

MEMORANDUM

February 26, 2010

TO: Education Committee
FROM: *CHS*
Charles H. Sherer, Legislative Analyst
SUBJECT: Short term financing and the FY11-16 CIP for Montgomery College

Background On February 25, 2010, the Committee discussed the FY11-16 CIP for Montgomery College and made decisions on all of the College's projects except for Information Technology. For FY11, the College requested expenditures of \$11.1 million, financed by current revenue. The Executive recommended the same expenditure, but proposed to finance \$4.5 million of the \$11.1 million expenditure with short term financing (and the remaining \$6.6 million with current revenue). The reason for substituting \$4.5 million of short term financing for current revenue was that there is not enough current revenue to finance all the County's needs.

The Committee raised a number of questions and concerns and directed Council staff to schedule another meeting to discuss them. Because of the short amount of time between the two Committee meetings, Executive and College staff did not have time to prepare a written response but will attempt to respond orally at this meeting.

Questions/issues

1. How much short term financing is being used to finance the FY11-16 CIP? Page 45-4 shows that the Executive proposed to use \$64.5 million in short term financing (out of a total of \$5.7 billion from all sources of financing).
2. Which projects and agencies will use this financing? See page 45-92 and 45-93.
3. Has short term financing been used in prior years? Page 45-4 shows that short term financing has not been used for the College, but \$62.2 million was used through FY09 and \$45.0 million will be used in FY10 for 8 County Government projects.
4. What is the impact on debt service?
5. What is the impact on bond capacity?

All Agency Expenditures (\$000s)

Agency	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years	Approp.
County Government	3,975,007	1,254,475	653,146	2,045,786	469,758	470,079	307,775	294,964	275,516	227,694	21,600	528,480
HOC	88,643	71,685	3,329	13,629	3,389	5,240	1,250	1,250	1,250	1,250	0	504
MCPS	2,932,141	721,143	192,341	1,484,647	251,626	242,605	267,790	281,744	219,652	221,230	534,010	173,266
M-NCPPC	351,283	125,811	42,693	161,502	36,127	31,115	28,526	24,550	21,142	20,042	21,277	11,809
Montgomery College	671,776	282,303	129,464	260,009	75,083	50,207	38,450	44,014	28,385	23,870	0	32,398
Revenue Authority	147,127	105,234	6,565	35,328	5,822	6,406	4,125	5,850	12,450	675	0	5,832
WMATA	54,556	29,715	24,841	0	0	0	0	0	0	0	0	0
WSSC	2,579,928	655,550	172,329	1,656,597	275,011	506,346	415,089	219,475	141,844	98,832	95,452	275,011
Total	10,800,461	3,245,916	1,224,708	5,657,498	1,116,816	1,311,998	1,063,005	871,847	700,239	593,593	672,339	1,027,300

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All Agency Funding Summary (\$000s)

Funding Source	Total	Thru	Est.	6 Year	FY11	FY12	FY13	FY14	FY15	FY16	Beyond
		FY09	FY10	Total							6 Years
Aging Schools Program	603	0	603	0	0	0	0	0	0	0	0
Agricultural Transfer Tax	10,568	0	5,418	5,150	600	750	850	950	1,000	1,000	0
Cable TV	44,320	28,114	2,285	13,921	2,012	2,706	4,378	2,375	1,225	1,225	0
Certificates of Participation	2,700	1,789	911	0	0	0	0	0	0	0	0
Community Development Block Grant	14,495	5,398	3,029	5,598	1,790	1,228	770	770	520	520	470
Contributions	24,707	7,629	8,743	8,335	1,749	3,600	886	700	700	700	0
Contributions - Other (WSSC only)	21,155	3,824	5,645	11,686	7,893	3,663	89	41	0	0	0
Current Rev.- GO Montgomery	0	0	0	0	0	0	0	0	0	0	0
Current Revenue: General	578,724	249,917	47,476	279,418	32,593	33,673	49,181	54,828	54,645	54,498	1,913
Current Revenue: P & P (ISF)	600	600	0	0	0	0	0	0	0	0	0
Current Revenue: Park and Planning	17,928	14,829	999	2,100	350	350	350	350	350	350	0
Current Revenue: Parking - Bethesda	18,027	3,303	7,035	7,689	590	4,739	590	590	590	590	0
Current Revenue: Parking - Montgomery Hill	700	586	114	0	0	0	0	0	0	0	0
Current Revenue: Parking - Silver Spring	33,118	3,392	13,526	16,200	2,700	2,700	2,700	2,700	2,700	2,700	0
Current Revenue: Parking - Wheaton	1,885	209	734	942	157	157	157	157	157	157	0
Current Revenue: Recordation Tax	287,772	113,840	25,086	148,846	23,586	24,338	24,260	24,952	25,557	26,153	0
Current Revenue: WMATA Surcharge	9,472	4,587	4,885	0	0	0	0	0	0	0	0
Department of Liquor Control Fund	157	92	65	0	0	0	0	0	0	0	0
Development Approval Payment	7,576	5,055	2,389	132	0	100	32	0	0	0	0
Development District	11,100	281	10,819	0	0	0	0	0	0	0	0
Economic Development Fund	0	0	0	0	0	0	0	0	0	0	0
EDAET	7,745	7,241	504	0	0	0	0	0	0	0	0
Enhancement	7,115	4,891	1,187	1,037	553	0	0	484	0	0	0
Enterprise Park and Planning	1,515	820	0	695	195	100	100	100	100	100	0
Fed Stimulus (State Allocation)	15,252	0	14,152	1,100	1,100	0	0	0	0	0	0
Federal Aid	167,069	63,041	38,309	65,719	27,856	10,263	5,285	6,900	13,265	2,150	0
Federal Stimulus	500	0	0	500	500	0	0	0	0	0	0
Fire Consolidated	4,430	24	2,907	1,499	0	1,499	0	0	0	0	0
G.O. Bonds	4,443,099	1,062,203	474,804	2,259,270	446,023	427,008	399,044	358,809	327,333	301,053	646,822
HIF Revolving Program	100,000	16,067	33,933	50,000	25,000	25,000	0	0	0	0	0
HOC Bonds	50,000	50,000	0	0	0	0	0	0	0	0	0
Impact Tax	79,236	36,078	11,684	29,340	3,950	4,930	4,950	5,080	5,120	5,310	2,134
Intergovernmental	11,083	7,287	1,402	2,319	189	1,015	303	0	32	780	75
Interim Finance	222,969	0	91,728	210,324	79,378	69,021	11,925	50,000	0	0	-79,083
Investment Income	4,653	1,353	424	2,876	445	458	472	486	500	515	0
ISTEA	0	0	0	0	0	0	0	0	0	0	0
Land Sale	35,015	20,034	14,981	0	0	0	0	0	0	0	0
Land Sale - Bethesda PLD	35,500	0	0	35,500	0	35,500	0	0	0	0	0
Land Sale (P&P Only)	0	0	0	0	0	0	0	0	0	0	0
Long-Term Financing	3,850	0	3,850	0	0	0	0	0	0	0	0
Major Facilities Capital Projects Fund (MC only)	3,564	2,400	1,064	100	100	0	0	0	0	0	0

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All Agency Funding Summary (\$000s)

Funding Source	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Mass Transit Fund	72,477	8,890	4,451	59,136	1,191	5,044	6,053	21,861	22,902	2,085	0
M-NCPPC Contributions	5,000	0	5,000	0	0	0	0	0	0	0	0
Montgomery Housing Initiative Fund	2,500	2,500	0	0	0	0	0	0	0	0	0
Municipal (WSSC only)	51,711	26,564	2,906	20,904	3,551	7,088	5,080	3,227	1,003	955	1,337
P&P ALA Bonds	16,200	16,200	0	0	0	0	0	0	0	0	0
Park and Planning Bonds	42,496	3,466	7,254	29,220	8,521	6,878	3,555	3,897	3,261	3,108	2,556
PAYGO	151,128	151,128	0	0	0	0	0	0	0	0	0
POS-Stateside (P&P only)	5,200	200	0	5,000	0	0	500	1,500	1,500	1,500	0
Program Open Space	46,479	8,348	6,007	32,124	8,975	4,775	4,075	6,352	4,447	3,500	0
Qualified Zone Academy Funds	4,152	4,001	151	0	0	0	0	0	0	0	0
Recordation Tax	9,018	9,018	0	0	0	0	0	0	0	0	0
Recordation Tax Premium	31,713	1,710	3,952	26,051	0	4,350	4,677	5,254	5,650	6,120	0
Rental Income - General	59	59	0	0	0	0	0	0	0	0	0
Rental Income - Roads	2	2	0	0	0	0	0	0	0	0	0
Revenue Authority	81,004	74,933	1,055	5,016	750	665	908	975	1,043	675	0
Revenue Bonds	93,708	44,737	7,490	41,481	40,565	916	0	0	0	0	0
Revenue Bonds: Liquor Fund	133,119	55,357	28,362	49,400	17,616	12,622	14,370	4,792	0	0	0
Revolving (P&P only)	18,357	11,357	1,000	6,000	1,000	1,000	1,000	1,000	1,000	1,000	0
Revolving Fund - Current Revenue	6,804	6,137	667	0	0	0	0	0	0	0	0
Revolving Fund - G.O. Bonds	44,810	16,785	4,025	24,000	4,000	4,000	4,000	4,000	4,000	4,000	0
School Facilities Payment	0	0	0	0	0	0	0	0	0	0	0
Schools Impact Tax	92,371	25,871	11,000	55,500	7,960	8,480	8,890	9,520	10,000	10,650	0
Short-Term Financing	167,281	62,241	45,030	60,010	10,045	24,307	19,648	6,010	0	0	0
Short-term Financing: College	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Solid Waste Disposal Fund	30,967	25,876	5,091	0	0	0	0	0	0	0	0
State Aid	1,280,481	371,653	110,056	725,667	122,104	162,276	153,684	103,074	87,947	96,582	73,105
State Bonds (P&P only)	1,500	0	0	1,500	500	1,000	0	0	0	0	0
State DNR (P&P only)	0	0	0	0	0	0	0	0	0	0	0
State ICC Funding (M-NCPPC Only)	2,000	0	125	1,875	700	1,000	175	0	0	0	0
Stormwater Management Waiver Fees	4,716	3,226	1,490	0	0	0	0	0	0	0	0
System Development Charge	267,328	53,363	52,167	161,798	59,914	57,985	39,303	4,596	0	0	0
TEA-21	2,368	1,056	1,312	0	0	0	0	0	0	0	0
Transportation Enhancement Program	1,589	0	1,089	500	500	0	0	0	0	0	0
Transportation Improvement Credit	1,125	1,125	0	0	0	0	0	0	0	0	0
Urban District - Bethesda	435	116	319	0	0	0	0	0	0	0	0
Urban District - Silver Spring	150	150	0	0	0	0	0	0	0	0	0
Water Quality Protection Bonds	94,270	0	0	94,270	7,125	9,415	18,515	19,125	22,025	18,065	0
Water Quality Protection Charge	12,794	1,692	4,077	7,025	925	1,200	1,350	1,350	1,100	1,100	0
WSSC Bonds	1,742,433	543,271	89,941	1,086,211	157,051	346,199	270,900	165,042	100,567	46,452	23,010
Total	10,800,461	3,245,916	1,224,708	5,657,498	1,116,816	1,311,998	1,063,005	871,847	700,239	593,593	672,339

Funding Detail by Revenue Source, Department/Agency and Project (\$000s)

Short-Term Financing – MCG

Project	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years	
<i>County Executive</i>												
1 150701 Technology Modernization – MCG	35,489	2,587	21,857	11,045	5,633	5,412	0	0	0	0	0	
Sub-Total	35,489	2,587	21,857	11,045	5,633	5,412	0	0	0	0	0	
<i>Fire/Rescue Service</i>												
2 450600 Fire Apparatus Replacement	30,735	29,891	844	0	0	0	0	0	0	0	0	
Sub-Total	30,735	29,891	844	0	0	0	0	0	0	0	0	
<i>General Services</i>												
3 361112 Fuel Management	2,487	0	0	2,487	1,362	1,125	0	0	0	0	0	
Sub-Total	2,487	0	0	2,487	1,362	1,125	0	0	0	0	0	
<i>Liquor Control</i>												
4 850500 Temperature Controlled Liquor Warehouse	776	776	0	0	0	0	0	0	0	0	0	
Sub-Total	776	776	0	0	0	0	0	0	0	0	0	
<i>Recreation</i>												
5 720601 Cost Sharing: MCG	0	0	0	0	0	0	0	0	0	0	0	
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	
<i>Technology Services</i>												
6 340901 Public Safety System Modernization	46,478	0	0	46,478	3,050	17,770	19,648	6,010	0	0	0	
7 349657 Public Safety Mobile Data Sys.	28,634	28,634	0	0	0	0	0	0	0	0	0	
Sub-Total	75,112	28,634	0	46,478	3,050	17,770	19,648	6,010	0	0	0	
<i>Transportation</i>												
8 500821 Ride On Bus Fleet	22,682	353	22,329	0	0	0	0	0	0	0	0	
Sub-Total	22,682	353	22,329	0	0	0	0	0	0	0	0	
Revenue Source Total	167,281	62,241	45,030	60,010	10,045	24,307	19,648	6,010	0	0	0	

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Funding Detail by Revenue Source, Department/Agency and Project (\$000s)

Short-term Financing: College

Project	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
<i>Montgomery College</i>											
9 856509 Information Technology: College	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Sub-Total	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Revenue Source Total	4,514	0	0	4,514	4,514	0	0	0	0	0	0

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