



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 19, 2018

M E M O R A N D U M

TO: Todd M. Turner, Chair
Transportation, Housing and the Environment Committee (THE)

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Sylvia King, Audit Manager (Enterprise Funds, General Funds & Grants)
Canjor Reed, Staff Auditor (Capital Improvement Projects) *CKR* *OK*

RE: Department of the Environment (DoE)
Fiscal Year 2019 Budget Review

Budget Overview

The overall FY 2019 Proposed Budget for the Department of the Environment (DoE or the Department) is \$208,127,100, an increase of approximately \$33.9 million, or 19.4%, over the FY 2018 Approved Budget.

The FY 2019 proposed **Solid Waste Management Enterprise Fund (Solid Waste)** budget is approximately \$102.6 million, an increase of approximately \$4.1 million, or 4.2%, over the FY 2018 Approved Budget, mainly due to increases in contracts related to leachate hauling from landfills, and operation of the Materials Recycling Facility (MRF), which are being offset primarily by decreases in operating costs related to a transfer of the towing function from the Abandoned Vehicles Unit to the Revenue Authority, and removal of contributions to the Capital Improvement Program (CIP).

The FY 2019 proposed **Stormwater Management Enterprise Fund (Stormwater)** budget is approximately \$56.9 million, an increase of \$662,500, or 1.2%, over the FY 2018 Approved Budget, primarily due to increases in costs related to debt service in the form of principal and interest payments from the Stormwater Fund for Capital Improvement Projects, and implementation of a GIS Geodatabase Enterprise System for NPDES/MS4 permit compliance, which are being offset primarily by reductions in general and administrative contracts and decreases in other agencies' recoverable expenditures from the Stormwater Fund.

The FY 2019 proposed **Local Watershed Protection and Restoration (WPR) Program** Fund budget (Water Quality) is approximately \$44.2 million, an increase of approximately \$29.4 million, or 198.9%, over the FY 2018 Approved Budget. Increases in the expansion of Phase II of the Clean Water Partnership and debt service from the Water Quality Fund for the Clean Water Partnership, are being offset primarily by decreases related to the removal of contributions to the CIP, coupled with reductions in funding for the County's Local Watershed Protection and Restoration Grants program.

The FY 2019 proposed **General Fund** portion of the budget is approximately \$4.3 million, an increase of \$149,700, or 3.6%, over the FY 2018 Approved Budget. Increases primarily in costs for compensation expenditures, are offset by recoveries from Stormwater and Solid Waste Funds to historical budgeted and actual rates.

Todd M. Turner, Chair
 THE Committee
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In FY 2019, the **Grant** funded portion of the Department's budget is \$100,000, for the new Chesapeake Bay Trust Watershed Assistance Grant – Lawn Aeration, and represents a decrease of \$416,800, or 80.7%, under the FY 2018 Approved Budget,

Budget Comparison – All Funds

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

| Fund Source | FY 2017 Actual | FY 2018 Approved | FY 2018 Estimated | % Change - Est vs App | FY 2019 Proposed | \$ Change | % Change |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|--------------|
| Solid Waste Fund | \$ 114,930,095 | \$ 98,526,500 | \$ 98,356,000 | -0.2% | \$ 102,618,300 | \$ 4,091,800 | 4.2% |
| Stormwater Fund | 37,393,535 | 56,269,200 | 50,862,200 | -9.6% | 56,931,700 | 662,500 | 1.2% |
| Local Watershed Protection and Restoration Fund (Water Quality) | 2,248,552 | 14,772,300 | 5,698,400 | -61.4% | 44,158,900 | 29,386,600 | 198.9% |
| General Fund | 3,417,906 | 4,168,500 | 3,780,900 | -9.3% | 4,318,200 | 149,700 | 3.6% |
| Grants | 1,412,844 | 516,800 | 1,961,600 | 279.6% | 100,000 | (416,800) | -80.7% |
| Total | \$ 159,402,932 | \$ 174,253,300 | \$ 160,659,100 | -7.8% | \$ 208,127,100 | \$ 33,873,800 | 19.4% |

Authorized Staffing Count - All Classifications/All Funds

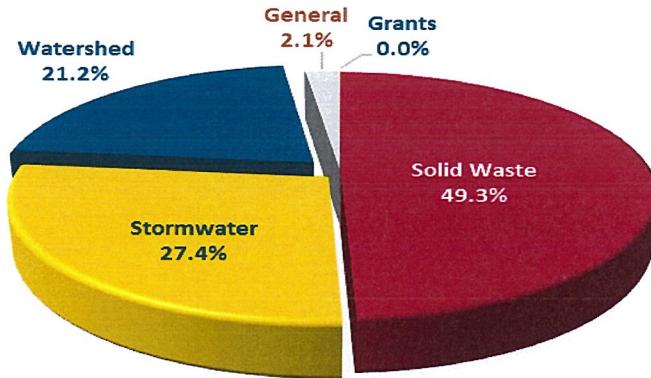
| | FY 2018 Approved | FY 2019 Proposed | Change Amount | Percentage Change |
|--------------------------|------------------|------------------|---------------|-------------------|
| Solid Waste | 151 | 148 | (3) | -2.0% |
| Stormwater | 63 | 61 | (2) | -3.2% |
| Water Quality | 10 | 10 | 0 | 0.0% |
| General Fund: FTE | 113 | 114 | 1 | 0.9% |
| Part-time | 1 | 0 | (1) | -100.0% |
| Total | 338 | 333 | (5) | -1.5% |

*DoE does not fund grant positions.

FY 2019 Sources of Funds

- The Department's operations are supported by five (5) separate funding sources. Based on the pie chart on the following page, the Solid Waste fund accounts for approximately half of the Department's funding (49.3%), and together with the Storm Water Management Fund (27.4%), and Local Watershed Protection Fund 21.2%), account for a combined total funding of 97.9% from the Enterprise Funds. The General Fund accounts for only 2.1% of the Department's funding, and Grants account for less than 1%. The three (3) enterprise funds are comprised of the following revenues: Residential Fees for Solid Waste, Property Taxes for Stormwater, and Impact Fees for Water Quality. *See chart on the following page.*

2019 PROPOSED SOURCE OF FUNDS



Source: FY 2019 Proposed Budget page 326

Budget Comparison – Solid Waste Management Enterprise Fund (Solid Waste)

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 - Solid Waste

| Category | FY 2017 Actual | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
|--------------------|----------------------|----------------------|----------------------|-----------------------|---------------------|-------------|
| Compensation | \$ 7,380,503 | \$ 7,671,000 | \$ 7,509,900 | \$ 7,462,000 | \$ (209,000) | -2.7% |
| Fringe Benefits | 6,958,401 | 4,863,500 | 4,761,300 | 4,731,000 | (132,500) | -2.7% |
| Operating Expenses | 100,591,191 | 87,198,100 | 87,085,100 | 91,715,300 | 4,517,200 | 5.2% |
| Capital Outlay | - | 299,700 | 299,700 | 10,000 | (289,700) | -96.7% |
| Sub-Total | \$ 114,930,095 | \$ 100,032,300 | \$ 99,656,000 | \$ 103,918,300 | \$ 3,886,000 | 3.9% |
| Recoveries | - | (1,505,800) | (1,300,000) | (1,300,000) | 205,800 | -13.7% |
| Total | \$114,930,095 | \$ 98,526,500 | \$ 98,356,000 | \$ 102,618,300 | \$ 4,091,800 | 4.2% |

Authorized Staffing Count

| | FY 2018 Approved | FY 2019 Proposed | Change Amount | Percentage Change |
|--------------|---------------------|---------------------|------------------|----------------------|
| Full-Time | 151 | 148 | (3) | -2.0% |
| Total | 151 | 148 | (3) | -2.0% |

The Solid Waste Management Enterprise Fund's proposed FY 2019 revenues and expenditures as compared to the approved FY 2018 revenues and expenditures are shown in more detail in *Appendix 1, immediately following the end of this report.*

Staffing Changes and Compensation (Solid Waste)

- Solid Waste Management Enterprise Funds are provided for 148 full-time positions, representing a decrease of three (3) positions, under the FY 2018 approved budget level due to the abolishing of three (3) funded vacancy positions in the Abandoned Vehicles Unit (AVU). Additionally, there will be a transfer of four (4) filled Police union positions to the Police Department in FY 2019. As previously stated, the unit's towing function is being transferred to the Revenue Authority in FY 2019.

- Twenty-five of the Fund's 38 vacancies in FY 2019 are unfunded, with four (4) of the unfunded positions being Police union positions as a part of the transfer of the towing function to the Revenue Authority. These employees will be funded vacancies in the Police Department. See *First Round Budget Response Q.12, Attachment 2 for a complete list of vacancies in FY 2019.*
- In FY 2019, proposed compensation is approximately \$7.5 million, which represents a decrease of \$209,000, or 2.7%, under the FY 2018 budgeted level.
- The proposed FY 2019 compensation includes an increase of \$71,500 for mandated salary requirements (including attrition and salary lapse), funding for one (1) previously unfunded Laborer to assist with animal carcass removal (\$36,100), and \$440,000 for overtime expenses. A salary lapse of \$1,087,800 is anticipated in FY 2019.
- Overtime is incurred as a result of keeping the Brown Station Road Sanitary Landfill (landfill) open six (6) day per week to maintain operations.
- In FY 2018, the Department has one (1) position in this Fund that was assigned to the DPW&T to conduct community cleanup activities since 2010, and this assignment is expected to continue in FY 2019.
- The Department is reporting that it has difficulty filling mid-level and senior level Engineer positions (Engineer III, IV, and V), and Refuse Collection Inspectors positions. Efforts made to fill the positions include on-line advertisement on professional/skilled trade organization websites, and contact with local colleges/universities in the Washington Metropolitan region. Additionally, starting salary is also a factor that is reported as a challenge for filling positions.
- The Department is also reporting that for Solid Waste Management, the qualified candidate pool tends to be small via the County advertisement; so the Department has to advertise in other mediums in order to get a more competitive pool of candidates, especially for Refuse Collection Inspectors, Equipment Operators, and Engineers.
- The Department is reporting that Equipment Operator II/II's, and Administrative Specialists, are affected most by attrition. Key factors contributing to the current attrition levels include lack of career mobility, salaries, and the number of employees eligible for retirement.
- The Department is reporting that when Engineers leave, it is extremely difficult to fill these vacancies due to the County's salary structure, and the length of time it takes to fill vacant positions. Additionally the Department still needs to improve its internal hiring process.

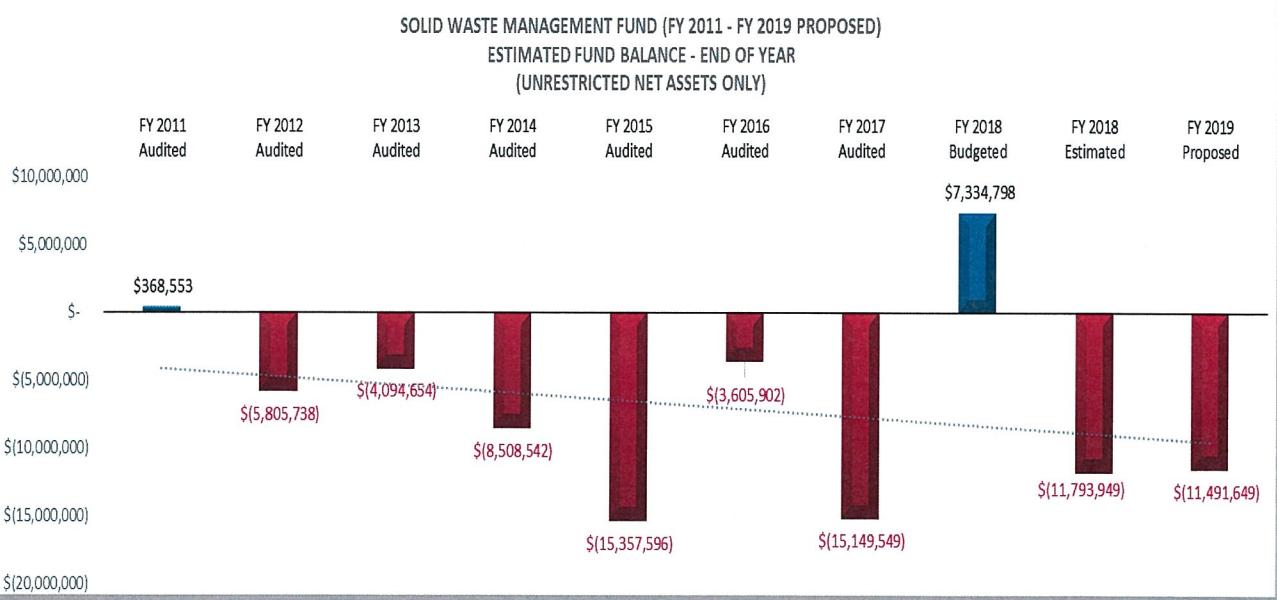
Fringe Benefits (Solid Waste)

- FY 2019 fringe benefits are proposed at approximately \$4.7 million, a decrease of \$132,500, or 2.7%, under the FY 2018 approved amount to align with compensation adjustments.
- A five-year trend analysis of fringe benefit expenditures is included in the table below:

| Fringe Benefits Historical Trend (Solid Waste - EF5000) | | | | |
|--|---------------------------|---------------------------|-----------------------------|-----------------------------|
| | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimate | FY 2019 Proposed |
| Fringe Benefit Expenditures | 4,758,912 | 6,958,401 | 4,761,300 | 4,731,000 |
| As a % of Compensation | 65.4% | 94.3% | 63.4% | 63.4% |
| Annual % Change | | 46.2% | -31.6% | -0.6% |

Fund Balance (Solid Waste)

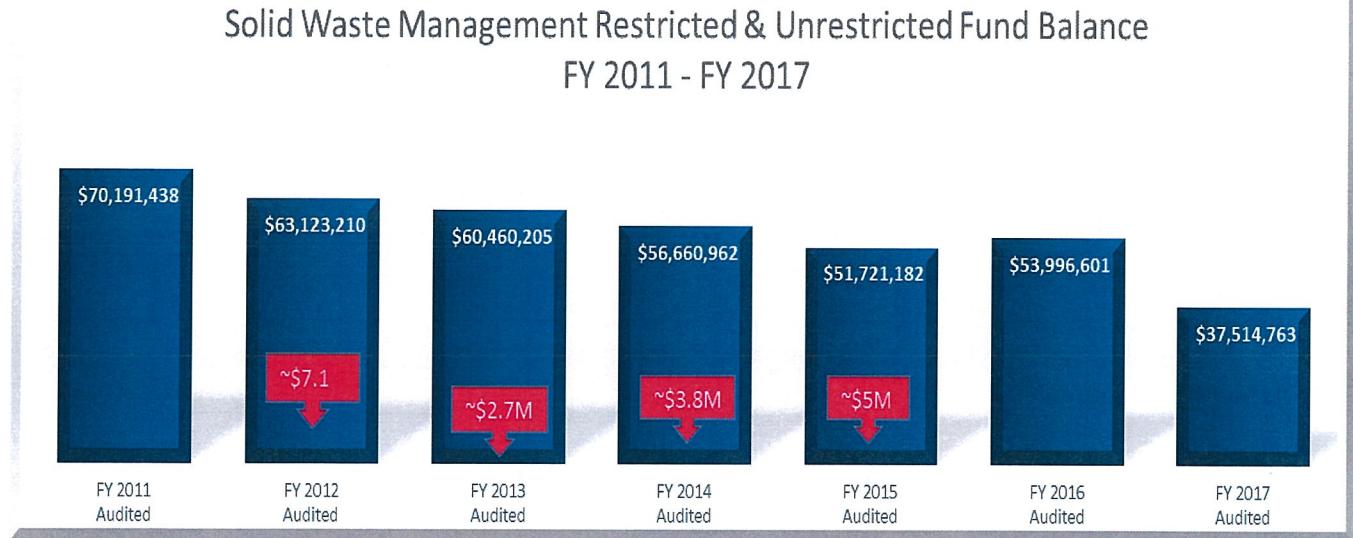
- The Comprehensive Annual Financial Report (CAFR) for FY 2017 has the *unrestricted* fund balance carrying a deficit of over \$15 million. The FY 2018 Approved budget for the *unrestricted* net assets in the solid waste enterprise fund was estimated to have a surplus of approximately \$7.3 million, however, the Office of Management and Budget (OMB) is now reporting an estimated deficit of approximately \$11.8 million at the end of FY 2018, and a continued deficit of approximately \$11.5 million in FY 2019. *See chart below.*



Source: FY 2019 Proposed Budget page 334 & CAFRs

- The overall net position of the solid waste enterprise fund (which includes both restricted and unrestricted assets) has dropped by ~\$33 million from ~\$70.2 million (FY 2011) down to ~\$37.5 million (FY 2017). Since FY 2011, the largest year over year decrease was seen from FY 2016 – FY 2017 with a \$16.5 million loss. *See chart on the following page.*

Solid Waste Management Restricted & Unrestricted Fund Balance FY 2011 - FY 2017



Source: FY 2011- FY 2017 CAFRs

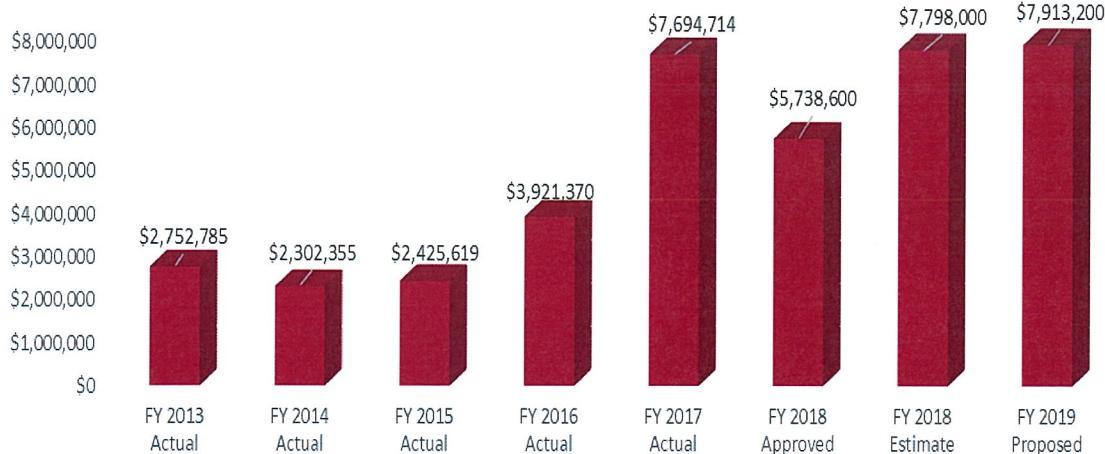
- The Department is reporting that it has undertaken the following measures to address the structural deficit of the Solid Waste Enterprise Fund:
 - Implemented once a week trash pickup;
 - Continued efforts to increase the diversion rate which improves revenues; and,
 - Seeking the creation of a Resource Recovery Intergovernmental Agreement (Resource Recovery Master Plan) which is currently in the Office of Law for legal review, and submission to ARC upon approval. The County has asked Maryland Environmental Services (MES) to assist with the plan. The plan will reduce the County's solid waste stream by using resource recovery byproducts of the solid waste stream in an environmentally productive manner.

Revenues (Solid Waste)

- In FY 2019, the Fund's proposed revenue sources are increasing by \$1,962,400, or 2.0%, over the current year's approved level, excluding the use of fund balance. See *Appendix 1* of this report which provides a breakdown of the Fund's revenues.
- The Fund's proposed revenues in FY 2019 are expected to increase for five (5) categories (Sale of Recyclables, Interest Income, System Benefit Tax Collections, Recycling Fee Tax Collections and Abandoned Vehicles), excluding the Use of Fund Balance (~\$2.1 million), and decrease in seven (7) categories (Bulky Trash Tax Collections, Sale of Electricity, Miscellaneous Collections, Landfill Surcharge, Clean Lot Revenue, Refuse Collection Charges, and Landfill Tipping Fees).
- The proposed FY 2019 budget has the Sale of Recyclables increasing to approximately \$7.9 million, which is approximately \$2.2 million, or 37.9%, over the approved FY 2018 budget to align with actuals, and is directly attributable to more County residents participating in the recycling program, and higher prices for commodities on the open market. *See chart on the following page.*

SALE OF RECYCLABLES (REVENUES)

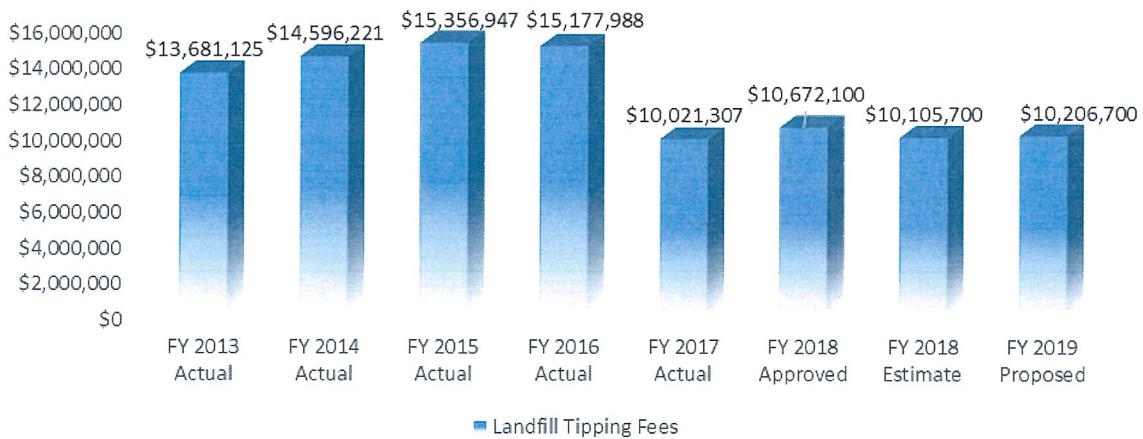
FY 2013 - PROPOSED FY 2019



Source: FY 2019 Proposed Budget page 334 and Prior Years Approved Budgets

- The proposed FY 2019 budget has the Landfill Tipping Fees decrease to approximately \$10.2 million, which is \$465,400, or 4.4%, under the approved FY 2018 budget to align with actuals. *See chart below.*

LANDFILL TIPPING FEES (REVENUES)

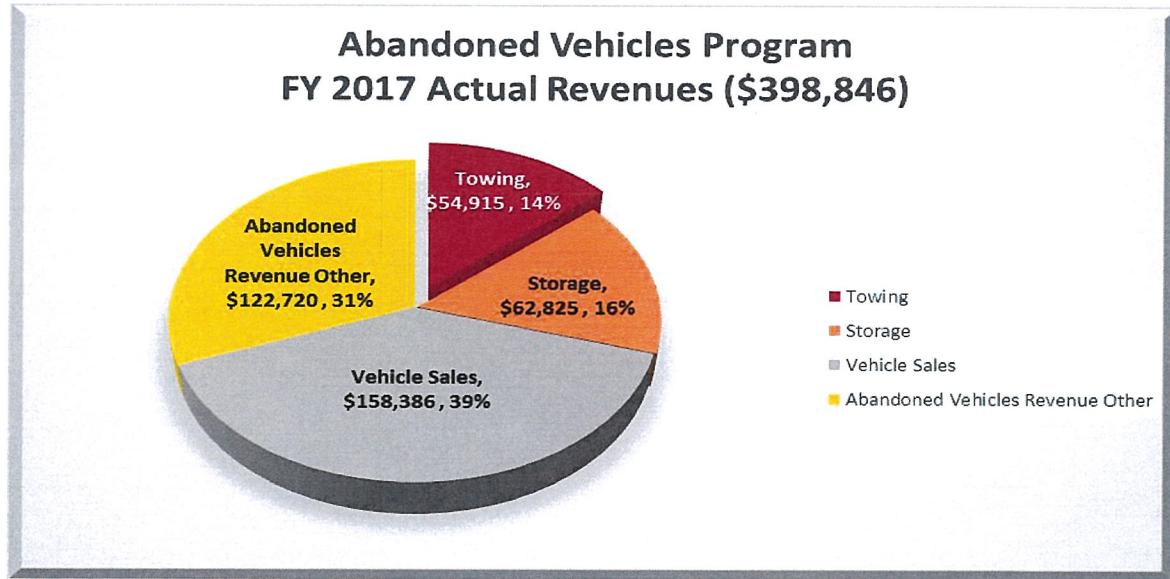


Source: FY 2019 Proposed Budget page 334 and Prior Years Approved Budgets

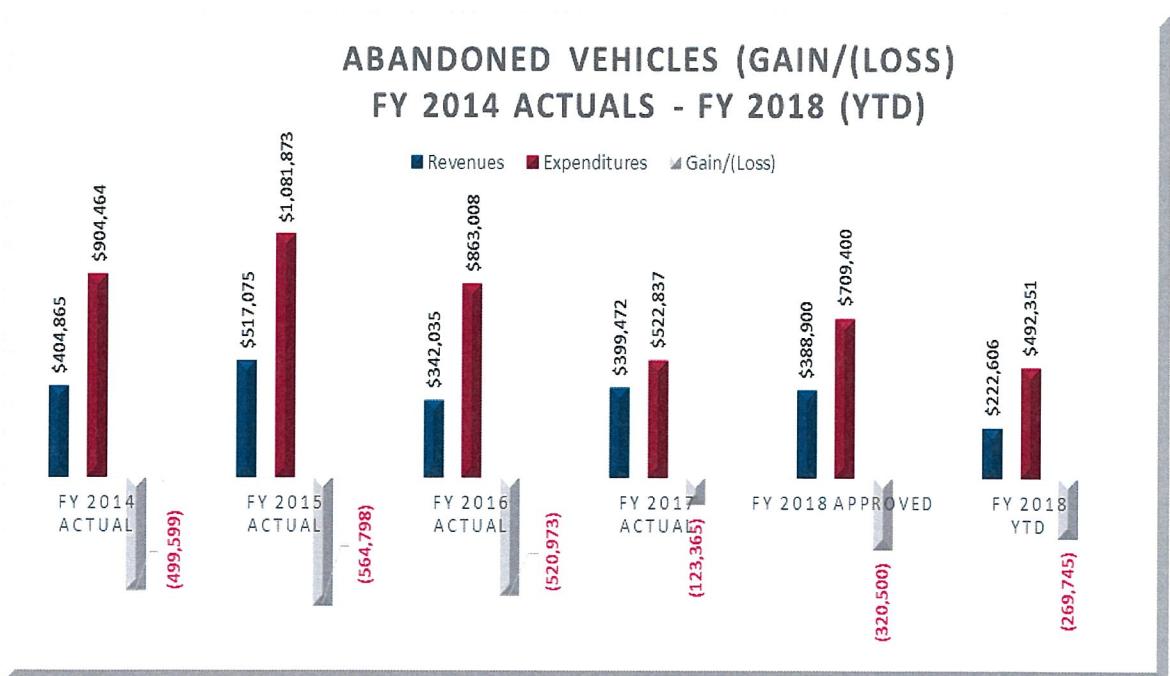
- The largest percentage increase in revenues in FY 2019 as compared to the approved FY 2018 budget is for Interest Income at \$795,900, or 83.8% increase, which is based on the most recent actuals available. The largest percentage decreases in FY 2019 as compared to FY 2018 are for Clean Lot Revenue (\$250,000 decrease), or 33.4%, and Miscellaneous Collections (\$179,500 decrease), or 33.3%.

▪ **Abandoned Vehicles Unit (AVU) Program:**

- In FY 2017, the actual revenues generated by the AVU Program included: Vehicle Sales (\$158K or 39%), Other Revenues (~\$123K or 31%), Storage (~\$63K or 16%), and Towing (~\$55K or 14%).



- The chart below shows the revenues, expenditures, and gains/losses for the AVU program from FY 2014 – FY 2018 (YTD).



Data Sources: Abandoned Vehicle Unit Audit (2017), Proposed FY 2019 Budget & SAP

- The Department has received approval from the Maryland General Assembly for the transfer of the program's towing function from the Department to the Revenue Authority of Prince George's County (Revenue Authority) in FY 2019. The new legislation becomes effective immediately, and provides the County Executive the authority to delegate the function. This transfer is expected to occur July 1 2018.
- In FY 2019, the Solid Waste Fund is showing a reduction of \$316,600 which is being attributed to the transfer of the towing function of the AVU Program to the Revenue Authority, which includes the abolishing of three (3) AVU positions in DOE.
- In FY 2019, there will also be a \$200,000 reduction of fringe benefits for the three (3) positions in the AVU that are being abolished.
- In order to facilitate the transfer, the Revenue Authority will manage the towing function on behalf of the County at an estimated cost of \$400,000.
- Any shortfalls experienced by the Revenue Authority with respect to the operations related to the Revenue Authority's take-over of the towing functions of the AVU, will be covered by the County, and is similar to the Revenue Authority's management of the False Alarm Program with the County.

Operating Expenses (Solid Waste)

- In FY 2019, Solid Waste operating expenses are proposed at approximately \$91.7 million, and are comprised of the following major items:

| | |
|--------------------------------------|--------------|
| ○ Operating Contracts | \$37,976,100 |
| ○ Interagency Charges | 21,006,000 |
| ○ General & Administrative Contracts | 18,870,700 |
| ○ Depreciation | 6,102,800 |
| ○ Principal | 2,431,700 |
| ○ Interest | 1,702,200 |
- Overall, operating expenses are increasing by approximately \$4.52 million, or 5.2%, above the FY 2018 approved level. The accompanying *table below* compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In nine (9) of the categories, the FY 2019 Proposed Budget increases planned spending from the FY 2018 approved budget. In four (4) of the categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 approved budget. FY 2019 proposed expenditures are being reduced in nine (9) categories.

| Operating Objects - Solid Waste | FY 2018 Budget | FY 2019 Proposed | FY 2018 - FY 2019 | |
|--|-------------------|---------------------|-------------------|--------------|
| | | | \$ Change | % Change |
| General & Administrative Contracts | 15,026,100 | 18,870,700 | 3,844,600 | 25.59% |
| Interagency Charges | 20,580,900 | 21,006,000 | 425,100 | 2.07% |
| Principal | 2,100,000 | 2,431,700 | 331,700 | 15.80% |
| Interest | 1,409,600 | 1,702,200 | 292,600 | 20.76% |
| Operating Contracts | 37,775,500 | 37,976,100 | 200,600 | 0.53% |
| Vehicle Equipment Repair/Maintenance | 835,500 | 901,700 | 66,200 | 7.92% |
| Advertising | 8,900 | 61,500 | 52,600 | 591.01% |
| Training | 6,000 | 10,000 | 4,000 | 66.67% |
| Postage | 2,000 | 5,000 | 3,000 | 150.00% |
| Membership Fees | 2,000 | 2,000 | 0 | 0.00% |
| Office and Operating Equipment Non-Capital | 3,800 | 3,800 | 0 | 0.00% |
| Gas and Oil | 742,100 | 742,100 | 0 | 0.00% |
| Depreciation | 6,102,800 | 6,102,800 | 0 | 0.00% |
| Printing | 24,200 | 23,900 | (300) | -1.24% |
| Other Operating Equipment Repair/Maintenance | 2,400 | 2,100 | (300) | -12.50% |
| Utilities | 469,900 | 464,700 | (5,200) | -1.11% |
| General Office Supplies | 202,000 | 196,000 | (6,000) | -2.97% |
| Building Repair/Maintenance | 17,300 | 10,300 | (7,000) | -40.46% |
| Equipment Lease | 30,000 | 21,700 | (8,300) | -27.67% |
| Telephone | 90,300 | 77,700 | (12,600) | -13.95% |
| Office Automation | 577,500 | 442,900 | (134,600) | -23.31% |
| Grants/Contributions | 1,189,300 | 660,400 | (528,900) | -44.47% |
| TOTAL | 87,198,100 | 91,715,300 | 4,517,200 | 5.18% |

Source: FY 2019 First Round Budget Review Response Q.19, page 13 – Solid Waste Fund

- The most significant dollar increase between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is for General & Administrative (G&A) Contracts (approximately \$3.8 million increase). The increase in G&A contracts is primarily due to an increase in contracts related to Leachate Hauling from the Brown Station Road Sanitary Landfill (BSRSL) Pretreatment facility to Baltimore by Clean Sweep due to the hazardous make-up of leachate (pending pre-treatment facility upgrades, CIP), operation of the Materials Recycling Facility (MRF), and added lease payments for financing three (3) bulky trash vehicles (\$117,800).
- Operating Contracts are increasing by \$200,600 in FY 2019, for management fees to the Revenue Authority, due to the transfer of the towing function of the Abandoned Vehicles Unit.
- In FY 2019, the three (3) Maryland Environmental Services (MES) contracts are increasing to ~\$10.1 million, over the approved FY 2018 amount of ~\$8.4 million, for a net increase of ~\$1.63 million, primarily due to increases in operating and/or maintenance. In FY 2018 & FY 2019, MES costs increased due to the following:
 - **MRF ~\$1.2 million increase (est. FY 2018) & ~\$1.2 million increase (Proposed FY 2019) –** costs associated with additional workload, proposed maintenance repairs needed that were not originally budgeted in FY 2018, and payment of some FY 2017 invoices.

- **Western Branch Composting Facility \$506,600 increase (est. FY 2018) & \$282,800 increase (Proposed FY 2019)** – expansion of composting that were not originally budgeted and payment of some FY 2017 invoices.
- **BSRSL Leachate Treatment Facility \$42,300 increase (Est. FY 2018) & \$200,000 increase (Proposed FY 2019)** - for costs associated with operations and maintenance at the BSRSL Leachate Pretreatment facility.
- The list below details a few of the fund's proposed large contracts for FY 2019 as compared to the FY 2018 Approved Budget. As previously stated, the Clean Sweep services for leachate hauling are increasing by ~ \$1.83 million in FY 2019 compared to the approved FY 2018 amount to \$2.6 million.

| Attachment 3 Excerpt Contracts, FY 2018 and FY 2019 | | | | | |
|--|--|--|---|---|---|
| Vendor/Contractor Name | Summary of Contract Services | FY 2018 | | FY 2019 | |
| | | FY 2018 Approved Budget | FY 2018 Actual/ Estimated Contract | FY 2019 Proposed Contract Amount | FY 19 Vs FY 18 Change \$ |
| Trash Haulers (various) | Curbside trash collection | \$ 36,805,000 | \$ 36,805,000 | \$ 36,818,100 | \$ 13,100 |
| Maryland Environmental Service (MES) | Operation of the Materials Recycling Facility | \$ 5,202,500 | \$ 6,392,800 | \$ 6,353,600 | \$ 1,151,100 |
| Maryland Environmental Service (MES) | Operation of Western Branch Composting Facility | \$ 2,143,400 | \$ 2,650,000 | \$ 2,426,200 | \$ 282,800 |
| Maryland Environmental Service (MES) | Ops and maintenance at the BSRSL Leachate Treatment Facility | \$ 1,100,000 | \$ 1,142,300 | \$ 1,300,000 | \$ 200,000 |
| TOTAL MES CONTRACTS | | \$ 8,445,900 | \$ 10,185,100 | \$ 10,079,800 | \$ 1,633,900 |
| Clean Sweep (services previously provided by Agri-Services) | Leachate Hauling Services - note: FY18 to FY19 increase due to increasingly hazardous waste needing treatment at a different | \$ 775,000 | \$ 1,764,600 | \$ 2,600,000 | \$ 1,825,000 |
| Call Contracts w/ Arcadis, EA Engineering and SCS Engineering | Call Contracts for Environmental and Compliance Related Tasks at the BSRSL | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ - |
| Curtis Engine Energy Services | Operation of the BSRSL gas recovery and cogeneration facility | \$ 1,170,000 | \$ 1,049,800 | \$ 1,300,000 | \$ 130,000 |
| Signature Public Funding Corporation | Toter Lease Purchasing | \$ 987,000 | \$ 987,000 | \$ 987,000 | \$ - |
| CMT Services, Inc. | Laborers and CDL drivers for Bulky staff augmentation | \$ 798,400 | \$ 672,800 | \$ 672,800 | \$ (125,600) |

Source: FY 2019 First Round Budget Review Response Q.20, Attachment 3 – Contracts – Partial List – Solid Waste (EF 5000)

- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is for Grants & Contributions (\$528,900 reduction), which varies based on availability and award, and the removal of contributions to the Capital Improvement Program (CIP).
- The FY 2019 Proposed Budget includes \$4.2 million, to be transferred to the required Landfill Reserves. The Office of Finance is reporting that the FY 2017 reserve levels as of 2/23/2018, are as follows: Landfill Closure reserve (~\$97.8 million), Revenue Bond Operation and Maintenance Reserve (\$9.0 million), and Sandy Hill Landfill Trust Reserve (~\$1.9 million).

Recoveries (Solid Waste)

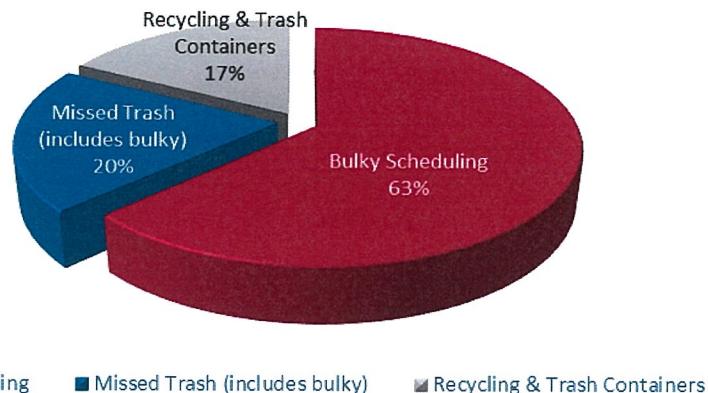
- Recoveries are proposed at \$1.3 million, which is \$205,800, or 13.7%, under the FY 2018 approved level, which reflects actual expenses. The recoveries are from the Sandy Hill Post Closure reserve fund, for expenses incurred by the Department to conduct post closure functions (environmental clean-up) at the Sandy Hill Landfill.

Highlights, Capital Outlay & Maintenance (Solid Waste)

Resource Recovery Division (RRD) – Solid Waste Fund

- The following initiatives are expected to affect the Department's workload and performance in FY 2019 and beyond:
 - Developing and implementing a plan to *manage the County's future waste needs*.
 - Residential curbside trash, recycling, yard trim collections, and bulky waste collections.
 - Operation of the Organics Composting Facility.
 - Operation of the Brown Station Road Sanitary Landfill (the "BSRSL" or "Landfill"), including landfill gas to energy plans (BSRSL and Corrections and leachate management).
 - Operations of the Materials Recycling Facility (MRF).
 - Sandy Hill Sanitary Landfill post-closure activities.
- The Department is reporting the following as it relates to its RRD:
 - Achieved the highest recycling rate and waste diversion rate in the State of Maryland.
 - 91% compliance rate for multifamily recycling.
 - Increased infrastructure for expansion of food scrap composting project.
 - Improvement of the County Office Recycling Program – purchased and provided new side by side recycling and trash receptacles, and will be installing exterior recycling collection receptacles.
 - Reduction in collection complaints.
- *Residential curbside trash, recycling, yard trim collections, and bulky waste collections*
 - The Department is reporting that of the 3-1-1 calls received related to the RRD, from July 1, 2017 to March 6, 2018, through the CSR Motorola system, 25,803 (63%) relate to Bulky trash scheduling, 8,123 or 20% are for missed trash pick-up (which includes bulky trash), and 7,081 or 17% relate to recycling & trash containers.

**Resource Recovery Divison Customer Service Requests (3-1-1)
July 1, 2017 - March 6, 2018**



- ***Council Bill 87-2012 (Recycling) and Council Bill 5-2015 (Expanded Polystyrene Ban)*** – While the Department is striving to meet mandatory commercial and multifamily recycling mandates, and polystyrene ban requirements, further assessment will be needed once current staff vacancies are filled to ensure staffing levels are appropriate for the workload represented. The Department is in the process of hiring additional Inspectors for enforcement of these laws. *See additional details related to the mandatory multifamily and business recycling programs in the Department's response to First Round Question 44.*

- ***Reinstatement of Twice a Week Trash Pickup***

The Department is reporting the following related to the change from twice a week to once a week trash pickup, and the possibility of reinstating pickup to twice a week:

- ✖ The implementation of once a week trash pickup was an effort to address the structural deficit of the solid waste fund, along with efforts to increase the diversion rate to improve revenues.
- ✖ Saved the County \$6 million annually, or \$30 million over the five (5) year life of the hauling contracts, thus reinstating twice a week pickup, would cost at least \$6 million annually.
- ✖ It is unable to provide an estimation of the cost, to add an additional day, as of the writing of this report, given changing market conditions, not having any recent procurements in this industry, and a short response time to provide an answer.
- ✖ Current contracts with the 15 hauling companies run through FY 2021, with two (2) one-year renewals.
- ✖ For contractual, procurement and operational purposes, it is not possible to implement this change in FY 2019, as there are more than 100 service areas requiring a complete reworking of routing, service days, and company staff resources.
- ✖ Yard trim is picked up by haulers on Mondays countywide for resident's convenience, which likely result in compressed available days for an additional trash pickup from Tuesday – Friday, allowing only 4 days for 2 pickups.

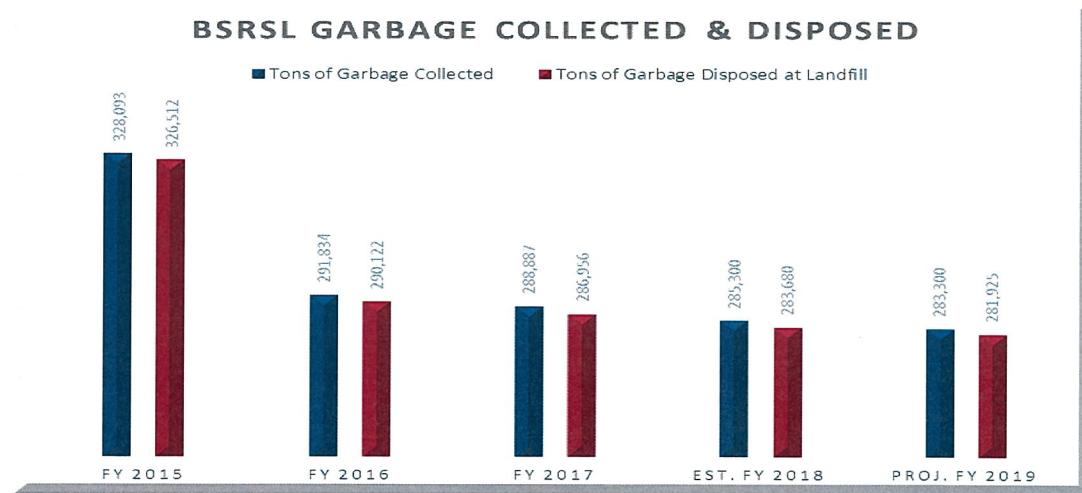
- ***Expansion of Food Composting***

- ✖ The Department is proposing that a more environmentally and economically sensible alternative would be to provide food scrap pickup on Mondays countywide, the same day as yard trim collection, and both of these organic resource streams can be delivered to the Western Branch Organic Composting Facility on the same day. Benefits would be to:
 - Eliminate the concern of food scraps sitting around for possibly several days.
 - Increased revenue stream through the sale of LeafGro Gold soil amendment product.
 - The Recycling Section of RRD was awarded a one (1) year \$20,000 Environmental Protection Agency (EPA) grant to fund the Curbside Food Scrap Collection pilot which is currently underway, and is exploring the best practices for residential collection, with future plans to include offering to all County residents.

- Currently, a pilot program of 140 homes is underway in 4 communities: Peppermill, Carmody Hills, Wilburn and Ft. Washington, with strong enthusiasm expressed by residents for the program.
- Increase composted tonnage – In 2013 ~287 tons of food was composted, and the Department estimates that when the 12 heap Mega system comes online in September 2018, it could potentially divert 30,000 tons of food scraps from being landfilled annually.

- ***The Brown Station Road Sanitary Landfill (BSRSL)***

- ➊ Aging landfill heavy equipment is an ongoing concern and may require more maintenance expenditures due to increased downtimes. The Division is currently assessing the condition of equipment and utilizing technology in-house to diagnose needed repairs to save money associated with that service that can then be used for actual maintenance needs and replacement, if needed. The FY 2019 Proposed Budget includes \$10,000 for a Hydraulic Hose Maker to replace damaged hydraulic hoses for the landfill equipment, trucks and compactors.
- ➋ Municipal Solid Waste volumes placed within the active area of the BSRSL in FY 2019 are projected at 281,925 tons, which reflects a decrease in volume from the estimated FY 2018 volume of 283,680 tons, with a projected recapture of solid waste due to recycling of 1,375 tons in FY 2019. *See chart below for tons of garbage collected and disposed from FY 2015- Proj. FY 2019.*

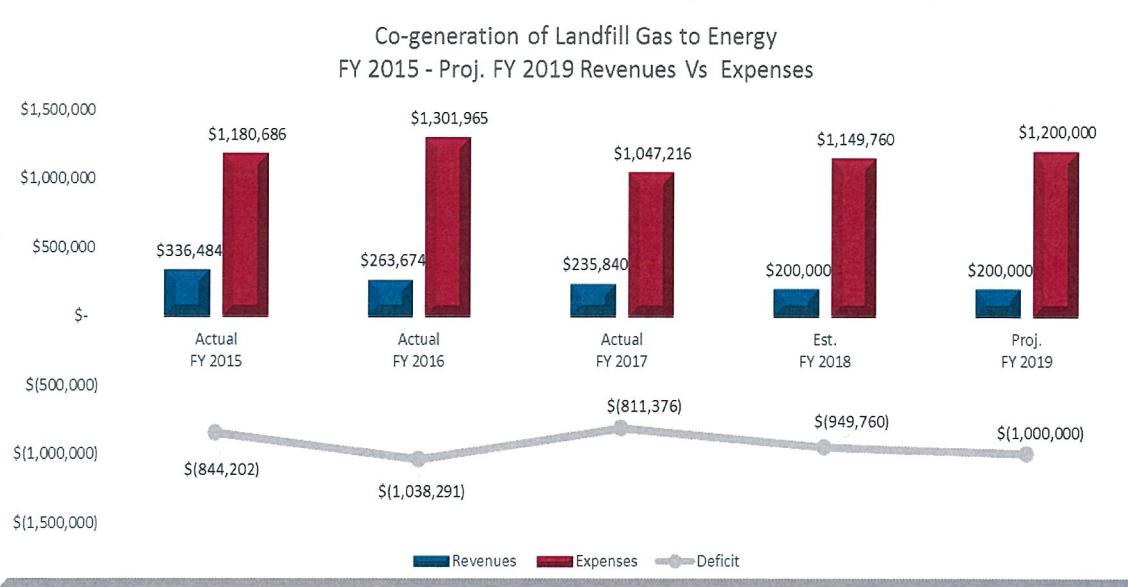


- ➊ Under current permit conditions and waste load projections, the Landfill has current airspace through 2028.
- ➋ Currently, there are no efforts or plans to manage waste beyond the current engineered life of the landfill. The Department has a Resource Recovery Master Plan underway through which it is examining enhanced infrastructure to divert far more than the current 65% rate, which is expected to be completed later this calendar year.
- ➌ Policies, facilities, and partnership modalities that enable greater reuse, repurposing, and recycling of items that are currently ending up in the landfill are being considered. All of

these would have potential for revenue generation, as the landfill is a revenue and value dead-end for waste stream material.

- There are currently no proposed changes to tipping fees, and tipping fee revenues are projected to be ~\$14.4 million in FY 2019.

- The BSRSL Leachate Pretreatment Facility** is outdated and incapable of pretreating the volume of leachate, and meeting the minimum requirements outlined in the leachate discharge authorization permit. This will result in higher operating costs for the hauling of excess leachate. A project for upgrading the facility is planned and will be discussed in the Proposed CIP Budget section of this report.
- The costs associated with the **Landfill Gas to Energy project**, including the landfill gas to energy plants at BSRSL and at the Department of Corrections, which includes facility management, maintenance, repairs, and regulatory reporting, will continue to have a major impact on the operating budget.
 - Costs to run the plant from Curtis Engine, outweighs the revenues received in sales from electricity and renewable energy credits (RECs) for the Department.
 - If cost avoidance at the Department of Corrections (DOC) is added then the deficit is not as large, however, energy savings costs to the DOC was not obtained.



- Operations of the Materials Recycling Facility (MRF)**

- The Department is projecting that revenues will exceed expenses for operations and maintenance of the MRF facility.
- The facility suffered a fire on January 16, 2018, with estimated expenses of \$298,411, which includes labor, building damage repair, contractual work, disposal and

equipment use. The County's Risk Management division has submitted an insurance claim.

- ✚ The fire caused closure of the facility for 1.5 weeks.
- ✚ Losses were sustained for recyclables that would have been processed and sold that were delivered prior to the fire, and had to be landfilled.
- ✚ Procurement for a replacement baler for paper and cardboard has commenced and is expected to be purchased by the end of Fiscal Year 2018.
- ***Post Closure of the Sandy Hill Sanitary Landfill*** – will be discussed under the CIP section of this report.
- The Department is reporting the following significant changes to the ***ten (10) Year Solid Waste Management Plan***. A summary of changes indicate that:
 - Solid Waste generation is slightly higher than previous estimates based on population growth.
 - Recycling rates increased from 40 percent to 59 percent, with the County exceeding the national average for waste diversion.
 - Food scraps were added to the organics composting operation.
 - Mandatory business recycling was incorporated.
 - County has changed residential trash collection from twice to once a week pickup.
 - The proposed Solid Waste Transfer Station has been eliminated.
 - Consideration of development of a Resource Recovery Park has been included.
 - The BSRSL cells (capacity) information was updated.
 - City of College Park Composting Facility was added to the Plan under the new MDE regulations.
 - County goals statement was updated in accordance with the 2035 General Plan.
 - DOE/DPIE reorganization information was included; and,
 - Cedarville Organics Recycling Center was deleted, as the business dissolved.
- The RRD has partnered with the following organizations in order to meet its goals:
 - Keep Prince Georges County Beautiful & Prince George's County Public Schools (Green Team)
 - University of Maryland and dozens of other partners for food scrap composting.
 - University of Maryland University College – Capstone – outreach to Hispanic population.
 - Prince George's Chapter of the Sierra Club to educate the commercial sector of the polystyrene ban.

Budget Comparison - Storm Water Management Enterprise Fund (Stormwater)

Municipal Separate Storm Sewer System (MS4) permit water quality regulations are carried out by the Stormwater Management Division (SMD) and the Sustainability Division (SD).

SMD focuses on flood mitigation through planning, design, construction, permitting of remedial flood and drainage improvement projects.

SD focuses on sustainable services and with the Municipal Separate Storm Sewer System (MS4) and ***Watershed Implementation Plan (WIP)*** requirements facing the County, by providing research, outreach, and tracking of sustainability efforts for the agency.

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 (Stormwater)

| Category | FY 2017 Actual | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
|--------------------|----------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| Compensation | \$ 5,091,304 | \$ 5,184,000 | \$ 5,122,400 | \$ 5,525,100 | \$ 341,100 | 6.6% |
| Fringe Benefits | 4,689,438 | 3,950,200 | 3,903,300 | 4,210,200 | 260,000 | 6.6% |
| Operating Expenses | 27,612,793 | 48,864,200 | 43,565,700 | 48,633,100 | (231,100) | -0.5% |
| Capital Outlay | - | - | - | - | - | N/A |
| Sub-Total | \$ 37,393,535 | \$ 56,269,200 | \$ 52,591,400 | \$ 58,368,400 | \$ 370,000 | 0.6% |
| Recoveries | - | (1,729,200) | (1,729,200) | (1,436,700) | 292,500 | -16.9% |
| Total | \$ 37,393,535 | \$ 56,269,200 | \$ 50,862,200 | \$ 56,931,700 | \$ 662,500 | 1.2% |

Authorized Staffing Count

| | FY 2018 Approved | FY 2019 Proposed | Change Amount | Percentage Change |
|--------------|------------------|------------------|------------------|----------------------|
| Full-Time | 63 | 61 | (2) | -3.2% |
| Total | 63 | 61 | (2) | -3.2% |

The Storm Water Management Enterprise Fund's proposed FY 2019 revenues and expenditures as compared to the approved FY 2018 revenues and expenditures are shown in more detail in *Appendix 2, immediately following the end of this report*.

Staffing Changes and Compensation (Stormwater)

- The proposed FY 2019 compensation total of approximately \$5.5 million, includes funds for 61 full-time positions, with the staffing level decreasing by two (2) from the FY 2018 Approved Budget level, as a result of the transfer of two plan review positions to the Department of Permitting, Inspections, and Enforcement (DPIE).
- In FY 2019, compensation expenditures increased by \$341,000, or 6.6%, over the FY 2018 Approved Budget, due to anticipated merit and cost-of-living adjustments.
- As of March 14, 2018, the Department expects to have a total of 11 vacancies in FY 2019 and the Proposed FY 2019 budget includes funding for all of these positions. A listing of the vacant positions are shown on *Attachments 1 & 2 - FY 2018 & 2019 Vacancies* in the Department's response to *First Round Budget Review Q.4 & Q.11*.

- The Department is reporting that it continues to encounter issues with salary requests versus salary offers for professional engineering positions, and in many cases it results in the preferred candidate not accepting the position.
- In FY 2018, the Fund has one (1) position that was assigned to the Department of Public Works & Transportation (DPW&T) since 2008, which is expected to continue in FY 2019 – an Engineering Technician IV, who coordinates various projects/programs. Two (2) positions currently assigned to DPW&T will be transferred to that Department in FY 2019. A Planner Coordinator is currently assigned to the Department from the Maryland-National Capital Park and Planning Commission (M-NCPPC). This assignment is expected to continue in FY 2019.

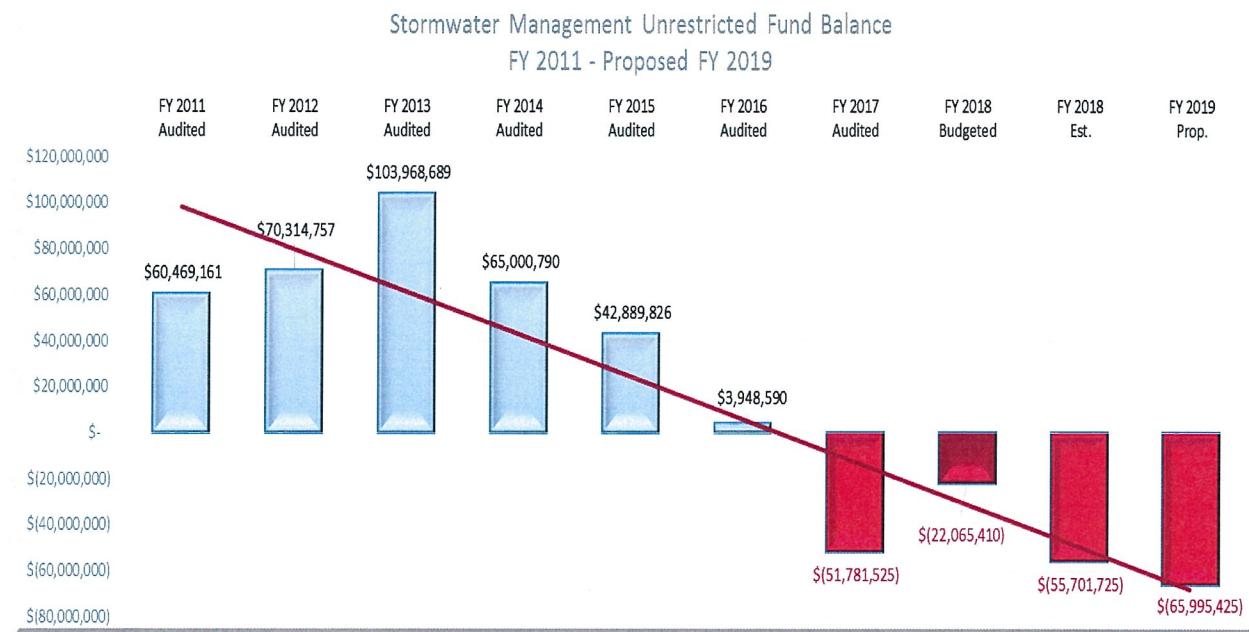
Fringe Benefits (Stormwater)

- FY 2019 Fringe Benefits are proposed at approximately \$4.2 million, an increase of \$260,000, or 6.6%, over the FY 2018 approved level, to reflect anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below:

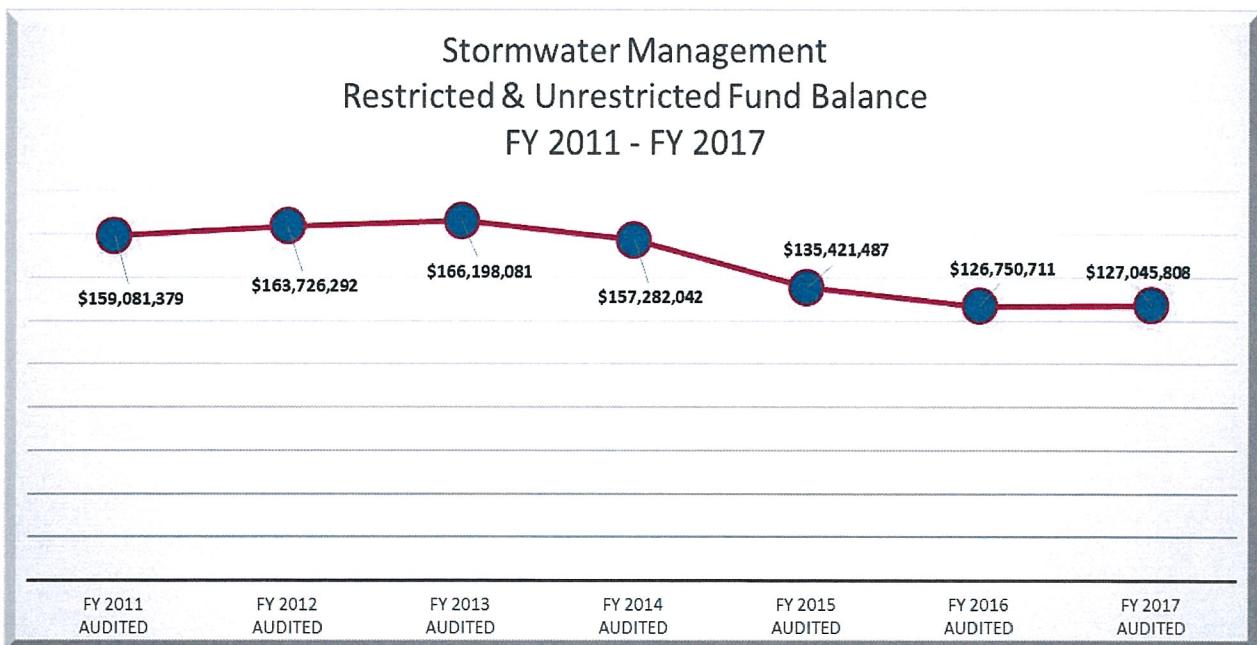
| Fringe Benefits Historical Trend (Stormwater - EF5100) | | | | | |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimate | FY 2019 Proposed |
| Fringe Benefits Expenditures | \$ 3,361,594 | \$ 3,859,222 | \$ 4,689,438 | \$ 3,903,300 | \$ 4,210,200 |
| As a % of Compensation | 75.6% | 77.8% | 85.4% | 76.2% | 76.2% |
| Annual % Change | 14.0% | 12.9% | 17.7% | -20.1% | 7.3% |

Fund Balance (Stormwater)

- According to the financial statements for FY 2017, the **unrestricted** fund balance deficit for the stormwater enterprise fund is estimated to be in excess of \$51 million. The approved FY 2018 budget estimated that the ending **unrestricted** fund balance would have a deficit of approximately \$22.06 million, however, the deficit is now estimated to increase by an additional \$33.64 million to approximately \$55.7 million at the end of FY 2019. The ending **unrestricted** fund balance deficit is projected even lower in FY 2019 to approximately \$66 million. *See chart on the following page.*



- The proposed FY 2019 budget includes the use of approximately \$19.443 million in fund balance, or a 16.2% decrease, under the FY 2018 approved amount, to cover anticipated expenditures.
- The overall net position of the stormwater enterprise fund according to the FY 2017 Financial Statements is approximately \$127 million, which includes both ***restricted and unrestricted*** net assets.



Source: Prior Years CAFRs

Grants (Stormwater)

- The Department pursues Federal and State grants to support CIP programs. In FY 2018, the Department is estimating that ~\$1.857 million in un-anticipated grants, with County matches of \$639,400, as follows:
 - Chesapeake Bay Regulatory and Accountability Program (CBRAP Best Management Practices (BMP) Implementation for Municipalities \$50,000, with a County match of \$37,000;
 - FY 2016 MD Smart Energy Community Grant for \$84,500; and,
 - FY 14 MD DNR Stormwater Management Facilities Retrofit Projects at Multiple Locations (TFC15) for \$1,807,100, with a County match of \$602,400.
- Capital Grants, such as CBT Watershed Assistance and MD DNR Trust Fund Grants are being appropriated in the Capital Budget beginning in FY 2019.
- The Proposed FY 2019 Stormwater grant is for the Chesapeake Bay Trust Watershed Assistance Lawn Aeration of \$100,000, with a County match of \$220,000. This grant will be used to develop an innovative technology that reduces nutrient and sediment loads from lawn areas to meet the Chesapeake bay TMDL and MS4 permit conditions in the most economical manner possible.

Revenues (Stormwater)

- In FY 2019, the proposed revenue sources for the Stormwater fund are increasing by approximately \$5.1 million, or 10.7%, over the current year's level, excluding the use of fund balance. Please see *Appendix 2* of this report which provides a breakdown of the Fund's revenues.
- The Fund's proposed revenues in FY 2019 are expected to increase in five (5) categories, remain unchanged for nine (9) categories, and decrease in two (2) categories. In FY 2019, the largest projected increases in revenues are anticipated for:

| | |
|-------------------|-------------|
| ○ Property Taxes | \$4,280,500 |
| ○ Permits | 822,100 |
| ○ Grading Permits | 395,400 |
| ○ Interest Income | 165,500 |
| ○ Cell Towers | 139,700 |
- In FY 2019, the largest projected decrease in revenues is anticipated for losses in federal/state grants, which is projected to fall by \$675,000.

Operating Expenses (Stormwater)

- In FY 2019, Storm Water Management operating expenses (*see table on the following page*) are proposed at ~\$48.6 million, and are comprised of the following major items:

| | |
|--------------------------------------|-----------------|
| ○ Interagency Charges | ~\$22.1 million |
| ○ Principal | ~\$9.1 million |
| ○ Interest | ~\$6.3 million |
| ○ General & Administrative Contracts | ~\$5.7 million |
| ○ Depreciation | ~\$2.7 million |

- Overall, FY 2019 operating expenses are decreasing by \$231,100, or -0.5%, under the FY 2018 approved level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget. In six (6) of the categories, the FY 2019 Proposed Budget increases planned spending from the FY 2018 approved budget. In eight (8) categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 Approved Budget. FY 2019 proposed expenditures decrease in three (3) categories.
- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget, is Interagency Charges (~\$1.7 million reduction), due to reductions in anticipated project charges from other agencies, and General & Administrative Contracts (~\$1.3 million reduction), due to the reduction of several NPDES/MS4 monitoring expenditures.

| Stormwater Fund Operating Objects | FY 2018 Budget | FY 2019 Proposed | FY 2018 - FY 2019 | |
|--|----------------------|----------------------|---------------------|--------------|
| | | | \$ Change | % Change |
| Principal | 7,970,000 | 9,149,400 | 1,179,400 | 14.8% |
| Office Automation | 332,900 | 1,216,700 | 883,800 | 265.5% |
| Interest | 5,762,100 | 6,315,700 | 553,600 | 9.6% |
| Grants/Contributions | 48,300 | 220,000 | 171,700 | 355.5% |
| Membership Fees | 103,400 | 109,900 | 6,500 | 6.3% |
| Telephone | 22,500 | 27,500 | 5,000 | 22.2% |
| Printing | 17,000 | 17,000 | - | 0.0% |
| Training | 22,700 | 22,700 | - | 0.0% |
| Advertising | 2,900 | 2,900 | - | 0.0% |
| General Office Supplies | 79,700 | 79,700 | - | 0.0% |
| Office and Operating Equipment Non Capital | 5,000 | 5,000 | - | 0.0% |
| Equipment Lease | 12,900 | 12,900 | - | 0.0% |
| Depreciation | 2,692,000 | 2,692,000 | - | 0.0% |
| Miscellaneous | 975,900 | 975,900 | - | 0.0% |
| Vehicle Equipment Repair/Maintenance | 47,200 | 37,900 | (9,300) | -19.7% |
| General & Administrative Contracts | 6,996,100 | 5,681,300 | (1,314,800) | -18.8% |
| Interagency Charges | 23,773,600 | 22,066,600 | (1,707,000) | -7.2% |
| TOTAL | \$ 48,864,200 | \$ 48,633,100 | \$ (231,100) | -0.5% |

Source: FY 2019 First Round Budget Response Q.19, page 14

Highlights (Stormwater)

Sustainability Division (SD)

- Compliance with the County's National Pollutant Discharge Elimination System/Municipal Separate Storm Sewer System (NPDES/MS4) permit continues to be a major factor contributing to the increase in the Sustainability Division's workload and performance.
- The SD is responsible for ensuring that the County is on course to fulfill the MS4 permit requirements for:
 - 1) **Public outreach and education** on household hazardous waste, pet waste, lawn care, car care, and litter reduction; a new workshop series was launched to engage communities in the County's efforts to improve water quality through the adoption/installation of storm water best management practices (BMPs).

- 2) **Litter and trash reduction** in accordance with the trash Total Maximum Daily Load (TMDL) for the Anacostia River Watershed; the target annual litter load reduction for the MS4 part of the TMDL is 170,628 pounds.
- Various other SD initiatives include:
 - Increasing the County's tree canopy expansion by promoting and managing the Tree Re-Leaf, Arbor Day, Arbor Day Everyday and tree demonstration programs, with assistance of recipients of the Stormwater Stewardship Grant Program, consultants and other partners.
 - Addressing litter and illegal dumping through community engagement (e.g. Clean Sweep, Comprehensive Cleanup, school engagement, etc.).
 - Through a County-funded grant issued by the Chesapeake Bay Trust (CBT), a trash trap for the Arundel Canal in Mt. Rainier is in design phase, and is expected to be installed by summer 2018.
 - Promoting, coordinating and supporting 100 storm drain stenciling projects with schools and communities in FY 2017.
 - Rolled out the Adopt-A-Stream Program in FY 2017, and to date, two (2) parties (Friends of Guilford Run and a family) have adopted streams.
 - Responding to numerous inquiries and participation in community meetings related to the expansion of flood insurance requirements for new properties following the 2016 FEMA map updates.
 - Developed a GIS mapping tool that allows the public to view FEMA and property maps simultaneously, to assess whether their property is in the floodplain.
 - Investigation and assessment of drainage complaints. Inspection staff responds to complaints about flooding and problematic drainage conditions across the County.
 - Engineering staff coordinates with municipalities on storm drain improvements and serves as project manager for design and construction projects that are funded through the Municipal Participation Program.
 - Ensuring the County's flood warning system continues to receive, process and disseminate data and reports in a timely manner.

See additional details related to SD's initiatives in the Department's response to First Round (FR) Budget Review Q.25, pages 19-20 & FR Q.26, page 26, Q.46 p.45-46

- The Department is reporting that an application has been made for grant funding from the National Oceanic and Atmospheric Administration (NOAA) for the purchase of a skimmer boat which would be used to remove in-river litter. NOAA will announce grant awards in spring/summer 2018.
- SD staff partners with outside organizations to meet vision and goals, such as PGCPS, Chesapeake Bay Trust, University of Maryland Environmental Finance Center, M-NCPPC, and Alliance of the Bay.
- The Department is reporting that the time to develop and rollout an anti-litter marketing campaign increased more than initially anticipated, and staff plans to exhaust the FY 2018 budget allocation for this effort by the end of the fiscal year.

- Compliance with the NPDES/MS4 permit requirements related to litter reduction and public outreach and education are critical issues which the Department faces. The Department is reporting the following:

| Issue | Fund | Division | Discussion |
|---|------|----------|--|
| NPDES/MS4 Permit compliance - Litter | 5100 | SD | Permit requires the County to achieve and maintain a litter reduction rate of 170,628 pounds per year for the Anacostia River. To date, most of the County's efforts have been focused on litter removal through stream cleanups, roadside litter collection and community cleanups. DoE has three trash trap projects in various stages of development. Prevention is key to reducing litter. An anti-litter campaign entailing marketing, infrastructure, community engagement etc. is needed to effectively educate the public about litter and change behaviors. |
| NPDES/MS4 Permit compliance - Public Outreach and Education | 5100 | SD | Permit requires the County to maintain a public education and outreach program to reduce stormwater pollutants. Staff has created and routinely distributes outreach material. Effective public education comes through engagement which presents a huge demand on resources. Consultant support for educating the public on stormwater pollution prevention is necessary. |

- The Department has provided details on the following projects in its response to First Round Q.31, page 38 related to the following CIP projects, and the CIP Councilmanic District report is provided as Attachment 4 of the First Round Responses:
 - Bandalong Trash Trap (Council Districts 2,3, 6 & 7)
 - City of Glenarden Tree Planting (District 5)
 - Rolph Drive Drainage Improvement (District 8)
 - Longfellow Street Drainage Improvement (District 2)
- In 2015 SD secured a grant, through the Maryland Energy Administration's (MEA's) Maryland Smart Energy Community Grant Program, which would fund a renewable energy project at 1801 McCormick Drive. The funding was to be used for a demonstration project entailing installation of a mini-solar carport at this location. However, there has been a delay in obtaining approval from the County facilities management group. MEA granted a one-time extension on the grant, and it is uncertain as to whether another extension will be granted to afford time to secure necessary approvals for the proposed project or pursue an alternative project.

Stormwater Management Division (SMD)

- Increased mandates from Federal and State Regulations (NPDES/MS4 permit and the WIP II), continue to drive programs and operations within the Division.
- The County was issued its 4th generation NPDES/MS4 permit from the Maryland Department of the Environment (MDE) effective January 2, 2014. The Department remains tasked to address over 6,105 acres of untreated impervious area by 2019, in addition to multiple supporting clean water programs. Funding is from both the Stormwater and Water Quality enterprise funds.

- The NPDES/MS4 permit requires the County to treat 20% of untreated impervious areas within the five (5) year permit cycle, or by 2019. The Department's strategy in meeting this objective is two-fold under both the Clean Water Program, and the Conventional CIP program which will provide innovative water quality Best Management Practices (BMP's), and green technology as follows:
- The Department has identified the following challenges in FY 2018, in responding to the Federal and State regulations associated with the NPDES/MS4 permit and WIP II mandates:
 - **Procurement and Contracting** – Managing and processing significantly increased contract activity in a timely manner will be critical in project production, both in design and construction.
 - i. There is a need to examine the procurement and approval process to assist in meeting NPDES/MS4 schedules. The Department is experiencing challenges with the Jobs First Act requirements due to availability and capacity of local resources. These conditions are anticipated to translate in increased costs and project performance schedules.
 - **MS4 Permit Requirements**
 - i. The Agency successfully executed an agreement with DPIPE to facilitate permitting of CIP and Cleanwater Partnership (CWP) in FY 2016. The DoE CIP permitting application is currently operational.
 - ii. The permitting process (MNCPPC, State and Federal) will need to be streamlined in order to support construction schedules commensurate with NPDES/MS4 schedules.
 - **Property Owner Agreements** are required to enable restoration on private property.
 - **Public Property Availability** is limited to existing untreated right-of-ways.

Budget Comparison - Local Watershed Protection & Restoration Fund (Water Quality)

Effective July 1, 2013 the County established a Watershed Protection and Restoration (WPR) Program, in accordance with the provisions of House Bill (HB) 987. Through the establishment of a new storm water remediation fee, the County will be able to meet its longer term regulatory WIP II and NPDES and federal mandates for water quality improvement through restoration.

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 (Water Quality)

| Category | FY 2017 Actual | FY 2018 Budget | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
|----------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| Compensation | -\$ | \$ 850,600 | \$ 850,600 | \$ 950,000 | \$ 99,400 | 11.7% |
| Fringe Benefits | -\$ | 205,800 | 205,800 | 229,900 | 24,100 | 11.7% |
| Operating Expenses | 2,248,552 | 13,715,900 | 4,642,000 | 42,979,000 | 29,263,100 | 213.4% |
| Capital Outlay | -\$ | -\$ | -\$ | -\$ | -\$ | N/A |
| Sub-Total | \$ 2,248,552 | \$ 14,772,300 | \$ 5,698,400 | \$ 44,158,900 | \$ 29,386,600 | 198.9% |
| Recoveries | -\$ | -\$ | -\$ | -\$ | -\$ | N/A |
| Total | \$ 2,248,552 | \$ 14,772,300 | \$ 5,698,400 | \$ 44,158,900 | \$ 29,386,600 | 198.9% |
| Authorized Staffing Count | | | | | | |
| | FY 2018 Approved | FY 2019 Proposed | | Change Amount | Percentage Change | |
| Full-Time | 10 | 10 | | 0 | 0.0% | |
| Total | 10 | 10 | | 0 | 0.0% | |

The Water Quality Enterprise Fund's proposed FY 2019 revenues and expenditures, as compared to the

approved FY 2018 revenues and expenditures, are shown in more detail in *Appendix 3, immediately following the end of this report.*

Staffing and Compensation (Water Quality)

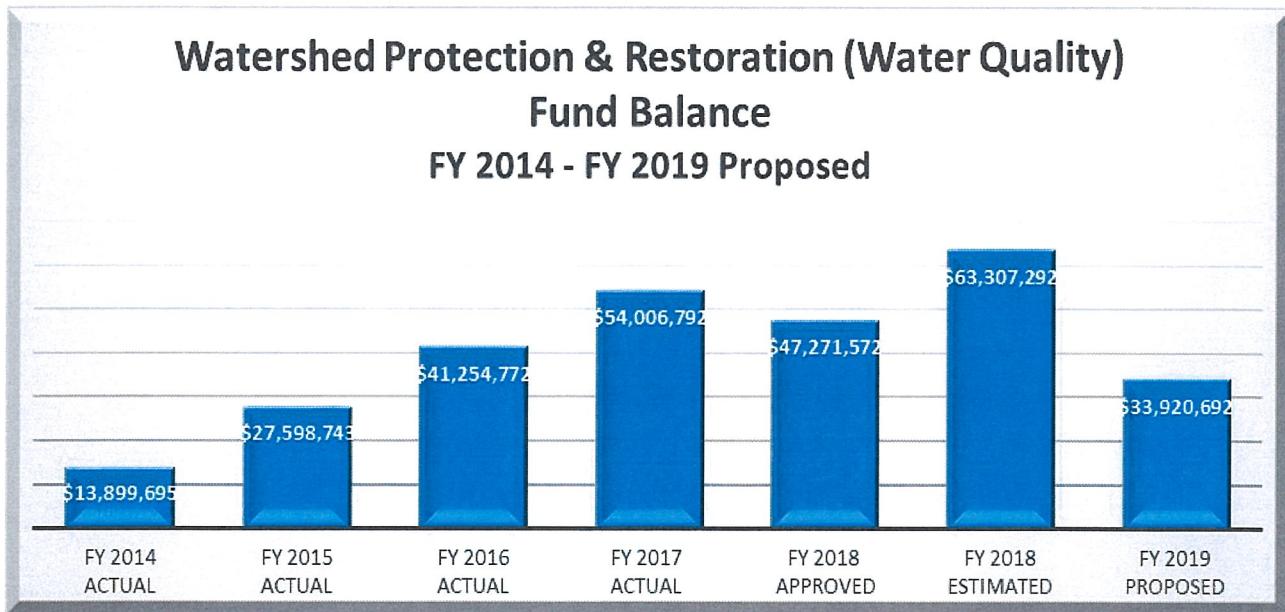
- The proposed FY 2019 compensation totals \$950,000, an increase of \$99,400, or 11.7 %, over the FY 2018 approved budget amount, is due to anticipated merit increases and cost-of-living adjustments (COLAs) for employees. The funding level provided is for ten (10) full-time positions, and remains unchanged from the FY 2018 approved budget level.
- In FY 2019, the Department anticipates one (1) fully funded vacancy for an Engineer IV position.

Fringe Benefits (Water Quality)

- FY 2019 Fringe Benefits are proposed at \$229,900, which represents an increase of \$24,100, or 11.7%, over the FY 2018 approved level to reflect anticipated costs.

Fund Balance (Water Quality)

- The Water Quality fund balance is estimated to be approximately \$63.3 million by the end of FY 2018, and is projected to be approximately \$33.9 million at the end of FY 2019. All of these funds are *restricted* for capital improvements and future maintenance.



Source: CAFRs & Proposed FY 2019 Budget p.338

Revenues (Water Quality)

- In FY 2019, the Department is projecting a flat fee of \$20.58/taxable account, which has decreased by \$1 from the amount reported in the FY 2018 Approved Budget, and a graduated fee of \$20.90/Equivalent Storm Water Unit (ESU), which also has been reduced by \$1 from the amount reported in the FY 2018 Approved Budget, due to an error in the fee that was previously reported. Overall revenue levels are expected to remain unchanged in FY 2019 compared to the approved FY 2018 amounts.
- The Department is planning on using ~\$29.4 million in fund balance to cover expenses in FY 2019.

Operating Expenses (Water Quality)

- In FY 2019, Water Quality operating expenses are proposed at approximately \$43 million, and are comprised of the following major items: Operating Contracts (~\$38 million), Debt Service – Interest (~\$1.9 million), and Debt Service – Principal (~\$3.1 million).
- Overall, FY 2019 operating expenses are increasing by approximately \$29 million, or 213.4%, over the FY 2018 approved level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In two (2) of the categories, the FY 2019 Proposed Budget reduces planned spending from the FY 2018 Approved Budget, and proposed expenditures increase in three (3) categories.

| Water Quality Operating Objects | FY 2018 Budget | FY 2019 Proposed | FY 2018 - FY 2019 | |
|---------------------------------|----------------------|----------------------|----------------------|---------------|
| | | | \$ Change | % Change |
| Operating Contracts | 4,610,000 | 38,036,400 | 33,426,400 | 725.1% |
| Interest | 326,200 | 1,855,700 | 1,529,500 | 468.9% |
| Principal | 2,638,800 | 3,086,900 | 448,100 | 17.0% |
| Training | 6,400 | - | (6,400) | -100.0% |
| Grants/Contributions | 6,134,500 | - | (6,134,500) | -100.0% |
| TOTAL | \$ 13,715,900 | \$ 42,979,000 | \$ 29,263,100 | 213.4% |

- The most significant dollar increase between the FY 2019 Proposed Budget and the FY 2018 Approved Budget, is Operating Contracts (~\$33.4 million increase), due to the implementation of Phase II of the Clean Water Partnership.
- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is for Grants/Contributions (~\$6.1 million decrease), due to the removal of contributions to the Capital Improvement Program (CIP).
- The largest operating contracts in FY 2019 are proposed for the Corvias contract at ~\$36.7 million for implementation of Phase II of the Clean Water Partnership. The County approved the actual amounts in the Executed FY 2018 Annual Plan (Social & Economic) and the FY 2018 Operating & Maintenance Plan (Maintenance) per MPA Section 3.2 and MMA Section 6.03.
- In FY 2019 reductions are seen in two (2) Chesapeake Bay Trust contracts which will be reduced by \$1.3 million and \$285,000 respectively related to the Grant Program. A complete list of operating contracts is

included in the response to the *First Round Budget Responses Q.20 Attachment 3*. See excerpt in the table below.

| Attachment 3 - Excerpt | | | | | | |
|---------------------------------------|--|--------------------------------|---|---|--------------------------------------|--|
| Contracts, FY 2018 and FY 2019 | | | | | | |
| Vendor/Contractor Name | | FY 2018 | | | FY 2019 | |
| | | FY 2018 Approved Budget | FY 2018 Actual/Estimated Contract Amount | FY 2019 Proposed Contract Amount | FY 2018 App. Vs FY 2019 Prop. | Funding Source: General Fund (GF), Grants (GR), Other Fund (EF) |
| Corvias | Implementation of Phase II of the Clean Water Partnership | \$ - | \$ 1,758,000 | \$ 36,661,400 | \$ 36,661,400 | 5200 |
| Chesapeake Bay Trust | Funds reimbursement for County's Local Watershed Protection and Restoration Grants program. | \$ 2,000,000 | \$ 2,000,000 | \$ 700,000 | \$ (1,300,000) | 5200 |
| Chesapeake Bay Trust | Administration of the County's stormwater rebate and grant program. Includes Program Administration costs, processing rebates, and grant awards. | \$ 355,000 | \$ 350,000 | \$ 70,000 | \$ (285,000) | 5200 |
| Chesapeake Bay Trust | Funds reimbursement for County's stormwater Rain Check Rebate program. | \$ 200,000 | \$ 550,000 | \$ 200,000 | \$ - | 5200 |
| TetraTech | Clean Water Act Fees (annual billing) - CB 45 Program Implementation, Consultant Support (billing & fees) for 290,000 parcels | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ - | 5200 |

Highlights (Water Quality)

- The County's Clean Water Partnership (CWP/P3), a first of its kind multi-year public-private partnership, was created to achieve timely and cost effective compliance with the MS4 Permit by retrofitting and maintaining the County's stormwater management devices.
- The partnership optimizes the economic benefits of the County's residents by mentoring, developing, and hiring local businesses that will become the backbone of the County's green economy.
- The Master Program Agreement was executed approximately three (3) years ago and the CWP is performing as it was intended and meeting all of its performance metrics.
- The Department is reporting the following major accomplishments of the Program to-date:
 - Reductions in development costs for stormwater retrofits;
 - The first large scale CBP3 in the US in cost and acres delivered;
 - The Clean Water Partnership has exceeded the socio-economic and local utilization performance goals for the Partnership; and,
 - Positioned the County as both a National and Regional leader in P3s and Stormwater Management. The County has taken a leadership role as the first jurisdiction in the US to implement a P3 as a solution to focus on its socio-economic and local capacity issues through an infrastructure program.
 - As a result, many jurisdictions in the State and around the country are looking at the County's CWP and its results as a model to address their specific needs and requirements to tackling aging infrastructure.

- In FY 2018, while other jurisdictions are reporting increases in costs and having a difficult time finding contractors, the Clean Water Partnership is recognizing decreased costs, adding more contractors and vendors, with 87% of the work to date being performed by target class businesses, and of that amount, 93% are Prince George's County businesses. *See the Department's response to First Round Q.50, page 50, for a table of the economic impact for the CWP.*
- Other accomplishments related to the Clean Water Partnership (Partnership):
 - Faith-Based Community – The Partnership has 35 projects in design ready to go to construction as soon as the weather breaks, and work has been completed on 11 projects.
 - Prince George's County Public Schools (PGCPS) – Partnership to support the County's Environmental Literacy Initiatives and Green Schools Program to offer educational opportunities and provide opportunity for the implementation of environmental educational activities such as using rain barrels, building school rain gardens, as well as achieving and maintaining compliance with the County's MS4 Permit requirements.
 - Student Enrichment – Partnered with End Time Harvest Ministries, a County based non-profit for two (2) years to provide summer internships to 46 PGCPS middle and high school students to work at mitigating stormwater runoff by building and sustaining bio-retention cells and rain gardens, and installing rain barrels.

Budget Comparison – General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 – General Fund

| Category | FY 2017 Actual | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
|--------------------|---------------------|---------------------|----------------------|---------------------|-------------------|-------------|
| Compensation | \$ 5,700,584 | \$ 6,188,400 | \$ 5,888,900 | \$ 6,542,300 | \$ 353,900 | 5.7% |
| Fringe Benefits | 2,218,604 | 2,116,500 | 2,130,800 | 2,250,600 | 134,100 | 6.3% |
| Operating Expenses | 1,054,898 | 1,204,600 | 1,152,800 | 1,335,800 | 131,200 | 10.9% |
| Capital Outlay | - | - | - | - | - | N/A |
| Sub-Total | \$ 8,974,086 | \$ 9,509,500 | \$ 9,172,500 | \$ 10,128,700 | \$ 619,200 | 6.5% |
| Recoveries | (5,556,180) | (5,341,000) | (5,391,600) | (5,810,500) | \$ (469,500) | 8.8% |
| Total | \$ 3,417,906 | \$ 4,168,500 | \$ 3,780,900 | \$ 4,318,200 | \$ 149,700 | 3.6% |

Authorized Staffing Count – General Fund

| | FY 2018 Approved | FY 2019 Proposed | Change Amount | Percentage Change |
|--------------|---------------------|---------------------|------------------|----------------------|
| Full-Time | 113 | 114 | 1 | 0.9% |
| Part-Time | 1 | 0 | (1) | -100% |
| Total | 114 | 114 | 0 | 0.0% |

Staffing Changes and Compensation – General Fund

- Proposed FY 2019 General Funds are provided for 114 full-time positions, and represents a reallocation of one (1) filled Animal Services Radio Dispatcher part-time position which is being converted to full-time as compared to the FY 2018 Approved Budget. As of March 14, 2018, the Department reported 15 vacant General Fund positions, with all of these positions proposed to be funded in FY 2019.
- FY 2019 proposed General Fund compensation is approximately \$6.5 million, an increase of \$353,900, or 5.7%, over the FY 2018 Approved Budget, primarily due to cost-of-living and merit adjustments for employees.
- The proposed compensation includes \$45,000 budgeted for overtime/compensatory time expenditures which are incurred by the Animal Services Division which operates 24 hours a day/7 days a week. In 2018, the Division was in the process of hiring 49 employees in order to eliminate the contract services, which resulted in overtime incurred by current employees to keep operations running.
- In FY 2018, the Department has one (1) general funded position assigned to another agency, an Administrative Specialist (Office of the County Executive, since 2011). This assignment is likely to continue in FY 2019.
- The Department reports that there are having difficulty filling Animal Care Attendant positions, because of the criticality of the positions and the time it takes to backfill those positions, with Animal Care Attendants most affected by attrition in the General Fund.

Fringe Benefits – General Fund

- FY 2019 Fringe Benefits are proposed at \$2,250,600, an increase of \$134,100, or 6.3%, over the FY 2018 approved level to reflect actual benefit costs. A five-year trend analysis of fringe benefit expenditures is included in the table below:

| Fringe Benefits Historical Trend (General Fund) | | | | | |
|--|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimate | FY 2019 Proposed |
| Fringe Benefits Expenditures | \$ 1,674,632 | \$ 1,785,489 | \$ 2,218,604 | \$ 2,130,800 | \$ 2,250,600 |
| As a % of Compensation | 33.5% | 33.0% | 38.9% | 36.2% | 34.4% |
| Annual % Change | -1.8% | 6.6% | 24.3% | -4.0% | 5.6% |

Operating Expenses – General Fund

- In FY 2019, General Fund operating expenses are proposed at \$1,335,800, and are comprised of the following major items:
 - o Operating Contracts \$586,400
 - o Office Automation 347,500
 - o Gas and Oil 90,000
 - o General Office Supplies 82,500
 - o Vehicle Equipment Repair/Maintenance 77,200

- Overall, operating expenses are increasing by \$131,200, or 10.9%, over the FY 2018 approved level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In five (5) of the categories, the FY 2019 Proposed Budget increases planned spending above the FY 2018 budgeted amount. In eight (8) of the categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 budget. FY 2019 expenditures decrease in three (3) categories.

| Operating Objects - General Fund | FY 2018 Budget | FY 2019 Proposed | FY 2018 - FY 2019 | |
|--|-------------------|---------------------|-------------------|--------------|
| | | | \$ Change | % Change |
| Office Automation | 232,300 | 347,500 | 115,200 | 49.6% |
| Operating Contracts | 558,400 | 586,400 | 28,000 | 5.0% |
| General & Administrative Contracts | 3,000 | 21,500 | 18,500 | 616.7% |
| General Office Supplies | 80,100 | 82,500 | 2,400 | 3.0% |
| Telephone | 73,400 | 74,000 | 600 | 0.8% |
| Printing | 8,700 | 8,700 | - | 0.0% |
| Periodicals | 1,300 | 1,300 | - | 0.0% |
| Training | 24,800 | 24,800 | - | 0.0% |
| Advertising | 1,100 | 1,100 | - | 0.0% |
| Membership Fees | 100 | 100 | - | 0.0% |
| Other Operating Equipment Repair/Maintenance | 4,500 | 4,500 | - | 0.0% |
| Equipment Lease | 11,000 | 11,000 | - | 0.0% |
| Office/Building Rental/Lease | 5,200 | 5,200 | - | 0.0% |
| Data/Voice | 600 | 0 | (600) | -100.0% |
| Vehicle Equipment Repair/Maintenance | 93,100 | 77,200 | (15,900) | -17.1% |
| Gas and Oil | 107,000 | 90,000 | (17,000) | -15.9% |
| Total | 1,204,600 | 1,335,800 | 131,200 | 10.9% |

- The most significant dollar increase between the FY 2019 Proposed Budget and the FY 2018 Approved Budget are primarily due to an increase in Office Automation (\$115,200 increase), as a result of changes driven by the new methodology being applied which is based on funded positions per agency.
- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is Gas & Oil (\$17,000 reduction), to align with actuals.

Recoveries – General Fund

- Proposed recoveries for FY 2019 total approximately \$5.8 million, an increase of \$469,500, or 8.8%, over the FY 2018 budget, due to an alignment of the recoveries to historical actual spending rates in recoverable compensation, fringe and operating expenditures, impacting both the Solid Waste and Stormwater Enterprise Funds.

Highlights – General Fund

- The majority of the Animal Services Division's (ASD) resources are for its Animal Care and Treatment program which includes costs associated with pharmaceuticals, veterinary expenses, animal care taking etc.

- The Department is reporting the following regarding its Animal Services Division (ASD):
 - ASD continues to meet its goals concerning live release rates by providing discount and/or waiving adoption fees for adoptable animals, in addition to the positive impact from partnerships.
 - Placement into forever homes is trending at 75%, and intake/euthanasia has decreased.
 - ASD currently partners with over 400 rescue organizations. ASD's ability to transfer animals to local and regional animal shelters, allows animals a second chance at placement.
 - ASD has been successful in receiving grants from the Maryland Department of Agriculture (MDA) to offer free spay/neuter services as well as rabies vaccinations. FY 2018 amount is estimated at \$38,800.
 - Decisions regarding appropriate funding, location and the degree of services for the North County Animal Shelter CIP are still pending.
- The Department had 14,951 Chameleon Service Requests in FY 2018 (as of March 6, 2018), with animals running at large being the most common issues reported. To date, the Department's Chameleon System and the County's 3-1-1 Call Center system have not been integrated, and ASD is currently using data from both systems.

Equipment – General Fund

- As of the writing of this report, funding information to purchase vehicles (if any) for DOE that may be proposed as part of the FY 2019 Non-Departmental budget related to the Certificate of Participation (COP) program was not available. FY 2018 COP purchases for the Department is reported under the Solid Waste Fund.

Grants

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 - Grants

| Category | FY 2017 Actual | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
|--------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------|
| Compensation | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Fringe Benefits | - | - | - | - | - | 0.0% |
| Operating Expenses | 1,593,760 | 565,100 | 2,601,000 | 320,000 | (245,100) | -43.4% |
| Capital Outlay | - | - | - | - | - | N/A |
| Total | \$ 1,593,760 | \$ 565,100 | 2,601,000 | 320,000 | \$ (245,100) | -43.4% |

- In FY 2019, DOE's Grant Funds are proposed at \$320,000, a decrease of \$245,100, or 43.4%, below the FY 2018 approved level, largely driven by the elimination of the CBT Watershed Assistance Grant – Urban Retrofit, and the MD DNR Trust Fund Grant – Basil Court Pond Retrofits.

- State and Federal funding opportunities are primarily awarded to the Department outside the application process, as they become available during the year. FY 2018 estimated spending in the chart above includes spending from multi-year capital grants, which are now appropriated in the Capital Budget.
- As of February 2018, the Department has received three (3) unanticipated grants which were not originally included in the approved FY 2018 budget, for a total of \$2.581 million.

| Un-anticipated Grant Funding | FY 2018 Actual/ Est. Grant Amount | County Match | TOTAL |
|--|--|-------------------------|---------------------|
| CBRAP BMP Implementation for Municipalities | \$ 50,000 | \$ 37,000 | \$ 87,000 |
| FY 2016 MD Smart Energy Community Grant Program | \$ 84,500 | \$ - | \$ 84,500 |
| FY 2014 MD DNR Stormwater Management Facilities Retrofit Projects at Multiple Locations (TCF 15) | \$ 1,807,100 | \$ 602,400 | \$ 2,409,500 |
| TOTALS | \$ 1,941,600 | \$639,400 | \$ 2,581,000 |

- As previously stated:
 - ASD was successful in obtaining funds for its Spay-A-Day Keeps the Litter Away Grant request from the Maryland Department of Agriculture (MDA). The State provides funding for outreach, education, rabies vaccinations and no-cost spay/neuter services. The FY 2018 estimated award is \$38,800. This information differs from the amount shown on the FY 2019 Proposed Budget based on updated information from the Department.
 - Resource Recovery Division (RRD) obtained a \$20,000 federal grant used to conduct a pilot program for food composting in FY 2018.
- The Department pursues Federal and State grants to support CIP programs. The Department estimates that \$100,000 in grants for Storm Water Management programs will be received in FY 2019 for lawn aeration.
- The FY 2019 budget proposes a County Contribution/Cash Match of \$220,000, which represents an increase of \$171,700, or 355.5% increase over the approved FY 2018 amounts. The County match (\$220,000) will be used in conjunction with the FY 2019 Chesapeake Bay Trust Watershed Assistance – Lawn Aeration grant (\$100,000). The goal of the project would be to quantitatively investigate the benefits of lawn aeration/air injection processes to reduce stormwater runoff from two (2) turf area that will be selected for detailed monitoring.
- No funding is proposed for compensations and fringe benefits in FY 2019, as DOE does not fund grant positions.

Department of the Environment
FY 2019 Capital Improvement Program (CIP)

FY 2019 Funding Sources

- The capital budget for the Department of the Environment (DoE) totals \$16.28 million, or 292% more than the Approved FY 2018 CIP budget. Solid waste management capital projects are funded primarily by revenue bonds. The debt service costs for these bonds are supported by tipping fees from trash haulers and other revenues collected by the Solid Waste Management Enterprise Fund.

DoE Capital Improvement Projects (CIP) Highlights (Resource Recovery Division)

- A memorandum of understanding (MOU) signed in FY 2016 between DoE, Department of Permitting, Inspection and Enforcement (DPIE) and DPW&T, provides DoE permitting on CIP projects, and third party inspection protocols for DOE CIP and Clean Water Partnership (CWP) programs. To date, the DOE Permitting System has processed 217 applications and successfully issued 95 permits in support of the Department's CIP and (CWP).
- In general, the Proposed FY 2019 CIP program continues to support operational and facility improvements and repairs, as well as, closure and post-closure requirements for the Brown Station Road and Sandy Hill Landfill facilities.
- The Proposed FY 2019 CIP projects for the Department of the Environment include:

| | Project Name | Est. Comp. | Approved FY 2018-2023 CIP | | Proposed FY 2019-2024 CIP | | | Change in Fiscal Year Budget FY 18 to FY 19 | | Change in Total Funding (FY18 to FY19 CIP) | | |
|--------------|--------------------------------|------------|------------------------------|--------------------------------|---------------------------|------------------------------|----------------------|---|----------------------|--|-----------------------|--------------|
| | | | Approved FY18 Capital Budget | Total Approved Project Funding | Expended thru FY17 | Proposed FY19 Capital Budget | FY19 and beyond | Total Proposed Project Funding | \$ Change | % Change | \$ Change | % Change |
| 1 | North County Animal Shelter | 06/2023 | - | 7,136,000 | - | - | 7,136,000 | 7,136,000 | - | N/A | - | NA |
| 2 | Blight Eradication Program | 06/2018 | - | 4,500,000 | 1,827,000 | - | - | 2,673,000 | - | N/A | (1,827,000) | -40.6% |
| 3 | Brown Station Landfill Constru | 06/2023 | 1,865,000 | 176,248,000 | 135,858,000 | 11,750,000 | 11,475,000 | 164,134,000 | 9,885,000 | 530.0% | (12,114,000) | -6.9% |
| 4 | Material Recycling Facility | 06/2024 | 987,000 | 3,667,000 | - | 583,000 | 1,826,000 | 3,396,000 | (404,000) | -40.9% | (271,000) | -7.4% |
| 5 | Organics Composting Facility | 06/2020 | 265,000 | 6,335,000 | 643,000 | 1,050,000 | 1,580,000 | 8,965,000 | 785,000 | 296.2% | 2,630,000 | 41.5% |
| 6 | Resource Recovery Park | 06/2025 | - | 3,686,000 | 1,650,000 | 2,040,000 | 5,020,000 | 8,710,000 | 2,040,000 | N/A | 5,024,000 | 136.3% |
| 7 | Rural Convenience Centers * | 06/2023 | 50,000 | 3,600,000 | - | - | - | - | (50,000) | -100.0% | (3,600,000) | -100.0% |
| 8 | Sandy Hill Sanitary Landfill | 06/2025 | 990,000 | 48,846,000 | 26,859,000 | 860,000 | 18,300,000 | 50,657,000 | (130,000) | -13.1% | 1,811,000 | 3.7% |
| TOTAL | | | \$ 4,157,000 | \$ 254,018,000 | \$ 166,837,000 | \$ 16,283,000 | \$ 45,337,000 | \$ 245,671,000 | \$ 12,126,000 | 291.7% | \$ (8,347,000) | -3.3% |

Note (1): (*) Rural Convenience Centers budgets have been combined with the Resource Recovery Park Project.

Note (2): Yellow Highlights of estimated completion indicated that the project date has been extended. Orange Highlights indicates an accelerated schedule.

Note (3): Projects with no FY 2019 budget appropriations (\$0) are not discussed below.

1. North County Animal Shelter

- ❖ Decisions regarding the funding, location and the scope of services are still pending.

2. Blight Eradication Program (No CIP Funding Requested for FY 2019)

3. Brown Station Landfill (Council District 6)

- ❖ The Brown Station Road Sanitary Landfill (BSRSL) Leachate Pretreatment Facility is outdated and incapable of pretreating the volume of leachate and meeting the minimum requirements as outlined in the leachate discharge authorization permit.
- ❖ The FY 2019 program includes funding to continue design for upgrades and modifications to the existing Leachate Pretreatment Facility. The Phase V includes landfill gas management upgrades to site-wide erosion and sediment control structures, as well as, permanent reconstruction of the critical stream crossing, known as Cabin Branch, is required because it is the only vehicular passage into the landfill's stockpile of daily waste cover soils.
- ❖ The FY 2019 CIP program continues operational and facility improvements and repairs, as well as closure and post-closure requirements for Brown Station Road and Sandy Hill Landfills.
- ❖ 40% of the BSRSL construction budget was associated with the Leachate Pretreatment Facility in FY 2018.
- ❖ The FY 2019 CIP budget is \$11.75 million, or 530%, more than the FY 2018 Approved Budget, with a total project cost of \$164.1 million. FY 2019 funding will be 100% revenue bonds. Construction of the facility is scheduled to occur in FY 2019 through FY 2023.

4. Materials Recycling Facility (MRF) (Council District 6)

- ❖ The FY 2019 Program includes repaving work, replacement of process components such as balers for the paper and plastics that are heading to market. Also included, are upgrades and maintenance to the facility and the purchase of large equipment.
- ❖ The FY 2019 CIP budget is \$583,000, or 41%, less than the FY 2018 Approved Budget, with a total project cost of \$3.4 million. FY 2019 funding will be 100% revenue bonds. Construction of the facility is scheduled to occur through FY 2024.

5. Organic Composting Facility (6550 Crain Highway) (Council District 7)

- ❖ In FY 2019, funding support for continued construction, which includes expansion of the County's Gore Composting infrastructure will double its size and output to a permanent installation with in-ground trenching and bunker walls.
- ❖ The project includes the expansion of the Gore Composting system to complete the food waste expansion with the additional 12 permanent heaps. Also, construction is to begin on the food scrap receiving building.
- ❖ The FY 2019 CIP budget is \$1.05 million, or approximately 300%, more than the FY 2018 Approved Budget, with a total project cost of \$8.97 million. FY 2019 funding will be 100% revenue bonds. Construction of the facility is scheduled to occur through FY 2020.

6. Resource Recovery Park (District 6)

- ❖ In FY 2017, funding was utilized for a strategic plan. Future funding requirements will be established as the Department refines the overall project scope which will lead to a Request for Proposal (RFP) for a service provider to design an overall Resource Recovery Park and its ancillary facilities.
- ❖ In the FY 2019, this CIP project fund is for upgrades to the Brown Station Road Convenience Center, Missouri Avenue Convenience Center and the Brown Station Road Sanitary Landfill campus.
- ❖ The previous CIP projects funds for the Rural Convenience Centers have been reallocated to the Resource Recovery Park project budget.
- ❖ The FY 2019 CIP budget is \$2.04 million, and no funds were appropriated in the FY 2018 Approved Budget, with a total project cost of \$8.71 million. FY 2019 funding will be revenue bonds. Construction of the facility is scheduled to occur through FY 2025.

7. Rural Convenience Centers

- ❖ Funds for this project has been reallocated under the Resource Recovery Park Project (See item 6 above).

8. Sandy Hill Landfill (District 4)

- ❖ This project requires the continued design needs for post-closure care and replacement of several monitoring wells.
- ❖ This project provides funding for the operation and management activities, as mandated by the Maryland Department of the Environment (MDE) for post closure. These activities include: management of the leachate,

ground and surface water monitoring, landfill cap expenses, landfill gas compliance management, and monitoring.

- ❖ Additional projects are required by the 2011 consent order with MDE. It is anticipated that this consent order will be in effect through FY 2022. New projects will include installing additional compliance monitoring wells in the groundwater network, and the landfill gas system to enhance performance, maintain compliance and comply with the consent order mandates.
- ❖ The FY 2019 CIP budget is \$860,000, or 13%, lower than the FY 2018 Approved CIP Budget, with a total project cost of \$50.7 million. FY 2019 funding will be revenue bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

Stormwater Management District

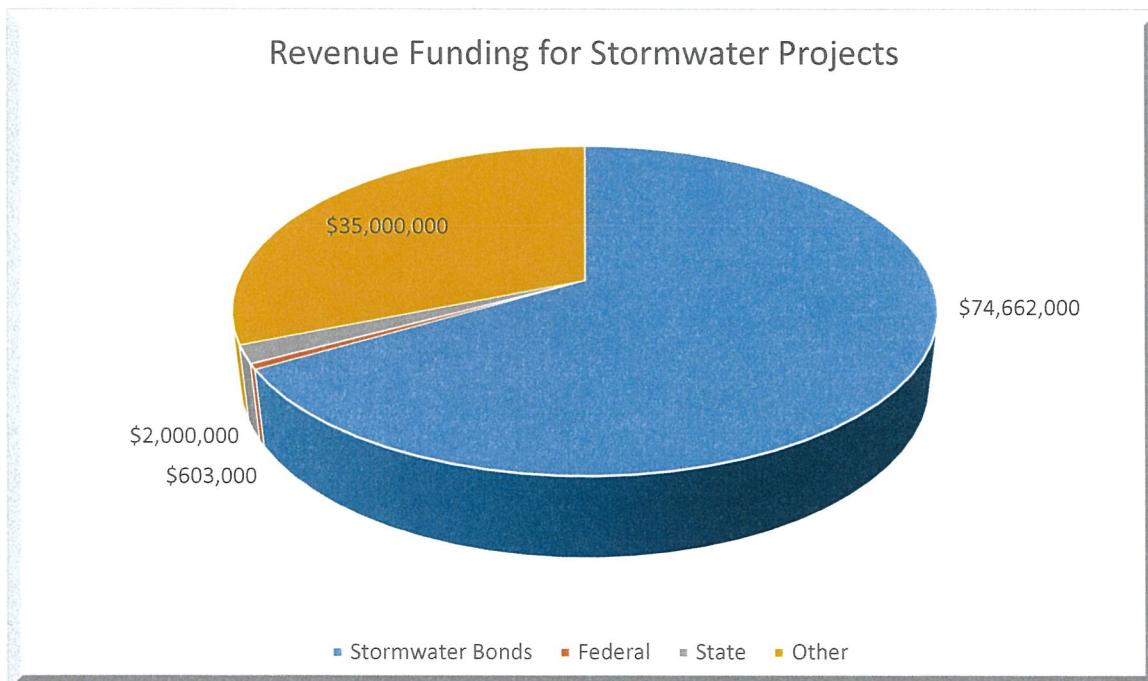
Storm Water Management District Capital Improvement Program (CIP) Highlights

FY 2019 Funding Sources

- The capital budget for the Stormwater Management District totals \$112.26 million, or approximately 12% more than the Approved FY 2018 CIP budget.

Stormwater Management

| | |
|--------------------|--|
| • Federal | \$ 603,000; or, 0.5% |
| • State | 2,000,000; or, 1.8% |
| • Stormwater Bonds | 74,662,000; or, 66.5% |
| • Other | <u>35,000,000</u> ; or, 31.2% (Source: MD Revolving Loan Fund) |
| Total | \$112,265,000 |



Source: FY 2019 CIP Budget, pages II-1 and II-2, Stormwater Management District

Capital Grants – (Unanticipated Grants in FY 2018)

- The Department's Stormwater Management District pursues Federal and State grants to supplement the capital improvement programs (CIP). In FY 2018, the Department secured \$344,750 in additional grant funding from federal and state sources. These grants included:
 - ***Chesapeake Bay Trust grant - \$50,000*** - to implement stormwater management best management practices (BMP) in Morningside and Landover Hills;
 - ***Maryland Dept. of Natural Resources (MD DNR) - \$144,750*** - grant for stormwater management facilities retrofit project at Basil Court;
 - ***The National Oceanic and Atmospheric Administration (NOAA) community based grant - \$150,000*** - for implementing a trash removal project in the Anacostia River watershed.
- The Department has also submitted applications for additional stormwater grants totaling more than \$4.7 million.
- The Proposed FY 2019 CIP projects for the Stormwater Management Division include:

| | Project Name | Est. Comp. | Approved FY 2018 - 2023 CIP | | Proposed FY 2019 - 2024 CIP | | | | Change in Fiscal Year (FY 18 Approved to FY 19 Proposed) | | Change in Total Funding (FY18 to FY19 CIP) | |
|-------|-------------------------------|------------|------------------------------|--------------------------------|-----------------------------|------------------------------|-----------------|--------------------------------|--|----------|--|----------|
| | | | Approved FY18 Capital Budget | Total Approved Project Funding | Expended thru FY17 | Proposed FY19 Capital Budget | FY19 and beyond | Total Proposed Project Funding | \$ Change | % Change | \$ Change | % Change |
| 1 | Clean Water Partnership | 06/2021 | 49,810,000 | 271,951,000 | 65,857,000 | 35,000,000 | 75,000,000 | 246,702,000 | (14,810,000) | -29.7% | (25,249,000) | -9.3% |
| 2 | COE County Restoration | 06/2025 | 1,165,000 | 60,717,000 | 18,744,000 | 1,185,000 | 15,978,000 | 37,067,000 | 20,000 | 1.7% | (23,650,000) | -39.0% |
| 3 | Emergency Response Program | 06/2025 | 390,000 | 4,699,000 | 1,817,000 | - | 2,340,000 | 4,527,000 | (390,000) | -100% | (172,000) | -3.7% |
| 4 | Endangered Structure Acq. Prg | 06/2025 | 360,000 | 9,139,000 | 6,149,000 | 380,000 | 2,280,000 | 9,165,000 | 20,000 | 5.6% | 26,000 | 0.3% |
| 5 | Flood Protection and Drainage | 06/2025 | 5,675,000 | 116,749,000 | 48,793,000 | 19,453,000 | 48,232,000 | 127,967,000 | 13,778,000 | 242.8% | 11,218,000 | 9.6% |
| 6 | Bear Branch Sub-Watershed | 06/2024 | 660,000 | 6,471,000 | 2,885,000 | 522,000 | 2,392,000 | 6,419,000 | (138,000) | -20.9% | (52,000) | -0.8% |
| 7 | Major Reconstruction DOE | 06/2025 | 12,000,000 | 159,033,000 | 78,285,000 | 14,283,000 | 89,000,000 | 206,444,000 | 2,283,000 | 19.0% | 47,411,000 | 29.8% |
| 8 | MS4/NPDES Compliance | 06/2025 | 19,470,000 | 219,355,000 | 15,635,000 | 34,928,000 | 149,377,000 | 217,487,000 | 15,458,000 | 79.4% | (1,868,000) | -0.9% |
| 9 | Participation Program | 06/2025 | 1,135,000 | 10,633,000 | 4,911,000 | - | 3,120,000 | 8,803,000 | (1,135,000) | -100% | (1,830,000) | -17.2% |
| 10 | Stormwater Contingency Fund | 06/2025 | 1,000,000 | 8,516,000 | 1,000 | - | 6,000,000 | 7,001,000 | (1,000,000) | -100% | (1,515,000) | -17.8% |
| 11 | Stormwater Management Restor | 06/2025 | 8,713,000 | 105,526,000 | 17,773,000 | 6,559,000 | 43,900,000 | 85,175,000 | (2,154,000) | -24.7% | (20,351,000) | -19.3% |
| TOTAL | | | \$100,378,000 | \$ 972,789,000 | \$ 260,850,000 | \$ 112,310,000 | \$ 437,619,000 | \$ 956,757,000 | \$ 11,932,000 | 11.89% | \$ (16,032,000) | -1.6% |

Note (1): Yellow Highlights of estimated completion indicated that the project date has been extended. Orange Highlights indicates an accelerated schedule.

Note (2): Projects with no FY 2019 budget appropriations (\$0) are not discussed below.

1. Clean Water Partnership (NPDES/MS4)

- ❖ This project provides the funding for countywide water quality restoration implemented by the public-private-partnership (P3) of untreated impervious areas with water quality/urban retrofit BMPs, stream restorations techniques and other approaches through the administration of the County's Clean Water Partnership Agreement. Projects for impervious restoration takes place within public property, private property and other identified areas.

- ❖ The FY 2019 CIP budget is \$35 million, or 29.7%, lower than the FY 2018 Approved CIP Budget, with a total project cost of \$246.7 million. FY 2019 funding will be “other”. Construction of the facility is scheduled to occur through FY 2021.

2. COE County Restoration

- ❖ This project involves the design and construction of environmental enhancement and flood control facilities within the County.
- ❖ Projects include the design for levee and channel conveyance improvements at Allison Street in Mt. Rainier and Upper Marlboro.
- ❖ The scope includes ongoing planning and design projects for quality measures implementation, wetland creation, stream channel restoration, and fish blockage removal in the Anacostia River tributaries and the Western Branch to the Patuxent River.
- ❖ Flood risk or watershed studies with the US Army Corps of Engineers are included in this project.
- ❖ The FY 2019 CIP budget is \$1.19 million, or approximately 2% higher than the FY 2018 Approved CIP Budget, with a total project cost of \$37.1 million. FY 2019 funding will be stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

3. Emergency Response Program (No CIP Funding Requested for FY 2019)

4. Endangered Structure Acquisition Program

- ❖ This project provides funding for the acquisition of residential properties within the 100-year flood plain and properties vulnerable to unforeseen conditions, such as slope failure or stream erosion.
- ❖ The FY 2018 funding was used for the Piscataway slope failure.
- ❖ The FY 2019 CIP budget is \$380,000, or 5.6%, higher than the FY 2018 Approved CIP Budget, with a total project cost of \$9.2 million. FY 2019 funding will be stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

5. Flood Protection and Drainage Improvement

- ❖ This program consists of flood protection and drainage relief projects. Eligible projects will correct home flooding, alleviate road flooding and correct residential yard drainage deficiencies.
- ❖ The FY 2019 CIP budget is \$19.5 million, or approximately 243%, higher than the FY 2018 Approved CIP Budget, with a total project cost of \$128 million. FY

2019 funding will be stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

6. Bear Branch Sub Watershed (Laurel Lake Dredging)

- ❖ This project provides funding for the dredging of the upper lake (forebay) of Laurel Lakes. Dredging is recommended to be performed every five (5) years, the most recent was conducted in June 2015. This project also provides funding for water quality measures, wetland creation, reforestation and stream channel restoration in the Bear Branch sub watershed and Patuxent River watershed.
- ❖ The FY 2019 CIP budget is \$522,000, or 20.9%, lower than the FY 2018 Approved CIP Budget, with a total project cost of \$6.4 million. FY 2019 funding will be stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2024.

7. Major Reconstruction DOE

- ❖ Partial funding for this program has been included in both the DoE and the DPW&T (new CIP program) to provide the redesign, reconstruction and rehabilitation of major drainage and flood control projects throughout the County.
- ❖ The FY 2019 CIP budget is \$14.2 million, or 19% higher, than the FY 2018 Approved CIP Budget, with a total project cost of \$206.4 million. FY 2019 funding will be storm water bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

8. MS4/NPDES Compliance and Restoration

- ❖ This project provides funding for countywide restoration of untreated impervious areas to meet MS4/NPDES permit, Chesapeake Bay Total Maximum Daily Load (TMDL), and Local TMDL requirements with water quality/urban retrofit BMPs, stream restoration techniques, and multiple other stormwater management retrofit approaches within all watershed areas of the County.
- ❖ The FY 2019 CIP budget is \$34.9 million, or approximately 79%, higher than the FY 2018 Approved CIP Budget, with a total project cost of \$217.5 million. FY 2019 funding will be from Federal and State sources, and stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

9. Participation Program (No CIP Funding Requested for FY 2019)

10. Stormwater Contingency Fund (No CIP Funding Requested for FY 2019)

11. Stormwater Management Restoration

- ❖ This program supports projects required to be performed in accordance with federal and state mandates as identified in the countywide NPDES Permit.
- ❖ The FY 2019 CIP budget is \$6.6 million, or approximately 25%, lower than the FY 2018 Approved CIP Budget, with a total project cost of \$85.2 million. FY 2019 funding will be stormwater bonds. Plans and construction of the facility is scheduled to occur through FY 2025.

Stormwater Management Programs

- The Storm Water Management CIP projects in each Council District are provided on the *First Round Response Q.31 - Attachment 4 - Projects in Inception/Inventory, Planning, Design, & Construction FY 2018*, by Councilmanic Districts.
- The County received its fourth generation NPDES/MS4 permit (effective January 2, 2014). The permit requires the County to treat 20% of untreated impervious areas (6,105 acres) within the five (5) year permit cycle, or 2019. The Department's strategy is to meet this objective via a three-fold approach to provide innovative water quality best management practices (BMP) and green technology.
- The DOE Stormwater Management Division (SMD) Capital Project program manages the evaluation, planning, design and construction of the MS4 regulated untreated impervious surfaces for retrofitting existing urban areas throughout the County. The CIP program goals for FY 2019 for water quality impervious area restoration is 285 acres, for a total CIP production of 492 acres to be completed by the end of the permit term.
- The anticipated production yield for the current NPDES/MS4 permit is as follows:
 - With the CWP Second Phase (Expanded Area Option) 2,992 acres treated
 - Without the CWP Second Phase Option 2,492 acres treated
 - Current discussion with MDE may allow for the possibility of transferring uncompleted restoration areas to the next permit term. If so, the remainder of the original 20% of impervious areas target or 6,105 acres must be completed within the next permit term.

Approach 1: The Clean Water Partnership (CWP/P3)

- The CWP Phase One objective is to provide 2,000 acres of impervious area treatment by March, 2018. The CWP vendor is required to develop and implement innovative water quality best management practices (BMPs), technology, operation and installation methods to generate efficient and systematic production of standard projects.
 - CWP Results and Benefits

- The FY 2018 CWP program for water quality projects that construction completion will yield a targeted total of impervious restoration credit of 2,000 acres.
- To date, 73 projects around the County have been certified, resulting in 1,242.89 acres of impervious surfaces being treated. Over 76% of the work performed has been conducted by the County's target class business, and on average 30-45% of all work has been performed by County residents.
- The CWP has reduced the total development costs of stormwater retrofits by over 30%.
- In FY 2018, the County has started to realize the advantages of the public-private-partnership though improved economic feasibility, with the following results:
 - ❖ Decreased costs;
 - ❖ Added more than 200 contractors and vendors;
 - ❖ Leveraged economies of scale;
 - ❖ Standardized design, construction and maintenance practices; and,
 - ❖ Increased employment opportunities.

Approach 2: Conventional CIP Program

- The Stormwater Management Division continues to administer and oversee the contract consisting of planning, design, engineer and construction of CIP projects intended for water quality and impervious area treatment.
- Conventional CIP Results and Benefits
 - In FY 2018, two (2) water quality construction projects with an impervious restoration credit (IAT) totaling 32.5 acres were performed:
 - London Woods Stormwater Facility Retrofit
 - Jericho Baptist Church property stormwater facility retrofit and regenerative outfall restoration
 - There are nine (9) water quality projects currently under construction which are anticipated to be completed in FY 2018.
 - The FY 2018 water quality projects under construction for an additional 30 impervious acres (IAT) includes, but not limited to:
 - University Blvd Stormwater facility retrofit
 - Basil Court submerged gravel wetland (3 BMP locations)
 - Tinkers Creek submerged gravel wetland
 - Kenilworth Avenue rain garden

- Fort Washington Stormwater facility retrofit
 - Ames Street and Morningside Municipal site
 - Taylor Street, Landover Hills Municipal site
 - Jost Street, Fairmont Heights Municipal site
 - 57th Ave., Berwyn Heights Municipal site
 - The CIP program completed two (2) flood control and drainage remediation programs in FY 2018.
 - Hilcrest Heights Flood Control Project
 - 32nd street, Mt. Rainier Drainage Remediation Project
 - The CIP program currently has two (2) Drainage Remediation Projects under construction, to be completed in FY 2018:
 - 2907 Kidder Road Drainage Remediation Project
 - 6228 Cheverly Park Drive Drainage Remediation Project
 - The CIP program FY 2019 goal for water quality impervious area restoration is 285 acres to be completed by the end of the permit term January 2, 2019.
 - In partnership with DPW&T, the CIP program has provided the final design support for the final stages of the Allison Street (Mt. Rainier) and Upper Marlboro Flood Protection Systems.
 - The Allison Street Levee improvement CIP contract has been awarded and construction starts March, 2018.
 - The Upper Marlboro Flood conveyance improvement design is scheduled to be completed in the spring of 2018 with the construction bid process anticipated to follow immediately in the first quarter of FY 2019.
 - DOE administers and operates and agreement with the Maryland National Capital Parks and Planning Commission (M-NCPP) in support of water quality restoration CIP projects on Commission property. To date, a total of fifty (50) water quality site opportunities have been identified.
- Thirty (30) sites have been evaluated and CWP projects implemented on twenty (20) sites.
- The following M-NCPPC sites have been implemented, totaling 24.6 IAT acres:
 - ❖ Fordham Street Wetland and Stream restoration project
 - ❖ West Brentwood Stream and slope restoration project
 - ❖ Camelot Subdivision high flow media BMPS
 - ❖ The Natural Filters Reforestation Projects on five park properties
 - ❖ Beltsville Library submerged gravel wetland
 - ❖ Riverside stormwater pond retrofit
 - The following three (3) sites are anticipated to be completed by the end of the fiscal year for an additional 100.7 acres:

- Cheltenham Woods stormwater pond retrofit
- Simmons Acres stormwater pond retrofit
- Sasscer Station stormwater pond retrofit

Approach 3: Supporting Programs

- The County Council passed legislation governing the ***Rain Check Rebate Program and Watershed Protection Restoration Program*** under Subtitle 32, “Water Resources and Grading Code” to promote water quality retrofit opportunities for non-profits or faith-based organizations, individual lots, multi-family properties, and commercial businesses. The program incentivizes these organizations for installing smaller scale BMPs, conducting educational outreach programs, and performing good housekeeping activities targeted at achieving water quality benefits.
 - Rain Check Rebate Program Results are on the table below:

| <i>BMP Type</i> | <i>Number of Applications Approved</i> | <i>Number of BMPs Installed</i> | <i>Impervious Area Treated (sq. ft.)</i> | <i>Impervious Area Treated (acres)</i> | <i>Amount of Approved Rebates</i> |
|-------------------------------------|---|--|---|---|--|
| Cistern | 2 | 2 | 1,645 | 0.04 | \$1,463 |
| Pavement Removal | 8 | 8 | 5,716 | 0.13 | \$14,696 |
| Permeable Pavement | 5 | 5 | 4,105 | 0.09 | \$13,408 |
| Rain Barrels | 89 | 158 | 46,941 | 1.08 | \$1,828 |
| Rain Gardens | 7 | 7 | 16,747 | 0.38 | \$14,254 |
| Urban Tree Canopy | 4 | 15 | 2,483 | 0.06 | \$2,137 |
| Green Roof | 0 | 0 | 0 | 0 | 0 |
| <i>Total for FY 2018</i> | <i>115</i> | <i>195</i> | <i>77,637</i> | <i>1.78</i> | <i>\$60,786</i> |
| <i>Total Since Inception</i> | <i>354</i> | <i>746</i> | <i>-</i> | <i>6.59</i> | <i>\$362,277</i> |

- ***Alternative Compliance Faith-Based Institutions*** and other non-profits organizations receive reductions in their Clean Water Fees by installing stormwater pollution prevention practices on their property, and/or participating with community based green education and outreach programs, and implementing environmentally sound practices.
- In FY 2018, the Department reported the following:
 - Completed as-built phase for three (3) churches (0.48 impervious acres)
 - Anticipates four (4) additional churches by the end of FY 2018 (additional 4.38 impervious acres)
 - Permitted/Pre-construction for one (1) church (0.47 impervious acres)
 - Anticipates seven (7) additional churches by the end of FY 2018 (additional 5.22 impervious areas)

- In-Design Phase for eight (8) churches (10.03 impervious acres)
 - Anticipates two (2) additional churches by the end of FY 2018 (additional 1.0 impervious areas)
- ***Stormwater Stewardship Grants*** provides grant opportunities to non-profit organizations for construction of water quality restoration projects and water quality public education and outreach campaigns. The Department was successfully awarded \$1.38 million in grants to fifteen (15) recipients in FY 2018 (\$5.84 million total to date). DOE will continue the grant program and is currently preparing the Grant scope of opportunities for FY 2019.

Department of the Environment
Solid Waste Management Enterprise Fund (EF5000)

Comparison of FY 2018 Approved Revenues and Expenditures
 to the Proposed FY 2019 Levels

| SOLID WASTE MANAGEMENT ENTERPRISE FUND | | | | | |
|---|-----------------------------|------------------------------|-----------------------------|-----------------------------------|---------------------|
| (Sorted by \$ Change - Largest to Smallest) | | | | | |
| REVENUES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Sale of Recyclables | 5,738,600 | 7,798,000 | 7,913,200 | 2,174,600 | 37.9% |
| Interest Income | 950,100 | 1,544,600 | 1,746,000 | 795,900 | 83.8% |
| System Benefit Tax Collections | 20,712,300 | 20,724,500 | 21,000,000 | 287,700 | 1.4% |
| Recycling Fee Tax Collections | 10,882,700 | 10,957,000 | 11,100,000 | 217,300 | 2.0% |
| Abandoned Vehicles | 388,900 | 400,000 | 400,000 | 11,100 | 2.9% |
| Bulky Trash Tax Collections | 3,510,600 | 3,494,000 | 3,494,000 | (16,600) | -0.5% |
| Sale of Electricity | 260,500 | 200,000 | 200,000 | (60,500) | -23.2% |
| Miscellaneous Collections | 539,500 | 360,000 | 360,000 | (179,500) | -33.3% |
| Landfill Surcharge | 4,375,600 | 4,127,700 | 4,168,900 | (206,700) | -4.7% |
| Clean Lot Revenue | 750,500 | 500,000 | 500,000 | (250,500) | -33.4% |
| Refuse Collection Charges | 39,745,100 | 39,400,100 | 39,400,100 | (345,000) | -0.9% |
| Landfill Tipping Fees | 10,672,100 | 10,105,700 | 10,206,700 | (465,400) | -4.4% |
| Revenues Subtotal | 98,526,500 | 99,611,600 | 100,488,900 | 1,962,400 | 2.0% |
| Fund Balance Appropriation | - | - | 2,129,400 | 2,129,400 | N/A |
| TOTAL REVENUES | 98,526,500 | 99,611,600 | 102,618,300 | 4,091,800 | 4.2% |
| EXPENDITURES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Operating Expenses | 78,954,800 | 79,210,100 | 83,381,400 | 4,426,600 | 5.6% |
| Debt Service - Principal | 2,100,000 | 2,100,000 | 2,431,700 | 331,700 | 15.8% |
| Debt Service - Interest Expense | 1,409,600 | 1,575,000 | 1,702,200 | 292,600 | 20.8% |
| Recoveries | (1,505,800) | (1,300,000) | (1,300,000) | 205,800 | -13.7% |
| Contribution to Post Closure (Reserve) | 4,200,000 | 4,200,000 | 4,200,000 | - | 0.0% |
| Fringe Benefits | 2,314,200 | 2,265,600 | 2,251,200 | (63,000) | -2.7% |
| Retirees Benefits (OPEB) | 2,549,300 | 2,495,700 | 2,479,800 | (69,500) | -2.7% |
| Compensation | 7,671,000 | 7,509,900 | 7,462,000 | (209,000) | -2.7% |
| Capital Outlay | 299,700 | 299,700 | 10,000 | (289,700) | -96.7% |
| CIP Contribution | 533,700 | - | - | (533,700) | -100.0% |
| TOTAL EXPENDITURES | 98,526,500 | 98,356,000 | 102,618,300 | 4,091,800 | 4.2% |
| FY 2018 Variance | | | | | |
| UNRESTRICTED FUND BALANCE | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | Approved Vs Est Budget | |
| Unrestricted Net Assets - Beginning of Year | 5,234,798 | (15,149,549) | (11,793,949) | (20,384,347) | |
| Unrestricted Net Assets - End of Year | 7,334,798 | (11,793,949) | (11,491,649) | (19,128,747) | |
| Change in Unrestricted Fund Balance | 2,100,000 | 3,355,600 | 302,300 | 1,255,600 | |

APPENDIX 2

**Department of the Environment
Stormwater Management Enterprise Fund (EF5100)**

Comparison of FY 2018 Approved Revenues and Expenditures
to the Proposed FY 2019 Levels

| STORMWATER MANAGEMENT FUND | | | | | |
|---|-----------------------------|------------------------------|-----------------------------|-----------------------------------|---------------------|
| (Sorted by \$ Change - Largest to Smallest) | | | | | |
| REVENUES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Property Taxes | 43,369,100 | 45,641,400 | 47,649,600 | 4,280,500 | 9.9% |
| Permits | 640,800 | 1,462,900 | 1,462,900 | 822,100 | 128.3% |
| Grading Permits | 704,600 | 1,900,000 | 1,100,000 | 395,400 | 56.1% |
| Interest Income | 552,400 | 826,300 | 717,900 | 165,500 | 30.0% |
| Cell Towers | 105,800 | 231,400 | 245,500 | 139,700 | 132.0% |
| Stormwater Fee-in-Lieu | 943,400 | 943,400 | 943,400 | - | 0.0% |
| Miscellaneous | 2,500 | 2,500 | 2,500 | - | 0.0% |
| GIS Floodplan Service | 21,100 | 21,100 | 21,100 | - | 0.0% |
| Civil Citations | 300 | 300 | 300 | - | 0.0% |
| Soil Conservation | 236,300 | 236,300 | 236,300 | - | 0.0% |
| Pond Fees | 393,600 | 393,600 | 393,600 | - | 0.0% |
| Reforestation Fee/Lieu | 1,300 | 1,300 | 1,300 | - | 0.0% |
| Sale of Plans | 5,000 | 5,000 | 5,000 | - | 0.0% |
| Water & Sewer Fees | 87,500 | 87,500 | 87,500 | - | 0.0% |
| Tree Preservation | 83,500 | 70,000 | 70,000 | (13,500) | -16.2% |
| Federal/State Grant Revenue | 775,000 | 775,000 | 100,000 | (675,000) | -87.1% |
| Revenues Subtotal | 47,922,200 | 52,598,000 | 53,036,900 | 5,114,700 | 10.7% |
| Fund Balance Appropriation | 23,191,200 | - | 19,443,100 | (3,748,100) | -16.2% |
| TOTAL REVENUES | 71,113,400 | 52,598,000 | 72,480,000 | 1,366,600 | 1.9% |
| EXPENDITURES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Debt Service - Principal - DOE* | 7,970,000 | 7,970,000 | 9,149,400 | 1,179,400 | 14.8% |
| Debt Service - Interest Expense - DOE* | 5,762,100 | 5,769,600 | 6,315,700 | 553,600 | 9.6% |
| Compensation - DOE* | 5,184,000 | 5,122,400 | 5,525,100 | 341,100 | 6.6% |
| Fringe Benefits - DPW&T** | 2,408,300 | 2,280,100 | 2,709,700 | 301,400 | 12.5% |
| Recoveries - DOE* | (1,729,200) | (1,729,200) | (1,436,700) | 292,500 | -16.9% |
| Operating Expenses - DPW&T** | 3,658,400 | 4,030,200 | 3,870,100 | 211,700 | 5.8% |
| Retirees Benefits (OPEB) - DPW&T** | 1,418,400 | 1,342,900 | 1,595,900 | 177,500 | 12.5% |
| Retirees Benefits (OPEB) - DOE* | 2,555,600 | 2,525,300 | 2,723,800 | 168,200 | 6.6% |
| Fringe Benefits - DOE* | 1,394,600 | 1,378,000 | 1,486,400 | 91,800 | 6.6% |
| Compensation - DPW&T** | 7,359,100 | 5,972,800 | 7,372,600 | 13,500 | 0.2% |
| Operating Expenses - DOE* | 35,132,100 | 29,826,100 | 33,168,000 | (1,964,100) | -5.6% |
| TOTAL EXPENDITURES | 71,113,400 | 64,488,200 | 72,480,000 | 1,366,600 | 1.9% |
| | | | | FY 2018 Variance | |
| UNRESTRICTED FUND BALANCE | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | Approved Vs Est Budget | |
| Net Assets - Beginning of Year (Fund Balance) | (6,844,210) | (51,781,525) | (55,701,725) | (44,937,315) | |
| Net Assets - End of Year (Fund Balance) | (22,065,410) | (55,701,725) | (65,995,425) | (33,636,315) | |
| Change in Fund Balance | (15,221,200) | (3,920,200) | (10,293,700) | 11,301,000 | |

DataSource: FY 2019 Proposed Budget p.336

*DOE=Department of the Environment **DPW&T=Department of Public Works and Transportation OPEB - Other Post-Employment Benefits

APPENDIX 3

**Department of the Environment
Local Watershed Protection and Restoration (Water Quality) Fund (EF5200)**

Comparison of FY 2018 Approved Revenues and Expenditures
to the Proposed FY 2019 Levels

| LOCAL WATERSHED PROTECTION AND RESTORATION (Water Quality) FUND | | | | | |
|--|-----------------------------|------------------------------|-----------------------------|----------------------|---------------------|
| REVENUES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Flat Fee | \$20.58 | \$20.58 | \$20.58 | - | 0.0% |
| Tax Accounts | 271,623 | 268,319 | 271,623 | - | 0.0% |
| Total Flat Fee | \$5,590,001 | \$5,522,005 | \$5,590,001 | - | 0.0% |
| Graduated Fee (Impact) | \$20.90 | \$20.90 | \$20.90 | - | 0.0% |
| Equivalent Stormwater Unit* | 439,345 | 443,440 | 439,345 | - | 0.0% |
| Total Equivalent Stormwater Unit | \$9,182,311 | \$9,267,896 | \$9,182,311 | - | 0.0% |
| Revenues Subtotal | \$14,772,312 | \$14,789,901 | \$14,772,312 | - | 0.0% |
| Other | - | 209,000 | - | - | N/A |
| Fund Balance Appropriation | - | - | 29,386,600 | 29,386,600 | N/A |
| TOTAL REVENUES | \$14,772,312 | \$14,998,901 | \$44,158,912 | 29,386,600 | 198.9% |
| EXPENDITURES | FY 2018 Approved | FY 2018 Estimated | FY 2019 Proposed | \$ Change | % Change |
| Operating Expenses | \$4,616,400.0 | \$ 4,533,400 | \$ 38,036,400 | \$ 33,420,000 | 723.9% |
| Debt Service - Interest Expense - DOE | 326,200 | 108,600 | 1,855,700 | 1,529,500 | 468.9% |
| Debt Service - Principal - DOE | 2,638,800 | - | 3,086,900 | 448,100 | 17.0% |
| Compensation | 850,600 | 850,600 | 950,000 | 99,400 | 11.7% |
| Fringe Benefits | 205,800 | 205,800 | 229,900 | 24,100 | 11.7% |
| Interfund Transfer CIP | 6,134,500 | - | - | (6,134,500) | -100.0% |
| TOTAL EXPENDITURES | 14,772,300 | 5,698,400 | 44,158,900 | 29,386,600 | 198.9% |
| Net Assets - Beginning of Year (Fund Balance) | 47,271,572 | 54,006,792 | 63,307,292 | 16,035,720 | 33.9% |
| Net Assets - End of Year (Fund Balance) | 47,271,572 | 63,307,292 | 33,920,692 | (13,350,880) | -28.2% |
| Change in Fund Balance | - | 9,300,500 | (29,386,600) | (29,386,600) | |

DataSource: FY 2019 Proposed Budget p.338

*1ESU/Impervious Acre