Montgomery County Government
CIP Process

Citizens Advisory Board-CIP Forums

Office of Management and Budget
July 2013
Role of CABs

• Provide residents with an opportunity to express their views and priorities for future capital improvement projects.

• Provide information to the County Executive and Departments concerning capital improvement projects.

• Information is included in the Public Input Section of the County Executive’s Recommended CIP budget book.
Capital Improvements Program (CIP)

• Capital Improvements have long-term usefulness and require large expenditures of capital funds usually programmed over more than one year and result in a durable capital asset.

• Biennial CIP Process.
  – Full CIP submitted in even numbered years
  – Amendments submitted in odd numbered years

• Six-year plan.

• Includes capital expenditure estimates, funding requirements, capital budget requests and program data.
CIP Schedule

- September: MCG Departments Submit CIP to OMB
- September: Council Approves CIP Spending Affordability Guidelines (SAG)
- September – December: OMB Reviews
- January 15th: County Executive Transmits to the Council
- February: County Council Public Hearings
- February: County Council revisits Spending Affordability Guidelines (SAG)
- February – May: County Council Committee Reviews
- May: Full Council Reviews
- Before Memorial Day: Council Approval
CIP Schedule

Agency Submissions to Executive and Council
- Oct. 1: WSSC to Executive and Council (no biennial CIP)
- Nov. 1: Superintendent to Board of Education
- Nov. 1: M-NCPPC to Executive and Council
- Mid Nov.: College to Executive and Council
- Dec. 1: BOE to Executive and Council

Council Role
- Review the Executive’s Recommended CIP with OMB, Departments, and Agencies
- Conduct Public Hearing
- Committee and Full Council work sessions
- Approve FY15-20 Capital Improvements Program and FY15 Capital Budget
CIP Process: Planning, Review, and Approval

• Identification of Needs
  – Community
  – Departments and Agencies
  – Land Use Plans
  – Growth Policy

• Readiness for Programming
  – Facility Planning
  – Cost Estimating
  – Collaboration

• Affordability
  – Fiscal Planning
  – Fiscal Policy
  – Operating Impacts

• Executive Branch Considerations
  – Readiness
    • Planning
    • Scope Definition
    • Basis for Estimates: Confidence Level
  – Master/Sector Plans
  – Department Strategic Plans
  – Return on Investment/Results
  – Affordability
  – Evaluate Changes: Costs, Scope, and Schedule
  – Method of Financing
  – Scheduling
  – Partners: Mixed Use Project
  – Priorities
    • Community Priorities
    • M-NCPBC Priorities
Recent CIP Funding Summary

FY13-18 Approved CIP (as amended) : $4.389 Bn.

- General Obligation Bonds/PAYGO: 50%
- Current Revenue: 9%
- Impact Taxes: 3%
- Intergovernmental: 13%
- Other: 25%
CIP FY13-18 GO Bonds

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- **Available GO Bond Capacity**
- **GO Bonds Programmed**
Recent CIP Expenditure Summary

FY13-18 Approved CIP (as amended) : $4.389 Bn.
FY15-20 Fiscal Outlook

Operating Budget & Capital Budget
– Three ways the budgets intersect
  • Cash payments for capital projects
  • Operating costs for new facilities
  • Debt service

Every $1 million used for debt service could also be used for:

- 13 public school teachers
- 9 police officers
- 9 fire fighters
- Operating 1 library
- Operating 5 recreation centers
- Rental assistance for 427 families
- 31,250 bednights in family shelters
- 11,111 bednights at overflow motels
- Respite care for 339 clients
- Child care subsidies for 197 children for a year
- Services for 4,124 Montgomery Cares clients
- 1,274 county-funded Maternity Partnership program
- 1,919 Housing Stabilization grants
- Pruning 2,150 trees
- Purchasing 2 buses
- Renovations for 50 bus stops
**FY15-20 Strategy**

- Continue the work of restructuring the CIP:
  - Align with forecasted revenues
  - Control rising debt service costs
  - Ensure sustainable operating budget impacts

- Requests for new projects should be directly responsive to either critical or high priority objectives.

- Consideration will be given to reducing, eliminating, or delaying non-critical projects.
Information and Resources

• County Executive’s Recommended FY13 Capital Budget and CIP
  http://www.montgomerycountymd.gov/OMB/FY13/ciprec/index.html

• Current CIP Projects and Project Description Forms
  http://www.montgomerycountymd.gov/OMB/MasterPDF/13-18a_masterpdf.html

• Office of Management and Budget Contacts
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