



Committee: Directly to Council
Committee Review: N/A
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Purpose: Receive briefing and have discussion
Keywords: #FY21-26CIP

AGENDA ITEM #3
April 16, 2020
Discussion

SUBJECT

To discuss the Council process for completing its review and reconciling the FY21-26 Capital Improvements Program (CIP)

DESCRIPTION/ISSUE

- The Council cancelled its March 17 session as well as all Committee worksessions as of March 16 because of the COVID-19 emergency. As a result, the Council's review of the FY21-26 CIP was postponed midstream, leaving numerous CIP items in limbo.
- On March 16, the County Executive transmitted additional FY21-26 CIP recommendations as well as some FY19-24 CIP supplementals/amendments which also require Council review and action.
- The Council's CIP review schedule has been revised and now assumes the following:
 - **No Committee Worksessions:** Since the Council will not be holding any Committee meetings through the rest of the budget review process, all CIP items will go directly to the Council for worksession and straw vote.
 - **FY19-24 CIP Supplementals/Amendments:** All FY19-24 CIP supplementals/amendments received to date have either been acted upon already or have been scheduled for public hearing and action by April 21. Any additional supplementals/amendments will be scheduled for public hearing/action in a timely manner.
 - **April 21 and/or April 23 Council Worksessions:** All FY21-26 CIP items previously scheduled for Council review on March 17 will be rescheduled for Council review on April 21 or April 23. This list includes:
 - Public Arts Trust
 - Revenue Authority
 - Washington Suburban Sanitary Commission
 - Solid Waste Management - Gude Landfill Remediation Project
 - Conservation/Natural Resources - Storm Drains
 - Conservation/Natural Resources - Stormwater Management
 - Transportation
 - **April 28 and/or April 30 Council Sessions:** All other FY21-26 CIP items will be scheduled for Council review on April 28 or 30.

- **Early May Status Update**
 - Council Staff will provide a status update to the Council in early May CIP after all CIP items have been through Council review and straw votes and more is known regarding CIP-related revenues.
 - Council Staff is working with Executive branch staff regarding any updated projections for recordation taxes, impact taxes or other assumptions affecting the CIP.
 - Council Staff is also working with Executive Branch and MCPS staff regarding what to assume in the FY21-26 CIP for State aid for school construction given recent actions by the General Assembly and the Interagency Commission on School Construction.

- **CIP Reconciliation Mid-May:**
 - This year's reconciliation is likely to involve more substantive adjustments than in past years since the Council's CIP review process has been truncated and given the uncertainty regarding operating budget and CIP-related revenues.
 - As a result of this uncertainty, Council Staff will develop a CIP reconciliation scenario that the Council can consider which assumes zero PAYGO in FY21 (\$32 million currently assumed in the Council's Spending Affordability Guidelines) and possibly some reductions in overall current revenue funding in the CIP (\$56.9 million assumed by the County Executive in the Recommended CIP). These assumptions can be revisited, if necessary, closer to the final CIP reconciliation in Mid-May.

NOTE: When the Council takes up the Montgomery County Public Schools (MCPS) CIP on April 28 or April 30, the Council will consider a package of "non-recommended reductions" which MCPS provided to the Council at the request of Education and Culture Committee Chairman Rice. This list of changes would bring the MCPS CIP in line with the Executive's recommended funding level for the MCPS CIP.

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