



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

April 25, 2013

TO: Nancy Navarro, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Recommended Adjustments to the FY2014 Operating and Capital Budgets

Attached for your consideration and review are a number of recommended adjustments to both the FY14 Recommended Operating Budget and the FY14 Capital Budget. These adjustments recognize recent developments such as State legislative actions and more current information. Because I anticipated that there could be potential expenditure needs, I maintained an adequate set aside in my March 15 recommended budget to fund these contingencies.

As you consider these recommendations and my earlier capital and operating budget recommendations, I would like to reemphasize the difficult and uncertain fiscal situation in which the County remains. The following factors are considerations:

- The effects of sequestration have begun to be felt with a number of Federal departments and agencies sending notices of furloughs to their employees. Even if the turmoil of Congressional inaction were resolved tomorrow, the uncertainty and financial risk of sequestration will continue to ripple through our local economy for months to come. Furthermore, the new reality at the Federal level appears to be constant drama related to the budget – if not sequestration, then brinksmanship regarding the national debt ceiling. The debates at the Federal level, and the uncertainty they have created may be with us for the foreseeable future.
- We also have concerns regarding the potential effects of the Wynne court case on our income tax revenues. If the State loses the court appeals in this case, we potentially will be confronted with tens of millions annually in lost revenue.

- The County's actuary recently finalized the retiree health benefits valuation, which is the basis for the 8-year schedule of agency retiree health insurance pre-funding (or, OPEB) contribution amounts. The finalized information indicates that my recommended FY14 Operating Budget for the scheduled seventh-year payment to the retiree health benefits trust fund is less than the calculated 7/8 amount by about \$18 million. To put it simply, reducing the recommended OPEB amount further only compounds the shortfall and increases the amount that would need to be contributed in FY15 to reach full funding by the agreed upon timeframe.
- The capital budget is also dependent on significantly higher operating budget support than in recent years. Currently, the capital budget for FY15-18 assumes an annual Pay As You Go (PAYGO) contribution of \$55.5 million annually – \$26 million more annually than the 10 percent policy level. This is in addition to the almost \$60 million in tax-supported current revenue assumed for FY15. Schools, College, Parks, and County government projects have been programmed assuming this funding would be available.

Given all of the information above, I am especially concerned that the Council has introduced two separate resolutions signaling a willingness to further reduce the energy tax rate that could result in up to \$11 million in lost revenue. In a time of significant fiscal uncertainty, it is not prudent to curtail a stream of revenue that is broad based and relatively stable. Even an \$11 million loss in revenue inhibits the County's flexibility to fund a number of our mutual priorities.

### **FY13 Operating Budget**

Included in my proposed adjustments is funding to support the transition for one year only of 1,100 clients of the Department of Health and Human Services in the State resource coordination program for developmental disabilities. The State has restructured this program from a grant-funded program to a fee-for-service reimbursement program. HHS will transfer 2,200 of its clients to private service providers on July 1, 2013 as assumed in the March 15 budget; the budget adjustment will allow HHS to retain 1,100 of the most intensive cases during FY13, with the expectation that the County will exit the program entirely by FY15. This adjustment also recognizes additional State revenue that significantly offsets the FY14 costs of continuing this program.

My proposed budget adjustments also recognize the State legislative action to exempt Lockheed Martin from the County's Hotel/Motel Tax. This results in a reduction of \$430,000 in Hotel/Motel tax revenue in FY14, and a corresponding reduction to the Conference and Visitors Bureau of \$30,100 based on its 7 percent allocation of revenues.

I have also included a budget adjustment for the Department of Environmental Protection to implement the changes the Council enacted in Bill 34-12 and the resulting modifications to Executive Regulation 17-12. Attached to this memorandum is a revised Water Quality Protection Charge rate resolution consistent with these adjustments.

Finally, included is a budget adjustment for the Department of Housing and Community Affairs funded by anticipated FY13 Recordation Tax Premium carryover. This adjustment provides funds to permanently write-down rents for the senior housing project in Silver Spring and to support transitional housing for the medically vulnerable and families.

There are several technical changes in appropriations, including two Economic Development Fund grants totaling \$2.25 million. As required by Bill 14-12, I will transmit supplemental appropriation requests to fund these EDF grants for the Council's consideration.

### **FY13 Capital Budget**

Attached are two CIP amendments which are needed to prevent further deterioration of core transportation infrastructure, to reduce long-term capital costs, and improve pedestrian safety for persons with disabilities. I am recommending that these project amendments and revised supplemental amount be funded with the \$2.981 million remaining in the FY13 General Obligation bond set-aside and by reallocating bonds between FY13 and FY14.

#### Resurfacing: Residential/Rural Roads (\$2,681,000)

During the last year, MC311 received 1,560 calls from throughout the County regarding pothole repairs. This is not surprising given the continued deterioration of our roads as measured by the Pavement Condition Index. Although the additional funding requested here represents less than a tenth of the funds needed to address the current \$27 million backlog, this investment of additional funds will prevent the need for 20.5 lane miles of road rehabilitation work – which is three times more costly than road resurfacing.

#### Traffic Signals (\$300,000)

The recommended \$300,000 amendment will fund Accessible Pedestrian signal retrofits at 10 additional intersections to improve pedestrian safety for persons with disabilities. The amendment expedites the schedule for providing improved accessibility and audio cue intersection crossing safety features.

#### White Flint Redevelopment Projects

Work continues to progress on White Flint redevelopment. With Council approval of the requested FY14 appropriation, sufficient funding will exist in the White Flint District West PDF to complete the planning, engineering, and design work necessary to advance the Western Workaround projects to the construction phase.

Preliminary results of the Greenhome & O'Mara traffic study indicated much higher critical-lane volumes than those forecasted by M-NCPPC during the White Flint Sector Plan approval process. These results and follow up analysis and solutions caused the Maryland State Highway Administration to delay approval of intersection configurations for several months and resulted in a major delay of the design process.

Nancy Navarro, President, County Council  
April 25, 2012  
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As a result of the completion of the 35% design and ongoing discussions between MCDOT, SHA, MDOT, M-NCPPC, developers and property owners, the County will engage its financial advisors to refine the scope, cost estimates, and schedules for the full FY15-20 Recommended CIP.

As always, my staff will be available to discuss these changes with the Council in its deliberations on the FY14 Budget.

IL:jah

Attachments: Recommended Budget Adjustments  
General Obligation Bond Adjustment Chart  
Water Quality Protection Charge Rate Resolution

c: Timothy L. Firestine, Chief Administrative Officer  
Dr. Joshua Starr, Superintendent, Montgomery County Public Schools  
Dr. DeRionne Pollard, President, Montgomery College  
Francoise Carrier, Chair, Montgomery County Planning Board  
Stephen B. Farber, Council Staff Director  
Kathleen Boucher, Assistant Chief Administrative Officer  
Department and Office Directors

# AMENDMENTS TO THE CE RECOMMENDED BUDGET FY14 OPERATING BUDGET

## Tax Supported

### RESOURCE AMENDMENTS

#### Montgomery County Government

HHS	State Resource Coordination Grant for Developmental Disabilities	3,411,133
MCG	Hotel/Motel Tax -- Lockheed Martin Exemption	-430,000
<b>Subtotal MCG Resources</b>		<b>2,981,133</b>
<b>Total Tax Supported Resources</b>		<b>2,981,133</b>

### EXPENDITURE AMENDMENTS

#### Montgomery County Government

DED	Shift: Latino Economic Development Corporation of Washington, DC from NDA: Community Grants to Department of Economic Development	70,000
EDF	Decrease Cost: Sodexo	-1,500,000
EDF	Decrease Cost: Tentative Offers Likely to be Accepted	-750,000
EDF	Increase Cost: FY14 EDF Set Aside	2,250,000
HHS	Restore: Developmental Disability Resource Coordination (1,100 Clients in FY14 Only)	3,353,527
HHS	Add: Technical Assistance to the Leadership Institute for Equity and Elimination of Disparities	100,000
HHS	Shift: infoMontgomery.com Contract from Department of Recreation to Health and Human Services	93,660
NDA	Increase Cost: SDAT additional assessor costs	84,400
NDA	Decrease Cost: Allocation to the Conference and Visitors Bureau	-30,100
NDA	Restore: Operating Lease 11 N. Washington Street: Developmental Disability Resource Coordination	234,000
NDA	Shift: Latino Economic Development Corporation of Washington, DC from NDA: Community Grants to Department of Economic Development	-70,000
NDA	Add: Community Grant: CASA de Maryland, Inc. (Long Branch Economic Development Project)	92,500
NDA	Add: Community Grant: Latin American Youth Center, Inc. (workforce development programs for youth)	37,640
NDA	Add: Community Grant: Unity Christian Fellowship Incorporated (Education and Life Skills program)	29,000
NDA	Add: Community Grant: Heritage Tourism Alliance of Montgomery County, Inc. (documentary video project on historic African American churches, their communities, and music)	50,000
REC	Shift: infoMontgomery.com contract from Department of Recreation to Health and Human Services	-93,660
<b>Subtotal MCG Expenditures</b>		<b>3,950,967</b>
<b>Total Tax Supported Expenditures</b>		<b>3,950,967</b>

Non-Tax Supported

RESOURCE AMENDMENTS

Montgomery County Government

DEP	Water Quality Protection Charge Revenues	536,489
HCA	FY13 Recordation Tax Premium Revenue Carryover	2,094,180
	<b>Subtotal MCG Resources</b>	<b>2,630,669</b>
	<b>Total Non-Tax Supported Resources</b>	<b>2,630,669</b>

EXPENDITURE AMENDMENTS

Montgomery County Government

DEP	Increase Cost: Water Quality Protection Charge Operating Expenses to Implement Bill 34-12	539,100
HCA	Enhance: Transitional Housing for the Medically Vulnerable and Families and Permenantely Write-Down Rents for Senior Housing in Silver Spring	2,094,180
	<b>Subtotal MCG Expenditures</b>	<b>2,633,280</b>
	<b>Total Non-Tax Supported Expenditures</b>	<b>2,633,280</b>

\*\* denotes approved items

# DETAIL ON RECOMMENDED FY14 CE AMENDMENTS

## Tax Supported

### RESOURCE AMENDMENTS

#### Health and Human Services

**STATE RESOURCE COORDINATION GRANT FOR DEVELOPMENTAL DISABILITIES** 3,411,133

The State restructured this program from a grant-funded program to a fee-for-service reimbursement program. The County Executive's Recommended Budget assumed that the County would transfer its 3,300 clients to private service providers and eliminate all case management and supervisory positions because the State's fee structure was significantly short of covering the County's costs. Since March 15, HHS has held additional discussions with the State. As a result, the State has made changes to the program, including increasing the reimbursement rate. The County Executive recommends a budget adjustment to allow HHS to retain 1,100 of its most intensive cases and transfer the remaining 2,200 cases to private service providers on July 1, 2013. The Executive recommends that HHS serve these 1,100 clients during FY14 as a one-time extension of this service, but completely exit the program for FY15.

#### Montgomery County Government

**HOTEL/MOTEL TAX -- LOCKHEED MARTIN EXEMPTION** -430,000

The Maryland General Assembly adopted legislation exempting Lockheed Martin from the County's Hotel/Motel Tax. The exemption results in a reduction of \$430,000 annually in Hotel/Motel Tax revenues.

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**Total Tax Supported Resources** 2,981,133

### EXPENDITURE AMENDMENTS

#### Economic Development

**SHIFT: LATINO ECONOMIC DEVELOPMENT CORPERATION OF WASHINGTON, DC FROM NDA: COMMUNITY GRANTS TO DEPARTMENT OF ECONOMIC DEVELOPMENT** 70,000

The Executive recommends this budget adjustment because the funding is more appropriate in the Department of Economic Development than in the Community Grants NDA.

#### Economic Development Fund

**DECREASE COST: SODEXO** -1,500,000

Bill 14-12 requires that the Executive must not provide assistance to a private employer valued at more than \$500,000 unless the grant or loan is approved by the Council in a special or supplemental appropriation. The County Executive will request an FY14 supplemental appropriation for this incentive.

**DECREASE COST: TENTATIVE OFFERS LIKELY TO BE ACCEPTED** -750,000

Bill 14-12 requires that the Executive must not provide assistance to a private employer valued at more than \$500,000 unless the grant or loan is approved by the Council in a special or supplemental appropriation. The County Executive will request an FY14 supplemental appropriation for this incentive.

**INCREASE COST: FY14 EDF SET ASIDE** 2,250,000

This increase in the set aside is necessary to fund the FY14 supplemental appropriation requests for two EDF incentives.

#### Health and Human Services

## Detail on Recommended Budget Adjustments

Tax Supported

**RESTORE: DEVELOPMENTAL DISABILITY RESOURCE COORDINATION (1,100 CLIENTS IN FY14 ONLY)**

3,353,527

The State restructured this program from a grant-funded program to a fee-for-service reimbursement program. The County Executive's Recommended Budget assumed that the County would transfer its 3,300 clients to private service providers and eliminate all case management and supervisory positions because the State's fee structure was significantly short of covering the County's costs. Since March 15, HHS has held additional discussions with the State. As a result, the State has made changes to the program, including increasing the reimbursement rate. The County Executive recommends a budget adjustment to allow HHS to retain 1,100 of its most intensive cases and transfer the remaining 2,200 cases to private service providers on July 1, 2013. The Executive recommends that HHS serve these 1,100 clients during FY14 as a one-time extension of this service, but completely exit the program for FY15.

The budget adjustment restores 15 positions in HHS for a total personnel cost of \$1,089,234, and operating expenses of \$2,264,293 for 39 brokers and other expenses.

**ADD: TECHNICAL ASSISTANCE TO THE LEADERSHIP INSTITUTE FOR EQUITY AND ELIMINATION OF DISPARITIES**

100,000

The Advisory Group for the County's three Minority Health Initiative programs recommended establishment of a Leadership Institute for Equity and Elimination of Disparities (IEED) in the Department of Health and Human Services' Office of Community Affairs, which is intended to support HHS' commitment to create a coordinated and integrated department-wide focus on equity and elimination of health and other disparities. The Executive recommends a budget adjustment of \$100,000 to support IEED's efforts to implement an integrated and coordinated system that offers equitable access to services and programs provided by HHS and its contractors to racial and ethnic minorities and emerging populations.

**SHIFT: INFOMONTGOMERY.COM CONTRACT FROM DEPARTMENT OF RECREATION TO HEALTH AND HUMAN SERVICES**

93,660

InfoMontgomery is the centralized online human services resource database for the County. The database links families and child-helping professionals with needed services and assists agencies assess service gaps. The Executive's recommended budget included continued funding for the Collaboration Council's support of infoMontgomery in the Department of Recreation, which also included funding for Excel Beyond the Bell and other operating support. Because infoMontgomery is specifically related to Health and Human Services programs and services, the Executive is recommending this budget adjustment to shift funding of \$93,660 from the Department of Recreation to the Department of Health and Human Services.

### NDA - Community Grants

**SHIFT: LATINO ECONOMIC DEVELOPMENT CORPERATION OF WASHINGTON, DC FROM NDA: COMMUNITY GRANTS TO DEPARTMENT OF ECONOMIC DEVELOPMENT**

-70,000

The Executive recommends this budget adjustment because the funding is more appropriate in the Department of Economic Development than in the Community Grants NDA.

**ADD: COMMUNITY GRANT: CASA DE MARYLAND, INC. (LONG BRANCH ECONOMIC DEVEPOMENT PROJECT)**

92,500

The Executive recommends this budget adjustment to restore the FY13 amount for this purpose.

**ADD: COMMUNITY GRANT: LATIN AMERICAN YOUTH CENTER, INC. (WORKFORCE DEVELOPMENT PROGRAMS FOR YOUTH)**

37,640

**ADD: COMMUNITY GRANT: UNITY CHRISTIAN FELLOWSHIP INCORPORATED (EDUCATION AND LIFE SKILLS PROGRAM)**

29,000

The Executive recommends this budget adjustment to restore the FY13 amount for this purpose.

## Detail on Recommended Budget Adjustments

Tax Supported

**ADD: COMMUNITY GRANT: HERITAGE TOURISM ALLIANCE OF MONTGOMERY COUNTY, INC. (DOCUMENTARY VIDEO PROJECT ON HISTORIC AFRICAN AMERICAN CHURCHES, THEIR COMMUNITIES, AND MUSIC)** 50,000  
The Executive recommends a budget adjustment based on additional information.

### NDA - Conference and Visitors Bureau

**DECREASE COST: ALLOCATION TO THE CONFERENCE AND VISITORS BUREAU** -30,100  
The exemption of Lockheed Martin from the Hotel/Motel Tax reduces tax revenues by \$430,000. This reduces the allocation of Hotel/Motel Tax revenue to the Conference and Visitors Bureau by \$30,100.

### NDA - Leases

**RESTORE: OPERATING LEASE 11 N. WASHINGTON STREET: DEVELOPMENTAL DISABILITY RESOURCE COORDINATION** 234,000  
This budget adjustment is related to the restoration of funding to HHS for Developmental Disability Resource Coordination. Because funding for leased office space was eliminated along with other program expenses in the Executive's Recommended Budget, this budget adjustment is necessary. The Department of General Services manages the 11 N. Washington Street lease.

### NDA - State Property Tax Services

**INCREASE COST: SDAT ADDITIONAL ASSESSOR COSTS** 84,400  
The State Department of Assessment and Taxation was approved to hire 15 additional assessors statewide. Montgomery County's share of total costs is 14.82 percent, or \$112,500 on an annualized basis. Due to the hiring process, the FY14 cost is estimated to be \$84,400, which represents funding for 3/4 of the fiscal year.

### Recreation

**SHIFT: INFOMONTGOMERY.COM CONTRACT FROM DEPARTMENT OF RECREATION TO HEALTH AND HUMAN SERVICES** -93,660  
InfoMontgomery is the centralized online human services resource database for the County. The database links families and child-helping professionals with needed services and assists agencies assess service gaps. The Executive's recommended budget included continued funding for the Collaboration Council's support of infoMontgomery in the Department of Recreation, which also included funding for Excel Beyond the Bell and other operating support. Because infoMontgomery is specifically related to Health and Human Services programs and services, the Executive is recommending this budget adjustment to shift funding of \$93,660 from the Department of Recreation to the Department of Health and Human Services.

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**Total Tax Supported Expenditures** 3,950,967

**Non-Tax Supported**

**RESOURCE AMENDMENTS**

**Environmental Protection**

**WATER QUALITY PROTECTION CHARGE REVENUES** **536,489**

Council adoption of Bill 34-12 requires an appropriation adjustment of \$450,000 to implement the grant program for homeowner associations private roads and \$89,100 in contractual support to administer the hardship exemption programs for residential and certain non-profit property owners. These changes increase the Water Quality Protection Charge Equivalent Residential Unit rate from \$85.40 in the Executive's recommended budget to \$88.40, resulting in a total increase in Water Quality Protection Charge revenues of \$536,489.

**Housing and Community Affairs**

**FY13 RECORDATION TAX PREMIUM REVENUE CARRYOVER** **2,094,180**

The Executive's Recommended Operating Budget assumed commitment of all estimated FY13 Recordation Tax Premium revenue. This recommended budget adjustment assumes carryover of \$2,094,180 in FY13 Recordation Tax Premium revenue to fund an FY14 budget adjustment of \$1.7 million to permanently write-down rents for senior housing in Silver Spring and \$394,180 to support transitional housing for the medically vulnerable and families.

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**Total Non-Tax Supported Resources** **2,630,669**

**EXPENDITURE AMENDMENTS**

**Environmental Protection**

**INCREASE COST: WATER QUALITY PROTECTION CHARGE OPERATING EXPENSES TO IMPLEMENT BILL 34-12** **539,100**

Council adoption of Bill 34-12 requires an appropriation adjustment of \$450,000 to implement the grant program for homeowner associations private roads and \$89,100 in contractual support to administer the hardship exemption programs for residential and certain non-profit property owners, for a total appropriation adjustment of \$539,100.

**Housing and Community Affairs**

**ENHANCE: TRANSITIONAL HOUSING FOR THE MEDICALLY VULNERABLE AND FAMILIES AND PERMENANTELY WRITE-DOWN RENTS FOR SENIOR HOUSING IN SILVER SPRING** **2,094,180**

The Executive's Recommended Operating Budget assumed commitment of all estimated FY13 Recordation Tax Premium revenue. This recommended budget adjustment assumes carryover of \$2,094,180 in FY13 Recordation Tax Premium revenue to fund an FY14 budget adjustment of \$1.7 million to permanently write-down rents for senior housing in Silver Spring and \$394,180 to support transitional housing for the medically vulnerable and families.

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**Total Non-Tax Supported Expenditures** **2,633,280**

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President at the request of the County Executive

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**SUBJECT:** Water Quality Protection Charge for FY14

**Background**

1. Under County Code Section 19-35(c), each fiscal year, the County Council must, by resolution, set the rate or rates for the Water Quality Protection Charge.
2. Executive Regulation 17-12 establishes procedures to set the rates for the Water Quality Protection Charge applicable to certain properties based on those properties' contribution of runoff to the County's stormwater management system.
3. The base rate for the Water Quality Protection Charge is the annually designated dollar amount set by the County Council to be assessed for each equivalent residential unit (ERU) of property that is subject to the Charge.
4. Under Executive Regulation 17-12, Section 2, an equivalent residential unit (ERU) is defined for these purposes, as the statistical median of the total horizontal impervious area of developed single-family detached residences in the County that serves as the base unit of assessment for the Water Quality Protection Charge. The designated ERU for Montgomery County equals 2,406 square feet of impervious surface.
5. Under Executive Regulation 17-12, Section 4, the Charge for each single-family residential property is based on a percent of the base rate for one ERU in accordance with its assigned tier classification. The Charge for nonresidential properties is based on multiples of an ERU.
6. Under County Code Section 19-35, properties in the City of Takoma Park, the City of Rockville, and the City of Gaithersburg are not subject to the Water Quality Protection Charge.

**Action**

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

Water Quality Protection Charge for FY14  
Page Two

The base rate for the Water Quality Protection Charge for Fiscal Year 2014 is \$88.40 per equivalent residential unit (ERU).

This resolution takes effect on July 1, 2013.

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

## Resurfacing: Residential/Rural Roads (P500511)

Category                    Transportation  
 Sub Category            Highway Maintenance  
 Administering Agency   Transportation (AAGE30)  
 Planning Area            Countywide

Date Last Modified        4/6/13  
 Required Adequate Public Facility    No  
 Relocation Impact        None  
 Status                      Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	6,845	58	899	5,888	2,344	280	706	1,058	750	750	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	67,976	38,995	0	28,981	10,937	1,308	3,294	4,942	4,250	4,250	0
Other	45	45	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>74,866</b>	<b>39,098</b>	<b>899</b>	<b>34,869</b>	<b>13,281</b>	<b>1,588</b>	<b>4,000</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	309	309	0	0	0	0	0	0	0	0	0
G.O. Bonds	72,940	37,172	899	34,869	13,281	1,588	4,000	6,000	5,000	5,000	0
PAYGO	1,617	1,617	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>74,866</b>	<b>39,098</b>	<b>899</b>	<b>34,869</b>	<b>13,281</b>	<b>1,588</b>	<b>4,000</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	1,588
Supplemental Appropriation Request		3,981
Transfer		0
Cumulative Appropriation		49,297
Expenditure / Encumbrances		39,100
Unencumbered Balance		10,197

Date First Appropriation		FY 05
First Cost Estimate		
Current Scope	FY 13	74,866
Last FY's Cost Estimate		72,185
Partial Closeout Thru		0
New Partial Closeout		0
Total Partial Closeout		0

### Description

This project provides for the permanent patching and resurfacing of rural and residential roadways using durable hot mix asphalt to restore long-term structural integrity to the aging rural and residential roadway infrastructure. The County maintains a combined total of 4,143 lane miles of rural and residential roads. Preventative maintenance includes full-depth patching of distressed areas of pavement in combination with a new hot mix asphalt wearing surface of 1-inch to 2-inches depending on the levels of observed distress. A portion of this work will be performed by the county in-house paving crew.

### Cost Change

\$2,681,000 added to allocate funds to a core transportation infrastructure project. This addresses a portion of the \$27 million annual backlog in residential/rural resurfacing and will prevent the need for 20.5 lane miles of road rehabilitation work, which is three times more costly than road resurfacing.

### Justification

In FY09, the Department of Transportation instituted a contemporary pavement management system. This system provides for systematic physical condition surveys. The surveys note the type, level, and extent of residential pavement deterioration combined with average daily traffic and other usage characteristics. This information is used to calculate specific pavement ratings, types of repair strategies needed, and associated repair cost, as well as the overall Pavement Condition Index (PCI) of the entire residential network. The system also provides for budget optimization and a systematic approach to maintaining a healthy residential pavement inventory. The latest 2011 survey indicated that 2,480 lane miles (60 percent) require significant levels of rehabilitation. Physical condition inspections of residential pavements will occur on a 2-3 year cycle.

### Other

The design and planning stages, as well as project construction, will comply with the Department of Transportation (DOT), Maryland State Highway Administration (MSHA), Manual on Uniform Traffic Control Devices (MUTCD), American Association of State Highway and Transportation Officials (AASHTO), and American with Disabilities Act (ADA). Rural/residential road mileage has been adjusted to conform with the State inventory of road mileage maintained by the State Highway Administration (SHA). This inventory is updated annually.

### Fiscal Note

\$1.3 million shifted from FY14 to FY13, and \$1 million shifted from FY15 to FY16 due to fiscal capacity.

### Disclosures

Expenditures will continue indefinitely.

### Coordination

Washington Suburban Sanitary Commission, Washington Gas Light Company, PEPCO, Cable TV, Verizon, United States Post Office

## Traffic Signals (P507154)

Category                    Transportation  
 Sub Category            Traffic Improvements  
 Administering Agency   Transportation (AAGE30)  
 Planning Area            Countywide

Date Last Modified        4/6/13  
 Required Adequate Public Facility    No  
 Relocation Impact        None  
 Status                      Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	7,893	2,563	0	5,330	780	830	780	780	1,080	1,080	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	27,128	2,404	661	24,063	4,445	4,695	3,445	3,445	3,895	4,138	0
Construction	7	7	0	0	0	0	0	0	0	0	0
Other	78	0	78	0	0	0	0	0	0	0	0
<b>Total</b>	<b>35,106</b>	<b>4,974</b>	<b>739</b>	<b>29,393</b>	<b>5,225</b>	<b>5,525</b>	<b>4,225</b>	<b>4,225</b>	<b>4,975</b>	<b>5,218</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
G.O. Bonds	16,057	4,974	739	10,344	2,730	3,116	804	817	158	2,719	0
Recordation Tax Premium	19,049	0	0	19,049	2,495	2,409	3,421	3,408	4,817	2,499	0
<b>Total</b>	<b>35,106</b>	<b>4,974</b>	<b>739</b>	<b>29,393</b>	<b>5,225</b>	<b>5,525</b>	<b>4,225</b>	<b>4,225</b>	<b>4,975</b>	<b>5,218</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Energy				504	24	48	72	96	120	144	
Maintenance				252	12	24	36	48	60	72	
Program-Staff				450	50	50	50	100	100	100	
<b>Net Impact</b>				<b>1,206</b>	<b>86</b>	<b>122</b>	<b>158</b>	<b>244</b>	<b>280</b>	<b>316</b>	
Full Time Equivalent (FTE)					0.0	1.0	1.0	1.0	2.0	2.0	

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	5,525
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		11,006
Expenditure / Encumbrances		5,345
Unencumbered Balance		5,661

Date First Appropriation	FY 71
First Cost Estimate	
Current Scope	FY 14      35,106
Last FY's Cost Estimate	39,390
Partial Closeout Thru	74,276
New Partial Closeout	4,974
Total Partial Closeout	79,250

#### Description

This project provides for the design, construction, and maintenance of vehicular and pedestrian traffic signals and signal systems including: new and existing signals; reconstruction/replacement of aged and obsolete signals and components; auxiliary signs; Accessible Pedestrian Signals (APS); upgrades of the County's centrally-controlled computerized traffic signal system; communications and interconnect into the signal system

#### Cost Change

\$300,000 added in FY14 for the installation of Accessible Pedestrian Signals at 10 additional intersections to improve pedestrian safety for persons with disabilities. This will provide more easily accessible, raised buttons to press when crossing the road. Also, this effort provides audio cues to indicate when it is safe to cross.

#### Justification

The growth in County population and vehicular registrations continues to produce increasing traffic volumes. As a result, congestion levels and the number of accidents increase. This requires a continued investment in the traffic signal system to: increase intersection safety; accommodate changes in traffic patterns and roadway geometry; reduce intersection delays, energy consumption, and air pollution; and provide coordinated movement on arterial routes through effective traffic management and control, utilizing modern traffic signal technologies. Studies include: The December 2007 Pedestrian Safety Initiative and the March 2010 Report of the Infrastructure Maintenance Task Force which identified traffic signals in need of lifecycle replacement.

#### Other

Approximately 40 projects are completed annually by a combination of contractual and County work crews. One aspect of this project focuses on improving pedestrian walkability by creating a safe walking environment, utilizing selected engineering technologies, and ensuring Americans with Disabilities Act (ADA) compliance. All new and reconstructed traffic signals are designed and constructed to include appropriate pedestrian features - crosswalks, curb ramps, countdown pedestrian signals, APS, and applicable signing. A significant portion of the traffic signal work will continue to be in the central business districts and other commercial areas, where costs are higher due to more underground utilities and congested work areas. Likewise, new signals in outlying, developing areas are more expensive due to longer runs of communication cable. The fiber optic interconnection of traffic signals is done through the Fibernet project.

#### Fiscal Note

As of FY97, \$700,000 per year is redirected to the Fibernet project and is to continue through the implementation of Fibernet. Reflects funding switch in FY13-18 from GO Bonds to Recordation Tax Premium.

#### Disclosures

## Traffic Signals (P507154)

A pedestrian impact analysis will be performed during design or is in progress.

Expenditures will continue indefinitely.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

### **Coordination**

Advanced Transportation Management System, Verizon, Fibernet CIP (No. 509651), Maryland State Highway Administration, Potomac Electric Power Company, Washington Gas and Light, Washington Suburban Sanitary Commission, Montgomery County Pedestrian Safety Advisory Committee, Citizens Advisory Boards, Maryland-National Capital Park and Planning Commission

## GENERAL OBLIGATION BOND ADJUSTMENT CHART

### FY13-18 Biennial Capital Improvements Program

#### COUNTY EXECUTIVE RECOMMENDED

APRIL 22 2013

(\$ millions)	6 YEARS	FY13	FY14	FY15	FY16	FY17	FY18
BONDS PLANNED FOR ISSUE	1,770.000	295.000	295.000	295.000	295.000	295.000	295.000
Plus PAYGO Funded	281.000	29.500	29.500	55.500	55.500	55.500	55.500
Adjust for Implementation **	300.256	63.314	50.514	49.108	47.550	45.808	43.963
Adjust for Future Inflation **	(91.270)	-	-	(8.215)	(17.311)	(27.486)	(38.258)
<b>SUBTOTAL FUNDS AVAILABLE FOR</b>							
DEBT ELIGIBLE PROJECTS (after adjustments)	2,259.987	387.814	375.014	391.393	380.739	368.822	356.205
Less Set Aside: Future Projects	150.516	-	9.512	19.262	24.399	44.005	53.339
	6.66%						
<b>TOTAL FUNDS AVAILABLE FOR PROGRAMMING</b>	2,109.470	387.814	365.502	372.131	356.340	324.817	302.866
MCPS	(740.831)	(174.217)	(142.924)	(114.758)	(126.634)	(97.689)	(84.609)
MONTGOMERY COLLEGE	(167.230)	(28.113)	(31.009)	(30.919)	(32.372)	(32.775)	(12.042)
M-NCPPC PARKS	(70.744)	(7.584)	(8.993)	(11.622)	(12.517)	(16.746)	(13.282)
TRANSPORTATION	(497.002)	(94.873)	(72.259)	(62.411)	(68.309)	(83.478)	(115.672)
MCG - OTHER	(761.565)	(189.938)	(124.761)	(157.432)	(117.221)	(94.631)	(77.582)
Programming Adjustment - Unspent Prior Years*	127.902	106.911	14.444	5.011	0.713	0.502	0.321
	-						
<b>SUBTOTAL PROGRAMMED EXPENDITURES</b>	(2,109.470)	(387.814)	(365.502)	(372.131)	(356.340)	(324.817)	(302.866)
<b>AVAILABLE OR (GAP)</b>	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.70%	2.32%	2.40%	2.73%	3.15%	3.45%
Implementation Rate =		82.33%	85.38%	85.38%	85.38%	85.38%	85.38%