

Legislative Budget Analysis
Proposed FY 2017 Operating Budget
Office of the County Auditor
Baltimore County, Maryland
May 17, 2016



Department of Public Works

Director: Steve Walsh

Budget Office Analyst: Matt Carpenter

Legislative Analyst: Bob Vyskocil

Questions to Department Sent	Thurs., Mar. 24 th & Wed., Apr. 20 th
Responses Requested By	Friday, April 29
Responses Received	Mon., May 9th & Thur., May 12th *
Analysis Due for Review	Monday, May 9 th
Analysis Completed	Tuesday, May 17
*Analysis considers all agency responses.	

BALTIMORE COUNTY
FISCAL YEAR 2017 RECOMMENDED BUDGET

DEPARTMENT OF PUBLIC WORKS (070)

BUDGET SUMMARY

\$ in Thousands

	GENERAL	SPECIAL	TOTAL	% Change Prior Year
PROPOSED CHANGE				
FY 2016 - 2017 Change	\$ 8,496.2	\$ (9.7)	\$ 8,486.5	
BUDGET TRENDS				
FY 2015 Actual	\$ 110,127.2	\$ 255.9 ⁽²⁾	\$ 110,383.1	
FY 2016 Approp.	104,873.1 ⁽¹⁾	136.5	105,009.6	-4.9%
FY 2017 Proposed	113,369.3	126.8	113,496.1	8.1%
FY 2017 Budget Analysis	113,202.6	126.8	113,329.4	7.9%
POTENTIAL REDUCTIONS	\$ 166.7	\$ -	\$ 166.7	

⁽¹⁾ Excludes a supplemental appropriation (Bill 38-16) totaling \$9.75 million to the Storm Emergencies Program that will be considered for Council approval on June 6, 2016.

⁽²⁾ Reflects audited expenditures totaling \$206,969 not reflected in the Executive's budget documents.

For Information Only:

	<u>Total</u>	<u>Increase</u>	<u>% Change Prior Year</u>
<u>Metropolitan District Enterprise Fund</u> ⁽³⁾			
FY 2015 Actual	\$ 187,741.0		
FY 2016 Approp.	\$ 209,165.1	\$ 21,424.1	11.4%
FY 2017 Proposed	\$ 216,426.6	\$ 7,261.5	3.5%

⁽³⁾ The self-supporting Metropolitan District Enterprise Fund, which supports operations in this Department and other agencies, is not subject to County Council appropriation. Metropolitan District water and sewer rates are increasing by 12% in FY 2017 and 8% in FY 2018.

PERSONNEL

	GENERAL*		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
PROPOSED CHANGE				
FY 2016 - 2017 Change	(2)	8	0	0
BUDGET TRENDS				
FY 2015 Actual	856	8	0	1
FY 2016 Approp.	854	10	0	1
FY 2017 Proposed	852	18	0	1
FY 2017 Budget Analysis	851	18	0	1
POTENTIAL REDUCTIONS	1	0	0	0

* Includes split-funded positions with Metropolitan District Enterprise Fund. See Appendix B.

VACANCY DATA

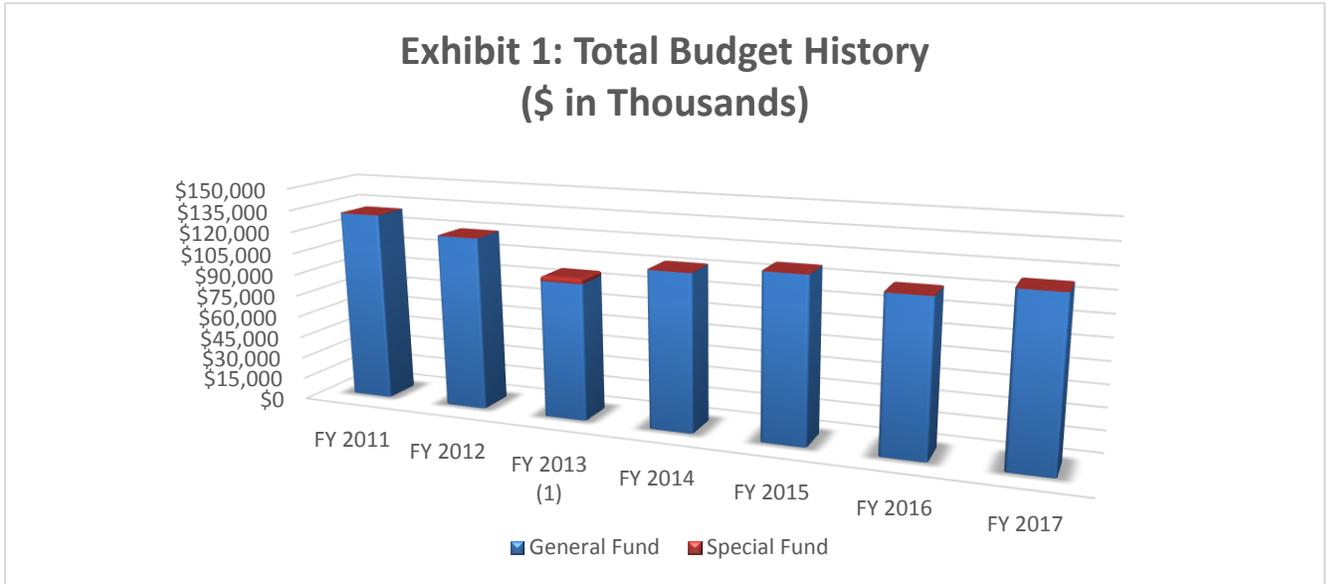
Positions Vacant as of May 9, 2016 **	21	1	33	1
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** Provided by the Department of Public Works

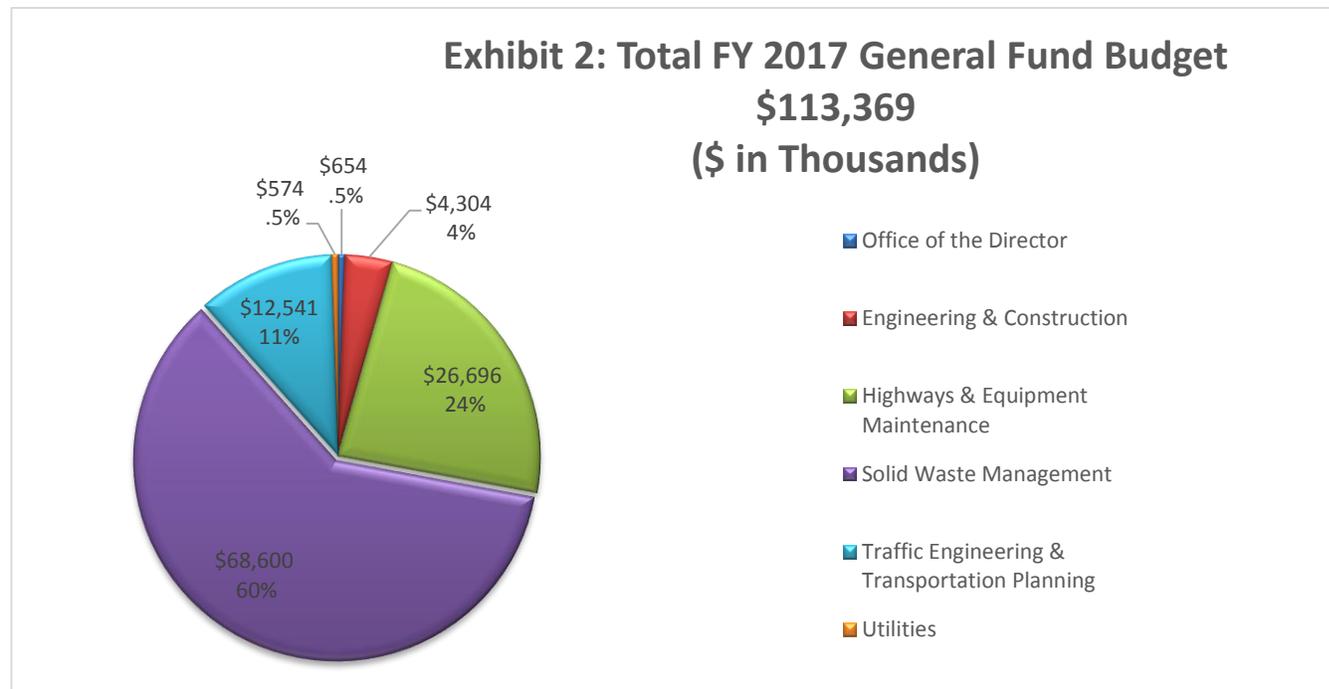
DEPARTMENT OF PUBLIC WORKS (070)

BUDGET SUMMARY:

The proposed FY 2017 budget for the Department of Public Works totals \$113.5 million. The General Fund portion of the budget totals \$113.4 million and increases by \$8.5 million, or 8.1%, over the FY 2016 budget due primarily to the opening of the new ESL transfer station in 2016, the operations of the County's single stream materials recovery facility, personnel costs (including the 2% COLA), refuse collection unit increases, and waste disposal tonnage and rate increases. The Special Fund portion decreases by approximately \$10 thousand, or 7.1%. **See Exhibits 1-3 for additional detail.**



(1) Transfer of Building Maintenance, Building Operations/Management, and Public Building Design (Engineering) programs to the newly created Property Management Division.



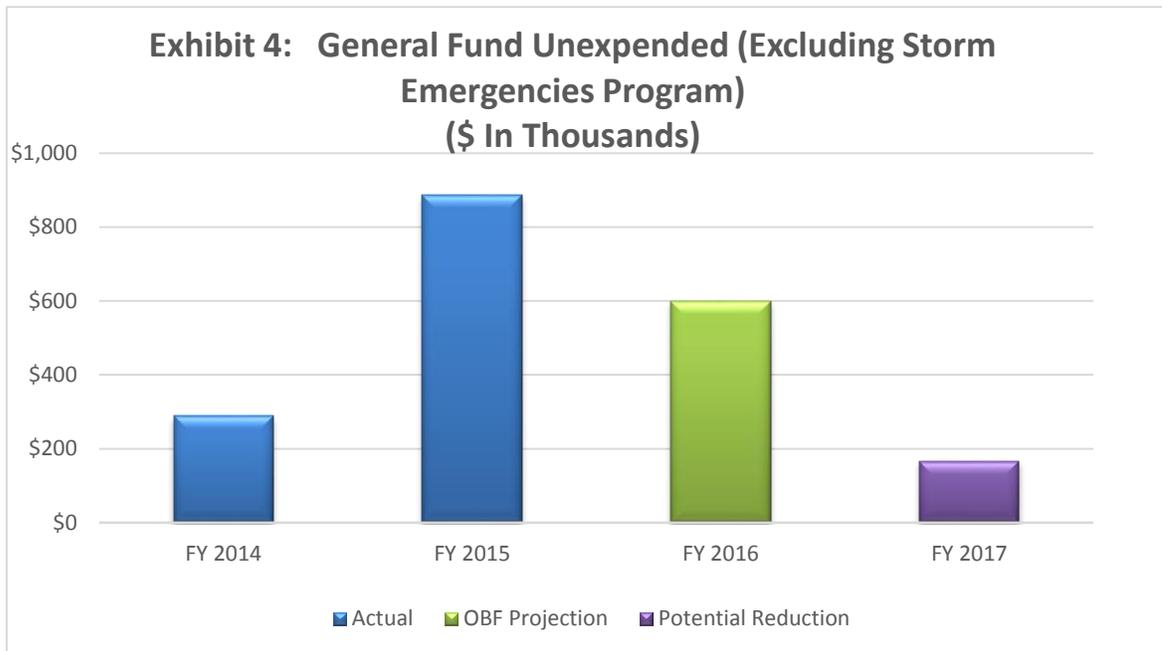
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Exhibit 3			
FY 2017 Proposed Budget (\$ in 000's)			
How Much it Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
2016 Appropriation	\$ 104,873	\$ 137	\$ 105,010
2017 Request	113,369	127	113,496
\$ Increase/(Decrease)	\$ 8,496	\$ (10)	\$ 8,486
% Increase/(Decrease)	8.1%	-7.3%	8.1%
<u>For Information Only: Metropolitan District Enterprise Fund ⁽¹⁾</u>			
	2016 Appropriation.....	\$ 209,165	
	2017 Budget.....	216,427	
	\$ Increase.....	\$ 7,262	
	% Increase.....	3.5%	
⁽¹⁾ The self-supporting Metropolitan District Enterprise Fund, w hich supports operations in this Department and other agencies, is not subject to County Council appropriation. Metropolitan District water and sewer rates are increasing by 12% in FY 2017 and 8% in FY 2018.			
Where it Goes:			
General Fund:			
	Personnel Expense:.....	\$ 446	
	2% COLA.....	515	
	Increments & Longevities.....	367	
	6 New Positions, 3 FT & 3 PT (General Fund portion of salaries).....	47	
	Turnover (Increase from 3.8% to 4.5%).....	(170)	
	Other Salary Changes.....	(313)	
	Operating Expenses:.....	8,050	
	Waste Disposal (net tonnage and rate increase, ESL Transfer Station opened).....	7,704	
	Operational Costs for Central & Western Acceptance Facilities (MES facilities)...	899	
	Gas/Electric (street lights).....	428	
	Operational Supplies and Equipment.....	87	
	Equipment Maintenance and Repairs.....	77	
	Professional Services (auctioneer fee - heavy equipment).....	32	
	Motor Pool - Cars & Trucks.....	10	
	Equipment Rental (roll-off dumpsters).....	(5)	
	Heating Oil.....	(7)	
	Motor Fuel.....	(459)	
	Refuse Collection (fuel subsidy not needed)	(702)	
	Other Changes.....	(14)	
	Special Fund:		
	Unified Planning Work Program (contractual services).....	(10)	
	Total:.....	\$ 8,486	

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POTENTIAL BUDGET REDUCTIONS:

This analysis identifies potential operating budget reductions totaling \$166,731, which represent 0.15% of the Department's FY 2017 General Fund budget. The Department reverted approximately \$289,000 and \$885,300 in unexpended funds in FY 2014 and FY 2015, respectively, excluding funding for the Storm Emergencies Program. In FY 2016, the Office of Budget and Finance estimates \$600,000 in departmental savings (excluding the Storm Emergencies shortfall).



DEPARTMENT OF PUBLIC WORKS (070)

Bureau of Engineering & Construction

General Administration (7201)

1. Increase Turnover (0104) \$48,558

The proposed FY 2017 budget for the Bureau of Engineering & Construction – General Administration program includes turnover savings totaling \$17,500, or 5.2% of General Fund salaries totaling \$336,339 for 9 positions. On May 2, 2016, the Chief of the Bureau of Engineering & Construction was appointed as the Director of Public Works. In addition, the Department advised the Chief of Design retired but has agreed to stay on for a 6-month temporary period to assist in managing the Bureau and transitioning new managers to be hired. Four of the 6 months period will be in FY 2017. Upon both Chief positions becoming vacant, this potential reduction would increase turnover by \$48,558, taking into consideration the \$17,500 in turnover already budgeted to account for the estimated 6 months to fill both Chief positions and not assuming any further trickle-down effect should an internal promotion occur.

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Structural, Storm Drain & Highway Design (7205)

2. Increase Turnover to 6.0% of Salaries (0104) \$36,499

The proposed FY 2017 budget for the Bureau of Engineering & Construction – Structural, Storm Drain & Highway Design program includes turnover savings totaling \$69,120, or 3.9% of General Fund salaries totaling \$1,760,323 for 23 positions. However, a 4-year analysis indicates that turnover savings have been under-budgeted each year with actual turnover averaging 9.1%. As of April 22, 2016, the program had three vacant positions, an Engineer II, Engineer III, and GIS Technician, as reported by the Office of Budget and Finance. Accordingly, this potential reduction would conservatively increase turnover to \$105,619, or 6.0% of FY 2017 budgeted salaries.

Schedule of Historical Turnover Savings						
Fiscal Year	Budget/ Request	Turnover %	Actual/ Estimate/ Recommended		Turnover %	Increase/ (Decrease) Reduction
2013	\$28,800	1.7%	\$108,079		6.5%	\$79,279
2014	\$24,000	1.4%	\$101,470		6.0%	\$77,470
2015	\$24,000	1.4%	\$191,487		11.4%	\$167,487
2016	\$33,600	2.0%	\$216,724		12.6%	\$183,124
Average	\$27,600	1.6%	\$154,440		9.1%	\$126,840
2017	\$69,120	3.9%	\$105,619	(1)	6.0%	\$36,499
Notes: (1) Based on 6.0% of actual/estimated salary spending.						

The Department should be prepared to discuss:

- ***How/to what extent its engineering personnel needs are related to its use of on-call engineers;***
- ***How the job duties of County staff compare to those of on-call engineers; and***
- ***If appropriate to compare, which are less costly to utilize.***

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Bureau of Highways & Equipment Maintenance

General Operations & Maintenance (7502)

3. Delete Vacant Position (0101) \$38,958 (salary costs)

The proposed FY 2017 budget includes \$10,597,548 for General Fund salaries. Currently, there is one High Tree Trimmer position (position control #169) budgeted within the program with a salary of \$38,958 that has been vacant since March 1, 2013 (3 years and 2 months). Currently, three of the four High Tree Trimmer budgeted positions are filled. At last year's budget hearing, the Director indicated that he was not expecting to fill the position but reclassify the position to a program manager to oversee the Department's on-call contracts. The potential reduction would eliminate this position.

Bureau of Solid Waste Management

Refuse Disposal (7603)

4. Reduce Estimate for Yard Waste Processing Contract (0324) \$42,716

The proposed FY 2017 budget includes \$140,066 for Hollins Organic Products Inc. to provide yard waste processing services for 5,900 tons (at \$23.61 per ton) of recyclable yard materials (i.e. loose, un-bagged brush, branches, and small logs) at the County's Central Acceptance Facility's Drop-off Center in Cockeysville. On the Council's May 26th agenda, a new contract with Hollins Organic is being requested for approval for the same services. The 5-year and 3-month contract will commence on June 5, 2016 and the new yard waste processing rate will be only \$16.50 per ton, a savings of \$7.11 per ton over the budgeted rate. This potential reduction is the savings attributable to the new contract's actual lower rate.

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SIGNIFICANT PROGRAM/POLICY INITIATIVES AND/OR CHANGES

5. Waste Disposal and Transfer \$1,783,775 (net cost increase)

The proposed FY 2017 budget includes \$24.1 million to pay for the waste disposal and transfer cost of approximately 425,200 tons of municipal solid waste (MSW), an increase of approximately \$7.7 million and 82,000 tons over FY 2016 due primarily to the acceptance of 122,000 tons of Harford County's MSW and its transfer through the new transfer station at the Eastern Sanitary Landfill (ESL) in White Marsh. The \$24.1 million cost reflects growth of \$7.7 million from the FY 2016 budget. Associated revenues from disposal and transfer fees collected are also expected to grow from \$6.1 million in FY 2016 to \$12.0 million in FY 2017 (or \$5.9 million) for a \$1.8 million net cost increase.

In addition to the acceptance and transfer of Harford County's MSW at ESL, WB Services, LLC is expected to transfer approximately 134,000 tons of MSW from the Baltimore County Central Acceptance Facility (CAF) (formerly known as the Baltimore County Resource Recovery Facility (BCRRF)) in Cockeysville to Wheelabrator Baltimore, LP (a.k.a. BRESCO) for incineration and approximately 32,400 tons from CAF to the ESL. Maryland Environmental Service (MES) will also transfer approximately 86,000 tons from the Western Acceptance Facility (WAF) in Lansdowne to BRESCO for incineration.

On December 19, 2011, the Council approved an amendment to the County's contract with Wheelabrator Baltimore, LP for the disposal of residential MSW at the BRESCO waste-to-energy facility (incinerator). For the next 10 years, the County will provide BRESCO with at least 215,000 tons of MSW annually. For FY 2017, the Department has approximately 220,000 tons budgeted. In consideration, Wheelabrator is providing the following cash incentives:

- Reduction of unit prices;
- Rebate of \$1.00 per ton, payable at the end of each year (\$220,000);
- Bonus of \$2.15 million payable after the first year; and
- Retainer payable at the end of each year (\$1,196,174 for CY 2016) for allowing Wheelabrator the option to dispose of up to 60,200 tons of ash per year at the ESL.

The Department estimates that these cash incentives will provide the County over \$16 million in savings over the 10-year period.

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In addition, under a reciprocal agreement with Harford County, Baltimore County received 167,113 tons of Harford County MSW and will be returning 217,247 tons (the amount of MSW accepted, plus an additional 30%) to Harford County, saving the County approximately \$10.7 million in waste disposal costs. The waste exchange is expected to be completed in May 2016.

In addition, on August 28, 2013, Baltimore County entered into a long-term MSW Disposal Agreement with Harford County. The County will receive an estimated 122,000 tons of residential trash from Harford County in FY 2017 at its ESL transfer stations where it will then be transported by Waste Management, Inc. (WMI) to its out-of-state landfill. Associated compensation to the County is estimated to total \$1.1 million based on a \$1.40/ton host fee to be paid by Harford County and an \$8/ton transfer fee to be paid by WMI. Baltimore County will pay WMI's disposal costs of \$60.95/ton (\$7.4 million based on 122,000 tons) which in turn will be reimbursed by Harford County back to the County. It is estimated that Baltimore County will expend approximately \$2.0 million for Harford County's 32,000 tons of MSW transferred from March 2016 through June 2016. In addition, WMI pays the County \$8 per ton to transfer commercial refuse through the CAF and ESL transfer stations. The County estimates that it will transfer 200,137 tons of WMI's commercial refuse in FY 2016, yielding approximately \$1.6 million in revenue. For FY 2017, the Department estimates revenue of \$12.0 million from fees collected for the disposal and transfer of commercial MSW, including \$7.4 million from Harford County.

On January 21, 2014, the Council approved an agreement with MES to provide design, construction, construction management, and inspection services for a new dual-tunnel open top solid waste transfer facility (for solid waste and recyclables) at ESL at an estimated cost of \$8 million. The full cost of the project will be borne by Harford County and will be repaid in 20 annual installments. Pursuant to this agreement, private businesses that collect trash in Harford County will unload solid waste at the County's ESL transfer station, where it will then be hauled out of the County. In addition, Harford County's residential single stream recyclables will also be transferred through the new ESL transfer station. The facility will only be open to private trash contractors; drop-offs by Harford County residents will not be accepted. The Department advised that the new transfer station was expected to open in March 2016 but due to contractor issues, the transfer station is not expected to open until summer 2016.

The Department advised that the ESL capacity currently remaining is approximately 44% and,

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based on the past 5 years average input, the facility has an estimated life of approximately 38 more years. The FY 2016 capital budget includes \$2.4 million for a leachate force main project and other capital upkeep projects at the ESL.

The Department should be prepared to discuss:

- *Long-term plans for diverting refuse to out-of-county facilities to increase or maintain the ESL life expectancy;*
- *Plans for the disposal of MSW that is currently being sent to Harford County once the reciprocal amount of returned tonnage has been met;*
- *The specific benefits/costs that will be realized by the County as a result of the new Harford County agreement; and*
- *Other long-term plans for reducing waste (e.g., construction of a High Diversion Material Recycling Facility – see Issue #8).*

OTHER ISSUES:

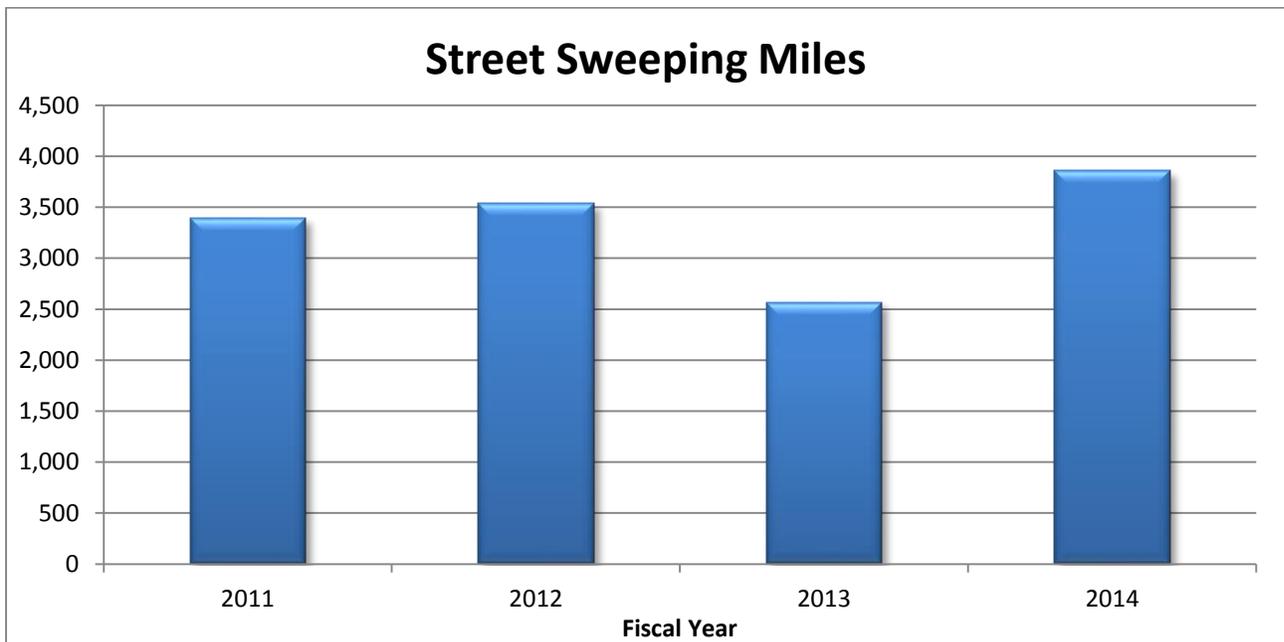
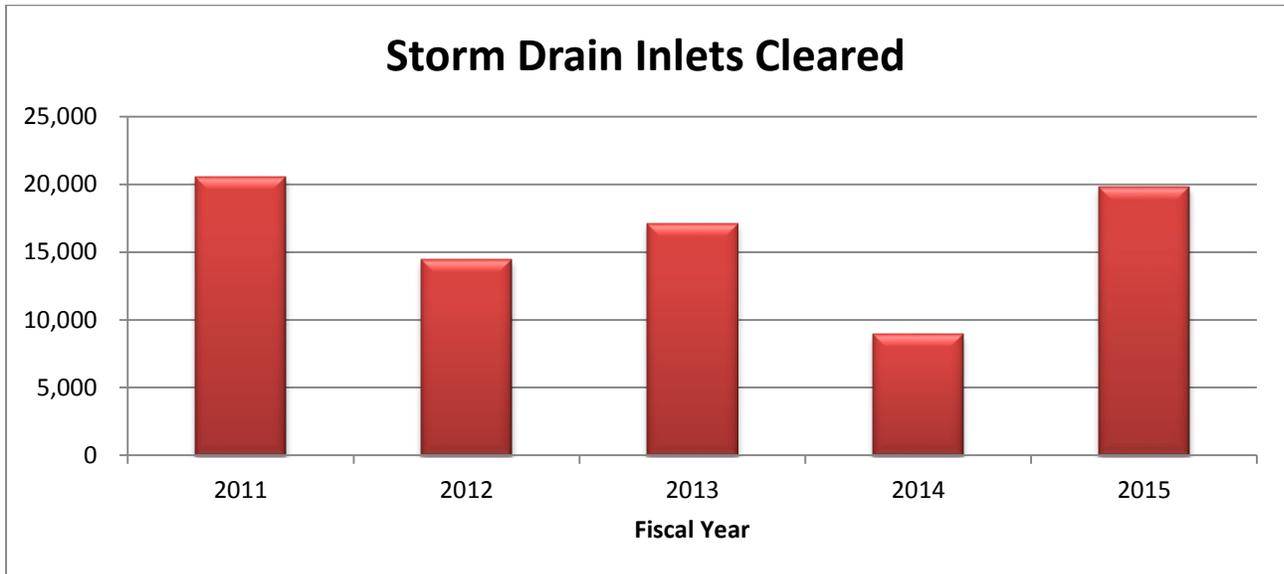
6. Street Sweeping Program

The County's street sweeping program maintains over 2,600 miles of roadway and is designed to keep trash and debris out of storm drains, which feed into the Chesapeake Bay. The Department currently has 10 street sweepers, including 3 street sweepers that were purchased at the end of FY 2014. Additionally, the Department purchased 3 catch basin cleaners and 3 vacuum leaf loaders at a cost of \$1.4 million.

The street sweeping projects are being completed by both Department personnel and one contractor (B & J Sweeping and Sons, Inc.). The Department advised that the contractor's costs are about the same as the County's in-house costs and that it does not have any plans to hire additional street sweeper contractors.

The following tables show the total number of storm drain inlets cleared and street sweeping miles.

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The Department should be prepared to discuss:

- ***How FY 2016 statistics for storm drain inlets cleared and FY 2015 and FY 2016 statistics for street sweeping miles compare to the history provided in the charts;***
- ***Effects of street sweeping and storm drain cleaning operations on the County reaching its pollution mitigation goals; and***
- ***Any expected changes in street sweeping operations and/or its coordination with the street sweeping contractor.***

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7. Refuse Collection

The proposed FY 2017 budget includes \$29.0 million to compensate the refuse/recycling collectors to provide twice-weekly (one regular, one recycle) residential collection services throughout Baltimore County. Currently, 44 trash collectors service 54 routes totaling 332,553 units throughout the County at a bi-weekly cost of \$1.1 million (\$28.6 million annually). The annual unit rates currently range from \$79.50 to \$103.27 depending on the route's characteristics (i.e., unit density, distance to the landfill, and the municipal solid waste (MSW) transfer stations at the Western Acceptance or Central Acceptance Facilities). For FY 2016, the proposed budget included additional funding of approximately \$833,000 that allowed for an increase of \$2.50 per unit per year. In FY 2015, the haulers also received a \$2.50 per unit rate increase. However, for FY 2017 no unit increase was provided.

In addition, \$726,000 was included in the FY 2016 budget to fund a fuel subsidy allowance for the haulers. Currently, all of the trash haulers buy diesel fuel from the County at a subsidized price of \$2.06 per gallon for the eleventh straight year, which is currently \$1.32 per gallon less than the County's estimated average cost of \$3.38 per gallon for FY 2016. The Department estimates the fuel subsidy expenditures to total \$713,585. The locked-in estimated average fuel price for FY 2017 is approximately \$1.90 per gallon and since this price is below the County's subsidized price of \$2.06 per gallon, there will not be any fuel subsidy allowance provided for FY 2017.

The Department should be prepared to discuss:

- ***How the County's refuse collection rates compare to rates in surrounding jurisdictions;***
- ***The County's policy for providing the refuse haulers a fuel subsidy when the retail market price per gallon falls below the County's locked-in price; and***
- ***Its experience with retaining existing haulers and attracting new haulers.***

8. Single Stream Recycling

On July 5, 2011, the Council approved an agreement with Maryland Environmental Service (MES) to construct a new Single Stream Recycling Facility (SSRF) and Open Top Trailer Transfer Facility (OTTTF) at the Baltimore County Central Acceptance Facility (CAF), formerly the Baltimore County Resource Recovery Facility (BCRRF) in Cockeysville. The OTTTF went into

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operation in May 2013 and the single stream recycling facility began operation in October 2013, with both facilities costing a total of approximately \$23 million, including \$5.8 million for construction.

Since 2009, the last full year before the County instituted its single stream recycling program in February 2010, the County has seen a 50% increase in its residential recycling, setting out 54,310 tons of material in 2015. The Department advised that this amount of recycling saved the County approximately \$3.3 million in avoided disposal costs. The Department also advised that for FY 2015, the County's new single stream materials recovery facility (MRF) generated net operating revenues of nearly \$1.8 million and is expected to generate slightly over \$1.0 million for FY 2016 and an estimated \$631,000 for FY 2017 due to a decrease in the market prices for recyclables.

The Bureau of Solid Waste Management advised it is undertaking new and expanded efforts aimed at collecting more recyclables in the County, including but not limited to:

- Adding an in-depth, intern-produced video regarding the Eastern Sanitary Landfill to the Bureau's web site;
- Broadening use of social media in coordination with the Office of Communications;
- Reaching more than 5,000 students in FY 2016 not previously reached via school presentations;
- Expanding public place recycling opportunities near selected, major intersections around the County; and
- Conducting 29 tours of the County's single stream sorting facility in Cockeysville for a total of more than 400 visitors already in FY 16.

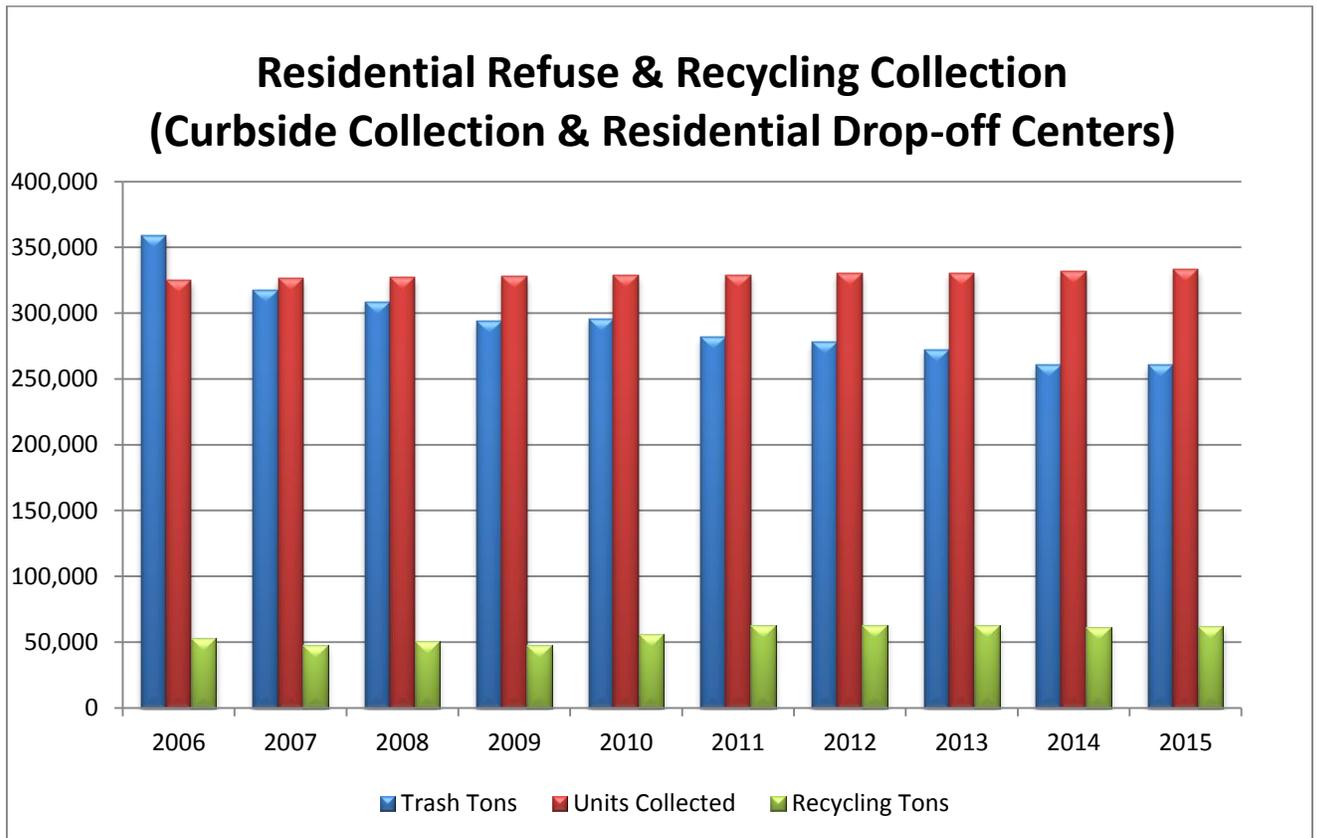
With regard to the multi-family sector, the Bureau advised it has an expert team comprised of the Collections Superintendent and a Public Information Specialist that responds to requests for practical advice on how to improve recycling at apartments and condominiums.

The Bureau also advised the County's overall, MRA (Maryland Recycling Act) recycling rate for 2014 was 33.6%. The three year decrease in this recycling rate (43.5%, 41.5%, and 36.5% for CYs 2011, 2012, and 2013, respectively) is attributable to declines in commercial recycling tonnages reported to the Bureau for that time period. This reporting by businesses is completely voluntary and can vary year to year. The County's residential single stream recycling tonnages have increased slowly, but steadily, since 2011, the first full calendar year of single stream

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recycling in the County.

Shown below is total tonnage of residential recycling (curbside collection & residential drop-off) compared with trash tons and total units collected for FY 2006 through FY 2015:



In addition, as a result of the County entering into a long-term Municipal Solid Waste Agreement with Harford County in August 2013, the County began transporting single stream recycling from Harford County to the MRF on January 2, 2014. The MRF was expected to receive 15,700 tons of single stream recyclables annually from Harford County. For FY 2016, the MRF is estimated to receive approximately 54,500 tons of single stream recyclable material from Baltimore County residences and approximately 20,350 tons from Harford County. The estimated net revenue from Harford County recyclables is \$272,283.

On January 11, 2016, The Northeast Maryland Waste Disposal Authority issued a Request for Proposal (RFP) on behalf of Baltimore County for the design, permitting, construction, and long term operation of up to two High Diversion Material Recycling Facilities. Such facilities would incorporate state-of-the-art technology through the use of sorting machines as well as laborers,

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with the emphasis on mechanical separation to sort municipal solid waste collected from residential households and some commercial sources. The Department advised that such a change in the County's processing of waste could significantly increase the percentage of recyclables recovered (from the current rate of 13% to 40% or more). The Department also advised that the RFP was issued to determine the feasibility of the project; such an undertaking would take years to implement but could have tremendous potential benefits and cost savings.

The Department should be prepared to discuss:

- ***How FY 2016 statistics for residential recycling are likely to compare with trash tons in recent years;***
- ***Total units collected in FY 2015;***
- ***Efforts and any new initiatives to further promote and encourage the use of residential, multi-family and commercial recycling in Baltimore County;***
- ***The recycling revenues being generated by the MRF and the agreement with Harford County in light of current/projected recyclables market conditions; and***
- ***Whether the County would discontinue single-stream recycling in the event a future decision is made to construct a High Diversion Material Recycling Facility and how such a decision would affect Single Stream Recycling Facility operations.***

9. Winter Storm Costs

The proposed FY 2017 budget includes \$5,986,000 for storm emergencies, approximately the same amount budgeted the last five fiscal years. The 2015-2016 winter season had a significant impact on the Department's FY 2016 budget. The Department advised that winter storm costs for FY 2016 totaled approximately \$13.2 million, of which \$9.4 million is attributable to Winter Storm Jonas that hit January 22nd and dropped 30 inches of snow for which the County submitted a request for a reimbursement of funds from FEMA to partially offset some of the County's clean-up costs. The Department also advised that storm costs are largely driven by personnel expenses, contracted snow removal services, and salt purchases. The storm cost average over the last 5 years (FYs '11 - '15) totals approximately \$9.1 million and the average cost over the last 10 years (FYs '06 - '15) totals approximately \$8.9 million.

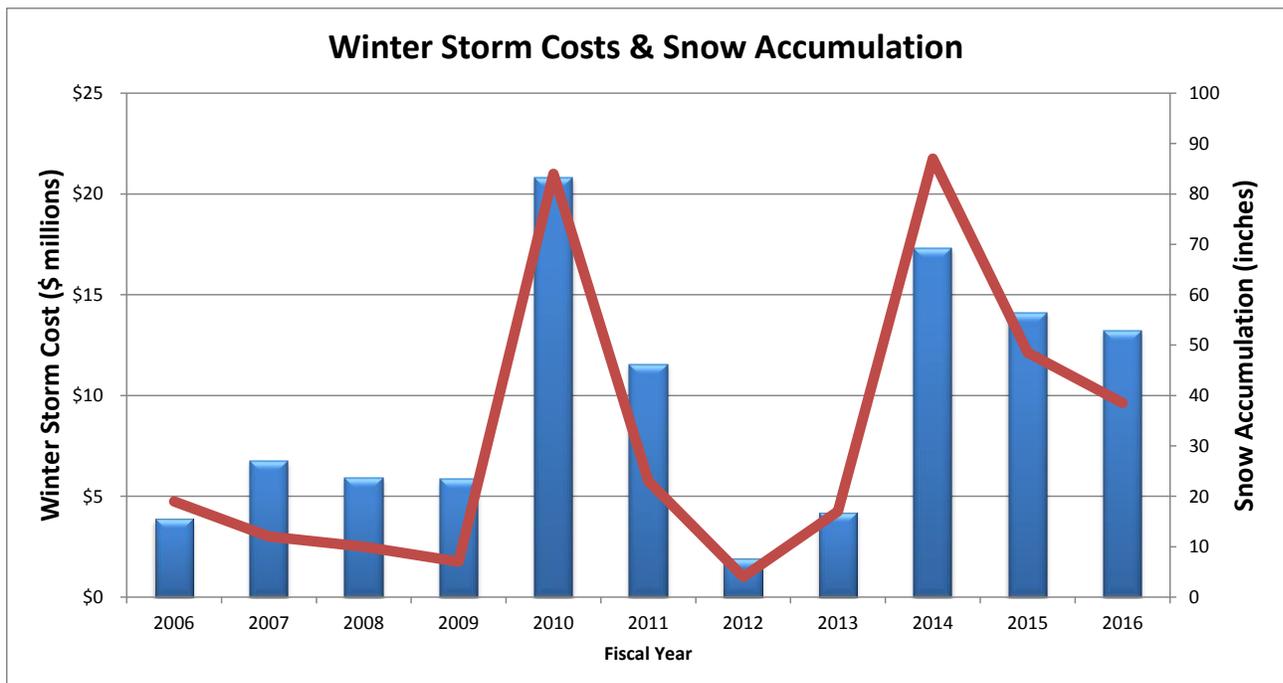
On the June 6, 2016 Council agenda, Bill 38-16 is being presented for approval to appropriate an additional \$9.75 million from Surplus to cover the additional winter storm snow removal costs.

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On April 6, 2015, the Council approved a 2-year license lease agreement totaling \$144,000 to use a portion of a warehouse in the Middle River Station development in Middle River (located at 2800 Eastern Boulevard across from Martin State Airport) for the storage of salt. The County increased its salt storage capacity by 20,000 tons this year bringing the total to 82,100 tons of salt stored at 15 sites around the County.

In *Baltimore County Now*, from the County's web page in the aftermath of Winter Storm Jonas, the heaviest and mostly costly single snowstorm in the County's history, feedback from County residents had for the most part been overwhelmingly positive regarding the job that the Baltimore County crews and its on-call snow removal contractors did in removing this historic snowfall. However, one concern that did arise was the need to increase capacity for customer service calls during storm emergencies. It was indicated by the County Executive that he would task his key staffers with recommending technical and other improvements to enhance the County's customer service in times of emergency.

The Department's winter storm costs from FY 2006 through FY 2016 are reflected by the blue bars in the following chart:



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The Department should be prepared to discuss:

- *Cost-savings initiatives to combat winter weather;*
- *Plans to increase the annual Storm Emergency Program's annual appropriation to better reflect prior years' average costs;*
- *Plans to lease or build other salt storage facilities in other areas of the County;*
- *Any other anticipated ongoing costs (e.g., equipment maintenance/replacement) due to the recent winter season;*
- *Recommended technical and other improvement needed to enhance the County's customer service in times of emergency; and*
- *Reimbursement by FEMA of some of the County's snow removal costs for Winter Storm Jonas.*

10. Roadway Resurfacing

The proposed FY 2017 capital budget includes \$26.5 million to fund roadway resurfacing projects throughout the County. The FY 2016 budget included \$24.7 million for these projects.

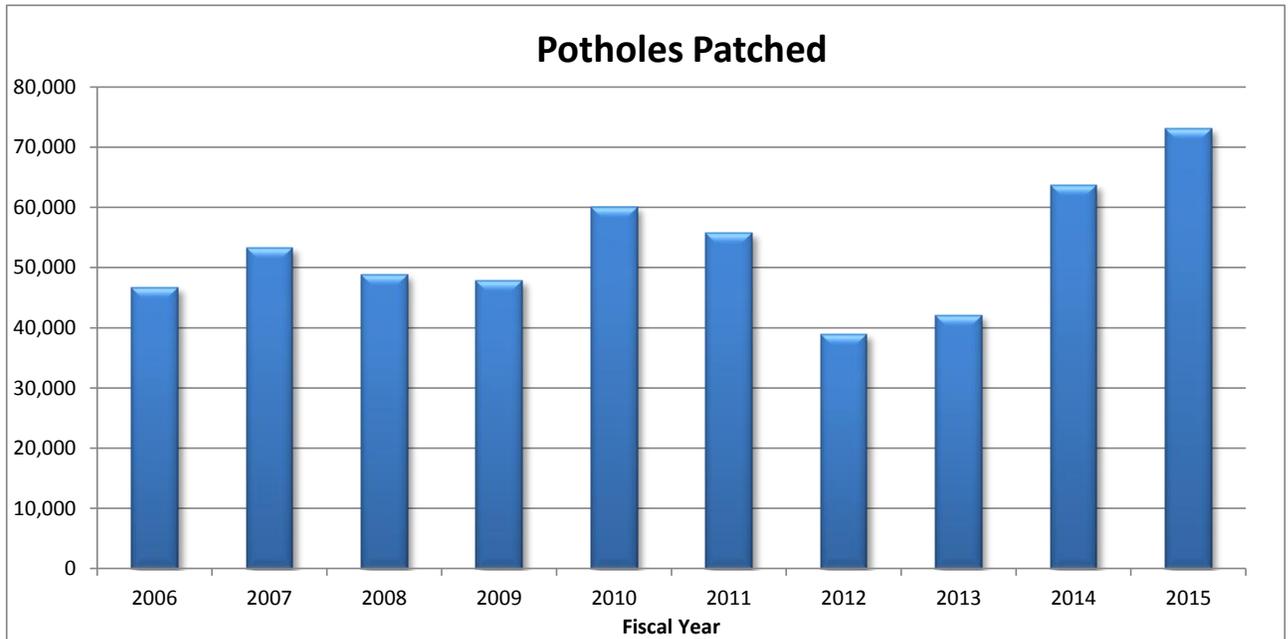
The County has approximately 2,692 miles of locally maintained roads. The Department of Public Works advised that it costs approximately \$175,000 to pave one mile of County roadway. The combined FY 2016 and proposed FY 2017 funding of \$51.2 million translates into the resurfacing of approximately 290 miles of County roadway.

The Department is responsible for both road resurfacing and pothole repairs, both of which are significantly impacted by the harsh winter weather. Over the last 10 years the average number of potholes repaired per year total approximately 53,000. In FY 2015, 73,075 pothole repairs were made and approximately 28,495 potholes repairs have been made through March 2016 alone. The Department advised that its operating fund cost to fill an average pothole is \$25.70.

Previously, on the June 1, 2015 Council agenda, a \$500,000 BAT was approved to transfer funds from the Reserve for Contingencies program to the Bureau of Highways & Equipment Maintenance operating budget to cover the additional costs of repairing the damage to County roadways (e.g., potholes, broken water pipes) from the previous year's harsh winter weather.

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The following chart shows the number of potholes filled by the Department over the last 10 fiscal years:



The Department should be prepared to discuss:

- ***Its current roadway resurfacing and pothole repair progress to date;***
- ***How the County prioritizes roadway resurfacing projects and its top-priority resurfacing projects for FY 2017; and***
- ***How the number of potholes patched in FY 2016 is likely to compare given the recent snow season.***

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11. Median Strip Mowing

The Bureau of Highways and Equipment Maintenance begins its grass cutting operations in April and continues through October, working all available days, weather permitting. The Bureau's performance standard is to mow the median strips on County roads three times per year.

In the County Council's FY 2016 Budget Message – Supplemental Comments section, it was stated: "During this year's budget hearing for the Department of Public Works, the Council learned why complaints are commonplace regarding the appearance of median strips on County roads: the County's performance standard is to mow these areas three times per year (once in spring, once in summer, and once in fall). The general public and the Council are in agreement that this mowing schedule is deficient. County maintenance of its roads and roadsides should reflect the same standards that the County has of its property owners; if property owners can be cited for tall grass and weeds violations, then the County should be expected to mobilize its resources to ensure the same unsightly conditions are not present in its median strips. This Council considers this issue one of community pride, policy consistency, and economic development. The Council urges the Administration to consider increasing its resources to address this concern."

The Department should be prepared to discuss alternatives considered for increasing the mowing cycle of County road median strips.

12. Pedestrian and Bicycle Access

In February 2011 (Bill 2-11), the County Council established the Baltimore County Pedestrian and Bicycle Advisory Council. Prior to then, the Council adopted the Eastern Baltimore County Pedestrian and Bicycle Access Plan (Resolution 87-06) and, on November 19, 2012, the Council adopted the Western Baltimore County Pedestrian and Bicycle Access Plan (Resolution 83-12). These plans constitute an action plan for constructing pedestrian and bicycle improvements and integrating these improvements with the County's infrastructure, with an emphasis on the most cost-effective ways to improve the walking and bicycling development.

The County is taking steps to make its roadways more welcoming to pedestrians and cyclists. The Department has advised that pedestrian and bicycle improvements are addressed

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in its current design manual and are incorporated into roadway resurfacing projects when feasible. Planned pedestrian and bicycle improvement projects will be discussed at the Department of Planning budget hearing.

The Department should be prepared to discuss its role in integrating pedestrian and bicycle improvements into roadway resurfacing projects.

13. Traffic Calming (FY 2018 – 2022 Capital Program)

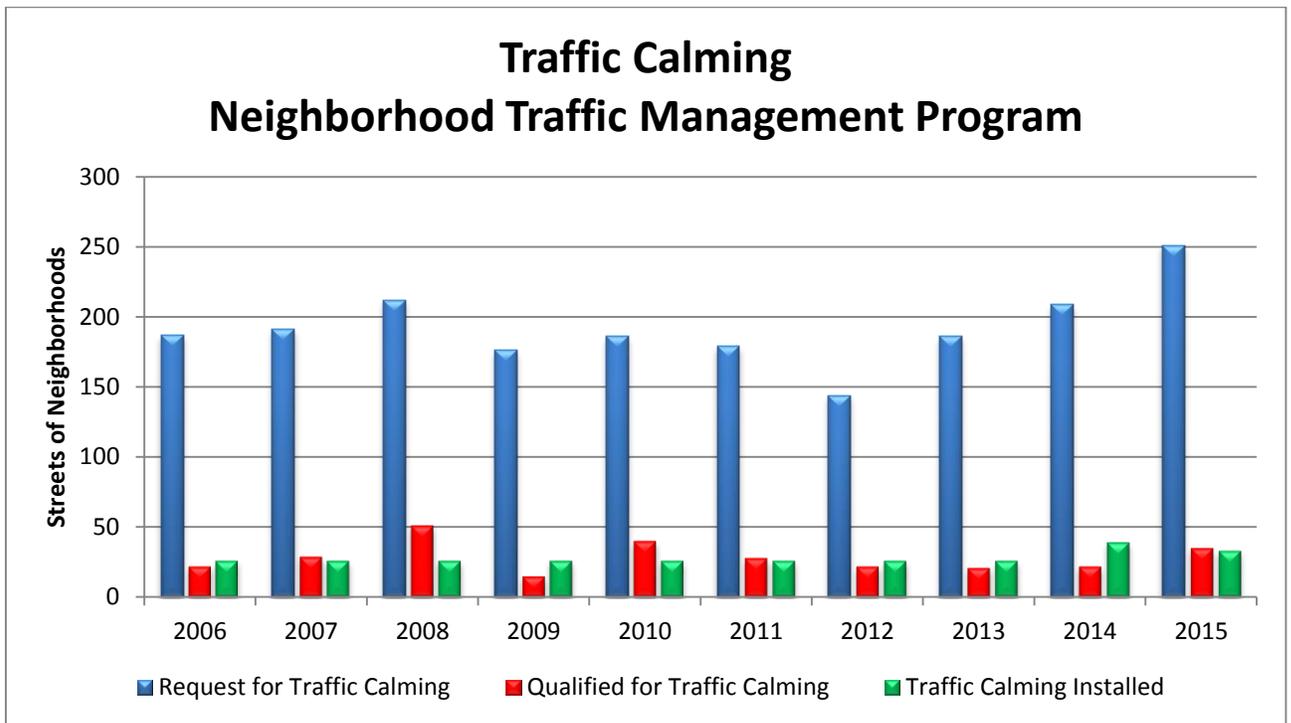
The proposed FY 2018 – 2022 capital program includes \$2.4 million for traffic calming projects. The capital program currently has approximately \$467,000 available from previously appropriated funds to complete traffic calming projects for the remainder of FY 2016 and for FY 2017.

In an effort to reduce the negative impact of traffic in County neighborhoods, the Neighborhood Traffic Management Program (NTMP) provides a process for identifying, evaluating, and addressing undesirable traffic conditions relating to speed, volume, and cut-through traffic in the County's residential neighborhoods. By working with the community and conducting the necessary traffic engineering studies, the Department assists the community in developing a plan (i.e., speed bumps, concrete funnels, and traffic circles) to deal with these undesirable traffic conditions.

The Department assesses a community's eligibility to receive traffic calming devices by applying standards and criteria established by the Planning Board in response to County Council concerns. Under the criteria, streets qualify if it can be demonstrated that a volume of at least 250 vehicles during peak traffic hours exceed the posted speed limit by at least 3 mph or with speeds 10 mph above the posted speed limit and peak hour volumes above 100 vehicles.

The Department advised that in FY 2016 (through March 2016), 173 requests have been received, 20 of which have qualified for traffic calming. In addition, 25 projects have been built at a cost of approximately \$308,000, and 2 projects are awaiting construction with a total cost estimate of \$34,100. Shown below are the total amount of traffic calming requests, the total requests that qualified for traffic calming, and total traffic calming projects completed (that may carry-over from prior year qualified projects) for FY 2006 through FY 2015:

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On April 18, 2016, the Council passed Resolution 45-16, requesting the Planning Board and the Department of Public Works to review and update the Neighborhood Traffic Management Program, which was last updated in 2007, with particular emphasis on the criteria for which roads or streets may qualify, and whether neighborhoods in close proximity to the URDL should be considered. The Department of Public Works is expected to report its findings and recommendations to the Council on or before September 1, 2016.

The Department should be prepared to discuss:

- ***The adequacy of the funding provided in the capital budget and program to address future project requests, as well as potential program changes resulting from the review; and***
- ***Alternatives for those streets that have applied but don't qualify.***

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14. Sewer System Needs

On September 20, 2005, the County entered into a 14-year consent decree with the U.S. Department of Justice, U.S. Environmental Protection Agency (EPA), and the Maryland Department of the Environment (MDE) that related to improving the County's sewerage system to control sanitary sewer overflows (SSOs). Currently, the estimated cost of the improvements totals \$1.1 billion, including \$350 million of improvements that were already planned. In addition to system improvements, the consent decree required the County to complete several related environmental projects and to pay a portion of the costs for the design of improvements to the Patapsco Wastewater Treatment plant.

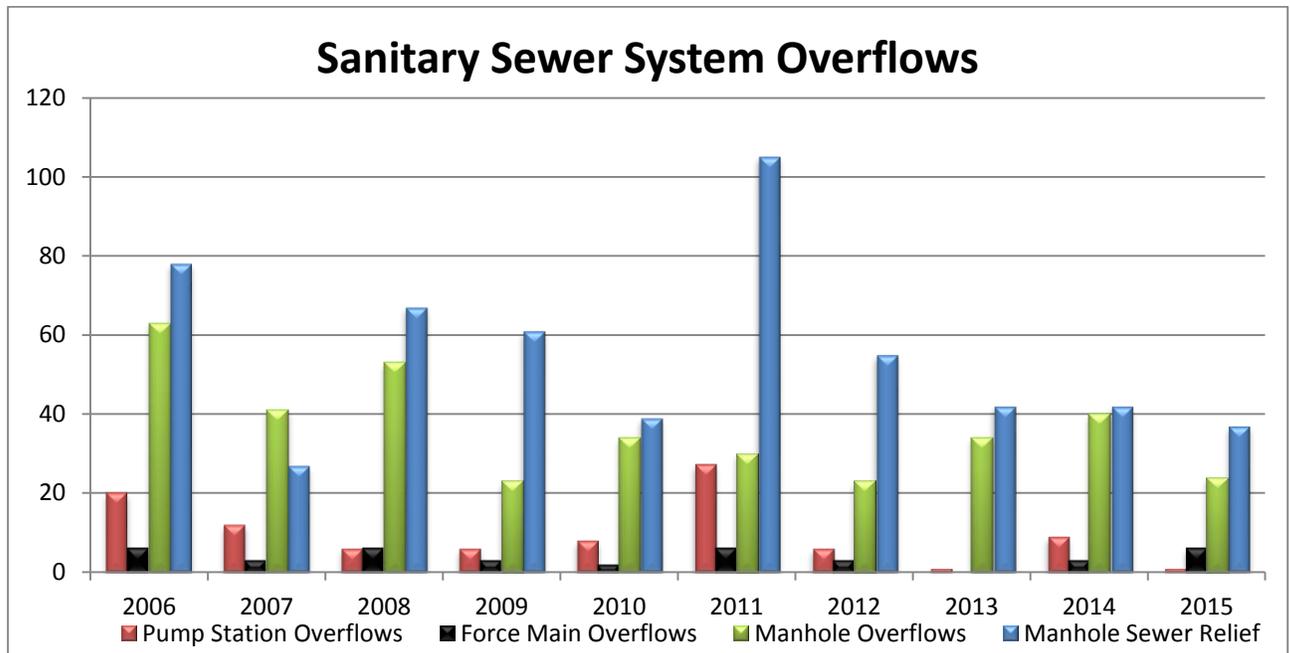
The Department advised that in FY 2016 the County will be paying EPA penalties totaling \$111,314 associated with SSOs that occurred in CYs 2012 and 2013.

In order to ensure compliance with the 2005 consent decree for the elimination of SSOs, the Office of Information Technology provided a solution to manage the intake, review, management, and tracking of the activities performed by the Bureau of Utilities in response to issues identified in the Sewer Repair, Replacement and Rehabilitation (SRRR) Plans. The project cost totaled approximately \$197,000 and was implemented in January 2013.

In FY 2016, the Office of Information Technology began two projects: 1) to replace aging copper wire lines with fiber and broadband connection and upgrade system hardware and software for connecting the County's 116 pumping stations to be monitored centrally to reduce the risk of failures and overflows, and 2) to integrate the County's IT systems that support the management and maintenance of the County's public works infrastructure. Estimated costs of the projects total \$1.4 million and \$2.0 million, respectively, and are expected to be implemented in the second quarter of FY 2017 and the first quarter of FY 2018, respectively.

The Department advised that it has begun to effect repairs identified in the SRRR plan by utilizing a cut-and-cover repair method (\$7.2 million) and is also expected to begin utilizing a grouting repair method (\$500 thousand) where possible. The chart below shows the totals for the various types of SSOs over the last 10 years.

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The Department should be prepared to discuss:

- ***The status of meeting the requirements of the consent decree, including projects in progress and new initiatives planned over the next several years;***
- ***The reason(s) for the overflows that resulted in penalties; and***
- ***The impact the new tracking system and the new IT projects will have on increasing the Bureau of Utilities' overall efficiency, including any potential cost savings.***

15. Metro Financing/Petition Process and Metropolitan District Rate Increase

Two major Baltimore City projects are in progress: replacement of over 400,000 water meters in the region and a new Customer Information System (CIS) water billing system along with the County's upgrading of the business processes for its Metropolitan District Financing & Petitions program. The Department advised these projects have increased the need for additional office work, customer service, inspections, GIS mapping, and interaction with City staff.

The purpose of the Metropolitan District Financing & Petitions program is to provide water and sewer, assessment and billing services, and utility petition process services to property owners within the County's Metropolitan District so that residents can benefit from public water supply and sanitary sewer disposal.

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For FY 2017, the number of employee positions for this program has increased by 3, from 8 to 11 positions. The three additional positions are: Engineering Associate I, Engineering Associate III, and an Office Assistant position. The split funded salaries for the three positions total \$119,305 (\$8,351 General Fund and \$110,954 Metropolitan District Fund).

In FY 2017, the Office of Information Technology will begin a project that will re-engineer the business processes and update the IT infrastructure of the Department's Metro Finance Division to better meet current and future Department needs. The estimated cost of the project totals \$872,000 (Metropolitan District Fund) and is expected to be implemented in the fourth quarter of FY 2017.

Pursuant to the 2005 consent decree with the EPA, Baltimore County continues to undertake significant infrastructure improvements to its aging water and sewer system. The extensive upgrades, payable through the Metropolitan District Fund, will provide enhanced environmental benefits and reduce the risk of future pipeline breaks and sewage overflows.

According to the Administration, to comply with the law and maintain the solvency of the Metropolitan District Fund, the County must increase user contribution by \$54 million over the next 2 years for replacement of water pipes, relining of sewer pipes, and upgrading of treatment plants.

To pay for these upgrades the County will increase the Metropolitan District fees by 12% and 8% in FYs 2017 and 2018, respectively. Previously, the fees for FY 2016 were increased by 15%.

The Department should be prepared to discuss:

- ***The level of complaints received associated with water meter replacements (e.g., leaks occurring upon installation);***
- ***The impact the three additional positions and the new IT project will have on increasing the Metro Finance Division's overall efficiency, including any potential cost savings; and***
- ***The possibility of additional fee increases in the years to come.***

BALTIMORE COUNTY
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DEPARTMENT OF PUBLIC WORKS (070)

APPROPRIATION DETAIL

<u>General Fund</u>	2015	2016	2017	NET CHANGE	
	<u>ACTUAL</u>	<u>APPROP</u>	<u>REQUEST</u>	<u>AMOUNT</u>	<u>%</u>
<u>Office of the Director</u>					
7001 General Administration	\$ 595,601	\$ 602,405	\$ 614,145	\$ 11,740	1.9%
7006 Metro Financing/ Petition Processing	22,827	26,198	39,810	13,612	52.0%
0701123 Risk Map Studies & CNMS (Special Funds)	43,555 ⁽¹⁾	-	-	-	-
0701322 Hazard Mitigation (Special Funds)	153,669 ⁽¹⁾	-	-	-	-
0701422 Coastal Communities Initiative (Special Funds)	9,745 ⁽¹⁾	-	-	-	-
Bureau Total	<u>825,397</u>	<u>628,603</u>	<u>653,955</u>	<u>25,352</u>	<u>4.0%</u>
<u>Bureau of Engineering & Construction</u>					
7201 General Administration	359,864	371,953	391,526	19,573	5.3%
7205 Structural, Storm Drain, & Highway Design	1,553,113	1,727,492	1,734,393	6,901	0.4%
7209 General Surveying	351,170	374,220	366,256	(7,964)	-2.1%
7211 Contracts/Construction Inspections	<u>1,788,579</u>	<u>1,814,398</u>	<u>1,812,228</u>	<u>(2,170)</u>	<u>-0.1%</u>
Bureau Total	<u>4,052,726</u>	<u>4,288,063</u>	<u>4,304,403</u>	<u>16,340</u>	<u>0.4%</u>
<u>Bureau of Highways & Equipment Maintenance</u>					
7501 General Administration	746,874	768,573	791,906	23,333	3.0%
7502 General Operations & Maintenance	12,963,703	13,516,095	13,293,183	(222,912)	-1.6%
7503 Equipment Maintenance	6,415,011	6,383,494	6,624,783	241,289	3.8%
7505 Storm Emergencies	<u>14,896,530</u>	<u>5,987,025</u>	<u>5,986,000</u>	<u>(1,025)</u>	<u>0.0%</u>
Bureau Total	<u>35,022,118</u>	<u>26,655,187</u>	<u>26,695,872</u>	<u>40,685</u>	<u>0.2%</u>

BALTIMORE COUNTY
FISCAL YEAR 2017 RECOMMENDED BUDGET

DEPARTMENT OF PUBLIC WORKS (070)

APPROPRIATION DETAIL

General Fund	2015	2016	2017	NET CHANGE	
	ACTUAL	APPROP	REQUEST	AMOUNT	%
<u>Bureau of Solid Waste Management</u>					
7601 General Administration	444,860	476,329	482,171	5,842	1.2%
7602 Refuse Collection	30,685,318	30,513,614	29,823,495	(690,119)	-2.3%
7603 Refuse Disposal	24,770,689	27,933,347	36,542,491	8,609,144	30.8%
7604 Recycling	1,662,560	1,725,966	1,752,113	26,147	1.5%
Bureau Total	<u>57,563,427</u>	<u>60,649,256</u>	<u>68,600,270</u>	<u>7,951,014</u>	<u>13.1%</u>
<u>Bureau of Traffic Engineering & Transportation Planning</u>					
7701 Traffic Planning	9,862,385	9,631,998	10,080,142	448,144	4.7%
7702 Traffic Sign Installation/Maintenance	1,548,313	1,500,044	1,493,278	(6,766)	-0.5%
7703 Traffic Signal Operations/Maintenance	886,156	946,235	967,685	21,450	2.3%
0771721 Unified Planning Work Program (Special Funds)	48,903	136,528	126,850	(9,678)	-7.1%
Bureau Total	<u>12,345,757</u>	<u>12,214,805</u>	<u>12,667,955</u>	<u>453,150</u>	<u>3.7%</u>
<u>Bureau of Utilities</u>					
7803 Sewer/Water Operations/Maintenance	573,680	573,680	573,680	-	0.0%
Bureau Total	<u>573,680</u>	<u>573,680</u>	<u>573,680</u>	<u>-</u>	<u>0.0%</u>
Grand Total	<u>\$ 110,383,105</u>	<u>\$ 105,009,594</u>	<u>\$ 113,496,135</u>	<u>\$ 8,486,541</u>	<u>8.1%</u>
<u>Funds Recap:</u>					
Total General Funds	110,127,233	104,873,066 ⁽²⁾	113,369,285	8,496,219	8.1%
Total Special Funds	255,872	136,528	126,850	(9,678)	-7.1%
All Funds Total	<u>\$ 110,383,105</u>	<u>\$ 105,009,594</u>	<u>\$ 113,496,135</u>	<u>\$ 8,486,541</u>	<u>8.1%</u>

(1) Reflects audited expenditures totaling \$206,969 not reflected in the Executive's budget documents.

(2) Excludes a supplemental appropriation (Bill 38-16) totaling \$9.75 million to the Storm Emergencies Program that will be considered for Council approval on June 6, 2016.

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DEPARTMENT OF PUBLIC WORKS (070)

METROPOLITAN DISTRICT ENTERPRISE FUND DETAIL
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	2015 ACTUAL	2016 APPROP	2017 REQUEST	NET CHANGE	
				AMOUNT	%
<u>Office of the Director</u>					
7001 General Administration	\$ 15,205,050	\$ 19,638,681	\$ 23,940,618	\$ 4,301,937	21.9%
7002 Debt Service Metro. District	65,405,583	71,446,099	71,555,715	109,616	0.2%
7003 Debt Service - MWQRLF	12,133,400	12,609,143	15,935,174	3,326,031	26.4%
7005 Metro.Dist. Equip. Financing	667,101	755,007	788,625	33,618	4.5%
7006 Metro Financing/Petition Processing	308,852	332,379	504,306	171,927	51.7%
Bureau Total	93,719,986	104,781,309	112,724,438	7,943,129	7.6%
<u>Bureau of Engineering & Construction</u>					
7201 General Administration	359,620	371,953	391,524	19,571	5.3%
7203 Sewer and Water Main Design	2,097,935	2,176,533	2,315,854	139,321	6.4%
7205 Structural, Storm Drain, & Highway Design	64,617	71,979	72,450	471	0.7%
7209 General Surveying	337,386	359,073	351,382	(7,691)	-2.1%
7211 Contracts/Construction Inspections	920,001	934,689	933,570	(1,119)	-0.1%
Bureau Total	3,779,559	3,914,227	4,064,780	150,553	3.8%
<u>Bureau of Highways & Equipment Maintenance</u>					
7502 General Operations & Maintenance	670,000	695,000	695,000	-	0.0%
7503 Equipment Maintenance	734,885	788,912	818,792	29,880	3.8%
Bureau Total	1,404,885	1,483,912	1,513,792	29,880	2.0%
<u>Bureau of Utilities</u>					
7801 General Administration	486,761	556,983	575,968	18,985	3.4%
7802 Engineering & Regulation	1,060,493	1,098,327	1,121,260	22,933	2.1%
7803 Sewer/ Water Operations/Maintenance	18,276,662	16,662,898	16,603,668	(59,230)	-0.4%
7804 Pumping/ Treatment Plant Operations/Maintenance	69,012,701	80,667,417	79,822,724	(844,693)	-1.0%
Bureau Total	88,836,617	98,985,625	98,123,620	(862,005)	-0.9%
<u>Bureau of Building & Equipment Services</u>					
Grand Total	\$ 187,741,047	\$ 209,165,073	\$ 216,426,630	\$ 7,261,557	3.5%

NOTE: FOR INFORMATION ONLY ⁽¹⁾

⁽¹⁾ The self-supporting Metropolitan District Enterprise Fund, which supports operations in this Department and other agencies, is not subject to County Council appropriation. Metropolitan District water and sewer rates are increasing by 12% in FY 2017 and 8% in FY 2018.

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PERSONNEL DETAIL									
	FY 2015 ACTUAL		FY 2016 APPROP		FY 2017 REQUEST		NET CHANGE		
	FULL	PART	FULL	PART	FULL	PART	FULL	PART	
<u>Office of the Director</u>									
7001 General Administration (A)	10	0	10	0	9	1	(1)	1	
7006 Metro Financing/Petition Proc. (B)	<u>7</u>	<u>1</u>	<u>7</u>	<u>1</u>	<u>6</u>	<u>5</u>	<u>(1)</u>	<u>4</u>	
Bureau Total	<u>17</u>	<u>1</u>	<u>17</u>	<u>1</u>	<u>15</u>	<u>6</u>	<u>(2)</u>	<u>5</u>	
<u>Bureau of Engineering & Construction</u>									
7201 General Administration (C)	9	0	9	0	9	0	0	0	
7203 Sewer and Water Main Design (D)	25	0	25	0	25	0	0	0	
7205 Structural, Storm Drain & Highway Design (E)	23	0	23	0	22	1	(1)	1	
7209 General Surveying (F)	12	0	12	0	12	0	0	0	
7211 Contracts/Construction Inspections (G)	<u>39</u>	<u>1</u>	<u>39</u>	<u>1</u>	<u>38</u>	<u>2</u>	<u>(1)</u>	<u>1</u>	
Bureau Total	<u>108</u>	<u>1</u>	<u>108</u>	<u>1</u>	<u>106</u>	<u>3</u>	<u>(2)</u>	<u>2</u>	
<u>Bureau of Highways & Equipment Maintenance</u>									
7501 General Administration	11	2	11	2	10	3	(1)	1	
7502 General Operations & Maintenance	229	0	229	0	229	0	0	0	
7503 Equipment Maintenance (H)	72	0	72	0	72	0	0	0	
7505 Storm Emergencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Bureau Total	<u>312</u>	<u>2</u>	<u>312</u>	<u>2</u>	<u>311</u>	<u>3</u>	<u>(1)</u>	<u>1</u>	
<u>Bureau of Solid Waste Management</u> (All General Fund Positions)									
7601 General Administration	7	1	7	1	7	1	0	0	
7602 Refuse Collection	11	0	11	0	11	0	0	0	
7603 Refuse Disposal	39	0	39	0	39	1	0	1	
7604 Recycling	<u>6</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	
Bureau Total	<u>63</u>	<u>2</u>	<u>63</u>	<u>2</u>	<u>63</u>	<u>3</u>	<u>0</u>	<u>1</u>	

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DEPARTMENT PUBLIC WORKS (070)

PERSONNEL DETAIL

	FY 2015 ACTUAL		FY 2016 APPROP		FY 2017 REQUEST		NET CHANGE	
	FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>Bureau of Traffic Engineering and Transportation Planning</u>								
(General Fund Positions)								
7701 Traffic Planning	22	1	22	1	22	1	0	0
7702 Traffic Sign Installation/Maintenance	14	0	14	0	14	0	0	0
7703 Traffic Signal Operations/Maintenance	12	0	12	0	12	0	0	0
(Special Fund Positions)								
0771721 Unified Planning Work Program	0	1	0	1	0	1	0	0
Bureau Total	48	2	48	2	48	2	0	0
 <u>Bureau of Utilities</u>								
(All Metro Fund Positions)								
7801 General Administration	7	0	6	1	6	1	0	0
7802 Engineering & Regulation	14	1	14	1	15	0	1	(1)
7803 Sewer/Water Operations/Maintenance	180	1	180	1	180	1	0	0
7804 Pumping/Treatment Plant Operations/Maintenance	106	0	106	0	108	0	2	0
Bureau Total	307	2	306	3	309	2	3	(1)
Grand Total	855	10	854	11	852	19	(2)	8

- (A) - Program 7001 split funded; 59% GF, 41% Metro.
- (B) - Program 7006 split funded; 7% GF, 93% Metro.
- (C) - Program 7201 split funded; 50% GF, 50% Metro.
- (D) - Program 7203 is 100% Metro funded.
- (E) - Program 7205 split funded; 96% GF, 4% Metro.
- (F) - Program 7209 split funded; 51% GF, 49% Metro.
- (G) - Program 7211 split funded; 66% GF, 34% Metro.
- (H) - Program 7503 split funded; 89% GF, 11% Metro