

Resolution No.:	<u>18-1100</u>
Introduced:	<u>April 3, 2018</u>
Adopted:	<u>April 24, 2018</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the Request of the County Executive

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**SUBJECT:** Supplemental Appropriation #6-S18-CMCG-4 to the FY18 Capital Budget  
Montgomery County Government  
Department of General Services  
Energy Conservation MCG (CIP No. 0507834), \$819,000

**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. 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>
Energy Conservation	0507834	Construction	\$819,000	
TOTAL			<u>\$819,000</u>	Utility Incentives

3. This increase is needed to appropriate funds the Department of General Services will receive from a Pepco incentive program to fund the installation of the Cooling Tower system at the Public Safety Headquarters facility (PSHQ). The addition of the cooling tower, which will be installed concurrently with the combined heat and power (CHP) system, will improve the performance of the microgrid and associated facility. The recommended amendment is consistent with the criteria for amending the CIP because it leverages significant non-County funds.
4. The County Executive recommends a supplemental appropriation in the amount of \$819,000 for the Energy Conservation (CIP No. 0507834), and specifies that the source of funds is Utility Incentives.
5. Notice of public hearing was given and a public hearing was held.

### Action

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

A supplemental appropriation to the FY17 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Energy Conservation	0507834	Construction	\$819,000	
TOTAL			<u>\$819,000</u>	Utility Incentives

This is a correct copy of Council action.

  
 Megan Davey Limarzi, Esq.  
 Clerk of the Council

## Energy Conservation: MCG (P507834)

Category General Government  
 Sub Category County Offices and Other Improvements  
 Administering Agency General Services (AAGE29)  
 Planning Area Countywide

Date Last Modified 12/16/16  
 Required Adequate Public Facility No  
 Relocation Impact None  
 Status Ongoing

	Total	Thru FY16	Rem 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	289	82	9	198	33	33	33	33	33	33	0
Land	23	23	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	159	159	0	0	0	0	0	0	0	0	0
Construction	1,541	0	390	1,151	565	936	117	117	117	117	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,831</b>	<b>264</b>	<b>399</b>	<b>2,168</b>	<b>599</b>	<b>968</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: General	4	0	4	0	0	0	0	0	0	0	0
G.O. Bonds	1,559	264	395	900	150	150	150	150	150	150	0
State Aid	449	0	0	44	449	0	0	0	0	0	0
Utility Incentives	0	0	0	819	0	819	0	0	0	0	0
<b>Total</b>	<b>2,831</b>	<b>264</b>	<b>399</b>	<b>2,168</b>	<b>599</b>	<b>968</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>0</b>

<b>OPERATING BUDGET IMPACT (\$000s)</b>											
Energy				-242	-42	-40	-40	-40	-40	-40	
<b>Net Impact</b>				<b>-242</b>	<b>-42</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>	

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

Appropriation Request	FY 18	150
Supplemental Appropriation Request		819
Transfer		0
Cumulative Appropriation		1,262
Expenditure / Encumbrances		309
Unencumbered Balance		953

Date First Appropriation	FY 78
First Cost Estimate	
Current Scope	FY 17
Last FY's Cost Estimate	1,563

## Description

The project supports efforts yielding rapid financial returns to the County or substantial progress towards established environmental goals, such as energy savings, renewable energy installations, greenhouse gas reductions, waste diversion. The County conducted energy assessments and other analysis to identify resource and cost savings opportunities in County facilities that will inform project scheduling. In addition, the County is preparing a comprehensive sustainability plan with specific programs and actions to reduce the environmental footprint of County operations and reduce costs. This project will provide funds to target rapid return on investment energy conservation projects; provide ancillary funds to support the installation of solar photovoltaic systems on County facilities; augment other energy conservation projects (e.g., funding incremental costs of higher efficiency equipment); support energy and sustainability master planning for County facilities and operations; leverage federal, state, local grant funding; and provide funds to leverage public private partnerships and third party resources.

## Estimated Schedule

FY17: Potomac Library control upgrades. FY18: Little Falls Library control upgrades, Public Safety Headquarters cooling tower.

## Justification

This program is integral to the County's cost-containment efforts. Generally, projects will pay for themselves in one to ten years, with short payback initiatives being targeted to reduce pressure on the FY17 and FY18 budgets. The program also funds incremental costs in staff, planning, contractor support, analytics and other efforts to allow the County's overall energy and sustainability projects to be more impactful. The program is necessary to fulfill the mandate of the County's building energy design standards (8-14a), Council Bill 2-14 Energy Performance Benchmarking, Council Bill 5-14 Social Cost of Carbon, Council Bill 6-14 Office of Sustainability, and Council Bill 8-14 Renewable Energy Technology. Significant reductions in energy consumption, greenhouse gas emissions, solid waste, water consumption, and maintenance are expected.

## Fiscal Note

In FY15, \$300,000 in GO Bonds was transferred to Energy Conservation: MCG (507834) from Silver Spring Civic Building-#159921 (\$118,000), 1301 Piccard Loading Dock-#361205 (\$64,000), Germantown Library Reuse- #500710 (\$51,000), and Montgomery County Government Complex-#360901 (\$67,000). In FY17, Council approved a \$449,000 State Aid supplemental. The cooling tower will be fully funded by a PEPCO Incentive Program.

## Disclosures

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

## Energy Conservation: MCG (P507834)

Energy Conservation Work Program- Energy Star Upgrades, Department of General Services, Department of Environmental Protection