

Resolution: 20-144
Introduced: March 28, 2023
Adopted: May 2, 2023

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #23-93 to the FY23 Operating Budget
Montgomery County Government
Utilities Non-Departmental Account (NDA), \$8,286,672

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY23 Operating Budget appropriation increases for the Utilities Non-Departmental Account:

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|--------------|---------------------------------------|
| \$0 | \$8,286,672 | \$8,286,672 | General Fund Undesignated Reserves |

Supplemental Appropriation #23-93

Page 2 of 2

3. This increase is needed because utility commodity prices have increased drastically during the past year. For electricity, which accounts for over 75 percent of the County's utility expenditures, the cost per kilowatt-hour has increased from 11.3 cents in FY21 to 15.6 cents in FY23. Expenditures for utilities at county facilities during FY23 are projected to exceed the original appropriation in this non-departmental account by over \$8 million, based on the recently completed second quarterly analysis.
4. The County Executive recommends a supplemental appropriation to the FY23 Operating Budget in the amount of \$8,286,672 for the Utilities Non-Departmental Account and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY23 Operating Budget of the Utilities Non-Departmental Account is approved as follows:

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|--------------|---------------------------------------|
| \$0 | \$8,286,672 | \$8,286,672 | General Fund Undesignated Reserves |

This is a correct copy of Council action.



Judy Rupp
Clerk of the Council