

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 10/28/98

Reference No.: CR-81-1998

Proposer: Chairman Russell

Draft No.: 2

Sponsors: Russell, Del Giudice

Item Title: To establish spending control limits for the FY2000
Water & Sewerage Operating and Capital Budget of
the Washington Suburban Sanitary Commission

Drafter: Craig S. Price
Deputy Council Administrator

Resource Personnel: Thomas Street
Budget Director, WSSC

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__ ____

Committee Referral:(1) __/__/__

Effective Date: __/__/__

Committee Action:(1) __/__/__

Date Introduced: 10/28/98

Pub. Hearing Date: (1) __/__/__ __:__ __

Council Action: 10/28/98 ADOPTED

Council Votes: RVR:A, DB:A, SD:A, JE:A, IG:A, TH:A, WM:N, AS:A, MW:A

Pass/Fail: P

Remarks: _____

10/28/98: Amended on the floor; DR-2 adopted

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

In May of 1993, the Prince George's and Montgomery County Councils agreed to establish a Working Group on WSSC Spending Controls. Council Member Stephen Del Giudice was appointed to serve on the Working Group for Prince George's County and Council Member Derick Berlage for Montgomery County. In January of 1994 the Working Group issued their report calling for a spending affordability process and a better coordination of the land use and development processes

with the Counties ten year water and sewerage plans. The Working Group's recommendation was approved by both Councils and was utilized for the first time in the formulation of WSSC's FY 1996 Operating and Capital Budgets.

On October 6, 1998, the Prince George's County Council set a spending control limit of 1% for Fiscal Year 2000, and on October 13, 1998, the Montgomery County Council decided to set a spending control limit of 2% for Fiscal Year 2000. This resolution proposes to reconcile the Councils differences and set the spending affordability limit for Fiscal Year 2000 at 1.5%.

This resolution proposes to set spending control limits on the Fiscal Year 2000 Water and Sewer Operating and Capital Budgets of the WSSC for the following items:

Water and Sewer Rates including the service charge - 1.5%
 New Bond Debt - \$44,300,000
 Water and Sewer Operating Debt Services - \$146,000,000
 Water and Sewer Operating Expenditures - \$366,300,000

A summary of the spending limits set by the Counties is shown below:

(ALL FIGURES IN MILLIONS DOLLARS)

	<u>ADOPTED CR-112-94</u>	<u>ADOPTED CR-66-97</u>	<u>ADOPTED CR-53-96</u>	<u>ADOPTED CR-5-98</u>	<u>ADOPTED CR-73-1998</u>	<u>REVISED CR-81-1998</u>
Rate Increase	3%	3%	3%	2%	1%	1.5%
New Debt	\$26.5	\$80.4	\$64.5	\$78.8	\$45.9	\$44.3
Debt Service	\$136.7	\$141.2	\$141.7	\$145.7	\$146.1	\$146.0
Operating Expenses	\$358.2	\$357.4	\$366.3	\$368.4	\$364.8	\$366.3

NOTE: Copies of the September, 1998, Spending Affordability Report are available from the Clerk of the County Council.