

MEMORANDUM

February 2, 2016

TO: Health and Human Services Committee

FROM: Vivian Yao, Legislative Analyst *VY*

SUBJECT: **Worksession** – Supplemental Appropriation to the County Government’s FY16 Capital Budget and Amendment to the FY15-20 Capital Improvements Program, Department of Health and Human Services - \$5,874,000 for Avery Road Treatment Center

The County Executive requested an amendment to the FY16 Capital Budget for Montgomery County Department of Health and Human Services in the amount of \$5,874,000 for Avery Road Treatment Center on January 15 (transmittal attached at ©1-2). A draft appropriation resolution is attached at ©3-4, and a draft amended Project Description Form (PDF) is attached at ©5.

The recommended appropriation will fund planning, design, and construction of a replacement facility for the existing Avery Road Treatment Center. The recommended PDF includes the following project appropriation and expenditure information:

(in 000s)	Total	Total 6 years	FY15	FY16	FY17	FY18	FY19	FY20
Approved	4,800	4,800	40	510	250	1,600	2,050	350
Recommended	8,516	8,516	13	192	2,308	4,665	1,338	0

The recommended funding source is \$4.9 million in G.O. Bonds and \$3.6 million in State Aid.

The County is pursuing a public private partnership with assistance from the State. The existing facility provides 20 medical detox and 40 Intermediate Care beds, though the capacity of the replacement facility may shift depending on the agreement developed under the public private partnership. The cost change reflects replacement of prior estimated funding with actual anticipated County and State expenditures through a contractual public-private partnership.

Council staff recommendation: Approve supplemental appropriation and amendment to the FY15-20 CIP as proposed by the County Executive.



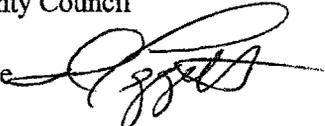
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

January 15, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Amendment to the FY15-20 Capital Improvements Program and Supplemental Appropriation #14-S16-CMCG-4 to the FY16 Capital Budget
Montgomery County Government
Department of Health and Human Services
Avery Road Treatment Center (No. 601502), \$5,874,000

I am recommending a supplemental appropriation to the FY16 Capital Budget and amendment to the FY15-20 Capital Improvements Program in the amount of \$5,874,000 for Avery Road Treatment Center (No. 601502). Appropriation for this project will fund planning, design, and construction of a replacement facility for the existing Avery Road Treatment Center in the Health and Human Services area.

This increase in funding and expenditure is needed to replace the existing Avery Road Treatment Center estimated funding with actual anticipated County and State expenditures to construct a new Avery Road Treatment facility through a public-private partnership. The increase in appropriation is needed to enter into a contract with the selected private partner. The recommended amendment is consistent with the criteria for amending the CIP because the project leverages significant non-County sources of funds and offers the opportunity to achieve significant savings by partnering with a private entity.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY15-20 Capital Improvements Program in the amount of \$5,874,000 and specify the source of funds as General Obligation Bonds and State Aid.

I appreciate your prompt consideration of this action.

IL: rs

Nancy Floreen
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Attachment: Amendment to the FY15-20 Capital Improvements Program and Supplemental
Appropriation #14-S16-CMCG-4

cc: Jennifer A. Hughes, Director, Office of Management and Budget
Uma S. Ahluwalia, Director, Department of Health and Human Services
David Dise, Director, Department of General Services

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY15-20 Capital Improvements Program and
Supplemental Appropriation #14-S16-CMCG-4 to the FY16 Capital Budget
Montgomery County Government
Department of Health and Human Services
Avery Road Treatment Center (No. 601502), \$5,874,000

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 five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six 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. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Avery Road Treatment Center	601502	Design and Construction	\$3,304,000	State Aid
		Design and Construction	<u>\$2,570,000</u>	G.O. Bonds
TOTAL			<u>\$5,874,000</u>	

Amendment to the FY15-20 Capital Improvements Program and Supplemental Appropriation
#14-S16-CMCG-4

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4. This increase in funding and expenditure is needed to replace the existing Avery Road Treatment Center estimated funding with actual anticipated County and State expenditures to construct a new Avery Road Treatment facility through a public-private partnership. The increase in appropriation is needed to enter into a contract with the selected private partner. The recommended amendment is consistent with the criteria for amending the CIP because the project leverages significant non-County sources of funds and offers the opportunity to achieve significant savings by partnering with a private entity.
5. The County Executive recommends an amendment to the FY15-20 Capital Improvements Program and a supplemental appropriation in the amount of \$5,874,000 for Avery Road Treatment Center (No. 601502), and specifies that the source of funds will be General Obligation Bonds and State Aid.
6. Notice of public hearing was given and a public hearing was held.

Action

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

The FY15-20 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Avery Road Treatment Center	601502	Design and Construction	\$3,304,000	State Aid
		Design and Construction	<u>\$2,570,000</u>	G.O. Bonds
TOTAL			<u>\$5,874,000</u>	

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Avery Road Treatment Center (P601502)

Category Health and Human Services
 Sub Category Health and Human Services
 Administering Agency General Services (AAGE29)
 Planning Area Rockville

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Planning Stage

	Total	Thru FY14	Rem 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	1,186.8	0	0	1,186.8	13.0	192.0	421.0	363.0	197.0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	1,987.0	0	0	1,987.0	0	0	589.0	945.0	453.0	0	0
Construction	5,343.0	0	0	5,343.0	0	0	1,298.0	3,857.0	688.0	0	0
Other	0.4,800	0	0	0.4,800	0.40	0.510	0.280	0.1,800	0.2,050	0.350	0
Total	8,516.8	0	0	8,516.8	13.40	192.510	2,308.280	4,665.800	1,338.050	0.350	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	4,992.0	0	0	4,992.0	13.40	192.280	874.280	3,465.800	338.000	0.350	0
State Aid	3,614.310	0	0	3,614.310	0	0.340	1,414.80	1,200.0	1,000.0	0	0
Total	8,606.310	0	0	8,606.310	13.40	192.620	2,308.280	4,665.800	1,338.050	0.350	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 16	0
Supplemental Appropriation Request	5,874	0
Transfer		0
Cumulative Appropriation		550
Expenditure / Encumbrances		0
Unencumbered Balance		550

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 15 4,800
Last FY's Cost Estimate	4,800

Description

This project provides for the planning, design and construction of a replacement facility for the existing Avery Road Treatment Center (ARTC). The existing facility provides residential substance abuse treatment for low-income County residents. The County is pursuing a public-private partnership with assistance from the State to complete the project; therefore, only a portion of the likely total project costs are reflected here. The County has issued a Request for Proposals to secure a private partner for the project.

Location

14703 Avery Road, Rockville, Maryland

Capacity

The existing facility provides 20 medical detox and 40 Intermediate Care Facility beds. Capacity provided by the replacement facility may shift depending on the agreement developed under the public-private partnership.

Estimated Schedule

Funds are shifted to reflect an increase in the time required to complete the procurement process.

Justification

The existing ARTC facility was constructed of pre-fabricated modular units in 1991 and needs to be replaced.

Fiscal Note

The County is pursuing additional State and private support for the design and construction of this project. Project funding and expenditures shown here serve as a placeholder, intended to capture the amount of funding required to meet State match requirements. 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

Department of Health and Human Services
 Department of General Services
 County Attorney
 Office of Procurement
 Maryland Department of Health and Mental Hygiene
 Private and/or non-profit substance abuse treatment providers
 Private developers

Cost Change - Cost change reflects the replacement of the prior estimated funding with actual anticipated county and state expenditures, based on a contractual public-private partnership.