

GO Committee #2  
May 2, 2016

**Worksession**

**MEMORANDUM**

April 28, 2016

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser  
Susan Farag, Legislative Analyst

SUBJECT: FY17-22 CIP General Government: Public Safety System Modernization (PSSM)  
(P340901) and Technology Modernization MCG (P150701) Amendments

The following are expected to attend:

Michael Ferrara, Enterprise Projects Manager  
Michael Knuppel, PSSM Project Manager  
Pofen Salem, Office of Management and Budget (OMB)

**Staff Recommendation:**

1. Recommend that the Executive's shift of \$2,000,000 in the Public Safety System Modernization funding and expenditures from FY18 to FY19 be approved; note that there is no impact on project timelines and deliverables.
2. Recommend the Executive's shift in the TechMod Estimated FY16 funding schedule and "Thru FY15" totals be approved; note that there is no change in the FY17-22 request, nor in program deliverables or deadlines.

**Overview**

The Executive's FY17-22 CIP includes the Public Safety System Modernization (PSSM) and Technology Modernization effort (TechMod) shown on ©1-2 and ©3-4 respectively. The PSSM request was approved by the joint GO and PS Committees on March 8, 2016, and by the full Council on March 14, 2016. The TechMod request was approved by the GO Committee on March 3, 2016 and by the full Council on March 15, 2016.

On April 21, 2016, the Executive sent the Council President a series of amendments. The transmittal memo is on ©5-8; on ©9-10 are the specific pages relating to the Public Safety System Modernization (PSSM) amendments and on ©11-13 are the Technology Modernization project amendments.

#### Public Safety System Modernization (PSSM) Amendments

The Executive is recommending a shift of \$2,000,000 of GO bond funding from FY18 to FY19. This is due to a better understanding of the milestone payment schedule for the radio infrastructure project, and has no substantive impact on actual system build-out timelines. The table below summarizes the change recommended (changes highlighted in grey):

**Table 1 FY18 and FY19 Funding Schedule (in \$000s)**

	<i>Funding schedule for FY18+FY19 approved by Committee and Council</i>		<i>Funding Schedule for FY18+FY19 recommended by Executive on April 21, 2016</i>	
	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
Current Revenue General	1,050	935	1,050	935
Federal Aid	0	0	0	0
G.O. Bonds	24,386	11,100	22,386	13,100
Short-term Financing	2,000	2,000	2,000	2,000
Total	27,436	14,035	25,436	16,035

There is a corresponding change in the Expenditure schedule:

**Table 2 FY18 and FY19 Expenditure Schedule (in \$000s)**

	<i>Expenditure schedule for FY18+FY19 approved by Committee and Council</i>		<i>Expenditure Schedule for FY18+FY19 recommended by Executive on April 21, 2016</i>	
	<b>FY18</b>	<b>FY19</b>	<b>FY18</b>	<b>FY19</b>
Planning, Design and Supervision	1,050	935	1,050	935
Land	0	0	0	0
Site Improvements and Utilities	0	0	0	0
Construction	26,386	13,100	24,386	15,100
Other				
Total	27,436	14,035	25,436	16,035

As there is no impact on the timeframe or the deliverables of the Public Safety System Modernization project, staff recommends acceptance of the shift in timing within the funding and expenditure schedule. The chair of the Public Safety Committee has already reviewed the change, is in favor of it, and supports this technical adjustment review by the GO Committee.

### Technology Modernization (TechMod) Amendments

There are two amendments made to this project form; both are technical adjustments with no impact on the project execution. The first is a shift in the FY16 source of revenues, summarized in the table below (changes highlighted in grey):

**Table 3 FY16 Funding Schedule (in \$000s)**

	<i><b>Funding schedule for FY16 approved by Committee and Council</b></i>	<i><b>Funding Schedule recommended by Executive on April 21, 2016</b></i>
Contributions	0	275
Current Revenue General	4,600	4,600
Federal Aid	0	0
Land Sale	0	0
Recreation Fund	645	323
Recordation Tax premium	0	0
Short-term Financing	14,116	14,163
Total	\$19,361	19,361

The second is an adjustment in the “Thru FY15” column that clarifies the source of funds used in prior years:

**Table 4 “Thru FY15” Funding Schedule (in \$000s)**

	<i><b>Thru FY15 Funding Schedule approved by Committee and Council</b></i>	<i><b>Thru FY15 Funding Schedule recommended by Executive on April 21, 2016</b></i>
Contributions	1,340	1,340
Current Revenue General	62,812	62,812
Federal Aid	0	0
Land Sale	2,634	2,634
Recreation Fund	0	322
Recordation Tax premium	2,623	2,623
Short-term Financing	41,003	40,681
Total	\$110,412	110,412

As there is no impact on the timeframe or the deliverables of the Technology Modernization project, Council Staff recommends acceptance of the shift in revenues within the funding schedule.

## Public Safety System Modernization (P340901)

Category General Government  
 Sub Category County Offices and Other Improvements  
 Administering Agency County Executive (AAGE03)  
 Planning Area Countywide

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

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	9,543	536	5,692	3,315	1,330	1,050	935	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	66,540	0	10,936	55,604	16,118	26,386	13,100	0	0	0	0
Other	34,733	34,733	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>110,816</b>	<b>35,269</b>	<b>16,628</b>	<b>58,919</b>	<b>17,448</b>	<b>27,436</b>	<b>14,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: General	9,543	4,121	2,107	3,315	1,330	1,050	935	0	0	0	0
Federal Aid	3,043	2,947	96	0	0	0	0	0	0	0	0
G.O. Bonds	54,932	1,393	5,935	47,604	12,118	24,386	11,100	0	0	0	0
Short-Term Financing	43,298	26,808	8,490	8,000	4,000	2,000	2,000	0	0	0	0
<b>Total</b>	<b>110,816</b>	<b>35,269</b>	<b>16,628</b>	<b>58,919</b>	<b>17,448</b>	<b>27,436</b>	<b>14,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Maintenance				3,600	600	600	600	600	600	600	
Program-Staff				1,200	200	200	200	200	200	200	
Program-Other				1,584	264	264	264	264	264	264	
<b>Net Impact</b>				<b>6,384</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	1,180
Appropriation Request Est.	FY 18	1,067
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		106,633
Expenditure / Encumbrances		46,924
Unencumbered Balance		59,709

Date First Appropriation	FY 09
First Cost Estimate	
Current Scope	FY 17 110,816
Last FY's Cost Estimate	109,708

### Description

This program will provide for phased upgrades and modernization of computer aided dispatch (CAD), law enforcement records management system (LE RMS), and voice radio systems used primarily by the County's public safety first responder agencies including Police, Fire and Rescue, Sheriff, Corrections and Rehabilitation, and Emergency Management and Homeland Security. The modernization will include replacement of the current CAD/LE RMS system, replacement of public safety mobile and portable radios, upgrade of non-public safety mobile and portable radios, and replacement of core voice radio communications infrastructure. The previously approved Fire Station Alerting System Upgrades project (CIP #451000) was transferred to this project in order to coordinate the upgrades with the new CAD system. The alerting system upgrades will modernize the fire station alerting systems at 43 existing work sites, maintaining the ability to notify fire and rescue stations of emergencies. The alerting system, including audible and data signals, is essential for the notification of an emergency and the dispatch of appropriate response units from the County. As voice, data, and video are beginning to converge to a single platform, this project will provide a pathway to a modern public safety support infrastructure that will enable the County to leverage technology advances and provide efficient and reliable systems for first responders. This project will follow the methodologies and strategies presented in the Public Safety Systems Modernization (PSSM) plan completed in July 2009.

### Cost Change

Cost changes due to the continuation of staff resources through FY19 and revised estimates for radio infrastructure.

### Justification

## Public Safety System Modernization (P340901)

The public safety systems require modernization. The CAD system is reaching the end of useful life and does not meet the County's current operational requirements, impacting the response time of first responders to 9-1-1 calls. The CAD Roadmap Study, completed in March 2009, recommended replacement of the system to address existing shortcomings and prepare for the next generation 9-1-1 systems. The manufacturer's support for the voice radio system has begun to be phased out as of December 31, 2009. Beyond that date, the manufacturer will only continue to provide system support on an as available basis, but will not guarantee the availability of parts or technical resources. The CAD modernization has initiated a detailed planning phase that included the use of industry experts to assist with business process analysis and to develop detailed business and technical requirements for the new CAD system. This process will allow the County to incorporate lessons learned and best practices from other jurisdictions. As more of the County's regional partners migrate to newer voice technologies, it will affect interoperable voice communications. To ensure that the County maintains reliable and effective public safety (voice radio) communications for the operations of its first responders and to sustain communications interoperability for seamless mutual aid among its regional partners, the County needs to implement a project to upgrade and modernize its portable and mobile radio units and subsequently the radio voice communications infrastructure. Acceleration of the public safety radio purchases was initiated to take advantage of a Partial Payment in Lieu of Re-Banding offer from Sprint/Nextel toward the financing of new, upgraded, P-25 compliant public safety radios and to meet the Federal Communications Commission (FCC) mandated 800 MHz frequency rebanding requirements for nationwide public safety radio frequency interoperability. Now, the installation of the new core radio communication infrastructure is needed. The fire station alerting system upgrades were identified as a need under Section 5 of the MCFRS Master Plan (adopted by the County Council in October 2005) and detailed in the Station Alerting and Public Address (SA/PA) System for Fire/Rescue Stations, Rev 1, 2006. This project allows for the continuous and seamless functioning of the alerting systems within each fire station. A preliminary survey by DTS of existing conditions at all stations revealed system-wide concerns, including inadequate spare parts inventory and lack of available maintenance support for alerting systems.

### Other

\$20.936 million was appropriated in FY11 to purchase P-25 compliant radios that allowed the County to complete immediate re-banding within the 800 MHz frequency as required by the FCC. The radio replacement program includes the M-NCPPC Montgomery County Park Police. The future purchase of public safety radios (other than to replace broken equipment) must be able to be supported by a P25 Phase-2 compliant infrastructure. The use of State of Maryland infrastructure will be aggressively pursued in order to minimize costs to Montgomery County. The CAD procurement request will reflect the County's interest in maintaining the station alerting functionality at the current level or better through the CAD system. The RFP for CAD replacement will include replacement of the following systems: CAD, mapping, and the existing Law Enforcement Records Management and Field Reporting systems. Coordination with participating department/agencies and regional partners will continue throughout the project.

### Fiscal Note

Funding in FY09 included Urban Area Security Initiative (UASI) grant funding of \$2.055 million and Fire Act grant funding of \$988,000.

### Coordination

PSSM Executive Steering Group, Executive Program Directors, Department of Technology Services, Department of Police, Montgomery County Fire and Rescue Service, Sheriff's Office, Department of Correction and Rehabilitation, Office of Emergency Management and Homeland Security, Department of Transportation, Department of Liquor Control, Montgomery County Public Schools (MCPS), Maryland-National Park and Planning Commission (M-NCPPC) Park Police, Washington Metropolitan Area Transit Authority (WMATA)

## Technology Modernization -- MCG (P150701)

Category  
Sub Category  
Administering Agency  
Planning Area

General Government  
County Offices and Other Improvements  
County Executive (AAGE03)  
Countywide

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

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	134,353	110,412	19,305	4,636	4,636	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	0	0	0	0	0	0	0	0	0	0	0
Other	56	0	56	0	0	0	0	0	0	0	0
<b>Total</b>	<b>134,409</b>	<b>110,412</b>	<b>19,361</b>	<b>4,636</b>	<b>4,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Contributions	1,340	1,340	0	0	0	0	0	0	0	0	0
Current Revenue: General	67,412	62,812	4,600	0	0	0	0	0	0	0	0
Federal Aid	741	0	0	741	741	0	0	0	0	0	0
Land Sale	2,634	2,634	0	0	0	0	0	0	0	0	0
Recreation Fund	645	0	645	0	0	0	0	0	0	0	0
Recordation Tax Premium	2,623	2,623	0	0	0	0	0	0	0	0	0
Short-Term Financing	59,014	41,003	14,116	3,895	3,895	0	0	0	0	0	0
<b>Total</b>	<b>134,409</b>	<b>110,412</b>	<b>19,361</b>	<b>4,636</b>	<b>4,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Maintenance				2,802	467	467	467	467	467	467	
Productivity Improvements				-29,148	-700	-3,472	-6,244	-6,244	-6,244	-6,244	
Program-Staff				858	143	143	143	143	143	143	
Program-Other				10,374	1,054	1,864	1,864	1,864	1,864	1,864	
<b>Net Impact</b>				<b>-15,114</b>	<b>964</b>	<b>-998</b>	<b>-3,770</b>	<b>-3,770</b>	<b>-3,770</b>	<b>-3,770</b>	

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	0
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		134,409
Expenditure / Encumbrances		126,901
Unencumbered Balance		7,508

Date First Appropriation	FY 07
First Cost Estimate	
Current Scope	FY 17 134,409
Last FY's Cost Estimate	134,909

### Description

This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems that have been completed through this project include the Enterprise Resource Planning (ERP) Financial and Human Resources modules, foundation phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting (MCTime), and related Business Process Review (BPR). Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The Budgeting module of the ERP system (Hyperion) and additional self-service functionality is currently underway and the workforce component of the Hyperion System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, Washington Suburban Sanitary Commission (WSSC) fees, and other fees, taxes, and related credits. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, web-site designs; redesign/testing of ERP interfaces; and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

## Technology Modernization – MCG (P150701)

### Cost Change

The cost decrease is due to shifting the FY17 funding in Current Revenue to the HHS Operating budget.

### Justification

According to a 2004 ranking of major existing technology systems based on their current health and relative need for upgrade or replacement, the County's then current core business systems (ADPICS, FAMIS, BPREP, and HRMS) were ranked as Priority #1, which means obsolete or vulnerable critical system in immediate risk of failure. These at-risk systems were replaced with a state of the art ERP system which provides a common database supporting financials, procurement, budget, and HR/payroll, and includes system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Tax Assessment Billing System: The current system is over 30 years old, is only internally supported, and is used for the collection of over \$2 billion in revenues annually. Health and Human Services EICM: This technology modernization effort will ensure ongoing viability of key processes, replace outdated and vulnerable systems, create staff operating efficiencies, and produce a high return in terms of customer service and accountability to our residents. Related plans and studies include the Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003, the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services, and the FY14 Process and Technology Modernization Readiness Assessment conducted by the Gartner consulting group. Recreation, CUPF, and M-NCPPC: The Active Network announced that they will release one more version upgrade of CLASS, scheduled for first quarter of 2014. After this release, there will be no further development of the CLASS software and maintenance/support will be phased out of the CLASS software (ending by December, 2017). A feasibility study determined that the Active Network's browser based application, ActiveNet, is the only software with sufficient functionality and processing capability to meet the needs of a joint registration and facility management system in a single database for Recreation, CUPF, MNCPPC, and the Gilchrist Center. The system will also improve customer service by providing a one-stop access point.

### Other

The Technology Modernization - MCG project is intended to serve as an ongoing resource for future IT modernization and related process engineering to the County Government's business systems beyond the currently defined project scope. Future projects may include the following: CRM - Citizen Relationship Management Phase II: This initiative will extend the service to municipalities in the County and other County agencies (e.g. Board of Education, M-NCPPC, Montgomery College). This initiative will proceed based upon interest from these organizations and agreement on funding. Objectives include creation of a Citizen Relationship Management (CRM) program to develop or convert automated capabilities for all appropriate County services including: Case Management Events, Management Field Services, Grants Management, Help Desk Solutions, Point of Sales, Resident Issue Tracking System, Work Order Processing System, ERP - Enterprise Resource Planning, Business Intelligence/Data Warehouse Development, Loan Management, Property Tax Billing and Collection, Public Access to Contractor Payments, Upgrade to Oracle E-Business/Kronos/Siebel, and Enhancements to comply with evolving Payment Card Industry (PCI) mandates.

### Fiscal Note

Project funding includes short-term financing for integrator services and software costs. The Operating Budget Impact (OBI) estimates have been reduced to reflect the full accounting of ERP operating costs in the Operating budget. ERP: In FY15, \$1.340M will be transferred to the CIP by the Board of Investment Trustees (BIT) and is reflected as Contributions; another \$1.175M will be transferred from the Department of Liquor Control (\$625,000) and the Group Insurance Fund (\$550,000) to the General Fund and is reflected as Current Revenue: General. HHS: Due to delays in the State's process for seeking federal reimbursements for capital IT upgrades, Federal Aid is only assumed in FY17. HHS will continue to seek federal aid as the State updates its process. If the State is continuously unsuccessful to receive federal reimbursements, short-term financing will be used as an alternative funding source. ActiveNet: \$645,000 will be appropriated from the Current Revenue: Recreation Fund in FY15 for the ActiveNet upgrade; Recreation will charge CUPF and M-NCPPC for their share of the project's expenditures based on a proportionate share of each party's use of ActiveNet.

### Coordination

MCG efforts are coordinated with applicable agencies during the project planning, requirements gathering, and requests for proposal (RFP) phases: Offices of the County Executive, Office of the County Council, Department of Finance, Department of Technology Services, Office of Procurement, Office of Human Resources, Office of Management and Budget, Department of Health and Human Services, Department of Recreation, Community Use of Public Facilities, and the Maryland-National Capital Park and Planning Commission, Gilchrist Center or CEC, all MCG Departments and Offices, Maryland Department of Human Resources, Maryland Department of Health and Mental Hygiene.




OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

April 21, 2016

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Budget Amendments: FY17-22 Recommended Capital Improvements Program

The Council has recently introduced Expedited Bill 15-16 that would increase the County's recordation tax from \$6.90/\$1,000 (.69%) to \$8.40/\$1,000 (.84%) and increase the incremental rate for transactions exceeding \$500,000 from \$3.10/\$1,000 (.31%) to \$4.60/\$1,000 (.46%). The maximum rate that could be paid for a transaction over \$500,000 would be \$13/\$1,000 (1.3%) under the proposed legislation which, at that level, would make Montgomery County's recordation tax the highest in Maryland.

I understand the Council's desire to identify additional revenue resources for the many worthy capital projects that are before you. However, I am concerned with the level of the proposed increase. First of all, increased recordation taxes could negatively impact our real estate market at a time when experts note its fragility. Adding additional closing costs to what are already some of the highest closing costs in the country could reduce demand for homes. Additionally, potential homebuyers will be adversely impacted as the cost of purchasing new homes will be affected; new homebuyers will have the most difficulty covering these additional costs. Furthermore, the recordation tax is one of our most economically sensitive revenues since it is subject to the volatility in the residential and commercial real estate markets. Depending on our historically high level of these revenues to continue well into the future may be unsustainable.

Finally, this increase should be viewed in the context of the recommended increase to property taxes. County taxpayers are already being asked to shoulder a property tax increase to fund the many vital programs and services funded through the operating budget – including debt service, which directly supports our capital program.

To the extent that the Council chooses to increase the recordation tax rates, I would urge you to devote any additional funds raised to addressing the capacity and building infrastructure needs of Montgomery County Public Schools.

Below are highlights of my recommended CIP amendments assuming current recordation tax rate funding.



Nancy Floreen, President, County Council

April 21, 2016

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### Purple Line Related Projects

Significant progress has been made on the Purple Line and our related Montgomery County projects. Since my initial Capital Budget and CIP submission to you in January, the Maryland Transit Administration (MTA) has completed negotiations with the selected concessionaire and received approval from the Board of Public Works to move forward with this exciting public-private partnership transit and economic development project. The County Department of Transportation has successfully negotiated with MTA staff to reduce County project costs and to defer some County costs to provide a more affordable funding schedule. As a result, the Bethesda Metro Station South Entrance, the Capital Crescent Trail, the Purple Line, and the Silver Spring Green Trail project budgets have been updated to reflect the results of these negotiations. In addition, the Lyttonsville Place Bridge will be replaced as part of the state funded Purple Line project. As a result, cost savings in the County's bridge project can be reallocated to other projects.

In recent weeks, we have also made progress in reaching an agreement related to the Apex Building. Under this agreement, the Apex Building redevelopment will be done in such a way that we can achieve an improved Purple line station, improved pedestrian circulation and safety, and a tunnel under the new building for the Capital Crescent Trail that will improve future trail traffic flow and safety. This agreement is dependent on developer negotiations and agreement with the Purple Line concessionaire and MTA. Once those negotiations are completed and agreement is ratified between the developer and MTA, I will forward a CIP amendment to support these improvements.

In order to balance programmed expenditures with available resources in each year of the six year CIP, a number of other project amendments are also recommended. (See below and attached summary chart and modified Project Description Forms.) Fortunately, most of these amendments are of a minor nature.

### Acceleration of Highway Maintenance Project Funding

In order to complete important road maintenance work and to alleviate budget pressure in the early years of the CIP, I am recommending that the \$9,315,000 remaining FY16 general obligation bond set-aside be allocated to accelerated FY16 highway maintenance in the Resurfacing: Residential/Rural Roads, Resurfacing: Primary/Arterial, and Residential and Rural Road Rehabilitation projects. Funding programmed in FY17 and FY18 has been reduced accordingly to reflect the acceleration.

### Project Implementation Updates

The Frederick Road Bike Path project has experienced implementation delays that will result in a one year delay. Minor shifts in the funding schedules for the Metropolitan Branch Trail and the Public Safety Systems Modernization project are also reflected, but no delay in completion is anticipated. The Clarksburg Fire Station project assumes a minor delay of spending but is anticipated to be completed in FY21 instead of FY22.

Nancy Floreen, President, County Council

April 21, 2016

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#### Council Changes Reflected in Amendments

The following projects project changes already adopted by the County Council are also included in my April CIP amendments:

- Cost savings in the Child Care in Schools project
- Recognition of developer contributions in the Bethesda CBD Streetscape project
- Recreation Facility Modernization project funding switch
- Deferrals/reductions in the Future Fire Station, Rockville Fire Station 3 Renovation, and Highway Noise Abatement projects.

#### Minor Impacts to Project Schedules

Minor adjustments to the Montrose Parkway East, Goshen Road South, and Seminary Road Intersection projects are also included. Montrose Parkway East and Goshen Road South will continue to be completed in FY23. The Seminary Road project is still expected to be completed in FY20.

#### Noyes Library Project

For some time, staff from my office has worked collaboratively with representatives from the Noyes Foundation, Council staff, the Departments of Public Libraries and General Services, and the Offices of Management and Budget and County Attorney to develop a public-private partnership to upgrade facilities at Noyes Library. While we have not yet completed the Memorandum of Understanding needed to submit a budget amendment at this time, I have held fiscal capacity for the County's share of the project funding. I anticipate that I will soon be able to forward an amendment to you when the MOU is completed.

#### Cost Sharing – Community Grants

I am also recommending approval of the FY17 Arts and Humanities Facilities Grants as recommended to me by the Arts and Humanities Commission. These FY17 grants will allocate \$378,000 in the Cost Sharing project for the Glen Echo Park's Bumper Car Pavilion, Olney Theatre Center facilities, and high definition technology investments for Montgomery Community Television. A technical adjustment moving the Our House Community grant from the operating budget to the Cost Sharing project is also included.

#### Agricultural Land Preservation

Based on updated revenue estimates, a \$490,000 increase in FY17 Agricultural Transfer Tax is recommended to fund additional funding for purchasing easements.

Nancy Floreen, President, County Council  
April 21, 2016  
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Washington Suburban Sanitation Commission

The Washington Suburban Sanitation Commission recently transmitted revised Blue Plains projects and a new Potomac WFP Consent Decree Program project to Council. I am supportive of these projects which are needed to protect our environment and successfully manage our regional water and sewer system.

Other Technical Adjustments

Several Stormwater Management projects have been adjusted to align funding sources based on bond counsel guidance. No net change in funding is being made. Several other projects listed on the attached chart have been updated to reflect corrected actuals, beyond six year costs, and appropriation as well as funding switches.

I recommend that the County Council consider these adjustments in its remaining budget worksessions. As always Executive Branch staff are available to assist you in your review.

IL:jah

Attachments: Recommended Budget Adjustments  
General Obligation Bond Adjustment Chart  
Current Revenue Adjustment Chart

cc: Stephen B. Farber, County Council Administrator  
Michael A. Durso, President, Montgomery County Public Schools Board of Education  
Larry A. Bowers, Interim Superintendent, Montgomery County Public Schools  
DeRionne P. Pollard, PhD., President, Montgomery College  
Casey Anderson, Chair, Montgomery County Planning Board  
Carla Reid, General Manager/CEO, Washington Suburban Sanitary Commission  
Stacy Spann, Executive Director, Housing Opportunities Commission  
Keith Miller, Executive Director, Revenue Authority  
Executive Branch Department Heads and Office Directors

## Public Safety System Modernization (P340901)

Category General Government  
 Sub Category County Offices and Other Improvements  
 Administering Agency County Executive (AAGE03)  
 Planning Area Countywide

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

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	9,543	536	5,692	3,315	1,330	1,050	935	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	66,540	0	10,936	55,604	16,118	24,386	15,100	0	0	0	0
Other	34,733	34,733	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>110,816</b>	<b>35,269</b>	<b>16,628</b>	<b>58,919</b>	<b>17,448</b>	<b>25,436</b>	<b>16,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: General	9,543	4,121	2,107	3,315	1,330	1,050	935	0	0	0	0
Federal Aid	3,043	2,947	96	0	0	0	0	0	0	0	0
G.O. Bonds	54,932	1,393	5,935	47,604	12,118	22,386	13,100	0	0	0	0
Short-Term Financing	43,298	26,808	8,490	8,000	4,000	2,000	2,000	0	0	0	0
<b>Total</b>	<b>110,816</b>	<b>35,269</b>	<b>16,628</b>	<b>58,919</b>	<b>17,448</b>	<b>25,436</b>	<b>16,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Maintenance				3,600	600	600	600	600	600	600	600
Program-Staff				1,200	200	200	200	200	200	200	200
Program-Other				1,584	264	264	264	264	264	264	264
<b>Net Impact</b>				<b>6,384</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>	<b>1,064</b>

### APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation Request	FY 17	1,180
Appropriation Request Est.	FY 18	1,067
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		106,633
Expenditure / Encumbrances		46,924
Unencumbered Balance		59,709

Date First Appropriation	FY 09
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	109,708

### Description

This program will provide for phased upgrades and modernization of computer aided dispatch (CAD), law enforcement records management system (LE RMS), and voice radio systems used primarily by the County's public safety first responder agencies including Police, Fire and Rescue, Sheriff, Corrections and Rehabilitation, and Emergency Management and Homeland Security. The modernization will include replacement of the current CAD/LE RMS system, replacement of public safety mobile and portable radios, upgrade of non-public safety mobile and portable radios, and replacement of core voice radio communications infrastructure. The previously approved Fire Station Alerting System Upgrades project (CIP #451000) was transferred to this project in order to coordinate the upgrades with the new CAD system. The alerting system upgrades will modernize the fire station alerting systems at 43 existing work sites, maintaining the ability to notify fire and rescue stations of emergencies. The alerting system, including audible and data signals, is essential for the notification of an emergency and the dispatch of appropriate response units from the County. As voice, data, and video are beginning to converge to a single platform, this project will provide a pathway to a modern public safety support infrastructure that will enable the County to leverage technology advances and provide efficient and reliable systems for first responders. This project will follow the methodologies and strategies presented in the Public Safety Systems Modernization (PSSM) plan completed in July 2009.

### Cost Change

Cost changes due to the continuation of staff resources through FY19 and revised estimates for radio infrastructure.

### Justification

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APRIL 21, 2016  
REQUESTED AMOUNT

## Public Safety System Modernization (P340901)

The public safety systems require modernization. The CAD system is reaching the end of useful life and does not meet the County's current operational requirements, impacting the response time of first responders to 9-1-1 calls. The CAD Roadmap Study, completed in March 2009, recommended replacement of the system to address existing shortcomings and prepare for the next generation 9-1-1 systems. The manufacturer's support for the voice radio system has begun to be phased out as of December 31, 2009. Beyond that date, the manufacturer will only continue to provide system support on an as available basis, but will not guarantee the availability of parts or technical resources. The CAD modernization has initiated a detailed planning phase that included the use of industry experts to assist with business process analysis and to develop detailed business and technical requirements for the new CAD system. This process will allow the County to incorporate lessons learned and best practices from other jurisdictions. As more of the County's regional partners migrate to newer voice technologies, it will affect interoperable voice communications. To ensure that the County maintains reliable and effective public safety (voice radio) communications for the operations of its first responders and to sustain communications interoperability for seamless mutual aid among its regional partners, the County needs to implement a project to upgrade and modernize its portable and mobile radio units and subsequently the radio voice communications infrastructure. Acceleration of the public safety radio purchases was initiated to take advantage of a Partial Payment in Lieu of Re-Banding offer from Sprint/Nextel toward the financing of new, upgraded, P-25 compliant public safety radios and to meet the Federal Communications Commission (FCC) mandated 800 MHz frequency rebanding requirements for nationwide public safety radio frequency interoperability. Now, the installation of the new core radio communication infrastructure is needed. The fire station alerting system upgrades were identified as a need under Section 5 of the MCFRS Master Plan (adopted by the County Council in October 2005) and detailed in the Station Alerting and Public Address (SA/PA) System for Fire/Rescue Stations, Rev 1, 2006. This project allows for the continuous and seamless functioning of the alerting systems within each fire station. A preliminary survey by DTS of existing conditions at all stations revealed system-wide concerns, including inadequate spare parts inventory and lack of available maintenance support for alerting systems.

### **Other**

\$20.936 million was appropriated in FY11 to purchase P-25 compliant radios that allowed the County to complete immediate re-banding within the 800 MHz frequency as required by the FCC. The radio replacement program includes the M-NCPPC Montgomery County Park Police. The future purchase of public safety radios (other than to replace broken equipment) must be able to be supported by a P25 Phase-2 compliant infrastructure. The use of State of Maryland infrastructure will be aggressively pursued in order to minimize costs to Montgomery County. The CAD procurement request will reflect the County's interest in maintaining the station alerting functionality at the current level or better through the CAD system. The RFP for CAD replacement will include replacement of the following systems: CAD, mapping, and the existing Law Enforcement Records Management and Field Reporting systems. Coordination with participating department/agencies and regional partners will continue throughout the project.

### **Fiscal Note**

Funding in FY09 included Urban Area Security Initiative (UASI) grant funding of \$2.055 million and Fire Act grant funding of \$988,000.

### **Coordination**

PSSM Executive Steering Group, Executive Program Directors, Department of Technology Services, Department of Police, Montgomery County Fire and Rescue Service, Sheriff's Office, Department of Correction and Rehabilitation, Office of Emergency Management and Homeland Security, Department of Transportation, Department of Liquor Control, Montgomery County Public Schools (MCPS), Maryland-National Park and Planning Commission (M-NCPPC) Park Police, Washington Metropolitan Area Transit Authority (WMATA)

# Technology Modernization -- MCG (P150701)

Category General Government  
 Sub Category County Offices and Other Improvements  
 Administering Agency County Executive (AAGE03)  
 Planning Area Countywide

Date Last Modified 4/19/16  
 Required Adequate Public Facility No  
 Relocation Impact None  
 Status Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	134,353	110,412	19,305	4,636	4,636	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	0	0	0	0	0	0	0	0	0	0	0
Other	56	0	58	0	0	0	0	0	0	0	0
<b>Total</b>	<b>134,409</b>	<b>110,412</b>	<b>19,361</b>	<b>4,636</b>	<b>4,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Contributions	1,615	1,340	275	0	0	0	0	0	0	0	0
Current Revenue: General	67,412	62,812	4,600	0	0	0	0	0	0	0	0
Federal Aid	741	0	0	741	741	0	0	0	0	0	0
Land Sale	2,634	2,634	0	0	0	0	0	0	0	0	0
Recreation Fund	645	322	323	0	0	0	0	0	0	0	0
Recordation Tax Premium	2,623	2,623	0	0	0	0	0	0	0	0	0
Short-Term Financing	58,739	40,681	14,163	3,895	3,895	0	0	0	0	0	0
<b>Total</b>	<b>134,409</b>	<b>110,412</b>	<b>19,361</b>	<b>4,636</b>	<b>4,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Maintenance				2,802	467	467	467	467	467	467	
Productivity Improvements				-29,148	-700	-3,472	-6,244	-6,244	-6,244	-6,244	
Program-Staff				858	143	143	143	143	143	143	
Program-Other				10,374	1,054	1,864	1,864	1,864	1,864	1,864	
<b>Net Impact</b>				<b>-15,114</b>	<b>964</b>	<b>-998</b>	<b>-3,770</b>	<b>-3,770</b>	<b>-3,770</b>	<b>-3,770</b>	

## APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	0
Appropriation Request Est.	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		134,409
Expenditure / Encumbrances		126,901
Unencumbered Balance		7,508

Date First Appropriation	FY 07
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	134,909

Description

(11)

APRIL 21, 2016

## Technology Modernization -- MCG (P150701)

This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems that have been completed through this project include the Enterprise Resource Planning (ERP) Financial and Human Resources modules, foundation phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting (MCTime), and related Business Process Review (BPR). Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The Budgeting module of the ERP system (Hyperion) and additional self-service functionality is currently underway and the workforce component of the Hyperion System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, Washington Suburban Sanitary Commission (WSSC) fees, and other fees, taxes, and related credits. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, web-site designs; redesign/testing of ERP interfaces; and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

### Cost Change

The cost decrease is due to shifting the FY17 funding in Current Revenue to the HHS Operating budget.

### Justification

According to a 2004 ranking of major existing technology systems based on their current health and relative need for upgrade or replacement, the County's then current core business systems (ADPICS, FAMIS, BPREP, and HRMS) were ranked as Priority #1, which means obsolete or vulnerable critical system in immediate risk of failure. These at-risk systems were replaced with a state of the art ERP system which provides a common database supporting financials, procurement, budget, and HR/payroll, and includes system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Tax Assessment Billing System: The current system is over 30 years old, is only internally supported, and is used for the collection of over \$2 billion in revenues annually. Health and Human Services EICM: This technology modernization effort will ensure ongoing viability of key processes, replace outdated and vulnerable systems, create staff operating efficiencies, and produce a high return in terms of customer service and accountability to our residents. Related plans and studies include the Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003, the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services, and the FY14 Process and Technology Modernization Readiness Assessment conducted by the Gartner consulting group. Recreation, CUPF, and M-NCPPC: The Active Network announced that they will release one more version upgrade of CLASS, scheduled for first quarter of 2014. After this release, there will be no further development of the CLASS software and maintenance/support will be phased out of the CLASS software (ending by December, 2017). A feasibility study determined that the Active Network's browser based application, ActiveNet, is the only software with sufficient functionality and processing capability to meet the needs of a joint registration and facility management system in a single database for Recreation, CUPF, MNCPPC, and the Gilchrist Center. The system will also improve customer service by providing a one-stop access point.

### Other

The Technology Modernization - MCG project is intended to serve as an ongoing resource for future IT modernization and related process engineering to the County Government's business systems beyond the currently defined project scope. Future projects may include the following: CRM - Citizen Relationship Management Phase II: This initiative will extend the service to municipalities in the County and other County agencies (e.g. Board of Education, M-NCPPC, Montgomery College). This initiative will proceed based upon interest from these organizations and agreement on funding. Objectives include creation of a Citizen Relationship Management (CRM) program to develop or convert automated capabilities for all appropriate County services including: Case Management Events, Management Field Services, Grants Management, Help Desk Solutions, Point of Sales, Resident Issue Tracking System, Work Order Processing System, ERP - Enterprise Resource Planning, Business Intelligence/Data Warehouse Development, Loan Management, Property Tax Billing and Collection, Public Access to Contractor Payments, Upgrade to Oracle E-Business/Kronos/Siebel, and Enhancements to comply with evolving Payment Card Industry (PCI) mandates.

### Fiscal Note

## Technology Modernization -- MCG (P150701)

Project funding includes short-term financing for integrator services and software costs. The Operating Budget Impact (OBI) estimates have been reduced to reflect the full accounting of ERP operating costs in the Operating budget. ERP: Funding through FY15 and FY16 estimated is now adjusted to reflect actual transfer by the Board of Investment Trustees (BIT) as Contributions and from the Department of Liquor Control and the Group Insurance Fund to the General Fund as Current Revenue: General. HHS: Due to delays in the State's process for seeking federal reimbursements for capital IT upgrades, Federal Aid is only assumed in FY17. HHS will continue to seek federal aid as the State updates its process. If the State is continuously unsuccessful to receive federal reimbursements, short-term financing will be used as an alternative funding source. ActiveNet: \$645,000 will be appropriated from the Current Revenue: Recreation Fund in FY15 for the ActiveNet upgrade; Recreation will charge CUPF and M-NCPPC for their share of the project's expenditures based on a proportionate share of each party's use of ActiveNet.

### Coordination

MCG efforts are coordinated with applicable agencies during the project planning, requirements gathering, and requests for proposal (RFP) phases: Offices of the County Executive, Office of the County Council, Department of Finance, Department of Technology Services, Office of Procurement, Office of Human Resources, Office of Management and Budget, Department of Health and Human Services, Department of Recreation, Community Use of Public Facilities, and the Maryland-National Capital Park and Planning Commission, Gilchrist Center or CEC, all MCG Departments and Offices, Maryland Department of Human Resources, Maryland Department of Health and Mental Hygiene.