



Committee: T&E
Committee Review: Completed
Staff: Glenn Orlin, Senior Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #HOA Road Maintenance Reimbursement

AGENDA ITEM #29
 May 11, 2022
Worksession

SUBJECT

FY23 Operating Budget: Homeowners’ Association Road Maintenance Reimbursement
 Nondepartmental Account

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

HOA Road Maintenance Reimbursement NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$62,089	\$62,089	0.0%
Personnel Costs	\$0 0.0 FTEs	\$0 0.0 FTEs	0.0% 0.0 FTEs
Operating Costs	\$62,089	\$62,089	0.0%

COMMITTEE RECOMMENDATIONS

- Concur with the Executive’s recommendation.

SUMMARY OF KEY ISSUES

- The Executive recommends no change to the budget for this NDA, which reimburses homeowners associations for the maintenance of certain eligible HOA roads. This NDA consists of two reimbursement programs. The “State” program reimburses HOAs for roads eligible to be counted for State Highway User Revenue; the funds associated with these roads are sent to the County and then passed through to the HOAs. The recommended funding in this (and prior year) NDAs are entirely for the State program.
- The “County” program was intended to reimburse HOAs for eligible roads at roughly the cost that the County spends to maintain its own roads, subject to the availability of appropriations. However, from FY90 to FY09 the Council limited the reimbursement to around \$1,000 per eligible mile, a fraction of the cost of maintaining a County road. For the FY10 budget, the Council reduced the appropriation to only about \$250 per eligible mile, and for FY11 through FY22 the Council suspended funding for this program altogether. The Executive recommends extending this suspension through FY23, the 13th successive year this program will not have been funded. Council staff urges the Council to once again consider a bill that would eliminate this program,

since neither the Executive nor the Council has elected to fund it either in flush or challenging budget years.

This report contains:

Executive's recommended budget

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years as an active employee is necessary to be eligible for the lifetime plan. The County will pay 50 percent of the premium for retirees with five years of participation as an active employee. The County contribution to the payment of the premium increases by two percent for each additional year of participation up to the 70 percent maximum.

On March 5, 2002, the County Council approved a one-time opportunity for retirees still under the 20/80 arrangement with an expiration date to elect the lifetime cost sharing arrangement. The new percentage paid by the County for those electing this arrangement ranges from 50 percent to 68 percent, depending upon years of active eligibility under the plan and years since retirement. The cost sharing election process has been completed. The budget does not include employer contributions from participating outside agencies.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	50,618,652	0.00
Decrease Cost: Utilization of OPEB Trust Funds	(20,000,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(1,690,215)	0.00
FY23 Recommended	28,928,437	0.00

☼ **Guaranteed Income**

The Guaranteed Income Non-Departmental Account will fund a three-year pilot of the Guaranteed Income program, whose purpose is to provide direct, recurring cash payments to targeted groups of people without strings attached. The goals of the program are to alleviate poverty, provide a form of financial stability, and give people the ability to make their own choices to improve their economic position. Guaranteed Income is seen as one strategy to address income and wealth inequality.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	0	0.00
Add: Year Two Guaranteed Income Pilot Expenses	2,563,502	1.00
FY23 Recommended	2,563,502	1.00

☼ **Historical Activities**

This NDA provides funding for the Historical Society to support the Society's Education Program staff, educational and outreach programs for County residents, and to maintain the Historical Society's research library and museums.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	150,000	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	9,000	0.00
FY23 Recommended	159,000	0.00

☼ **Homeowners' Association Road Maintenance Reimburse**

This NDA provides a partial reimbursement to homeowners' associations (HOAs) for their maintenance of certain privately-owned roadways. The payment is currently restricted to through roadways, accessible to the public, which are one-quarter mile or longer and which provide vehicular access to more than four dwelling units. In FY97, an Executive Regulation was enacted allowing homeowners' associations to request that their roadways be deemed "private maintenance roads." This

designation qualifies the HOAs for State reimbursement of their roadway maintenance costs. The County annually submits to the State its estimate of reimbursable miles, including those accepted as private maintenance roads. The State then reimburses the County and, subsequently, the County forwards the funds to HOAs.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	62,089	0.00
FY23 Recommended	62,089	0.00

☀️ **Housing Opportunities Commission**

The Housing Opportunities Commission of Montgomery County (HOC) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, commonly known as the Housing Authorities Law. The Commission acts as a builder, developer, financier, owner, and manager of housing for people of low- and moderate- (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,895,693	0.00
Increase Cost: Incremental FY23 Compensation	699,264	0.00
Increase Cost: FY23 Rental License Fees	38,211	0.00
FY23 Recommended	7,633,168	0.00

☀️ **Inauguration and Transition**

The Montgomery County Charter provides for the quadrennial election of a County Executive and County Council. This NDA provides for a ceremony and smooth transition of the County Executive and County Council every four years.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	0	0.00
Add: Funding for 2022 Election	50,000	0.00
FY23 Recommended	50,000	0.00

☀️ **Incubator Programs - Economic Development Partnership**

This NDA provides for facility lease payments, program and portfolio management services for the County's Business Innovation Network (BIN) facilities, and program funding for the Business Incubator Without Walls Program (for the Down County area). The BIN consists of three physical locations: the Silver Spring Innovation Center (SSIC) on Georgia Avenue (owned by the County), the Rockville Innovation Center (RIC) in Rockville Town Square (owned by the County), and the Germantown Innovation Center (GIC) on the campus of Montgomery College under lease from the College Foundation until 2036. This NDA also supports the National Cybersecurity Center of Excellence (NCCOE) located at 9700 Great Seneca Highway (owned by the County), a partnership between the National Institute of Standards and Technology (NIST), the State of Maryland, and Montgomery County. The NDA also provides support for the NonProfit Village, a non-profit incubator, for operational, organizational, equipment and training support services.