





April 23, 2024

**MEMORANDUM**

TO: Eric C. Olson, Chair  
Transportation, Infrastructure, Energy and Environment (TIEE) Committee

THRU: Joseph R. Hamlin   
Director of Budget and Policy Analysis

FROM: Alex Hirtle   
Budget and Policy Analyst

RE: Department of the Environment (DOE)  
Fiscal Year 2025 Budget Review and Capital Improvement Program (FY 2025 - 2030)

**Budget Overview**

The FY 2025 Proposed Budget for the Department of the Environment (DOE or the “Department”) is approximately \$260 million, a decrease of approximately -\$5.9 million, or -2.2%, under the FY 2024 Approved Budget, and is comprised of approximately \$239.8 million, or 92.3%, from Enterprise Funds, approximately \$9.1 million, or 3.5%, from General Funds, and approximately \$11 million, or 4.2%, from Grant Funds.

The FY 2025 proposed **Solid Waste Management Enterprise Fund (Solid Waste)** budget (after recoveries) is approximately \$125.3 million, a decrease of approximately -\$10.1 million, or -7.5%, under the FY 2024 Approved Budget. These decreases are primarily due to approximately -\$6.2 million in decreases from operating service for curbside trash, recycling services. Additionally, approximately \$6 million is proposed for decreases in equipment costs due to completion of the rollout of the residential composting program, and approximately \$752,000 reduction in the fringe benefit expenses. Increases include operating cost, primarily due to current rate of interagency charges to the Solid Waste Fund from various County agencies.

The FY 2025 proposed **Stormwater Management Enterprise Fund (Stormwater)** budget (after recoveries) is approximately \$90.3 million, an decrease of approximately -\$221,000, or -0.2%, over the FY 2024 Approved Budget, primarily due to an decreases in interagency charges, and decreases in compensation costs due to higher budgeted attrition rate, as well as decreased fringe benefit costs due primarily to lower rate changes.

The FY 2025 proposed **Local Watershed Protection and Restoration (WPR) Fund** budget (Water Quality) is approximately \$24.2 million, an increase of approximately \$3.5 million, or 17%, over the FY

2024 Approved Budget. The increase is primarily due to operating costs due to increase in principal and interest payments.

The FY 2025 proposed **General Fund** portion of the budget (after recoveries) is approximately \$9.1 million, a decrease of approximately \$256,000, or -2.7%, under the FY 2024 Approved Budget. Decreases are attributed primarily to compensation expenditures, and fringe benefits to align with projected costs, as well as capital outlay, due to removal of Big Belly trash receptacle purchases from the General Fund.

The FY 2025 proposed **Grant Funds** portion of the budget is approximately \$11.9 million, an increase of approximately \$1.3 million, or 12.3% over the FY 2024 Approved Budget, primarily due to several capital grant appropriations located in the capital budget.

### **Budget Comparison – All Funds**

Approved Fiscal Year 2024 to Proposed Fiscal Year 2025

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	% Change - Est vs App	FY 2025 Proposed	\$ Change	% Change
Solid Waste Fund	\$ 111,900,015	\$ 135,477,000	134,001,700	-1.1%	\$ 125,332,100	\$ (10,144,900)	-7.5%
Stormwater Fund	54,165,965	90,520,600	90,290,400	-0.3%	90,299,400	(221,200)	-0.2%
Local Watershed Protection and Restoration Fund (Water Quality)	14,293,287	20,652,800	20,476,500	-0.9%	24,153,500	3,500,700	17.0%
General Fund	7,836,121	9,331,900	9,105,900	-2.4%	9,075,500	(256,400)	-2.7%
Grants	4,870,974	10,594,700	10,594,700	0.0%	11,902,400	1,307,700	12.3%
<b>TOTAL</b>	<b>\$ 193,066,362</b>	<b>\$ 266,577,000</b>	<b>\$ 264,469,200</b>	<b>-0.8%</b>	<b>\$ 260,762,900</b>	<b>\$ (5,814,100)</b>	<b>-2.2%</b>

### **Authorized Staffing Count - All Classifications/All Funds**

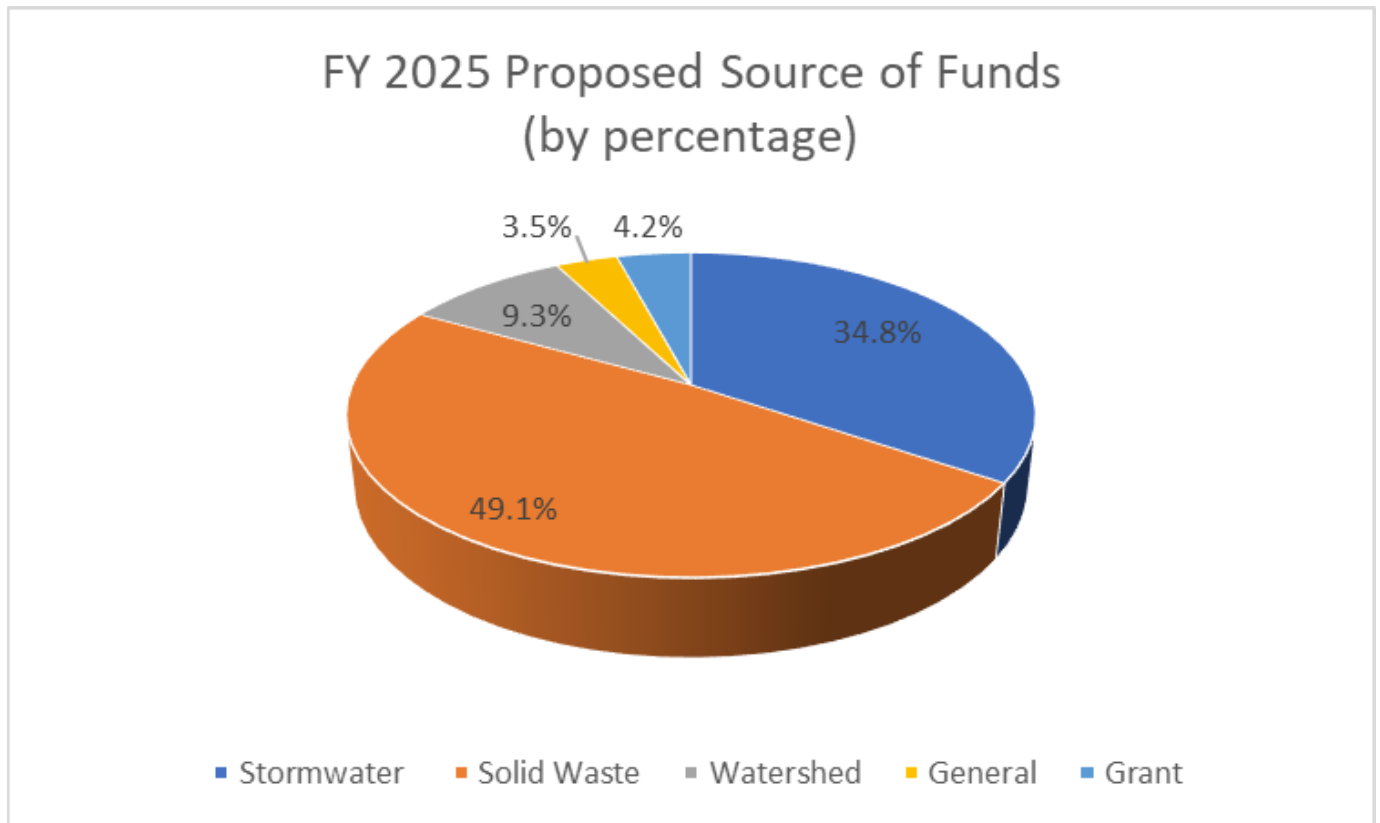
	FY 2024 Approved	FY 2025 Proposed	Change Amount	Percentage Change
Solid Waste	145	144	(1)	-0.7%
Stormwater	67	68	1	1.5%
Water Quality	10	10	0	0.0%
Grants: FTE	9	9	0	0.0%
Limited Term	0	0	0	-
General Fund: FTE	121	122	1	0.8%
<b>Total</b>	<b>352</b>	<b>353</b>	<b>1</b>	<b>0.3%</b>

### **FY 2025 Sources of Funds**

(see next page)

- The Department's operations are supported by five (5) separate funding sources. Based on the *pie chart below*, the Solid Waste Fund accounts for the largest portion of the Department's funding (49.1%), with the Storm Water Management Fund being second largest (34.8%), and Local Watershed Protection Fund (9.3%), accounting for a combined total funding of about 93% from the Enterprise Funds. The

General Fund accounts for only 3.5% of the Department's funding, with Grant funding at 4.2% proposed in FY 2025.



*Source: Budget Book, Pages 434, 445, 449, 452, and 454.*

#### Budget Comparison – Solid Waste Management Enterprise Fund (Solid Waste)

Approved Fiscal Year 2023 to Proposed Fiscal Year 2025 - Solid Waste

(see next page)

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 9,501,212	\$ 10,826,000	\$ 10,987,400	\$ 10,945,900	\$ 119,900	1.1%
Fringe Benefits	5,703,478	8,162,800	6,639,900	7,410,400	(752,400)	-9.2%
Operating Expenses	96,695,325	116,052,800	115,939,000	105,806,500	(10,246,300)	-8.8%
Capital Outlay	-	2,782,000	2,782,000	3,511,400	729,400	26.2%
Sub-Total	\$ 111,900,015	\$ 137,823,600	\$ 136,348,300	\$ 127,674,200	\$ (10,149,400)	-7.4%
Recoveries		(2,346,600)	(2,346,600)	(2,342,100)	4,500	-0.2%
<b>Total</b>	<b>\$ 111,900,015</b>	<b>\$ 135,477,000</b>	<b>\$ 134,001,700</b>	<b>\$ 125,332,100</b>	<b>\$ (10,144,900)</b>	<b>-7.5%</b>

#### Authorized Staffing Count

	FY 2024 Approved	FY 2025 Proposed	Change Amount	Percentage Change
Full-Time	145	144	(1)	-0.7%
<b>Total</b>	<b>145</b>	<b>144</b>	<b>(1)</b>	<b>-0.7%</b>

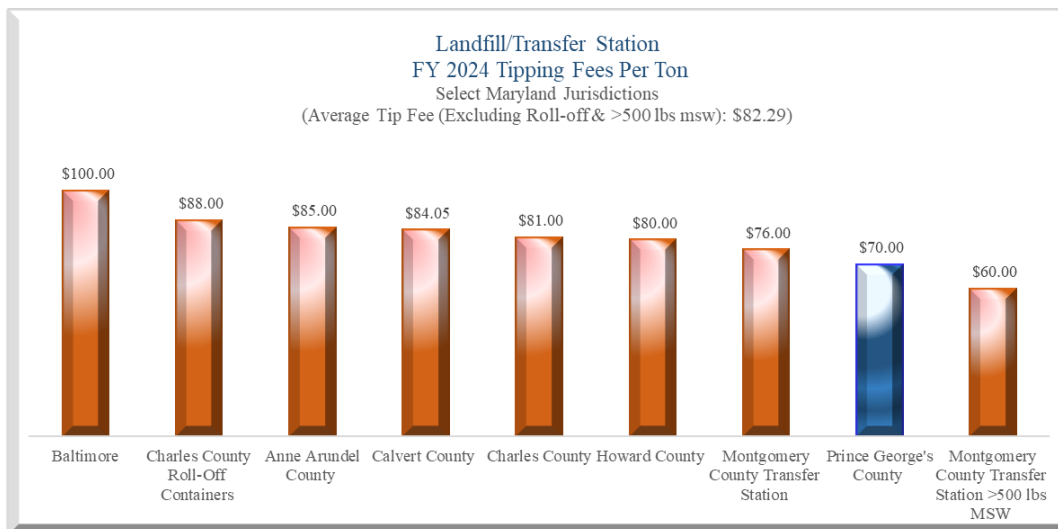
### **Staffing and Compensation (Solid Waste)**

- The Authorized Staffing level for the Proposed FY 2025 Solid Waste Management Enterprise Fund budget is 144 full-time positions, which is one (1) less than from the FY 2024 approved budget level.
- Funding is provided for all 144 authorized positions. There were 6 resignations, retirements, and terminations in FY 2024, an attrition rate of 4%.
- The Proposed FY 2025 Overtime spending is \$1,081,000, an increase of \$364,100 above the approved FY 2024 budgeted level. FY 2025 overtime was incurred as a result of the necessity to schedule staff six to seven days per week for both the Landfill and the Convenience Centers operations, and for staffing during emergencies and vacations.
- In FY 2024, the Department has one (1) position in this Fund that was assigned to the Department of Public Works and Transportation (DPW&T) since 2010 to conduct community cleanup activities. This assignment is expected to continue in FY 2025.
- The Resource Recovery Division (RRD) is reporting that 45 employees, or approximately 31% of its funded positions, eligible for retirement by the end of FY 2027. The Division plans on having all mission critical positions filled in FY 2025.

### **Fund Balance (Solid Waste)**

- The overall net position of the Solid Waste Enterprise Fund (which includes both restricted and unrestricted assets) has decreased by approximately \$69.3 million since FY 2011, from approximately \$70.2 million down to -\$889,000 at the end of FY 2022.
- At the end of FY 2021, the available fund balance was approximately \$15.8 million, and has decreased significantly by approximately \$16.7 million in FY 2022, when the overall fund balance fell to -\$889,320. Given that the fund balance is now negative, it is imperative that the County take immediate steps to correct the deficit.
- The Proposed FY 2025 Budget includes an Ending Fund Balance-Unrestricted of -\$51,023,353, in contrast to a Net Position of -\$40,597,153 estimated for the FY 2024 balance.
- The structural deficit of the fund was driven by significant increases in costs associated with services provided under this fund (including Interagency Project Charges), in relation to the small increases, in revenues over the years. The Department has in the past cited some of the following reasons leading to the deficit:
  - ✚ Tipping fees which were well below regional rates for over a decade, and continue to be lower than surrounding jurisdictions.
  - ✚ Operational and capital costs associated with maintaining the officially closed Sandy Hill Landfill.

- ✚ Recycling markets continue to be problematic, with China’s policy banning/restricting imports of recyclables and negatively impacting commodities revenues.
  - ✚ Impact of Interagency Charges with annual increases in project charges from various agencies (DPIE/DPW&T, etc.). Beginning in FY 2023, there was a decrease in interagency charges primarily resulting from the elimination for DPIE recoveries from the Solid Waste fund.
  - ✚ Heavy equipment failures.
  - ✚ Failing landfill gas pipeline due to excessive age and need for major repair work.
  - ✚ Prior period accounting adjustment for OPEB (FY2017).
- The Department is reporting that it has undertaken or plans to undertake the following measures to begin to address the structural deficit of the Solid Waste Enterprise Fund:
- ✚ Increases in revenues from residential fees, sales and use fees, and charges for services will provide additional revenues to totally, or partially, address any structural deficits in this fund.
  - ✚ Increased tipping fees to \$70/ton on October 1, 2021 to generate additional revenue to support program activities. Even with the tipping fee increase in FY 2022, the County still remains lower than the other select Maryland jurisdictions that were compared. The most recent contract negotiations with waste haulers actually eliminated tipping fees, which will exacerbate the structural deficit. *See chart below for FY 2024 Tipping Fee comparison with other Maryland jurisdictions.*



### **Revenues (Solid Waste)**

- In FY 2025, the Fund’s proposed revenue sources are decreasing to approximately \$125.3 million, which is approximately \$10.1 million, or -7.5%, under the current year’s approved level, primarily due to renegotiated contracts for waste haulers tipping fees (-\$8.3M), appropriated fund balance (-\$12.1M), and sale of electricity (-\$241,800). The Department was unsure of upfront financial security

repercussions that may come with contracted curbside haulers now being voided of paying County landfill tipping fees.

- MRF revenues from plastics will increase notably due to improved optical sorter capabilities. Specific numbers on this *can be viewed on First Round Response, page 17, Question 43 c.*
- Below is a table showing Solid Waste Management Revenues from FY 2023 Actual to FY 2025 Proposed.

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimated	FY 2025 Proposed	FY 2024-2025	
					Change \$	Change %
<b>BEGINNING FUND BALANCE - UNRESTRICTED</b>	\$(29,451,533)	\$(37,962,413)	\$(34,597,353)	\$(40,597,153)	\$(2,634,740)	6.9%
<b>REVENUES</b>						
<b>SALES AND USE</b>						
Sale of Electricity	\$8,340	\$250,000	\$8,300	\$8,200	\$(241,800)	-96.7%
Sale of Recyclables	8,061,978	9,255,900	9,255,900	9,542,900	287,000	3.1%
<b>Total Sales and Use</b>	<b>\$8,070,318</b>	<b>\$9,505,900</b>	<b>\$9,264,200</b>	<b>\$9,551,100</b>	<b>\$45,200</b>	<b>0.5%</b>
<b>CHARGES FOR SERVICES</b>						
Refuse Collection Charges	\$41,058,855	\$42,275,000	\$42,275,000	\$43,888,900	\$1,613,900	3.8%
Residential Fees	—	—	—	—	—	—
System Benefit Tax Collections	21,420,440	24,775,000	24,775,000	25,543,000	768,000	3.1%
Recycling Fee Tax Collections	11,161,431	11,036,600	11,036,600	11,127,200	90,600	0.8%
Bulky Trash Tax Collections	3,762,185	3,832,800	3,832,800	3,878,800	46,000	1.2%
Other License and Permits	118,100	—	—	—	—	0.0%
SubTotal - Residential Fees	36,462,156	39,644,400	39,644,400	40,549,000	904,600	2.3%
Landfill Tipping Fees	19,710,704	19,461,300	20,648,700	11,144,900	(8,316,400)	-42.7%
<b>Total Charges for Services</b>	<b>\$97,231,715</b>	<b>\$101,380,700</b>	<b>\$102,568,100</b>	<b>\$95,582,800</b>	<b>\$(5,797,900)</b>	<b>-5.7%</b>

Source: Page 446 Budget Book, FY 2025 Proposed Budget

### Operating Expenses (Solid Waste)

- In FY 2025, Solid Waste operating expenses are proposed at approximately \$105.8 million, and are comprised of the following major items (excluding Principal, Interest, Depreciation, & Post Closure):
  - ✚ Operating Contracts ~\$46.4 million
  - ✚ General & Administrative Contracts ~\$25.2 million
  - ✚ Interagency Charges ~\$15.9 million
  - ✚ Gas and Oil ~\$975,000
- Overall, operating expenses are decreasing by approximately \$10.2 million, or -8.7%, below the FY 2024 approved level. The accompanying table compares the FY 2025 Proposed Budget operating expenditures with the FY 2024 Approved Budget operating expenditures. In 9 of the categories, the FY 2025 Proposed Budget increases planned spending from the FY 2024 approved budget. In ten (10) categories, the FY 2025 Proposed Budget level remains unchanged compared to the FY 2024 Approved Budget. FY 2025 proposed expenditures are being reduced in seven (7) categories.

- The most significant dollar increase between the FY 2025 Proposed Budget and the FY 2024 Approved Budget, excluding Principal, Interest, and Interagency Charges is in Gas and Oil, which is proposed to increase in FY 2025 to \$974,800, a \$435,800 increase, or 80.9%, increase from the Approved FY 2024 level. The increase is mainly due to higher petroleum prices, as well as increased use and additional vehicles in the Departmental fleet.
- The FY 2025 Proposed Budget includes approximately \$1.5 million, to be transferred to the required Landfill Reserves, seen on the chart as “Contribution to Post Closure”. The amount remains similar to the Approved 2024 contribution level.



*See table below for the FY 2025 Proposed Operating Expenses for the Solid Waste Management Fund*

**Q14 Attachment #2 - Operating Expenses**

SOLID WASTE MANAGEMENT FUND Operating Objects	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change
Telephone	\$133,775	\$132,500	\$137,500	\$132,500	\$0
Utilities	\$545,344	\$511,100	\$564,500	\$582,000	\$70,900
Printing	\$24,764	\$41,000	\$41,000	\$41,000	\$0
Postage	\$0	\$90,000	\$90,000	\$90,000	\$0
Office Automation	\$905,061	\$1,106,800	\$1,081,300	\$754,800	-\$352,000
Training	\$6,042	\$19,000	\$16,000	\$19,000	\$0
Advertising	\$582,505	\$21,500	\$21,500	\$26,500	\$5,000
Travel Non-Train.	\$0	\$0	\$0	\$0	\$0
Membership Fees	\$4,123	\$5,900	\$5,900	\$5,900	\$0
General & Administrative Contracts	\$20,744,898	\$25,321,200	\$24,748,000	\$25,167,200	-\$154,000
Operating Contracts	\$43,912,968	\$51,840,000	\$51,840,000	\$46,413,000	-\$5,427,000
Operating Supplies	\$259,927	\$312,300	\$326,700	\$368,700	\$56,400
Office and Operating Equipment Non-Capital	\$3,825,883	\$6,128,500	\$6,221,400	\$113,100	-\$6,015,400
Other Operating Equipment Repair/Maintenance	\$3,370	\$3,300	\$3,300	\$4,800	\$1,500
Vehicle Equipment Repair/Maintenance	\$106,433	\$73,800	\$104,800	\$94,400	\$20,600
Gas and Oil	\$917,084	\$539,000	\$945,500	\$974,800	\$435,800
Equipment Lease	\$13,646	\$24,800	\$24,800	\$26,400	\$1,600
Building Repair/Maintenance	\$601	\$20,000	\$20,000	\$20,000	\$0
Interagency Charges	\$11,570,135	\$14,508,800	\$14,384,800	\$15,966,000	\$1,457,200
Miscellaneous	\$6,697	\$320,000	\$0	\$87,500	-\$232,500
Depreciation	\$9,895,593	\$3,981,700	\$3,981,700	\$3,981,700	\$0

### **Contracts (Solid Waste)**

- Overall, in FY 2025, contract spending is being proposed at approximately \$71.6 million dollars with the following major spending for various services over \$1 million (*see text below and on the following page*):

 Haulers – curbside trash, recycling, yard waste collection	\$46.4 million
 Maryland Environmental Service (MES) – 8 contracts (various services)	\$20.1 million

- The proposed FY 2025 budget reflects renegotiated contracts for the County’s Curbside Haulers, which includes a tip-free neutral clause, reducing revenue by approximately \$11 million.
- *A complete list of all of the contracts for the Solid Waste Management Fund is included in the Department’s response to First Round Q.15, Attachment 3 and 4.*

### **Capital Outlay (Solid Waste)**

- The FY 2025 Proposed Budget includes approximately \$1.4 million to cover the purchase of three (3) pieces of equipment necessary to comply with the Maryland Department of the Environment (MDE) approved Refuse Disposal Permit at the Brown Station Road Sanitary Landfill and provide environmentally safe conditions for County residents and commercial customers.
- Other capital outlay include equipment that will be used at the Materials Recycling Facility (\$1 million), new equipment purchases (\$827K), and funding to purchase and install 25-30 Big Belly stations (\$245K).

### **Recoveries (Solid Waste)**

- Recoveries in FY 2025 are proposed at approximately \$2.3 million, which is an decrease of \$4,500 or -0.2%, less than the FY 2024 approved level. The recoveries align with recoverable costs for the closed Sandy Hill Landfill.
- **Ten (10) Year Solid Waste Management Plan.** The 2020-2029 Ten Year Solid Waste Management Plan (TYSWMP) was adopted by the Prince George's County Council on October 27, 2020 and subsequently approved by the Maryland Department of the Environment (MDE) on January 13, 2021. The Resource Recovery Division (RRD) deadline was to provide a progress report to the Maryland Department of the Environment on or before October 27, 2022. The Council is currently reviewing the 2024 update cycle for the period 2024 - 2033.
- **Workload and Performance Trends include:**
  - Completion of the residential food scrap collection program. Approximately 180,000 carts and bins were distributed to County residents.
  - Contractor is set to commence with cell C-1 construction for the area C infill project from April 2024 – October 2025.
  - New curbside collections contracts were awarded.
- **Information Technology** funding of \$50,500 is proposed in FY 2025 for IT equipment.
- **Equipment** funding proposed includes \$245,000 for Big Belly stations, and various vehicles and equipment for operation of the Materials Recycling Facility and Organics Composting Facility.



**Capital Improvement Program (CIP), Highlights & Maintenance (Solid Waste)**

***Resource Recovery Division (RRD) – Solid Waste Fund***

RRD manages the Solid Waste Management Enterprise Fund which is used to finance costs associated with the maintenance and operation of land and facilities for the collection, transportation and disposal of refuse, garbage, rubbish, other matter and all related activities. The fund also finances costs associated with environmental, solid waste management and recycling and waste reduction programs in the County.

- Total Proposed FY 2025 CIP funding for DOE is \$16.48 million, with FY 2025 fundings sources consisting of: Federal (29.7%) and Revenue Bonds (64.3%).
- Total project costs are increasing for one (1) of the five (5) Department projects Materials Recycling Facility). Four project costs for FY 2025 are decreasing. *See table below.*

Project Name	Est. Comp. FY	FY 2024 – 2025 Capital Improvement Project (CIP)					
		Project Status	FY 2024 Approved Capital Budget	FY 2024 Actual Expenditures (YTD)	FY 2024 Anticipated Expenditures	FY 2025 Proposed	Total Approved Project Funding
Brown Station Landfill Construction	Ongoing	Ongoing	\$14,228,000	\$1,885,644.57	\$34,057,000	\$6,867,000	\$231,307,000
Material Recycling Facility	Ongoing	Ongoing	2,425,000	577.90	4,174,000	5,637,000	13,258,000
North County Animal Shelter	2029	Design Not Begun	-	-	-	-	7,136,000
Organics Composting Facility	Ongoing	Ongoing	3,110,000	752,725.50	8,263,000	1,150,000	21,531,000
Resource Recovery System	2027	Design Stage	-	-	-	-	5,497,000
Sandy Hill Sanitary Landfill	Ongoing	Ongoing	5,190,000	386,950.69	10,157,000	2,830,000	43,739,000
<b>TOTAL</b>			<b>\$24,953,000</b>	<b>\$3,025,898.66</b>	<b>\$56,641,000</b>	<b>\$16,484,000</b>	<b>\$322,468,000</b>

***Source: First Round Responses, Page 13, Question #34.***

*On the following page* is a capital improvement program listing the department’s non-stormwater management projects. Please note that this includes the proposed North County Animal Shelter- this project has no current location determination, and obviously, no construction has begun on it. The other projects are within the Resource Recovery Division’s purview. For additional information on each project and details, *please view the Proposed Capital Budget and Program FY 2025-2030 book, pages 326 to 331.*

CIP ID#	Project Name	Address	Planning Area	Council District	Project Class	Total Project Cost (000)	Completion Date
5.54.0001	Brown Station Landfill Construction	Brown Station Road, Upper Marlboro	Upper Marlboro and Vicinity	Six	Addition	\$231,342	Ongoing
5.54.0020	Materials Recycling Facility	1000 Ritchie Road, Upper Marlboro	Upper Marlboro and Vicinity	Six	Rehabilitation	18,788	Ongoing
3.54.0002	North County Animal Shelter	Location Not Determined	Not Assigned	Not Assigned	New Construction	7,136	FY 2029
3.54.0001	Organics Composting Facility	6550 Crain Highway, Upper Marlboro	Upper Marlboro and Vicinity	Seven	New Construction	23,931	Ongoing
5.54.0004	Resource Recovery Park	3501 Brown Station Road, Upper Marlboro	Upper Marlboro and Vicinity	Six	New Construction	5,497	FY 2027
5.54.0003	Sandy Hill Sanitary Landfill	Old Laurel Bowie Road, Bowie	Bowie and Vicinity	Four	Addition	50,559	Ongoing
<b>Program Total</b>						<b>\$337,253</b>	
<b>NUMBER OF PROJECTS = 6</b>							

### Litter Cleanup and Illegal Dumping

- The County established the **Litter and Illegal Dumping Taskforce** in FY 2021 to address illegal dumping concerns in the County. One of the strategies the Taskforce is using to combat litter is Big Belly Compacting Trash stations.
- To date, DoE has acquired over 50 solar/trash recycling compactors and has proposed to purchase 25-30 more “big belly” devices and have them installed on stations (cement pads) in FY 2025. DoE is requesting \$245,000 for FY 2025 to install these stations at specific bus stops where trash and litter challenges have been noted.
- RRD partners with **Keep Prince George's County Beautiful** to promote recycling, litter prevention, beautification, and cleanup programs to County residents. RRD partners with communities, Green Schools, and other environmental initiatives.
- **The Environmental Crimes Team (ECT)**
  - ✚ A team of eight (8) members representing DOE (3 staff), the Police Department (1 staff), DPIE (2 staff), DPW&T (1 staff) and State's Attorney Office (1 staff).
  - ✚ A number of cameras have been tracking illegal dumping locations since 2022. The Police Department (PGPD) has handled 11 cases, and 11 citations have been issued to date.
  - ✚ A Department of Justice Federal Grant provided for two (2) Mobile Surveillance Systems (MSS) for FY 2023 and part of FY 2024; future costs will be borne by the County.
  - ✚ The Department has also provided PGPD with six (6) trail cameras and appendage materials.
  - ✚ Further analysis is needed to determine the effectiveness of these costly camera systems.

- The agency implemented the **Clear the Curb** initiative.

#### **Bulky Trash**

- Residents who receive County trash and recycling services, beginning February 14, 2022, are able to put out up to two (2) items of regular bulky trash, with their regular trash collection, no appointment needed.
- Scrap tires and white goods will still need to be scheduled for pickup through PGC311.
- The Department reports that the Clear the Curb initiative has been successful for both DoE and residents. The latest update of this program will include allowing up to four (4) bulky items to be placed out on the curbside.
- Under the new contract with haulers (starting July 1, 2024), service areas will be moved for efficiency, and scrap metal and electronic recycling collections can be made by appointment.
- Haulers will also be required to utilize the PGC311 working app to address issues of missed pickups and real-time collection concerns.
- Current County Bulky Section staff still perform standard bulky collections in South County and gated communities (scheduled appointments), where residents do not participate in the County's trash and recycling program, and the same trucks are being utilized. Additionally, the staff also performs white goods and scrap tire collections.

#### **Budget Comparison - Stormwater Management Enterprise Fund (Stormwater)**

The Department of the Environment's Storm Water Management Division (SMD) and Sustainability Division (SD) carry out **Municipal Separate Storm Sewer System (MS4)** permit water quality regulations.

SMD focuses on flood mitigation through planning, design, construction, and permitting of remedial flood and drainage improvement projects.

SD focuses on sustainable services and the **MS4** and ***Watershed Implementation Plan (WIP)*** requirements facing the County by providing research, outreach, and tracking of sustainability efforts for the agency.

Actual Fiscal Year 2023 to Proposed Fiscal Year 2025 (Stormwater)

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 6,552,713	\$ 8,264,600	\$ 8,150,200	\$ 7,729,500	\$ (535,100)	-6.5%
Fringe Benefits	6,637,737	6,272,800	6,186,000	5,843,100	(429,700)	-6.9%
Operating Expenses	40,975,515	75,943,200	75,914,200	76,726,800	783,600	1.0%
Capital Outlay	-	245,000	245,000	-	(245,000)	-100.0%
Sub-Total	\$ 54,165,965	\$ 90,725,600	\$ 90,495,400	\$ 90,299,400	\$ (426,200)	-0.5%
Recoveries	-	(205,000)	(205,000)	-	205,000	N/A
<b>Total</b>	<b>\$ 54,165,965</b>	<b>\$ 90,520,600</b>	<b>\$ 90,290,400</b>	<b>\$ 90,299,400</b>	<b>\$ (221,200)</b>	<b>-0.2%</b>

#### Authorized Staffing Count

	FY 2024 Approved	FY 2025 Proposed	Change Amount	Percentage Change
Full-Time	67	68	1	1.5%
<b>Total</b>	<b>67</b>	<b>68</b>	<b>1</b>	<b>1.5%</b>

#### Staffing and Compensation

- In FY 2025, proposed compensation is approximately \$11 million, which represents an increase of approximately \$1.1 million, or 10.8%, over the FY 2024 budgeted level, primarily due to FY 2024 and planned FY 2025 salary adjustments; this is offset by budgeted attrition and salary lapse.
- The Stormwater Division has 3 vacancies for Engineer III, 1 Planner III, 1 Planner IV vacancy, and 1 Contract Coordinator position vacant. The Sustainability Division is in the process of filling 1 vacant Administrative Aide, 3 Planner positions, and 1 Engineer III position.
- The Proposed FY 2025 budget includes funding for 68 full-time fully funded positions, which is an increase of one (1) new position when compared to the FY 2024 approved level.
- The Stormwater Division has difficulty filling mid-level and senior level Engineer (e.g., Engineer III and Engineer IV) positions in the Stormwater Division. The Department has encountered issues in the hiring of engineers who are qualified with the necessary skill set and meeting salary requests. Efforts to hire include online advertisements on professional/skilled trade organization websites and contact with local colleges/universities in the region.
- The Sustainability Division is finding it difficult to attract the desired skill set in the recommended salary range for Planner positions. The Department has amended job descriptions for these positions. Two of the three Planner positions have been filled with start dates anticipated prior to the beginning of FY 2025.
- The Department reported that the Division's current rate of attrition is 5.0% in FY 2024 YTD.

**Fringe Benefits (Stormwater)**

- Fringe Benefit expenditures in FY 2025 are proposed to increase by \$177,500, or 4.5%, to align with projected compensation costs.

**Fund Balance (Stormwater)**

- The overall net position of the Stormwater Management Enterprise Fund for FY 2024 is projected to be -\$125,907,256, and FY 2025 is projected to decrease to \$148,579,956 for FY 2025.
- There were no fee or tax changes in FY 2024 (related to stormwater); discussions continue with the Office of Management and Budget regarding revenue to address mandated requirements and allotted funding.

Since FY 2011, the Fund's unrestricted balance has decreased by approximately \$166.5 million. This fund continues to be impacted by Interagency Charges, which include Stormwater mandates for County compliance. In addition, increasing Principal and Interest (Debt Service) payments are also driving long-term imbalances between expenses and revenues.

- During the Budget Review session, OMB noted that a County-wide property tax increase is one of the options to alleviate the structural deficit, as well as cost minimization to mitigate stormwater challenges. Additionally, opportunities to transfer additional funds from the General fund to the Stormwater fund has been looked at also.

**Revenues (Stormwater)**

- In FY 2025, the proposed revenue sources for the Stormwater fund are increasing to approximately \$113 million, which is approximately \$221,200, or -0.2%, under the current year's level.
- The largest line-item proposed revenue increase is Property Taxes, at \$850,000.
- The largest line-item proposed revenue decrease is Appropriated Fund Balance, at -\$552,500.

*Please see the Table below which provides a breakdown of the Fund's revenues.*

### Stormwater Management Enterprise Fund, Proposed FY 2025 Revenue

#### Fund Summary

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimated	FY 2025 Proposed	FY 2024-2025	
					Change \$	Change %
<b>BEGINNING FUND BALANCE - UNRESTRICTED</b>	\$(60,246,355)	\$(34,854,960)	\$(100,309,256)	\$(125,907,256)	\$(91,052,296)	261.2%
<b>REVENUES</b>						
<b>TAXES, SALES AND SERVICES</b>						
Property Taxes	\$57,353,572	\$57,530,000	\$58,380,000	\$58,380,000	\$850,000	1.5%
Grading Permits	2,331,750	2,600,000	2,350,000	2,350,000	(250,000)	-9.6%
Permits	3,056,384	3,000,000	3,000,000	3,000,000	—	0.0%
Tree Preservation	134,008	120,000	120,000	120,000	—	0.0%
Soil Conservation	236,300	236,300	236,300	236,300	—	0.0%
Pond Fees	108,144	90,000	200,000	100,000	10,000	11.1%
Water & Sewer Fees	222,348	216,700	216,700	216,700	—	0.0%
Sale of Plans	—	—	—	—	—	0.0%
GIS Floodplan Service	65,458	48,200	48,200	48,200	—	0.0%
Stormwater Fee-in-Lieu	996,369	1,178,800	1,000,000	1,000,000	(178,800)	-15.2%
<b>Total Taxes, Sales and Services</b>	<b>\$64,504,333</b>	<b>\$65,020,000</b>	<b>\$65,551,200</b>	<b>\$65,451,200</b>	<b>\$431,200</b>	<b>0.7%</b>
<b>OTHER REVENUES</b>						
Cell Towers	\$427,853	\$600,000	\$500,000	\$500,000	\$(100,000)	-16.7%
Interest Income	3,511,078	575,100	1,287,100	575,100	—	0.0%
Reforestation Fee/Lieu	398	500	400	500	—	0.0%
Miscellaneous	(1,376,750)	5,000	—	5,000	—	0.0%
Appropriated Fund Balance	—	43,413,200	—	42,860,700	(552,500)	-1.3%
Transfers in from the Water Quality Fund	3,623,700	3,623,500	—	3,623,600	100	0.0%
<b>Total Other Revenues</b>	<b>\$6,186,279</b>	<b>\$48,217,300</b>	<b>\$1,787,500</b>	<b>\$47,564,900</b>	<b>\$(652,400)</b>	<b>-1.4%</b>
<b>Total Revenues</b>	<b>\$70,690,612</b>	<b>\$113,237,300</b>	<b>\$67,338,700</b>	<b>\$113,016,100</b>	<b>\$(221,200)</b>	<b>-0.2%</b>

**Source: Budget Book, Page 450, FY 2025 Proposed Budget**

#### Operating Expenses (Stormwater)

- Funding is provided to cover debt service costs as well as contracts to support the implementation of the County's Climate Action Plan, beautification, and litter removal efforts.
- In FY 2025, Stormwater Management operating expenses (*see table on the following page*) are proposed at approximately \$76.7 million and are composed of the following major items:

 Interagency Charges	~\$26.5 million
 Principal	~\$20.2 million
 Interest	~\$13.5 million

✚ General & Administrative Contracts ~\$9.6 million  
✚ Depreciation ~\$4.5 million

- Overall, FY 2025 Proposed Operating Expenses are increasing by \$783,600, or 1%, over the FY 2024 approved level, primarily due to increases in Principal, General & Administrative Contracts, Interest, and Office Automation.
- The *table on the following page* compares the FY 2025 Proposed Budget operating expenditures with the FY 2024 Approved Budget. In twelve (12) of the categories, the FY 2025 Proposed Budget increases planned spending from the FY 2024 Approved Budget. FY 2025 proposed expenditures decrease in four (4) categories and remain unchanged for three (3) categories.

**Q16 Attachment #2 - Operating Expenses**

STORM WATER MANAGEMENT FUND Operating Objects	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change
Telephone	\$48,790	\$46,300	\$53,500	\$53,500	\$7,200
Printing	\$3,766	\$4,000	\$3,000	\$4,000	\$0
Office Automation	\$757,150	\$833,500	\$493,200	\$1,016,700	\$183,200
Training	\$12,153	\$41,900	\$41,900	\$18,100	-\$23,800
Advertising	\$495	\$1,000	\$1,000	\$4,500	\$3,500
Membership Fees	\$145,950	\$153,800	\$154,000	\$163,300	\$9,500
Mileage Reimbursement	\$42	\$100	\$100	\$0	-\$100
General & Administrative Contracts	\$3,806,624	\$8,980,700	\$8,980,700	\$9,579,800	\$599,100
Operating Contract Services	\$100,000	\$0	\$75,000	\$139,000	\$139,000
General Office Supplies	\$10,446	\$28,100	\$16,000	\$80,600	\$52,500
Office & Operating Equipment Non Capital	\$37,900	\$0	\$0	\$0	\$0
Vehicle Equipment Repair/Maintenance	\$45,900	\$58,800	\$59,100	\$52,100	-\$6,700
Equipment Lease	\$16,552	\$13,000	\$17,500	\$17,500	\$4,500
Grants/Contributions	\$0	\$527,000	\$527,000	\$912,500	\$385,500
Transfers Out		\$0	\$0	\$0	\$0
Interagency Charges	\$22,372,359	\$28,416,400	\$28,070,000	\$26,539,300	-\$1,877,100
Miscellaneous	\$203				
Depreciation	\$0	\$4,407,800	\$4,460,000	\$4,460,000	\$52,200
Principal	\$0	\$19,041,500	\$19,041,500	\$20,188,000	\$1,146,500
Interest	\$13,617,185	\$13,389,300	\$13,920,700	\$13,497,900	\$108,600
<b>Total</b>	<b>\$ 40,975,515</b>	<b>\$ 75,943,200</b>	<b>\$ 75,914,200</b>	<b>\$ 76,726,800</b>	<b>\$ 783,600</b>



### **Capital Outlay (Stormwater)**

- Funding of \$245,000 was approved for the purchase and installation of approximately 27 dual solar trash and recycling Big Belly Containers in FY 2024. This funding for these containers has been moved to the Solid Waste Fund starting FY 2025.

### **Recoveries (Stormwater)**

- No recoveries for the Stormwater Fund are anticipated in FY 2025. Compensation and fringe benefits costs for two (2) Climate Smart Commodities Positions in the amount of \$205,000 are coming from grant funds.

### **Climate Action Plan**

- The Department's proposed FY 2025 budget contains specific line items identifying over \$5 million to be spent directly on Climate Action and resilience activities in FY 2025. This estimate includes operating contracts, a Climate Officer being hired, flood protection projects, and energy efficiency grants. The Agency reported that approximately \$88 million in County operations and capital expenditures (\$30.8M and \$57.2M, respectively) were identified as *related* to climate action. This includes proposed budgets from several County agencies.
- The Department has contracted with outside experts to evaluate funding structures, including a grants center and a resilience authority. A feasibility study by ICF Inc., LLC is anticipated by the summer of 2024.

### **Stormwater Management Division (SMD) Highlights**

- MDE issued the County's next (fifth) generation NPDES/MS4 permit on December 2, 2022.
  - ✚ The new permit imposes additional compliance and performance metrics for multiple Agencies above and beyond the existing permit conditions. These additional performance metrics will impact County operations and resources.
  - ✚ It will run for a 5 (five) year cycle and end on December 2, 2027.
- The County was issued its 4th generation NPDES/MS4 permit from MDE effective January 2, 2014, through January 2, 2019. The permit has been in Administrative Extension since that time.
  - ✚ Compliance with the County's NPDES/MS4 permit continues to be a major factor contributing to the SMD's workload and performance since FY 2021. The County is mandated to improve water quality conditions through certain corrective measures and conduct programs as outlined in 4<sup>th</sup> generation permit. The Department remains tasked to address over 6,105 acres of untreated impervious area, as well as multiple supporting clean water programs.
  - ✚ These operations will be funded through both the Stormwater and Water Quality funds. With consideration to scale and timeframe, (6,105 acres in the permit term), given to meet the mandated 20% restoration target, the County has not met these terms of the permit:



- ✚ The County has signed a consent decree with Maryland Department of the Environment (MDE) on May 14, 2021, as well as to satisfy noted conditions of non-compliance of the NPDES/MS4 2014 permit. Conditions of the consent order are to be satisfied by December 31, 2024 to include the completion of 6,105 impervious surface acres, as well as other mandated and/or critical performance metrics.
  - ✚ As of December 31, 2023, the County has completed 89.79% of the 6,105 acres, leaving a gap of 623.19 acres remaining to be completed under the 4<sup>th</sup> generation permit/consent decree.
- The Department has experienced the following challenges in FY 2024 in responding to the Federal and State regulations associated with the NPDES/MS4 permit and WIP III mandates:
    - ✚ Property owner agreements are required to enable restoration on private property.
    - ✚ Public property availability is limited to existing untreated rights-of-way.

#### **Sustainability Division (SD) Highlights**

- Volunteerism is showing signs of picking up. DoE has received requests for support for storm drain stenciling activities and residents are recording litter pick-ups in their communities.
- The Department was awarded the USDA Smart Commodities Grant which will be a \$3.25 million grant program administered by the County. Financial incentives for new farmers will be given to adopt “climate-smart” practices as approved by the USDA.
- DoE/SD has developed the new TreeTrak Mobile app known as the Tree App. Staff will use this app to track tree plantings and maintenance across multiple grant projects and operating programs.
- *A list of stormwater projects listed under the Sustainability Division can be viewed on the First Round Responses, Page 19, Question 27.*

#### **Budget Comparison - Local Watershed Protection & Restoration Fund (Water Quality)**

Effective July 1, 2013, the County established a Watershed Protection and Restoration (WPR) Program, in accordance with the provisions of House Bill (HB) 987. Through the establishment of a storm water remediation fee, the County will be able to meet its long term regulatory WIP II and NPDES State and federal mandates for water quality improvement through restoration. This Fund, also known as the Water Quality Fund, supports the requirements to meet federal mandates for impervious area restoration through retrofit, stormwater controls and mandated rebate programs intended to improve water quality in the Chesapeake Bay.

**Actual Fiscal Year 2023 to Proposed Fiscal Year 2025 (Water Quality)**

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 879,443	\$ 1,150,100	\$ 1,057,000	\$ 1,250,500	\$ 100,400	8.7%
Fringe Benefits	91,142	421,100	337,900	464,000	42,900	10.2%
Operating Expenses	13,322,702	19,081,600	19,081,600	22,439,000	3,357,400	17.6%
<b>Total</b>	<b>\$ 14,293,287</b>	<b>\$ 20,652,800</b>	<b>\$ 20,476,500</b>	<b>\$ 24,153,500</b>	<b>3,500,700</b>	<b>17.0%</b>

**Staffing and Compensation (Water Quality)**

- The proposed FY 2025 compensation totals approximately \$1.3 million, an increase of \$100,400, or 8.7%, over the FY 2024 approved budget amount, primarily due to the annualization of FY 2024 salary adjustments offset by budgeted income salary attrition. The funding level provided is for ten (10) full-time positions and remains unchanged from the FY 2024 approved budget level.
- Overtime for FY 2024 Water Quality Fund YTD (March 15, 2024) is \$0. The projected amount for the end of this year as well as 2025 budgeted remains at \$0 also.

**Fringe Benefits (Water Quality)**

- Fringe benefit expenditures in FY 2025 are proposed to increase by \$42,900, or 10.2%, to align with projected costs.

**Fund Balance (Water Quality)**

- The Water Quality fund balance (net position) as of June 30, 2023 is approximately -\$124,971,541 million and has increased by approximately \$48 million from the prior year. The projected unrestricted net position for FY 2024 is -\$128,605,741 and for FY 2025 is -\$137,470,741.
- No tax or fee changes occurred in FY 2024 or are anticipated in the next few years as it relates to Water Quality. Discussions regarding revenue changes as part of a long-range analysis of expenditures may begin to address mandated requirements and allocated funding.

**Revenues and Use of Fund Balance (Water Quality)**

- Through the establishment of a stormwater remediation fee, the County will be able to meet its WIP II and NPDES State and federal mandates for water quality improvement through restoration. The water quality fund supports impervious area restoration through retrofit, stormwater controls, and mandated rebate programs intended for improved water quality in the Chesapeake Bay.
- FY 2024 revenues are estimated to be approximately \$15.3 million, which is lower than the FY 2023 actual revenues of approximately \$17.2 million. FY 2025 revenues are proposed at approximately \$24.2 million. *(See table, below).*

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimated	FY 2025 Proposed	FY 2024-25 Change \$	FY 2024-25 Change %
Beginning Fund Balance	\$(68,304,882)	\$(37,947,490)	\$(124,941,571)	\$(128,701,771)	\$(90,754,281)	239.2%
<b>REVENUES</b>						
Clean Water Act Fees	\$14,636,637	\$14,689,000	\$14,689,000	\$14,689,000	\$0	0.0%
Interest	2,323,229	599,500	599,500	599,500	-	0.0%
Miscellaneous	190,437	-	-	-		
Appropriated Fund Balance	—	5,364,300	—	8,865,000	3,500,700	65.3%
Transfers in	—	—	—	—	—	0.0%
<b>TOTAL REVENUES</b>	<b>\$17,150,303</b>	<b>\$20,652,800</b>	<b>\$15,288,500</b>	<b>\$24,153,500</b>	<b>(\$3,500,700)</b>	<b>17.0%</b>

- The Proposed FY 2025 revenues for the Clean Water Act Fund are increasing by approximately \$3.5 million, or about 17%, over the FY 2024 Approved Budget level, primarily due to the Appropriated Fund Balance of \$8,865,000.

#### **Operating Expenses (Water Quality)**

- The accompanying table *on the next page* compares the FY 2025 Proposed Budget operating expenditures with the FY 2024 Approved Budget operating expenditures. In four (4) of the categories, the FY 2025 Proposed Budget increases planned spending from the FY 2024 Approved Budget, and proposed expenditures decrease for two (2) categories. One (1) category is presented for historical reference only.

## FY 2025 PROPOSED Operating Expenses for Water Quality Fund

Q14 Attachment #1 - Operating Expenses

WATER QUALITY FUND Operating Objects	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	Explain reason for budgetary change for each object
General & Administrative Contracts	\$ 85,697	\$ 217,500	\$ 217,500	\$ 85,800	\$ (131,700)	Fiscal Agent fees. Recommendation based on prior year history
Operating Contracts	\$ 9,094,149	\$ 13,212,200	\$ 13,212,200	\$ 13,170,500	\$ (41,700)	Decrease in consulting services for Zion Corp./Management of Clean Water Partnership Program(Escrow agent)
Grants/Contributions	\$ 256,141	\$ 245,000	\$ 245,000	\$ 275,000	\$ 30,000	Increase in Retrofit Rebate eligibility amount and program participation
Transfers Out	\$ 3,623,700	\$ 3,623,500	\$ 3,623,500	\$ 3,623,600	\$ 100	Debt Service: Transfer from 5200 to 5100 covering the portion of the 2018 Stormwater Bond Sales that paid for Phase I of the Clean Water Partnership.
Principal	\$ -	\$ 1,445,100	\$ 1,445,100	\$ 4,482,000	\$ 3,036,900	Increase due to closing of state loans
Interest	\$ 263,722	\$ 338,300	\$ 338,300	\$ 802,100	\$ 463,800	Increase due to closing of state loans
Miscellaneous	\$ (706)	\$ -	\$ -	\$ -	\$ -	
Total	\$ 13,322,703	\$ 19,081,600	\$ 19,081,600	\$ 22,439,000	\$ 3,357,400	

Source: FRR, Question 14, Attachment #1

In FY 2025, Water Quality operating expenses are proposed at approximately \$22.4 million, and are comprised of the following major items:

- Operating Contracts (~\$13.2 million)
  - Clean Water Partnership Master Maintenance and Master Program, which supports restoration programs for the Phase II Municipal NPDESA.
  - Stewardship Grant Program supports restoration programs for the Phase II Municipal NPDES permit, with Chesapeake Bay Trust as pass-through organization.
- Transfers Out (~\$3.6 million) – Debt Service transfer from Water Quality Fund to Stormwater Fund, pays for FY 2018 Bonds for Phase 1 of the Clean Water Partnership.
- For a complete list of the Water Quality Fund Contracts, please review the FY 2025 Budget Review First Round Questions, response to Question #14, Attachment #1.

- There was a total of thirteen (13) calls that were related to water quality activities using 3-1-1 during FY 2023. Many of them related to retail and service companies, such as car washes.

### **Budget Comparison – General Fund**

Actual Fiscal Year 2023 to Proposed Fiscal Year 2025 – General Fund

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 7,048,872	\$ 8,923,600	\$ 8,118,300	\$ 8,351,100	\$ (572,500)	-6.4%
Fringe Benefits	3,077,203	3,779,700	3,358,000	3,588,600	(191,100)	-5.1%
Operating Expenses	2,304,050	2,427,500	2,921,200	2,759,500	332,000	13.7%
Capital Outlay	-	171,000	171,000	85,000	(86,000)	N/A
Sub-Total	\$ 12,430,125	\$ 15,301,800	\$ 14,568,500	\$ 14,784,200	\$ (517,600)	-3.4%
Recoveries	(4,594,004)	(5,969,900)	(5,462,600)	(5,708,700)	\$ 261,200	
<b>Total</b>	<b>\$ 7,836,121</b>	<b>\$ 9,331,900</b>	<b>\$ 9,105,900</b>	<b>\$ 9,075,500</b>	<b>\$ (256,400)</b>	<b>-2.7%</b>

### **Authorized Staffing Count – General Fund**

	FY 2024 Approved	FY 2025 Proposed	Change Amount	Percentage Change
Full-Time	121	122	1	0.8%
Part-Time	0	0	0	0.0%
<b>Total</b>	<b>121</b>	<b>122</b>	<b>1</b>	<b>0.8%</b>

### **Staffing and Compensation– General Fund**

- In FY 2025, proposed compensation expenditures decrease by \$572,500 or -6.4%, under the FY 2024 approved level, primarily due to the higher rate of budgeted vacancy lapse and attrition. Funding supports one new Administrative Specialist 1G position in the Animal Services Division, a full time veterinarian at the animal shelter.
- Compensation costs includes funding for 121 out of 122 full time positions.
- As of March 15, 2024, the Department reported 24 vacant General Fund positions. ASD has several hard-to-fill positions that include vacant Animal Control Officers (ACOs). Efforts to fill these positions include utilizing avenues outside of the County provided resource such as Indeed, Humane Society of the United States, National Animal Control Association and American Society for the Prevention of Cruelty to Animals.
- In FY 2024, the Department has one (1) general funded position assigned to the County Executive’s Office, an Administrative Assistant IV (since 2019). This assignment is likely to continue in FY 2025. Additionally, one vacant Planner IV position (Energy Manager) is anticipated to be assigned to the County Executive’s Office also.





- The General Fund attrition rate is 13% in FY 2024 (YTD), with 15 resignations, retirements, and terminations.
  - Resignations are attributed to opportunities in the industry that offer higher salaries.
  - Attrition due to a several General Fund retirements and resignations for FY 2023 have put additional strain on agency operations.
- As it relates to hiring:
  - The Department has improved internal processes and tracking to ensure positions are moving to the goal of hiring. DoE's Human Resources Officer manages the internal hiring process and collaborates with divisional staff to avoid delays.
  - Scheduling interviews within two weeks of receiving the hiring certificate is still largely achieved, there are still divisions though that the Division is working with to meet targets.

#### **Fringe Benefits – General Fund**

- Fringe benefit expenditures in FY 2025 are proposed to decrease by -\$191,100, or -5.1%, below the FY 2024 approved level, to align with projected costs.

#### **Operating Expenses – General Fund**

- In FY 2025, General Fund operating expenses are proposed at approximately \$2.8 million, and are comprised of the following major items:

 Office Automation	785,900
 Operational Contract Services	724,400
 General & Administrative Contracts	668,700
 General Office Supplies	154,100

- Overall, operating expenses are increasing by \$332,000, or 13.7%, over the FY 2024 approved level. The *table on the following page* compares the FY 2025 Proposed Budget operating expenditures with the FY 2024 Approved Budget operating expenditures. In 12 of the categories, the FY 2025 Proposed Budget increases planned spending above the FY 2024 budgeted amount. In three (3) of the categories, the FY 2025 Proposed Budget level remains unchanged compared to the FY 2024 budget. FY 2025 expenditures decrease in four (4) categories.
- The largest expenditure is Office Automation at \$785,900 and represents a \$218,200 increase between the FY 2025 Proposed Budget and the FY 2024 Approved Budget. The increase is based on OIT Countywide cost allocation for technology support.
- The most significant dollar increase between the FY 2025 Proposed Budget and the FY 2024 Approved Budget is for General & Administrative Contracts (\$374,300 increase), due to increased funding to support Climate Action Plan consulting services and pest control services at Animal Services Division.

## FY 2025 General Fund Operating Expenses

### Q18 Attachment #3 - Operating Expenses

General Fund Operating Objects	2023 Actuals	2024 Approved	2024 Estimate	2025 OMB Recomm	Variance \$ FY2024 - FY2025	Comments
Telephone	\$ 51,318	\$ 72,500	\$ 68,900	\$ 68,800	\$ (3,700)	Decrease primarily base on anticipated cost to continue current services
Printing	\$ 4,840	\$ 6,200	\$ 4,700	\$ 7,700	\$ 1,500	Increase to support new initiatives related to program priorities
Data/Voice	\$ 1,810	\$ 1,500	\$ 1,500	\$ 2,000	\$ 500	Increase to support new initiatives related to program priorities
Office Autom.	\$ 579,716	\$ 567,700	\$ 567,700	\$ 785,900	\$ 218,200	Increase based on OIT Countywide cost allocation for technology support
Training	\$ 19,177	\$ 38,800	\$ 37,700	\$ 46,300	\$ 7,500	Increase funding to support training for ASD staff
Advertising	\$ 1,045	\$ 200	\$ 100	\$ 4,000	\$ 3,800	Increase to support new initiatives related to program priorities
Travel Non-Train.	\$ -	\$ -	\$ -	\$ -	\$ -	
Memb. Fees	\$ 5,314	\$ 7,300	\$ 3,600	\$ 8,900	\$ 1,600	Increase based on anticipated cost for staff membership and professional fees
Mileage Reimb.	\$ 30		\$ 3,800	\$ -	\$ -	
GA Contracts	\$ 322,938	\$ 294,400	\$ 470,700	\$ 668,700	\$ 374,300	Increase funding to support MWCOC CAP consulting services and pest control services in the ASD.
Op. Contract Serv.	\$ 967,373	\$ 631,100	\$ 960,086	\$ 724,400	\$ 93,300	Increase based on anticipated cost to support operations
Gen. Office Supp.	\$ 130,436	\$ 124,100	\$ 198,800	\$ 154,100	\$ 30,000	Increase based on anticipated cost to support operations
Office & Op. Eq. Non	\$ 7,453	\$ 240,300	\$ 240,300	\$ 34,000	\$ (206,300)	Decrease primarily results due to decrease in equipment needed to support program activities and priorities
Other Op. Eq. Maint/		\$ 229,000	\$ -	\$ -	\$ (229,000)	Decrease due to reduction in funding to support for illegal cameras initiatives
Vehicle Eq Repair/Ma	\$ 86,712	\$ 77,700	\$ 226,500	\$ 126,200	\$ 48,500	Increase primarily based on industry trend.
Gas & Oil	\$ 112,708	\$ 110,000	\$ 110,000	\$ 116,400	\$ 6,400	Increase primarily based on industry trend.
Eq. Lease	\$ 8,887	\$ 10,200	\$ 10,200	\$ 10,500	\$ 300	Increase primarily based on industry trend.
Bldg. Repair/Maint.	\$ 1,562	\$ 16,500	\$ 16,500	\$ 1,600	\$ (14,900)	Decrease primarily based on industry trends and anticipated cost to continue essential operations
Misc.	\$ 2,729		\$ -	\$ -	\$ -	
<b>Grand Total</b>	<b>\$ 2,304,050</b>	<b>\$ 2,427,500</b>	<b>\$ 2,921,086</b>	<b>\$ 2,759,500</b>	<b>\$ 332,000</b>	

### Supplemental Budget Request

- The Department does not expect to request a supplemental General Fund budget request for FY 2024.

### **Recoveries – General Fund**

- Proposed recoveries for FY 2025 total ~\$5.7 million, a decrease of \$261,200, or -4.4%, under the FY 2024 budget to reflect a reduction in costs recovering from the enterprise funds for staff salaries, fringe benefits, and operating costs in the Office of the Director and Strategic Services Division.

### **Highlights – General Fund**

#### **Animal Service Division**

- The majority of the Animal Service Division's resources are dedicated to the compensation and benefits for staffing, and kennel operations.
- The Department is reporting the following regarding its Animal Services Division (ASD):
  - ✚ There have been challenges within ASD regarding the ability to expedite filling vacancies with viable candidates, addressing the animal zoonotic outbreaks, and the rise in price of pharmaceuticals.
  - ✚ Overcrowding of animals at ASD has exacerbated diseases. Some animals arrive with diseases and are vectors for zoonotic outbreaks. As a guide point, about 7,000 dogs came into the animal shelter in the past year. The Division has taken action with specific quarantining of suspect animals, additional cleanings and sanitizing of the facility, and putting down of select animals to minimize disease outbreaks and triage the large inflow.
  - ✚ An additional challenge to the ASD has been a significant turnover of staff that were handling grants, which has diminished the ability to apply for additional grants and provide institutional expertise.
  - ✚ Reopening the ASD to the public has been a major success in expediting animal availability and reduce time that animals are in the system. works to provide onsite resource events to the public.
  - ✚ The Department is planning on hiring a Grants Writer to help search out grant opportunities. There are many opportunities to fund the work ASD is doing, more financial resources will facilitate efficacy within the Division.
- The Department is reporting additional data and challenges within program performance and operations:
  - ✚ The Department fell short of achieving the live release rate (LRR) of 70% in FY 2023 (N=69%). Most contributing to this was issues of hiring and retaining staff, high numbers of animals coming into the facility with so many people surrendering their animals post-COVID.
  - ✚ There are serious budget threats to ASD. This includes the cost of services and goods and the impacts of outbreaks within the facility. Outbreaks cost in terms of overtime, cost of pharmaceuticals and handling that immediate concern, foregoing other work and responsibilities.
  - ✚ Breed Specific Litigation- No updates. The Office of Law has been dealing with the lawsuit.



- Capacity at the animal shelter continues to hold at 85%, a goal of the Department.
- ASD reports the Chameleon Intake and Records Management System has been working well. The Division has plans to hire someone to manage the systems in the future.

### **General Fund- Other**

- Funds were added to and expended from the Woodlands Conservation Fund for tree planting projects and other allowed uses in FY 2023. The Fund's financial balance continued to climb from \$2,169,477 to \$2,240,624.13 during the course of FY 2023. The Department's expenses during this period were only \$63,259.23. The Department's response in how this growing fund would be utilized in FY 2025 was not fully clear.
- The creation of a new design module in our Tree App and developing programmatic standards for the Tree Program was the major expense for FY 2023 from this fund. These new tools can be used to provide a baseline for existing trees and plan new plantings in public spaces.
- The Department indicated that raising fee-in-lieu rates within the County is appropriate, given the Department needs sustaining funding sources to fund its tree programs.
- The Department anticipates drawing down the Woodland Conservation Fund in FY 2025 at an amount of about 25% of the estimated FY 2024 end of year balance which is recommended at \$650,000.

### **Information Technology**

- The Department's Proposed FY 2025 Funding Amount for Information Technology (IT) Initiatives is \$33,400, which is the same as FY 2024. Funding includes:
  - ✚ Computer Peripherals LCR: purchase/installation of docking stations & printer- \$8,800
  - ✚ Chameleon Web Licensing: web-based licensing and payments for citations, etc.- \$6,500
  - ✚ Replacement Plan: replacement of docking stations and monitors, keyboards- \$6,300*A full list of Information Technology initiatives can be viewed on the First Round Responses, page 18, Question 37.*

### **Equipment**

- The Department's Proposed FY 2025 Funding Amount for Equipment is \$339,000, and includes funding for:

✚ Two Cargo Vans	\$210,000
✚ One EV Sedan	\$44,000
✚ One EV Sedan (for Landfill)	\$43,000
✚ One PHEV SUV (for Landfill)	\$42,000

## **Facilities**

The Department reports that there are no updates on the North County Animal Shelter (*details below*).

### **Capital Improvement Program (CIP) – North County Animal Shelter (#3.54.0002)**

**FY 2025 Proposed Expenditures:** \$-0-

**FY 2025 Funding Source:** TBD

**Councilmanic:** Not Assigned

**Project Class/Status:** New Construction/Design Not Begun

In 2014, an ad-hoc committee was formed consisting of representatives from College Park, Greenbelt, Berwyn Heights, and the County to discuss the need for additional animal management services to supplement and improve services provided by the County and municipalities in the north/northwestern part of the County.

- ✚ Currently the County operates one full-service open admission animal shelter in Upper Marlboro that takes approximately 10,000 animals per year and serves the entire County. However, the north/northwestern area of the County has the highest number of licensed pets, the highest adoption rates and the highest demand for services.
- ✚ The City of Greenbelt, City of College Park, and the Town of Berwyn Heights provided funding towards the feasibility study.
- ✚ The project design is slated to commence during FY 2027. The schedule delays are related to finalizing the conceptual plan for the project.

## **Grants**

Approved Fiscal Year 2023 to Proposed Fiscal Year 2025 - Grants

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ -	\$ 981,900.00	\$ -		\$ (981,900.00)	100.0%
Fringe Benefits	-	147,300.00	-		(147,300.00)	100.0%
Operating Expenses	4,870,974	9,465,500	10,594,700	11,902,400	2,436,900	25.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 4,870,974</b>	<b>\$ 10,594,700</b>	<b>10,594,700</b>	<b>11,902,400</b>	<b>\$ 1,307,700</b>	<b>12.3%</b>

- In FY 2025, the proposed grant funding for the Department of the Environment is \$11,902,400, and represents an increase of \$1,307,700, or 12.3%, over the approved FY 2024 budgeted amount. The Department has several capital grant appropriations located in the capital budget.

*A full list of grants by divisions, descriptions, and funds can be viewed in the Budget Book, pages 454-458.*

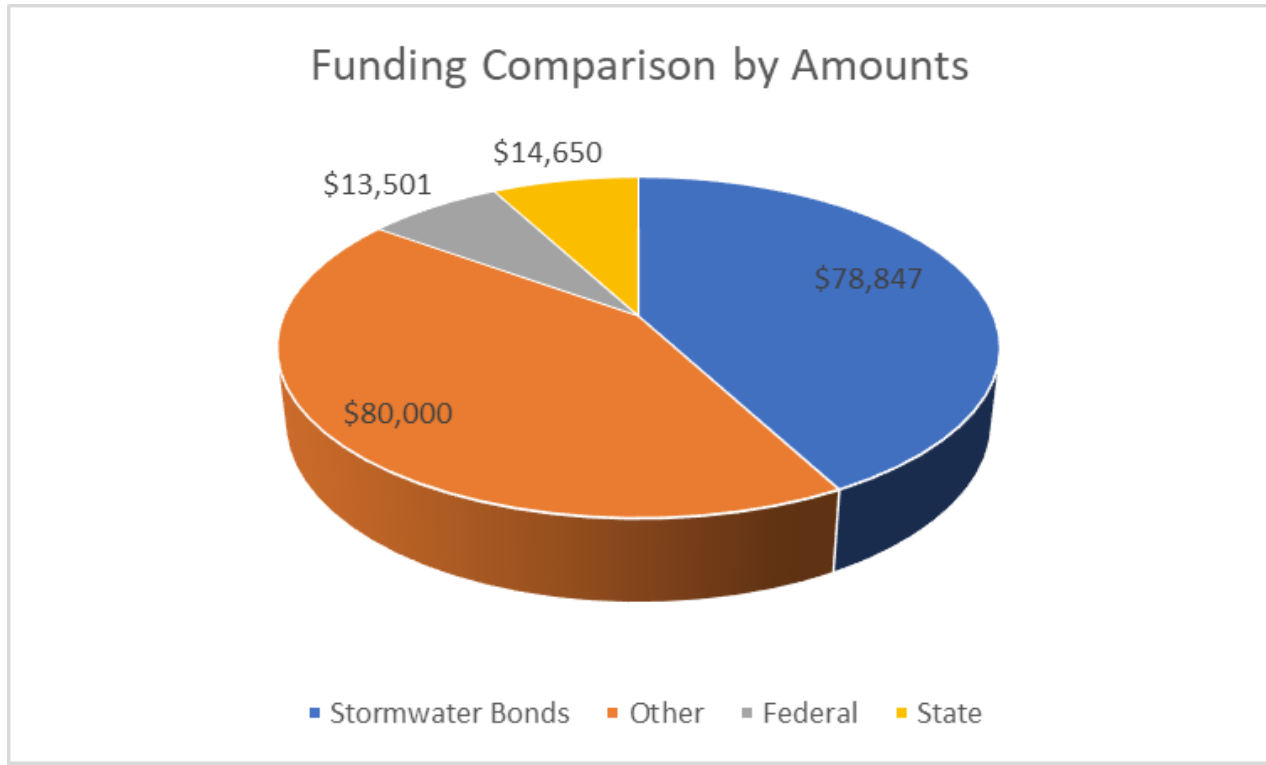
**Stormwater Management District Capital Improvement Program (CIP)**

The Proposed FY 2025 Capital Expenditure Budget for the Stormwater Management District totals \$62.6 million, which is \$78.91 million, or -55.8%, less than the Approved FY 2024 CIP budget at \$141.5 million. *See chart below.*

Project Name	Est. Comp. Date (FY)	FY 2024 and FY 2025 Capital Improvement Project (CIP)					
		Project Status	FY 2024 Approved Capital Budget	FY 2024 Actual Expenditures (YTD)	FY 2024 Anticipated Expenditures	FY 2025 Budget Request	Total Approved Project Funding
Bear Branch Sub-Watershed	2025	Phase II Design	\$ 333,000	\$216,445	\$ 2,723,000	\$ 1,213,000	\$ 13,786,000
Calvert Hills	2027	Design	\$ 7,283,000	\$105,709	\$18,622,000	\$ 69,000	\$ 23,702,000
COE County Restoration	2028	Construction	\$ 3,962,000	\$86,552	\$12,230,000	\$0	\$ 34,105,000
Clean Water Partnership NPDES/MS4	Ongoing	Construction	\$44,052,000	\$(2,282,479)	\$73,952,000	\$ 2,648,000	\$330,944,000
Emergency Response Program	Ongoing	Ongoing	\$ 390,000	\$0	\$ 1,548,000	\$0	\$ 5,129,000
Endangered Structure Acquisition Program	Ongoing	Ongoing	\$ 360,000	\$0	\$ 1,338,000	\$0	\$ 10,622,000
Flood Protection and Drainage Improvement	Ongoing	Ongoing	\$18,166,000	\$801,556	\$46,799,000	\$34,870,000	\$139,052,000
MS4/NPDES Compliance & Restoration	Ongoing	Ongoing	\$15,229,000	\$4,034,914	\$54,024,000	\$0	\$214,726,000
Major Reconstruction Program (DPW&T)	Ongoing	Ongoing	\$31,450,000	\$2,641,068	\$45,347,000	\$12,550,000	\$206,585,000
Participation Program	Ongoing	Ongoing	\$ 500,000	\$0	\$ 1,999,000	\$0	\$ 9,881,000
Stormwater Contingency Fund	Ongoing	Ongoing	\$ 1,000,000	\$0	\$ 2,999,000	\$0	\$ 8,000,000
Stormwater Management Restoration (DPWT)	Ongoing	Ongoing	\$11,775,000	\$2,257,021	\$12,825,000	\$ 2,891,000	\$110,156,000
Stormwater Structure Restoration and Construction (DPWT)	Ongoing	Ongoing	\$ 7,000,000	\$2,916,578	\$ 8,181,000	\$ 8,000,000	\$43,316,000
Stormwater Classified Dams	Ongoing	Planning	\$0	\$0	\$0	\$ 350,000	\$0
<b>TOTAL</b>			<b>\$141,500,000</b>	<b>\$10,777,364</b>	<b>\$269,762,000</b>	<b>\$62,591,000</b>	<b>\$1,150,004,000</b>

## **FY 2025 Funding Sources**

### **Stormwater Management District- CIP Funding by Sources**



Funding Sources	Amount	Percentage
Stormwater Bonds	\$78,847	42.2%
Other	\$80,000	42.8%
Federal	\$13,501	7.2%
State	\$14,650	7.8%
Total	\$186,998	100%

*Sources: CIP Book, pages 183 and 185*

*Note: "Other" funding sources assumes low-interest loans from the Maryland Water Quality Revolving Fund. CIP Book, page 189.*

### **Capital Improvement Program Stormwater Management Projects**

Please see the table on the next page for stormwater management CIP projects which include the project planning area, project class, total projected cost, and projected completion date. For more in-depth information of each project, please refer to the *Proposed Capital Budget and Program FY 2025-2030 book*, pages 187-200.

[illegible]