion of services includes one-on-one counseling at places such as apartment complexes, churches, post offices, and other sites.
- ✓ The Asian American Health Initiative (AAHI) released volume three in their mental health photo-novel series, entitled "More Than Just Stress," which communicates issues around Asian American adolescent mental health to parents and community leaders and provides youth with resources to address mental health challenges.
- ✓ In FY18, School Health Services (SHS) case managed 17,833 children in Montgomery County Public Schools with chronic health conditions, including asthma, diabetes, and life-threatening allergic reactions. SHS also handled 642,237 student visits to Montgomery

County Public Schools (MCPS) health rooms, which resulted in 88 percent of children returning to class.

- ✓ The Maternity Partnership Program provided prenatal care to 1,557 County women through partnerships with hospital-based clinics, plus home visiting case management provided by County staff. The program continues to have excellent health outcomes, with 96 percent of the babies born to women delivering through Maternity Partnership program having a healthy birth weight.
- ✓ In partnership with the Interagency Commission on Homelessness, the Inside (not Outside) Initiative was launched with the goal of ending chronic homelessness in the County. Chronic homelessness is defined as long-term homelessness for people with disabilities. In FY18, 250 chronically homeless individuals were placed in permanent housing. This is more than twice as many people housed than in FY17.
- ✓ The Department participated in the State-wide Rapid Rehousing Learning Collaborative sponsored by the Maryland Department of Housing and Community Development, the National Alliance to End Homelessness, and the University of Maryland. Through this collaboration, the County's Rapid Rehousing program placed 21 households in permanent housing in less than 100 days.

Housing and Community Affairs

- ✓ Closed 22 multifamily loans providing \$103.7M in county support which will preserve or produce 3,254 total units of which 1,982 units will be affordable. Investments included ten senior housing developments, nine multifamily housing developments for families, two special needs projects and one distressed community project.
- ✓ Launched the Montgomery County Homeowner Energy Efficiency Program. Administered by Habitat Metro Maryland, this program provides free energy efficiency upgrades to eligible residents.
- ✓ Continued providing downpayment and closing cost assistance through the Montgomery Homeownership Program. This partnership with the State helps to make the dream of homeownership a reality.
- ✓ Partnered with Department of Permitting Services and nonprofits to create a new "Design for Life" program providing visitability and accessibility grants for lower-income seniors and families.
- ✓ Awarded a State Community Legacy grant to help fund the Kimberly Place Balcony Replacement and Drainage Improvement project.
- ✓ Improved Common Ownership Community (COC) Program operations. Updated Decisions and Orders (D&O) manual and created a searchable database for all D&O's, rolled out new website, streamlined and automated the complaint process and updated the mandatory Director Training creating new training modules on insurance and risk management, compliance and legal obligations.
- ✓ Completed the first comprehensive revisions to the MPDU law and Executive Regulation since 2004.

Human Resources

- ✓ Trained over 200 MLS managers on effectively using Conflict Facilitation techniques as part of the County's informal dispute resolution processes.
- ✓ Enhanced marketing materials used at Career Fairs and proactively outreached to universities and professional associations to strengthen and attract a diverse and well-qualified pool of candidates for Montgomery County positions.
- ✓ Enhanced the Lieutenant's promotional exam process for the Department of Correction and Rehabilitation to increase the pool of well-qualified candidates.
- ✓ Expanded Wellness webinar library to allow shift workers to participate in on-line webinars at a time that is convenient for their schedules.
- ✓ Provided employability skills training and workplace internships for 57 participants through the Project SEARCH program since

September 2012, with an employment rate for Montgomery County and partners of 60 percent (26 positions).

- ✓ Developed a comprehensive leadership development strategy to support key business priorities and enable County leadership and management to perform at their fullest potential in delivering quality services to our residents in a time of rising demands for service and constrained resources. In the past six months, over 1,000 managers participated in the MLS LEADS program offerings.
- ✓ Implemented group insurance contracts with new dental, life, vision, and long-term disability vendors, which resulted in savings to the County and additional value added benefits not previously offered, including hearing aid discounts and legal services.
- ✓ Created and implemented the Police Leadership Service Compensation Plan through Executive Regulation, which amended the Code of Maryland Regulations to create a new Police Leadership (PLS) salary schedule to include sworn police managers' schedule and aligned salary increases with performance.
- ✓ Increased Virgin Pulse platform enrollment from 54.6 percent to 60 percent and engagement remains steady at about 50 percent, placing the County above all of the Contractor's average book of business in both categories.
- ✓ Received the Alliance for Workplace Excellence Awards including the Workplace Seal of Approval, Health and Wellness Seal of Approval, Diversity Champion Award, Ecoleadership Award, Best Practices Supporting Workers' of All Abilities Award, and Best Practices Supporting 50+ Award.

Human Rights

- ✓ Held the One-Stop Fair Housing workshop for housing providers, realtors, rental agents, and real estate professionals with a focus on local, State, and Federal fair housing laws and the 50th Anniversary of the Federal Fair Housing Act of 1968, and 51st Anniversary of the Montgomery County Open Housing Law of 1967.
- ✓ Held the One-Stop Fair Employment workshop for County private and public employers with a focus on new local laws and State and Federal employment case law.
- ✓ Planned and coordinated the Sixth Annual Friendship Unity Picnic with the Committee on Hate Violence, advocating for community unity across racial, religious, and cultural lines; building awareness of the Partnership Fund, which supports victims of hate violence incidents. This event was very important as the Office continued to see an increase of reported incidents of hate and violence.
- ✓ Successfully mediated and conciliated complaints in excess of \$1.5 million. Other cases were investigated and closed consistent with performance measure requirements.

Inspector General

- ✓ The OIG publicly issued three reports, one advisory memorandum, and one preliminary inquiry memorandum to the County government during FY18. One additional Confidential Investigative Report was provided to the Ethics Commission as a result of investigative work the OIG completed at the Commission's request.
- ✓ The OIG completed 33 preliminary inquiries and referrals during the year that addressed Complainant allegations of fraud, waste, abuse, or the effectiveness and efficiency of programs and operations of County government or independent County agencies.

Intergovernmental Relations

- ✓ Secured \$59.7 million in State grants for capital funding for school facilities.
- ✓ Secured \$38.7 million in State grants for capital improvements at higher education facilities.
- ✓ Secured an increase of \$34 million in direct State aid, primarily for K-12 Education.

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- ✓ Secured a new \$167 million annual stream of funding for Maryland's share of the Washington Metropolitan Area Transit Authority (WMATA) subsidy to support maintenance and system improvement.
 - ✓ Obtained passage of the Promoting extraordinary Innovation in Maryland's Economy (PRIME) Act to attract Amazon HQ2 to Montgomery County with \$3 billion of incentives through State income tax credits, property tax credits, and sales tax exemptions. State budget also includes \$10 million as the first portion of a \$150 million grant package.
 - ✓ Secured \$10 million for the first and second installment of a four-year \$20 million retention incentive package for Marriott International to construct its new headquarters in Montgomery County.
 - ✓ Secured a second \$1 million down payment in State funding for the Poolesville Economic Development Project.
 - ✓ Obtained a grandfather clause in Statewide paid sick leave legislation that preserves the County's authority to implement its own local sick and safe leave law.
 - ✓ Obtained legislation that delays for two years the County's obligation to repay the State for local income tax refunds required by the *Wynne* case, which allows the County to postpone approximately \$143 million in repayments.
 - ✓ Obtained legislation strengthening WMATA's governing board (Metro Board of Directors) by requiring that one of the State's two principal board members be the Maryland Secretary of Transportation or the Secretary's designee.
 - ✓ Worked collaboratively with Montgomery County Police Department (MCPD) and Maryland Association of Counties (MACo) to obtain legislation creating the Commission to Advance the Next Generation of 911 Across Maryland.
 - ✓ Worked collaboratively with the Office of the County Attorney (OCA), MACo, Maryland Municipal League (MML), and Local Government Insurance Trust (LGIT) to successfully oppose a bill that would have increased the County's liability for attorney's fees.
 - ✓ Worked collaboratively with the Department of Technology Services (DTS), OCA, MACo and MML to successfully oppose a bill that would have preempted local authority regarding "small cell" wireless facilities.
 - ✓ Worked collaboratively with DTS and MACo to expand the scope of the Rural Broadband Task Force to include the County's Agricultural Reserve.
 - ✓ Worked collaboratively with Office of Emergency Management and Homeland Security (OEMHS), Revenue Authority, Public Information, DTS, OCA, MACo, and MML to amend the Maryland Public Information Act to allow the County to protect the privacy of residents and business by keeping email addresses and telephone numbers confidential.
 - ✓ Collaborated with Department of General Services, OCA, Congressional Delegation, National Park Service, and Department of the Interior to negotiate a new 10-year cooperative management agreement for Glen Echo Park that preserves a local-Federal partnership benefiting County residents and the Washington, D.C. metropolitan area and protecting nationally significant Federal property.
 - ✓ Worked collaboratively with Congressional Delegation to obtain legislation extending Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs that support technology development, commercialization, job creation, and economic growth in the biotech sector.

Legislative Oversight

- ✓ Completed a report that summarized the Maryland State Department of Assessments and Taxation practices for out-of-cycle residential property assessments.
- ✓ Completed a report that reviewed the use of reverse auction purchasing for Montgomery County procurements and other jurisdictions.
- ✓ Completed a report that provided information on the use of social impact bonds across the country, with a focus on early childhood education.

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- ✓ Completed a report that summarized the County Executive and Council community grants programs, including legislative history, data trends, and feedback from stakeholders. The report also included summaries of the practices of other jurisdictions.
 - ✓ Completed a report on the retiree health benefits, including a description of revised reporting rules, identification of major cost drivers, and an assessment of opportunities to control future year costs.
 - ✓ Completed a report that examined dollars awarded for County Government service contracts, the size of the service contractor workforce, and contractor wages. OLO found that the County does not collect or require vendors to report data on contractor wages nor does it count the number of contractors on service contracts. Additionally, OLO found that the Police department does not currently have established procedures to monitor active contractors or to deactivate ID cards when contractors leave County service.
 - ✓ Continued to assist the Council, MCPS, and the County Office of Intergovernmental Relations by analyzing alternative State aid funding models to determine how different provisions would impact funding to MCPS.

Liquor Control

- ✓ Hired a Chief of Retail Operations with a strong record of retail management experience as well as a diverse background in building sales, improving customer experiences, and staff development and training.
- ✓ Completed County retail store resets to provide customized product selection and shelf placement.
- ✓ Awarded the NACo Achievement Awards during FY18 for four programs including:
 - "I Take it Personally Campaign" in the category of Public Safety
 - "Pre-Licensing Program" in the category of Economic Development
 - "Automated Lottery Program for Allocated Spirits" in the category of Information Technology
 - "Online Special Event Licenses" in the category of Information Technology
- ✓ Awarded the 2018 National Best Practices Award from trade magazine *StateWays* for the "Best Alcohol Distribution Innovation" within control states in the U.S. and Canada.

Management and Budget

- ✓ Developed options for County Executive decisions to close the FY20 Budget gap of \$186.9 million and produce a balanced budget while preserving critical services and advancing key County policies.
- ✓ Developed and implemented a \$45.9 million Savings Plan to close the gap caused by FY18 year end deficit and FY19 revenue shortfalls.
- ✓ Provided analysis to the County Executive and County Council to address significant expected shortfalls in impact taxes without impacting planned support for Montgomery County Public Schools (MCPS) capital projects. Prudent reductions in planned General Obligation bond debt for FY19-24 moved the County toward a more sustainable debt level and contributed to AAA ratings from all three credit rating agencies
- ✓ Conducted comparative Program of Requirements analysis resulting in project and debt service efficiencies, programmatic improvements, and enhanced collaboration between co-locating agencies for projects included in the CIP.
- ✓ Developed and implemented new Operating Budget BASIS Planning Module that is used to formulate all expenses and revenues for the operating budget. The module replaced Hyperion Planning functionality for better ease of use coupled with enhanced reports.
- ✓ Continued outreach efforts to promote open data, government transparency, budgeting processes, and to solicit community input into the development of the Operating and CIP budgets. Information and training sessions were held to inform community members and non-profit organizations of the community grant application system. A budget overview and process presentation was conducted for members of the Mid-County Citizen Advisory Board. Operating budget forums were held in conjunction with the County Executive's

Office and the five Regional Services Centers. Interactive Budget Forum workshop featuring *A Balancing Act* was held to directly involve residents and receive their input on budgeting priorities. BASIS and Open Budget presentations were conducted for visiting dignitaries from Cambodia, Croatia and World Bank.

- ✓ Received three NACo awards in FY19 for the following initiatives: development and implementation of the on-line Capital Open Budget information tool; development and implementation of the on-line Operating Open Budget information tool; and development and implementation of the CIP Budget Analytical Statistical Information System (CIP-BASIS).

Parking District Services

- ✓ Installation of new multi-space meters in Parking Lot Districts that provide customers multiple and convenient payment options (coins, bills, credit card, and pay-by-cell) and a customer friendly parking experience.
- ✓ Completed the Bethesda Parking Demand Study to assess current and future public parking supply and demand conditions.
- ✓ Initiated the design and procurement of LED light fixtures to improve garage lighting and promote energy efficiency. LED lights are environmentally friendly, operate on low voltage, and improve the safety of our facilities.
- ✓ Executed Memorandum of Agreement for on-street parking in the Pike and Rose Development. Successful installation of multi-space meters and parking signage in readiness for collection of parking fees and enforcement of parking regulations.
- ✓ Managed the relocation of the historic building to a lot in Bethesda to facilitate development of residential units and construction of the Purple Line.
- ✓ Managed the Wheaton Redevelopment program in through supporting of construction throughout the slab waterproofing and slab concrete construction phases; contract administration and oversight; employee parking plan; parking and construction mitigation and closure activities including community outreach and communication.

Permitting Services

- ✓ Integrated Fire Code Compliance into DPS permit system, document imaging system, licensing and eServices.
- ✓ Launched restructured impact taxes and new Local Area Transportation Improvement Payment.
- ✓ Facilitated and assisted major projects: United Therapeutics Unisphere -- 120,000 sf Net Zero Building; Glenstone Museum - acclaimed museum and sustainability center; Marriott World Headquarters; The Wilson and The Elm; Wheaton Redevelopment Project (geothermal); Chevy Chase Lake mixed use project; Elizabeth Square; County 911 Antennas; Adventist Hospital; Artomatic; Top Golf; Pike and Rose Beach; Quicken Loans Golf Tournament.
- ✓ Maintained plan reviews in less than 30 days, residential solar permits in five days, record plat in approximately 2-3 days, sign permits in approximately one day and next day inspections.
- ✓ Implemented the International Green Construction Code to reduce the County's carbon footprint.
- ✓ Implemented many new zoning text amendments, including craft breweries, wireless towers, design for life, etc.
- ✓ Addressed wide-spread community electrical deficiencies; coordinated complex construction activities; addressed unpermitted vehicles in communities; dealt with unlicensed kennel breeding and sales; eliminated illegal slaughterhouse; filed suit to address illegal tunneling; issued zoning citations to combat human trafficking; responded to thousands of illegal signs; etc.
- ✓ Partnered with the Department of Technology Services (DTS) to develop a Construction Activity Website showing open commercial construction, demolition, and right-of-way permits by map and satellite.

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- ✓ Developed a database of on-site well and septic systems.

Police

- ✓ Re-established the Community Engagement Division to maximize and enhance outreach and engagement efforts throughout the County.
- ✓ MCPD was awarded reaccreditation for the seventh time by Commission on Advanced Law Enforcement Accreditation (CALEA).
- ✓ The Crime Lab has completed the accreditation process through the American Society of Crime Laboratory Directors (ASCLAD).

Procurement

- ✓ Developed a new Request for Proposal (RFP) template with Department of Transportation (DOT) and the Office of the County Attorney (OCA) for awarding projects utilizing Construction Manager At Risk (CMAR) methodology; streamlined process/checklist for submission/issuance of projects under the Small Construction Task Order Contracts; and developed an additional template to streamline contract renewals for lower-threshold community grants.
- ✓ Procurement received the 2018 Achievement of Excellence in Procurement (AEP) Award for its demonstration of innovation, professionalism, E-Procurement, productivity, and leadership with a strong dedication to the advancement of the public procurement professional from the National Procurement Institute as well as the 2018 Public Access Partner Award from the Women Presidents' Educational Organization (WPEO) in recognition of the importance the Office of Procurement places on supply chain diversity in our business strategies.
- ✓ Encumbered \$198 million to Minority, Female, and Disabled (MFD) Owned Business Program vendors, comprising 23.5 percent of eligible spending in FY18 and \$115 million to Local Small Business Reserve Program (LSBRP) vendors, comprising 26.8 percent of eligible spending in FY18.
- ✓ Focused on outreach efforts and validating/certifying MFD and LSBRP vendors-hosting or attending 31 outreach and networking events.
- ✓ Hosted Second Annual Procurement Forum, and First Spring Round Table Event for Business Matchmaking.
- ✓ In 2018 the Office of Procurement conducted a series of Procurement Overview and Compliance trainings to further professional development and to strengthen networking and collaboration between contract administrators, peers, and procurement staff on contract issues.

Public Information

- ✓ Increased direct communication with residents, businesses, and partner organizations through social media sites: YouTube; Facebook; and Twitter - expanded Twitter to more than 73,500 followers and expanded distribution lists for electronic publications such as "The Paperless Airplane" which now reaches more than 240,000 households. MC311 collaborates with the Public Information Office to respond to resident requests for services and information via phone, email, and social media.
- ✓ The MC311 Customer Service Center has shown continued growth in online presence and on social media: 12.58 percent increase in web-based requests for service over FY17. Eight percent increase in social media requests for service (Twitter) over FY17.
- ✓ The MC311 Customer Service Center implemented an enhanced protocol to address departmental needs for Siebel service request and dashboard management training. An online registration process through Siebel has streamlined the request and scheduling process for the three multi-skilled level classroom training sessions. Service requests can be submitted online 24 hours a day/7 days a week using MC311's online web portal. The change has increased training attendance and improved responsiveness and tracking.

Public Libraries

- ✓ Awarded the 2018 Top Innovator Honorable Mention Award from the Urban Libraries Council for "Reading and Educating to Advance

Lives: REAL Change," a partnership with the Jewish Council for the Aging (JCA) and Health and Human Services (HHS) volunteers who read with children in the HHS benefits office.

- ☑ Awarded 2018 NACo Achievement Awards for:
 - Sharing Our Voice through Podcasting,
 - The REAL Program,
 - Engaging a Community in Energy Savings.

- ☑ Implemented the National Endowment for the Arts (NEA) Big Read with programs and events throughout Montgomery County.

- ☑ Participated in One Maryland One Book hosting author Chimamanda Ngozi Adichie.

- ☑ Hosted First Vinyl Day - "Just for the Record Event" (April 2018), a celebration of vinyl music, its culture, art, and sound.

- ☑ Launched the Books@Home service which provides books by mail to residents who cannot visit a library.

- ☑ Launched the Internet to Go program which lends laptops and wireless hotspots for use at home.

- ☑ Hired a Program Specialist for the Deaf Culture Digital Library to assist in coordinating programs for the deaf community and provide information to the community and outside agencies.

- ☑ Workforce Development:
 - Launched HIRE (Helping Individuals Reach Employment) at Rockville Memorial Library in collaboration with WorkSource Montgomery,
 - Graduated 12 students from our Career Online High School program,
 - Launched LearningExpress Library which offers online resources for academic and career success (November 2017),
 - Montgomery County Public Libraries (MCPL) hosted events that connected entrepreneurs to experts to expand their businesses.

- ☑ Completed refresh projects at the Quince Orchard (December 2017), Connie Morella (April 2018), and White Oak (April 2018) libraries.

Recreation

- ☑ Montgomery County Recreation received eight NACo (National Association of Counties) Awards in 2018 in recognition of innovative County Government programs. The department received more awards in the Parks and Recreation category than any other county in the nation:
 - Advancing Youth Development Training in partnership with the Collaboration Council,
 - Dream Academy,
 - Fashion Boot Camp in partnership with Cultural Communications,
 - HerTime2Shine,
 - MoCo's Got Talent,
 - Second Thursday Silver Spring Dance,
 - Soccer4Change in partnership with Identity, City of Gaithersburg, and HHS Street Outreach Network, and
 - Water Safety Day in partnership with the Cities of Gaithersburg and Rockville.

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- ✓ Successfully implemented an East County Sports Initiative engaging community youth in track and field programming and competitive sports.
 - ✓ Grand Re-opening of the Good Hope Neighborhood Recreation Center in October 2018. The new 14,000 square foot center includes a brand new gymnasium/theater, an exercise/weight room, game room, and larger activity/social gathering space. In addition to the sports and fitness programs and social activities, the center will partner with Strathmore to enhance recreational offerings by adding innovative art, music, and educational activities, as well as live performances.
 - ✓ The Aquatics and Youth Development Teams implemented the Summer Leadership Challenge Lifeguarding Camp providing an opportunity for youth aged 14+ to prepare for lifeguarding. Campers were provided an opportunity to experience SCUBA diving.
 - ✓ Senior Programs has continued to expand the Bone Builders Exercise Program now offering 25 classes at 15 of our Recreation facilities throughout the county.

Sheriff

- ✓ In 2018, the Montgomery County Assessment of Lethality and Emergency Response Team (ALERT) continued collaboration on cases identified as having an elevated risk of lethality. This multi-disciplinary team flagged cases for ALERT and worked together in real time to ensure coordinated intervention, victim safety, and offender accountability.
- ✓ The Family Justice Center welcomed Pro Bono Counseling Project (PBCP) as an off-site partner. The PBCP ensures that Maryland families and individuals with limited resources in need of mental health care are linked with licensed mental health professionals who provide care on a volunteer basis.
- ✓ The Family Justice Center, in collaboration with Domestic Violence Coordinating Council and Montgomery County Public Schools (MCPS), helped coordinate the Ninth Annual Choose Respect Montgomery Healthy Teen Dating Conference, highlighting warning signs of abusive relationships, bystander intervention, and resources available in the community for those involved in abusive relationships. The event was attended by 500 teens, parents, youth service providers, educators, and volunteers.
- ✓ To promote awareness of the Family Justice Center, the Domestic Violence Coordinating Council Education and Outreach Committee developed multi-language information cards. The card states, "Are you afraid of your partner? Free help is available," in the most commonly spoken languages in Montgomery County.
- ✓ During FY 2018, volunteers and interns contributed over 3,000 hours at the Family Justice Center.

Solid Waste Services

- ✓ DEP completed its work to develop the Strategic Plan to Advance Composting, Compost Use, and Food Scraps Diversion, and the report was published in April 2018. In developing this plan, DEP brought together over 200 stakeholders representing the public and private sectors, to gain valuable expertise and insight, and work together toward consensus on a broad range of relevant issues.

State's Attorney

- ✓ During the 2018 school year, the State's Attorney's Office had 50 law school interns and three fellows who donated over 15,700 hours of their time to the office. These students help screen cases, conduct legal research, contact victims and witnesses, and prepare cases for trial. Their service equates to over 7.5 full time positions.
- ✓ The Mental Health Courts in Montgomery County's Circuit and District Courts opened in December 2016 and January 2017 respectively. The Mental Health Courts have graduated 23 people, and only one participant has recidivated.

Technology Services

- ✓ Awarded the "Large Digital Counties Award" from the Center for Digital Government and NACo; six NACo awards; and six Public Technology Institute awards.
- ✓ Responded to 32,000+ IT Help Desk calls and tickets.

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- ✓ Improved customer experience on County websites by implementing "responsive design" which enables websites to adjust to tablet and cellphone screens.
 - ✓ Reduced vulnerabilities through aggressive software patching, computer re-imaging, and internet blocking.
 - ✓ Published the FiberNet Master Plan which identifies the strategic needs of each County agency; planned and in-progress projects; and priority capital investments.
 - ✓ Conducted the first Interagency Technology Policy and Coordination Committee (ITPCC) Cyber Security Awareness Month.
 - ✓ Improved information security for all County data stored on OneDrive and SharePoint.
 - ✓ Implemented a cyber security dashboard to easily share status updates and issues with County departments.
 - ✓ Improved access to public Wi-Fi by upgrading wireless infrastructure in County facilities.

Transit Services

- ✓ Extended Route 75 Germantown MARC station during weekday peak periods.
- ✓ Obtained a Federal grant to support infrastructure and purchase costs for new electric buses in FY20.
- ✓ Ride On's new Route 129 (US29) limited stop bus service connecting to the Silver Spring Transit Center began in early calendar year 2018.
- ✓ Forty-two Ride On bus shelters are now solar powered. The bus shelters are located in areas where electric utilities do not have nearby power connections. The solar power provides safety lighting, and there are plans to install solar equipment in 10 additional shelters. Overall, 10 percent of all shelters will be solar powered.
- ✓ Real Time signs are in over 80 locations displaying real time bus arrival/departure information.

Transportation

- ✓ Completed 27,325 linear feet of sidewalk.
- ✓ Completed biennial inspections of 220 bridges and renovations for 25 bridges.
- ✓ Resurfaced 178 lane miles between the Residential Resurfacing, Depot Patching and Paving, Permanent Patching, and Slurry Seal CIP programs.
- ✓ Completed major bridge and/or storm drain improvement projects along Kinster Drive, Valley Wood Drive, West Lake Terrace, Twig Road, Bel Pre Road, Connecticut Avenue, and Barnes Road.
- ✓ Pruned 9,576 Trees, removed 3,601 trees and 3,153 stumps, planted 1,709 trees, and responded to 401 foliage work orders.
- ✓ Responded to 15 storm events totaling roughly 16 inches of snow accumulation. Utilized approximately 55,000 tons of salt and treated roughly 5,200 lane miles of road.
- ✓ The annual leafing collection program collected over 109,114 cubic yards of leaf debris, and the annual sweeping program swept 4,055 miles of road and removed 643 tons of debris.

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- ✓ Repaired/restored 120 vehicle sensors for optimal traffic signal operation.
 - ✓ Re-timed 64 traffic signals to implement new pedestrian crossing timing and vehicle clearance timing standards.
 - ✓ Built and activated HAWK beacons at Muddy Branch and Harmony Hall, MacArthur and Dunrobbin, Randolph and Livingston, Aspen Hill Road and Northgate Shopping Center, Democracy & Walter Johnson HS, and Willard & The Hills Plaza, which were among the first of their kind in Montgomery County.
 - ✓ Repaired 8 signal cabinet knockdowns and 30 signal pole knockdowns to ensure continuity of traffic operations
 - ✓ Deployed Adaptive Traffic Control pilot at 10 locations along Montrose Road and Montrose Parkway to ensure operations flow through the corridor.
 - ✓ Replaced Uninterrupted Power Supply (UPS) systems at 67 locations as part of UPS life-cycle equipment replacement which is critical to ensure signal operation and safety during power outages.
 - ✓ Repaired 7,650 streetlight outages, replaced 425 knocked down streetlights, and installed 744 new streetlights Countywide to ensure visibility for motorists and pedestrians.
 - ✓ Installed 566 crosswalks and 529 stop bars to ensure safe, designated crossings for pedestrians.
 - ✓ Installed pedestal beacon flashers at Schaeffer Road, Black Rock Road, MD 118 (Germantown Road), and MD 28 (Darnestown Road) along the PEPCO Natural Trail to improve pedestrian safety.

Urban Districts

- ✓ Bethesda Urban District (BUD) worked with the Department of Permitting Services and the Department of Transportation (DOT) to coordinate the review of traffic management plans for new development, and improve communication with developers and the public over the impact during construction of the Marriott International Headquarters.
- ✓ Supported events on Veterans Plaza in the Silver Spring Urban District (SSUD) by coordinating set-up prior to each event and clearing the venue following each event.
- ✓ Wheaton Urban District (WUD) participated and supported a feasibility study for a Wheaton Arts/Cultural Facility, working with the Department of General Services (DGS), external consultants, and a stakeholder group of artists, businesses, and residents. The process included focus groups, town halls, community survey, numerous one-on-one interviews, benchmarking of other arts facilities, and a market analysis.
- ✓ As a result of an increase in pedestrian fatalities in and near Wheaton, WUD partnered with the Department of Transportation (DOT), the Montgomery County Department of Police, Maryland State Highway Administration (MSHA), Public Information Office and CountyStat for a pedestrian education and enforcement campaign that engaged residents, businesses, Westfield Mall, and various community groups. WUD continues to work with MSHA and DOT on re-engineering strategies in the Wheaton downtown area.

■ Initiatives

Agriculture

- ★ The OAG began working with the County's Department of Technology Services to create a new website. The re-designed site is envisioned to be more interactive and aesthetic and will better meet the objectives of educating the public about the County's Agricultural Reserve and agricultural industry, serving as a resource for both farmers and residents, and promoting our farms and agricultural businesses.

Cable Television Communications Plan

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- ★ Apply for Federal funding and continue to support public/private partnerships to bring broadband to undeserved areas of the County's Agricultural Reserve.
 - ★ Expand Senior Planet Montgomery and other public/private partnerships to support more digital economy and digital inclusion training for older adults and affordable access to internet-connected devices.
 - ★ Support small-cell deployment in residential areas that reasonably balances meaningful public input into new deployments with the requirements of Federal and State law to enable provisions of new wireless communications services.
 - ★ Develop marketing plan for FiberNet broadband services and fiber and conduit availability in Montgomery County.
 - ★ Launch additional HD channels with Comcast and RCN.
 - ★ Host business focused roundtables and events to improve access to robust and reliable high-speed broadband services in commercial buildings in the County.
 - ★ Increase community engagement and social media outreach.
 - ★ Implement a marketing plan for the Public, Education, and Government (PEG) channels using the results of the viewership study, which was initiated to better understand viewing habits and preferences.

Community Use of Public Facilities

- ★ The co-location of the Community Use of Public Facilities, County Recreation and Montgomery Parks in the new Wheaton building will enhance collaboration and improve customer access to the shared activity registration and facility reservation system, while simultaneously supporting the growth of the Wheaton community.

Consumer Protection

- ★ The Office of Consumer Protection (OCP) co-hosted several multi-agency consumer protection forums with elected officials. OCP engaged in outreach enhancements by co-sponsoring a forum at Bethesda-Chevy Chase High School with U.S. Senator Chris Van Hollen and Maryland Attorney General Brian Frosh. In addition, OCP co-sponsored a "ConsumerFest" outreach event at the Silver Spring Civic Center with Congressman Jaime Raskin and Maryland Attorney General Brian Frosh.
- ★ OCP launched a new program to provide expert mediation services to Montgomery County businesses for free as an option to resolve disputes without the time and expense associated with litigation in court.
- ★ After nearly two years of investigation and research into the home improvement industry, OCP has prepared a report and press release regarding the dangers of relying on online referral services.

Correction and Rehabilitation

- ★ Continue developing Departmental data dashboards to produce timely and accessible critical information for the purpose of improved monitoring and analysis of operational issues, tracking outcomes, creating priorities, and making substantive decisions.
- ★ Customized a new training initiative for staff succession planning and training, "Leadership Beyond the Bars."
- ★ Development of a separate WiFi network for the expansion of secure inmate education and training.
- ★ Continue Phase III of ADA remediation upgrades to Pre-Release Center housing units, medical unit and other accessible upgrades.

★ Planning for the Pre-Release Center Refresh Project (Completion Date-Winter 2019).

★ Construction of the Pre-Release Center Dietary Kitchen Project (Underway-Completion Summer 2019).

County Attorney

★ Pursuing litigation against opioid manufacturers and distributors.

★ Pursuing litigation for violations of the Fair Housing Act against lenders for discriminatory practices that led to the housing market crash in 2008-2010.

★ Pursue litigation against the Federal Communications Commission (FCC) in connection with recently issued FCC orders regarding the construction of a 5G network.

Economic Development Fund

★ Provide needed funds to the Small Business Assistance Program to continue assisting eligible businesses adversely impacted by the County's Wheaton Redevelopment project.

★ Add funds to the Impact Assistance Fund to support eligible businesses impacted by a redevelopment project in certain designated County areas.

★ Add funds to implement economic development grant agreements for retention and expansion of jobs and business activities that will support economic growth in Montgomery County.

Emergency Management and Homeland Security

★ Integration of the Montgomery County Fire and Rescue Service Community Emergency Response Team (CERT) into OEMHS plans and field operations.

★ Reconstituted of the Local Emergency Planning Council (LEPC) including expansion of members and the complete overhaul of its bylaws.

★ Expansion of OEMHS field deployment capabilities, including support of neighboring jurisdictions, such as Howard County's response to flooding in Ellicott City in 2018.

Environmental Protection

★ Identify opportunities for enhanced coordination between the Department of Environmental Protection, the Department of Transportation, the Department of General Services, the Department of Permitting Services, Montgomery County Public Schools, municipalities, and the Maryland-National Capital Park and Planning Commission to integrate activities and requirements in preparation for the next National Pollutant Discharge Elimination Municipal Separate Storm Sewer System (MS4) permit that will be issued to the County in 2019.

★ DEP, along with the Department of Health and Human Services and a variety of community service providers, are developing an "energy coach" network to connect County residents and businesses with resources related to energy efficiency and energy assistance.

★ Establish partnerships with the Latin American Youth Council and the Conservation Corps to have youth assist DEP with the maintenance of green infrastructure and the dissemination of information about energy saving initiatives.

Finance

★ Upgrading Kronos Workforce TimeKeeper (MCTIME) from Version 6.2 to Version 8.2.

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- ★ Upgrading Kronos Telestaff scheduling system for Fire Rescue Service.
 - ★ Replacing the custom in-house real and personal property tax web billing applications with Citizens Self Service from Tyler Technologies.
 - ★ Implementing electronic timeclocks for the retail and warehouse division at the Department of Liquor Control.
 - ★ Upgrading Accounts Payable forensics software to monitor and verify payments to vendors.
 - ★ The Department of Finance will be implementing credit card and electronic payment solutions and re-engineering existing solutions that will decrease the total cost of ownership for the County. This will entail creating a centralized payment portal, automating processes, reducing the level of effort for on-boarding departments that wish to process credit cards, and collaborating with the merchant service provider to reduce transaction costs.
 - ★ Risk Management is actively working with FM Global, the Montgomery County Self Insurance Program's property insurance carrier, to present training to program members' maintenance staff to decrease property losses due to human factors.
 - ★ Risk Management is working with the Office of the County Attorney and the commercial excess insurance carrier to improve claim reporting and update claim handling guidelines.

Fire and Rescue Service

- ★ Continue implementation of the Mobile Integrated Healthcare program which aims to reduce ambulance transports and emergency room visits by directing patients with high Emergency Medical Services (EMS) utilization to ongoing, supportive health and human services programs. Under the program, civilians will be hired to replace uniform staff, outreach to opiate overdose patients will begin, and 250 patients will be served. The top five institutional super-users will be addressed.

Fleet Management Services

- ★ **Articulated Bus Maintenance Bay Retrofit** - DFMS is retrofitting four current maintenance bays at the Equipment Maintenance and Transit Operations Center (EMTOC) to allow for fleet management support of Transit's future Ride On 60-foot articulated buses. The retrofitting will not only allow Fleet to service the 60-foot buses, but will also increase capacity to meet future transit fleet levels.
- ★ **Reverse Auction Contract** - DFMS generated a Request for Proposal (RFP) which resulted in a Reverse Auction Contract. The goal of this contract is to provide reverse auction services for the procurement of fuel as well as other energy procurements. The contract is expandable to support other commodities and services throughout the County. The costs of reverse auction services are not billed to the County but are passed on to the awardee.

Health and Human Services

- ★ Funding was provided for a new Senior Home Sharing Program. In FY20, this pilot program will connect senior home providers who have a spare room with home seekers interested in a long-term housing option. This home sharing arrangement can work when renters find it difficult to find affordable rental housing and home providers either need extra income or prefer living with another person who can offer social connection and/or assist with tasks, errands, and costs related to property maintenance.
- ★ In FY18, Trauma Services opened a supervised visitation and exchange program called the Safe Passage Center. The Safe Passage Center provides supervised visits and exchange services to families with a domestic violence protective order and families undergoing contentious divorces, if ordered by a judge. This program reduces stress to domestic violence victims and keeps children safe and secure during their visits with the non-custodial parent

Housing and Community Affairs

- ★ Invest \$63.07 million in affordable housing, including an additional \$4.77M loan repayments reallocated in FY19 and \$17 million in FY20 for the Affordable Housing Acquisition and Preservation CIP project. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs

residents, services to the "Building Neighborhoods to Call Home" and "Housing First," and creation of mixed-income housing.

- ★ Provide new resources to support tenant advocacy and eviction prevention, increase housing code staffing, provide outreach and education activities related to community policing and housing code enforcement workshops for tenants and landlords, and innovate code enforcement technology improvements to enhance and streamline the housing code inspections process.
- ★ Continue to protect lower-income residents of the Route 29/Castle Boulevard corridor from rent increases by working with nonprofits to identify and preserve at-risk, naturally-occurring affordable housing (NOAH) and actively engaging purchasers with Rental Agreements to preserve affordable rents.
- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Seven developments including two senior and five family projects, have already been identified for consideration. These developments would preserve or produce 1,500 total and 700 affordable units.
- ★ Expand neighborhood revitalization activities to additional low-moderate income areas throughout the County. Identify and study new possible residential and commercial target areas.
- ★ Modernize the Moderately Priced Dwelling Unit (MPDU) Program. Features will include a refreshed website, new MPDU Pricing Standards, better collaboration with partners, streamlined sale and resale offering procedures, and improved realtor compliance with sales requirements.
- ★ Collaborate with Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the residents who need it the most. Approximately 3,300 households were assisted in FY19 and over 3,500 are projected to be assisted in FY20. A renewed focus will be on eviction prevention, including targeted assistance and financial literacy seminars in areas experiencing high evictions.
- ★ Manage funding from Federal grants (i.e., Community Development Block Grant - CDBG, the HOME Investment Partnership Grant, and the Emergency Solutions Grant), which provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and preventing homelessness.

Human Resources

- ★ Research innovative ways of on-boarding and expediting college and high school students interested in internship opportunities within County government.
- ★ Developing on-line, computer-based learning strategies to complement existing instructor lead training. Piloting Preventing Workplace Harassment training in Spring 2019.
- ★ Create a cross-functional project team to develop and execute a comprehensive background investigation policy and procedures.
- ★ Expand wellness program offerings for high-risk employee populations to address key topics including managing stress, weight loss strategies, and diabetes prevention and measures to combat the disease.
- ★ Increase focus and awareness on mental health issues and design program offerings for various County agencies based on their needs.
- ★ Initiated the formal bid process to procure contracts for a new pharmacy benefits manager, Flexible Spending Account and Direct Bill/COBRA Administrator with the goal to obtain products and services at prices that are competitive for each service area.
- ★ Offer programs that encompass all dimensions of wellbeing including emotional, financial, intellectual, occupational, physical, social, and spiritual.
- ★ Creating an automated training notification for Managers and HR Liaisons to monitor employees compliance with mandatory trainings.

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- ★ Initiate project to move toward a paperless Benefits Open Enrollment process to allow employees greater flexibility when considering changes to or signing up for new benefits during annual Open Enrollment.

Intergovernmental Relations

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

Liquor Control

- ★ In FY20, DLC will transfer \$28.4 million to the General Fund and make \$9.3 million in debt service payments on Liquor Control Revenue Bonds for a total contribution of \$37.7 million.
- ★ Expand marketing and outreach efforts to promote many of the existing features of DLC services.
- ★ Enhance store operations by renovating select stores, piloting new store concepts, and implementing a retail training program.

Management and Budget

- ★ Similar to the two-year Capital Improvement Plan cycle, OMB will implement a two-year Public Services Program cycle beginning in FY21. This approach will allow departments and decision makers to better plan, evaluate, and realign County funding to ensure that funds are being spent in the most efficient and effective way possible.
- ★ In an effort to layout a comprehensive blueprint to tackle the County's fiscal challenges over the next decade, OMB will work with other departments to prepare a ten-year financial plan.
- ★ In FY19, OMB implemented Phase I of the online budgeting tool, *A Balancing Act*. OMB will initiate Phase II with the implementation of the Taxpayer Receipt module. *A Balancing Act* is an interactive tool which allows the County to communicate financial information to residents and solicit their feedback. It increases transparency, accountability, and community member participation. With the implementation of the Taxpayer Receipt module, residents can prepare a simulated "receipt" showing how their taxes are used.
- ★ Designing and developing Operating Budget Workforce Module. This module will replace the remaining Hyperion functionality for better data integrity, ease of use, and reduced server footprint and cost. The system is being developed in-house at limited additional cost to the County. The new module will be available for use in the FY21-22 Operating Budget.
- ★ Designing and developing new BASIS and Open Budget dashboards that display and track department operating budgets to the County Executive's priority outcomes and respective performance measures.

Parking District Services

- ★ Joint development partnership with Fairfield Residential Company, LLC to redevelop Fenton Village Public Parking (Lot 3) into a vibrant mixed-use development at Studio Plaza with public parking spaces.
- ★ Management of the Bethesda facility improvements including payment system upgrades, machine location plan, and sign replacements.
- ★ Conversion of parking cashier system to pay-on-foot system in all Parking Lot Districts (PLDs).

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- ★ Implement installation of new LED light fixtures in parking garages to improve lighting and energy efficiency.
 - ★ Implementing garage automation systems to effectively monitor electrical and mechanical systems to enhance service delivery.
 - ★ Improve customer service experience based on increased staffing hours in gated facilities.
 - ★ Improvements in the Residential Permit Parking program to offer both digital and paper-based options to improve service delivery to customers.
 - ★ Upgrade and consolidate control and monitoring systems for electrical, elevators, communications, and ventilation systems.

Permitting Services

- ★ Implementing 4Business Initiative to improve services to businesses.
- ★ Benchmarking building code regulations.
- ★ Upgrading and expanding electronic services.
- ★ Improving inspection services through technology.
- ★ Enhancing construction coordination and constructability review.
- ★ Working on Code Official Development Program in order to develop qualified code officials as part of a succession plan to address an oncoming shortage of code officials.
- ★ Initiating public relations and outreach program.
- ★ Developing standard pre-loaded right-of-way and sediment control inspections.
- ★ Working with the Tower Committee and the industry to develop a simplified application process, through a uniform stealth design for small cell towers, to meet Federal Communications Commission's (FCC) required timeline.

Police

- ★ Add a Forensic Scientist for the Crime Lab to ensure evidence is tested in a timely manner.
- ★ Purchase 250 dashboard video cameras to ensure community trust in the County's policing.
- ★ Add a position to prepare dashboard camera and body-worn camera footage for release when requested through the Maryland Public Information Act.
- ★ Transition animal-related emergency calls to the Animal Services Division during peak animal-related call times.

Procurement

- ★ Developing an implementation plan for delivering information regarding the status of procurement solicitation awards using voice technology through Open Data to increase transparency and further departmental goals.

Public Information

- ★ The Public Information Office (PIO) installed digital displays in the Executive Office Building (EOB) cafeteria in addition to the EOB Lobby, Regional Service Centers, and the Takoma Park/East Silver Spring Center to provide information about County Government events, programs and services. During FY20-FY22, PIO plans to install 145 more digital signage screens in 75 County facilities.

Public Libraries

- ★ Launched the Library of Things, which provides musical instruments for loan (September 2018).
- ★ Initiated the Early Literacy Reading Program "1,000 Books Before Kindergarten".
- ★ Provided new streaming media services to consumers via Acorn TV and Creativebug.
- ★ Designed and launched the website for Maryland's Deaf Culture Digital Library that is coordinated by Montgomery County.
- ★ Piloted a program for Sensory Storytimes which will provide specialized programs to children with developmental differences.
- ★ Launched Citizenship Corners as part of the Montgomery County's Cities for Citizenship Initiative that provides citizenship classes and sessions at selected branches.

Recreation

- ★ Senior Programs is working with Senior Planet Montgomery and TeenWorks to provide free technology classes for seniors with teens providing the training/instruction on a one-on-one basis. Over 900 seniors participated in the classes in 2017-2018.
- ★ Senior Programs is working with the Age-Friendly Montgomery Health and Wellness Committee to expand Falls Prevention and Medication Management Programs at all senior centers.
- ★ Recognizing the growing demand for adult pickleball in Montgomery County, Countywide Sports initiated a three-day tournament to gain interest in the sport and has successfully received interest and participation from Active Adults ages 50 to 75 engaged as teams and individual competitors. This program has blossomed to one of the most sought after classes offered by the department.

Sheriff

- ★ The Family Justice Center will continue working with Montgomery County Police and the Humane Society to create a collaborative temporary boarding/fostering program for pets of domestic violence victims.
- ★ The Family Justice Center will partner with the Education and Outreach Committee of the Domestic Violence Coordinating Council to adapt the Expect Respect presentation to other audiences, including sixth and seventh graders, parents, and professionals who work with youth.
- ★ In FY20, the Family Justice Center will partner with the Domestic Violence Coordinating Council Education and Outreach Committee to create Family Justice Center information cards for placement on County Ride On buses.

Solid Waste Services

- ★ DEP will expand its efforts to make it feasible and conducive for businesses that generate food scraps to source separate food scraps, contract for recycling collection service, and recycle more. Specific alternatives for this processing capacity are still being identified, and the costs are being determined. Additional alternatives for processing larger volumes of food waste in future years continue to be evaluated, including the construction of aerobic or anaerobic food scrap processing systems in Montgomery County.
- ★ As a result of the Shady Grove Transfer Station facility condition assessment, DEP will improve the safe and effective operations of its facilities by improving fire detection and suppression systems, traffic queuing and flow, roadway markings, and tipping floor unloading procedures. These latter improvements will decrease queuing time and expedite on-site traffic flow.

Transit Services

- ★ Implement new limited stop FLASH service on US 29 between the Burtonsville Park-and-Ride Lot and the Silver Spring Transit Center in May 2020. The line will include 18 new station platforms with a fleet of 16 60-foot articulated buses. Service will run from 5:30 am - midnight seven days a week with 7.5 minute headways in the morning and afternoon peak periods and 15 minutes at all other times.
- ★ Implement Ride On FLEX bus service in Spring 2019 . This will be a demand response service. There will be 3 geofenced zones- Rockville, Glenmont and Wheaton. This service will operate with smaller circulator buses are more reasonable and flexible to operate along small neighborhood roads. The opportunity to get closer into the neighborhoods and utilize a new "app" to arrange for pickup should attract new riders and revitalize transit use in the areas.
- ★ Ride On is rolling out its new computer aided dispatch/automatic vehicle location (CAD/AVL) system. The CAD/AVL system provides critical real time bus fleet information. The CAD/AVL system provides schedule adherence, route adherence, traveler information output and fleet management. The new CAD/AVL system is fully integrated to transit planning software and Real Time.

■ Productivity Improvements

Board of Elections

- ★ FASTER INTAKE OF ABSENTEE BALLOTS - Coordination of incoming absentee ballots was streamlined and an increased number of staff were assigned to perform data entry, improving the customer experience for voters seeking information on the status of their ballot.
- ★ FASTER PAYMENT TO ELECTION JUDGES - Streamlining procedures and shifting staff resources, the turnaround time for processing payroll decreased from six to five weeks in the 2018 Gubernatorial Election. Election Judges received their stipend payments a week earlier.

Cable Television Communications Plan

- ★ The efficiencies from the creation of the Office of Broadband Programs include staff synergy in cable and franchise administration, FiberNet, ultraMontgomery, video creation, and social media marketing, as well as resource sharing and co-location of administrative support, all of which will further enhance the initiatives for countywide broadband governance, planning, related economic development efforts, digital equity, and community engagement.

Circuit Court

- ★ Updated information on the juror summons, improved the juror information packet, and revised the jury survey to improve Jury Office communication. To assist potential jurors, added new juror information to the hotline on high volume days and created instructional videos.
- ★ Created easy-to-use electronic forms for guardians as they prepare the property annual report. These forms automatically calculate financial data and present drop-down windows to reduce accounting errors or missing information.

Consumer Protection

- ★ With assistance from the Department of Permitting Services (DPS), OCP conducted research regarding compliance with Montgomery County's new home building licensing and permitting laws and identified long-standing compliance issues in the industry. OCP assisted in drafting Bill 31-18, New Home Warranty and Builder Licensing - Amendments to revise Montgomery County's new home builder registration law and to better coordinate enforcement responsibility between DPS and OCP.
- ★ OCP continues to work with the Department of Technology Services (DTS) to onboard the licensing program into the Complaint and Licensing Management System (CALMS). To date, DTS has converted the Secondhand Personal Property Dealers License, the Motor Vehicle Repair & Towing Registration, and the Radio Television and Electrical Appliance Registration.
- ★ OCP and DTS continue to support the "forms automation" initiative by automating the OCP's speaker request form, volunteer application form, the Maryland Public Information Act (MPIA) request form, and the complaint form into Spanish.

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- ✱ OCP with assistance from DTS has installed a public computer for consumers to file complaints, and merchants to fill out applications for the licensing program.

Correction and Rehabilitation

- ✱ Initial rollout of the DOCR Jail Management System (JMS) in collaboration with the Department of Technology Services. This is a major information technology system which improves efficiencies of operations throughout our department. This is a County-driven platform. Recently implemented modules meet the requirements for diminution and restitution changes required by the Maryland Justice Reinvestment Act.
- ✱ Implementation of the TeleStaff system for electronic schedule management and staff deployment, creating enhanced utilization review of human resources.
- ✱ Completed the microgrid installation at the Montgomery County Correctional Facility which interfaces with the large solar project previously completed. Solar and other advanced energy technologies on County facilities provide energy independence, environmental protection, and cost savings. The project received State and National accolades.
- ✱ DOCR Internet and Intranet sites updated to provide important information to County employees, as well as providing transparent and reliable information about our operations to citizens.
- ✱ Completed energy saving ESCO upgrades at the Pre-Release Center, a 144-bed community correctional facility.

Emergency Management and Homeland Security

- ✱ OEMHS created a special Alert Notification Network for use by the Board of Elections staff during the 2018 primary and general elections. This alert group was set up to communicate information with staff in 230 polling places by email, text, and voice.
- ✱ In coordination with MCFRS, OEMHS improved the capability of the Emergency Operations Center (EOC) to send and receive radio communication on both the 700 and 800 MHz frequencies. The EOC now has seven radio consoles installed to primarily serve Police, MCFRS, DOT, DGS, and OEMHS; they can also be used to communicate with municipality responders.

Environmental Protection

- ✱ Enhanced partnerships with other County agencies, State agencies, and utilities to include restoration credit in the County's MS4 permit that was delivered by other agencies.
- ✱ DEP is automating the assignment of preventative maintenance and inspection schedules for over 16,000 stormwater management assets. Preventative maintenance schedules will be assigned based on geographic location and property lines which will lead to increased efficiencies in completing preventative maintenance inspections required by the MS4 permit.
- ✱ Modified the bag tax reporting database by adding a linkage with the State Business Licensing database. This connection will give DEP and Finance a better mechanism to identify the potential vendors that are not reporting.
- ✱ Developed the Tree Montgomery database to manage all aspects of the Tree Montgomery program, including tracking customer applications, providing planting locations and tree species to the planting contractor, and coordinating after-care service.
- ✱ As of January 2018, DEP's Stormwater Facility Maintenance Program continues to conduct a triennial maintenance and inspection program of underground facilities as required by State and local law and the MS4 NPDES permit. The results of previously conducted annual inspections determined that they were no longer necessary.

Ethics Commission

- ✱ The Commission worked with Department of Technology Services (DTS) to develop and implement an electronic payment system to

collect lobbying registration fees.

- ✱ With the assistance of the DTS, the Commission initiated changes to the outside employment online system and the lobbying registration and activity reporting system based on amendments to the ethics law and newly approved regulations. These changes will improve the operation of ethics programs and facilitate use of the online systems.

Finance

- ✱ MUNIS, the County's property tax billing system, was successfully upgraded from version 9.4 to 11.3 in mid-March 2018. Preparations are being made to migrate from the County's on-premise environment to the Cloud.
- ✱ A test instance of the MUNIS Citizen Self Service module (version 11.3) has been implemented and is in the process of being reviewed, tested, and validated.
- ✱ Implemented a document management system for streamlining property tax credit for military retirees and senior residents.
- ✱ Implemented a Kronos Telestaff scheduling system for the Department of Corrections and Rehabilitation.
- ✱ Continued exploration for the use of Robotic Processing Automation software to perform repetitive and manually intensive jobs on software platforms that do not allow automation. This reduces staffing costs and increases accuracy.

Fire and Rescue Service

- ✱ Staffing two engines with four-person staffing with the recently-awarded Federal Staffing for Adequate Fire and Emergency Response (SAFER) Grant.
- ✱ Utilized Federal funds awarded through the Assistance to Firefighters Grant to purchase a flashover simulator, which allows firefighters at the training academy to train in realistic live-fire exercises.
- ✱ Hazardous materials team increased radiation detection capability through the "Securing the Cities" grant program.
- ✱ Continued civilianization of call-taking and dispatching operations at the Emergency Communications Center.
- ✱ Introduced County-supported software to manage leave selection process for all uniform personnel.

Fleet Management Services

- ✱ **Implemented a Preventive Maintenance (PM) Contractor-based Business Model** - An increased emphasis was placed on Preventive Maintenance (PM) to reduce bus repair costs and to prepare for a replacement campaign for major components, which impacted the PM scheduling. To address these areas and to increase capacity to meet PM requirements, DFMS implemented a new PM Business Model.
- ✱ **Developed and Implemented a Recall Tracking Tool** - Utilizing SharePoint, DFMS developed and implemented a Recall Tracking Tool which reduced the Recall Corrective Action timeline and allowed for better information on where vehicles were in the process. This also improved the overall management of the contractor.

Health and Human Services

- ✱ The Mobile Integrated Health program matches high utilizers of emergency medical services (EMS) with public and private social services. The program is a partnership between Fire and Rescue Service and Adult Protective Services (APS) in collaboration with several hospitals and other social care agencies. The program has reduced EMS transports and corresponding Emergency Department usage by approximately 50 percent for this population.
- ✱ The Department initiated a Medication Management Program within the County in partnership with the Montgomery County Fire

and Rescue and Emergency Medical Services (EMS). EMS has a trusted relationship with County residents and is therefore well-positioned to introduce the Medication Management program to residents who might benefit from the program.

- ✱ During FY 2018, the Adult Behavioral Health Program connected 75 percent of clients with a primary care provider and continued to develop collaborative work relationships with the Primary Care Clinics.
- ✱ Children, Youth, and Family Services (CYF) and Montgomery County Public Schools (MCPS) have developed a shared data platform to review and monitor the educational status of youth. The two programs piloted are Linkages to Learning (LTL) and Child Welfare Services (CWS) foster care. The goal is to ensure early intervention services are provided when there are educational concerns, maintain close collaborative contact between staff in both agencies, and promote academic achievement/success among our youth.
- ✱ Child Welfare Services has developed a Transitioning Youth Learning Collaborative (LC), focused on older youth (ages 17-21) in foster care. The LC goal is to enhance the preparation and readiness of youth who are aging out of the Child Welfare system by developing a County-wide collaboration of service providers that can work together to ensure that youth aging out-of-care possess the necessary skills to sustain independence and to realize their full potential.
- ✱ The Child Care Resource and Referral Center implemented an outreach campaign entitled "Growing Family Child Care Opportunities" to support family child care providers interested in starting a family child care home and to advise parents on the importance of choosing licensed care. By the end of FY18, 18 new providers were registered with the State. Each of these providers will work closely with peer mentors, trainers, and the Quality Enhancement Specialist for Family Child Care to build their programs to meet quality standards and to sustain their small businesses.
- ✱ The Asian American Health Initiative (AAHI) released a Mental Health Toolkit, entitled "Staying Well and Living Fully," that aims to provide culturally competent, reliable information about mental health for community leaders and members to share with their respective communities. The toolkits are train-the-trainer materials meant to empower community leaders.
- ✱ The Community Action Agency partnered with CountyStat to integrate datasets from its Self-Sufficiency Standard for Maryland 2016 report together with Census population data to create an online dashboard, the Interactive Self-Sufficiency Standard 2016. This award winning, interactive tool graphically depicts the income required to support various family types. This tool assists policy-makers and community partners in better understanding the profile of Montgomery residents living above and below the Self Sufficiency Standard.
- ✱ Care for Kids provided primary healthcare services for 5,531 uninsured children. In FY18, the program piloted Behavioral Health services that included bilingual substance abuse treatment and integrated behavioral health in pediatric primary care. The goal is to expand the pilot and ensure access to Behavioral Health for all Care for Kids children.
- ✱ Services to End and Prevent Homelessness underwent a reorganization to increase effectiveness and efficiency in service delivery. This process renamed the service area to one that better aligns with the goal of making homelessness rare, brief, and one-time only.
- ✱ Partnered with Pathways to Housing to apply for a Grant for the Benefit of Homeless Individuals from the Substance Abuse Mental Health Services Administration. The group was awarded \$398,929 to hire an integrated team to provide homeless street outreach.

Housing and Community Affairs

- ✱ Deployed a new Internet-facing affordable housing search application called 'Rental Guide.' The Rental Guide leverages the most recent web application development standards providing users with an intuitive and efficient interface. The application emphasizes speed, accuracy, and responsiveness.
- ✱ Completed the Housing Inspection iOS app. The app is designed to speed the inspection process to support and integrate seamlessly with Code Enforcement's case management system.
- ✱ Developed a new case management systems (CMS) for the Office of Landlord-Tenant Affairs and the Office of Common Ownership Communities (COC) providing a rich set of productivity-enhancing features, more robust data validation, an exhaustive collection of reports, and integration with other DHCA core systems such as Licensing and Registration and Code Enforcement.
- ✱ Created a fully digitized COC program by utilizing the new COC CMS and new eReaders that are loaded with all applicable COC guides,

training materials, laws and regulations. Monthly meeting packets and cases files are downloaded to the eReaders. This furthers the County's goal of promoting environmental and fiscal stewardship by reducing printing/production costs and ensuring that all members have everything needed in one place.

- ✱ Committed to using cloud-based services in accordance to the County's own vision. The department is already leveraging the County's Azure file storage instance. DHCA-IT is also exploring Amazon Web Services (AWS) Elastic Cloud to support its application development activities.

Human Resources

- ✱ Created a service level agreement with departmental hiring managers to provide the eligible list of candidates within seven to ten business days.
- ✱ Trained over 75 percent of the HR Liaison community on the Wage Equity Guidelines to improve productivity and timeline for approvals.
- ✱ Implemented an automated process for granting Merit Status to probationary employees that removed the requirement for HR Liaisons to process individual memos for each employee at the time they are granted Merit status.
- ✱ Implemented the Temporary and Probationary Promotional Oracle fields and dashboards to ensure HR Liaisons have the necessary tools to track and manage all promoted employees.

Intergovernmental Relations

- ✱ Collaborated with the Universities at Shady Grove to host a student intern who contributed significantly to the County's legislative advocacy efforts.
- ✱ Improved efficiency in Federal advocacy efforts by terminating a \$100,000 contract for outside consultant services and absorbing those responsibilities by increasing a 0.8 staff position to full-time.
- ✱ Improved the public interface of the Office of Intergovernmental Relations' (OIR) website, including a direct link to OIR's Legislative Tracking System that provides easy access to legislative history and County position statements for bills tracked by OIR.
- ✱ Continued to participate in training, education, and networking opportunities at the local, State and federal levels, including programs and opportunities sponsored by MACo, NACo, Maryland State Bar Association, Maryland Governmental Relations Association, Montgomery County Chamber of Commerce, and Telecommunity.

Liquor Control

- ✱ Implemented software to improve reporting, data analysis, and decision making capabilities.
- ✱ Implemented scanning and voice picking software to improve speed and accuracy in the DLC warehouse.

Management and Budget

- ✱ Implemented new BASIS Operating Budget planning modules used by departments to develop and submit budgets. The new modules streamlined processes and added functionalities.

Parking District Services

- ✱ Started the development of the parking inventory database, website improvements, work order and customer services process improvements.
- ✱ Began Wheaton Core Employee Parking Management Initiative in preparation of County Departments and functions move to Downtown Wheaton.

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- ✱ Converted all gated facilities in Silver Spring and Bethesda to 24/7 garage management access.
 - ✱ Converted single space metered garages in Silver Spring to new multi-space machines with pay by space payment option.
 - ✱ Upgraded payment systems and introducing vehicle occupancy and counting systems in various high-demand parking garages in Bethesda and Silver Spring.

Permitting Services

- ✱ New customer and business friendly website featuring easy to follow, step by step, instructions to obtaining permits.
- ✱ Combined event use and occupancy permit to save review time and applicants' money.
- ✱ Upgraded to newest Project Dux platform that will allow DPS to launch additional electronic plans submissions.
- ✱ Digitized microfiche records to facilitate the approximately 6,000 Public Information Act requests received each year.

Police

- ✱ Over the past year, the department has initiated or completed the following technology enhancements:
 - Complete the upgrade to enhance the radio infrastructure.
 - Complete Text-to-911 installation (integration pending).
 - Implementing a new records management system.
- ✱ Reorganize and strengthen the Prescription Drug Disposal Program as a demonstration of the department's commitment to reducing the amount of prescription drugs in the home, as unused medications create a public health and safety concern.

Procurement

- ✱ The Division of Business Relations and Compliance has used social media to impact the discovery by entrepreneurs of new opportunities for growth. Through email distribution of newsletters and encouraging participation in networking/business matchmaking events, as well as instructional business certification events, the minority, local, and small business vendor community serving Montgomery County has increased.
- ✱ Forty percent of contract awards were given to first time contractors.
- ✱ Developed two pre-approved Community Grant contract templates (different dollar thresholds) for Countywide use.
- ✱ Processed 81 percent of FY18 Community Grant Awards by September 1.

Public Information

- ✱ The Public Information Office interacts with residents about County issues, programs, and services through press releases; media advisories, on line chats, town hall meetings, news and other public events, the County website, email and online newsletters, English and Spanish radio shows, YouTube, Facebook, Flickr, Periscope, Twitter and Nextdoor. PIO's sustained interaction with residents, businesses, and other stakeholders through these vehicles helps ensure message proliferation and feedback, which factors into the improvement of future communication efforts.
- ✱ MC311 has a robust "Work From Home" program for eligible customer service representatives. The program allows the call center to quickly activate during weather or public safety events to assure staff are available to handle incoming calls. In addition, it increases productivity and boosts employee morale. Customer Services Representatives are also able to create service requests remotely when

they attend community events. It allows customers to create service requests on the spot.

Public Libraries

- ✱ Launched comprehensive process improvement in the Collection Management unit to reduce backlogs and make materials available to customers more quickly.
- ✱ Piloting Transfer Utility in Collection software at four locations to reduce waste and better tailor branch collections to their local communities.

Recreation

- ✱ Redesigned the Recreation Department website featuring streamlined menus; simplified site navigation; a responsive layout for all platforms, including cell phones and tablets; updated detailed information about hundreds of Montgomery County Recreation activities; new detailed information about senior centers, aquatic centers, and recreation centers, including center-specific calendars of events; and an optimized search engine. The new design uses modern performance techniques to improve webpage loading speed, and a new shorter domain name allows the department to build brand awareness and increase engagement. Visit the new site at mcorec.com
- ✱ Aquatics implemented a listening session with stakeholders to provide an opportunity for swimmers to meet and provide feedback on facilities and programs, extending our efforts to improve customer service and facility access.
- ✱ Our Information Technology Services division delivered new multimedia screens for nine locations to better improve meeting and afterschool activities. These screens are able to be monitored and managed by IT staff and will provide the latest in technology to our participants.
- ✱ Our Information Technology Services division implemented a mobile people counting system for less than 1/10th the expected price. This system allows for greater accuracy in attendance, which allows Business Services to identify concerns in membership usage and tracking, improving departmental productivity.

Solid Waste Services

- ✱ The Transfer Station received permission from the Maryland Department of the Environment (MDE) to conduct a four-month paint freezing pilot program in FY19. Freezing paint changes the state of the product from a liquid waste to a solid waste, permits the frozen paint to be disposed of on the Transfer Station tipping floor, and eliminates the need to contract out the processing and disposal of the paint.
- ✱ DEP is working with Finance and a software developer to implement a credit card system at the Transfer Station which is expected to be operational by the end of FY19. The new transaction method will expedite traffic flow at the Shady Grove Scale House.

Technology Services

- ✱ The Employee Productivity Solutions Team (EPS) developed SharePoint solutions to improve collaboration and workflow automation and trained department "champions" to scale the practice.
- ✱ Improved customer experiences for Department of Liquor Control (DLC) licensees by improving the iStore interface.
- ✱ Implemented technology solutions, including scanning and voice picking, to improve speed and accuracy in the DLC warehouse.
- ✱ Implemented workflow changes in the employee appraisal process to achieve efficiencies and workforce satisfaction.

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Appendices

- Change in Ending Fund Balance
- Trends & Projections
- Changes in Assumptions: Economic, Demographic, and Revenues
- Revenue Summary
- Non Agency Uses of Resources
- Productivity Improvements
- Revenues
- PSP Fiscal Policy
- CIP Fiscal Policy
- Glossary
- Acronyms

| Change in Ending Fund Balance | | | | |
|---|---|------------------------------------|---------------------------|-------------|
| | FY19 Approved Ending Fund Balance | FY20 Recommended Ending Fund | Change in Fund Balance | % Change |
| TAX SUPPORTED | | | | |
| Montgomery County Government | | | | |
| County General Fund | 154,083,662 | 172,197,275 | 18,113,613 | 11.8% |
| Bethesda Urban District | 83,120 | 83,438 | 318 | 0.4% |
| Silver Spring Urban District | 90,180 | 95,816 | 5,636 | 6.2% |
| Wheaton Urban District | 51,408 | 52,840 | 1,432 | 2.8% |
| Mass Transit | 195,422 | 264,241 | 68,819 | 35.2% |
| Fire | 152,384 | 129,822 | -22,562 | -14.8% |
| Recreation | 248,971 | 46,353 | -202,618 | -81.4% |
| Revenue Stabilization Fund | 337,953,203 | 361,043,419 | 23,090,216 | 6.8% |
| Montgomery College | | | | |
| Emergency Repair Fund | 393,178 | 456,427 | 63,249 | 16.1% |
| Current Fund MC | 4,297,877 | 4,055,352 | -242,525 | -5.6% |
| Maryland-National Capital Park and Planning Commission | | | | |
| Administration Fund | 970,825 | 995,598 | 24,773 | 2.6% |
| Park Fund | 3,363,803 | 3,950,225 | 586,422 | 17.4% |
| NON-TAX SUPPORTED | | | | |
| Montgomery County Government | | | | |
| Water Quality Protection Fund | 4,364,225 | 9,877,927 | 5,513,702 | 126.3% |
| Cable Television | 67,010 | 1,371,359 | 1,304,349 | 1,946.5% |
| Community Use of Public Facilities | 4,058,050 | 3,429,758 | -628,292 | -15.5% |
| Bethesda Parking District | 12,529,924 | 12,373,038 | -156,886 | -1.3% |
| Montgomery Hills Parking District | 0 | 0 | 0 | N/A |
| Silver Spring Parking District | 5,029,272 | 5,767,419 | 738,147 | 14.7% |
| Wheaton Parking District | 392,133 | 606,532 | 214,399 | 54.7% |
| Permitting Services | 8,965,633 | 11,590,938 | 2,625,305 | 29.3% |
| Solid Waste Collection | 1,058,050 | -3,396,515 | -4,454,565 | -421.0% |
| Vacuum Leaf Collection | 261,577 | 214,601 | -46,976 | -18.0% |
| Liquor Control | 2,135,810 | 2,142,459 | 6,649 | 0.3% |

Explanation of Changes in Fund Balance Greater Than 10%:

- **General Fund, Mass Transit, Fire, and Recreation**

The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.

- **Emergency Repair Fund MC**

The ending fund balance is increasing because FY18 spending was less than anticipated.

- **Park Fund**

The projected ending fund balance is consistent with fund balance policy.

- **Water Quality Protection Fund**

The change in fund balance is due to changes in CIP current revenue funding and anticipated capital and operating budget expenditures based on updated progress towards meeting the County's MS4 permit.

- **Cable Television**

The projected ending fund balance reflects a reduction in transfers to bring the fund balance in line with the policy level

- **Community Use of Public Facilities**

The fiscal plan assumes a one time use of surplus funds to replace the on-line booking system shared by CUPF, the Recreation Department, and M-NCPPC. This use is shown as a current revenue transfer in FY20 and FY21 to the CIP project, Shared Agency Booking System Replacement (P722001).

- **Silver Spring Parking District**

The change in fund balance is primarily related to a projected increase in revenue associated with rate changes.

- **Wheaton Parking District**

The change in fund balance is due to a projected increase in revenue associated with the expansion of collection of hours.

- **Permitting Services**

The year end fund balance assumes the Enterprise Fund Stabilization Factor (EFSF) at 5% effective FY20. The EFSF is the factor by which the fee calculation is adjusted to cover the Department of Permitting Services (DPS) labor and operating expenses, and to avoid future rate spikes.

- **Solid Waste Collection**

The change in fund balance is due to cost increases for refuse collection contracts and a \$4 million dollar loan in FY18 from the Disposal fund that is now reflected as a liability but was not displayed in the FY19 Recommended budget.

- **Vacuum Leaf Collection**

The change in fund balance reflects higher than expected motor pool charges.

| DEMOGRAPHIC AND PLANNING INDICATORS | TRENDS AND PROJECTIONS | | | | | | | | | |
|--|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|--|
| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | | |
| POPULATION | | | | | | | | | | |
| Annual Increase | 1,068,721 | 1,078,725 | 1,088,823 | 1,099,015 | 1,109,302 | 1,119,686 | 1,130,167 | 1,140,746 | | |
| Population Growth Since 2009 | 18,351 | 10,004 | 10,098 | 10,192 | 10,287 | 10,384 | 10,481 | 10,579 | | |
| County Resident Births (Prior Calendar Year) (a) | 11.7% | 12.7% | 13.8% | 14.8% | 15.9% | 17.0% | 18.1% | 19.2% | | |
| HOUSEHOLDS | | | | | | | | | | |
| Household Annual Growth (%) | 12,545 | 12,495 | 12,585 | 12,770 | 12,870 | 12,960 | 13,035 | 13,100 | | |
| Household Growth Since 2009 | 378,205 | 383,632 | 388,621 | 393,216 | 397,642 | 401,918 | 406,063 | 410,219 | | |
| Household Growth Since 1992 | 0.6% | 1.4% | 1.3% | 1.2% | 1.1% | 1.1% | 1.0% | 1.0% | | |
| Household Size | 5.7% | 7.2% | 8.6% | 9.9% | 11.1% | 12.3% | 13.5% | 14.6% | | |
| | 29.9% | 31.7% | 33.5% | 35.0% | 36.6% | 38.0% | 39.4% | 40.9% | | |
| | 2.83 | 2.81 | 2.80 | 2.79 | 2.79 | 2.79 | 2.78 | 2.78 | | |
| RESIDENT EMPLOYMENT (Jan = Calendar Year) | | | | | | | | | | |
| Resident Employment Annual Growth (%) | 543,410 | 548,730 | 552,150 | 555,390 | 560,210 | 565,060 | 569,670 | 574,190 | | |
| Resident Employment Growth Since 2009 | -0.6% | 1.0% | 0.6% | 0.6% | 0.9% | 0.8% | 0.8% | 0.8% | | |
| Resident Employment Growth Since 2009 | 11.7% | 12.8% | 13.5% | 14.2% | 15.2% | 16.2% | 17.1% | 18.1% | | |
| Resident Employment Per Household | 1.44 | 1.43 | 1.42 | 1.41 | 1.41 | 1.41 | 1.40 | 1.40 | | |
| Jobs in County | 534,180 | 538,840 | 543,500 | 549,300 | 555,100 | 560,900 | 566,700 | 572,500 | | |
| PERSONAL INCOME (\$ Millions) | | | | | | | | | | |
| Per Capita Personal Income | \$94,300 | \$98,500 | \$102,400 | \$106,300 | \$110,800 | \$115,400 | \$120,200 | \$125,400 | | |
| Annual Growth (%) | \$88,240 | \$91,310 | \$94,050 | \$96,720 | \$99,380 | \$103,060 | \$106,360 | \$109,930 | | |
| CONSUMER PRICE INDEX (CPI) - Fiscal Year | 6.2% | 3.5% | 3.0% | 2.8% | 3.3% | 3.2% | 3.2% | 3.4% | | |
| Inflation Growth (Fiscal Year) Since 2009 | 1.79% | 2.15% | 2.32% | 2.53% | 2.70% | 2.70% | 2.70% | 2.70% | | |
| CONSUMER PRICE INDEX (CPI) - Calendar Year (%) | -16.7% | 0.0% | 7.9% | 17.7% | 25.6% | 25.6% | 25.6% | 25.6% | | |
| ASSESSABLE TAX BASE (\$ Millions) | 2.04% | 2.27% | 2.37% | 2.70% | 2.70% | 2.70% | 2.70% | 2.70% | | |
| Annual Growth (%) | \$188,182 | \$195,137 | \$202,062 | \$208,919 | \$215,483 | \$222,113 | \$229,022 | \$236,720 | | |
| Growth of Base Since 1992 (%) | 3.7% | 3.7% | 3.5% | 3.4% | 3.1% | 3.1% | 3.1% | 3.4% | | |
| Growth of Base Since 2009 (%) | 214.6% | 226.2% | 237.8% | 249.2% | 260.2% | 271.3% | 282.8% | 295.7% | | |
| INVESTMENT INCOME YIELD (%) | 16.1% | 20.4% | 24.7% | 28.9% | 33.0% | 37.1% | 41.3% | 46.1% | | |
| MCPs ENROLLMENT (Sept = Calendar Year) | 1.34% | 2.30% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | 2.45% | | |
| Annual Growth (%) | 161,546 | 163,123 | 164,296 | 165,446 | 167,594 | 170,118 | 172,303 | 174,322 | | |
| Annual Increase (Decrease) | 1.6% | 1.0% | 0.7% | 0.7% | 1.3% | 1.5% | 1.3% | 1.2% | | |
| MONTGOMERY COLLEGE ENROLLMENTS (b) | 2,536 | 1,577 | 1,173 | 1,150 | 2,148 | 2,524 | 2,185 | 2,019 | | |
| Annual Growth (%) | 21,720 | 21,041 | 21,009 | 21,001 | 21,174 | 21,331 | 21,331 | 21,331 | | |
| Full Time Equivalents (Sept = Calendar Year) (c) | -5.0% | -3.1% | -0.2% | 0.0% | 0.8% | 0.7% | 0.0% | 0.0% | | |
| Annual Growth in FTE's (%) | 19,052 | 18,624 | 18,186 | 18,258 | 18,348 | 18,555 | 18,744 | 18,744 | | |
| | -3.5% | -2.2% | -2.4% | 0.4% | 0.5% | 1.1% | 1.0% | 0.0% | | |

- (a) Projections related to County Resident Births are provided by M-NCPPC.
- (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY23.
- (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY24.
- Since no projections are provided for FY25, the projections for FY24 were used.

| Changes in Assumptions: Economic, Demographic, and Revenues | | | | | | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| December 2012 through March 2019 | | | | | | | | | | | | | | |
| A | N Projected FY19 | N Estimated FY19 | M % Chg. FY19-20 | N Projected FY20 | M % Chg. FY20-21 | N Projected FY21 | M % Chg. FY21-22 | N Projected FY22 | M % Chg. FY22-23 | N Projected FY23 | M % Chg. FY23-24 | N Projected FY24 | M % Chg. FY24-25 | N Projected FY25 |
| Population | | | | | | | | | | | | | | |
| December 2012 | 1,055,010 | 1,055,010 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 1,055,250 | 1,055,250 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 1,054,600 | 1,054,600 | 1.0% | 1,064,800 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 1,057,400 | 1,057,400 | 0.9% | 1,067,000 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 1,056,000 | 1,056,000 | 1.0% | 1,067,000 | 0.7% | 1,075,000 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 1,056,000 | 1,056,000 | 1.0% | 1,067,000 | 0.7% | 1,075,000 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 1,057,400 | 1,057,400 | 0.9% | 1,067,000 | 0.8% | 1,075,500 | 0.8% | 1,084,000 | | n/a | | n/a | | n/a |
| March 2016 | 1,057,400 | 1,057,400 | 0.9% | 1,067,000 | 0.8% | 1,075,500 | 0.8% | 1,084,000 | | n/a | | n/a | | n/a |
| December 2016 | 1,070,100 | 1,070,100 | 0.7% | 1,077,700 | 0.7% | 1,084,800 | 0.7% | 1,092,000 | 0.7% | 1,099,200 | | n/a | | n/a |
| March 2017 | 1,070,100 | 1,070,100 | 0.7% | 1,077,700 | 0.7% | 1,084,800 | 0.7% | 1,092,000 | 0.7% | 1,099,200 | | n/a | | n/a |
| December 2017 | 1,063,510 | 1,063,510 | 0.6% | 1,070,140 | 0.6% | 1,076,810 | 0.6% | 1,083,520 | 0.6% | 1,090,270 | 0.6% | 1,097,060 | | n/a |
| March 2018 | 1,063,510 | 1,063,510 | 0.6% | 1,070,140 | 0.6% | 1,076,810 | 0.6% | 1,083,520 | 0.6% | 1,090,270 | 0.6% | 1,097,060 | | n/a |
| December 2018 | 1,078,725 | 1,075,725 | 0.9% | 1,088,823 | 0.9% | 1,099,015 | 0.9% | 1,109,302 | 0.9% | 1,119,686 | 0.9% | 1,130,167 | 0.9% | 1,140,746 |
| March 2019 | 1,078,725 | 1,078,725 | 0.9% | 1,088,823 | 0.9% | 1,099,015 | 0.9% | 1,109,302 | 0.9% | 1,119,686 | 0.9% | 1,130,167 | 0.9% | 1,140,746 |
| MOE Enrollment | | | | | | | | | | | | | | |
| December 2012 | 159,433 | 159,433 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 159,433 | 159,433 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 160,683 | 160,683 | 1.0% | 162,255 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 160,683 | 160,683 | 1.0% | 162,255 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 162,363 | 162,363 | 1.0% | 164,036 | 0.8% | 165,358 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 162,363 | 162,363 | 1.0% | 164,036 | 0.8% | 165,358 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 162,700 | 162,700 | 0.9% | 164,237 | 0.9% | 165,634 | 0.6% | 166,598 | | n/a | | n/a | | n/a |
| March 2016 | 162,700 | 162,700 | 0.9% | 164,237 | 0.9% | 165,634 | 0.6% | 166,598 | | n/a | | n/a | | n/a |
| December 2016 | 165,483 | 165,483 | 0.8% | 166,755 | 0.6% | 167,794 | 0.4% | 168,480 | 0.0% | 168,480 | | n/a | | n/a |
| March 2017 | 165,483 | 165,483 | 0.8% | 166,755 | 0.6% | 167,794 | 0.4% | 168,480 | 0.0% | 168,480 | | n/a | | n/a |
| December 2017 | 163,617 | 163,617 | 1.1% | 165,350 | 0.7% | 166,435 | 0.7% | 167,552 | 0.4% | 168,283 | 0.4% | 169,012 | | n/a |
| March 2018 | 163,617 | 163,617 | 1.1% | 165,350 | 0.7% | 166,435 | 0.7% | 167,552 | 0.4% | 168,283 | 0.4% | 169,012 | | n/a |
| December 2018 | 163,123 | 163,123 | 0.7% | 164,296 | 0.7% | 165,446 | 1.3% | 167,594 | 1.5% | 170,118 | 1.3% | 172,303 | 1.2% | 174,322 |
| March 2019 | 163,123 | 163,123 | 0.7% | 164,296 | 0.7% | 165,446 | 1.3% | 167,594 | 1.5% | 170,118 | 1.3% | 172,303 | 1.2% | 174,322 |

| Changes in Assumptions: Economic, Demographic, and Revenues | | | | | | | | | | | | | | |
|---|-----------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| December 2012 through March 2019 | | | | | | | | | | | | | | |
| A | N | N | M | N | M | N | M | N | M | N | M | N | M | N |
| | Projected | Estimated | % Chg. | Projected | % Chg. | Projected | % Chg. | Projected | % Chg. | Projected | % Chg. | Projected | % Chg. | Projected |
| | FY19 | FY19 | FY19-20 | FY20 | FY20-21 | FY21 | FY21-22 | FY22 | FY22-23 | FY23 | FY23-24 | FY24 | FY24-25 | FY25 |
| College Enrollment (FTE) | | | | | | | | | | | | | | |
| December 2012 | 23,206 | 23,206 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 23,206 | 23,206 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 23,206 | 23,206 | 0.0% | 23,206 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 21,499 | 21,499 | 0.0% | 21,499 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 20,519 | 20,519 | 1.0% | 20,717 | 0.0% | 20,717 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 20,519 | 20,519 | 1.0% | 20,717 | 0.0% | 20,717 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 20,268 | 20,268 | 2.4% | 20,755 | 0.0% | 20,755 | 0.0% | 20,755 | | n/a | | n/a | | n/a |
| March 2016 | 20,268 | 20,268 | 2.4% | 20,755 | 1.2% | 21,011 | 0.0% | 21,011 | | n/a | | n/a | | n/a |
| December 2016 | 19,282 | 19,282 | 0.4% | 19,364 | 1.5% | 19,654 | 1.6% | 19,964 | 0.0% | 19,964 | | n/a | | n/a |
| March 2017 | 19,282 | 19,282 | 0.4% | 19,364 | 1.5% | 19,654 | 1.6% | 19,964 | 0.0% | 19,964 | | n/a | | n/a |
| December 2017 | 19,068 | 19,068 | 0.7% | 19,198 | 1.7% | 19,527 | 2.8% | 20,064 | 2.0% | 20,459 | 0.0% | 20,459 | | n/a |
| March 2018 | 19,068 | 19,068 | 0.7% | 19,198 | 1.7% | 19,527 | 2.8% | 20,064 | 2.0% | 20,459 | 0.0% | 20,459 | | n/a |
| December 2018 | 18,624 | 18,624 | -2.4% | 18,186 | 0.4% | 18,258 | 0.5% | 18,348 | 1.1% | 18,555 | 1.0% | 18,744 | 0.0% | 18,744 |
| March 2019 | 18,624 | 18,624 | -2.4% | 18,186 | 0.4% | 18,258 | 0.5% | 18,348 | 1.1% | 18,555 | 1.0% | 18,744 | 0.0% | 18,744 |
| CPI (Fiscal Year) | | | | | | | | | | | | | | |
| December 2012 | 3.7% | 3.7% | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 3.7% | 3.7% | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 3.7% | 3.7% | 10.8% | 4.1% | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 2.4% | 2.4% | -6.2% | 2.3% | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 2.2% | 2.2% | 5.5% | 2.3% | 4.3% | 2.4% | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 2.5% | 2.5% | 10.7% | 2.8% | 11.8% | 3.1% | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 2.3% | 2.3% | 14.8% | 2.6% | 0.0% | 2.6% | 0.0% | 2.6% | | n/a | | n/a | | n/a |
| March 2016 | 2.5% | 2.5% | 8.0% | 2.7% | 0.0% | 2.7% | 0.0% | 2.7% | | n/a | | n/a | | n/a |
| December 2016 | 2.5% | 2.5% | 4.0% | 2.6% | 1.2% | 2.6% | 0.0% | 2.6% | 0.0% | 2.6% | | n/a | | n/a |
| March 2017 | 2.3% | 2.3% | 2.2% | 2.4% | 4.3% | 2.5% | 2.0% | 2.5% | 0.0% | 2.5% | | n/a | | n/a |
| December 2017 | 2.4% | 2.4% | 1.3% | 2.4% | -1.3% | 2.4% | 0.0% | 2.4% | 0.0% | 2.4% | 0.0% | 2.4% | | n/a |
| March 2018 | 2.0% | 2.0% | 6.2% | 2.1% | 6.3% | 2.2% | 4.5% | 2.3% | 3.5% | 2.4% | 2.1% | 2.4% | | n/a |
| December 2018 | 2.3% | 2.3% | -0.9% | 2.3% | 12.8% | 2.6% | 11.3% | 2.9% | 0.0% | 2.9% | 0.0% | 2.9% | 0.0% | 2.9% |
| March 2019 | 2.2% | 2.2% | 7.9% | 2.3% | 9.1% | 2.5% | 6.7% | 2.7% | 0.0% | 2.7% | 0.0% | 2.7% | 0.0% | 2.7% |

| Changes in Assumptions: Economic, Demographic, and Revenues | | | | | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| December 2012 through March 2019 | | | | | | | | | | | | | | |
| A | N | N | M | N | M | N | M | N | M | N | M | N | M | N |
| | Projected FY19 | Estimated FY19 | % Chg. FY19-20 | Projected FY20 | % Chg. FY20-21 | Projected FY21 | % Chg. FY21-22 | Projected FY22 | % Chg. FY22-23 | Projected FY23 | % Chg. FY23-24 | Projected FY24 | % Chg. FY24-25 | Projected FY25 |
| Growth Resident Employment (%) | | | | | | | | | | | | | | |
| December 2012 | 1.0% | 1.0% | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 0.3% | 0.3% | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 1.2% | 1.2% | 0.0% | 1.2% | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 0.6% | 0.6% | 16.7% | 0.7% | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 0.7% | 0.7% | 14.3% | 0.8% | 12.5% | 0.9% | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 0.6% | 0.6% | 0.0% | 0.6% | 16.7% | 0.7% | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 0.6% | 0.6% | 66.7% | 1.0% | 0.0% | 1.0% | 10.0% | 1.1% | | n/a | | n/a | | n/a |
| March 2016 | 0.8% | 0.8% | 0.0% | 0.8% | 12.5% | 0.9% | 0.0% | 0.9% | | n/a | | n/a | | n/a |
| December 2016 | 0.6% | 0.6% | 16.7% | 0.7% | 14.3% | 0.8% | 12.5% | 0.9% | -22.2% | 0.7% | | n/a | | n/a |
| March 2017 | 0.7% | 0.7% | 14.3% | 0.8% | 12.5% | 0.9% | 11.1% | 1.0% | 10.0% | 1.1% | | n/a | | n/a |
| December 2017 | 0.8% | 0.8% | -12.5% | 0.7% | 0.0% | 0.7% | 28.6% | 0.9% | 11.1% | 1.0% | -10.0% | 0.9% | | n/a |
| March 2018 | 0.7% | 0.7% | -14.3% | 0.6% | 33.3% | 0.8% | 12.5% | 0.9% | 0.0% | 0.9% | -11.1% | 0.8% | | n/a |
| December 2018 | 0.7% | 0.7% | -14.3% | 0.6% | 0.0% | 0.6% | 33.3% | 0.8% | -12.5% | 0.7% | 0.0% | 0.7% | 0.0% | 0.7% |
| March 2019 | 1.0% | 1.0% | -40.0% | 0.6% | 0.0% | 0.6% | 50.0% | 0.9% | 0.0% | 0.9% | -11.1% | 0.8% | 0.0% | 0.8% |
| Personal Income (CY) | | | | | | | | | | | | | | |
| December 2012 | 98,910 | 98,910 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 99,550 | 99,550 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 95,360 | 95,360 | 4.2% | 99,330 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 97,610 | 97,610 | 3.2% | 100,730 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 93,740 | 93,740 | 3.0% | 96,560 | 3.5% | 99,920 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 92,260 | 92,260 | 4.0% | 95,970 | 4.1% | 99,870 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 96,130 | 96,130 | 4.9% | 100,800 | 4.9% | 105,690 | 4.9% | 110,830 | | n/a | | n/a | | n/a |
| March 2016 | 95,610 | 95,610 | 4.0% | 99,430 | 4.2% | 103,620 | 3.5% | 107,220 | | n/a | | n/a | | n/a |
| December 2016 | 95,220 | 95,220 | 3.9% | 98,930 | 4.6% | 103,440 | 4.6% | 108,150 | 4.6% | 113,080 | | n/a | | n/a |
| March 2017 | 95,810 | 95,810 | 4.5% | 100,090 | 3.9% | 103,970 | 3.9% | 108,010 | 4.2% | 112,560 | | n/a | | n/a |
| December 2017 | 95,520 | 95,520 | 4.3% | 99,610 | 3.9% | 103,470 | 4.3% | 107,870 | 4.2% | 112,440 | 4.1% | 117,080 | | n/a |
| March 2018 | 94,790 | 94,790 | 4.1% | 98,710 | 4.0% | 102,630 | 4.0% | 106,730 | 3.9% | 110,940 | 3.9% | 115,230 | | n/a |
| December 2018 | 94,270 | 94,270 | 4.2% | 98,210 | 4.1% | 102,280 | 4.5% | 106,870 | 3.2% | 110,330 | 4.5% | 115,310 | 4.7% | 120,760 |
| March 2019 | 98,500 | 98,500 | 4.0% | 102,400 | 3.8% | 106,300 | 4.2% | 110,800 | 4.2% | 115,400 | 4.2% | 120,200 | 4.3% | 125,400 |

| Changes in Assumptions: Economic, Demographic, and Revenues December 2012 through March 2019 | | | | | | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| A | N Projected FY19 | N Estimated FY19 | M % Chg. FY19-20 | N Projected FY20 | M % Chg. FY20-21 | N Projected FY21 | M % Chg. FY21-22 | N Projected FY22 | M % Chg. FY22-23 | N Projected FY23 | M % Chg. FY23-24 | N Projected FY24 | M % Chg. FY24-25 | N Projected FY25 |
| Property Tax Revenues | | | | | | | | | | | | | | |
| December 2012 | 1,758.7 | 1,758.7 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 1,752.7 | 1,752.7 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 1,736.2 | 1,736.2 | 3.9% | 1,804.7 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 1,720.1 | 1,720.1 | 3.0% | 1,771.5 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 1,715.2 | 1,715.2 | 3.4% | 1,772.7 | 3.1% | 1,827.9 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 1,720.1 | 1,720.1 | 3.3% | 1,777.2 | 3.0% | 1,830.9 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 1,679.1 | 1,679.1 | 3.1% | 1,731.2 | 3.1% | 1,784.4 | 3.3% | 1,843.4 | | n/a | | n/a | | n/a |
| March 2016 | 1,833.3 | 1,833.3 | 3.2% | 1,892.5 | 3.1% | 1,951.7 | 3.3% | 2,016.5 | | n/a | | n/a | | n/a |
| December 2016 | 1,824.1 | 1,824.1 | 3.3% | 1,884.6 | 3.0% | 1,941.6 | 3.2% | 2,003.7 | 3.2% | 2,067.9 | | n/a | | n/a |
| March 2017 | 1,822.6 | 1,822.6 | 3.3% | 1,881.9 | 2.8% | 1,934.1 | 3.0% | 1,992.9 | 3.1% | 2,055.4 | | n/a | | n/a |
| December 2017 | 1,811.5 | 1,811.5 | 3.4% | 1,873.4 | 3.1% | 1,930.6 | 3.2% | 1,992.1 | 3.3% | 2,057.4 | 3.2% | 2,124.1 | | n/a |
| March 2018 | 1,808.4 | 1,808.4 | 2.8% | 1,858.9 | 2.9% | 1,913.1 | 3.0% | 1,970.6 | 3.2% | 2,033.5 | 3.3% | 2,099.6 | | n/a |
| December 2018 | 1,787.1 | 1,787.1 | 3.3% | 1,846.9 | 3.4% | 1,909.1 | 3.2% | 1,970.2 | 3.9% | 2,046.2 | 3.8% | 2,124.8 | 3.6% | 2,202.3 |
| March 2019 | 1,786.5 | 1,786.5 | 2.8% | 1,836.8 | 3.1% | 1,893.8 | 3.1% | 1,951.9 | 3.5% | 2,020.5 | 3.5% | 2,091.4 | 3.3% | 2,160.7 |
| Income Tax Revenues | | | | | | | | | | | | | | |
| December 2012 | 1,675.5 | 1,675.5 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2013 | 1,695.4 | 1,695.4 | | n/a | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2013 | 1,695.1 | 1,695.1 | 5.2% | 1,783.8 | | n/a | | n/a | | n/a | | n/a | | n/a |
| March 2014 | 1,710.6 | 1,710.6 | 3.2% | 1,765.7 | | n/a | | n/a | | n/a | | n/a | | n/a |
| December 2014 | 1,665.4 | 1,665.4 | 3.4% | 1,722.0 | 3.2% | 1,776.4 | | n/a | | n/a | | n/a | | n/a |
| March 2015 | 1,692.6 | 1,692.6 | 3.8% | 1,757.6 | 3.5% | 1,819.1 | | n/a | | n/a | | n/a | | n/a |
| December 2015 | 1,612.8 | 1,612.8 | 4.8% | 1,689.9 | 4.8% | 1,771.6 | 4.8% | 1,857.5 | | n/a | | n/a | | n/a |
| March 2016 | 1,624.4 | 1,624.4 | 5.6% | 1,714.9 | 4.5% | 1,792.8 | 4.2% | 1,868.3 | | n/a | | n/a | | n/a |
| December 2016 | 1,630.9 | 1,630.9 | 3.7% | 1,690.6 | 4.4% | 1,764.7 | 4.8% | 1,849.2 | 5.0% | 1,941.2 | | n/a | | n/a |
| March 2017 | 1,623.3 | 1,623.3 | 3.7% | 1,683.0 | 4.0% | 1,749.9 | 4.7% | 1,832.6 | 4.5% | 1,914.6 | | n/a | | n/a |
| December 2017 | 1,569.0 | 1,569.0 | 6.3% | 1,668.5 | 4.3% | 1,740.9 | 3.8% | 1,807.1 | 4.3% | 1,884.8 | 4.9% | 1,976.9 | | n/a |
| March 2018 | 1,585.2 | 1,585.2 | 6.2% | 1,683.0 | 3.4% | 1,740.8 | 3.1% | 1,794.1 | 4.2% | 1,869.9 | 4.8% | 1,959.3 | | n/a |
| December 2018 | 1,599.9 | 1,599.9 | 4.8% | 1,675.9 | 3.7% | 1,737.6 | 3.2% | 1,794.0 | 4.4% | 1,872.2 | 4.6% | 1,958.1 | 4.3% | 2,043.0 |
| March 2019 | 1,542.9 | 1,542.9 | 6.3% | 1,640.3 | 3.8% | 1,702.9 | 3.5% | 1,762.6 | 4.6% | 1,843.2 | 4.8% | 1,930.8 | 4.7% | 2,021.1 |

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

| KEY REVENUE CATEGORIES | App. FY19 | Est. FY19 | % Chg. FY19-20 | Rec. FY20 | % Chg. FY20-21 | Projected FY21 | % Chg. FY21-22 | Projected FY22 | % Chg. FY22-23 | Projected FY23 | % Chg. FY23-24 | Projected FY24 | % Chg. FY24-25 | Projected FY25 |
|--|-----------|-----------|----------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| TAXES | 5-24-18 | 3-15-19 | Rec/App | 3-15-19 | | | | | | | | | | |
| 1 Property Tax | 1,808.4 | 1,788.5 | 1.6% | 1,836.8 | 3.1% | 1,893.8 | 3.1% | 1,951.9 | 3.5% | 2,020.5 | 3.5% | 2,091.4 | 3.3% | 2,160.7 |
| 2 Income Tax | 1,585.2 | 1,542.9 | 3.5% | 1,640.3 | 3.8% | 1,702.9 | 3.5% | 1,762.8 | 4.6% | 1,843.2 | 4.8% | 1,930.8 | 4.7% | 2,021.1 |
| 3 Transfer Tax | 109.5 | 124.8 | 15.3% | 126.3 | 0.5% | 127.0 | 2.1% | 129.7 | 3.0% | 133.6 | 4.8% | 140.1 | 4.5% | 146.4 |
| 4 Recodation Tax | 53.4 | 55.8 | 5.7% | 56.5 | -2.0% | 56.8 | 2.0% | 58.0 | -2.1% | 59.7 | 2.1% | 62.6 | -1.3% | 65.4 |
| 5 Energy Tax | 194.0 | 197.9 | 2.5% | 198.9 | -0.8% | 195.0 | -0.3% | 198.9 | 0.3% | 194.8 | -0.1% | 198.9 | -0.1% | 198.3 |
| 6 Telephone Tax | 53.3 | 53.3 | 5.8% | 56.3 | 0.8% | 55.8 | -0.3% | 55.7 | 0.8% | 55.9 | 0.8% | 55.8 | -0.1% | 55.7 |
| 7 Hotel/Motel Tax | 22.2 | 22.1 | 1.8% | 22.6 | 0.8% | 22.8 | 0.8% | 23.0 | 0.8% | 23.2 | 0.8% | 23.3 | 0.8% | 23.5 |
| 8 Admissions Tax | 3.6 | 3.8 | 6.1% | 3.9 | 7.8% | 4.2 | 7.8% | 4.5 | 7.9% | 4.9 | 7.8% | 5.3 | 7.9% | 5.7 |
| 9 E-Cigarette Tax | 0.7 | 1.4 | 120.3% | 1.4 | 3.8% | 1.5 | 3.7% | 1.6 | 3.8% | 1.6 | 3.5% | 1.7 | 3.5% | 1.7 |
| 10 Total Local Taxes | 3,830.2 | 3,788.3 | 2.9% | 3,943.1 | 3.0% | 4,059.7 | 3.1% | 4,185.8 | 3.6% | 4,337.3 | 4.0% | 4,509.8 | 3.7% | 4,676.7 |
| INTERGOVERNMENTAL AID | | | | | | | | | | | | | | |
| 11 Highway User | 3.8 | 3.8 | 118.3% | 8.2 | 0.0% | 8.2 | 0.0% | 8.2 | 0.0% | 8.2 | 0.0% | 8.2 | 0.0% | 8.2 |
| 12 Police Protection | 14.2 | 14.2 | 0.0% | 14.2 | 0.0% | 14.2 | 0.0% | 14.2 | 0.0% | 14.2 | 0.0% | 14.2 | 0.0% | 14.2 |
| 13 Libraries | 6.4 | 6.4 | 3.9% | 6.7 | 0.0% | 6.7 | 0.0% | 6.7 | 0.0% | 6.7 | 0.0% | 6.7 | 0.0% | 6.7 |
| 14 Health Services Case Formula | 4.6 | 4.6 | 0.0% | 4.6 | 0.0% | 4.6 | 0.0% | 4.6 | 0.0% | 4.6 | 0.0% | 4.6 | 0.0% | 4.6 |
| 15 Mass Transit | 40.3 | 41.3 | 2.5% | 41.3 | 0.0% | 41.3 | 0.0% | 41.3 | 0.0% | 41.3 | 0.0% | 41.3 | 0.0% | 41.3 |
| 16 Public Schools | 706.9 | 706.9 | 3.9% | 734.6 | 0.0% | 734.6 | 0.0% | 734.6 | 0.0% | 734.6 | 0.0% | 734.6 | 0.0% | 734.6 |
| 17 Community College | 36.6 | 36.6 | 1.7% | 37.2 | 0.0% | 37.2 | 0.0% | 37.2 | 0.0% | 37.2 | 0.0% | 37.2 | 0.0% | 37.2 |
| 18 Other | 87.7 | 71.1 | -16.1% | 56.8 | -29.5% | 40.0 | -0.2% | 39.9 | 0.0% | 39.9 | 0.0% | 39.9 | 0.0% | 39.9 |
| 19 Total Intergovernmental Aid | 880.5 | 884.9 | 2.6% | 903.6 | -1.5% | 886.8 | 0.0% | 886.7 | 0.0% | 886.7 | 0.0% | 886.7 | 0.0% | 886.7 |
| FEES AND FINES | | | | | | | | | | | | | | |
| 20 Licenses & Permits | 13.1 | 12.8 | 1.6% | 13.3 | 1.5% | 13.5 | 1.5% | 13.7 | 1.5% | 13.9 | 1.5% | 14.1 | 1.5% | 14.3 |
| 21 Charges for Services | 72.7 | 72.2 | -6.7% | 67.8 | 2.0% | 66.2 | 2.2% | 70.7 | 2.2% | 72.2 | 2.2% | 73.8 | 2.2% | 75.3 |
| 22 Fines & Forfeitures | 26.1 | 35.0 | 23.7% | 36.0 | 1.6% | 36.6 | 1.6% | 37.1 | 1.6% | 37.7 | 1.6% | 38.3 | 1.6% | 38.9 |
| 23 Montgomery College Tuition | 78.2 | 75.4 | -3.0% | 75.9 | 2.0% | 77.4 | 2.2% | 79.1 | 2.2% | 80.8 | 2.2% | 82.5 | 2.2% | 84.3 |
| 24 Total Fees and Fines | 193.0 | 195.4 | 0.0% | 193.0 | 1.5% | 196.6 | 2.0% | 200.6 | 2.0% | 204.6 | 2.0% | 208.7 | 2.0% | 212.9 |
| MISCELLANEOUS | | | | | | | | | | | | | | |
| 25 Investment Income | 5.3 | 8.1 | 61.3% | 8.6 | 0.0% | 8.6 | 0.1% | 8.6 | 0.0% | 8.6 | 0.0% | 8.6 | 0.0% | 8.6 |
| 26 Other Miscellaneous | 19.2 | 21.7 | -2.77% | 18.7 | 2.5% | 19.2 | 2.7% | 19.7 | 2.7% | 20.2 | 2.7% | 20.8 | 2.7% | 21.3 |
| 27 Total Miscellaneous | 24.6 | 29.8 | 11.1% | 27.3 | 1.7% | 27.8 | 1.9% | 28.3 | 1.9% | 28.8 | 1.9% | 29.4 | 1.9% | 29.9 |
| 28 TOTAL REVENUES | 4,928.3 | 4,898.4 | 2.8% | 5,066.9 | 2.1% | 5,170.9 | 2.5% | 5,301.4 | 2.9% | 5,457.5 | 3.2% | 5,634.6 | 3.0% | 5,806.3 |
| Calculation for Adjusted Governmental Revenues | | | | | | | | | | | | | | |
| 29 Total Tax Supported Revenues | 4,928.3 | 4,898.4 | 2.8% | 5,066.9 | 2.1% | 5,170.9 | 2.5% | 5,301.4 | 2.9% | 5,457.5 | 3.2% | 5,634.6 | 3.0% | 5,806.3 |
| 30 Capital Projects Fund | 187.2 | 187.2 | -22.2% | 145.7 | -15.0% | 123.9 | 1.2% | 125.4 | 1.3% | 126.9 | 1.7% | 129.1 | 0.0% | 129.1 |
| 31 Grants | 118.5 | 118.5 | 0.4% | 119.0 | 2.5% | 122.0 | 2.7% | 125.3 | 2.7% | 128.7 | 2.7% | 132.2 | 2.7% | 135.7 |
| 32 MCO Adjusted Revenues | 5,234.0 | 5,204.1 | 1.9% | 5,331.7 | 1.6% | 5,416.8 | 2.5% | 5,552.1 | 2.9% | 5,713.1 | 3.2% | 5,895.9 | 3.0% | 6,071.1 |

Non Agency Uses of Resources

- Capital Investment (CIP Current Revenue and PAYGO) and Debt Service are based on the latest Executive Recommendation (current through March 15, 2019). Additional changes may be transmitted to the County Council in April 2019.
- FY20-25 Retiree Health Insurance Pre-Funding is fully funded based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2018).
- Revenue Stabilization (Rainy Day) Fund balance is projected at \$361.0 million at the end of FY20. The mandatory contribution is estimated to be \$13.6 million in FY20. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- FY20-25 total reserves (Revenue Stabilization Fund plus the General Fund unrestricted balance) are consistent with legal requirements and the minimum policy target. The FY20 CE Recommended budget satisfies the County's policy to increase and maintain the budgeted total reserve of the General Fund unrestricted balance and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues by FY20.



Revenues

INTRODUCTION

This chapter provides demographic and economic assumptions, including detailed discussions of the national, State, and local economies. Revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY20 Operating Budget incorporate policy recommendations.

ESTIMATING SIX-YEAR COSTS

Demographic Assumptions

The revenue projections of the Public Services Program (PSP) incorporate demographic assumptions based on data from Moody's Analytics and Woods & Poole Economics and are based on fiscal and economic data and analyses used or prepared by the Department of Finance. A Demographic and Economic Assumptions chart located at the end of this chapter provides several demographic and planning indicators.

- County population will continue to increase from 1,078,725 in 2019 to 1,140,746 by 2025. This reflects an average annual growth rate of 0.9 percent.
- Current projections estimate the number of households to increase from 383,632 in 2019 to 410,219 by 2025. Household growth over that period is projected to grow at an average annual rate of 1.1 percent.
- County births, which are one indicator of future elementary school populations and child day care demand, are projected to gradually increase from an estimated 12,545 in 2018 to 13,100 by 2025.
- The County expects Montgomery County Public School student enrollment to increase by 11,199 between FY19 and FY25.
- Montgomery College full-time equivalent student enrollments are projected to increase from 18,624 in FY19 to 18,744 in FY24.

Using moderate economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditure pressures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity;
- Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local expenditures;
- Devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets;
- Major demographic changes;
- Military conflicts and acts of terrorism; and
- Major international economic and political changes.

Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY20 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions, State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

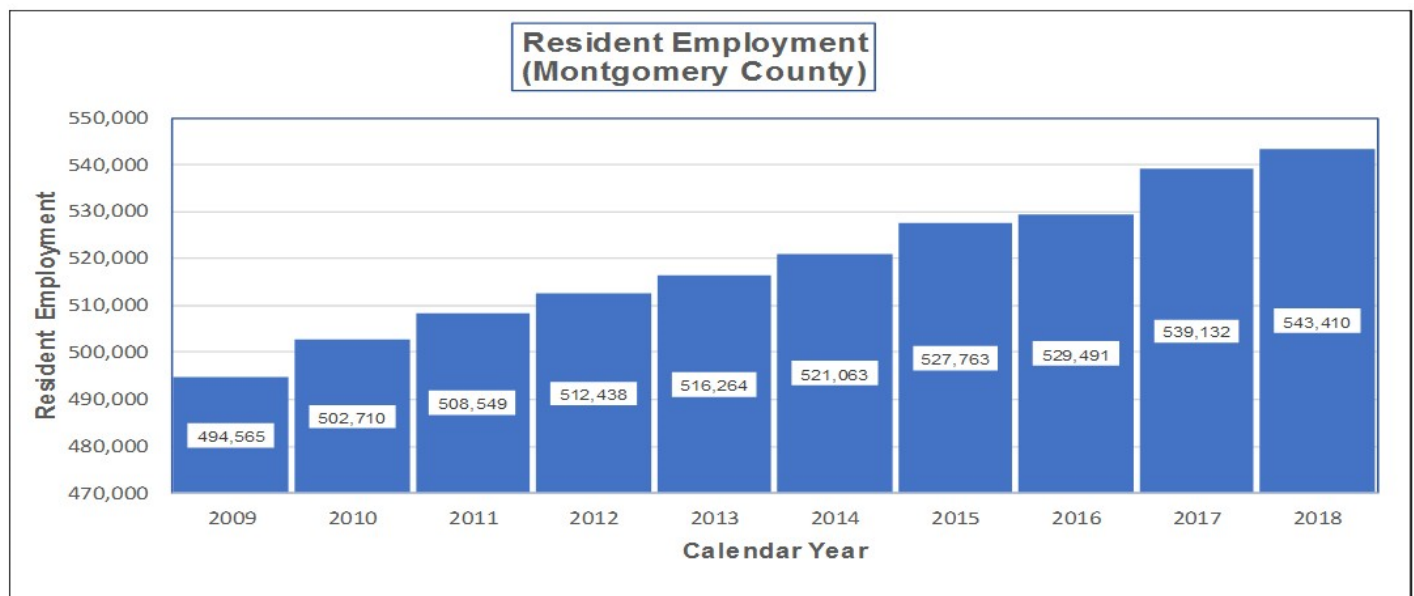
Economic Assumptions

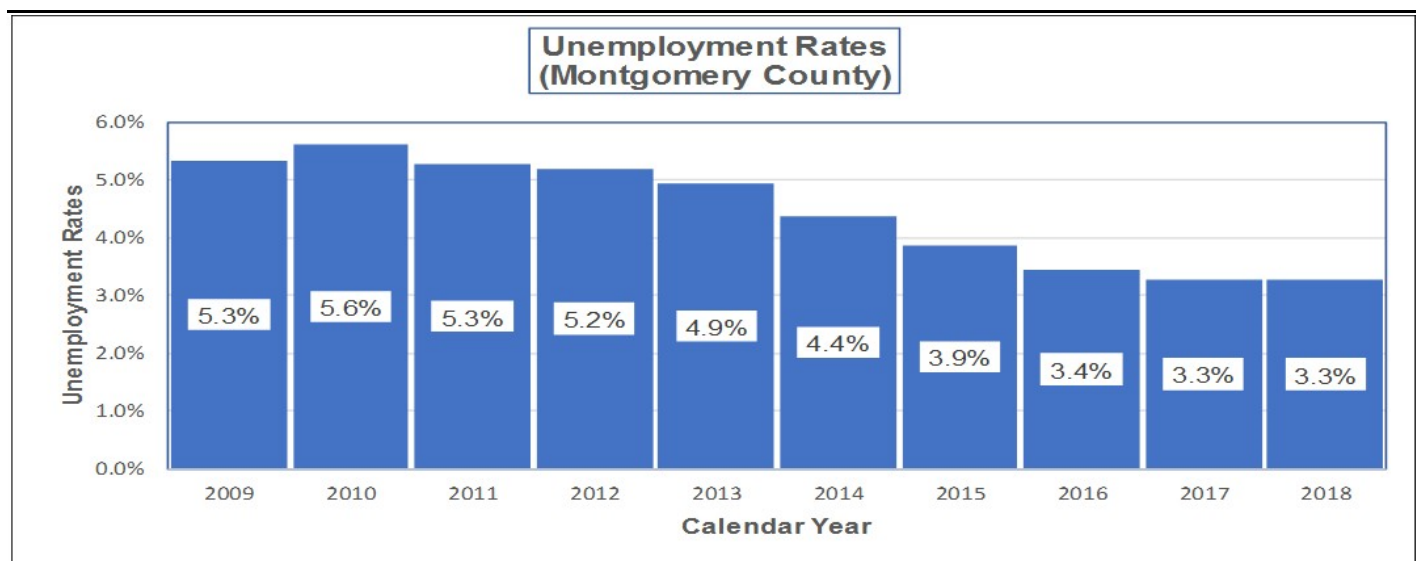
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, retail sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy generally experienced positive economic performance during 2018. Some of the areas of strength included an increase in resident employment, a decline in the unemployment rate, an increase in the median sales price for an existing home, an increase in the construction of residential housing, an increase in the added values of new construction for residential and non-residential properties, and a modest increase in retail sales. However, partially offsetting those increases, the County experienced a decline in the number of sales of existing homes.

Employment Situation

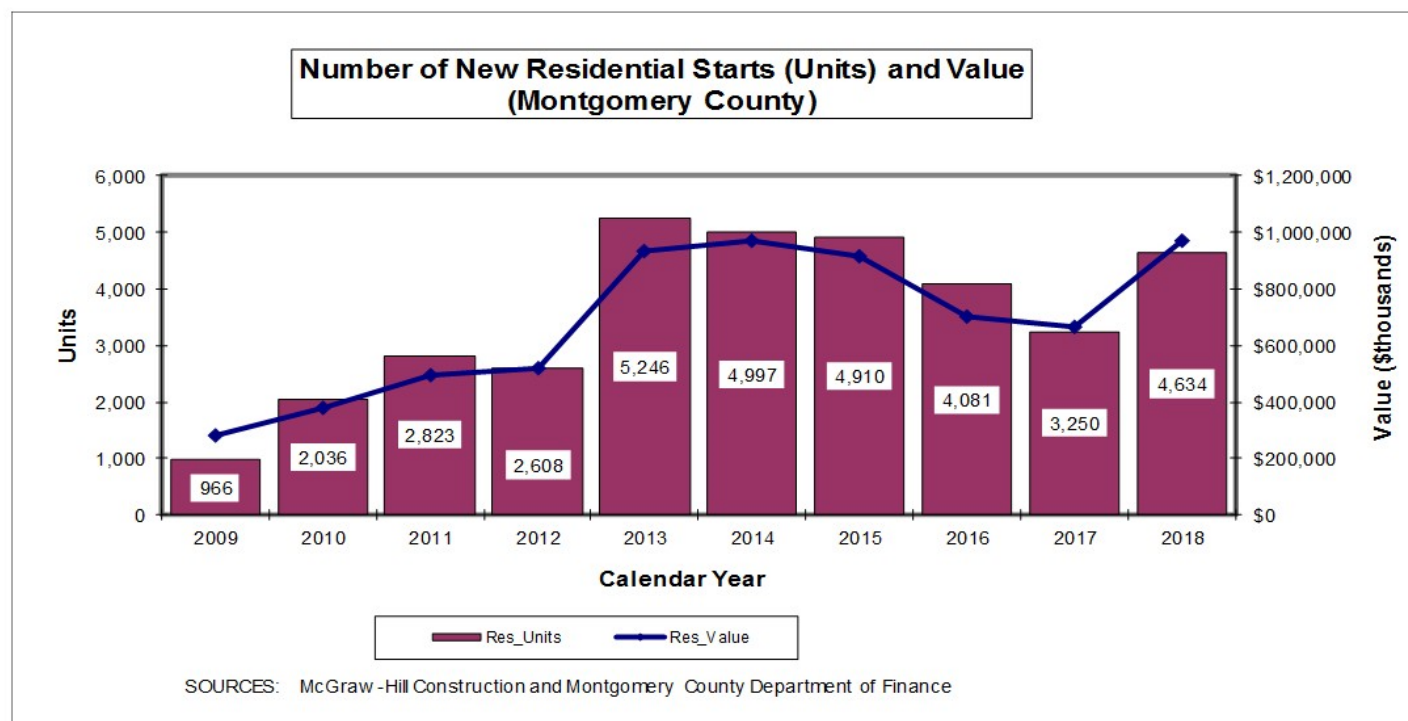
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in 2018 increased by nearly 4,300 from 2017 (↑ 0.8%). The County's unemployment rate at 3.3 percent was the lowest rate and remained at its lowest level in the past ten years.





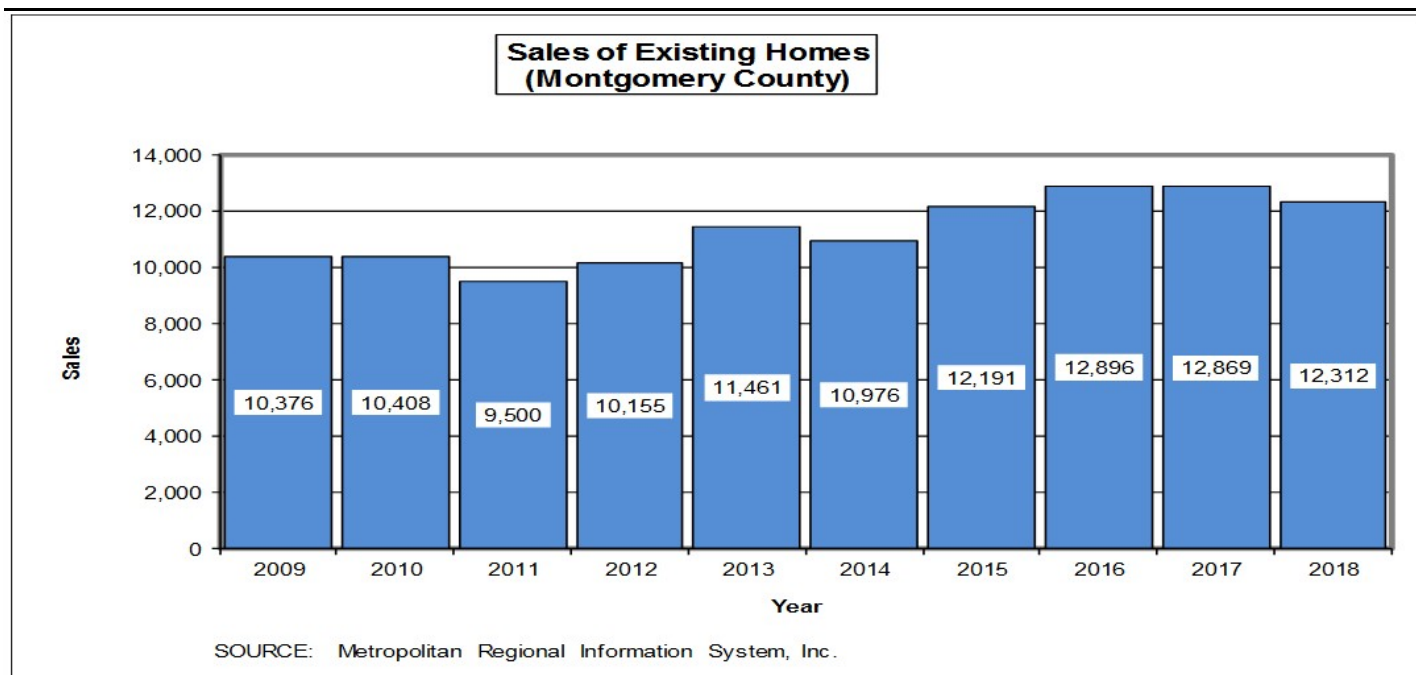
Construction Activity

The construction of new residential units increased nearly 43 percent in 2018 and total value added increased from \$664.7 million in 2017 to \$972.6 million in 2018 (↑ 46.3%). The total value added from non-residential projects increased from \$965.8 million in 2017 to \$1,581.2 million (↑ 63.7%).



Residential Real Estate

During calendar year 2018, existing home sales decreased 4.3 percent which followed a modest 0.3 percent decrease in 2017. The median sales price for existing homes increased 4.8 percent in 2018 following an increase of 2.5 percent in 2017.



Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, retail sales, including assessment collections, increased 0.8 percent in 2018 from 2017. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, increased a modest 0.1 percent during this period while sales of durable goods were up 2.8 percent. The increase in nondurable goods purchases was solely attributed to the increase in apparel goods (↑ 4.8%), while the increase in purchases of durable goods was largely attributed to an increase in automobile sales and products (↑ 5.7%), and building and industrial supplies (↑ 3.7%).

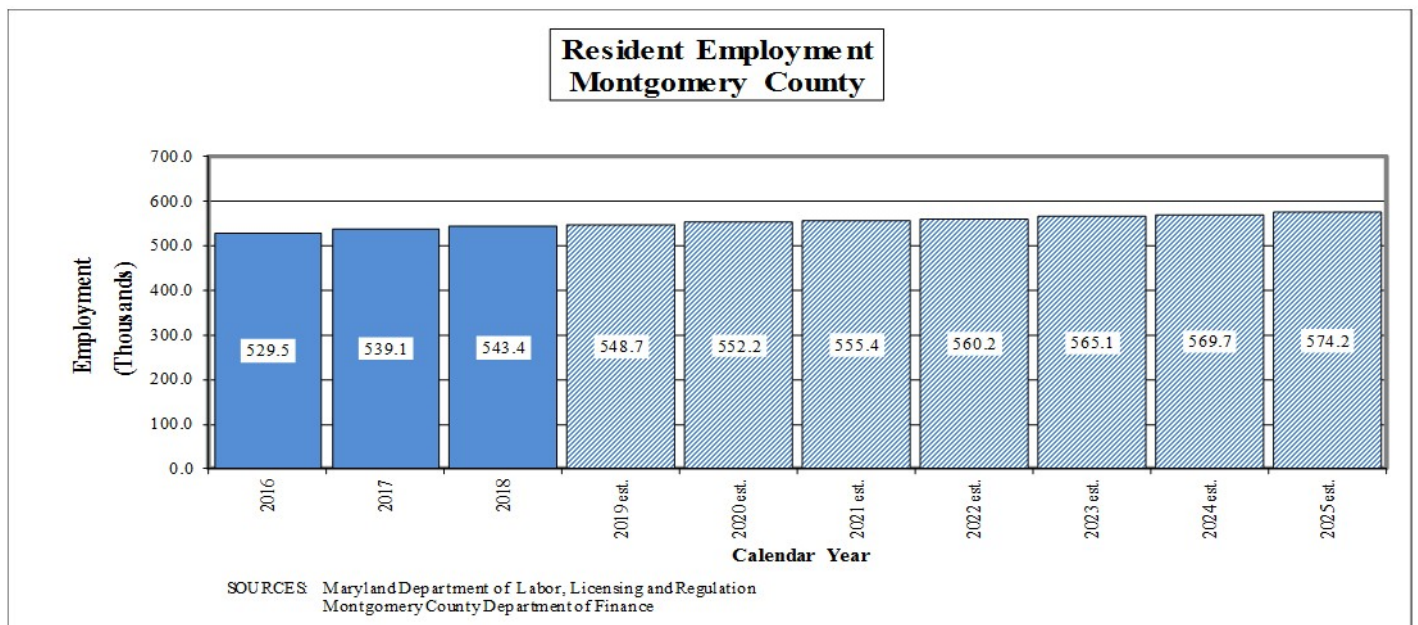
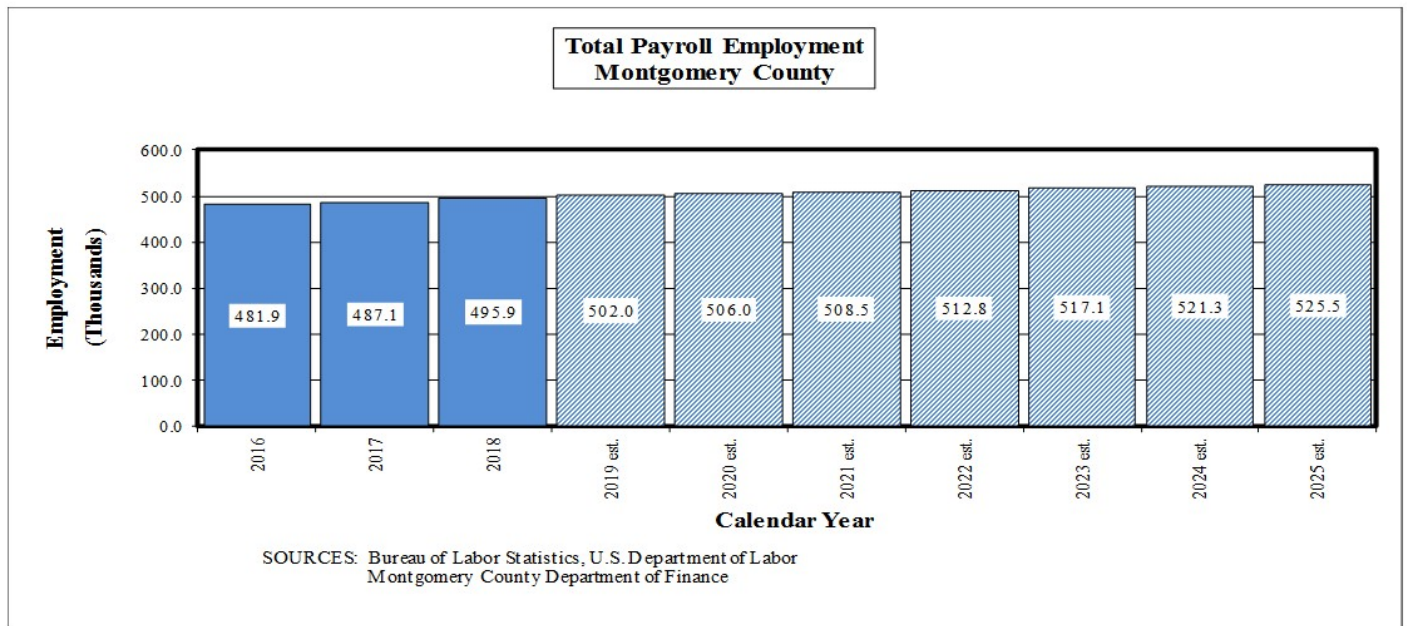
CONCLUSION

The major economic indicators confirm that the County's economy experienced generally positive performance during 2018. That performance included a strong increase in residential employment, a decline in the unemployment rate, and an increase in the median sales price for an existing home, and increases in added value of new residential and non-residential construction but partially offset by a decline in the number of sales of existing homes.

ECONOMIC OUTLOOK

The Department of Finance (Finance) forecasts that Montgomery County's economy will continue to improve through the next six years.

Employment. Finance assumes payroll employment will continue to increase from CY2018 to CY2025 and grow at an average annual rate of 0.8 percent over that period. This is same average annual rate growth rate of 0.8 percent experienced between CY2011 and CY2018.

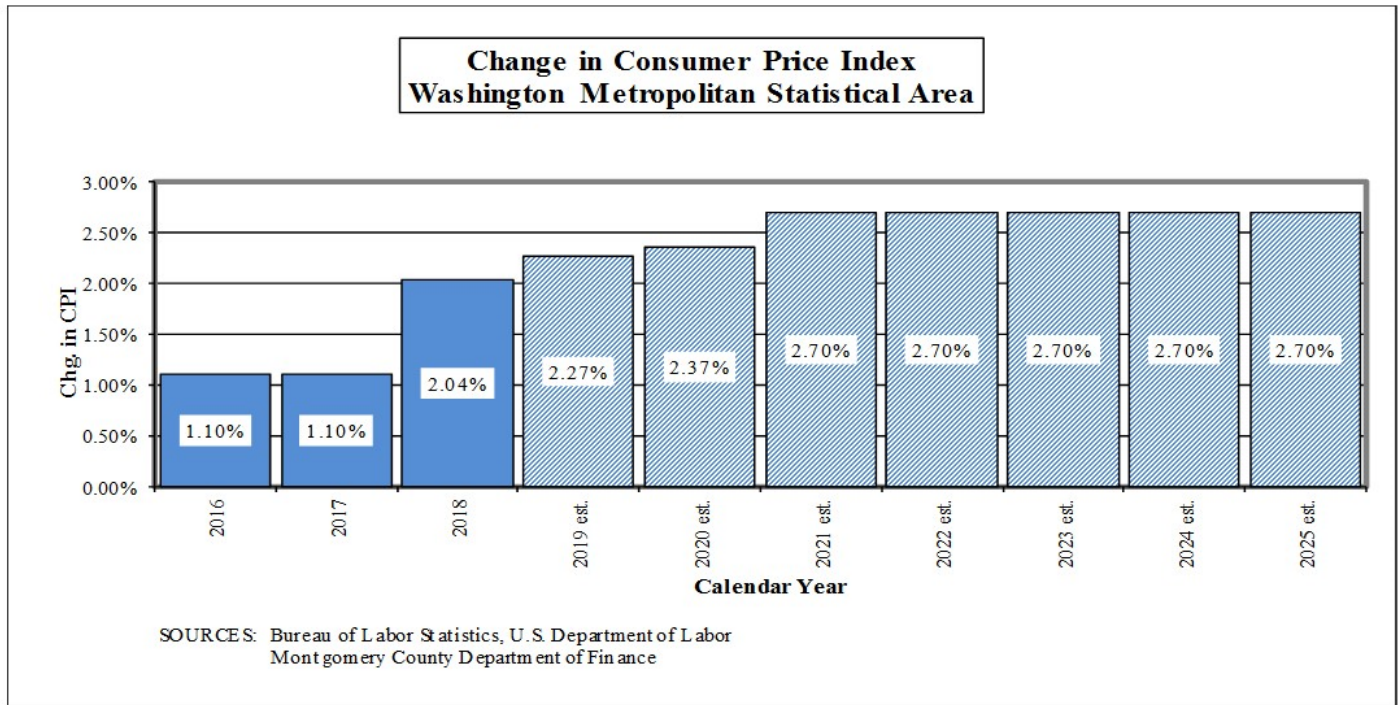


Finance assumes that resident employment will also increase at an average annual rate of 0.8 percent from CY2018 to CY2025. However, that rate is slightly below the average annual rate of 1.0 percent between CY2011 and CY2018.

Personal Income. Finance assumes that total personal income in Montgomery County will grow at an average annual rate of 4.1 percent from CY2015 to CY2024. By CY2025, total personal income will reach \$125.4 billion.

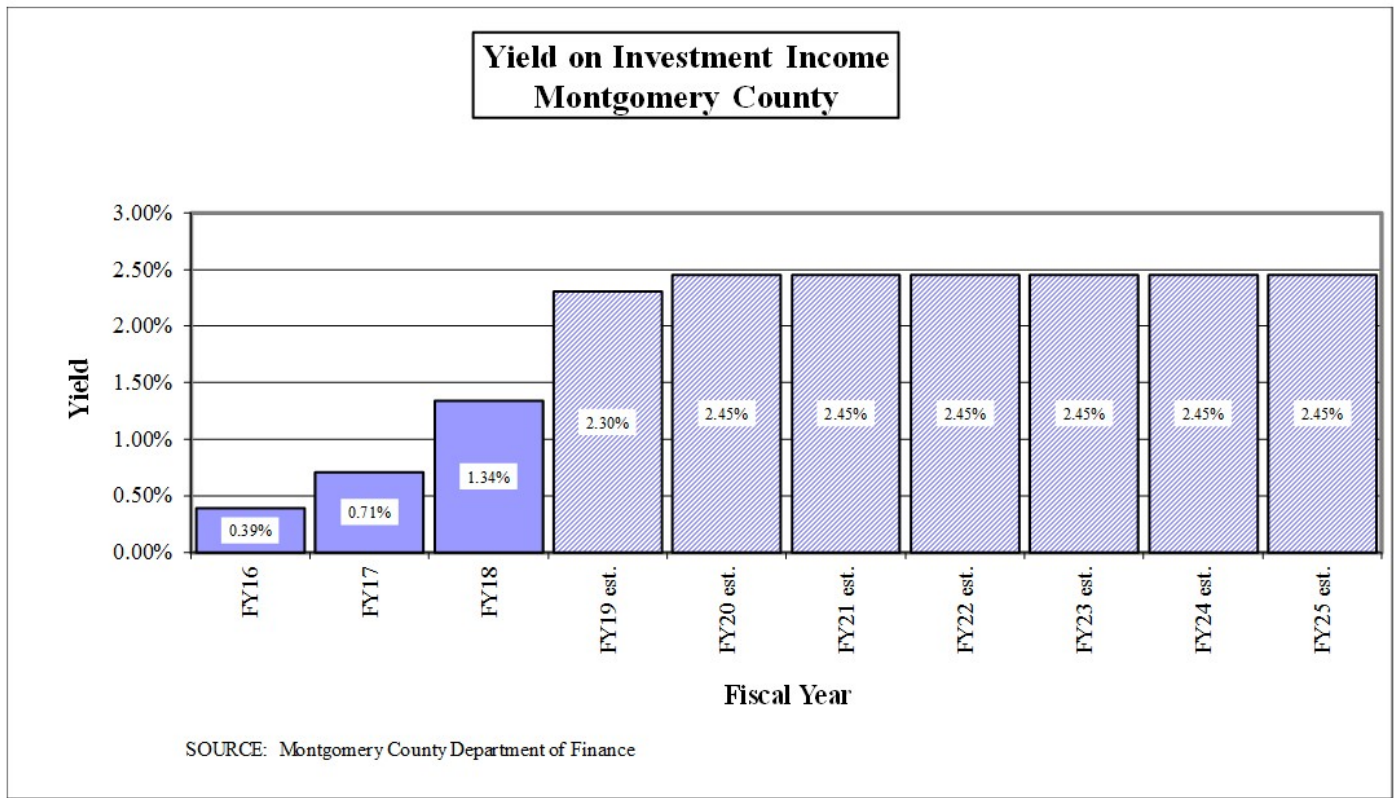
Wage and Salary Income. Finance assumes that wage and salary income will grow at an average annual rate of 3.6 percent between CY2017 and CY2025. Total wage and salary income are estimated to reach \$50.7 billion by CY2025.

Inflation (annual average). Finance assumes that the overall regional inflation index will steadily increase from 2.04 percent in CY2018 to 2.70 percent by CY2025.



Interest Rates

The target federal funds rates were increased by the Federal Open Market Committee (FOMC) of the Federal Reserve System three times in 2017 by 25 basis points to reach 1.25-1.50 by December 2017 and four times in 2018 to reach 2.25-2.50 by December 2018. Since the yield on the County's short-term investments is highly correlated with the federal funds rate, the County earned an average of 0.39 percent in investment income on its short-term portfolio for fiscal year (FY) 2016, an average of 0.71 percent in FY2017, and an average of 1.34 percent in FY2018 with estimated increases to 2.30 percent for FY2019 and to 2.45 percent by FY2025. This assumption is based on no rate increases in the targeted federal funds rate by the FOMC for the remainder of FY19.



REVENUE SOURCES

The major revenue sources for all County funds of the Operating Budget and the Public Services Program (PSP) are described below. Revenue sources which fund department and agency budgets are included in the respective budget presentations. Six-year projections of revenues and resources available for allocation are made for all County funds. This section displays projections of total revenues available for the tax supported portion of the program. Tax supported funds are those funds subject to the Spending Affordability Guideline (SAG) limitations. The SAG limitations are intended to ensure that the tax burden on residents is affordable. The County Council has based the guidelines on inflation and personal income of County residents.

The PSP also includes multi-year projections of non-tax supported funds. These funds represent another type of financial burden on households and businesses and, therefore, should be considered in determining the "affordability" of all services that affect most of the County's population. Projections for non-tax supported funds within County government are presented in the budget section for each of those funds.

IMPACT ON REVENUES AND THE CAPITAL BUDGET

The use of resources represented in this section includes appropriations to the operating funds of the various agencies of the County as well as other resource requirements, such as current revenue funding of the Capital Budget, debt service, and fund balance (operating margin). These other uses, commonly called "Non-Agency Uses of Resources," affect the total level of resources available for allocation to agency programs. Some of these factors are determined by County policy or law; others depend, in part, on actual revenue receipts and expenditure patterns.

The level of PSP-related spending indirectly impacts the local economy and, hence, the level of County revenues. However, the effect on revenues from expenditures of the Executive's Recommended Operating Budget and PSP are expected to be minimal. The PSP also impacts revenues available to fund the Capital Budget. The revenue projections included in this section subtract projected uses of current revenues for both debt eligible and non-debt eligible capital investments. Therefore, the Executive's Recommended Operating Budget and PSP provides the allocations of annual resources to the Capital Budget as planned for in the County Executive's Recommended Amended FY19-24 Capital Improvements Program (CIP) (as of January 15, 2019). Anticipated current revenue adjustments to the January 15, 2019 CIP have been made as part of the Executive's Recommended Operating Budget.

Prior Year Fund Balance

The prior year fund balance for the previous fiscal year is the audited FY18 closing fund balance for all tax supported funds. The current year fund balance results from an analysis of revenues and expenditures for the balance of the fiscal year. Prior year fund balance for future fiscal years is assumed to equal the target fund balance for the preceding year.

Net Transfers

Net transfers are the net of transfers between all tax supported and non-tax supported funds in all agencies. The largest single transfer to the General Fund is the earnings transfer from the Liquor Control Fund to the General Fund. The transfer from the General Fund to Montgomery Housing Initiative to support the Executive's housing policy is the largest transfer to a non-tax supported fund. The payment from the General Fund to the Solid Waste Disposal Fund for disposal of solid waste collected at County facilities is the next largest transfer to a non-tax supported fund. The level of transfers is an estimate based on individual estimates of component transfers.

Debt Service Obligations

Debt service estimates are those made to support the County Executive's Recommended Amended FY19-24 Capital Improvements Program (as of January 15, 2019). Debt service obligations over the six years are based on servicing debt issued to fund planned capital projects, as well as amounts necessary for short-term and long-term leases. Debt service requirements have the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization. Approximately 43.1 percent of the CIP is funded with General Obligation (G.O.) bonds. Each G.O. bond issue used to fund the CIP translates to a draw against the Operating Budget each year for 20 years. Debt requirements for past and future G.O. bond issues are calculated each fiscal year, and provision for the payment of Debt Service is included as part of the annual estimation of resources available for other Operating Budget requirements. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The State authorizes borrowing of funds and issuance of bonds up to a maximum of 6.0 percent of the assessed valuation of all real property and 15.0 percent of the assessed value of all personal property within the County. The County's outstanding G.O. debt plus short-term commercial paper as of June 30, 2018, is 1.91 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

Capital Improvements Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent County Executive recommendations for the Capital Budget and CIP. These estimates are based on programmed current revenue and PAYGO funding in the six years, as well as additional current revenue amounts allocated to the CIP for future projects and inflation.

Revenue Stabilization

On June 29, 2010, the Montgomery County Council enacted Bill 36-10 amending the Montgomery County Code (Chapter 20, Finance, Article XII) that repealed the limit on the size of the Revenue Stabilization Fund (Fund), modified the requirement for mandatory County contributions to the Fund, and amended the law governing the Fund. Mandatory contributions to the Fund are the greater of 50 percent of any excess revenue, or an amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Adjusted Governmental Revenues include tax supported County Governmental revenues plus revenues of the County Grants Fund and County Capital Projects Fund; tax supported revenues of the Montgomery County Public Schools, not including the County's local contribution; tax supported revenues of Montgomery College, not including the County's local contribution; and tax supported revenues of the Montgomery County portion of the Maryland-National Capital Park and Planning Commission. All

interest earned on the Fund must be added to the Fund. The FY20 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$340.8 million in FY19 and the balance is estimated to increase to \$361.0 million in FY20.

Other Uses

This category is used to set aside funds for such items as possible legal settlement payments and other special circumstances such as set-aside of revenues to fund future years.

Reserves

The County will maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of prior year's General Fund revenues and the Revenue Stabilization Fund (or "rainy day fund"). This budget satisfies the County's policy to increase and maintain the budgeted total reserve of the unrestricted General Fund and Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues by FY20.

REVENUE ASSUMPTIONS

Projections for revenues are included in six-year schedules for County Government Special Funds and for Montgomery College, M-NCPPC, and WSSC in the relevant sections of this document. See the MCPS Budget Document for six-year projections of MCPS funds. Projections for revenues funding County government appropriations are provided to the Council and public as fiscal projections. Such projections are based on estimates of County income from its own sources such as taxes, user fees, charges, and fines, as well as expectations of other assistance from the State and Federal government. The most likely economic, demographic, and governmental policy assumptions that will cause a change in revenue projections are included in this section.

TAX REVENUES

Tax supported revenues come from a number of sources including but not limited to property and income taxes, real estate transfer and recordation taxes, excise taxes, intergovernmental revenues, service charges, fees and licenses, college tuition, and investment income. In order of magnitude, however, the property tax and the income tax are the most important with 46.6 percent and 41.6 percent, respectively, of the estimated total tax revenues in FY20. The third category is the energy tax estimated for the General Fund with 5.0 percent share. In fact, these three revenue sources represent 93.2 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.3 percent and 32.4 percent, respectively. The third category is intergovernmental revenues with a 17.8 percent share of the estimated total tax supported revenues in FY20. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years.

Property Tax

Using proposed tax rates (levy year 2019) and a recommended \$692 credit, total estimated FY20 tax supported property tax revenues of \$1,836.8 million are 2.8 percent above the revised FY19 estimate. The general countywide rate for FY20 is \$0.7202 per \$100 of assessed real property, while a rate of \$1.8005 is levied on personal property. In addition to the general countywide tax rate, there are special district area tax rates. The weighted average real property tax rate for FY20 is \$0.9786 per \$100 of assessed real property which is 0.0028 cents below the levy year 2018 (FY2019) weighted rate. The 1990 Charter amendment (FIT) limits the growth in property tax revenues to the sum of the previous year's estimated revenue, increased by the rate of inflation, and an amount based on the value of new construction and other minor factors. *As a result of a Charter amendment approved by the voters, this limit may not be overridden unless approved by an affirmative vote of all current Council members.*

The countywide total property taxable assessment is estimated to increase approximately 3.5 percent from a revised \$195.1 billion in FY19 to \$202.1 billion in FY20. The base is comprised of real property and personal property. For FY20, the Department of Finance estimates a real property taxable assessment of approximately \$197.6 billion, an increase of 3.6 percent from FY19, with the remaining \$4.5 billion in personal property. This is the seventh consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in

Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The real property reassessment for Group 2 increased 4.8 percent for residential and 17.8 percent for commercial in FY18. The real property taxable assessment for Group 3 increased 3.9 percent for residential property and 17.4 percent for commercial property in FY19. Based data from the provided by SDAT, reassessment for real property for Group 1 is estimated to increase 5.0 percent and commercial property is estimated to increase 16.5 percent in FY20.

Income Tax

Estimated FY20 income tax revenues of \$1,640.3 million are 6.3 percent above the revised FY19 estimate. Previously, future income tax estimates starting in FY19 incorporated the impact of the Wynne vs. Comptroller decision by the U.S. Supreme Court on May 18, 2015. However, with the passage of legislation by the Maryland General Assembly, the impact of Wynne repayments will start in FY21 rather than FY19. The estimated FY20 income tax revenues do not include the impact of the Tax Cut and Jobs Act (TCJA, or H.R.1) on the County's estimated FY20 income tax revenues. Because of the proposed legislation by the Maryland General Assembly, actions by State of Maryland officials and regulations issued by the Internal Revenue Service, U.S. Treasury Department, as well as the effect of the federal tax law on business income that may have a fiscal impact on the County, the final "net" impact of the federal tax bill on the County's income tax revenues is uncertain at this time. In lieu of such uncertainty, Finance estimates FY20 income tax revenues based in part on the December 2018 income tax estimate by the Board of Revenue Estimates.

During any one fiscal year, the County receives income tax distributions pertaining to at least three different tax years. With the stock market crash of 2008 and subsequent severe recession, withholdings, estimated payments, and extended filings declined 11.9 percent in tax year (TY) 2008, and decreased 4.9 percent in TY2009, but increased 7.2 percent in TY2010, 6.2 percent in TY2011, and 10.0 percent in TY2012, before declining 3.8 percent in TY2013 attributed to the decline in capital gains. Following the decline in TY2013, income tax revenues increased 6.6 percent in 2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed to a 50 percent decline in capital gains for the top 100 County taxpayers. The elections of November 2016 raised expectations that tax relief for individuals, especially those individuals with high incomes, would occur in tax year 2017. As such, those individuals would delay recognizing capital gains until a later tax year. The income tax reduction of 50 percent of the top 100 County taxpayers suggests that that is what occurred as noted below in our receipts from October 15th filers in 2016.

In addition to the quarterly distributions that represent withholdings and estimated payments, receipts from October 15th filers and adjustments to prior year distributions by the Maryland Comptroller revenues from October 15th filers and distribution adjustments experienced a decline of 85.9 percent in tax year 2008 and a modest increase in 2009. However, from tax year 2010 to tax year 2012, revenues increased sharply to \$144.7 million in 2010 and to \$174.2 million in 2012, but below the pre-recession level, decreased to \$96.8 million in 2013 (▼ 44.4%) attributed to the "fiscal cliff" tax policy enacted by the U.S. Congress, increased to \$142.8 million in 2014 (▲ 47.5%), increased to \$149.3 million in 2015 (▲ 4.6%), declined to \$108.3 million (▼ 27.5%) in 2016, but increased to \$130.6 million in 2017 (▲ 20.6%).

Transfer and Recordation Taxes

Estimated FY20 revenues for the General Fund of \$182.8 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 1.2 percent above the revised FY19 estimate. This reflects an FY20 estimate of \$126.3 million in the transfer tax and \$56.5 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from \$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property. During the first seven months of FY19, the number of transactions for the residential transfer tax increased 7.8 percent and the amount of collections from the residential transfer tax increased 7.7 percent over the same seven-month period in FY18. Over the same seven-month period, the number of transactions for the non-residential transfer tax excluding farms decreased 4.2 percent but the amount of collections increased 56.0 percent compared to FY18. Activity for the recordation tax experienced similar trends during the seven-month period. The number of residential recordation tax transactions for the General Fund have increased 2.7 percent through the first seven months of FY19, and the General Fund collections for the residential recordation tax increased 9.2 percent.

Transactions for the transfer and recordation tax revenues have fluctuated greatly over time and primarily reflect shifting trends in the real estate market. The transfer tax rate is generally one percent of the value of the property transferred to a new owner.

This applies to both improved (i.e., building) and unimproved (i.e., land) residential and commercial properties. The recordation tax is levied when changes occur in deeds, mortgages, leases, and other contracts pertaining to the title of either real or personal property.

Effective September 1, 2016, the recordation tax rate for School CIP was raised from 0.250 percent to 0.474 percent of which net revenues must be reserved for and allocated to the cost of capital improvements to schools. Also, if the consideration payable or principal amount of debt secured exceeds \$500,000 the rate increased from \$1.55 to \$2.30 for each fraction of \$500 of the amount over \$500,000 and that revenue must be reserved for the cost of County government capital improvements and rental assistance for low and moderate income households

Residential transfer tax revenues follow the trends in real estate sales for existing and new homes. Real estate sales, in turn, are highly correlated with specific economic indicators such as growth in employment and wage and salary income, formation of households, mortgage lending conditions, and mortgage interest rates. The same holds true for the commercial sector, which is equally affected by business activity and investment, office vacancy rates, property values, and financing costs.

After three consecutive years of decline from FY07 to FY09 attributed to the decline in home sales and the peak in the housing bubble in FY06, the number of residential transfers increased 30.8 percent in FY10 attributed to the federal government first-time homebuyers credit, then decreased for two consecutive years - 22.3 percent in FY11 (12,779) and 5.6 percent in FY12 (12,060). Since FY12, residential transfers increased 11.3 percent in FY13, 8.6 percent in FY14, 1.5 percent in FY15, 8.4 percent in FY16, 2.1 percent in FY17, but declined 8.3 percent in FY18.

Since the peak in the housing bubble in FY06, transfer tax revenues from residential transactions declined 23.3 percent in FY07, 26.5 percent in FY08, and 18.1 percent in FY09 reflecting the decline in the number of transactions, but increased 20.9 percent in FY10 then declined 15.1 percent in FY11, decreased 5.1 percent in FY12, increased 21.2 percent in FY13, 9.8 percent in FY14, 2.4 percent in FY15, 7.7 percent in FY16, 3.6 percent in FY17, and then decreased 1.5 percent in FY18.

The decline in transfer taxes between FY07 and FY09 is attributed to both a decline in home sales that began in the summer of 2005 and in average sales price for existing homes that began in late summer of 2007. Home sales declined 23.3 percent in 2007, declined 17.7 percent in 2008, increased 21.8 percent in 2009, increased a modest 0.3 percent in 2010, decreased 8.7 percent in 2011, increased 6.9 percent and 12.8 percent in 2012 and 2013, respectively. They then decreased 4.2 percent in 2014, increased 11.1 percent in 2015, 5.8 percent in 2016, and then declined a modest 0.2 percent in 2017. Home sales decreased by 4.3 percent in 2018, but the median sales price increased 4.8 percent in 2018.

Beginning in FY06, revenues from non-residential property transfers experienced dramatic volatility over the next eleven years. After increasing 13.4 percent in FY06, transfer tax revenues from non-residential properties declined 49.2 percent in FY07, increased a modest 1.8 percent in FY08, declined 25.7 percent in FY09, but increased 12.9 percent in FY10, 45.9 percent in FY11, and 57.7 percent in FY12, then declined 3.9 percent in FY13 and 17.9 percent in FY14. Revenues increased 13.7 percent in FY15 and 12.6 percent in FY16, before jumping a near-term record 72.0 percent in FY17, but declined 20.0 percent in FY18.

Revenues from residential recordation tax revenues increased 20.1 percent in FY06, before declining 19.4 percent in FY07, 21.1 percent in FY08, and 18.3 percent in FY09, increasing 25.3 percent in FY10, decreasing 18.3 percent in FY11, and 4.2 percent in FY12, increasing 23.4 percent in FY13, 9.4 percent in FY14, 6.4 percent in FY15, and 9.0 percent in FY16. Revenue then declined 16.7 percent due to the rate cut in the General Fund and declined 13.5 percent in FY18.

Energy Tax

Estimated FY20 revenues of \$198.9 million are 0.5 percent above the revised FY19 estimate. The estimated revenues for FY20 are based on the County Executive's recommendation to continue the FY20 rates at the FY19 level. The fuel-energy tax is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product

Telephone Tax

Estimated FY20 revenues of \$56.3 million are 5.7 percent above the revised FY19 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is \$2.00

per month, while multiple business lines (Centrex) are taxed at \$0.20 per month. The tax rate on wireless communications is \$3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phone usage and by voice-over internet protocol.

Hotel/Motel Tax

Estimated FY20 revenues of \$22.6 million are 2.4 percent above the revised FY19 estimate. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnB. The current tax rate of 7.0 percent in FY19 is also assumed for FY20. Collections grow with the costs of hotel rooms and the combined effect of room supply and hotel occupancy rate in the County. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Presidential inauguration and related activities, Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods, and during the week prior and the week during the Presidential inauguration. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county.

Admissions Tax

Estimated FY20 revenues of \$3.9 million are 7.3 percent above the revised FY19 estimate. Admissions and amusement taxes are State-administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities. Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses, and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect.

E-Cigarettes Tax

Estimated FY20 revenues from the E-Cigarettes tax of \$1.4 million are 3.9 percent above the revised FY19 estimate.

■ NON-TAX REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at \$1.124 billion in FY20. This is a \$13.8 million increase, or 1.2 percent, from the revised FY19 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

General Intergovernmental Revenues

Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY20. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY20 assumes a \$18.7 million, or 2.1 percent, increase in intergovernmental revenues from the revised FY19 estimate, of which 81.3 percent is allocated to the Montgomery County Public Schools, 4.1 percent to Montgomery Community College, and 4.6 percent to Mass Transit. Total intergovernmental revenue represents an estimated 80.4 percent of the total non-tax revenues for FY20.

Licenses and Permits

Licenses and permits include General Fund business licenses (primarily public health, traders, and liquor licenses) and non-business licenses (primarily marriage licenses and Clerk of the Court business licenses). Licenses and permits in the Permitting Services Enterprise Fund, which include building, electrical, and sediment control permits, are Enterprise Funds and thus not included in tax

supported projections. The Recommended Budget for FY20 assumes a 3.8 percent increase over the revised estimates for FY19, resulting in \$13.3 million in available resources in FY20.

Charges for Services (User Fees)

Excluding intergovernmental revenues to Montgomery County Public Schools and Montgomery College, and College tuition, charges for services, or user fees, are revenues collected that come primarily from fees imposed on the recipients of certain County services including mass transit, human services, use of facilities, and recreation services and are included in the tax supported funds. The Recommended Budget for FY20 assumes a decrease of 6.0 percent over the revised estimates for FY19, resulting in \$67.8 million in available resources in FY20.

Fines and Forfeitures

Revenues from fines and forfeitures relate primarily to photo red light and speed camera citations, and library and parking fines (excluding the County's four Parking Districts). The Recommended Budget for FY20 assumes that fines and forfeitures will increase 2.9 percent from the revised estimates for FY19, resulting in \$36.0 million in available resources in FY20.

College Tuition

Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students and the tuition rate. The Recommended Budget for FY20 includes a 0.6 percent increase in tuition revenue over the revised estimates for FY19, resulting in \$75.9 million in available resources in FY20.

Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised FY19 tax-supported investment income estimate of \$8.1 million assumes a yield on equity of 2.30 percent and an average daily balance of \$1 billion. The FY20 projected estimate of tax-supported investment income of \$8.6 million assumes a yield on equity of 2.45 percent. Yields have fluctuated significantly over time due to changes in the targeted federal funds rate set by the Federal Open Market Committee (FOMC) of the Federal Reserve System. In calendar year 2019, the federal funds futures market as of March 9, 2019, expects the FOMC will not raise the rate for the current target range on federal funds at 2.25-2.50 percent for the remainder of CY2019.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY20, miscellaneous revenues will decrease 13.8 percent from the revised estimates for FY19, resulting in \$18.7 million in available resources in FY20.

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PSP Fiscal Policy

INTRODUCTION

Definition and Purpose of Fiscal Policy

Fiscal policy corresponds to the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal planning, generally done within the context of the Public Services Program (PSP)/Operating Budget and the Capital Improvements Program (CIP)/Capital Budget, reflects and helps shape fiscal policy.

The budget process not only reflects those fiscal policies currently in force, but is itself a major vehicle for determining and implementing such policies. The fiscal policy statements presented on the following pages are not static. They evolve as the economy and fiscal environment change and as the County population and requirements for government programs and services change.

The purposes of fiscal policy for the PSP/Operating Budget are:

- **Fiscal Planning for Public Expenditures and Revenues.** Fiscal policy provides guidance for good public practice in the planning of expenditures, revenues, and funding arrangements for public services. It provides a framework within which budget, tax, and fee decisions should be made. Fiscal policy provides guidance toward a balance between program expenditure requirements and available sources of revenue to fund them. Fiscal planning considers long-term trends and projections in addition to annual budget planning.
- **Setting Priorities Among Programs.** Clearly defined and quantified fiscal limits encourage setting priorities by government managers and elected officials, thus helping to ensure that the most important programs receive relatively more funding.
- **Assuring Fiscal Controls.** Fiscal policies relating to County procurement of goods and services, to payment of salaries and benefits, to debt service, and to other expenditures are all essential to maintaining control of government costs over time.

Organization of this Section

Following are the major fiscal policies currently applied to the PSP/Operating Budget and financial management of Montgomery County (see the Recommended CIP for policies that relate more directly to the CIP). Numerous other fiscal policies that relate to particular programs or issues are not included here but are believed to be consistent with the guiding principles expressed below.

The presentation of fiscal policies is in the following order:

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

FISCAL CONTROL POLICIES

Structurally Balanced Budget

The County must have a goal of a structurally balanced budget. Budgeted expenditures should not exceed projected recurring revenues plus recurring net transfers minus the mandatory contribution to reserves for that fiscal year. Recurring revenues should fund recurring expenses. No deficit may be planned or incurred.

Reserves

The County must have a goal of maintaining an unrestricted General Fund balance of five percent of the prior year's General Fund revenues and building up a total reserve of ten percent of revenues including the Revenue Stabilization Fund by FY20, as defined in the Revenue Stabilization Fund law (Section 20-65, Montgomery County Code).

Use of One-Time Revenues

One-time revenues and revenues in excess of projections must be applied first to restoring reserves to policy levels or as required by law. If the County determines that reserves have been fully funded, then one-time revenues should be applied to non-recurring expenditures which are one-time in nature, PAYGO for the CIP in excess of the County's targeted goal, or to unfunded liabilities. Priority consideration should be given to unfunded liabilities for retiree health benefits (OPEB) and pension benefits prefunding.

PAYGO

The County should allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Fiscal Plan

The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available resources. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy level goals.

Budgetary Control

The County will exercise budgetary control (maximum spending authority) over Montgomery County government through County Council approval of appropriation authority within each department and special fund in two categories: Personnel Costs and Operating Expenses; over the Montgomery County Public Schools and Montgomery College through appropriations in categories set forth by the State; over the County's portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC) activities through approval of work programs and budgets; and over the Washington Suburban Transit Commission through appropriation of an operating contribution.

Budgetary control over the Washington Suburban Sanitary Commission (WSSC) is exercised following joint review with Prince George's County through approval of Operating and Capital Budgets, with recommended changes in sewer usage charges and rates for water consumption.

Budgetary control over the Housing Opportunities Commission (HOC) and the Montgomery County Revenue Authority is limited to approval of their capital improvements programs and to appropriation of an operating contribution to the Housing Opportunities Commission.

Financial Management

The County will manage and account for its Operating and Capital Budgets in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Basis of Budgeting/Accounting Method

The County's basis of accounting used in the preparation and presentation of its Comprehensive Annual Financial Report (CAFR) is consistent with GAAP for governments.

The County maintains its accounting records for tax supported budgets (the General Fund, special revenue funds, and Capital Projects fund supported by general tax revenues) and permanent funds on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred. Accounting records for proprietary funds and fiduciary funds, including private-purpose trust funds, are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. Agency funds are also accounted for on the full accrual basis of accounting.

The County's basis of budgeting for tax-supported and proprietary and trust fund budgets is consistent with the existing accounting principles except as noted below.

- The County does not legally adopt budgets for trust funds.
- The County legally adopts the budgets for all enterprise funds.
- For the Motor Pool and Central Duplicating Internal Service Funds, the appropriated budgets for those funds are reflected in the appropriated budgets of the operating funds (General Fund, special revenue funds, etc.) that are charged back for such services, and in a reappropriation of the prior year's Internal Service Fund fund balance. For the Liability and Property Coverage Self-Insurance and Health Self-Insurance Internal Service Funds, appropriation exists both in a separate legally adopted budget for each fund, and in the appropriated budgets of the operating departments that are charged back for such services.
- Debt service payments and capital outlay are included in the operating budgets of proprietary funds.
- Proprietary fund budgets do not include depreciation and amortization. Instead, capital outlay and construction costs, as applicable, are budgeted in the operating and capital funds, respectively, at the time of purchase and/or encumbrance. Proprietary fund budgets also do not include bad debts.
- The County does not budget for the retirement of Commercial Paper Bond Anticipation Notes (BANs). The outstanding balance of any BANS issued are retired with the issuance of general obligation bonds.
- Certain amounts, such as those relating to the purchase of new fleet vehicles and certain inter-fund services such as permitting and solid waste services, are budgeted as fund expenditures but are reclassified to inter-fund transfers for accounting purposes.
- Year-end GAAP incurred but not reported (IBNR) adjustment amounts in the self-insurance internal service funds are not budgeted; any such adjustments to IBNR claims reserve as of year-end are incorporated into the budget preparation process of the following fiscal year.
- Proprietary fund budgets include the annual required contribution to pre-fund retiree health insurance benefit costs; however, certain pre-funded retiree health insurance related costs in the proprietary funds and General Fund may be reclassified for accounting purposes.
- Proceeds from debt issued specifically for Montgomery Housing Initiative (MHI) affordable housing/property acquisition is classified as a resource in the MHI fund.
- The County does not budget for the annual change in fair market value of its investments, which is included in revenue for accounting purposes.
- The County does not budget for the operating results of the Montgomery County Conference Center, owned by the County and administered by a third party; instead, the budget includes cash distributions between the parties that represent distribution of net operating revenues and reimbursement for net operating losses.

Internal Accounting Controls

The County will develop and manage its accounting system to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Audits

The County will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the County, its officials, and employees in compliance with local, state, and federal law.

POLICIES FOR EXPENDITURES AND ALLOCATION OF COSTS

Content of Budgets

The County will include in the Operating Budget all programs and facilities which are not included in the Capital Improvements Program. There are three major impacts of the Capital Improvements Program (CIP) on Operating Budgets: debt service; current revenues applied to the CIP for debt avoidance or for projects which are not debt-eligible; and presumed costs of operating newly opened facilities. Please refer to the Capital Improvements Program (CIP) section in this document for more detail.

Expenditure Growth

The Charter (Section 305) requires that the County Council annually adopt and review spending affordability guidelines for the Operating Budget, including guidelines for the aggregate Operating Budget. The aggregate Operating Budget excludes Operating Budgets for: enterprise funds; grants; tuition and tuition-related charges of Montgomery College; and the Washington Suburban Sanitary Commission. County law implementing the Charter requires that the Council set expenditure limits for each agency, as well as for the total, in order to provide more effective guidance to the agencies in the preparation of their budget requests.

Spending affordability guidelines for the Capital Budget and Capital Improvements Program are adopted in odd-numbered calendar years. They have been interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first and second years of the CIP and for the entire six years of the CIP.

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

The Executive advises the Council on prudent spending affordability limits and makes budget recommendations for all agencies consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years.

Consistent with the Charter (Section 302) requirement for a six-year Public Services Program, the Executive continues to improve long-range displays for operating programs.

Allocation of Costs

The County will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures, the inability of some citizens to pay the full costs of certain benefits, and the difficulty of measuring the relationship between public costs and public or private benefits of some services.

Tax Duplication Avoidance

In accordance with law, the County will reimburse those municipalities and special taxing districts which provide public services that would otherwise be provided by the County from property taxes.

Expenditure Reduction

The County will seek expenditure reductions whenever possible through efficiencies, reorganization of services, and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness. The County will seek interagency opportunities to improve productivity.

Shared Provision of Service

The County will encourage, through matching grants, subsidies, and other funding assistance, the participation of private organizations in the provision of desirable public services when public objectives can be more effectively met through private activity and expertise and where permitted by law.

Public Investment in Infrastructure

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

Cost Avoidance

The County will, within available funds, consider investment in equipment, land or facilities, and other expenditure actions, in the present, to reduce or avoid costs in the future.

Procurement

The County will make direct or indirect purchases through a competitive process, except when an alternative method of procurement is specifically authorized by law, is in the County's best interest, and is the most cost-effective means of procuring goods and services.

Use of Restricted Funds

In order to align costs with designated resources for specific programs or services, the County will generally first charge expenses against a restricted revenue source prior to using general funds. The County may defer the use of restricted funds based on a review of the specific transaction.

■ SHORT-TERM FISCAL AND SERVICE POLICIES

Short-term policies are specific to the budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves the County Executive's priorities within the context of current and expected economic realities.

In May 2015, the Supreme Court upheld the decision of the Maryland Court of Appeals in the *Wynne* income tax case, which held that the State of Maryland's failure to allow a credit with respect to the County income tax for out-of-state income taxes paid to other states for certain income earned in those states violates the Commerce Clause of the United States Constitution. As a result of the decision, the County's revenue baseline has been reduced to reflect the retroactive liability from past income tax filings as well as the ongoing annual impact related to the change in the taxability of this source of income. The annual impact of this ruling is estimated to be approximately \$30 million, and the repayment to the State for retroactive liability from past income tax filings is estimated to be \$143 million spread over 20 quarters starting in the third quarter of FY21. The County's revenue forecasts reflect this repayment schedule.

The FY20 budget development was impacted by FY18 actuals and reduced FY19 and FY20 revenue estimates. FY18 revenue growth unexpectedly slowed to an anemic 0.3%, or \$14.5 million over FY17 actuals. Changes in the Federal tax code and a deceleration of property assessment growth contributed to reductions in FY18 income and property taxes compared to estimates. And slow downs in real estate transactions resulted in reductions in FY18 recordation and transfer tax collections. As a result of these revenue shortfalls, overtime and fuel overspending for Fire and Rescue Services, and higher than estimated Transit fuel costs, the County ended FY18 \$44 million below the anticipated reserves target. In FY19, the County now anticipates a shortfall in income and property tax revenues in excess of \$64 million, primarily driven by lower than anticipated income tax receipts. The January and February 2019 income tax distributions were significantly lower than expected, attributable primarily to continued changes in taxpayer behavior related to federal tax law. H.R. 1, the Tax Cuts and Jobs Act of 2017 (TCJA), was signed into law in December 2017, enacting substantial changes to Federal income tax policy. The impact that the provisions of this law will have on the County's economic and fiscal outlook is still uncertain. Statewide, estimated quarterly income tax payments were down by more than 30% in the final quarter of Calendar Year 2018. As a result of these revenue trends, FY20 income tax estimates have been reduced by over \$42 million, and property tax revenues have been reduced by over \$22 million compared to previous estimates. By February, 2019, the Budget Director estimated an FY20 budget gap of over \$186 million based on updated, reduced revenue estimates, reserve requirements, and contingency planning for weather events.

The following additional factors and events shaped the budget environment and helped to drive budget planning for FY20:

- Low inflation has resulted in a relatively small increase in expected property tax revenues in FY20.
- Increased costs associated with labor agreements, the operating costs of new facilities, and other costs related to programmatic obligations.
- The need to address prior underbudgeting for some Fire and Rescue, Correction and Rehabilitation, and Transit services.
- Uncertainty regarding potential reductions in Federal and State revenues or costs shifted to the County by the State.
- Lingering uncertainty regarding the economic and fiscal impacts of the Tax Cuts and Jobs Act of 2017.
- Uncertainty regarding the economic and programmatic impacts of other possible changes in Federal budgets, policies, and laws.

To cope with these fiscal challenges while ensuring that the County Executive's priorities are met, the County implemented a number of short-term policies and initiatives to control FY19 spending and reduce the FY20 budget gap:

- Implemented a mid-year savings plan to reduce spending across all departments and agencies. The Savings Plan approved by Council included \$45.7 million in savings from County Government, Montgomery County Public Schools, Montgomery College, and the Maryland-National Capital Park and Planning Commission;
- Identified areas for further analysis to reduce overspending in selected departments;
- Maintained a position exemption process requiring special approval to fill most vacancies;
- Continued restrictions on new procurements over \$50,000, including procurements funded by current revenue in the Capital Improvements Program;
- Maintained systems for identifying turnover cost savings to avoid the need for reductions that negatively impacted services;
- Required that departments with projected overspending in their mid-year expenditure analysis implement corrective actions; and
- Continued initiatives undertaken to maintain the County's fiscal policies and its commitments to the bond rating agencies to protect its AAA bond rating.

In preparing the FY20 operating budget submissions, departments were asked to submit budget reductions of 2 percent for public safety departments and 4 percent for non-public safety departments. At the same time, the County Executive emphasized that the County would continue to focus on preserving core services consistent with the Executive's priority outcomes.

After the departments submitted their budgets, the Office of Management and Budget coordinated several high-level working groups or "clusters." The clusters focused on the following cross-cutting issues affecting multiple departments:

- Thriving Youth and Families,
- Safe Neighborhoods,
- Digital Evidence Management (e-Discovery).

The clusters included all departments affected by - or affecting - the cluster issue. Department heads or designees attended cluster meetings. The purpose of these clusters, which facilitates a collaborative approach to budgeting in the County, was to review existing programs and policies within the County and determine if there were enhancements or efficiencies which could be made across County Government. The cluster analysis was incorporated into the County Executive's decision making process.

Since his inauguration in December, 2018, the County Executive has committed to take the following actions to further strengthen the County's future budget practices:

- Adopt a two year budget and ten year fiscal plan to ensure financial sustainability;
- Align budgets and budget decision making to achieve Key Priority Outcomes;
- Evaluate reserves and revenue estimating policies to mitigate revenue volatility;
- Initiate a new revolving Innovation Fund to pilot initiatives that can efficiently improve customer service and performance results;
- Implement a Lean business process improvement program; and

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- Increase public input into the budget process.

There were also challenges in developing the Recommended Biennial FY19-24 Capital Improvements Program (CIP) as the County chose to: 1) maintain reduced levels of General Obligation debt to improve future operating budget flexibility, 2) reallocate tax-supported cash contributions from the capital budget to support FY20 operating budget needs, and 3) subsequently provided budget amendments to address large cost increases in several projects and significant reductions in impact tax funding. In order to maintain support for key priorities such as education, economic development, core infrastructure and critical transportation projects with reduced resources, very few new projects were included in the Recommended Biennial FY19-24 CIP, and a number of previously approved projects were reduced or deferred.

Together with the long-term policies described elsewhere in this chapter, the short-term policies described here have allowed the County to construct a balanced, fiscally responsible FY20 budget consistent with current economic and fiscal realities while achieving the County Executive's key priority outcomes.

■ CURRENT CIP FISCAL POLICIES

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.
- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available in a set-aside for future needs.

Policy on Funding CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have a useful life at least approximately as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue as its funding source. It is County fiscal policy that financing in partnership situations ensure that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies assures Montgomery County of a ready market for its bonds and the

lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County considers the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation. This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund. This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds.

Overall Debt per Capita. This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten Year Payout Ratio. This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per Capita Debt to Per Capita Income. This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with 5 percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio (see Debt Limits, below). Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used. General Obligation bonds are secured by the unlimited taxing authority pledge of the County.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be useful in situations where project expenditures are eligible for long-term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified ultimate funding source, and should be repaid within the short-term. An example for interim financing would be in a situation where an offsetting revenue, such as land sale proceeds, will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on Use of Short-Term Financing

Short-term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long-term financing is not appropriate. Short-term financings in the CIP are also of a larger size or magnitude than smaller purchases typically financed with short-term Master Lease financing.

Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Impact Tax - Transportation. The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016, and rates were subsequently increased in February 2018. These taxes are levied at four zone rate schedules: transit-oriented and urban Red Policy Areas (former Metro Station Policy Areas), mixed urban/suburban Orange Policy Areas (formerly part of the general impact district), suburban Yellow Policy Areas (formerly part of the general impact tax district), and rural Green Policy Areas (e.g. agricultural reserve).

Impact Tax - Schools. Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same countywide but vary by housing type, commensurate with the average student generation rates of that type of residential development. The County Council established new School Impact Tax rates effective February 2018.

School Facilities Payment. A school facilities payment is applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment is made on a per-student basis, based upon standard student generation rates of that type of residential development. As of March 1, 2017, the School Facilities Payment only applies to development projects that were included in a preliminary plan of subdivision prior to this date.

Development Approval Payment (DAP). In November 1993, the Council created an alternative voluntary review procedure for Metro Station Policy Areas as well as limited residential development. The DAP permits development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates.

Development Districts. Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional, special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing

capital improvements and, thus, must be included in the Capital Improvements Program.

Systems Development Charge (SDC). This charge, enacted by the 1993 Maryland General Assembly, authorized WSSC to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

■ GOVERNMENTAL MANAGEMENT POLICIES

Productivity

The County will seek continuous improvement in the productivity of County programs in terms of quantity of services relative to resources expended, through all possible strategies.

Employee Involvement

The County will actively encourage and make use of the experience and expertise of its workforce for optimum program effectiveness and cost-efficiency of public service delivery through training, teamwork, employee empowerment, and other precepts of quality management.

Intergovernmental Program Efforts

The County will seek program efficiencies and cost savings through cooperative agreements and joint program efforts with other County agencies, municipalities, regional organizations, and the State and Federal governments.

Alternative Service Delivery

The County will consider obtaining public service delivery through private or non-profit sectors via contract or service agreement, rather than through governmental programs and employees, when permitted by law, cost-effective, and consistent with other public objectives and policies.

Risk Management

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

Employee Compensation

The County will seek to provide total compensation (pay plus employee benefits) that is comparable to jobs in the private sector; comparable among similar jobs in the several County departments and agencies; and comparable between employees in collective bargaining units and those outside such units.

The government will act to contain the growth of compensation costs using various strategies including organizational efficiencies within its departments and agencies, management efficiencies within its operations and service delivery, and productivity improvements within its workforce.

Pension Funds

The County will, to assure the security of benefits for current and future retirees and the solvency of the Employee Retirement System of Montgomery County, provide for the judicious management and investment of the fund's assets through the Board of Investment Trustees (BIT), and strive to increase the funding ratio of assets to accrued liability. The BIT also selects the service providers and investment options available for employees participating in the Retirement Savings Plan and the Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three

unions representing Montgomery County employees.

Retiree Health Benefits Trust

The County phased-in full pre-funding of its Actuarially Determined Contribution (ADC), from the previous pay-as-you-go approach, beginning with contributions to one or more trust funds established for that purpose, over an eight-year period beginning with FY08. This approach allows the County to use a discount rate higher than its operating investment rate for accounting and budgeting purposes, which will result in lower costs and liabilities than if the County did not have a Trust in place.

Surplus Property

The County will maximize the residual value of land parcels or buildings declared excess to current public needs through public reuse, lease to appropriate private organizations, or sale, in order to return them to the tax base of the County. Disposition of goods which have become obsolete, unusable, or surplus to the needs of the County will be accomplished through bid, auction, or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.

Fiscal Impact Reviews

The County will review proposed local and State legislation, regulations, and master plans for specific findings and recommendations relative to financial and budgetary impacts and any continuing and potential long-term effects on the operations of government.

Economic Impact Statements

The County will review proposed local and State legislation, and regulations for specific findings and recommendations relative to economic impacts for any continuing and potential long-term effects on the economic well-being of the County.

Resource Management

The County will seek continued improvement in its budgetary and financial management capacity in order to reach the best possible decisions on resource allocation and the most effective use of budgeted resources.

POLICIES FOR REVENUES AND PROGRAM FUNDING

Diversification of Revenues

The County will establish the broadest possible base of revenues and seek alternative revenues to fund its programs and services, in order to:

- Decrease reliance on general taxation for discretionary but desirable programs and services and rely more on user fees and charges;
- Decrease the vulnerability of programs and services to reductions in tax revenues as a result of economic fluctuations; and
- Increase the level of self-support for new program initiatives and enhancements.

Revenue Projections

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

Property Tax

The County will, to the fullest extent possible, establish property tax rates in such a way as to:

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- Limit annual levies so that tax revenues are held at or below the rate of inflation, or justify exceeding those levels if extraordinary circumstances require higher rates;
 - Avoid wide annual fluctuations in property tax revenue as economic and fiscal conditions change; and
 - Fully and equitably obtain revenues from new construction and changes in land or property use.

A 1990 amendment to the County Charter (Section 305), "Question F," limits the annual increase in real property tax revenue to the rate of inflation plus that associated with new construction, rezoning, changes in property use, and development districts. As a result of a Charter amendment approved by voters in 2016, this limit may not be overridden without an affirmative vote of all current Councilmembers.

County Income Tax

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

Special Districts

The County has established special districts within which extra services, generally not performed countywide, are provided and funded from revenues generated within those districts. Examples are the Urban, Recreation, and Parking Lot Districts. The County will also abolish special districts when the conditions which led to their creation have changed.

Most special districts have a property tax to pay all or part of the district expenses. Such property taxes are included in the overall limit set on annual real property tax revenue increases by Section 305 of the County Charter.

Special Funds

The revenues and expenditures of special districts are accounted for in special revenue funds or, in the case of Parking Lot Districts, in enterprise funds. As a general principle, these special funds pay an overhead charge to the General Fund to cover the management and support services provided by General Fund departments to these special fund programs.

When the fund balances of special funds grow to exceed mandated or otherwise appropriate levels relative to district public purposes, the County may consider transferring part of the fund balance to support other programs, as allowed by law. For example, a portion of the PLDs' fee revenue is transferred to the Urban Districts.

Enterprise Funds

The County will, through pricing, inventory control, and other management practices, ensure appropriate fund balances for its enterprise funds while obtaining full cost recovery for direct and indirect government support, as well as optimal levels of revenue transfer for General Fund purposes.

One-Time or "Windfall" Revenues

Except for excess revenues which must go to the Revenue Stabilization Fund (see below), the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Intergovernmental Revenues

The County will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the County's interest. Where possible, Federal or State funding for the full cost of the program will be requested, including any indirect costs of administering a grant-funded program. For reasons of fiscal prudence, the County may choose not to solicit grants that will require an undeclared fiscal commitment beyond the term of the grant.

User Fees and Charges

The County will charge users directly for certain services and use of facilities where there is immediate and direct benefit to those users, as well as a high element of personal choice or individual discretion involved, rather than fund them through general taxation. Such charges include licenses, permits, user fees, charges for services, rents, tuition, and sales of goods. This policy will also be applied to fines and forfeitures. See also: "Policies for User Fees and Charges," later in this Fiscal Policy section.

Cash Management and Investments

The objective of the County's cash management and investment program is to achieve maximum financial return on available funds while assuring a high level of safety. Cash will be pooled and invested on a daily basis reflecting the investment objective priorities of capital preservation, liquidity, and yield.

Reserves and Revenue Stabilization

The County will maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of prior year's General Fund revenues and the Revenue Stabilization Fund (or, "rainy day"). This budget satisfies the County's policy to increase and maintain the budgeted total reserve of the General Fund and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues by FY20. As defined in the Revenue Stabilization Fund law, Adjusted Governmental Revenues include the tax supported revenues of the County government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and Maryland-National Capital Park and Planning Commission, plus the revenues of the County Government's grant fund and capital projects fund.

Reserves in the County Government's other tax supported funds should be minimized to support the policy of maximizing reserves in the General Fund.

The County's Revenue Stabilization Fund was established to accumulate funds during periods of strong economic growth in order to provide budgetary flexibility during times of funding shortfalls. Contributions of at least 0.5 percent of Adjusted Governmental Revenues up to the 10 percent total reserve goal must be made to the Revenue Stabilization Fund. If greater, 50 percent of certain excess revenues must be transferred to the Fund. By an affirmative vote of six Councilmembers, the Council may transfer any amount from the Fund to the General Fund to support appropriations which have become unfunded.

The budgeted reserve levels for non-tax supported funds are established by each government agency and vary based on the particular fiscal requirements and business functions of the fund as well as any relevant laws, policies, or bond covenants.

The table at the end of this chapter displays the projected ending fund balance for each major fund in the County's operating budget and includes an explanation of changes greater than ten percent.

POLICIES FOR USER FEES AND CHARGES

To control the growth of property taxation as the County's principal revenue source, there is a need to closely allocate certain costs to those who most use or directly benefit from specific government programs and services. Fees and charges are those amounts received from consumers of government services or users of facilities on the basis of personal consumption or private benefit rather than individual income, wealth, or property values. Significant government revenues are and should be obtained from licenses, permits, user fees, charges for services, transit fares, rents, tuition, sales, and fines. The terms "fee" and "charge" are used here interchangeably to include each of these types of charges.

Purpose of User Fee Policy

Access to programs and services. The imposition of and level of fees and charges should be set generally to ensure economic and physical access by all residents to all programs and services provided by the government. Exceptions to this basic public policy are: the pricing of public goods (such as parking facilities) in order to attain other public policy objectives (such as public use and support of mass transit); and using a charge to enforce compliance with laws and regulations, such as fines for parking violations.

Fairness. User fees and charges are based on the idea of equity in the distribution of costs for government programs and services,

with the objective of sharing those costs with the individual user when there is individual choice in the kind or amount of use, and of adjusting charges in accordance with individual ability to pay when there is no choice.

Diversification of revenue sources. User fees and charges enhance the government's ability to equitably provide programs and services which serve specific individuals and groups and for which there is no other alternative provider available. The policy objective is to decrease reliance on general revenues for those programs and services which produce direct private benefits and to fund such programs and services through revenues directly related to their costs and individual consumption.

Goals

Goals for the imposition of user fees and charges include:

- Recovery of all, or part, of government costs for the provision of certain programs and services to the extent that they directly benefit private individuals or constituencies rather than the public at large;
- Most efficient allocation of available public resources to those programs meeting the broadest public need or demand;
- More effective planning and alternative choices for future programs, services, and facilities through "market" information from actual user demand;
- Improved cost-effectiveness and accountability for the spending of public funds by allowing individual citizens to choose their level of use from among those programs, services, and facilities where individual choice may be exercised; and
- Ensuring dedicated sources of funds to cover the costs of programs and services of direct benefit to designated special areas or user groups rather than the County as a whole.

Criteria

Within these goals, government officials must consider a variety of factors in deciding whether to employ fees and charges and what rates to charge. Each proposal for a new or increased fee is evaluated according to these criteria.

Public benefit. Many programs benefit the public as a whole as well as those who directly use the service. By definition, all programs offered by government have some public benefit or they should not be undertaken. However, the rate set must balance the private benefit with the public good so that there is maximum overall benefit to the community, and the costs are fairly allocated.

This balance may be achieved either by specifying a percentage of cost recovery (from users) or by a tax subsidy for each service (from the general public). The greater the public benefit, the lower the percentage of cost recovery that is appropriate. On one end of the scale, public utilities such as water and sewer should be paid for almost entirely on the basis of individual consumption, with full cost recovery from consumer-users; on the other, public education and public safety (police and fire service) are required for the overall public good and so are almost entirely supported through general taxation.

In between are services such as public health inspections or clinic services which protect the public at large but which are provided to specific businesses or individuals; facilities such as parks which are available to and used by everyone; and playing fields, golf courses, or tennis courts which serve only special recreational interests. Services that have private benefit for only a limited number of persons (such as public housing, rent or fuel subsidies) should not be "free" unless they meet very stringent tests of public good, or some related criteria such as essential human needs.

Ability to pay. Meeting essential human needs is considered a basic function of government, and for this reason programs or services assisting the very poor are considered a "public good" even though the benefit may be entirely to individuals. Whether to assess fees and how much to charge, depends on the ability to pay by those who need and make use of programs and services provided by government.

Without adjustment, fees are "regressive" because rates do not relate to wealth or income. For this reason, services intended mainly for low-income persons may charge less than otherwise would be the case. Policies related to fee scales or waivers should be consistent within similar services or as applied to similar categories of users. Implementation of fee waivers or reductions requires a means for establishing eligibility that is fair and consistent among programs. The eligibility method also must preserve the privacy and dignity of the individual.

User discretion. Fees and charges are particularly appropriate if the user has a choice about whether or not to use a particular

program or service. Individuals have choices as to: forming a business that requires a license; use of particular recreational facilities; obtaining post-secondary education; or in transportation and related facilities. When fines represent a penalty to enforce public law or regulation, citizens can avoid the charge by compliance; fines should be set at a point sufficient to deter non-compliant behavior. The rates for fines and licenses may exceed the government cost of providing the related "service" when either deterrence or rationing the special "benefit" is desired as a matter of public policy.

Market demand. Services which are fee-supported often compete for customer demand with similar services offered by private firms or by other public jurisdictions. Fees for publicly-provided goods cannot be raised above a competitive level without loss of patronage and potential reduction in cost-effectiveness. Transit fares, as a user charge, will compete with the individual's real or perceived cost of alternative choices such as the use of a private automobile. In certain cases, it may be advisable to accept a loss of volume if net revenue increases, while in others it may be desirable to set the fee to encourage use of some other public alternative.

Specialized demand. Programs with a narrow or specialized demand are particularly suitable for fees. The fee level or scale may be set to control the expansion of services or programs in which most of the public does not need or elect to participate. Services that have limitations on their availability may use fee structures as a means of rationing available capacity or distributing use over specific time periods. Examples include golf courses, parking, and transit fares, all of which have differentiated levels related to time of use. Even programs or services which benefit all or most residents may appropriately charge fees if their benefits are measurable but unequal among individuals. Charges based on consumption, such as water and sewer provision, are examples. In addition, because they do not pay taxes, non-residents may be charged higher rates than residents (as with community college tuition), or they may be charged a fee even if a program is entirely tax supported for County residents.

Legal constraints. State law may require, prohibit, regulate, or preempt certain existing or proposed user charges. In general, local government has no authority to tax unless specifically authorized by State law. Localities are generally able to charge for services if those charges are authorized by local ordinance and not prohibited, regulated, or preempted by State law. If a proposed fee is legally construed as a tax, then the fee may be invalidated until authorized as a tax by the State. Federal or State law may also prohibit or limit the use of charges for certain grant programs, and other Federal or State assistance may require the local authority to "match" certain amounts through imposition of charges. It should be noted that law on such issues is frequently in dispute; particular fees, or the level of charge, may be subject to legal challenge.

Program cost. The cost of a program or service is an important factor in setting user charges. Costs may include not only the direct personnel and other costs of operating a program, but also indirect costs such as overhead for government support services. In addition, a fee may be set to recover all or part of facilities construction or debt service costs attributable to a program. Recovery of any part of the costs of programs benefiting specific individuals should identify and consider the full cost of such programs or services to acknowledge the cost share which will be borne by the public at large.

Reimbursement. A decision on whether to use fees is influenced by the possibility of reimbursement or shifting of real costs that can lower the net cost to the resident. For example, some County taxes are partially deductible from Federal or State income tax, while fees and charges may not be deducted. Hence, the same revenue to the County may cost less to the resident if it is a tax rather than a fee. Charges may also be reimbursed to (shifted from) the paying individual from (or to) other sources, either governmental or private. For example, ambulance transport charges may be payable under health insurance. In general, the County will use fees to minimize the real cost to residents, within the context of equity and other criteria noted.

Administrative cost. The government incurs administrative costs to measure, bill, and collect fee revenues. In general, it is less expensive to collect tax revenue. If a potential user fee revenue will cost more to collect than it will produce, it may not be appropriate to assess a fee even if otherwise desirable and appropriate. It is important to develop ways to measure the use of services which do not cost more than the usefulness or fairness of doing the measurement. For example, "front footage" has been used as a measurement basis for assessing certain charges related to road improvements and supply of water and sewer, to avoid the administrative cost of precisely measuring benefit. Similarly, the cost of effective collection enforcement must be weighed against total benefits of the charge, including the value of deterrence if the charge is punitive.

Preserving the real value of the charge. During the period when a fee has been in effect, costs have usually risen and inflation has cut the real value of revenue produced by the fee. In some instances, adjustments to user charges have either not been imposed or have lagged behind inflation. The rate of the charge should be increased regularly to restore the former value of the revenue involved. Most fees and charges should be indexed so that their per unit revenues will keep up with inflation.

FRAMEWORK FOR FISCAL POLICY

Legal Framework

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

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

Fiscal Planning Projections and Assumptions

Various trends and economic indicators are projected and analyzed for their impacts on County programs and services and for their impact on fiscal policy as applied to annual Operating Budgets. Among these are:

- Inflation, as measured by change in the Consumer Price Index (CPI) for the Washington-Arlington-Alexandria, DC-VA-MD-WV area, is an important indicator of future costs of government goods and services, including anticipated wage and salary adjustments. The CPI change also specifies the increase in property tax revenue allowed by Section 305 of the Charter without a unanimous vote of nine Councilmembers.
- Growth of population and jobs, which are principal indicators of requirements for new or expanded programs and services.
- Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of the requirements and costs of various government services and programs.
- The assessable property tax base of the County which is the principal indicator of anticipated property tax collections, a major source of general revenues.
- Personal income earned by County residents, which is a principal basis for projecting income tax revenues as one of the County's major revenue sources, as well as being a basis for determining income eligibility status for certain government programs.
- Employment growth and unemployment rates within the County, as indicators of personal income growth as a revenue source, as well as being indicators of various service or program needs, such as day care or public welfare assistance.

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of annual operating expenditures must be in conformity with GAAP standards. This involves the separate identification of, and accounting for, the various operating funds; adherence to required procedures such as transfers between funds and agencies; and regular audits of general County operations and special financial transactions such as the disbursement of Federal grants.

Credit Markets and Credit Reviews

The County's ability to borrow cost-effectively depends upon its credit standing as assessed by the three major credit rating agencies: Moody's, Standard and Poor's, and Fitch. While key aspects of maintaining the highest credit rating are related to the management of the County's Capital Improvements Program (CIP), others are directly applicable to the annual Operating Budgets:

- Maintenance of positive fund balances (reserves) to ensure continued County liquidity for debt repayment; and
- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations.

Intergovernmental Agreements

Fiscal policy for operating budgets must provide guidance for, and be applied within, the context of agreements made between the County and other jurisdictions or levels of government relative to program or service provision. Examples include agreements with:

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- Incorporated municipalities or special tax districts for reimbursement of the costs of various services provided by those units for their residents which would otherwise have to be expended by the County;
 - State agencies for shared costs of various social service programs and for participation in various grant and loan programs;
 - Federal agencies to obtain support to meet mutual program objectives through programs such as the Community Development Block Grant; and
 - Prince George's County on the annual approval of the budgets of the Washington Suburban Sanitary Commission and the Maryland-National Capital Park and Planning Commission.



CIP Fiscal Policy

DEFINITION AND PURPOSE OF FISCAL POLICY

Fiscal policy is the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal policy for the Capital Improvements Program (CIP) focuses on the acquisition, construction, and renovation of public facilities and on the funding of such activities, with special attention to both long-term borrowing, and increasingly, short-term debt.

The purposes of the CIP fiscal policy are:

- To encourage careful and timely decisions on the relative priority of programs and projects;
- To encourage cost effectiveness in the type, design, and construction of capital improvements;
- To ensure that the County may borrow readily for essential public improvements; and
- To keep the cost of debt service and other impacts of capital projects at levels affordable in the operating budget.

The County Charter (Article 3, Sections 302 and 303) provides that the County Executive shall submit to the Council, not later than January 15 of each even-numbered calendar year, a comprehensive six-year program for capital improvements. This biennial Capital Improvements Program takes effect for the six-year period which begins in each odd-numbered fiscal year. The Charter provides that the County Executive shall submit a Capital Budget to the Council, not later than January 15 of each year.

The County Executive must also submit to the Council, not later than March 15 of each year, a proposed operating budget, along with comprehensive six-year programs for public services and fiscal policy. The Public Services Program (PSP)/Operating Budget and Capital Improvements Program (CIP)/Capital Budget constitute major elements in the County's fiscal planning for the next six years. Fiscal policies for the PSP and CIP are parts of a single consistent County fiscal policy.

In November 1990, the County's voters approved an amendment to Section 305 of the Charter to require that the Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP are interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first year and the second year of the CIP, and for the entire six years of the CIP. Spending affordability guidelines are adopted in odd-numbered calendar years. Since 1994, the Council, in conjunction with the Prince George's County Council, adopted one-year spending limits for WSSC. These spending control limits include guidelines for new debt and annual debt service.

CURRENT CIP FISCAL POLICIES

The fiscal policies followed by the Executive and Council are relatively stable, but not static. They evolve in response to changes in the local economy, revenues and funding tools available, and requirements for public services. Also, policies are not absolute; policies may conflict and must be balanced in their application. Presented here are the CIP fiscal policies currently in use by the County Executive.

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.
- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable

expenditures" (as used in the Bond Adjustment Chart) is deliberately left available for future needs.

Policy on Funding CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have an approximate useful life at least as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. It is County fiscal policy that when financing in public-private partnership situations, that tax-exempt debt will be issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies, assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County uses the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation - This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund - This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds. If those special funds supported by all County taxpayers were to be included, the ratio would be below ten percent.

Overall Debt per Capita - This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten-year Payout Ratio - This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per Capita Debt to Per Capita Income - This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit, and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with five percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio. Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-Backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be used in exceptional circumstances where project expenditures are eligible for long term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified and reliable ultimate funding source, and should be repaid within the short term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on Use of Short Term Financing

Short term financing (terms of seven years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long term financing is not appropriate.

Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" (PAYGO) financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, whenever possible, give highest priority for the use of one-time revenues from any source to the funding of capital assets or other nonrecurring expenditures so as not to incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Transportation Impact Tax The County Council established new rates and geographical boundaries for transportation impact taxes in November 2016 and enacted a White Flint impact tax district in 2010. These taxes are levied at rate schedules based on the classification of an area relative to transit service and accessibility. The "Red" policy areas replaced the prior Metro Station Policy Areas (MSPAs). "Orange" policy areas are corridor cities (but not MSPAs), town centers, and emerging transit-oriented development areas where transitways such as the Purple Line and Bus Rapid Transit lines are planned. "Yellow" policy areas are lower density residential neighborhoods with community-serving commercial areas; and "Green" policy areas are the Agricultural Reserve and other rural areas. In related action, the County Council adjusted impact tax rates to replace lost revenue from eliminated transportation mitigation payments. Transportation Impact Taxes are also assessed for projects within the boundaries of Rockville and Gaithersburg. These impact taxes can only be used for projects listed in a Council-approved Memorandum of Understanding with the individual municipalities.

Schools Impact Tax Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same Countywide but vary by housing type, commensurate with the average student generation rates of that type of residential development. In November, 2016, the County Council increased school impact tax rates to replace revenues lost when they eliminated School Facilities Payments and to account for land costs which had previously not been considered when calculating impact tax rates.

School Facilities Payment Prior to County Code changes approved in 2016, a school facilities payment was applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment was made on a per-student basis, based upon standard student generation rates of that type of residential development. While School Facility Payments will not provide additional future capital budget funding, payments collected prior to the change in the law are still programmed in several MCPS projects in the FY19-24 capital budget.

Development Approval Payment (DAP) In November 1993, the Council created an alternative voluntary review procedure for Metro station policy areas as well as limited residential development. The DAP permitted development projects to proceed in certain areas subject to development restrictions. Due to the voluntary nature of this payment, DAP revenue is an unpredictable funding source and is not programmed for specific transportation improvements until after the revenue has been collected. In October 2003, the County Council revised the Annual Growth Policy to replace the Development Approval Payment with an alternative payment mechanism based upon impact tax rates. While the DAP payments are no longer being collected, they are reported in some active projects based on past allocations.

Development Districts Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

- **Transportation Improvement (Loophole) Credits** Under certain conditions, a developer may choose to pay a transportation improvement credit in lieu of funding or constructing transportation improvements required in order to obtain development approval. These funds are used to offset the cost of needed improvements in the area from which they are paid.
- **Systems Development Charge (SDC)** This charge, enacted by the 1993 Maryland General Assembly, authorized Washington Suburban Sanitation Commission (WSSC) to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

DETAILED DESCRIPTION OF CIP FUNDING SOURCES

Within each individual capital project, the funding sources for all expenditures are identified. There are three major types of funding for the Capital Improvements Program: current revenues (including PAYGO); proceeds from bonds and other debt instruments; and grants, contributions, reimbursements, or other funds from intergovernmental and other sources.

Current Revenues

Cash contributions used to support the CIP include: transfers from general revenues, special revenues, and enterprise funds; investment income on working capital or bond proceeds; proceeds from the sale of surplus land; impact taxes, development approval payments, systems development charges, and the expedited development approval excise tax; and developer contributions. The source and application of each are discussed below.

Current Revenue Transfers. When this source is used for a capital project, cash is allocated to the capital project directly from the General, Special, or Enterprise Funds to finance direct payment of some or all of the costs of the project. The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Use of current revenues is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time. Current revenues from the General Fund are used for designated projects which involve broad public use and which fall outside any of the specialized funds. Current revenues from the Special and Enterprise

Funds are used if the project is associated with the particular function for which these funds have been established.

PAYGO is current revenue set aside in the operating budget, but not appropriated. PAYGO is used to replace bonds for debt-eligible expenditures. PAYGO is planned to be ten percent of bonds planned for issue.

Recordation Tax Starting in FY03, the County raised the recordation tax rate and earmarked revenues generated from the increase to the Montgomery County Public Schools (MCPS) capital budget and Montgomery College information technology projects. In 2008, the County enacted an additional rate premium with revenues generated from half of that premium allocated to Montgomery County Government capital projects. Effective September 2016, the recordation tax was modified resulting in a lower tax rate for the General Fund, but a higher tax rate for MCPS CIP. At the same time, the Premium tax rate increased with 50 percent of the Premium revenues earmarked for the County Government CIP.

Proceeds from the Sale of Public Property. When the County sells surplus land or other real property, proceeds from the sales are deposited into the Land Sale account, and are then used to fund projects in the CIP. By law, 25 percent of the revenue from land sales must be directed to the Montgomery Housing Initiative (MHI) Fund to promote a broad range of housing opportunities in the County. Properties may be excluded from the 25 percent requirement if they are within an area designated as urban renewal or by a waiver from the County Executive. Generally, land sale proceeds are not programmed in the capital budget until they are received; however, in some instances where signed land sale agreements have been executed, future land sale proceeds may be programmed.

Impact Taxes are specific charges to developers to help fund improvements to transportation and public school infrastructure. School impact taxes are charged one rate Countywide for each type of housing. There are various rates for the transportation impact tax based on the classification of an area relative to transit service and accessibility as previously described.

All new development (residential or commercial) within the designated areas is subject to payment of applicable impact taxes as a condition to receiving building permits. The tax rates are set by law to be calculated at the time a developer pays the tax. This payment would occur by the earlier of two dates - either at the time of final inspection or within six or twelve months after the building permit was issued depending on the type of development.

Since revenues to be obtained from impact taxes may not be paid for a number of years, other funding is sometimes required for funding project construction, predicated on eventual repayment from impact taxes.

Contributions are amounts provided to the County by interested parties such as real estate developers in order to support particular capital projects. Contributions are sometimes made as a way of solving a problem which is delaying development approval. A project such as a road widening or connecting road that specifically supports a particular new development may be fully funded (and sometimes built) by the developer. Other projects may have agreed-upon cost-sharing arrangements predicated on the relationship between public and private benefit that will exist as a result of the project. For stormwater management projects, developer contributions are assessed in the form of fees in lieu of on-site construction of required facilities. These fees are applied to the construction of stormwater facilities within the County.

Bond Issues and Other Public Agency Debt

The County government and four of its Agencies are authorized by State law and/or County Charter to issue debt to finance CIP projects. This debt may be either general obligation or self-supporting debt. General obligation debt is characterized in credit analyses as being either "direct" or "overlapping." Direct debt is the sum of total bonded debt and any unfunded debt (such as short-term notes) of the government, and constitutes the direct obligations of the County government which impact its taxpayers. Overlapping debt includes all other borrowing of County agencies or incorporated municipalities within the County's geographic limits, which may impact those County taxpayers who are residents of those municipalities or those County taxpayers who are ratepayers or users of public utilities. More broadly, overlapping debt can help reveal the degree to which the total economy is being asked to support long-term fixed commitments for government facilities.

Direct General Obligation Debt is incurred by the issuance of bonds by the County government and the Maryland-National Capital Park and Planning Commission (M-NCPPC). Payment of some bonded debt issued by the Washington Suburban Sanitary Commission (WSSC) and the Housing Opportunities Commission (HOC) is also guaranteed by the County government.

County government general obligation bonds are issued for a wide variety of functions such as transportation, public schools, community college, public safety, and other programs. These bonds are legally-binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. The County Code provides for a maximum

term of 30 years, with repayment in annual serial installments. Typically, County bond issues have been structured for repayment with level annual payments of principal. Bonds are commonly issued for 20 years. The money to repay general obligation debt comes primarily from general revenues, except that debt service on general obligation bonds, if any, issued for projects of Parking Districts, Liquor, or Solid Waste funds is supported from the revenues of those enterprises.

M-NCPPC is authorized to issue general obligation bonds, also known as Park and Planning bonds, for the acquisition and development of local and certain special parks and advance land acquisition, with debt limited to that supportable within mandatory tax rates established for the Commission. Issuance is infrequent, and because repayment is guaranteed by the County, it is considered a form of direct debt. Debt for regional, conservation, and special park facilities is included within County government general obligation bond issues, with debt service included within the County government's annual operating budget.

HOC bonds which support County housing initiatives such as the acquisition of low/moderate-income rental properties may be guaranteed by the County to an aggregate amount not to exceed \$50 million, when individually authorized by the County and, as such, are considered direct debt of the County. The HOC itself has no taxing authority, and its projects are considered to be financed through self-supporting debt as noted below.

Overlapping debt is the debt of other governmental entities in the County that is payable in whole or in part by taxpayers of the County.

WSSC General Construction Bonds finance small diameter water distribution and sewage collection lines and required support facilities. They are considered general obligation bonds because they are payable from unlimited *ad valorem* taxes upon all the assessable property in the WSSC district. They are actually paid through assessments on properties being provided service and are considered to be overlapping debt rather than direct debt of the County government.

WSSC Water Supply and Sewage Disposal Bonds, which finance major system improvements, including large diameter water distribution and sewage collection lines, are paid from non-tax sources including user charges collected through water and sewer rates, which also cover all system operating costs. They are backed by unlimited *ad valorem* taxes upon all the assessable property within the WSSC district in addition to mandated rates, fees, and charges sufficient to cover debt service.

Self-Supporting Debt is authorized for the financing of CIP projects by the County government and its Agencies as follows:

County Revenue Bonds are bonds authorized by the County to finance specific projects such as parking garages and stormwater management and solid waste facilities, with debt service to be paid from pledged revenues received in connection with the projects. Proceeds from revenue bonds may be applied only to costs of projects for which they are authorized. They are considered separate from general obligation debt and do not constitute a pledge of the full faith and credit or unlimited taxing power of the County.

County revenue bonds have been used in the Bethesda and Silver Spring Parking Districts, supported by parking fees and fines together with parking district property taxes. County revenue bonds have also been issued for County Solid Waste Management facilities, supported with the revenues of the Solid Waste Disposal system.

HOC Mortgage Revenue Bonds are issued to support HOC project initiatives and are paid through mortgages and rents. HOC revenue bonds, including mortgage purchase bonds for single family housing, are considered fully self-supporting and do not add to either direct or overlapping debt of the County.

The Montgomery County Revenue Authority has authority to issue revenue bonds and to otherwise finance projects through notes and mortgages with land and improvements thereon serving as collateral. These are paid through revenues of the Authority's several enterprises, which include golf courses and the Montgomery County Airpark.

The County has also used the Revenue Authority as a conduit for alternative CIP funding arrangements. For example, swim centers, a building to house County and State Health and Human Services functions, and the construction of the Montgomery County Conference Center are financed through revenue bonds issued by the Revenue Authority. The County has entered into long-term leases with the Revenue Authority, and the County lease payments fund the debt service on these Revenue Authority bonds. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Intergovernmental Revenues

CIP projects may be funded in whole or in part through grants, matching funds, or cost sharing agreements with the Federal

government, the State of Maryland, regional bodies such as Washington Metropolitan Area Transit Authority (WMATA), or the County's incorporated municipalities.

Federal Aid. Major projects that involve Federal aid include Metro, commuter rail, interstate highway interchanges and bridges (noted within the CIP Transportation program), and various environmental construction or planning grants under WSSC projects in the Sanitation program. Most Federal aid is provided directly to the State, for redistribution to local jurisdictions.

Community Development Block Grant (CDBG). CDBG funds are a particular category of Federal aid received through annual formula allocations from the U.S. Department of Housing and Urban Development in response to a County application and are identified as CIP revenues in the Housing and Community Development program. The County has programmed eligible projects for CDBG funding since 1976, with expenditures programmed within both capital and operating budgets. CDBG funds are used to assist in the costs of neighborhood improvements and facilities in areas where there is significant building deterioration, economic disadvantage, or other need for public intervention in the cycles of urban growth and change. In addition, CDBG funding is used as "seed money" for innovative project initiatives, including redevelopment and rehabilitation loans toward preserving and enhancing older residential and commercial areas and low/moderate-income housing stock. Beginning in FY15, CDBG funds were shifted from the capital budget to the operating budget for ease of administration. Once CDBG-funded projects are closed out, CDBG funding will be eliminated from the capital budget funding sources.

State Aid. This funding source includes grants, matching funds, and reimbursements for eligible County expenditures for local projects in public safety, environmental protection, courts and criminal justice, transportation, libraries, parkland acquisition and development, mental health, community college, and K-12 public education, notably in school construction.

State Aid consistently falls short of funding needs predicated on State mandates or commitments. Although the State of Maryland is specifically responsible for the construction and maintenance of its numbered highways and for the construction and renovation of approved school projects, the County has in fact advance-funded projects in both categories either through cost-sharing agreements or in anticipation of at least partial reimbursements from the State. Because large County fiscal liabilities are taken on when assuming any or all project costs of State-mandated or obligated facilities, State reimbursement policies and formulas for allocation of funds are important to CIP fiscal planning.

State Aid for School Construction. State funding for school construction, initiated in FY72, is determined annually by the General Assembly on a Statewide basis.

State Aid for Higher Education. State Aid is also a source of formula matching funds for community college facilities design, construction, and renovation. Funds are applied for through the Higher Education Commission for inclusion in the State Bond Bill. Approved projects may get up to 50 percent State funding for eligible costs. The total amount of aid available for all projects Statewide is determined based on yearly allocations of available bond proceeds to all Maryland jurisdictions.

State Aid for Transportation. Within the Transportation program, State contributions fund the County's local share of WMATA capital costs for Metrorail and Metrobus, as well as traffic signals and projects related to interconnecting State and local roads. Most State road construction is done under the State Consolidated Transportation Program and is not reflected in the CIP.

State Aid for Public Safety. Under Article 27, Sec. 705 of the Maryland Code, when the County makes improvements to detention and correctional centers resulting from the adoption of mandatory or approved standards, the State, through the Board of Public Works, pays for 50 percent of eligible costs of approved construction or improvements. In addition, financial assistance may be requested from the State for building or maintenance of regional detention centers, and, under 1986 legislation, the State will fund up to half the eligible costs to construct, expand, or equip local jails in need of additional capacity.

Municipal Financing. Some projects with specific benefits to an incorporated municipality within the County may include funding contributions or other financing assistance from that jurisdiction. These include road construction agreements such as with the City of Rockville, wherein the County and City share costs of interconnecting or overlapping road projects. Incorporated towns and municipalities within the County, specifically Rockville, Gaithersburg, and Poolesville, have their own capital improvements programs and may participate in County projects where there is shared benefit. The use of municipal funding in County CIP projects depends upon the following:

- Execution of cost-sharing or other agreements between the County and the municipality, committing each jurisdiction to specific terms, including responsibilities, scheduling, and cost-shares for implementation and future operation or maintenance of the project;
- Approval of appropriations for the project by the legislative body of each jurisdiction; and

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- Resolution of any planning or zoning issues affecting the project.

Other Revenue Sources

The use of other revenue sources to fund CIP projects are normally conditioned upon specific legislative authority or project approval, including approval of appropriations for the projects. Approval of a project may be contingent upon actual receipt of the revenues planned to fund it, as in the case of anticipated private contributions that are not subject to particular law or agreement. Other CIP funding sources and eligibility of projects for their use include:

Revolving funds including the revolving loan fund authorized to cover HOC construction loans until permanent financing is obtained. Funds are advanced from County current revenues and repaid at interest rates equivalent to those the County earns on its investments. The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land in advance of project implementation. Revolving fund appropriations are then normally repaid from the actual project after necessary appropriation is approved.

Agricultural land transfer tax receipts payable to the State but authorized to be retained by the County. These are used to cover local shares in the State purchase of agricultural land easements and for County purchase of or loan guarantees backed by transferable development rights (TDRs).

Private grants such as were provided under profit-sharing agreements with the County's Cable TV corporation, for use in developing public access facilities; and

Insurance or self-insurance proceeds for projects being renovated or replaced as a result of damage covered by the County's self-insurance system.

THE FRAMEWORK OF FISCAL POLICY

This section presents information on a variety of information sources and factors that are considered in developing and applying fiscal policy for the CIP.

Legal Mandates

State Law. The Annotated Code of Maryland provides the basis for fiscal policy related to debt, real property assessments, and other matters:

- Article 25A (Section 5P) authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County. Article 25A, Section 5(P) provides that obligations having a maturity not in excess of twelve months shall not be subject to, or be included in, computing the County's legal debt limitation. However, the County includes its BANs/Commercial Paper in the calculation because it intends to repay the notes with the proceeds of long-term debt to be issued in the near future.
- State of Maryland Chapter 693 of the Laws of 2009 requires that each local government adopt a debt policy and submit it to the State Treasurer. In October 2009 the County Council for Montgomery County adopted resolution 16-1173 outlining the County's debt policy.
- Section 8-103 provides for updated assessments of property in three-year (triennial) cycles. The amount of the change in the established market value of the one-third of the properties reassessed each year is phased in over a three-year period (although a decrease in value is reflected in the first year of the triennial cycle). State law also created a maximum ten percent assessment limitation tax credit (homestead credit) for owner occupied residential properties. This program provides an automatic credit against property taxes equal to the applicable tax rate (including the State rate) times that portion of the current assessment which exceeds the previous year's assessment increased by ten percent. This benefit only applies to owner-occupied residential property. The homestead credit is ten percent for property taxes levied for the State of Maryland, Montgomery County, and all municipalities in Montgomery County (with the exception of the Town of Kensington which is five percent). Taxpayers have the ability to appeal their assessment through SDAT and the MD Tax Court which could lower the total assessable base and property tax revenues.
- Other provisions of State law mandate requirements for environmental review, permits, stormwater management, and controls for public facilities, such as solid waste disposal sites, affecting both the cost and scheduling of these facilities.
- State law mandates specific facility standards such as requirements for school classroom space to be provided by the County

for its population and may also address funding allocations to support such requirements.

- State law provides for specific kinds of funding assistance for various CIP projects. In the area of public safety, for example, Article 27, Section 705 of the Maryland Code, provides for matching funds up to 50 percent of the cost of detention or correctional facilities.
- The Maryland Economic Growth Resource Protection and Planning Act requires the County to certify that all construction projects financed with any type of State funding are in compliance with local land use plans, including specific State-mandated environmental priorities.

County Law. Article 3 of the County Charter provides for the issuance of public debt for other than annual operating expenditures and imposes general requirements for fiscal policy:

- The capital improvements program must provide an estimate of costs, anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget.
- Bond issues may not be for longer than 30 years.
- Capital improvement projects which are estimated to cost in excess of an annually-established amount (for FY19, \$16,000) or which have unusual characteristics or importance, must be individually authorized by law, and are subject to referendum.
- In November 1990, County voters approved an amendment to the Montgomery County Charter, Section 305, to require that the County Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP have been interpreted in subsequent County law to be limits on the amount of County general obligation debt which may be approved for the first and second years of the CIP and for the entire six-year period of the CIP. Similar provisions apply to debt of the Maryland-National Capital Park and Planning Commission (M-NCPPEC). These limits may be overridden by a vote of seven of the nine Councilmembers.
- In April 1994, the Council adopted Resolution No. 12-1558 establishing a spending affordability process for WSSC. The process limits WSSC new debt, debt service, water/sewer operating expenses, and rate increases.
- Section 305 of the County Charter includes a limit on the annual increase in property tax revenues. An amendment approved in 2008 requires that real property tax revenues, with the exception of new construction and property whose zoning or use has changed, may not increase by more than the prior year revenues plus the percentage increase in the Washington-Baltimore Metropolitan area CPI-U unless there is a unanimous vote of nine Councilmembers to exceed that limit. This revenue limit affects CIP fiscal policy by constraining revenue available for future debt service on bond issues and for current revenue contributions to capital projects.
- Chapter 20 of the Montgomery County Code sets various financial guidelines in law such as the deposit of funds, the borrowing of money generally, the activities of the Department of Finance, revenue bonds, and spending affordability.

Federal Law. Policies of the Federal Government affect County fiscal policies relative to debt issuance, revenue expectations, and expenditure controls. Examples of Federal policies that impact County fiscal policy include:

- Internal Revenue Service rules under the Tax Reform Act of 1986, as amended, provide limits on the tax-exempt issuance of public debt, and limit the amount of interest the County can earn from investment of the bond proceeds.
- County shares of costs for some major projects, such as those relating to mass transit and highway interchanges, are dependent upon Federal appropriations and allocations.
- Federal Office of Management and Budget circular A-87 prescribes the nature of expenditures that may be charged to Federal grants.
- Federal legislation will influence the planning and expenditures of specific projects, such as requirements for environmental impact statements for Federally-assisted road projects and the Davis-Bacon Act, which requires local prevailing wage scales in contracts for Federally-assisted construction projects.
- The American Recovery and Reinvestment Act (ARRA) created a number of additional tax-advantaged forms of governmental debt. These forms of debt resulted in lower costs and therefore savings to taxpayers. The County utilized beneficial provisions of the act and issued these new forms of debt where appropriate and advantageous to the County. One example is a qualified energy conservation bond (QECB) that the County issued in 2013 to take advantage of a federal tax credit that lowered the cost of debt service for an energy savings project on a county facility.

Fiscal Planning Projections and Assumptions

Several different kinds of trends and economic indicators are reviewed, projected, and analyzed each year for their impacts on County programs and services and for their impact on fiscal policy as applied to the Capital Improvements Program. Among these are:

Inflation, which is important as an indicator of future project costs or the costs of delaying capital expenditures;

Population growth, which provides an indicator of the size or scale of required facilities and services, as well as the timing of population-driven project requirements;

Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of requirements and costs of specific public facilities;

Annual Growth Policy thresholds and other land use indicators, which are a determinant of major public investment in the infrastructure required to enable implementation of land use plans and authorized development within the County;

The assessable property tax base of the County, which is a major indicator for projections of revenue growth to support funding for public facilities and infrastructure;

Residential construction activity and related indicators, which provide early alerts to the specific location and timing of future public facilities requirements. It is also the most important base for projecting growth in the County's assessable property tax base and estimating property tax levels;

Nonresidential construction activity, which is the indicator of jobs, commuters, and requirements for housing and transit-related public investment. It is also one of the bases for projecting the growth of the County's assessable tax base and property tax revenues;

Employment and job growth within the County, which provide indicators for work-related public facilities and infrastructure;

Personal income earned within the County, which is the principal basis for projecting income tax revenues as one of the County's major revenue sources; and

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of the CIP must be in conformity with GAAP standards. This involves the separate identification and accounting of the various funds which cover CIP expenditures; adherence to required procedures, such as transfers between funds and agencies; and regular audits of CIP transactions, such as the disbursement of bond proceeds and other funds to appropriate projects.

Credit Markets and Credit Reviews

The County's ability to borrow at the lowest cost of funds depends upon its credit standing as assessed by major credit rating agencies such as Moody's Investors Service, Standard & Poor's, and Fitch. Key aspects of the County's continued AAA credit ratings include:

- Adherence to sound fiscal policy relative to expenditures and funding of the CIP;
- Maintain debt at prudent and sustainable levels;
- Maintain adequate fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates;
- Appropriate levels of public investment in the facilities and infrastructure required for steady economic growth;
- Effective production of the necessary revenues to fund CIP projects and support debt service generated by public borrowing;
- Facility planning, management practices and controls for cost containment, and effective implementation of the capital program;
- Planning and programming of capital projects to allow consistent levels of borrowing;
- Appropriate use and levels of revenues other than general obligation bond proceeds to fund the capital program;
- Appropriate levels of CIP funding from annual current tax revenues in order to reduce borrowing needs; and
- Assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations

related to public facilities and infrastructure.

Intergovernmental Agreements

Fiscal policy for the CIP must provide guidance for and be applied within the context of agreements made between the County and other jurisdictions or levels of government. Examples include:

- Agreements with municipalities for cost shares in the construction of inter-jurisdictional roads and bridges;
- Agreements with adjacent jurisdictions related to mass transit or water supply and sewerage; and
- Agreements with the State of Maryland for cost shares in the construction of transportation and other vital inter-jurisdictional infrastructure.
- Agreements with Federal agencies involving projects related to Federal facilities within the County.

Compatibility with Other County Objectives

Fiscal policy, to be effective, must be compatible with other policy goals and objectives of government. For example:

- Growth management within the County reflects a complex balance among the rights of property owners; the cost of providing infrastructure and services to support new development; and the jobs, tax revenues, and benefits that County growth brings to its residents. Fiscal policy provides guidance for the allocation of public facility costs between the developer and the taxpayer, as well as for limits on debt-supported costs of development relative to increasing County revenues from a growing assessable tax base.
- Government program and service delivery objectives range from conveniently located libraries, recreation centers, and other amenities throughout the County to comprehensive transportation management and advanced waste management systems. Each of these involves differing kinds and mixes of funding and financing arrangements that must be within the limits of County resources as well as acceptable in terms of debt management.
- Planning policies of the County affect land use, zoning and special exceptions, and economic development, as well as the provision of public services. All are interrelated, and all have implications both in their fiscal impacts (cost/revenue effects on government finances) and in economic impacts (effects on the economy of the County as a whole).
- Capital improvement projects have a direct impact on the future operating budgets in the form of debt service and ongoing operating costs. As such, capital needs must be balanced with the need to fund vital services in the operating budget.



Glossary

ACCOMPLISHMENTS - The completion or attainment of an important objective in the current fiscal year and last fiscal year.

ADEQUATE PUBLIC FACILITY (APF) - Any infrastructure improvement required by the Montgomery County Planning Board as a condition of approving a preliminary subdivision plan under the County's adequate public facilities ordinance.

ADJUSTED GOVERNMENTAL REVENUES (AGR) - Include the tax supported revenues of the County Government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and the Montgomery County portion of the Maryland-National Capital Park and Planning Commission, plus the revenues of the County Government's grant fund and capital projects fund.

AGENCY - One of the major organizational components of government in Montgomery County; for example, Montgomery County Government (executive departments, legislative offices and boards, Circuit Court, and judicial offices); Montgomery County Public Schools (MCPS); Montgomery College (MC); Maryland-National Capital Park and Planning Commission (M-NCPPC); Washington Suburban Sanitary Commission (WSSC); Housing Opportunities Commission (HOC); and Montgomery County Revenue Authority.

AGENCY FUND - A fiduciary fund which accounts for assets received and held by the County in a purely custodial capacity. The County uses this type of fund to account for property taxes, recreation activities, and other miscellaneous resources held temporarily for disbursement to individuals, private organizations, or other governments.

AGGREGATE OPERATING BUDGET - The total Operating Budget, exclusive of enterprise funds, the budget of the WSSC, expenditures equal to tuition and tuition-related charges received by Montgomery College, and grants. As prescribed in the *Charter of Montgomery County, Maryland, Section 305*, "An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than that of the Consumer Price Index for all urban consumers of the Washington metropolitan area for the 12 months preceding December first of each year requires the affirmative vote of six Councilmembers." See also, Spending Affordability Guideline or Net Budget.

AMENDMENTS TO THE CIP - Changes to project scope, schedule, or funding which require County Council action. Proposals must meet strict criteria to be considered for amendment. Six Councilmember votes are required to approve an amendment.

APPROPRIATION - Authority to spend money within a specified dollar limit for an approved work program during the fiscal year. The County Council makes separate appropriations to each capital project and to Personnel Costs and Operating Expense for each County operating department.

APPROPRIATION CATEGORY - One of the expenditure groupings in the appropriation for a County department; that is, Personnel Costs or Operating Expense.

ASSESSABLE BASE - The value of all real and personal property in the County, which is used as a basis for levying taxes. Tax-exempt property is excluded from the assessable base.

ASSESSED VALUATION - The value assigned to real estate or other property by the State through its Department of Assessment and Taxation. This value is multiplied by the tax rates set annually by the Council to determine taxes due. Assessed value is less than market value.

AUTHORIZED POSITIONS - The number of positions allowed by the budget in the approved personnel complement.

BALANCED BUDGET - It is the fiscal policy of Montgomery County to balance the budget. A balanced budget has its funding sources (revenues, undesignated carryover, and other resources) equal to its funding uses (expenditures, reserves, and other allocations). No deficit may be planned or incurred.

BIENNIAL CIP - See Capital Improvements Program.

BOND ANTICIPATION NOTES (BAN) - Short-term, interim financing techniques, such as variable rate notes and commercial paper, issued with the expectation that the principal amount will be refunded with long-term bonds.

BOND RATING - An evaluation by investor advisory services indicating the probability of timely repayment of principal and interest on bonded indebtedness. These ratings significantly influence the interest rate that a borrowing government must pay on its bond issues. Montgomery County bonds are rated by three major advisory services: Moody's, Standard and Poor's, and Fitch. The County continues to have the highest possible rating from each of these services.

CAPITAL ASSETS - Assets of a long-term character which are intended to continue to be held or used. Examples of capital assets include items such as infrastructure, land, buildings, machinery, furniture, and other equipment.

CAPITAL BUDGET - The annual request for capital project appropriations. Project appropriations are normally for only that amount necessary to enable the implementation of the next year of the capital program expenditure plan. However, if contracted work is scheduled that will extend beyond the upcoming fiscal year, the entire contract appropriation is required, even if the work and expenditures will be spread over two or more fiscal years.

CAPITAL EXPENDITURE - Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

CAPITAL IMPROVEMENTS PROGRAM (CIP) - The comprehensive presentation, submitted in even-numbered calendar years, of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all public buildings, roads, and other facilities planned by County agencies over a six-year period. The CIP constitutes a fiscal plan for proposed project expenditures and funding, and includes the annual capital budget for appropriations to fund project activity during the next fiscal year of the plan.

CAPITAL LEASE - A long-term rental agreement which transfers substantial rights and obligations for the use of an asset to the lessee and, generally, ownership at the end of the lease. Similar to an installment purchase, a Capital Lease may also represent the purchase of a capital asset. A capital lease results in the incurrence of a long-term liability.

CAPITAL OUTLAY - An appropriation and expenditure category for government asset with a value of \$10,000 or more and a useful economic lifetime of more than one year.

CAPITAL PROJECT - A governmental effort involving expenditures and funding for the creation, expansion, renovation, or replacement of permanent facilities and other public assets having relatively long life. Expenditures within capital projects may include costs of planning, design, and construction management; land; site improvements; utilities; construction; and initial furnishings and equipment required to make a facility operational.

CARRYOVER - The process in which, at the end of one fiscal year, appropriation authority for previously-approved encumbrances and unexpended grant and capital funds are carried forward to the next fiscal year.

CHARGEBACKS / CHARGES TO OTHERS - In the budget presentation, costs which are chargeable to another agency or fund.

CHARTER - The Charter of Montgomery County is the constitution of this jurisdiction and sets out its governmental structure and powers. It was approved by the voters in 1968 and went into effect in 1970. The Charter provides for a County Council and Executive form of government.

CHARTER LIMIT - Limitations on the Operating Budget and on tax levies prescribed in the Charter of Montgomery County, Section 305. The affirmative votes of seven Council members are required to exceed spending limits, and the unanimous vote of all nine members is needed to exceed the limit on tax levies. See also Spending Affordability Guideline.

COLLECTIVE BARGAINING AGREEMENT - A legal contract between the County Government or an agency as employer and a certified representative of a recognized bargaining unit of a public employee organization for specific terms and conditions of employment; for example, hours, working conditions, salaries, or employee benefits.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - Annual funding from the Federal government for use in capital projects or operating programs such as neighborhood or business area revitalization, housing rehabilitation, and activities on behalf of older- and lower-income areas of the County.

COMPENSATION - Payment made to employees in return for services performed. Total compensation includes salaries, wages, employee benefits (Social Security, employer-paid insurance premiums, disability coverage, and retirement contributions), and other forms of remuneration when these have a stated value.

CONSTANT YIELD TAX RATE - A rate which, when applied to the coming year's assessable base, exclusive of the estimated assessed value of property appearing on the tax rolls for the first time (new construction), will produce tax revenue equal to that produced in the current tax year. State law prohibits local taxing authorities from levying a tax rate in excess of the Constant Yield Tax Rate, unless they advertise and hold public hearings on their intent to levy a higher rate.

CONSTITUENT RELATIONSHIP MANAGEMENT (CRM) / MONTGOMERY COUNTY (MC) 311 - An organizational philosophy that places emphasis on serving constituents by providing easy access to the information and service channels of the County Government. County residents are able to dial 311 for all non-emergency requests for information, service, or complaints.

CONSUMER PRICE INDEX-URBAN (CPI-U) - A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the County. When projecting costs in outyears, expenditures are estimated to grow at the rate of inflation as measured on a fiscal year basis using the CPI-U for the Washington-Baltimore Consolidated Metropolitan Statistical Area. For purposes of the Charter limitation on the property tax, the November to November CPI-U for the preceding year is used.

COUNTYSTAT - An internal performance management approach used to examine issues in detail by means of accurate and timely information. It seeks to improve performance by creating greater accountability, providing transparency into County operations, applying data analysis to decision making, and ensuring decisions are implemented.

COUNCIL TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Council between agencies or departments or to any new account, or between agency capital projects. The total cumulative transfer from any one appropriation may not exceed ten percent of the original appropriation.

CURRENT REVENUE - A funding source for the Capital Budget which is provided annually within the Operating Budget from general, special, or enterprise revenues. Current revenues are used for funding project appropriations that are not eligible for debt financing or to substitute for debt-eligible costs.

DEBT SERVICE - The annual payment of principal, interest, and issue costs for bonded indebtedness. Debt service is presented both in terms of specific bond allocations by category and fund and by sources of revenues used.

DEBT SERVICE FUND - A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

DEPARTMENT - A primary organizational unit within Montgomery County Government. For presentation purposes, "Department" includes the principal offices, boards, and commissions.

DEPRECIATION - The decline in value of a capital asset over a predetermined period of time attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. Also, the portion of the cost of a capital asset charged as an expense during a particular period.

DEVELOPMENT DISTRICT - A special taxing district created to finance the costs of infrastructure improvements necessary for the development of land in areas of the County having a high priority for new development or redevelopment, especially in areas for which approved master plans recommend significant development.

DIVISION - A primary organizational unit within a government department or agency. Divisions are usually responsible for administering basic functions or major programs of a department.

EFFICIENCY - Outputs per unit of input, inputs per unit of output, and similar measures of how well resources are being used to produce goods and services.

EMINENT DOMAIN - The power of a government to acquire real property when the owner of that property is unwilling to negotiate a sale. The Maryland State Constitution delegates authority to the County and the County Code allows for the taking of private property by the County. The taking must serve a public purpose and the government must provide the owner with just compensation for the property taken. Any dispute regarding whether the taking will serve a public purpose or the amount of

compensation is resolved by the courts.

EMPLOYEE BENEFITS - For budgeting purposes, employee (fringe) benefits are payments by the employer for Social Security, retirement, and group insurance.

EMPLOYEE - MERIT SYSTEM - Any person employed by Montgomery County Government who is subject to the provisions of the Merit System.

EMPLOYEE - TEMPORARY - An individual occupying a position required for a specific task for a period not to exceed 12 months or a position that is used intermittently on an as-needed basis (seasonal, substitute, etc.).

EMPLOYEE - TERM - An individual occupying a position created for a special term, project, or program. Any person acting in a term position also receives County benefits.

ENCUMBRANCE - An accounting commitment that reserves appropriated funds related to unperformed contracts for goods or services. The total of all expenditures and encumbrances for a department or agency in a fiscal year, or for a capital project, may not exceed its total appropriation.

ENTERPRISE FUND - A fund used to record the fiscal transactions of government activities financed and operated in a manner similar to private enterprise, with the intent that the costs of providing goods and services, including financing, are wholly recovered through charges to consumers or users. Examples include Liquor Control, parking facilities, and solid waste activities.

ENTERPRISE RESOURCE PLANNING (ERP) - An integrated suite of software modules that support the management of the County's financial, procurement, human resources, and budgeting systems, and which streamlines business operations by using recognized best practices in each of those areas.

EXECUTIVE TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Executive between appropriation categories (for example, from Personnel Costs to Operating Expense) within the same department and fund, or between capital projects in the same category. The total cumulative transfers from any one appropriation may not exceed ten percent of the original appropriation (Charter, Section 309).

EXPEDITED DEVELOPMENT APPROVAL EXCISE TAX (EDAET) - A tax assessed on a development project based on the intended use of the building, the square footage of the building, and whether the building is in a moratorium policy area. The purpose of the EDAET is to act as a stimulus to residential and commercial construction within the County by making the development approval process more certain.

EXPENDITURE - A decrease in the net financial resources of the County generally due to the purchase of goods and services, the incurrence of salaries and benefits, and the payment of debt service.

FEF - A charge for service to the user or beneficiary of the service. According to State law, charges must be related to the cost of providing the service. See the Fiscal Policy section for the Executive policy on user fees.

FIDUCIARY FUNDS - Assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds. In Montgomery County, these include Agency Funds, Pension and Other Employee Benefit Trust Funds, Investment Trust Fund, and Private Purpose Trust Funds.

FINES/PENALTIES - Charges levied for violation of laws, regulations, or codes. They are established through Executive Regulation as provided for in County law.

FISCAL PLAN - Estimates of revenues, based on recommended tax policy and moderate economic assumptions, and projections of currently known and recommended commitments for future uses of resources.

FISCAL POLICY - The County Government's policies with respect to revenues, expenditures, and debt management as these relate to County services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.

FISCAL YEAR - The 12-month period to which the annual operating and capital budgets and their appropriations apply. The Montgomery County fiscal year starts on July 1 and ends on June 30.

FIXED ASSETS - See Capital Assets.

FULL-TIME EQUIVALENT (FTE) - MONTGOMERY COLLEGE - A standardized measurement of student enrollment at the community college to account for attendance on less than a full-time basis. An FTE is defined as a course load of 15 credit hours per semester.

FULL-TIME EQUIVALENT (FTE) - PERSONNEL - An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, 1.0 FTE equals 2,080 hours (or 2,496 hours for fire fighters) and .50 FTE equals 1,040 hours. For the FY13 operating budget, workyears (WYs) were converted into FTEs as part of the Hyperion conversion from Budget Preparation System (BPREP)/Budget Position System (BPS).

FUND - Resources segregated for the purpose of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

FUND BALANCE - Undesignated reserves in a fund, or the amount by which assets exceed the obligations of the fund. Fund balance may be measured as a percentage of resources or expenditures.

GENERAL FUND - The principal operating fund for the County Government. It is used to account for all financial resources except those required by law, County policy, and generally accepted accounting principles to be accounted for in another fund.

GENERAL OBLIGATION (G.O.) DEBT - Bonded debt backed by the full faith and credit of the County to pay the scheduled retirement of principal and interest.

GENERAL REVENUES - Money received which may be used to fund general County expenditures such as education, public safety, public welfare, debt service, etc. Funds received which are restricted as to use (such as recreation) are not general revenues and are accounted for in other funds.

GENERAL WAGE ADJUSTMENT (GWA) - An increase in salaries other than seniority-based merit increases (increments). GWA has been referred to as Cost-of-Living Adjustment (COLA) in the past.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: The general fund, special revenue funds, debt service fund, capital projects fund, and permanent funds.

GRANT - A payment from one level of government to another or from a private organization to a government. Grants are made for specified purposes and must be spent only for that purpose. See also Grants to Others.

GRANTS TO OTHERS - A payment by the County to a public or private nonprofit organization for a specific purpose; generally, to provide services in support of, or compatible with, government program objectives.

GROSS BUDGET - The total cost of a department's operation (not necessarily equal to the appropriation), including those expenditures that are charged to and paid by other funds, departments, agencies, or CIP projects. See also Net Budget.

GROUP POSITIONS - Jobs filled by multiple incumbents used to streamline administrative processes for hiring staff for training or for seasonal or temporary positions. Examples include Police, Fire, and Sheriff Department recruits, substitute library assistants, and seasonal recreation employees.

GROWTH POLICY - A planning tool used by the County to manage the location and pace of private development and identify the need for public facilities that support private development. The growth policy tests the adequacy of transportation, schools, water and sewerage facilities, police, fire, and health services to guide subdivision approvals. See also Adequate Public Facility.

HYPERION - Hyperion is an Oracle software application for developing budgets, including position cost projections. The system is integrated with the County's other Oracle eBusiness (EBS) products and uses the same EBS General Ledger (GL) and Project and Grant (PnG) codes.

IMPACT TAXES - A tax charged to developers that varies depending on land use. The revenues are used to pay for the transportation and school construction projects necessary to serve new development.

IMPLEMENTATION RATE - The estimated average annual percentage of capital projects completed that is used to calculate available bond funding. This rate reflects both the County's actual experience in meeting project schedules and anticipated events that may affect construction in the future.

INDIRECT COSTS - That component of the total cost for a service which is provided by and budgeted within another department (for example, legal support and personnel). In Montgomery County, indirect costs are calculated as a percentage of the personnel costs of the organization receiving the service, according to a formula approved by the Department of Housing and Urban Development for Federal grants. For Special Revenue and Enterprise Funds, indirect costs are transferred to the General Fund. Indirect costs are charged to grants to cover the costs of administrative, financial, human resource, and legal support.

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

INPUT - Resources used to produce an output or outcome, such as workyears or expenditures.

INTERFUND TRANSFER - A transfer of resources from one fund to another as required by law or appropriation. The funds are initially considered revenues of the source fund, not the receiving fund.

INTERGOVERNMENTAL REVENUE - Funds received from Federal, State, and other local government sources in the form of grants, shared taxes, reimbursements, and payments in lieu of taxes.

INTERNAL SERVICE FUNDS - Proprietary funds used to record activity (primarily goods and services) provided by one department to other departments of the County government on a cost-reimbursable basis. The County uses this type of fund to account for Motor Pool, Central Duplicating, Liability and Property Coverage Self-Insurance, and Employee Health Benefits Self-Insurance.

INVESTMENT TRUST FUND - A fiduciary fund that accounts for the external portion of the County's investment pool that belongs to legally separate entities and non-component units.

LAPSE - The reduction of budgeted gross personnel costs by an amount believed unnecessary because of turnover, vacancies, and normal delays in filling positions. The amount of lapse will differ among departments and from year to year.

LEASE-PURCHASE AGREEMENT - A contractual agreement which, although termed a "lease," is in effect a purchase contract with payments made over time.

LEVEL OF SERVICE - The current services, programs, and facilities provided by a government to its citizens. The level of service may increase, decrease, or remain the same depending upon needs, alternatives, and available resources.

LICENSES AND PERMITS - Documents issued in order to regulate various kinds of businesses and other activities within the community. Inspection may accompany the issuance of a license or permit, as in the case of food vending licenses or building permits. In most instances, a fee is charged in conjunction with the issuance of a license or permit, generally to cover all or part of the related cost.

LOCAL EARNED INCOME TAX CREDIT - Low-income workers who qualify for the Federal earned income tax credit may also be entitled to a similar tax credit for their State of Maryland and Montgomery County income tax liabilities. Montgomery County matches the State credit for eligible residents.

MASTER PLAN - Each community within Montgomery County falls within a master plan area. Master plans include a comprehensive view of land-use trends and future development as they relate to community concerns such as housing, transportation, stormwater management, historic preservation, pedestrian and trail systems, environmental factors like air, water and noise pollution, and the preservation of agricultural lands. Plans outline recommended land uses, zoning, transportation facilities, and recommended general locations for such public facilities as schools, parks, libraries, and fire and police stations.

MCTIME - An electronic timecard system based on commercial off-the-shelf software that replaced the County's paper timesheets. It is configured to accommodate County pay policies and is accessed by employees from their desktop or laptop computers.

MISSION STATEMENT - The desired end result of an activity. Missions are generally broad and long range in nature compared to goals which are more specific and immediate. An example of a mission is: "To provide safe, reliable, and cost-efficient public transportation to the residents of Montgomery County." See also Program Mission.

MONTGOMERY COUNTY GOVERNMENT - The departments and offices included in the County's executive, legislative, and judicial branches, including related boards and commissions. It excludes Montgomery County Public Schools, Montgomery

College, Maryland-National Capital Park and Planning Commission, Washington Suburban Sanitary Commission, and other agencies. See also Agency.

NET ASSETS - See Fund Balance.

NET BUDGET - The legal appropriation requirement to finance a fund, department, account, agency, or CIP project. The net budget includes the funds required for charges from other funds, departments and agencies, or CIP projects for services rendered, but does not include charges made to other departments for services rendered. See also Gross Budget.

NON-DEPARTMENTAL ACCOUNT - A budget category used to account for resources used for County-funded activities that do not fall within the functional assignment of any department, or for expenditures related to more than one department.

NON-TAX SUPPORTED FUND - A fund supported by revenues other than taxes and not included in the Spending Affordability Guidelines. The exception is Parking Lot Districts that collect property taxes but, as Enterprise Funds, are not considered tax supported.

OPERATING BUDGET - A comprehensive plan by which the County's operating programs are funded for a single fiscal year. The Operating Budget includes descriptions of programs, appropriation authority, and estimated revenue sources, as well as related program data and information on the fiscal management of the County. See also Public Services Program.

OPERATING BUDGET IMPACT - The change in operating budget expenditures associated with the construction or improvement of government buildings or facilities. See the discussion of this subject in the CIP Planning chapter of the Recommended CIP for more information.

OPERATING AND CAPITAL EXPENSE - Those costs, other than expenditures for Personnel Costs, which are necessary to support the operation of the organization, such as charges for contractual services, telephones, printing, motor pool, office supplies, and government assets. See also Expenditure.

OUTCOMES - The direct results of a program or program element on clients, users, or some other target group; the degree to which the program mission is achieved.

OUTPUT - The amount of services provided, units produced, or work accomplished.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Employee benefits, such as health and life insurance, associated with current and future retirees and their beneficiaries. See also Retirees Health Benefits Trust Fund.

PARTIAL CAPITALIZATION - The process of either expensing or transferring to capital assets the prior fiscal year expenditures for ongoing capital projects.

PAYGO - "Pay as you go" funding; that is, current revenue substituted for debt in capital projects that are debt eligible, or used in projects that are not debt eligible or qualified for tax-exempt financing.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS - The fiduciary fund used to account for all activities of the Employees' Retirement System of Montgomery County, Employees' Retirement Savings Plan, and Deferred Compensation Plan, including the accumulation of resources for, and payment of, retirement annuities and/or other benefits and administrative costs.

PERFORMANCE MEASURES - Characterization of the operation and impacts of a program or service through some, or all, of a family of measures, such as inputs, outputs, efficiency, service quality, and outcomes.

PERMANENT FUNDS - These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support government programs.

PERSONAL PROPERTY - Furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory, and any other property not classified as real property. See also Real Property.

PERSONNEL COMPLEMENT - The full- and part-time positions, workyears or full-time equivalents, and costs related to employees of the departments and agencies of the County.

PERSONNEL COSTS - Expenditures for salaries, wages, and benefits payable to County employees.

POSITIONS - Identified jobs into which persons may be hired on either a part- or full-time basis.

PRIVATE PURPOSE TRUST FUNDS - A fiduciary fund that involves trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

PRODUCTIVITY IMPROVEMENT - Increased quantity or improved quality of goods or services using the same or fewer resources. Productivity improvement can be achieved through cost efficiencies, alternative means of delivering services, streamlining organizational structures, making use of automation and other time- or labor-saving innovations, and eliminating unnecessary procedures or requirements.

PROGRAM - A primary service, function, or set of activities which address a specific responsibility or goal within an agency's mission. A program encompasses all associated activities directed toward the attainment of established objectives; for example, the School Health Program. A program will have clearly defined, attainable objectives, which may be short- or long-term in nature, and will have measurable outputs and outcomes.

PROGRAM MISSION - A broad statement of the purpose of a program; that is, what the program is intended to accomplish, why it is undertaken, and for whom it is undertaken. See also Mission Statement.

PUBLIC HEARINGS - Opportunities for citizens and constituent groups to voice opinions and concerns to public officials. During the annual budget process, the County Charter requires that public hearings be conducted by the County Council not earlier than 21 days after receipt of the County Executive's Recommended Budget.

PUBLIC SERVICES PROGRAM (PSP) - A forecast of public service requirements over the next six years, submitted annually by the Executive to the County Council. Its purpose is to provide guidance for the orderly planning of services with regard to population changes, socio-economic variables, potentially needed public facilities, and anticipated new or changing needs of County citizens. The PSP includes the County Executive's fiscal policy statements. The first year of the PSP is referred to as the operating budget.

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

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

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

RESERVE - An account used either to set aside legally budgeted resources, that are not required for expenditure in the current budget year, or to earmark resources for a specific future purpose. See also Fund Balance.

RESOURCES - Units of input such as workyears, funds, material, equipment, facilities, or other elements supplied to produce and deliver services required to meet program objectives. From a fiscal point of view, resources include revenues, net transfers, and available fund balance. See also Inputs.

RESULTS BASED BUDGETING - A method of preparing budgets that starts with the desired *ends* (program outcomes described in terms of quantifiable results) and works backward to the *means* (the resources needed to achieve those results). When allocating resources under this approach, increases in budgeted resources must be evaluated and justified by projected changes in measurable results, supported by research or other evidence, and must be consistent with previously defined objectives, priorities, and key results areas.

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

REVENUE - All funds that the County receives, including tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

REVENUE BONDS - An obligation issued to finance a revenue-producing enterprise, with principal and interest payable exclusively from the earnings and other revenues of the enterprise. See also Enterprise Fund.

REVENUE STABILIZATION FUND - A special revenue fund that accounts for the accumulation of resources during periods of economic growth and prosperity when revenue collections exceed estimates. These funds may then be drawn upon during periods of economic slowdown when collections fall short of revenue estimates. See also Special Revenue Fund.

RISK MANAGEMENT - A process used to identify and measure the risks of accidental loss, to develop and implement techniques for handling risk, and to monitor results. Techniques used can include self-insurance, commercial insurance, and loss control activities.

SALARIES AND WAGES - An expenditure category for monetary compensation to employees in the form of annual or hourly rates of pay for hours worked.

SALARY SCHEDULE - A listing of minimum and maximum salaries for each grade level in a classification plan for merit system positions.

SCHOOL FACILITIES PAYMENTS - A fee charged to developers of residential subdivisions if school enrollment five years in the future is estimated to exceed 105 percent, but is less than 120 percent, of cluster-wide program capacity at any school level. The fee level depends on both the school level involved and the type of housing unit to be constructed.

SELF-INSURANCE - The funding of liability, property, workers' compensation, unemployment, and life and health insurance needs through the County's financial resources, rather than commercial insurance plans.

SET-ASIDE - See Unappropriated Reserves.

SOLID WASTE DISPOSAL FEE - See Tipping Fee.

SOLID WASTE (REFUSE) CHARGE - The annual charge, appearing on the County's Consolidated Tax Bill, applied to residences in the Solid Waste Collection District for the collection and disposal of solid waste for each household in the district. The charge includes a collection fee to cover hauling costs paid to collection contractors, a service charge which includes a charge based on the tipping fee, and a systems benefit charge.

SPECIAL APPROPRIATION - Additional spending authority approved by the *County Council (Charter, Section 308)*. The appropriation must state "that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest." There must be approval by not less than six members of the Council. "The Council may make a special appropriation any time after public notice by news release." See also Supplemental Appropriation.

SPECIAL REVENUE FUNDS - A governmental fund used to record the receipt and use of resources which, by law, generally accepted accounting principles, or County policy, must be kept distinct from the general revenues of the County. Revenues for Special Revenue Funds are generally from a special tax on a specific geographical area.

SPECIAL TAXING DISTRICT - A geographic area that is established by legislation within which a special tax is levied to provide for specific services to the area.

SPENDING AFFORDABILITY GUIDELINE (SAG) - An approach to budgeting that assigns expenditure ceilings for the forthcoming budget year, based on expected revenues and other factors. Under the *County Charter (Section 305)*, the County Council is required to establish spending affordability guidelines for both the capital and operating budgets. Spending affordability limits are also set for WSSC by the Councils of Montgomery and Prince George's counties.

STRUCTURAL BUDGET DEFICIT - The excess of spending over revenue due to an underlying imbalance between the ongoing cost of government operations and predicted revenue collections.

SUPPLEMENTAL APPROPRIATION - An appropriation of funds above amounts originally appropriated, to authorize expenditures not anticipated in the adopted budget. A supplemental appropriation is required to enable expenditure of reserves or additional revenues received by the County through grants or other sources. See also Special Appropriation.

TAX SUPPORTED FUND - A fund, either the General Fund or a Special Revenue Fund, supported in part by tax revenues and included in Spending Affordability Guidelines.

TIPPING FEE - A fee charged for each ton of solid waste disposed of, or "tipped," at the Solid Waste Transfer Station. Each year the County Executive recommends, and the County Council approves, a tipping fee based on a projection of costs for solid waste disposal as well as the tonnage of solid waste generated.

TRANSFER OF APPROPRIATION - See Council Transfer of Appropriation and Executive Transfer of Appropriation.

TRANSFER OF FUNDS - See Interfund Transfer.

UNAPPROPRIATED RESERVES - The planned-for excess of revenues over budgeted expenditures, within any of the various government funds, that provides funding for unexpected and unbudgeted expenditures that may be required during the fiscal year following budget approval. Use of this reserve requires County Council appropriation prior to its expenditure. The *County Charter (Section 310)* requires that unappropriated surplus within the General Fund may not exceed five percent of General Fund revenue for the preceding fiscal year. Also referred to as the Set-Aside for future projects in the capital program.

WATER QUALITY PROTECTION CHARGE - An excise tax imposed on each residential property and associated nonresidential property which is used for the construction, operation, and maintenance of stormwater management facilities and related expenses.

WORKYEAR - See Full-Time Equivalent (FTE).

YEAR END BALANCE - See Fund Balance.

Readers not finding a term in this glossary are invited to call the Office of Management and Budget at 240.777.2800.



Acronyms

| Abbreviation | Description | Abbreviation | Description |
|-----------------|--|--------------|---|
| ADA | Americans with Disabilities Act | COMAR | Code of Maryland Annotated Regulations |
| AHCMC | Arts and Humanities Council of Montgomery County | CPI-U | Consumer Price Index - Urban |
| ALARF | Advance Land Acquisition Revolving Fund | CR | Current Revenue |
| APFO | Adequate Public Facilities Ordinance | CRIMS | Correction and Rehabilitation Information Management System |
| ARRA | American Recovery and Reinvestment Act | CUPF | Community Use of Public Facilities |
| ATMS | Advanced Transportation Management System | CVB | Conference and Visitors Bureau |
| BAN | Bond Anticipation Note | DBM | Maryland State Department of Budget and Management |
| BHI | BioHealth Innovation | DCM | Device Client Management |
| BIT | Board of Investment Trustees | DGS | Department of General Services |
| BOE | Board of Education | DEP | Department of Environmental Protection |
| CAFR | Comprehensive Annual Financial Report | DHCA | Department of Housing and Community Affairs |
| CAO | Chief Administrative Officer | DLC | Department of Liquor Control |
| CALMS | Complaints and Licensing Management System | DOCR | Department of Correction and Rehabilitation |
| CABLE TV | Cable Television | DOT | Department of Transportation |
| CBD | Central Business District | DPS | Department of Permitting Services |
| CC | County Council | ECC | Emergency Communications Center |
| CCM | County Cable Montgomery | EDAET | Expedited Development Approval Excise Tax |
| CDBG | Community Development Block Grant | EDF | Economic Development Fund |
| CE | County Executive | EEOC | Equal Employment Opportunity Commission |
| CIP | Capital Improvements Program | EITC | Earned Income Tax Credit |
| CEC | Community Engagement Cluster | EMOC | Equipment and Maintenance Operations Center |
| CJCC | Criminal Justice Coordinating Commission | EOB | Executive Office Building |
| CJIS | Criminal Justice Information System | EOC | Emergency Operations Center |
| CNG | Compressed Natural Gas | ERP | Enterprise Resource Planning |
| COBRA | Consolidated Omnibus Budget Reconciliation Act | ERS | Employee Retirement System |
| COG | Council of Governments | ESOL | English for Speakers of Other Languages |

| Abbreviation | Description | Abbreviation | Description |
|-----------------|--|----------------|---|
| FEMA | Federal Emergency Management Agency | ITPCC | Interagency Technology Policy and Coordination Committee |
| FFI | Future Fiscal Impact | LEP | Limited English Proficiency |
| FLSA | Fair Labor Standards Act | LFRD | Local Fire and Rescue Department |
| FOP | Fraternal Order of Police | LSBRP | Local Small Business Reserve Program |
| FRC | Fire and Rescue Commission | MACo | Maryland Association of Counties |
| FTE | Full-Time Equivalent | MC | Montgomery College |
| FY | Fiscal Year | MCAASP | Montgomery County Association of Administrative and Supervisory Personnel |
| GAAP | Generally Accepted Accounting Principles | MCCF | Montgomery County Correctional Facility |
| GASB | Government Accounting Standards Board | MCCSSE | Montgomery County Council of Supporting Service Employees |
| GDA | General Development Agreement | MCDC | Montgomery County Detention Center |
| GDP | Gross Domestic Product | MCEA | Montgomery County Education Association |
| GFOA | Government Finance Officers Association | MCEDC | Montgomery County Economic Development Corporation |
| GIS | Geographic Information Systems | MCERP | Montgomery County Employee Retirement Plans |
| GO Bonds | General Obligation Bonds | MCFRS | Montgomery County Fire and Rescue Service |
| GRIP | Guaranteed Retirement Income Plan | MCG | Montgomery County Government |
| GWA | General Wage Adjustment | MCGEO | Municipal and County Government Employees Organization |
| HHS | Health and Human Services | MCPD | Montgomery County Police Department |
| HIPAA | Health Insurance Portability and Accountability Act | MCPS | Montgomery County Public Schools |
| HOC | Housing Opportunities Commission | MCT | Montgomery Community Television |
| HUD | U.S. Department of Housing and Urban Development | MFD | Minority, Female, and Disabled |
| HVAC | Heating, Ventilation, and Air Conditioning | MHI | Montgomery Housing Initiative |
| IAFC | International Association of Fire Chiefs | MLS | Management Leadership Service |
| IAFF | International Association of Fire Fighters | M-NCPPC | Maryland-National Capital Park and Planning Commission |
| ICEUM | Interagency Committee on Energy and Utility Management | MOU | Memorandum of Understanding |
| IJIS | Integrated Justice Information System | MPDU | Moderately Priced Dwelling Unit |
| IT | Information Technology | MTA | Maryland Transit Administration |

| Abbreviation | Description | Abbreviation | Description |
|--------------|---|--------------|--|
| NACo | National Association of Counties | SWM | Stormwater Management |
| NDA | Non-Departmental Account | TMC | Transportation Management Center |
| NTS | Non-Tax Supported | TMD | Transportation Management District |
| OAG | Office of Agriculture | TS | Tax Supported |
| OBI | Operating Budget Impact | WMATA | Washington Metropolitan Area Transit Authority |
| OCP | Office of Consumer Protection | WQPB | Water Quality Protection Bond |
| OHR | Office of Human Resources | WQPC | Water Quality Protection Charge |
| OIG | Office of the Inspector General | WSM | WorkSource Montgomery |
| OEMHS | Office of Emergency Management and Homeland Security | WSSC | Washington Suburban Sanitary Commission |
| OLO | Office of Legislative Oversight | WSTC | Washington Suburban Transit Commission |
| OMB | Office of Management and Budget | WY | Work Year |
| OPEB | Other Post Employment Benefits | | |
| OSHA | Occupational Safety and Health Administration | | |
| OZAH | Office of Zoning and Administrative Hearings | | |
| PAYGO | Pay-as-you-go financing | | |
| PDF | Project Description Form | | |
| PEG | Public, Educational, and Governmental cable programming | | |
| PEPCO | Potomac Electric Power Company | | |
| PILOT | Payment in Lieu of Taxes | | |
| PLAR | Planned Lifecycle Asset Replacement | | |
| PLD | Parking Lot District | | |
| POR | Program of Requirements | | |
| PSCC | Public Safety Communications Center | | |
| PSCS | Public Safety Communications System | | |
| PSP | Public Services Program | | |
| PSTA | Public Safety Training Academy | | |
| RMS | Records Management System | | |
| RRF | Resource Recovery Facility | | |
| RSP | Retirement Savings Plan | | |
| SAG | Spending Affordability Guidelines | | |
| SBAP | Small Business Assistance Program | | |
| SHA | State Highway Administration | | |

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