



MONTGOMERY COUNTY

COMMUNITY CONVERSATIONS

FY27 CAPITAL IMPROVEMENTS PROGRAM

[MontgomeryCountyMD.gov/omb](https://montgomerycountymd.gov/omb)



Agenda

Welcome & Introduction –
Regional Services Director

Welcome Remarks –
Chair, Citizens Advisory Board

**Capital Budget Basics/
How YOU Can Have an Impact –**
OMB Representative

Fiscal Tradeoffs –
County Executive Marc Elrich

**Question and Answer
with the County Executive**

**Breakout Sessions
and Report Outs**

Closing Remarks



CIP/CAB Community Discussions



In Person (7 – 8:30 p.m.)

- **Mid-County Region**
Monday, March 31
Wheaton Recreation Center
- **Bethesda-Chevy Chase Region**
Thursday, April 3
Bethesda-Chevy Chase Regional Services Center
- **Silver Spring Region**
Monday, April 28
Silver Spring Civic Center
- **UpCounty Region**
Thursday, May 1
BlackRock Center for the Arts
- **East County Region**
Monday, May 5
White Oak Community Recreation Center

Virtual (7 – 8:30 p.m.)

- **Virtual Conversation**
Tuesday, May 6

Thank you!

Your Voice Matters

The County Executive and the Citizens Advisory Board thank you for taking this opportunity to learn about the County's Capital Budget and to provide your feedback on projects that are important to your community.





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Capital Budget Basics



Two Budgets – One County

Operating Budget: Services

- K-12 Education
- Early Childhood Education and Care
- Community College Education
- Community Development and Housing
- Debt Service
- Economic Development
- Environment Protection
- Land Use Planning and Regulation
- Parks, Recreation and Libraries
- Public Safety: Police, Fire, Courts, Corrections and Sheriff
- Social Services: Health and Human Services, Income Maintenance and Other
- Transportation: Roads Maintenance, Traffic and Bus Service
- Trash Collection and Disposal

Capital Budget: Facilities

- Bus Transit Centers
- General Government Facilities
- Information Technology Infrastructure
- Library Buildings
- Metro Stations
- Parking Lots/Parking Garages
- Parks
- Police and Fire Stations
- Roads/Bridges/Bridge Repairs
- Schools and College Facilities
- Sidewalk Improvements
- Swimming Pools/Aquatic Centers
- Water and Sewer Facilities

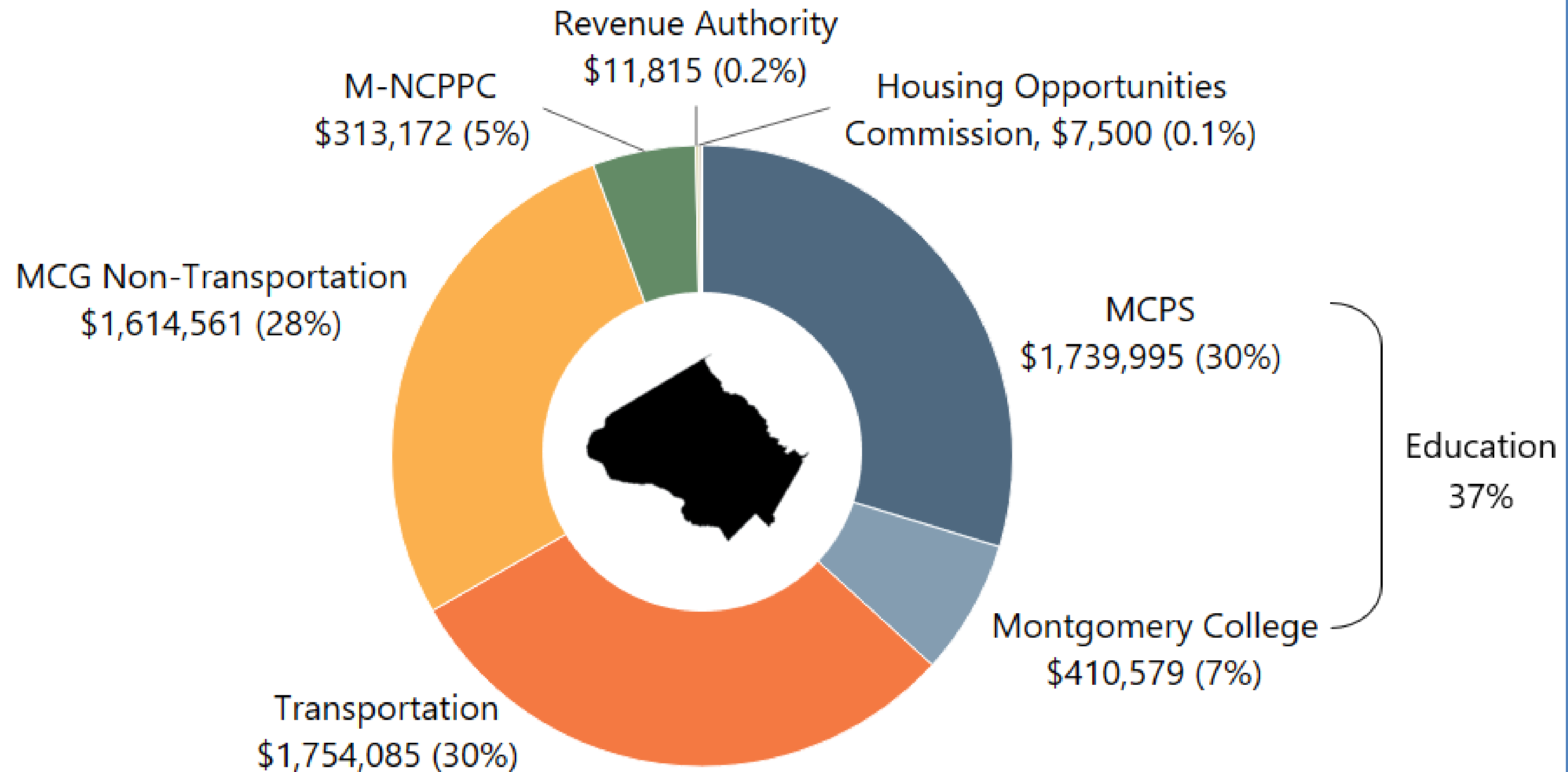
Capital Improvements Program (CIP)



Capital Budget: Facilities

- Capital Improvements have long-term useful life
- Six-year capital budget plan
- Biennial capital budget
- Full CIP considers changes to all projects
- Biennial CIP changes must adhere to amendment criteria
- New projects often added in the last two years
- Your feedback informs the next full CIP (FY27-32)

County Executive Recommended FY26 Capital Budget and Amendments to the FY25-30 CIP

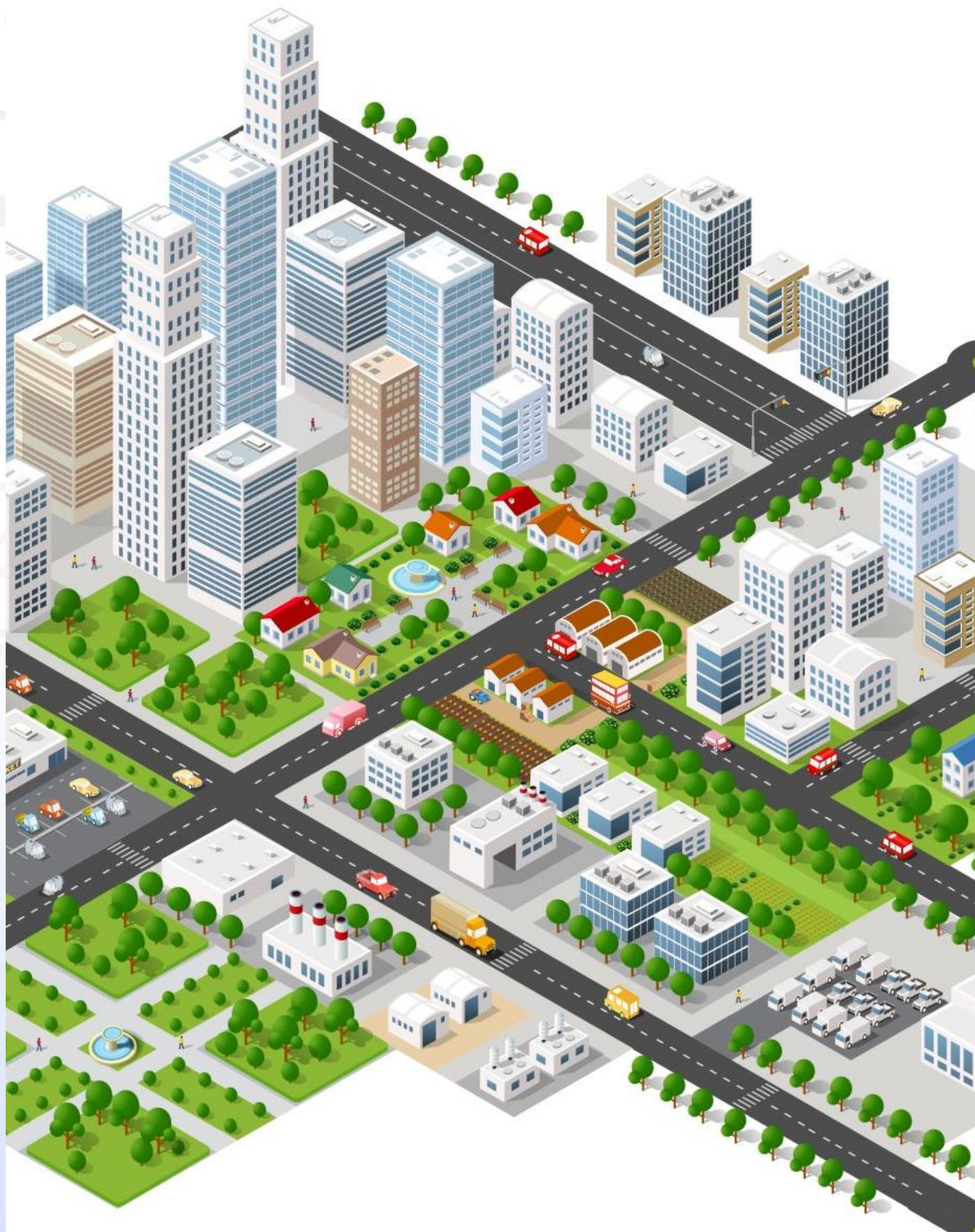


*Excludes WSSC Water

County Executive Capital Priorities



- Affordable Housing
- Climate Change
- Economic Development
- Health/Life Safety Issues
- Maintenance of Core Infrastructure
- MCPS Capital Needs
- Projects Leveraging Outside Funding
- Racial Equity and Social Justice
- Transportation



Ways to Help Shape the Capital Budget

- Citizen Advisory Board Capital Budget Forums
- Council public hearings on the Capital Budget
- Boards, Committees and Commissions
- Emails/letters to the County Executive, County Council and School Board members
- Public meetings and charettes on community projects
- MC311 to report needed infrastructure repairs

County and MCPS' CIPs:



Separate but Connected

- Board of Education adopts and transmits a recommended capital budget
- County Executive recommends a funding allocation rather than specific MCPS projects
- Executive Branch partners with MCPS & Council to advocate for additional State Aid
- Similar process with Montgomery College, M-NCPPC and WSSC Water
- Residents should contact these agencies directly with requests

Capital Budget Process & Timeline





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Fiscal Context

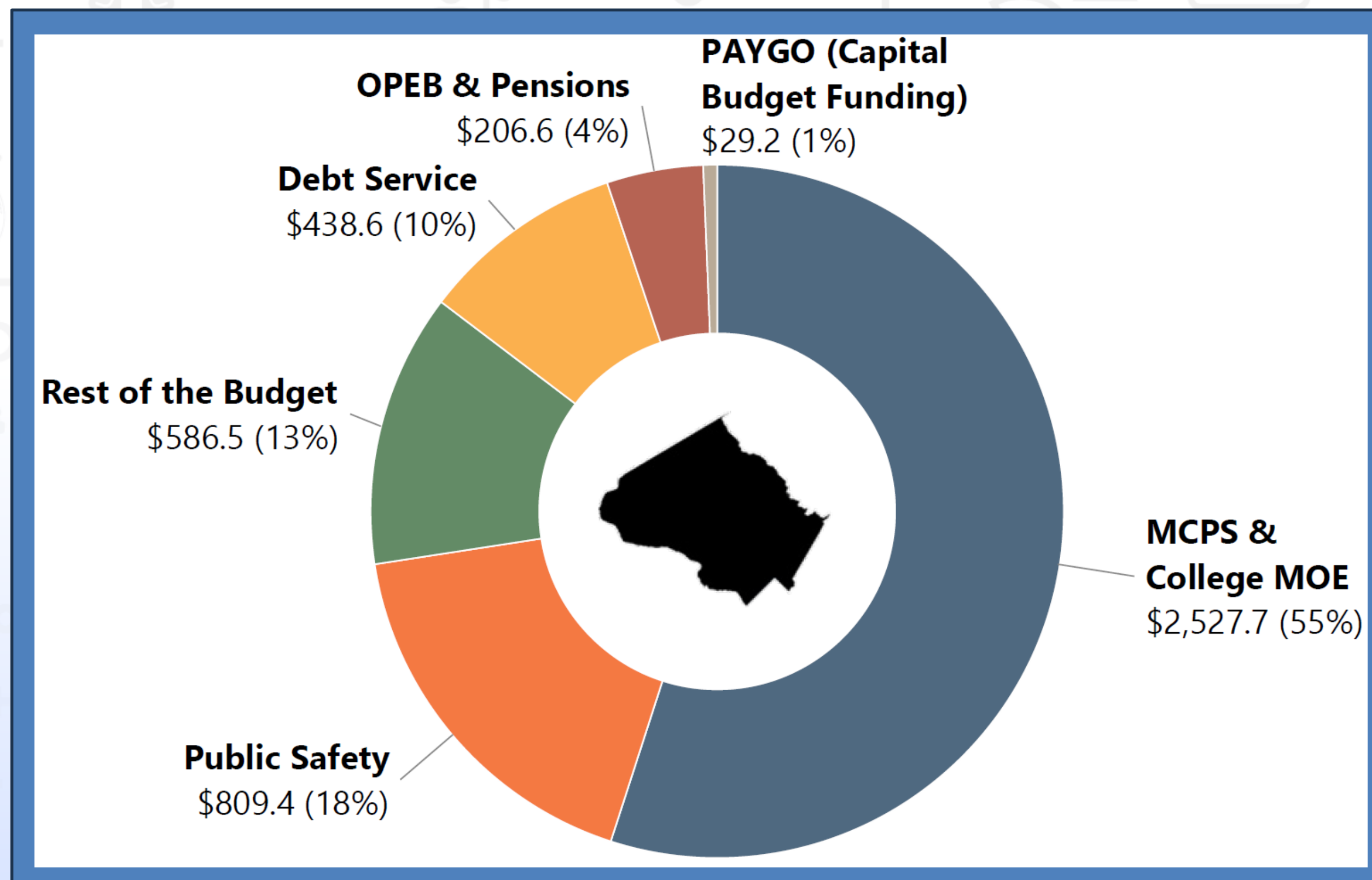


How the Capital and Operating Budgets are Related



- In FY25, more than \$225 million in cash from the operating budget supports the capital budget
- Cost to Operate New/Expanded Facilities
- Debt Service

FY26 Fixed & Other Commitments as a % of General Fund Revenue (\$millions)



Rest of the Budget:

- Bus Drivers
- Circuit Court
- Libraries
- Parks
- Recreation
- School Health Nurses
- And more

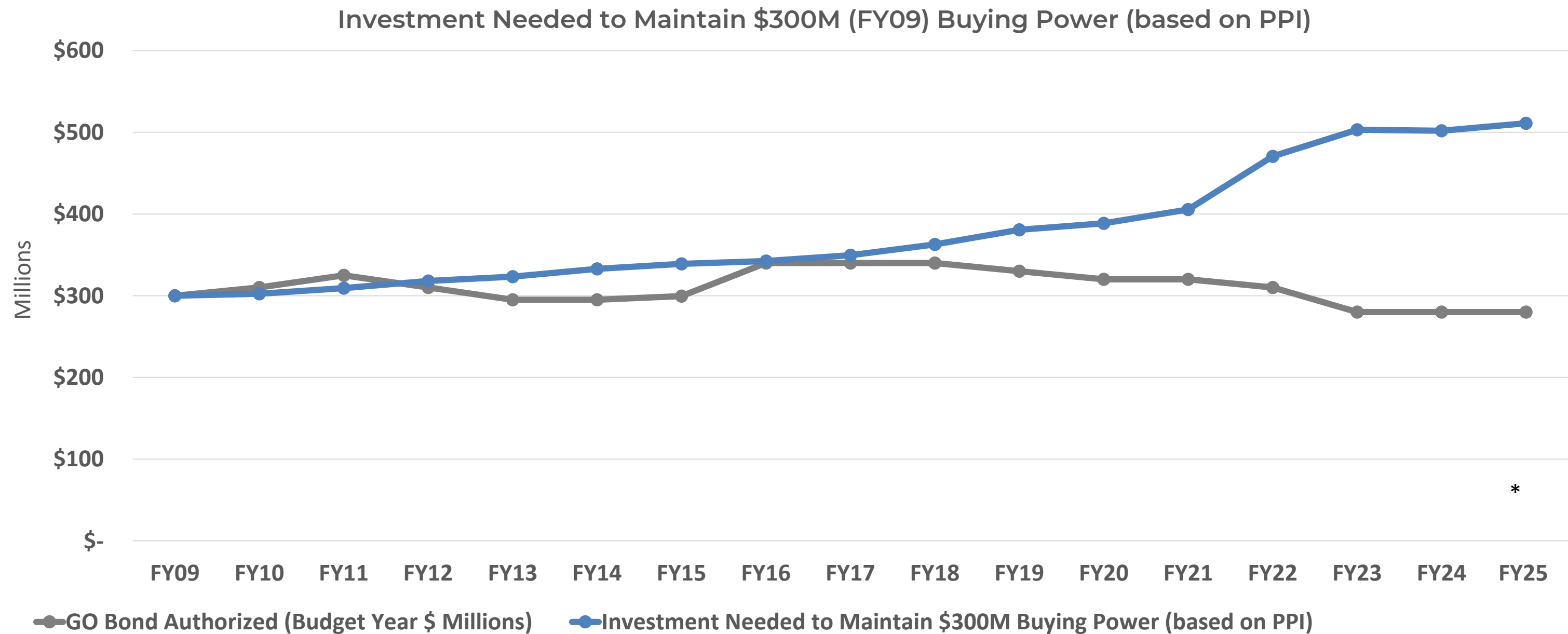
Capital Budget Challenges

- Great need
 - Aging infrastructure
 - New and expanded facilities due to population changes
 - Community expectation for new and improved infrastructure
- Inflation
- Federal funding uncertainty
- Volatile revenues such as Impact and Recordation Taxes
- General Obligation debt limitations



Infrastructure Demands vs Ability to Borrow and Invest in Infrastructure

Investment needed to maintain buying power: The chart below illustrates the General Obligation (GO) Bonds borrowed to fund the Montgomery County Capital Improvements Program (depicted in grey). This program is essential for building and maintaining critical community infrastructure. Additionally, the chart shows the amount needed (represented in blue) to sustain the same purchasing power as in FY2009, adjusted for inflation and construction costs.



Based on U.S. Bureau of Labor Statistics Producer Price Index (PPI) by Commodity for Final Demand: Construction for Government

*FY25 estimates based on July-February PPI Index

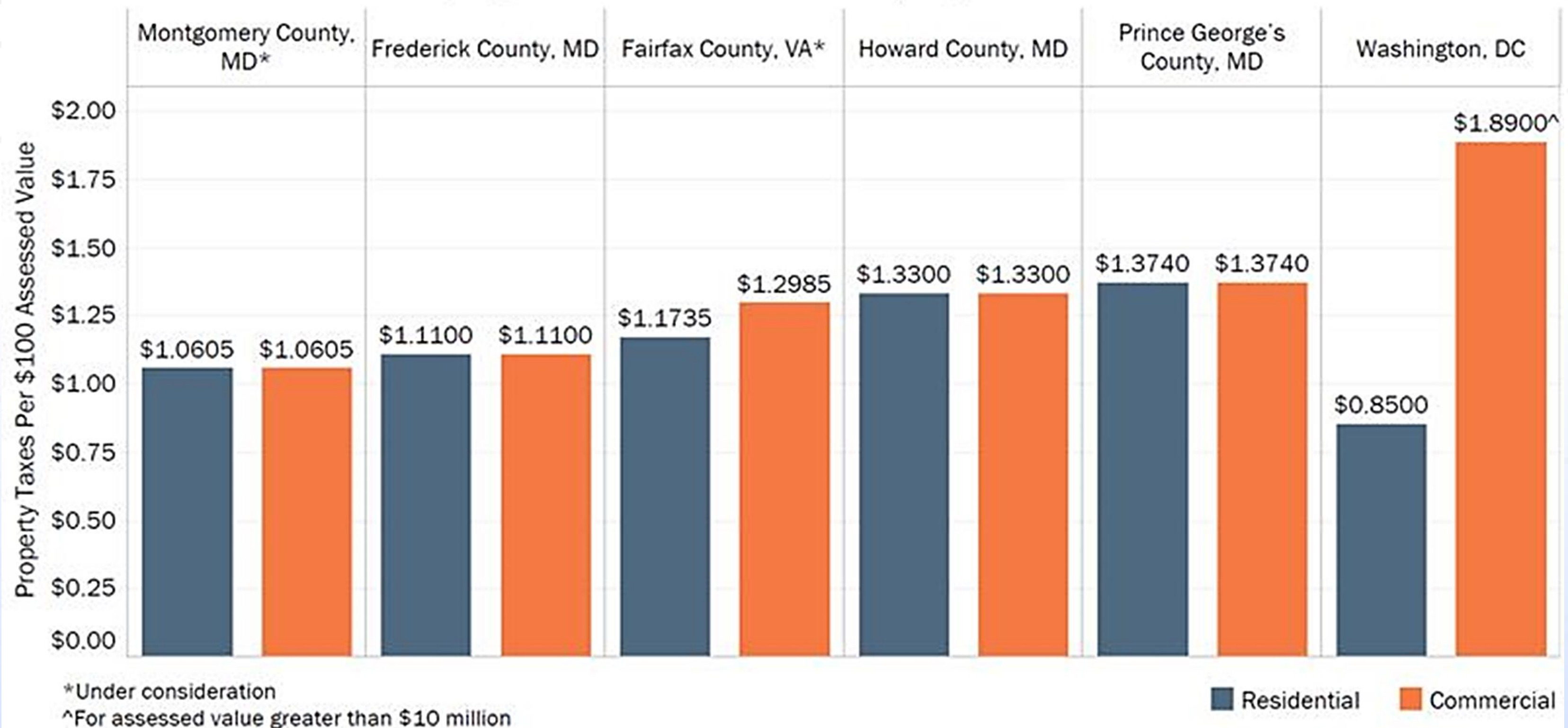
Need for Tax Restructuring

- Current property and real estate transaction tax structure is centered on the taxation of residential development
- It is reflective of the economy of the 1950s and 1960s - fueled by post WWII rapid growth of residential development
 - During this time, we were able to build the best schools and modern infrastructure
- Montgomery County is now a mature and developed community
- To maintain our competitive edge and continue to have a vital community we must continue to invest in our schools and modernize our transportation infrastructure to reflect a 21st century community
- The communities in Northern Virginia have figured out a way to do this and we must follow suit
- These are not new taxes – this is restructuring how we tax in order to maintain critical investments



How Montgomery County Compares

Residential & Commercial Property Tax Rates of Selected MD/DC/VA Jurisdictions



Breakout Sessions

- **Education**

Montgomery County Public Schools
and Montgomery College

- **Environment**

Department of Environmental Protection (DEP)

- **General Services**

Department of General Services (DGS)

- **Parks**

Maryland-National Capital Park and
Planning Commission (MNCPPC)

- **Recreation**

Montgomery County Recreation (REC)

- **Transportation**

Department of Transportation (DOT)





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Report Out & Adjourn

