

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1999 Legislative Session

Resolution No. CR-14-1999

Proposed by Chairman M. H. Jim Estepp

Introduced by Council Members Estepp, Scott and Wilson

Co-Sponsors _____

Date of Introduction May 25, 1999

RESOLUTION

1 A RESOLUTION concerning

2 The approval of the Fiscal Year 1999-2000 Operating and Capital Budgets
 3 of the Washington Suburban Sanitary Commission and the Recommendation
 4 of Water and Sewer Rates and Ad Valorem Tax Levies for the
 5 Fiscal Year 1999-2000

6 For the purpose of adopting with amendments the Fiscal Year 1999-2000 Operating and Capital
 7 Budgets of the Washington Suburban Sanitary Commission and the recommended Water and
 8 Sewer Rates and Ad Valorem Tax Levies for the Fiscal Year 1999-2000.

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

14 WHEREAS, the Montgomery County Council on October 27, 1998, by Resolution No.
 15 13-1483 and the Prince George's County Council on October 28, 1998, by Resolution No.
 16 CR-81-1998, established the following spending control limits for the Fiscal Year 1999-2000
 17 Water and Sewer Operating and Capital Budgets of the Washington Suburban Sanitary
 18 Commission:

19	Water and Sewer Bill Increase	1.5%
20	(Including the Account Maintenance Fee)	
21	New Water and Sewer Debt	\$ 44.3 Million
22	Water and Sewer Debt Service	\$146.0 Million
23	Water and Sewer Operating Fund Expenditures	\$366.4 Million; and

1 WHEREAS, on March 1, 1999, the Washington Suburban Sanitary Commission submitted
2 to the County Executives of Montgomery and Prince George's Counties its proposed capital and
3 operating budgets for Fiscal Year 1999-2000; and

4 WHEREAS, the Proposed Capital and Operating Budgets for Fiscal Year 2000 submitted
5 by the Washington Suburban Sanitary Commission were in compliance with all spending control
6 limits established by the Montgomery and Prince George's County Councils except for water and
7 sewer operating fund expenditures; and

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

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

13 WHEREAS, the Prince George's County Council, upon due public notice, held a public
14 hearing on the Commission's proposed budget on April 6, 1999 at which interested persons were
15 given an opportunity to be heard by the Prince George's County Council; and

16 WHEREAS, the Prince George's County Council, following review of said budgets,
17 approved on March 25 and April 8, 1999, proposed additions to, deletions from, increases and
18 decreases from items contained in the proposed budgets and transmitted these proposed changes
19 to the Montgomery County Council on May 11, 1999; and

20 WHEREAS, the Prince George's County Council received on May 11, 1999, from the
21 Montgomery County Council its approved proposed additions to, deletions from, and increases
22 and decreases from items in the Commission's proposed budgets; and

23 WHEREAS, on May 13, 1999, the Montgomery and Prince George's County Councils
24 jointly reviewed the respective proposed additions to, deletions from, and increases and
25 decreases regarding items in said submitted capital and operating budgets and further considered
26 all proposed changes;

27 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
28 County, Maryland, that the following amounts and positions, or as much thereof as may be
29 necessary to accomplish the purposes designated, are hereby approved for the budget of the
30 Washington Suburban Sanitary Commission for the fiscal year beginning July 1, 1999 and
31 ending June 30, 2000:

	<u>Operating</u>	<u>Capital</u>
1		
2	\$ 68,115,000	\$ 25,065,000
3	12,055,000	0
4	33,000,000	0
5	0	99,471,000
6	0	12,979,000
7	117,020,000	71,674,000
8	<u>215,756,000</u>	<u>2,251,000</u>
9	\$445,946,000	\$211,440,000

10 Workyears Authorized: 1,950; and

11 BE IT FURTHER RESOLVED, that the Capital and Operating Budgets hereby adopted
12 include the following change to the proposed budgets as recommended by the respective County
13 Councils; and

14 Decreased the Capital Budget by \$4,838,000 to reflect changes in Fiscal Year 2000
15 estimates for the Six-Year Water and Sewer Capital Improvement Program (CIP) as detailed in
16 Appendix A (Water) and Appendix B (Sewer) which are attached hereto and incorporated
17 herein; and

18 BE IT FURTHER RESOLVED, that in implementing the above reductions in the operating
19 budget, the Commission shall establish its work program priorities within the dollar and
20 workyear levels approved herein, taking into consideration the recommendations approved by
21 the Prince George's County Council at the May 13, 1999 Bi-County Council meeting; and

22 BE IT FURTHER RESOLVED, that the Commission in accordance with the actions and
23 recommendations of the two Counties hereby approves a cost of living adjustment for all
24 employees. This adjustment shall occur in two increments: a \$638 increase in base pay effective
25 the first pay period ending after July 1, 1999, and a \$637 increase in base pay effective the first
26 pay period ending after January 1, 2000; and

27 BE IT FURTHER RESOLVED, that the Commission shall implement a comprehensive
28 customer information program on meter replacements to ensure that customers whose meters are
29 replaced are aware of the potential for large bill increases. Additionally, data from meter
30 replacements will be collected in such a manner as to facilitate the development of information
31 on customers consumption changes; and

1 BE IT FURTHER RESOLVED, that the Commission develop a clear method of identifying
2 all savings from the Competitive Action Program (CAP), discuss the methodology with the two
3 counties during the next Spending Affordability process, and incorporate this methodology as a
4 section in future Commission budget documents. Additionally, the Commission shall develop a
5 long-term plan for implementation of the CAP with clear goals set for related reductions in each
6 year; and

7 BE IT FURTHER RESOLVED, that the Commission provide the Council with a 20 year
8 projection of available funds in the General Bond Debt Service Fund to understand any long
9 term impacts on the Reconstruction Debt Service Offset (REDO); and

10 BE IT FURTHER RESOLVED, that the Commission is restricted to use of only the
11 \$16,401,000 budgeted for PAYGO funding in Fiscal Year 2000 and that any proposal to increase
12 this amount must be approved by the Commissioners during a regularly scheduled Commission
13 meeting; and

14 BE IT FURTHER RESOLVED, that in adopting its Fiscal Year 2000 Operating Budget the
15 Counties and the Commission recognize that although total operating debt service is
16 \$215,756,000 and equals 48.4% of the total operating budget, water and sewer operating debt
17 service, the portion of debt service supported by water and sewer rate revenues, is \$144,274,000
18 or 38.7% of the water and sewer operating budget; and

19 BE IT FURTHER RESOLVED, that the Counties recommend that the Commission
20 establish a process to require the General Manager to bring transfers of \$500,000 or more in
21 spending authority for any capital project to the Commission for review and approval of the
22 increases and decreases proposed; and

23 BE IT FURTHER RESOLVED, that the Counties recommend that the existing System
24 Development Charge Policies be reviewed in the context of the estimated six year funding gap to
25 determine if there is a need to close the gap with rate supported debt due to the shortfall in the
26 System Development Charge revenues; and

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

- 30 1. Rate for Water Consumption: zero increase
- 31 2. Sewer Usage Charge: zero rate increase

1 3. The Water and Sewer Use Charges will be based on a water production rate of 166
2 million gallons per day; and

3 BE IT FURTHER RESOLVED, that any supplements to the Washington Suburban
4 Sanitary Commission's Approved Fiscal Year 2000 budget shall be in accordance with the
5 provisions of Section 1-204 of Article 29, Annotated Code of Maryland; and

6 BE IT FURTHER RESOLVED, that the Commission acknowledges the recommendations
7 of the respective County governing bodies regarding certain policies, procedures, and practices
8 and will take the following actions concerning them:

- 9 1. Obtain the approval of both County Councils before increasing operating expenditures
10 above \$445,946,000.
- 11 2. Obtain the County Council's approval prior to making any transfer of funds from any
12 of the approved expenditure categories within the operating and capital budgets in
13 excess of five percent (5%) of the approved amounts. The amount approved for debt
14 service is excluded from this transfer authority.
- 15 3. Furnish monthly status reports to each County Council and County Executive as to the
16 fiscal and budgetary activities of the Commission pursuant to the Approved Operating
17 and Capital Budgets, commencing with the end of the first quarter of the fiscal year.
18 These reports shall be submitted not more than 45 calendar days after the close of each
19 month.

Adopted this 25th day May of, 1999.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
M. H. Jim Estepp
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

NOTE: Appendix A and B are available in hard copy only.