

MEMORANDUM

April 30, 2014

TO: Government Operations and Fiscal Policy Committee

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **FY15-20 Capital Improvements Program, Montgomery County Government, Executive recommended budget adjustments**

On April 28, the County Executive submitted to the Council his recommended adjustments to the FY15 Capital Budget and the FY15-20 Capital Improvements Program (CIP). His recommendation included amendments to four projects in the Montgomery County Government CIP that the GO Committee and the Council already reviewed and approved (pending final reconciliation). These are: Roof Replacement, Planned Asset Lifecycle Replacement (PLAR), Building Envelope Repair, and HVAC/Elec Replacement.

The changes to the four projects are outlined below.

Building Envelope Repair

- The Executive's January 15 recommendation for this project included a total of \$6 million in the six-year period, with level funding of \$1 million each year.
- The Executive's April 28 amendment adds \$165,000 to FY15 and states that the increase reflects the addition of work at the Strathmore Mansion in FY15.

HVAC/Elec Replacement

- The Executive's January 15 recommendation for this project included a total of \$6.9 million in the six-year period, with level funding of \$1.15 million each year.
- The Executive's April 28 amendment adds \$125,000 to FY15 and states that the increase reflects the addition of work at two correctional facilities in FY15.

Planned Lifecycle Asset Replacement (PLAR)

- The Executive's January 15 recommendation for this project included a total of \$4.5 million in the six-year period, with level funding of \$750,000 each year.

- The Executive's April 28 amendment adds \$1.553 million FY15 and states that the increase reflects the addition of work at Strathmore Mansion in FY15 and work related to supporting improvements at the eight facilities participating in the Energy Systems Modernization project in FY14 and FY15.

Roof Replacement

- The Executive's January 15 recommendation for this project included a total of \$13.44 million in the six-year period, with level funding of \$2.24 million each year.
- The Executive's April 28 amendment adds just over \$1 million FY15 and states that the increase reflects the addition of work at the Strathmore Mansion and the Montgomery County Detention Center.

Council staff comments

OMB provided the attached breakdown of the amounts in each project identified by facility.

- A total of \$425,000 in three projects is identified for the Department of Corrections and Rehabilitation. The Public Safety Committee and the Council have discussed the priority needs of these correctional facilities.
- A total of \$1.65 million in three projects is identified for Strathmore Mansion.
- \$775,000 is identified for repairs to facilities participating in the Energy Systems Modernization project.

The GO Committee had extensive discussion in its CIP review of these important systemic projects and that funding generally does not keep pace with the full extent of the needs. **The Committee may want to hear more from DGS on the specific work recommended for addition in each project, and why this work was identified now as opposed to in the January submission.**

Council staff notes that the Committee's recommendations today may need to be adjusted for affordability in the final CIP reconciliation process. If the Committee has specific priorities within these adjustments, the Committee may want to indicate that to inform the reconciliation process.

	CIP Project Name	Facility	Comment	Cost
1	HVAC/Electrical Replacement	Montgomery County Detention Center	cell lights	\$60,000
		Montgomery County Correctional Facility	electrical outlets	<u>\$65,000</u>
Total cost to pdf				\$125,000

2	Roof Replacement	Montgomery County Detention Center	Replace roof on E wing of MCDC	\$100,000
		Strathmore Mansion Roof	roof replacement leak prevention	<u>\$907,500</u>
Total cost to pdf				\$1,007,500

3	PLAR	ESCO Building Candidates*	for FY14 and FY15 facilities; repairs would be made to capitalize on ESCO synergies	\$775,000
		Pre Release Center	plumbing upgrade	\$200,000
		Strathmore Mansion	replace drywall and plaster surfaces, eliminate sources of water infiltration, and repair stairwell, stairs, and railings	\$577,500
Total cost to pdf				\$1,552,500

4	Building Envelope Repair	Strathmore Mansion	repair building façade	<u>\$165,000</u>
Total cost to pdf				\$165,000

*= 401 Hungerford Dr, Council Office Building, 1301 Piccard Dr, PreRelease Center, Longwood CRC, MLK Pool, Kensington Park Library, Twinbrook Library

Building Envelope Repair (P361501)

Category
Sub Category
Administering Agency
Planning Area

General Government
County Offices and Other Improvements
General Services (AAGE29)
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

4/21/14
No
None
Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	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	6,165	0	0	6,165	1,165	1,000	1,000	1,000	1,000	1,000	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	6,165	0	0	6,165	1,165	1,000	1,000	1,000	1,000	1,000	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	6,165	0	0	6,165	1,165	1,000	1,000	1,000	1,000	1,000	0
Total	6,165	0	0	6,165	1,165	1,000	1,000	1,000	1,000	1,000	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	1,165
Appropriation Request Est.	FY 16	1,000
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 15 6,165
Last FY's Cost Estimate	0
Partial Closeout Thru	0
New Partial Closeout	0
Total Partial Closeout	0

Description

This level of effort project is needed to maintain the County's building infrastructure. This project funds the wholesale replacement of aged and outdated building envelope systems including the replacement of windows, exterior doors, siding, exterior walls, and weatherproofing. While the Planned Lifecycle Asset Replacement (PLAR) CIP project provides for incidental building envelope replacements, this project provides for a systematic wholesale replacement to maintain the building envelope, protect the building integrity, and allow for continued full and efficient use of County buildings.

Estimated Schedule

FY15: Strathmore Mansion, UpCounty Regional Center windows, UpCounty Recreation Center windows

FY16: Holiday Park Senior Center windows, Waring Station Daycare windows, Tess Community Center storefront doors, Colesville HHS facility

Cost Change

Increase cost in FY15 due to the addition of work at the Strathmore Mansion.

Justification

Window replacements, siding replacements, and exterior door replacements are critical to protect the life of a facility. Windows and doors can eliminate drafts to improve both comfort and energy efficiency. Siding protects the facility by eliminating potential leaks that can lead to damage of other facility components as well as creating health issues such as mold growth.

Other

Building envelope repairs have been neglected for many years. Many facilities still have single and/or double pane glass and are poorly sealed, leading to energy loss. Many exterior metal doors are rusted and frequently fail to close and latch which creates a safety hazard. Renovations will address leaks around windows and doors and will provide improved energy efficiency.

Disclosures

Expenditures will continue indefinitely.

Coordination

Department of General Services, Departments affected by building envelope repair projects

HVAC/Elec Replacement: MCG (P508941)

Category	General Government	Date Last Modified	4/21/14
Sub Category	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	General Services (AAGE29)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	2,307	192	765	1,350	225	225	225	225	225	225	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	340	340	0	0	0	0	0	0	0	0	0
Construction	7,942	276	1,991	5,675	1,050	925	925	925	925	925	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	10,589	808	2,756	7,025	1,275	1,150	1,150	1,150	1,150	1,150	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	10,589	808	2,756	7,025	1,275	1,150	1,150	1,150	1,150	1,150	0
Total	10,589	808	2,756	7,025	1,275	1,150	1,150	1,150	1,150	1,150	0

OPERATING BUDGET IMPACT (\$000s)											
Energy				-357	-17	-34	-51	-68	-85	-102	
Net Impact				-357	-17	-34	-51	-68	-85	-102	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	1,275	Date First Appropriation	FY 96
Appropriation Request Est.	FY 16	1,150	First Cost Estimate	
Supplemental Appropriation Request		0	Current Scope	FY 15 10,589
Transfer		0	Last FY's Cost Estimate	8,426
Cumulative Appropriation		3,564	Partial Closeout Thru	19,152
Expenditure / Encumbrances		2,052	New Partial Closeout	808
Unencumbered Balance		1,512	Total Partial Closeout	19,960

Description

This project provides for the orderly replacement/renovation of outdated Heating, Ventilation, and Air Conditioning (HVAC) systems and electrical systems in County buildings. The Department of General Services (DGS) currently oversees, monitors and provides services for operation of the mechanical, electrical and fire protection systems of 250 County facilities with approximately 12 million square feet of occupied space. The project requires periodic condition assessments and renovation of the HVAC, plumbing, electrical, and control systems and equipment; overhauling the air distribution systems; electrical service upgrades; and emergency generator replacements.

Cost Change

Increase due to the addition of FY19 and FY20 to this ongoing project and the addition of work at two correctional facilities in FY15.

Justification

Many HVAC, plumbing and electrical systems in County-owned buildings are outdated and well beyond economical repair, particularly in buildings which have not been renovated in many years. In the life of the buildings, the HVAC, plumbing and electrical systems require major renovation or replacement at least once every 25 years. These renovations will not only significantly extend the life of the County buildings, but convert the old mechanical/electrical systems to state-of-the-art energy efficient systems which improves indoor air quality. It conserves energy and saves resources. The criteria for selecting the County facilities for systems renovation or replacement include: mechanical/electrical systems degradation, high maintenance costs, high energy consumption, current code compliance, indoor air quality, and major change of the functional use of the building. Occupational Safety and Health Administration (OSHA) has issued proposed rules for providing quality of Indoor air in the work place (OSHA 29 CFR parts 1910, 1915, and 1926). The rules require indoor air quality (IAQ) compliance plans to be implemented. The results of a facility condition assessment of 73 County facilities completed by a consultant in FY05, FY06 and FY07 have been used to prioritize the six-year program. The March 2010 Report of the Infrastructure Maintenance Task Force, identified an annual level of effort for HVAC/electrical replacement based on a 25 year life span.

Other

Scheduled HVAC/Electrical Replacements:

FY15: Montgomery County Detention Center, Montgomery County Correctional Facility, Longwood Recreation Center, Wheaton Police Station; Germantown Police Station; Grey Brick Courthouse; Kensington Library.

FY16: Council Office Building; Little Falls Library; Lone Oak Daycare Center; Leland Community Center; Upper County Community Recreation Center.

Disclosures

Expenditures will continue indefinitely.

Coordination

Department of General Services, Departments affected by HVAC projects

Planned Lifecycle Asset Replacement: MCG (P509514)

Category	General Government	Date Last Modified	4/21/14
Sub Category	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	General Services (AAGE29)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	498	94	44	360	60	60	60	60	60	60	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	126	126	0	0	0	0	0	0	0	0	0
Construction	8,167	39	2,435	5,693	2,243	690	690	690	690	690	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	8,791	259	2,479	6,053	2,303	750	750	750	750	750	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	8,791	259	2,479	6,053	2,303	750	750	750	750	750	0
Total	8,791	259	2,479	6,053	2,303	750	750	750	750	750	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	2,303
Appropriation Request Est.	FY 16	750
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,738
Expenditure / Encumbrances		923
Unencumbered Balance		1,815

Date First Appropriation	FY 95
First Cost Estimate	
Current Scope	FY 15 8,791
Last FY's Cost Estimate	5,921
Partial Closeout Thru	9,094
New Partial Closeout	259
Total Partial Closeout	9,353

Description

This project provides for a comprehensive lifecycle replacement program to protect the County's investment in facilities and to sustain efficient and reliable facility operation. The project is targeted at slowing the deterioration of key facility and site components based on an inventory of their age and condition. The project includes: mechanical/plumbing equipment; lighting system replacement not covered under the Energy Conservation CIP program; and reconstruction of sidewalks and curbs adjacent to County facilities. The scope of this project parallels approved CIP projects of Montgomery County Public Schools, Montgomery College, and the Maryland-National Capital Park and Planning Commission.

Cost Change

Increase is due to the addition of FY19 and FY20 to this ongoing project and is partially offset by the capitalization of prior expenditures. Increase is also related to additional FY15 work planned for Strathmore Mansion and work related to supporting improvements at the eight facilities participating in the Energy Systems Modernization project in FY14 and FY15.

Justification

The County currently has a significant backlog of facility and site components that result from facility age and past deferrals of deficiencies. Various components are outdated, inefficient, and costly to repair. The replacement of components significantly extends the useful life of County facilities. In FY05, FY06 and FY07, the County engaged a consultant to conduct a comprehensive facility condition assessment survey of 73 County facilities, or approximately 30 percent of the County's facility inventory. Based upon the age and condition of each component and industry-accepted component lifetimes, a priority listing of component replacement was developed. The results of the facility condition assessment of 73 County facilities have been used to prioritize the six-year program.

Other

Scheduled replacements:

FY15: Strathmore Mansion, Pre-Release Center, Brook Grove Daycare, One Lawrence Court, Riley Group Home, Avery Road Back House, 1301 Piccard Dr.

FY16: Layhill Group Home, Judith Resnick Daycare Center, Waring Station Daycare, Damascus Library

Disclosures

Expenditures will continue indefinitely.

Coordination

Departments affected by PLAR projects, Department of General Services

Roof Replacement: MCG (P508331)

Category
Sub Category
Administering Agency
Planning Area

General Government
County Offices and Other Improvements
General Services (AAGE29)
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

4/21/14
No
None
Ongoing

Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	3,697	49	1,008	2,640	440	440	440	440	440	440	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	16,987	0	5,179	11,808	2,808	1,800	1,800	1,800	2,300	1,300	0
Other	7	1	6	0	0	0	0	0	0	0	0
Total	20,691	50	6,193	14,448	3,248	2,240	2,240	2,240	2,740	1,740	0

FUNDING SCHEDULE (\$000s)

G.O. Bonds	20,691	50	6,193	14,448	3,248	2,240	2,240	2,240	2,740	1,740	0
Total	20,691	50	6,193	14,448	3,248	2,240	2,240	2,240	2,740	1,740	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	3,248
Appropriation Request Est.	FY 16	2,240
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		6,243
Expenditure / Encumbrances		433
Unencumbered Balance		5,810

Date First Appropriation	FY 96
First Cost Estimate	
Current Scope	FY 15 20,691
Last FY's Cost Estimate	17,439
Partial Closeout Thru	22,626
New Partial Closeout	50
Total Partial Closeout	22,676

Description

This project provides for major roof replacement of County buildings.

Cost Change

Increase due the addition of FY19 and FY20 to this ongoing project and is partially offset by capitalization of prior expenditures. FY15 costs have increased due to the addition of work at the Strathmore Mansion and the Montgomery County Detention Center.

Justification

The age of many County buildings creates the need for this project. Factors determining the need for replacement include poor condition, age, long-term utilization, and probability of continued repairs. The project consists of an annual replacement schedule for those roofs which have reached the end of their useful service life. Asbestos abatement is an important component of the roof replacement effort and will be performed when required. The roof replacements covered under this program are prioritized based upon a consultant's survey completed in FY05 and an in-house priority schedule. Information generated in that condition survey will be the basis for future roof replacement projects. The March 2010 Report of the Infrastructure Maintenance Task Force identified an annual level of effort funding for roof replacement based on an average 20-year life for roof systems.

Other

Roof Replacement may be accelerated or delayed based on changing priorities and need.

Roofs scheduled for replacement:

FY15: Montgomery County Detention Center, Strathmore Mansion, Grey Brick Courthouse, Davis Library, Seneca Creek Pool, Council Office Building, Fire Station #31

FY16: Executive Office Building, Upper County Daycare, Clara Barton Community Center, 1301 Piccard Drive, McDonald Knolls, Little Falls Library

Disclosures

Expenditures will continue indefinitely.

Coordination

Department of General Services, Departments affected by roof replacement projects