

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**1997 Legislative Session**Resolution No. CR-26-1997Proposed by Council Member BaileyIntroduced by Council Member Bailey

Co-Sponsors

Date of Introduction May 22, 1997**RESOLUTION**

A RESOLUTION concerning

The approval of the Fiscal Year 1997-1998 Operating and Capital Budgets
of the Washington Suburban Sanitary Commission and the Recommendation
of Water and Sewer Rates and Ad Valorem Tax Levies for the
Fiscal Year 1997-1998

WHEREAS, Section 1-204 of Article 29 of the Annotated Code of Maryland establishes a procedure for the preparation, review and approval of the annual capital and operating budgets of the Washington Suburban Sanitary Commission, and further provides for recommendations by the Montgomery and Prince George's County Councils regarding the rates for water consumption and sewer usage charges and the ad valorem tax levies of the Commission; and

WHEREAS, the Montgomery County Council on October 15, 1996, by Resolution No. 13-693; and the Prince George's County Council on October 8, 1996, by Resolution No. CR-53-1996, established the following spending control limits for the Fiscal Year 1998 Water and Sewer Operating and Capital Budgets of the Washington Suburban Sanitary Commission:

Water and Sewer Bill Increase (Including the Account Maintenance Fee)	3%
New Water and Sewer Debt	\$ 64.5 Million
Water and Sewer Debt Service	\$141.7 Million
Water and Sewer Operating Fund Expenditures	\$366.3 Million; and

WHEREAS, on February 28, 1997, the Washington Suburban Sanitary Commission submitted to the County Executives of Montgomery and Prince George's Counties its proposed capital and operating budgets for Fiscal Year 1998; and

WHEREAS, the Commission forwarded to the County Executives of both Counties the record of the public hearings held by the Commission regarding its budget proposal; and

WHEREAS, the County Executives of Montgomery and Prince George's Counties transmitted their recommendations on the Commission's proposed budget, including the record of the public hearings held by the Commission, to the respective County Councils; and

WHEREAS, the Prince George's County Council, upon due public notice, held a public hearing on the Commission's proposed budget on April 8, 1997 at which interested persons were given an opportunity to be heard by the Prince George's County Council; and

WHEREAS, the Prince George's County Council, following review of said budgets, approved on April 11 and 29, 1997, proposed additions to, deletions from, increases and decreases from items contained in the proposed budgets and transmitted these proposed changes to the Montgomery County Council on May 6, 1997; and

WHEREAS, the Prince George's County Council received on May 6, 1997, from the Montgomery County Council its approved proposed additions to, deletions from, and increases and decreases from items in the Commission's proposed budgets; and

WHEREAS, on May 8, 1997, the Montgomery and Prince George's County Councils jointly reviewed the respective proposed additions to, deletions from, and increases and decreases regarding items in said submitted capital and operating budgets and further considered all proposed changes;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the following amounts and positions, or as much thereof as may be necessary to accomplish the purposes designated, are hereby approved for the budget of the Washington Suburban Sanitary Commission for the fiscal year beginning July 1, 1997 and ending June 30, 1998:

	<u>Operating</u>	<u>Capital</u>
Salaries & Wages	\$ 67,397,000	\$ 24,801,000
Heat, Light & Power	12,584,000	0
Regional Sewage Disposal	36,000,000	0
Contract Work	0	134,357,000
Consulting Engineers	0	12,920,000
All Other Items	111,317,000	55,713,000
Debt Service	<u>220,419,000</u>	<u>3,340,000</u>
Total	\$447,717,000	\$231,131,000

Workyears Authorized: 2,085; and

BE IT FURTHER RESOLVED that the Capital and Operating Budgets hereby adopted include the following changes to the proposed budgets as recommended by the respective County Councils:

1. Reduced Salaries and Wages by (\$1,350,100) to reflect the Council's agreement to reduce the Commission's cost of living adjustment to 3% and to increase salary lapse by \$200,000 for FY'98

2. Reduced Heat, Light and Power by (\$151,000).

3. Increased various expenses in "All Other Items" by \$5,105,000 which includes a \$5,421,000 increase for Pay As You Go (PAYGO) expenditures for the Capital Improvements Program. This increase was partially offset by expenditure reductions in chemicals, land and rights-of-way acquisition costs, and vehicle purchases totaling (\$316,000).

4. Decreased the Capital Budget by (\$8,930,000) to reflect changes in FY'98 estimates for the Six-Year Water and Sewer Capital Improvements Program (CIP) as detailed in Appendix A (Water) and Appendix B (Sewer) which are attached hereto and incorporated herein; and

BE IT FURTHER RESOLVED, that in implementing the above reductions in the operating budget, the Commission shall establish its work program priorities within the dollar

and workyear levels approved herein, taking into consideration the recommendations approved by the Prince George's County Council at the May 8, 1997 Bi-County Council meeting and;

BE IT FURTHER RESOLVED, that in adopting its FY 1998 Operating Budget the County and the Commission recognize that although total operating debt service is \$220,419,000 and equals 49.2% of the total operating budget, water and sewer operating debt service, the portion of debt service supported by water and sewer rate revenues, is \$141,470,000 or 38.6% of the water and sewer operating budget;

BE IT FURTHER RESOLVED that the Prince George's County Council joins with the Montgomery County Council in recommending to the Washington Suburban Sanitary Commission the following:

1. Rate for Water Consumption: 13.1% increase above the rates effective July 1, 1996 as shown on Appendix C.

2. Sewer Usage Charge: (4.5%) decrease below the rates effective July 1, 1996 as shown on Appendix C.

3. The Water and Sewer Use Charges will be based on a water production rate of 168 million gallons per day.

4. Use the Systems Development Charge (SDC) revenues to pay for debt attributed to CIP growth projects, construction of which began after July 1, 1993.

5. Use projected Fiscal Year 1997 net revenue totaling \$7,642,000 for "Pay Go" funding of Capital projects in Fiscal Year 1998.

6. Any Fiscal Year 1998 net revenue in excess of the 5% operating reserve will be used for "Pay Go" funding of capital projects in Fiscal Year 1999. The FY98 Operating Budget assumes that this amount will be \$1,345,000.

7. Restore \$500,000 in funding for the Commission's Toilet Leak Adjustment Policy to increase the percentage of forgiveness for excessive bills which meet the criteria proposed by the Councils for FY1998.

BE IT FURTHER RESOLVED that the same percentage increase will be applied to all

steps of the rate structure for Fiscal Year 1998 and that a Bi-County work group will be convened to review the WSSC rate structure.

BE IT FURTHER RESOLVED that a study group, consisting of representatives of the County Executive, County Council, State legislative delegations of Montgomery and Prince George's Counties as well as the Commission and the development industry, shall be reconvened to develop a legislative proposal for closing the projected funding gap relative to the Systems Development Charge.

BE IT FURTHER RESOLVED that representatives of Montgomery and Prince George's Counties shall participate in the Commission's in-house study of water accountability issues.

BE IT FURTHER RESOLVED that any supplements to the Washington Suburban Sanitary Commission's Approved Fiscal Year 1997-1998 Budget shall be in accordance with the provisions of Section 1-204 of Article 29 of the Annotated Code of Maryland.

BE IT FURTHER RESOLVED that for fiscal year 1997-1998 the Prince George's and Montgomery County Councils have approved an operating budget in the amount of \$447,717,000 and the Commission's operating expenditures shall not exceed this total level. The Commission is required to receive the joint approval of both County Councils if it becomes necessary to amend the operating budget to increase expenditures above the approved level of \$447,717,000.

BE IT FURTHER RESOLVED that a five percent (5%) cumulative authority is granted the Commissioners to transfer funds from an approved expenditure category within the operating and capital budgets. The amount approved for debt service expenditures is excluded from this transfer authority. The expenditure categories for the operating budget are Salaries and Wages; Heat, Light and Power; Regional Sewage Disposal; All Other Items; and Debt Service; and the capital budget expenditure categories are Salaries and Wages; Contract Work; Consulting Engineers; All Other Items; and Debt Service.

BE IT FURTHER RESOLVED that the Commission is requested to furnish monthly status reports to each County Council and County Executive as to the fiscal and budgetary

activities of the Commission pursuant to the approved Operating and Capital budgets commencing with the end of the first quarter of the fiscal year. These reports should be submitted not more than 45 calendar days after the close of each month.

BE IT FURTHER RESOLVED on May 8, 1997, the Prince George's County Council met with the Montgomery County Council and discussed and reaffirmed the amount of the systems development charge set on June 8, 1993, by Council Resolution CR-36-1993 which

adopted a base system development charge fee for a water supply fixture of \$70.00 and a base system development charge for a drainage fixture of \$90.00.

Adopted this 22nd day of May, 1997.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Dorothy F. Bailey
Chair

ATTEST:

Joyce T. Sweeney
Clerk of the Council

NOTE: Appendices A thru E are available in hard copy only.