



Committee: T&E
Committee Review: Completed
Staff: Keith Levchenko, Senior Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #Solid Waste and Environmental Protection

AGENDA ITEM #13
 May 12, 2021
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SUBJECT

Department of Environmental Protection (DEP) Recycling and Resource Management FY22 Operating Budget (Solid Waste Collection Fund and Solid Waste Disposal Fund)

EXPECTED ATTENDEES

None

FY22 COUNTY EXECUTIVE RECOMMENDATION

Department of Environmental Protection	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
Solid Waste Collection Fund	\$10,450,702	\$10,566,922	1.1%
Personnel Costs	\$1,631,299 11.78 FTEs	\$1,608,362 11.78 FTEs	(1.4%) --
Operating Costs	\$8,819,403	\$8,958,560	1.6%
Solid Waste Disposal Fund	\$120,973,573	\$123,519,106	2.1%
Personnel Costs	\$11,138,625 99.78 FTEs	\$11,394,758 100.28 FTEs	2.3% 0.5 FTEs
Operating Costs	\$106,224,338	\$109,832,904	3.4%
Total Expenditures (All Funds)	\$131,425,275 111.56 FTEs	\$134,086,028 112.06 FTEs	2.0% 0.4%

COMMITTEE RECOMMENDATIONS

- The T&E Committee recommends approval of the DEP Solid Waste Collection Fund and Solid Waste Disposal Fund budgets as submitted by the County Executive.

This report contains:

T&E Committee April 23, 2021 Staff Report

Pages 1-©24

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MEMORANDUM

April 21, 2021

TO: Transportation & Environment Committee

FROM: Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY22 Operating Budget** – Department of Environmental Protection (DEP) - Recycling and Resource Management Division and FY22 Solid Waste Charges¹

PURPOSE: Make Committee recommendations for Council Consideration

Participants Include:

- Adam Ortiz, Director, Department of Environmental Protection (DEP)
- Patty Bubar, Deputy Director, DEP
- Willie Wainer, Chief, Division of Solid Waste Services (DSWS), DEP
- Rich Harris, Fiscal and Policy Analyst, Office of Management and Budget

Summary of FY22 Recommended Budget

Department of Environmental Protection	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
Collection Fund	\$10,450,702	\$10,566,922	1.1%
Personnel Costs	\$1,631,299 11.78 FTEs	\$1,608,362 11.78 FTEs	(1.4%) --
Operating Costs	\$8,819,403	\$8,958,560	1.6%
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¹#SolidWaste and Environmental Protection.

Background

The RRM budget is divided into two Enterprise funds: Collection and Disposal. These are non-tax-supported funds for which revenues and expenditures are directly connected. Additions to or subtractions from the DSWS budget may change Solid Waste charges **but will not affect General Fund resources. Any cost savings or cost increases that may be identified in these funds have no impact on the General Fund.**

Much of the direct service provided by DSWS is done via contracts (such as for refuse and recycling collection and contract staff at the Transfer Station, Materials Recovery Facility, Resource Recovery Facility and Compost Facility). DEP provides contract oversight and manages the overall operations at the various facilities.

Summary tables for each of the two funds follow later, along with some major highlights.

On December 7, 2020, the T&E Committee received a solid waste update on various policy and operational issues and also received a briefing on and discussed the Aiming for Zero Waste Task Force recommendations submitted to the Executive and the Council in June 2020.

On March 22, 2021, the T&E Committee discussed the Executive's Proposed Update to the Ten-Year Solid Waste Management Plan and will be returning to that issue after budget.

Given these recent updates, and the fact that the Recycling and Resource Management (RRM) Budget reflects generally marginal changes for FY22, Council Staff has focused this Staff Report on the major changes reflected in the FY22 Recommended Budget (by fund as presented below) and the recommended FY22 Solid Waste charges.

Racial Equity and Social Justice Considerations

On December 2, 2019, the Council adopted Bill 27-19, Administration -Human Rights - Office of Racial Equity and Social Justice - Racial Equity and Social Justice Committee – Established. Among other provisions, this legislation requires the County Executive to submit a racial equity and social justice (RESJ) impact statement for each bill and each management initiative or program that would be funded in the operating or capital budget.

While the RESJ impact statement process for bills has moved forward, the County is in the very early stages of developing a process to incorporate RESJ considerations into the budgeting process.

Council Staff asked DEP to provide information on how RESJ concerns are considered within its programs and budget process and to follow-up on the questions OMB asked departments to better understand how departments are positioned to address racial equity and social justice (RESJ) issues. The OMB questions included:

- Does your department use quantitative and qualitative data to track program access and/or service outcomes for different population groups?
- Which community residents will potentially benefit the most from your program proposal or be burdened by your program proposal?
- How does the program promote racial equity?

DEP provided the following information on some of its programs and its internal staff development work:

The budget for the Department of Environmental Protection contains several initiatives that bring focus to underserved areas. The new Tree and Forest Programs position, for example, will provide capacity to expand the tree canopy in underserved areas. The water quality program is putting out a Request for Proposals for a new contract to build and modify stormwater management facilities necessary to meet the County’s anticipated new MS4 permit. That RFP will provide an equity map showing the areas of the County that have been underserved in the past with water quality improvement projects and will encourage the construction companies to build projects in those areas, particularly if water quality issues exist. Additionally, the operating budget for water quality requests funds for the communication initiatives in the Department which are being tailored to ensure outreach and engagement with minority populations.

The Department of Environmental Protection has initiated an internal Equity and Inclusion Working Group, to review internal and external practices through the lens of equity and inclusion. The Group is receiving advice from the Office of Racial Equity (ORE) to ensure consistency with the overall objectives of that Office. The internal workgroup has been receiving training to understand opportunities for greater awareness of biases and how those biases manifest themselves in decision making. The workgroup meets twice a month. The Department has recently initiated discussions with other county departments such as HHS and ORE to review health data, particularly for underserved areas of the population to identify opportunities for strengthening our analysis and outreach.

Council Staff will continue to work with DEP, the Office of Racial Equity and Social Justice, and OMB, on how to consider RESJ issues in the context of the DEP budget going forward.

SOLID WASTE COLLECTION FUND EXPENDITURES

DEP Recycling and Resource Management (Collection)

	Actual FY20	Approved FY21	Estimated FY21	Rec FY22	Change from FY21 \$\$\$	%
Personnel Costs	1,627,825	1,631,299	1,511,299	1,608,362	(22,937)	-1.4%
Operating Expenses	8,121,895	8,819,403	8,729,403	8,958,560	139,157	1.6%
Capital Outlay				-	-	#DIV/0!
Total	9,749,720	10,450,702	10,240,702	10,566,922	116,220	1.1%
Full-Time Positions	4	4	4	4	-	0.0%
Part-Time Positions	-	-	-	-	-	n/a
FTEs	11.46	11.78	11.78	11.78	-	0.0%

The bulk of costs in this fund (\$8.4 million in FY22) are for residential refuse collection within Subdistrict A.² These contract costs are up slightly for FY22 (\$+104,662), far lower than increases experienced in FY19 (+\$2.3 million) and in FY21 (+\$832,478).

² The collection district is divided into two collection subdistricts for residential trash collection. In Subdistrict A, once per week trash collection for single-family residences and multi-family residences with six or fewer units is managed by the County, which contracts with haulers. In Subdistrict B, haulers contract directly with residents.

The other changes from FY21 are technical in nature (such as compensation and benefits, annualization of FY21 personnel costs, motor pool and printing and mail, etc.). For a full listing, (see the FY22 Recommended Changes table on ©8-9). No additional positions or FTEs are assumed. No new positions or FTEs are assumed for FY22.

As a result of the contract increases from several years ago, as well as emergency contracts for collection that had to be done because of recycling issues experienced with a hauler, DEP had the collection fund borrow \$4.0 million from the Disposal Fund to help smooth out future rate increases in the collection fund. The Executive’s Recommended Fiscal Plan for the Collection Fund (see ©12) shows negative fund balance levels through FY24 to reflect this \$4.0 million loan. Steady increases in the refuse collection charge are reflected in the fiscal plan to pay off the loan and bring the fund balance back up to near policy levels (10 to 15 percent) by FY26.

Council Staff recommends approval of the Executive’s Recommended budget for the Solid Waste Collection Fund.

SOLID WASTE DISPOSAL FUND EXPENDITURES

DEP Recycling and Resource Management (Disposal)

	Actual FY20	Approved FY21	Estimated FY21	Rec FY22	Change from FY21	
					\$\$\$	%
Personnel Costs	11,060,464	11,138,625	10,638,625	11,394,758	256,133	2.3%
Operating Expenses	103,325,864	106,224,338	103,934,338	109,832,904	3,608,566	3.4%
Capital Outlay	2,749,102	3,610,61	3,610,610	2,291,444	(1,319,166)	36.5%
Total	117,135,430	120,973,573	118,183,573	123,519,106	2,545,533	2.1%
Full-Time Positions	76	79	79	79	-	0.0%
Part-Time Positions	2	2	2	2	-	n/a
FTEs	94.78	99.78	99.78	100.28	0.50	0.5%

Solid Waste Disposal Fund expenditures are recommended to increase by \$2.5 million (2.1 percent). The increases and decreases are presented on ©7-8 and the new initiatives and some of the larger fluctuations in current costs are discussed below. DEP staff will be available to discuss these and the major changes noted in the Recommended Budget.

Residential Recycling Collection Contracts (+\$2.6 million)

The total amount budgeted for residential recycling contracts for FY21 is \$24,365,099. The recommended FY22 amount is \$27,010,879 (+10.9 percent). Substantial increases in these contract costs have been experienced in recent years as contracts come up for rebid after a long contract period.

DEP has 13 contracts for curbside recycling throughout the County, with eight of these contracts also including refuse collection within Subdistrict A. Currently, three haulers provide recycling collection services. The same three haulers also provide refuse collection services funded out of the Solid Waste Collection Fund. Five contracts (in areas #9 through #13) end in October of 2021 after 11 years and substantial increases are expected as detailed below by DEP:

There was an average of a 34% estimated increase, or \$2.6 million, budgeted for Areas 9-13, in the FY22 RRM submission. We expect the final negotiated price for these services to these areas

to be higher than the prices assumed in the FY22 budget submission. Increases in the recycling collection contracts are due to: 1) The current contracts have been in place for 11 years, the new RFP's term is five years with two additional one-year extensions which increases the cost over the life of the contracts; and 2) there is a limited number of qualified companies that offer hauling services that can meet the capacity and contractual requirements for Montgomery County.

NOTE: DEP Staff has indicated that the CE is planning to transmit a revised budget request (and perhaps revised Solid Waste charges) to accommodate the contract cost increases (above and beyond the \$2.6 million increase already reflected in the Recommended Budget).

Waste Composition Study (+\$228,699)

Every four years, RRM does a waste composition study to better understand the mix of different materials in the County's waste stream. Based on this study, DSWS can extrapolate recycling percentages for different materials and identify opportunities where improvement is possible.

An FY17 waste composition study was completed, and the results were available in January 2018. This study became a resource for the "Aiming for Zero Waste" effort which concluded in 2020.

The FY17 study confirmed that non-residential paper and food waste continue to be the two largest areas of opportunity for increasing the recycling rate, with many other categories of items (such as film plastic) making up smaller elements of the waste stream.

Backyard Food Waste Composting Program (+\$100,000)

This \$100,000 (plus \$40,000 in the base budget) provides for the purchase of additional rodent-proof backyard compost bins to implement a demonstration project with approximately 350 resident volunteers. DEP has been testing and evaluating the effectiveness of various bins as rodent-proof and is developing new educational and instructional materials on best practices for backyard composting with certain types of food scraps.

Add compliance and enforcement position (split with Water Quality Protection Fund) (\$31,765, 0.5 FTEs)

The position is expected to reside in the Compliance section of the Energy, Climate and Compliance Division of DEP, but with half the costs paid for out of the Solid Waste Disposal Fund.

DEP's write-up for the new position is below:

The position is expected to develop a programmatic approach to enforcing requirements that businesses must comply with. These requirements include the Bag Tax, Chapter 48 Recycling Requirements, Coal Tar Ban, and Balloon ban as well as the ban on straws. The elements of a programmatic approach will include:

Common definition of what a business is

Up to date data base of contact information for business. This will require a common understanding of how to reach businesses (examples now include resident agents, business owner,

owner of strip mall where business is, etc.)

Common approach for education of the businesses on what the requirements of each of the laws they must comply with are

Common approach for education, outreach, NOV, Citation

The Department has been reviewing our approach to the enforcement of the various laws we must enforce and has developed a manual of best practices. Additionally, we have had continued success in improving compliance with the Benchmarking requirements, using the approach laid out above.

This methodical and integrated approach, along with a dedicated staff person to assist with follow up will allow of improved compliance with the Bag Tax as well as other requirements. Additionally, the Department will sign an MOU with the Department of Finance to delegate authority for enforcement of the Bag Tax to DEP.

SOLID WASTE CHARGES

Summary of Recommended FY22 Solid Waste Charges

- Single-Family: 5.0 percent to 8.1 percent increases (depending on the services provided). Multi-family: 5.0 to 6.4 percent increases.
- Transfer Station Tipping Fees kept at FY21 levels; except for Refuse in Open Top Containers (fee increasing from \$70 to \$76 per ton).

Discussion

The County's solid waste programs are primarily funded by various solid waste charges that support the dedicated Enterprise funds (see ©14 for descriptions of the different charges). Solid waste charges are established through an annual Council resolution (attached on ©21-24). The Council acts on the solid waste charges in mid-May.

The FY21 Approved and FY22 County Executive Recommended charges are presented on the following table. The circled items present the total charges that appear on residential property tax bills, depending on the services provided to a property.

Solid Waste Charges (FY21 and FY22)

Charge	Approved FY21	CE Rec FY22	% Change From FY21
SINGLE FAMILY			
Base Systems Benefit Charge	\$31.19	\$38.07	22.1%
Incremental Systems Benefit Charge	\$140.77	\$154.28	9.6%
Disposal Fee	\$50.90	\$47.34	-7.0%
Leaf Vacuuming Charge	\$116.46	\$116.46	0.0%
Refuse Collection Charge	\$107.00	\$117.00	9.3%
Total Charges, Households Receiving:			
Recycling Collection Only	\$222.86	\$239.69	7.6%
Recycling and Leaf Collection	\$339.32	\$356.15	5.0%
Recycling and Refuse Collection	\$329.86	\$356.69	8.1%
Recycling, Leaf and Refuse Collection	\$446.32	\$473.15	6.0%
MULTI-FAMILY			
Base Systems Benefit Charge	\$4.91	\$6.68	36.0%
Incremental Systems Benefit Charge	\$11.34	\$10.61	-6.4%
Leaf Vacuuming Charge	\$4.54	\$4.54	0.0%
Total Charges			
Units inside Leaf Vacuuming District	\$20.79	\$21.83	5.0%
Units outside Leaf Vacuuming District	\$16.25	\$17.29	6.4%
NONRESIDENTIAL			
(by waste generation category per 2,000 sq. feet of gross floor area)			
Low	\$121.76	\$128.92	5.9%
Medium Low	\$365.27	\$386.77	5.9%
Medium	\$608.79	\$644.61	5.9%
Medium High	\$0.00		n/a
High	\$1,095.82	\$1,160.30	5.9%
TIPPING FEES			
Refuse (weighing >500 lbs per load)	\$60.00	\$60.00	0.0%
Refuse (weighing 500 lbs per load or less)	\$0.00	\$0.00	0.0%
Refuse in Open Top Containers	\$70.00	\$76.00	8.6%
All Yard Trim (weighing >500 lbs per load)	\$46.00	\$46.00	0.0%
All Yard Trim (weighing 500 lbs per load or less)	\$0.00	\$0.00	0.0%
Other Recyclables	\$0.00	\$0.00	0.0%

1. System Benefit Charges

Base System Benefit Charges (BSBC) cover the cost of general solid waste system infrastructure and administration and are allocated among the single-family residential, multi-family residential, and non-residential sectors in proportion to each sector's estimated waste generation. For FY22, base system costs are estimated at \$55.2 million (see ©18), which is a slight decrease from the FY21 amount of \$57

million). Single-family and multi-family shares of waste generation are both up, however, as the non-residential share has gone down. These charges appear on all property tax bills (residential and non-residential properties, both within and outside municipalities).

The Incremental System Benefit Charge (ISBC) is assessed on the different sectors, based on actual services received (mostly related to curbside recycling and composting services). For FY22, incremental system benefit costs are estimated at \$41.8 million (see ©19), which is an increase of \$3.8 million from the approved amount of \$38.0 million). These charges are adjusted from year to year, partly as a result of increased costs in recycling and composting, but also because DEP works to smooth overall impacts within the different rate categories (single-family, multi-family, and non-residential) across the six-year fiscal plan period. This stabilization effort is accomplished by the different categories either borrowing or paying back the fund balance reserve in different years over the six-year period. The net change over the six-year period is zero, but changes can be substantial in a given year and can result in the charge going up or down in the different sectors.

For purposes of considering the total impact on ratepayers, one needs to look at the “Total Charges” lines in the chart. DSWS’ goal is to try to smooth increases and decreases in these overall charges over time.

Depending on the services provided, for FY22, single-family properties would see increases ranging from 5.0 to 7.6 percent and multi-family properties would see increases ranging from 5.0 to 6.4 percent.

2. Non-Residential (Commercial) Charges

The charges for the non-residential sector are comprised of the BSBCs and the ISBCs. These charges are computed based on Gross Floor Area Unit (GFAU) data from the State Department of Assessments and Taxation (SDAT) records. The FY22 charges are recommended to increase by 5.9 percent. *NOTE: According to the Non-Residential Waste Generation Study completed in July 2016, no businesses’ land use codes are in the medium high generation category at this time. Therefore, the FY21 and FY22 fee schedule does not reflect any charges for the medium high generator category.*

3. Refuse Disposal Tip Fees

The tip fee is the per ton fee charged businesses, institutions, and residents at the County’s Transfer Station. Except for the Refuse in Open Top Containers Fee (going from \$70 to \$76) the Executive is not recommending any changes in these fees for FY22.

The tip fee serves as an economic flow control mechanism to help the County manage waste volumes so that the County can optimize the use of the RRF while staying within the facility’s permit capacity. The increase in the Refuse in Open Top Containers Fee is intended to disincentivize the drop-off of construction and demolition (C&D) waste at the Transfer Station and encourage the use of other facilities (preferably for recycling).

4. Recycling Tip Fees

The Executive continues to recommend no fee for source-separated recyclable materials dropped off at the recycling drop-off area of the Transfer Station.

5. Refuse Collection Charge and Disposal Fee and Charges

Refuse collection charges (for Subdistrict A, where the County contracts directly with haulers to provide once-per-week refuse collection) support the Solid Waste Collection Fund and are set with a policy goal of keeping retained earnings at a level of 10 to 15 percent of resources across the six-year fiscal period. However, as noted earlier, the Collection Fund has been strained in recent years by collection contract cost increases. As a result, the Executive recommended and the Council approved significant increases in the collection charge in FY19 (from \$70 to \$77), FY20 (from \$77 to \$95) and in FY21 (from \$95 to \$107). **For FY22, the Executive recommends an increase in the charge from \$107 to \$117.** Future increase (\$10 or more) are projected and noted in the Fiscal Plan for the Collection Fund (see ©12).

The Solid Waste Disposal Fee and charges are developed through a complex rate model (see summary document on ©17). DSWS calculates the necessary rates for each sector to cover both base and incremental costs. Rate smoothing with available fund balance is also done across a six-year projection period, both at the macro level and within each sector. The policy goal is to have positive cash balances over reserve and liability requirements in the Disposal Fund.

6. Leaf Vacuuming Charge (see Recommended Fiscal Plan on ©16)

This program is managed by the Department of Transportation (DOT). The leaf vacuuming fund covers the costs for the program (two scheduled leaf vacuuming pickups) through fees paid by residents in the leaf vacuuming district (via property tax bills). The Leaf Vacuuming Fund is charged by the Disposal Fund for a portion of its costs associated with the composting of leaves collected by leaf vacuuming services.

For FY21, the leaf vacuuming charge was increased from \$108.16 to \$116.46 for single family homes and increased from \$102.93 to \$108.16 and from \$4.26 to \$4.54 for multi-family properties.

For FY22, no change in the leaf vacuuming charge is assumed.

Council Staff Recommendation

Council Staff supports the FY22 Solid Waste charges as recommended by the Executive. *A resolution approving the FY22 Solid Waste charges will be acted on by the Council in mid-May.*

NOTE: *In tandem with the Solid Waste charges resolution, the Executive transmits an Executive Regulation (ER) each year, setting residential waste estimates. This year's regulation ([ER 7-21](#)) for FY22 is advertised in the April register and will be acted upon by the Council when it is received.*

Issues for Discussion After Budget and during FY22

- Ten Year Solid Waste Management Plan Review and Council Action
- Further study of potential closure of the Resource Recovery Facility
- Subdistrict B and OLO Report 2019-17
- Commercial and Residential Food Waste diversion initiatives
- Pay as You Throw Analysis and Pilot Program
- Municipal Solid Waste tonnage and recycling projections
- Racial Equity and Social Justice Status

SUMMARY OF COUNCIL STAFF RECOMMENDATIONS

- Approve the FY22 Collection Fund and Disposal Fund budgets as recommended by the County Executive
- Approve the FY22 Solid Waste Charges as recommended by the County Executive.

NOTE: DEP Staff has indicated that the CE is planning to transmit a revised budget request (and perhaps revised Solid Waste charges) to accommodate recycling collection contract cost increases.

Attachments to this Memorandum

- Solid Waste Services Excerpt from the County Executive's FY22 Recommended Budget (©1-15)
- Vacuum Leaf Collection Fund Six-Year Fiscal Plan (©16)
- Solid Waste System Disposal Fund, Rate Setting Methodology FY22 (©17)
- Base Charge Methodology FY22 (©18)
- Incremental Charge Methodology FY22 (©19)
- CE Transmittal and Resolution to Approve FY22 Solid Waste Service Charges (©20-24)



Recycling and Resource Management

RECOMMENDED FY22 BUDGET

\$134,086,028

FULL TIME EQUIVALENTS

112.06

ADAM ORTIZ, DIRECTOR

MISSION STATEMENT

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

BUDGET OVERVIEW

The total recommended FY22 Operating Budget for the Recycling and Resource Management is \$134,086,028, an increase of \$2,661,753 or 2.03 percent from the FY21 Approved Budget of \$131,424,275. Personnel Costs comprise 9.70 percent of the budget for 83 full-time position(s) and two part-time position(s), and a total of 112.06 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 90.30 percent of the FY22 budget.

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

COUNTY PRIORITY OUTCOMES

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

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

INITIATIVES

- Continue to improve the safety and processing efficiency at the Yard Trim Facility and the Compost Facility, using software that allows more accurate load measurements of bulk shipments from the Compost Facility.
- Expand the commercial food scraps recycling program to additional large-scale commercial food scrap generators of food scraps, and expand the pilot of the single-family residential food scraps collection program in FY22.
- Improved partnership with the Bethesda Urban District, the Silver Spring Urban District and the Silver Spring Regional Services Center to address the lack of recycling bins in the downtown areas in Silver Spring. This partnership strives to

increase the number of recycling bins along the streetscapes and sidewalks to improve compliance with recycling mandates, set an example for others in the public and private sector to follow, and increase recycling.

- ★ Initiate the curbside pickup of electronics for recycling in the northern part of the County in FY22 through new recycling contracts.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ The capital equipment purchases for FY22 will dramatically improve the operational efficiency and reduce the overall cost per ton of the yard trim grinding operation at the Transfer Station. A low-speed, high torque shredder combined with scalping screen will allow 70% - 80% of material to by-pass the secondary high-speed grinders, increasing production efficiency.
- ★ Continue efforts to increase recycling awareness including grasscycling, food waste composting as well as waste reduction and reuse. DEP staff continue to create educational materials using software and in-house capabilities providing savings.
- ★ Automate the process for licensing of Haulers and Collectors allowing the application to be submitted from a mobile phone and reviewed by DEP staff within two days. Payments can be made through credit cards or bank accounts, eliminating the handling of checks. Automated reminders are sent to the licensed companies when it is time to renew. This increases productivity of DEP staff and simplifies the process for the haulers and collectors.
- ★ Continue the acceptance of credit cards only at the Scale House at the Transfer Station, allowing more efficient transaction time and ability to control transactions associated with the monthly revenues of approximately \$2 million. Additionally, improved infrastructure including new underground fiber cable as well as software upgrades to ensure the point of sale system at the Transfer Station is reliable, reduces loss of revenue, and provides clear accountability.
- ★ Use of wireless internet (wifi) at the Dickerson compost facility (previously connected with a cellular air card) that allows contractors and DEP staff at the facility to collaborate through use of the county County network, increasing productivity.

PROGRAM CONTACTS

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

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY21 estimates reflect funding based on the FY21 Approved Budget. The FY22 and FY23 figures are performance targets based on the FY22 Recommended Budget and funding for comparable service levels in FY23.

PROGRAM DESCRIPTIONS

★ Administration and Support

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

- Develop and evaluate CIP and operating budgets in a strategic and economically responsible manner for fair and equitable

rate structures;

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

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

"Clean or Lien" provides for the removal of dangerous or unsightly trash, perimeter grass, and weeds on properties which the owners have failed to maintain as required.

Department of Environmental Protection staff in Energy and Environment Compliance Division provide surface and subsurface environmental compliance monitoring at all County solid waste facilities, and reviews reports of air monitoring of the Resource Recovery Facility (RRF).

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	6,393,420	39.16
Increase Cost: Automation of Solid Waste System -- Disposal Fund	280,827	0.00
Add: Periodic Waste System Planning Study	228,699	0.00
Increase Cost: Finance Property Tax Bill Chargeback -- Disposal Fund	45,240	0.00
Add: Compliance and Enforcement Position to Strengthen Enforcement of Laws Like the Bag Fee and Bans on Single-use Plastic Straws and Polystyrene (Split with Water Quality Protection Charge)	31,765	0.50
Increase Cost: Finance Property Tax Bill Chargeback -- Collection Fund	22,140	0.00
Increase Cost: Administration Costs -- Collection Fund	127	0.00
Decrease Cost: Automation of Solid Waste System -- Collection Fund	(7,823)	0.00
Decrease Cost: Administration Costs -- Disposal Fund	(7,953)	0.00
Decrease Cost: Savings Due to Turnover -- Collection Fund	(63,205)	0.00
Decrease Cost: Savings Due to Turnover -- Disposal Fund	(122,938)	0.00
Decrease Cost: Revenue Analysis and System Evaluation	(274,533)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	235,386	(0.50)
FY22 Recommended	6,761,152	39.16

Disposal

This program provides for the operation of the Montgomery County Resource Recovery Facility (RRF). The RRF serves as the primary disposal facility for non-recycled waste generated in the County. Renewable energy in the form of electricity is generated and sold into the competitive energy market. This program also includes costs for related operations at the Transfer Station and

for the transportation of waste from the Transfer Station to the RRF. Also, it provides for the operation of the receiving, processing, and shipping facility for municipal solid waste generated within the County.

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

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

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Residential, single family, and townhouse communities	217,615.3	221,564.4	222,029.7	222,495.93	222,963.2
Number of tons of County-wide yard trim and leaves collected	180,633.3	207,080.4	207,515.3	207,951.1	208,387.8
Number of tons of County-wide Commingled Recycling collected	33,974.5	28,190.7	28,249.9	28,309.2	28,368.7
Number of tons of County-wide Mixed Paper collected	117,896.9	114,537.5	114,778.0	115,019.0	115,260.6
Number of tons of County-wide Food Waste collected	6,889.6	7,543.3	7,559.1	7,575.0	7,590.9
Number of tons of County-wide Household Hazardous Waste collected	3,815.4	2,145.8	2,150.3	2,154.8	2,159.3

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	67,388,457	21.15
Increase Cost: Compost Facility Capital Equipment	532,228	0.00
Increase Cost: Resource Recovery Facility Operations and Insurance Adjustment	356,884	0.00
Increase Cost: Beantown Dump Evaluation and Action	250,000	0.00
Increase Cost: Oaks Landfill Maintenance	171,169	0.00
Increase Cost: Processing of Residential Hazardous Material	130,873	0.00
Increase Cost: Recycling Center Capital Equipment	64,000	0.00
Increase Cost: Miscellaneous Adjustments	3,024	0.00
Decrease Cost: Scheduled Transfer Station Capital Equipment Replacements	(1,272,500)	0.00
Decrease Cost: Reduction in Out-of-County Haul Costs	(1,334,417)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(663,307)	0.00
FY22 Recommended	65,626,411	21.15

☀ Materials and Collection

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

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

It provides for the separation, processing, and marketing of recyclable materials at the Recycling Center (MRF). The MRF receives recyclable material collected under the County curbside collection program from all single-family residences as well as some materials from municipalities, multi-family properties, and non-residential properties that have established recycling programs. The materials are then sorted, baled, and shipped to markets for recycling. The program also provides for the processing, baling, and shipping of the County's residential and some non-residential mixed paper and corrugated paper (cardboard) as well.

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

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

Program Performance Measures	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Number of tons of Municipal Solid Waste accepted at the Transfer Station: Commercial and multi-family buildings	224,638.9	203,293.6	203,720.5	204,148.3	204,577.0
Number of business site visits to provide guidance and recycling support	5,563	4,143	912	129	5,519
Number of Muti-Family Building site visits to provide guidance and recycling support	1,267	2,250	432	327	2,070
Recycling Reports compliance rate for businesses: % of businesses required to submit a report and plan that have done so	100%	100%	100%	100%	100%
Recycling Reports compliance rate for multi-family buildings: % of buildings required to submit a report and plan that have done so	100%	100%	100%	100%	100%
Average number of refuse collections missed per week, not picked up within 24 hours	10.5	8.0	6.0	3.0	3.0
Average number of recycling collections missed per week, not picked up within 24 hours	14.2	13.0	12.0	11.0	9.0

FY22 Recommended Changes	Expenditures	FTEs
FY21 Approved	57,642,398	51.25
Increase Cost: Increase in Residential Recycling Collection Contracts	2,644,139	0.00

FY22 Recommended Changes	Expenditures	FTEs
Increase Cost: Recycling Center Operations Costs	467,013	0.00
Increase Cost: Yard Trim Composting	200,678	0.00
Increase Cost: Residential Refuse Collection	104,662	0.00
Enhance: Backyard Food Waste Composting Program Expansion	100,000	0.00
Increase Cost: Commercial and Multifamily Recycling Program	13,747	0.00
Increase Cost: Recycling Outreach, Education, and Volunteers	7,081	0.00
Increase Cost: Waste System Program Development	(244)	0.00
Decrease Cost: Reduction in Paper Recycling Program Expenses	(146,938)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	665,929	0.50
FY22 Recommended	61,698,465	51.75

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
SOLID WASTE DISPOSAL					
EXPENDITURES					
Salaries and Wages	8,438,490	8,453,434	8,062,448	8,783,570	3.9 %
Employee Benefits	2,621,974	2,685,191	2,576,177	2,611,188	-2.8 %
Solid Waste Disposal Personnel Costs	11,060,464	11,138,625	10,638,625	11,394,758	2.3 %
Operating Expenses	103,325,864	106,224,338	103,934,338	109,832,904	3.4 %
Capital Outlay	2,749,102	3,610,610	3,610,610	2,291,444	-36.5 %
Solid Waste Disposal Expenditures	117,135,430	120,973,573	118,183,573	123,519,106	2.1 %
PERSONNEL					
Full-Time	76	79	79	79	—
Part-Time	2	2	2	2	—
FTEs	94.78	99.78	99.78	100.28	0.5 %
REVENUES					
Investment Income	1,896,729	1,274,760	500,000	1,229,230	-3.6 %
Miscellaneous Revenues	1,765,198	320,000	4,421,778	221,778	-30.7 %
Other Charges/Fees	132,741	295,000	224,466	224,466	-23.9 %
Other Fines/Forfeitures	35,050	36,000	43,440	43,440	20.7 %
Other Licenses/Permits	9,295	12,000	9,435	9,435	-21.4 %
Property Rentals	4,167	5,000	16,558	16,558	231.2 %
Sale of Recycled Materials	3,208,422	3,977,791	4,330,278	4,412,404	10.9 %
Solid Waste Disposal Fees/Operating Revenues	26,419,897	29,019,752	27,760,015	29,363,397	1.2 %
Systems Benefit Charge	67,772,884	70,896,342	71,157,342	76,861,389	8.4 %
Solid Waste Disposal Revenues	101,244,383	105,836,645	108,463,312	112,382,097	6.2 %

SOLID WASTE COLLECTION

EXPENDITURES

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Salaries and Wages	1,283,202	1,241,098	1,146,208	1,246,684	0.5 %
Employee Benefits	344,623	390,201	365,091	361,678	-7.3 %
Solid Waste Collection Personnel Costs	1,627,825	1,631,299	1,511,299	1,608,362	-1.4 %
Operating Expenses	8,121,895	8,819,403	8,729,403	8,958,560	1.6 %
Solid Waste Collection Expenditures	9,749,720	10,450,702	10,240,702	10,566,922	1.1 %
PERSONNEL					
Full-Time	4	4	4	4	—
Part-Time	0	0	0	0	—
FTEs	11.46	11.78	11.78	11.78	—
REVENUES					
Investment Income	91,864	73,220	73,220	70,610	-3.6 %
Miscellaneous Revenues	0	0	12,000	0	—
Other Charges/Fees	12,100	0	0	0	—
Systems Benefit Charge	8,743,728	9,885,837	9,852,988	10,851,750	9.8 %
Solid Waste Collection Revenues	8,847,692	9,959,057	9,938,208	10,922,360	9.7 %

DEPARTMENT TOTALS

Total Expenditures	126,885,150	131,424,275	128,424,275	134,086,028	2.0 %
Total Full-Time Positions	80	83	83	83	—
Total Part-Time Positions	2	2	2	2	—
Total FTEs	106.24	111.56	111.56	112.06	0.4 %
Total Revenues	110,092,075	115,795,702	118,401,520	123,304,457	6.5 %

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
SOLID WASTE DISPOSAL		
FY21 ORIGINAL APPROPRIATION	120,973,573	99.78
Changes (with service impacts)		
Add: Periodic Waste System Planning Study [Administration and Support]	228,699	0.00
Enhance: Backyard Food Waste Composting Program Expansion [Materials and Collection]	100,000	0.00
Add: Compliance and Enforcement Position to Strengthen Enforcement of Laws Like the Bag Fee and Bans on Single-use Plastic Straws and Polystyrene (Split with Water Quality Protection Charge) [Administration and Support]	31,765	0.50
Other Adjustments (with no service impacts)		
Increase Cost: Increase in Residential Recycling Collection Contracts [Materials and Collection]	2,644,139	0.00
Increase Cost: Compost Facility Capital Equipment [Disposal]	532,228	0.00
Increase Cost: Recycling Center Operations Costs [Materials and Collection]	467,013	0.00
Increase Cost: Resource Recovery Facility Operations and Insurance Adjustment [Disposal]	356,884	0.00

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Automation of Solid Waste System -- Disposal Fund [Administration and Support]	280,827	0.00
Increase Cost: Beantown Dump Evaluation and Action [Disposal]	250,000	0.00
Increase Cost: FY21 Compensation Adjustment	230,473	0.00
Increase Cost: Yard Trim Composting [Materials and Collection]	200,678	0.00
Increase Cost: Oaks Landfill Maintenance [Disposal]	171,169	0.00
Increase Cost: Processing of Residential Hazardous Material [Disposal]	130,873	0.00
Increase Cost: FY22 Compensation Adjustment	105,717	0.00
Increase Cost: Annualization of FY21 Lapsed Positions	68,313	0.00
Increase Cost: Recycling Center Capital Equipment [Disposal]	64,000	0.00
Increase Cost: Finance Property Tax Bill Chargeback -- Disposal Fund [Administration and Support]	45,240	0.00
Increase Cost: Motor Pool Adjustment	33,067	0.00
Increase Cost: Commercial and Multifamily Recycling Program [Materials and Collection]	13,747	0.00
Increase Cost: Recycling Outreach, Education, and Volunteers [Materials and Collection]	7,081	0.00
Increase Cost: Annualization of FY21 Personnel Costs	4,554	0.00
Increase Cost: Miscellaneous Adjustments [Disposal]	3,024	0.00
Increase Cost: Print and Mail Adjustment	1,886	0.00
Increase Cost: Waste System Program Development [Materials and Collection]	(244)	0.00
Decrease Cost: Administration Costs -- Disposal Fund [Administration and Support]	(7,953)	0.00
Decrease Cost: OPEB Adjustment	(12,570)	0.00
Decrease Cost: Retirement Adjustment	(61,751)	0.00
Decrease Cost: Savings Due to Turnover -- Disposal Fund [Administration and Support]	(122,938)	0.00
Decrease Cost: Reduction in Paper Recycling Program Expenses [Materials and Collection]	(146,938)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY21	(192,000)	0.00
Decrease Cost: Revenue Analysis and System Evaluation [Administration and Support]	(274,533)	0.00
Decrease Cost: Scheduled Transfer Station Capital Equipment Replacements [Disposal]	(1,272,500)	0.00
Decrease Cost: Reduction in Out-of-County Haul Costs [Disposal]	(1,334,417)	0.00
FY22 RECOMMENDED	123,519,106	100.28

SOLID WASTE COLLECTION

	FY21 ORIGINAL APPROPRIATION	10,450,702	11.78
<u>Other Adjustments (with no service impacts)</u>			
Increase Cost: Residential Refuse Collection [Materials and Collection]	104,662		0.00
Increase Cost: FY21 Compensation Adjustment	28,461		0.00
Increase Cost: Finance Property Tax Bill Chargeback -- Collection Fund [Administration and Support]	22,140		0.00
Increase Cost: Motor Pool Adjustment	20,694		0.00
Increase Cost: FY22 Compensation Adjustment	12,889		0.00
Increase Cost: Annualization of FY21 Personnel Costs	5,131		0.00
Increase Cost: Administration Costs -- Collection Fund [Administration and Support]	127		0.00

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Print and Mail Adjustment	(3)	0.00
Decrease Cost: OPEB Adjustment	(640)	0.00
Decrease Cost: Retirement Adjustment	(6,213)	0.00
Decrease Cost: Automation of Solid Waste System -- Collection Fund [Administration and Support]	(7,823)	0.00
Decrease Cost: Savings Due to Turnover -- Collection Fund [Administration and Support]	(63,205)	0.00
FY22 RECOMMENDED	10,566,922	11.78

PROGRAM SUMMARY

Program Name	FY21 APPR Expenditures	FY21 APPR FTEs	FY22 REC Expenditures	FY22 REC FTEs
Administration and Support	6,393,420	39.16	6,761,152	39.16
Disposal	67,388,457	21.15	65,626,411	21.15
Materials and Collection	57,642,398	51.25	61,698,465	51.75
Total	131,424,275	111.56	134,086,028	112.06

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY21 Total\$	FY21 FTEs	FY22 Total\$	FY22 FTEs
SOLID WASTE DISPOSAL					
General Services	General Fund	287,570	0.00	300,743	0.00
Parking District Services	Bethesda Parking	64,324	0.00	65,281	0.00
Parking District Services	Silver Spring Parking	124,627	0.00	126,481	0.00
Parking District Services	Wheaton Parking	12,061	0.00	12,240	0.00
Alcohol Beverage Services	Liquor	16,603	0.00	16,589	0.00
Total		505,185	0.00	521,334	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
SOLID WASTE DISPOSAL						
EXPENDITURES						
FY22 Recommended	123,519	123,519	123,519	123,519	123,519	123,519
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY22	0	9	9	9	9	9

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
New positions in the FY22 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY22	0	(472)	(472)	(472)	(472)	(472)
Items recommended for one-time funding in FY22, including funds to evaluate and address methane leakage at the Beantown Dump and for Waste System Planning, will be eliminated from the base in the outyears.						
Retiree Health Insurance Pre-funding	0	(29)	(58)	(89)	(96)	(96)
Labor Contracts	0	208	208	208	208	208
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	123,519	123,235	123,206	123,175	123,168	123,168

SOLID WASTE COLLECTION

EXPENDITURES

FY22 Recommended	10,567	10,567	10,567	10,567	10,567	10,567
No inflation or compensation change is included in outyear projections.						
Retiree Health Insurance Pre-funding	0	(2)	(3)	(5)	(5)	(5)
Labor Contracts	0	26	26	26	26	26
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	10,567	10,591	10,590	10,588	10,588	10,588

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY22 Recommended		FY23 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Compliance and Enforcement Position to Strengthen Enforcement of Laws Like the Bag Fee and Bans on Single-use Plastic Straws and Polystyrene (Split with Water Quality Protection Charge)	31,765	0.50	40,412	0.50
Total	31,765	0.50	40,412	0.50

SOLID WASTE ENTERPRISE FUND

RATES AND FISCAL PROJECTIONS FOR FY22-27

Assumptions:

- In FY22, the County Executive recommends the following solid waste system service charges:

Single-Family: \$239.39
Multi-Family: \$17.29
Non-Residential: \$644.61
(medium category)

- Refuse collection services are maintained at their current levels, with the annual collection charge increasing \$10.00 (9.3%) from \$107.00/ household in FY21 to \$117.00/household in FY22.
- The disposal fee for municipal solid waste received at the Transfer Station (known as the “Tipping Fee”) is unchanged at \$60 per ton. Construction and demolition material and waste material delivered in open-top roll-off boxes will increase to \$76 per ton. Tipping fees for concrete rubble known as DOT demolition material will increase from \$60 per ton to \$70 per ton.
- Expenditures for certain programs, such as the Resource Recovery Facility, Transfer Station, and Out-of-County Haul are Base Systems Costs and calculated based on waste generation estimates for each sector. Expenditures for programs such as the Recycling Center, Recycling Collection, and Dickerson Compost Facility are Incremental Costs and calculated based on the cost of the incremental services received by each sector. Other expenditures are increased by inflation, except where contract or scheduled costs apply.

FY22 - FY27 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation

	FY21 Estimate	FY22 Projection	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection
ASSUMPTIONS							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.62%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
Number of Households (mid-FY)	92,295	92,750	93,027	93,303	93,580	94,017	94,454
Charge Per Household	\$ 107.00	\$ 117.00	\$ 127.00	\$ 137.00	\$ 147.00	\$ 150.00	\$ 150.00
Percent Rate Increase (Decrease)	12.63%	9.35%	8.55%	7.87%	7.30%	2.04%	0.00%
BEGINNING NET ASSETS	(3,054,679)	(3,676,462)	(3,640,913)	(3,046,272)	(1,742,431)	145,085	1,568,781
REVENUES							
Charges for Services	9,852,988	10,851,750	11,814,429	12,782,511	13,756,260	14,102,550	14,168,100
Investment Income (per Dept. of Finance)	73,220	70,610	70,610	70,610	70,610	70,610	70,611
Miscellaneous	12,000						
Subtotal Revenues	9,938,208	10,922,360	11,885,039	12,853,121	13,826,870	14,173,160	14,238,711
INTERFUND TRANSFERS (Net Non-CIP)	(314,224)	(313,484)	(325,792)	(339,971)	(354,844)	(370,377)	(386,600)
OMB Transfer Change	-	-	-	-	-	-	-
TOTAL RESOURCES	6,569,305	6,932,414	7,918,334	9,466,878	11,729,595	13,947,868	15,420,892
OPERATING BUDGET APPROP/EXPENSES							
Personnel Costs	(1,511,299)	(1,608,362)	(1,672,536)	(1,746,462)	(1,824,005)	(1,904,990)	(1,989,572)
OMB Adjustments - Labor Adjustments			(28,301)	(28,301)	(28,301)	(28,301)	(28,301)
OMB Adjustments - Labor Contracts other			2,387	2,387	2,387	2,387	2,387
OMB Adjustments - OPEB			(1,510)	(2,990)	(4,570)	(4,900)	(4,900)
Refuse Collection Contracts	(8,729,403)	(8,628,487)	(8,919,008)	(9,092,364)	(9,381,734)	(10,086,835)	(10,418,631)
Other Operating Costs		(330,073)	(335,034)	(341,579)	(348,287)	(356,447)	(365,145)
OMB Adjustments - Retiree Health Insurance OPEB	(10,605)	(10,605)	(10,605)				
OPEB Prepaid	5,540	4,200					
Other Claims against Net Assets	-	-	-	-	-	-	-
Subtotal PSP Oper. Budget Approp / Exp.	(10,245,767)	(10,573,327)	(10,964,606)	(11,209,309)	(11,584,510)	(12,379,087)	(12,804,162)
TOTAL USE OF RESOURCES	(10,245,767)	(10,573,327)	(10,964,606)	(11,209,309)	(11,584,510)	(12,379,087)	(12,804,162)
YEAR END - NET ASSETS*	(3,676,462)	(3,640,913)	(3,046,272)	(1,742,431)	145,085	1,568,781	2,616,730
End-of-Year Earnings as a % of Resources	-56.0%	-52.5%	-38.5%	-18.4%	1.2%	11.2%	17.0%
Beginning Cash	1,965,783	1,344,000	1,379,549	1,174,190	1,678,031	2,765,547	3,389,243
Revenues	9,938,208	10,922,360	11,885,039	12,853,121	13,826,870	14,173,160	14,238,711
Loans							
Expenses	(10,245,767)	(10,573,327)	(10,964,606)	(11,209,309)	(11,584,510)	(12,379,087)	(12,804,162)
Transfers	(314,224)	(313,484)	(325,792)	(339,971)	(354,844)	(370,377)	(386,600)
Change in Asset/Liability Accounts							
Loan Payoff			(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Ending Cash Balance	1,344,000	1,379,549	1,174,190	1,678,031	2,765,547	3,389,243	3,637,192

Notes:

1. The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 10 percent and 15 percent of resources at the end of the six-year planning period. Year-end fund balances in FY22-27 are projections only and will change with the change in the underlying assumptions (ie. growth in house counts, CPI, investment income yield) in future fiscal plans.
2. These projections are based on the Executive's recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
3. The fund balance is negative in FY22-27 because of a \$4 million liability that results from a FY18 loan from the Disposal Fund. This \$4 million loan was executed to more gradually phase in the increases in collection contract costs. The cash balance of the fund remains positive across the six-year period. Refuse collection charges will be adjusted annually to achieve cost recovery, pay back the loan, and progress toward the fund balance policy target of between 10 percent and 15 percent.

FISCAL PROJECTIONS	ESTIMATED FY21	PROJECTED FY22	PROJECTED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27
Single-Family Charges (\$/Household)	222.86	239.69	282.46	301.19	317.39	336.46	358.01
% change in rate from previous year	4.5%	7.6%	17.8%	6.6%	5.4%	6.0%	6.4%
Multi-Family Charges (\$/Dwelling Unit)	16.25	17.29	18.39	19.79	21.18	22.69	24.34
% change in rate from previous year	1.2%	6.4%	6.4%	7.6%	7.0%	7.1%	7.2%
Nonresidential Charges (medium "category" charge)	608.79	644.61	679.01	714.88	733.66	748.13	755.59
% change in rate from previous year	2.1%	5.9%	5.3%	5.3%	2.6%	2.0%	1.0%

OPERATIONS CALCULATION

REVENUES							
Disposal Fees	33,012,850	29,582,649	30,177,590	31,150,403	32,154,053	33,187,851	34,254,360
Charges for Services/SBC	60,077,164	66,420,223	77,811,897	83,905,248	88,820,483	94,396,833	100,421,966
Miscellaneous	14,873,298	15,149,994	15,272,944	16,100,921	16,218,339	16,343,951	16,499,058
Investment Income	500,000	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230	1,229,230
Subtotal Revenues	108,463,312	112,382,096	124,491,661	132,385,802	138,422,105	145,157,865	152,404,614
INTERFUND TRANSFERS	112,449	215,596	(40,346)	41,114	(122,038)	59,378	(72,360)
EXPENDITURES							
Personnel Costs	(10,638,625)	(11,394,758)	(11,849,409)	(12,373,153)	(12,922,521)	(14,095,515)	(14,095,515)
Operating Expenses	(103,934,338)	(109,832,904)	(113,194,745)	(115,499,768)	(121,046,650)	(131,741,766)	(131,741,766)
Capital Outlay	(3,610,610)	(2,291,444)	(517,610)	(997,998)	(906,488)	(1,384,183)	(1,384,183)
Other Expenditure Restrictions							
Subtotal Expenditures	(118,183,573)	(123,519,106)	(125,561,764)	(128,870,919)	(134,875,659)	(147,221,464)	(147,221,464)
CURRENT RECEIPTS TO CIP	(4,700,000)	(1,933,000)	(177,000)	-	-	-	-
OTHER CLAIMS ON FUND BALANCE - OPEB	(84,842)	(84,842)	(84,842)	-	-	-	-
OPEB PREPAID	108,090	81,920					
POTENTIAL FUTURE EXPENDITURES - LABOR CON	-	-	(207,793)	(207,793)	(207,793)	(207,793)	(207,793)
POTENTIAL FUTURE EXPENDITURES - OPEB			(29,240)	(58,230)	(89,160)	(95,520)	(95,520)
PAYOUT OF GUDE REMEDIATION	734,215	18,329,000	1,845,000	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	1,858,390	2,071,036	2,114,459	2,167,926	2,223,221	2,279,973	2,338,220
CY ACCRUED CLOSURE COSTS	(41,133)	(32,285)	(43,422)	(53,467)	(55,296)	(56,752)	(58,247)
NET CHANGE	(11,733,091)	7,510,416	2,335,953	5,462,664	5,384,540	11,207	7,182,970

CASH POSITION

ENDING CASH & INVESTMENTS							
Unrestricted Cash	49,935,313	16,845,804	19,439,333	23,498,880	27,273,426	31,892,652	38,392,635
Restricted Cash	31,817,919	35,159,557	34,671,778	35,569,676	36,874,019	38,212,312	38,586,395
Subtotal Cash & Investments	81,753,232	52,005,360	54,111,111	59,068,557	64,147,445	70,104,964	76,979,031
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(25,733,147)	(25,819,227)	(26,508,233)	(27,759,429)	(29,028,450)	(30,331,597)	(30,671,138)
Debt Service Reserve	-	(2,204,500)	(2,141,000)	(2,063,500)	(1,983,000)	(1,899,500)	(1,812,500)
Renewal & Replacement Reserve	(4,471,720)	(4,544,162)	(4,634,592)	(4,746,747)	(4,862,569)	(4,981,215)	(5,102,757)
Stability Reserve	(1,613,052)	(2,591,668)	(1,387,953)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Subtotal Reserve Requirements	(31,817,919)	(35,159,557)	(34,671,778)	(35,569,676)	(36,874,019)	(38,212,312)	(38,586,395)
Closure/Postclosure Liability	(13,606,843)	(11,568,092)	(9,557,983)	(7,504,452)	(5,397,455)	(3,235,161)	(1,016,117)
Gude Remediation Liability	(59,222,815)	(40,893,815)	(42,738,815)	(42,738,815)	(42,738,815)	(42,738,815)	(42,738,815)
Subtotal Reserve & Liability Requirements	(104,647,577)	(87,621,464)	(86,968,576)	(85,812,943)	(85,010,289)	(84,186,288)	(82,341,327)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	(22,894,345)	(35,616,103)	(32,857,465)	(26,744,387)	(20,862,844)	(14,081,324)	(5,362,297)
Net Assets							
ENDING NET ASSETS	48,745,268	59,768,514	62,371,154	68,506,076	74,730,498	82,270,782	90,848,279
Less: Reserve Requirements	(31,817,919)	(35,159,557)	(34,671,778)	(35,569,676)	(36,874,019)	(38,212,312)	(38,586,395)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	16,927,349	24,608,958	27,699,376	32,936,400	37,856,479	44,058,471	52,261,883

FY22 Solid Waste Service Charges

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

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

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

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

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

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

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

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

FY22 SOLID WASTE SERVICE CHARGES TO BE COLLECTED VIA REAL PROPERTY ACCOUNT BILLING

Code Reference	Base Charge	x	Billing Rate	=	Disposal Charge	+	Base Systems Benefit Charge	+	Incremental Systems Benefit Charge	+	Refuse Collection Charge	+	Leaf Vacuuming Charge	=	Total Bill
	(\$/ton)		(tons/HH)		48-32(c)(2)		48-8A(b)(2)(A)		48-8A(b)(2)(B)		48-29		48-47		
SUBDISTRICT A (Refuse Collection District)*															
Inside Leaf Vacuuming District	\$ 60.00		0.78894		\$ 47.34		\$ 38.07		\$ 154.28		\$ 117.00		\$ 116.46		\$ 473.15
Outside Leaf Vacuuming District	\$ 60.00		0.78894		\$ 47.34		\$ 38.07		\$ 154.28		\$ 117.00				\$ 356.69
Incorporated							\$ 38.07								\$ 38.07
SUBDISTRICT B SINGLE-FAMILY**															
Incorporated							\$ 38.07								\$ 38.07
Inside Leaf Vacuuming District															
Unincorporated	\$ 60.00		0.78894		\$ 47.34		\$ 38.07		\$ 154.28				\$ 116.46		\$ 356.15
Outside Leaf Vacuuming District															
Unincorporated	\$ 60.00		0.78894		\$ 47.34		\$ 38.07		\$ 154.28						\$ 239.69
MULTI-FAMILY RESIDENTIAL**															
Incorporated							\$ 6.68		\$ 10.61						\$ 17.29
Unincorporated															
Outside Leaf Vacuuming District							\$ 6.68		\$ 10.61						\$ 17.29
Inside Leaf Vacuuming District							\$ 6.68		\$ 10.61				\$ 4.54		\$ 21.83
NONRESIDENTIAL - \$/2,000 SQ. FT. ***															
Code Reference															
Waste Generation Categories															
Low							\$ 88.43		\$ 40.49						\$ 128.92
Medium Low							\$ 265.29		\$ 121.48						\$ 386.77
Medium							\$ 442.15		\$ 202.46						\$ 644.61
Medium High							\$ -		\$ -						\$ -
High							\$ 795.87		\$ 364.43						\$ 1,160.30
OTHER FY22 SOLID WASTE FEES															
Base Solid Waste Charge under Section 48-32(a)(1): (This is known as the "Tipping Fee")	\$ 60.00 / disposal ton														
Waste delivered to DOT Pad (Non-Processible)															\$70 / disposal ton
Waste delivered for disposal <500 lb loads in privately owned and operated vehicles or trailers <1,000 capacity per Section 48-32(c)(2):	\$0.00/disposal ton														
Solid Waste Service Charges (Section 48-32(a)(2)):															
Paper and Commingled Containers															\$0.00 / ton
Solid Waste Service Charges (Section 48-32(b)(2)):															
All Yard Trim received at the Transfer Station (weighing > 500 pounds/load)															\$46.00 / ton
Waste delivered in open-top roll-off box and declared C&	\$ 76.00 / disposal ton														
Miscellaneous (48-31(f)):															Compost Bins \$0.00 each

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

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

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

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Leaf Vacuuming Fund					
FISCAL PROJECTIONS	FY21 ESTIMATE	FY22 REC	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	18.64%	19.18%	19.18%	19.18%	19.18%	19.18%	19.18%
CPI (Fiscal Year)	1.3%	1.6%	2.0%	2.4%	2.4%	2.4%	2.4%
Investment Income Yield	0.2%	0.1%	0.4%	0.4%	0.4%	0.4%	0.4%
Charge per single-family household	116.46	116.46	116.46	119.42	120.87	127.11	132.98
% of leaves attributed to single-family households	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
% of leave attributed to multi-family units and townhome units	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
BEGINNING FUND BALANCE	13,121	1,073,831	749,739	684,303	618,868	553,433	487,997
REVENUES							
Charges For Services	8,591,838	8,600,551	8,882,574	9,224,146	9,331,516	9,792,252	9,948,946
Miscellaneous	2,620	1,630	5,710	5,710	5,710	5,710	5,710
Subtotal Revenues	8,594,458	8,602,181	8,888,284	9,229,856	9,337,226	9,797,962	9,954,656
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(663,574)	(636,264)	(660,375)	(676,079)	(692,296)	(708,909)	(725,927)
Indirect Costs	(663,574)	(636,264)	(660,375)	(676,079)	(692,296)	(708,909)	(725,927)
Transfers To Special Fds: Non-Tax + ISF	(1,319,501)	(1,599,058)	(1,409,548)	(1,570,272)	(1,490,888)	(1,760,312)	(1,721,027)
To Solid Waste Disposal	(1,319,501)	(1,599,058)	(1,409,548)	(1,570,272)	(1,490,888)	(1,760,312)	(1,721,027)
TOTAL RESOURCES	6,624,504	7,440,690	7,568,100	7,667,808	7,772,910	7,882,174	7,995,699
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(5,550,673)	(6,690,951)	(6,824,101)	(6,989,244)	(7,159,781)	(7,334,481)	(7,513,442)
Labor Agreement	n/a	0	(59,696)	(59,696)	(59,696)	(59,696)	(59,696)
Subtotal PSP Oper Budget Approp / Exp's	(5,550,673)	(6,690,951)	(6,883,797)	(7,048,940)	(7,219,477)	(7,394,177)	(7,573,138)
TOTAL USE OF RESOURCES	(5,550,673)	(6,690,951)	(6,883,797)	(7,048,940)	(7,219,477)	(7,394,177)	(7,573,138)
YEAR END FUND BALANCE	1,073,831	749,739	684,303	618,868	553,433	487,997	422,561
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	16.2%	10.1%	9.0%	8.1%	7.1%	6.2%	5.3%
Assumptions:							
1. Leaf Vacuuming rates are adjusted to achieve cost recovery.							
2. The Vacuum Leaf Collection fund balance policy target is \$250,000. However, experience has shown that a \$500,000 balance provides a better buffer in the event of adverse weather conditions. In future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance.							

Solid Waste System Disposal Fund, Rate Setting Methodology FY22

Item	Amount	Notes
Total Budgetary Operating Costs for the Year	\$ 123,869,951	a
CIP Expen. (Current Receipts, Non-Closure)	810,000	b
Contingency Funds	-	c
Closed landfill Expenses (inflation only)	32,285	d
Material Sales Revenue	(4,412,404)	e
Miscellaneous Revenues	(10,737,590)	f
Investment Income	(1,229,230)	g
Sector-Specific Stability Fund Contributions (Draw)	(5,609,300)	h
Fund Balance Adjusting All Sectors Contribution (Draw)	(5,597,500)	i
Transfer to Disposal Fund From Leaf Vacuuming Fund	(1,599,058)	j
Fund Contribution for Small Loads (e.g. <500 lbs)	1,514,138	k
Net Revenues Required from Service Charges	\$ 97,041,293	
Incremental Systems Benefit Charges	\$ (41,822,467)	l
BASE SYSTEM COSTS	55,218,825	

	Single-Family	Multi-Family	Non-Residential
Service Sector	40.1%	9.6%	50.3%
Proportion of Total Waste Generation	n	n	n
Sector Share of Base Costs	\$ 22,153,860	\$ 5,304,049	\$ 27,760,917
Offsets from Refuse Disposal Fees Tipping Fees	(12,278,753)	(4,372,567)	(13,969,750)
Base Costs to Collect on Property Levy	\$ 9,875,107	\$ 931,482	\$ 13,791,167
Households (HH) or Commercial Gross Floor Area Units (GFAU)	259,393	139,406	90,781
Base System Benefit Charge on Property Levy (\$/HH. \$/GFAU)	\$ 38.07 /HH	\$ 6.68 /HH	\$ 151.92 /GFAU

	Single-Family	Multi-Family	Non-Residential
Recycling	\$ 37,830,457	\$ 1,264,166	\$ 2,720,527
Satellite Sites	272,569	6,363	
Studies Specifics to the Nonresidential Sector			
Organics - Food Waste	448,000	-	1,498,154
Stabilization	(6,721,500)	164,700	947,500
Composting	2,199,513	43,220	1,148,798
Total	\$ 34,029,038	\$ 1,478,449	\$ 6,314,979
Households (HH) or Commercial Gross Floor Area Units (GFAU)	220,573	139,406	90,781
ISCB to be Charged on Property Levy	\$ 154.28 /HH	\$ 10.61 /HH	\$ 69.56 /GFAU

	Single-Family	Multi-Family	Non-Residential
Tons of Refuse Disposed by Subdistrict A & B Households	174,019	NA	NA
Single-Family Households in Sub-Districts A & B (Non-Municipal)	220,573	NA	NA
Disposal Tons Per Household	0.7889	NA	NA
County Tipping Fee for Accepting Refuse at its Transfer Station	\$ 60.00	NA	NA
Disposal Fee Levied on Subdistrict A & B Households on Tax Bill	\$ 47.34 /HH	NA	NA

	Single-Family	Multi-Family	Non-Residential
Non-Municipal Single-Family Homes	\$ 239.69 /HH		
Municipal Single-Family Homes	\$ 38.07 /HH		
Multi-Family Dwellings		\$ 17.29 /HH	
			\$ 221.48 /GFAU

- a Does not include cost of maintaining closed landfill, which costs are paid from Landfill Post Closure Reserves (GASB18)
- b Current Receipts to fund solid waste projects financed by County's Long Term Capital Improvements Program (CIP)
- c Toward unplanned research and capital needs contingencies
- d Amount that GASB 18 does not permit to be reserved for landfill post closure costs (inflation).
- e Revenue from recyclables materials sold into secondary markets
- f From fees charged to accept yard trim, waste delivered in open top roll-off boxes, licence fees & rent, and misc. revenue
- g Pooled and non-pooled investment income as determined by the County Department of Finance
- h Sum of sector-specific rate stabilization contributions (see also note v)
- i Non-sector-specific contribution to (draw) to adjust overall fund balance
- j To pay for composting leaves collected by leaf vacuuming services (separate sub-fund)
- k Charge to fund balance to account for non-chargable refuse deliveries (e.g. <500 lb loads per SS 48-32(c)(2) & MRF residue)
- l Revenue from Incremental System Benefit Charges
- m Single-family detached, townhouse, and multifamily dwellings in buildings comprised of 6 or fewer dwellings
- n Based on County's annual materials flow analysis.
- o (n) x (BASE SYSTEM COSTS)
- p Off-Sets Against Sector's Share of System Base Costs

	Single-Family	Multi-Family	Non-Residential
Disposed into County System (open-top roll off tons not included)	214,770	75,300	245,516
Non-Charged Loads (<500 lbs, PUF, Beauty-Spots, MRF Residue)	(10,125)	(2,424)	(12,687)
Off-Setting Tonnage	204,646	72,876	232,829
Tipping Fee	\$ 60.00 / ton	\$ 60.00 / ton	\$ 60.00 / ton
Sector Off-Sets for Refuse Disposal Fees and Tipping Fees	\$ 12,278,753	\$ 4,372,567	\$ 13,969,750

- q County tax account database, growth trends reconciled to Md. National Capital Park & Planning Commission (MNCPPC) projections.
- r 1 GFAU = 2000 sq. ft. improved property. NA for < \$5,000 improvement. State tax account data, inflated by MNCPPC employment.
- s Curbside recycling collection & processing costs net of material sales, outreach, household haz. waste, and recycling volunteers.
- t Recyclable Materials processing costs net of material sales revenue, outreach and education.
- u Recyclable Materials processing costs net of material sales revenue, outreach and education, commercial hazardous waste disposal.
- v Sector-specific contribution to (draw from) the rate Stabilization Reserve.
- w Sector share (tonnage proportional) of the yard waste composting facility operation, net of revenue.
- x Same as g, but without municipal households

Solid Waste System Disposal Fund, Base Rate Setting Methodology FY22

Items	Amount	Notes		
Administration	3,460,818			
Solid Waste Enforcement	1,264,843			
Debt Service	-			
Automation Disposal Fund	782,677			
Revenue Analysis & System Evaluation	209,140			
Dickerson Facilities Master Plan	77,823			
Waste System Program Development	672,764			
Solid Waste Transfer Station	6,457,154			
Oaks Landfill (excludes Landfill Closure Expenses)	386,421			
Site 2 Landfill	151,234			
Beantown Dump	250,000			
Resource Recovery Facility	40,197,867			
Gude Landfill (excludes Pollution Remediation)	776,419			
Out-Of-County Haul	13,723,310			Check
Total Budget			68,410,471	68,410,471
Budget Transfers - Out (Expenses)	1,502,877			
CIP Expen. (Current Receipts, Non-Closure)	810,000			
Contingency Funds	-			
Closed landfill Expenses (inflation only)	32,285			
Material Sales Revenue	(634,685)			
Miscellaneous Revenues	(9,589,531)			
Investment Income	(1,229,230)			
Fund Balance Adjusting Contribution (Draw)	(5,597,500)			
Fund Contribution for Small Loads (e.g. <500 lbs)	1,514,138		Check	Variance
Net Revenues Required from Service Charges	\$ 55,218,825		55,218,825	(0)
BASE SYSTEM COSTS	55,218,825			
BASE SYSTEM BENEFIT CHARGES				
Service Sector				
Proportion of Total Waste Generation	40.1%	m	9.6%	m
Sector Share of Base Costs	\$ 22,153,859	n	\$ 5,304,049	n
Offsets from Refuse Disposal Fees Tipping Fees	(12,278,753)	o	(4,372,567)	o
Base Costs to Collect on Property Levy	\$ 9,875,107	p	\$ 931,482	p
Households (HH) or Commercial Gross Floor Area Units (GFAU)	259,393	q	139,406	q
Base System Benefit Charge on Property Levy (\$/HH, \$/GFAU)	\$ 38.07 /HH	r	\$ 6.68 /HH	r
				/GFAU
Check Sector Totals	\$ 9,875,107		\$ 931,482	\$ 13,791,167
Sector Variance	(0)		(0)	(0)
Check Total Base Expenses	\$ 55,218,825			
Total Variance	(0)			

Solid Waste System Disposal Fund, Incremental Rate Setting Methodology FY22

Item	Amount	Notes		
Residential Recycling Collection	\$ 30,349,175			
Recycling Center	9,178,019			
Dickerson Composting Facility	6,105,595			
Satellite Sites	254,600			
Volunteer Coordination/Public Outreach	495,898			
Support For Recycling Volunteers	150,694			
Yard Trim Reduction	78,661			
Multi-Family Recycling	1,011,908			
Commercial Recycling	2,186,348			
Household and Small Quantity HH Hazardous Materials	1,280,547			
Organics Food Waste	1,946,154		Check	Variance
Total Incremental Program Expenses	\$ 53,037,599		53,037,599	-
Indirect Costs	919,004			
Total Incremental Expenses	53,956,603			
Recycling Center Revenue	(3,777,719)			
Yard Trim Tip Fee Revenue	(1,148,059)			
Leaf Vacuum Transfer	(1,599,058)			
Net Incremental Expenses	47,431,768			
Stabilization Net	(5,609,300)		Check	Variance
Incremental Expenses Allocated	\$ 41,822,468		41,822,467	(0)

	Single-Family	Multi-Family	Non-Residential
Residential Recycling Collection	30,733,736	a -	-
Recycling Center	5,342,142	b 61,165	94,717
Dickerson Composting Facility	2,199,513	c 43,220	1,148,798
Satellite Sites	272,569	d 6,363	-
Volunteer Coordination/Public Outreach	323,230	e 79,473	119,353
Support For Recycling Volunteers	150,694	f -	-
Yard Trim Reduction	51,014	g 1,002	26,644
Multi-Family Recycling	-	h 1,122,527	-
Commercial Recycling	-	i -	2,428,905
Household and Small Quantity HH Hazardous Materials	1,229,641	j -	50,907
Organics Food Waste	448,000	k -	1,498,154
Sector Specific Waste Studies	-	l -	-
Stabilization	(6,721,500)	164,700	947,500
Total Allocated Incremental Expenses (Collected on Property Tax Bill)	\$ 34,029,038	\$ 1,478,450	\$ 6,314,980

	220,573	HHs	139,406	HHs	90,781	GFAUs
Household Units / NR GFAUs						
Charge/Unit to be collected on property tax bill	\$ 154.28	/HH	\$ 10.61	/HH	\$ 69.56	/GFAU (Avg.)

Check: Sector Totals	34,029,038	1,478,450	6,314,980
Check: Total Incremental Expenses	41,822,467		
Variance: Per Sector	-	-	-

- The County collects recyclables in Collection Districts A and B, excluding surrounding municipalities. The County does not have recycling collection services for the multi-family and nonresidential sectors.
- The Recycle Center's expenses are netted against the material revenue earned from collections of recyclables at the Recycle Center. This net-expense amount is allocated to the specific sectors based on projected material to be collected from each sector during the year.
- The Dickerson Compost Facility's expenses are netted against yard waste tip fees collected at the transfer station. The net-expense amount is allocated to the specific sector based on yard waste collected from each sector during the year.
- The Satellite Site expenses are allocated to both the single-family and multi-family sectors based on a survey of users. No expenses are allocated to the nonresidential sector.
- The Volunteer Coordination/Outreach program expenses are allocated in two different ways. First, personnel and operating expenses (excluding contract expenses) are allocated across the sectors based on recyclables received at the Recycle Center from each sector. The contract expenses are allocated across each sector based on the recycling manager's expense allocation.
- The Support For Recycling Volunteers program expenses are allocated to the single family sector.
- The Yard Trim Reduction program expenses are allocated across the sectors based on the amount of yard trim received from each sector during the year.
- The Multi-family Recycling program expenses are allocated entirely to the multi-family sector.
- The Commercial Recycling program expenses are allocated entirely to the nonresidential sector.
- The Household and Small Quantity Hazardous Waste program expenses are allocated to two sector based on program expenses. The Ecowisw program is for the nonresidential sector. The larger portion of the expenses are for the single family sector.
- The study expenses are allocated to the sector for which the study is being performed.
- The stabilization contributions or draws are allocated to each sector based on the amount necessary to smooth rates over the course of the budget period (six years).



OFFICES OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

March 15, 2021

TO: Tom Hucker, President, County Council

FROM: Marc Elrich, County Executive

SUBJECT: FY22 Solid Waste Services Charges

The purpose of this memorandum is to transmit the proposed resolution for FY22 Solid Waste Services Charges. The proposed charges are consistent with my FY22 Recommended Operating Budget. I recommend the Council adopt this resolution as part of its deliberations on the FY22 Operating Budget.

ME:as

Attachment: Resolution – FY22 Solid Waste Services Charges

c: Richard S. Madaleno, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Jennifer Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Adam Ortiz, Director, Department of Environmental Protection

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the County Executive

SUBJECT: FY22 Solid Waste Service Charges

Background

1. Under County Code Section 48-31, each fiscal year, the County Council must, by resolution, set the base solid waste charges, the residential systems benefit charge, and the nonresidential systems benefit charge and all other solid waste service, collection, and disposal charges and fees.
2. Under County Code Section 48-8A(b)(1), the County Council must set, each fiscal year, by resolution, the rates for the residential and nonresidential systems benefit charges.
3. Under County Code Section 48-47(c)(1) and (2), the County has established a Leaf Recycling Service Area in which special fees are charged for leaf recycling services.
4. On March 15, 2021, the County Executive recommended, effective July 1, 2021, solid waste charges including the residential Base Systems Benefit Charge which when multiplied by the generation rates (set by Executive Regulation 7-21) yield household charges for FY 2022:

Refuse Collection Charge:

For single-family households and dwellings in buildings with six or fewer dwelling units located within Sub-district A, of the Solid Waste Refuse Collection District:

Once weekly refuse collection charge \$117.00 / Household

Disposal Fee (Applies to All Single-Family Households and Dwellings in Buildings Comprised of Six or Fewer Dwelling Units Outside of Municipalities)

Disposal Fee = \$47.34/Household

Disposal fee (Tip Fee x Tons Disposed per Household):
 $\$60.00 \times 0.78894 = \$47.34 / \text{Household}$

Systems Benefit Charge for Single-Family Households and Dwellings in Buildings Comprised of Six or Fewer Dwelling Units:

Base Systems Benefit Charge = \$38.07/Household

Base Cost / Ton x Generation / Household - Offset from Disposal Fees:
 $\$47.1074 / \text{Ton} \times 1.8130 \text{ Ton} / \text{Household (ER 7-21)} - \$47.34 / \text{Household} =$
 $\$38.07 / \text{Household}$

Incremental Systems Benefit Charge = \$154.28/Household

Charge Rate (\$ / Ton Waste Generated) x Generation / Household:
 $\$85.0965 \times 1.8130 = \$154.28 / \text{Household}$

Systems Benefit Charges for Multi-Family Properties in Buildings Comprised of Seven or Greater Dwelling Units (Charge per Dwelling Unit):

Base Systems Benefit Charge = \$6.68/Dwelling

Base Cost / Ton x Tons Generated / Dwelling - Tip Fee Offsets:
 $\$47.1074 / \text{Ton} \times 0.8077 \text{ Ton} / \text{Dwelling (ER 7-21)} - \$31.37 / \text{Dwelling} =$
 $\$6.68 / \text{Dwelling}$

Incremental Systems Benefit Charge = \$10.61/Dwelling

Charge Rate (\$/Ton Waste Generated) x Generation / Dwelling:
 $13.1303 \times 0.8077 = \$10.61 / \text{Dwelling}$

Total multi-family Systems Benefit Charge on property bill \$ 17.29 / Dwelling

Nonresidential Properties:

Base and Incremental Systems Benefit Charges by waste generation category per billable unit of 2,000 square feet of gross floor area of property improvement on real property as reported by the State Department of Assessments and Taxation:

<u>Generator Category</u>	<u>Base (\$/GFA Unit)</u>	<u>Incremental (\$/GFA Unit)</u>	<u>Total (\$/GFA Unit)</u>
Low	\$ 88.43	\$ 40.49	\$ 128.92
Medium Low	\$ 265.29	\$ 121.48	\$ 386.77
Medium	\$ 442.15	\$ 202.46	\$ 644.61
Medium High	\$ 0.00	\$ 0.00	\$ 0.00
High	\$ 795.87	\$ 364.43	\$1,160.30

Solid Waste Charges per ton for solid waste:

Refuse received at the Transfer Station (weighing > = 500 lb/load)	\$60.00
Refuse received at the Transfer Station (weighing < 500 lb/load)	\$ 0.00
Construction and Demolition material and waste material delivered for disposal in open-top roll-off boxes	\$76.00
Concrete/Dirt Rubble (C&D) material delivered for disposal	\$70.00
All Yard Trim received at the Transfer Station (weighing > 500 pounds/load)	\$46.00
Scrap metal delivered to the Transfer Station	\$ 0.00
Recyclable paper received at the County's Recycling Center	\$ 0.00
Commingled containers received at the County's Recycling Center	\$ 0.00
Source separated recyclable materials dropped off at the recycling drop-off area of the Transfer Station	\$ 0.00

Leaf Vacuuming charge in the Leaf Recycling Service Area:

Single-family Household	\$116.46
Multi-family Residential Unit	\$ 4.54

Resolution No.:

Action

The County Council approves the above solid waste charges, effective July 1, 2021.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council