

T&E COMMITTEE #1
April 7, 2014

MEMORANDUM

April 2, 2014

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Susan J. Farag, Legislative Analyst *SJF*

SUBJECT: Supplemental Appropriation #14-365 FY14 Operating Budget
Department of General Services (DGS), Division of Fleet Management Services
Maryland Smart Energy Communities Grant, \$625,000

Today the Committee will hold a worksession on a supplemental appropriation to the FY14 Operating Budget in the amount of \$625,000 for the purchase of five electric vehicles, the purchase and installation of 11 charging stations, the purchase of one compressed natural gas (CNG) truck, and the installation of a web-based central motor pool reservation system and interactive key control kiosks at three County locations. The source of the funds is State grant funds. There is no County match requirement.

The Council introduced a resolution to approve this appropriation on March 25, 2014 (attached at © 3-7). The Executive's transmittal memo is attached at © 1-2. Public hearing and action are tentatively scheduled for April 8, 2014.

The Executive indicates that DGS applied to the Maryland Energy Administration to become a Maryland Smart Energy Community (MSEC) under a new State program. The goal of the MSEC program is to have local governments adopt smart energy policies and commit to them for the long term, leading to sustained energy savings and additional opportunities for renewable energy development. The State has provided \$4 million to be split among qualified MSECs. As part of the state-funded grant, the Division of Fleet Management Services has committed to a 20 percent reduction in the County's petroleum consumption over the next five years. The grant provides 100% funding in support of this initiative.

Council staff recommends approval of the supplemental appropriation as submitted by the Executive.

Bud, FY14, Econ
Ded



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

INTRODUCTION

Isiah Leggett
County Executive

MEMORANDUM

March 6, 2014

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2014 MAR 11 AM 10:31

TO: Craig Rice, President, Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation # 14-365 FY14 Operating Budget
Montgomery County Government
Department of General Services, Division of Fleet Management Services
Maryland Smart Energy Communities Grant, \$625,000

I am recommending a supplemental appropriation to the FY14 Operating Budget of the Montgomery County Department of General Services, Division of Fleet Management Services, in the amount of \$625,000 for the Maryland Smart Energy Communities Grant (MSEC). The supplemental appropriation will fund the purchase of five electric vehicles, the purchase and installation of 11 charging stations at 11 sites, the purchase of one heavy duty CNG truck, and the installation of a web-based central motor pool reservation system and interactive key control kiosks at three County locations. The source of funds is State grant funds.

This appropriation is needed to expend the proceeds of the State of Maryland Smart Energy Communities Grant award. Montgomery County Department of General Services (DGS) applied to the Maryland Energy Administration (MEA) to become a MSEC. The program provides grants to jurisdictions committing to specific energy efficient building and fleet petroleum use reduction policies. DGS received an award from the state allocating \$625,000 for energy projects. As part of the state funded MEA grant, DFMS has committed to a 20 percent reduction in the County's petroleum consumption over the next five years. The grant provides 100% funding in support of this initiative.

I recommend that the County Council approve this supplemental appropriation in the amount of \$625,000 and specify the source of funds as State Grant.

I appreciate your prompt consideration of this action.

IL:ad

Craig Rice
March 6, 2014
Page 2

Attachment: Supplemental Appropriation #14-365

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Jennifer A. Hughes, Director, Office of Management and Budget
David E. Dise, Director, Department of General Services
Bill Griffiths, Chief, Division of Fleet Management Services

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation # 14-365 FY14 Operating Budget
Montgomery County Government
Department of General Services, Division of Fleet Management Services
Maryland Smart Energy Communities Grant, \$625,000

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 has requested the following FY14 Operating Budget appropriation increases for the Department of General Services, Division of Fleet Management Services:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$29,800	\$595,200	\$0	\$625,000	State Grant

This increase is needed to expend the proceeds of the State of Maryland Smart Energy Communities Grant award. Montgomery County Department of General Services (DGS) applied to the Maryland Energy Administration (MEA) to become a Maryland Smart Energy Community (MSEC). The program provides grants to jurisdictions committing to specific energy efficient building and fleet petroleum use reduction policies. DGS received an award from the state allocating \$625,000 for energy projects. As part of the state funded MEA grant, DFMS has committed to a 20 percent reduction in the County's petroleum consumption over the next five years. Funding will provide for the purchase of five electric vehicles, the purchase and installation of 11 charging stations at 11 sites, the purchase of one heavy duty CNG truck, and the installation of a web-based central motor pool reservation system and interactive key control kiosks at three County locations. The source of funds is State grant funds.

3.

4. The County Executive recommends a supplemental appropriation to the FY14 Operating Budget in the amount of \$625,000 for the Maryland Smart Energy Communities Grant and specifies that the source of funds will be State Grant.

5. Notice of public hearing was given, and a public hearing was held.

Action

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

A supplemental appropriation to the FY14 Operating Budget of the Department of General Services, Division of Fleet Management Services, is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$29,800	\$595,200	\$0	\$625,000	State Grant

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Fiscal Impact Statement
Executive Regulation 18-13, School Bus Safety Cameras

1. Executive Regulation Summary.

Executive Regulation 18-13 establishes civil penalties for passing a stopped school bus under section 21-706.1 of the Maryland State Code.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The fiscal impact on the County depends on the scope of the program that is implemented in coordination with Montgomery County Public Schools (MCPS), the costs determined by the RFP process, and the number of violations. The fine amount was established by the Chief Judge of the District Court of Maryland at \$125.00 so Executive Regulation 18-13 was drafted to coincide with that decision.

Maryland Transportation Article 21-706 authorizes the District Court, not the issuing agency, to receive the fines for citations that are contested in court; the County may only retain fine revenue for uncontested violations. As such, it will be difficult to forecast fine revenue, which is intended to at least cover program costs.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

See response to #2.

4. An actuarial analysis through the entire amortization period for each regulation that would affect retiree pension or group insurance costs.

Not applicable.

5. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.

Not Applicable.

6. An estimate of the staff time needed to implement the regulation.

Implementation of the Regulation is not expected to require additional staff resources in the short term. Staff and contractor time needed to equip school buses once the system is procured would depend on the scope of the program that is developed between the County and MCPS. Additional staff resources could be required to administer the program depending on the number of citations issued in the future.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

Not Applicable.

8. An estimate of costs when an additional appropriation is needed.

See response to #2.

9. A description of any variable that could affect revenue and cost estimates.

Variables that could affect revenue and cost estimates include:

- The number of violations. Over the last three years through December 2012 patrol officers issued 258 violations in 2010, 194 in 2011, and 238 in 2012.
- Amount of the fine established through regulation. The Bill authorizes the County Executive to establish the fine amount through Method 2 regulation up to a maximum fine of \$250; however, the Chief District Court Judge has established the fine at \$125.00, and the regulation is consistent with that amount. In addition, the County may only retain fine revenue for uncontested violations, but all fine revenue associated with violations that are contested go to the District Court and become State of Maryland general fund revenues. The program's net revenue, therefore, is affected by the amount of revenue retained by the County rather than the District Court.
- Program design and method of vendor payment. The program's design and method of vendor payment have not been determined at this time, but both will affect the fiscal impact on the County. The number of equipped school buses and bus routes covered by the program will affect the program's overall cost and fine revenue. As the experience with the County's other automated enforcement programs has demonstrated, automated enforcement of stopped school vehicles is intended to decrease actual violations over time. The method of procurement and vendor payment (i.e., whether the equipment cost is paid upfront by the County or recovered by the vendor through a share of citation revenue) also would affect the County's costs and net revenues.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

See response to #9.

11. If a regulation is likely to have no fiscal impact, why that is the case.

Not Applicable.

12. Other fiscal impacts or comments.

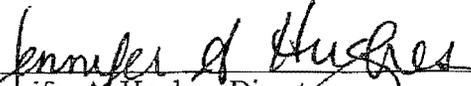
Not applicable.

13. The following contributed to and concurred with this analysis:

Thomas Didone, Captain, Montgomery County Police Department

Alex Espinosa, Office of Management and Budget

Bruce Meier, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget

10/23/13
Date