

# PRINCE GEORGE'S COUNTY COUNCIL FISCAL BRIEFING

By: Patti Colihan  
04.28.20



# Fiscal Impacts So Far

- Days Cash on Hand is currently adequate at over 140 days
- Revenue Collections down by 9% Since March 16th compared to the same time period in 2019
- April Revenues are down 10% compared to April 2019
- Past Due Accounts are up by 10% and Past Due Amounts are up by 10% or \$3.6 million in the last 50 days
- Since mid March Commercial usage is down by 16%, Govt. usage by 19%, and Residential by 0.4%
- Revenue Impacts expected to grow due to rolling 30/90 day billing cycle

# Fiscal Actions Taken

- Expanded hiring freeze from 30 to 66 positions
- Implementing FY20 savings of over \$61 million
- Identified Contingent FY21 Savings of over \$70 million
- Suspend Arbitration Offer with AFSCME
- Secure short-term liquidity
- Analyzing impact of FY21 Reduced Debt Issuance
- Phase-In OPEB & Retirement Contributions
- Evaluating further enhancements to affordability programs
- Advocating for Federal CARES Act support

# Fiscal Impacts Expected

- If trends persist we could see revenues decline by \$147 million in FY20 and FY21
  - Equal to a 22.6% rate decrease
- Some of the revenue losses may be offset by the planned budget cuts in FY 20 & FY 21
- The 7% rate increase is still needed to
  - Remediate infiltration & inflow in the Piscataway Basin & keep the Piscataway Bio-Energy Project on schedule
  - Issue Bonds in the Fall to finance construction
  - Maintain adequate reserves in the event the crisis is prolonged or has a second phase
  - Prevent longer term cuts to direct services e.g. response time; customer call answer rate
- Even with the 7% increase
  - Reserves are reduced by \$56 Million
  - Days of reserves on hand is at 40 days compared to standard of 60-90 days
- A reduction in the rate increase will require further spending cuts that could affect WSSC Water's Construction program and impact local economic development

