

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**1996 Legislative Session**Resolution No. CR-18-1996Proposed by Chairman Del GiudiceIntroduced by Council Member MacKinnon, Del Giudice and Wilson

Co-Sponsors

Date of Introduction May 29, 1996**RESOLUTION**

A RESOLUTION concerning

The approval of the Fiscal Year 1996-1997 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 1996-1997

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 10, 1995, by Resolution No. 13-297; and the Prince George's County Council on October 10, 1995, by Resolution No. CR-66-1995, established the following spending control limits for the Fiscal Year 1997 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	\$ 80.3 Million
Water and Sewer Debt Service	\$141.2 Million
Water and Sewer Operating Fund Expenditures	\$357.4 Million; and

WHEREAS, on March 1, 1996, 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 1997; 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 9, 1996 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, 1996, 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 7, 1996; and

WHEREAS, the Prince George's County Council received on May 7, 1996, 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 9, 1996, 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, 1996 and ending June 30, 1997:

	<u>Operating</u>	<u>Capital</u>
Salaries & Wages	\$ 64,322,000	\$ 25,013,000
Heat, Light & Power	13,363,000	0
Regional Sewage Disposal	38,000,000	0
Contract Work	0	132,173,000
Consulting Engineers	0	15,515,000
All Other Items	104,523,000	57,000,000
Debt Service	<u>217,329,000</u>	<u>3,358,000</u>
Total	\$437,537,000	\$233,059,000

Workyears Authorized: 2100; 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 \$2,348,000 to reflect the Council's agreement to eliminate cost of living adjustments and reduce five additional workyears for FY'97
2. Reduced Heat, Light and Power by \$315,000.
3. Increased various expenses in "All Other Items" by \$2,774,000 which included \$2,822,000 in increases for Pay As You Go (PAYGO) for the Systems Reconstruction Program and payments to Prince George's and Montgomery Counties for handling of front foot benefit assessments. These increases were partially offset by miscellaneous reductions totaling \$48,000. The increased PAYGO funding for the Systems Reconstruction Program is to be used to offset capital funding in the \$27.4 million program.
4. Increased the Capital Budget by \$3,423,000 to reflect changes in FY'97 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 the WSSC shall provide \$52,800 to the Prince

George's County Planning Board and \$215,000 to the Montgomery County Planning Board in FY'97 for expenses incurred by these agencies for the collection of digital planimetric and property boundary data in accordance with the GIS database specifications; 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 9, 1996 Bi-County Council meeting and;

BE IT FURTHER RESOLVED, that in adopting its FY 1997 Operating Budget the County and the Commission recognize that although total operating debt service is \$217,329,000 and equals 49.7% of the total operating budget, water and sewer operating debt service, the portion of debt service supported by water and sewer rate revenues, is \$139,375,000 or 39% 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: 3.4% increase above the rates effective July 1, 1995 as shown on Appendix C.
2. Sewer Usage Charge: 2.7% increase above the rates effective July 1, 1995 as shown on Appendix C.
3. The Water and Sewer Use Charges will be based on a water production rate of 171.5 million gallons per day, which is the estimate proposed by WSSC.
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. An increase in interest income estimates by \$488,000.
6. Any Fiscal Year 1996 net revenue in excess of the 5% operating reserve will be used for "Pay Go" funding of Capital projects in Fiscal Year 1997.
7. Any Fiscal Year 1997 net revenue in excess of the 5% operating reserve will be used for "Pay Go" funding of capital projects in Fiscal Year 1998. The FY97 Operating Budget

assumes that this amount will be zero.

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 established to develop a legislative proposal for closing the projected funding gap relative to the Systems Development Charge.

BE IT FURTHER RESOLVED that a study group, consisting of representatives of Montgomery and Prince George's Counties as well as the Commission, shall be established to review the following issues:

1. Proposed Commission policy that no new DAP projects be funded through rate supported debt
2. Factors affecting the billing factor and consumption patterns
3. Should the Commission continue to build facilities financed by front foot benefit charges

BE IT FURTHER RESOLVED that a policy review group, consisting of representatives of: the Prince George's Council and Executive, the Marlboro Meadows Community, the State Delegation and the Commission; shall be established to review available options for alleviating the water problems experienced by Marlboro Meadows residents.

BE IT FURTHER RESOLVED that any supplements to the Washington Suburban Sanitary Commission's Approved Fiscal Year 1996-1997 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 1996-1997 the Prince George's and Montgomery County Councils have approved an operating budget in the amount of \$437,537,000 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 \$437,537,000.

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 9, 1996, 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 29th day of May, 1996.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Ronald V. Russell
Acting Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council

NOTE: Attached Appendixes A through E are available in hard copy only.

