



Committee: GO
Committee Review: N/A
Staff: Nicole Rodriguez-Hernandez, Legislative Analyst
Purpose: preliminary decisions – straw vote expected
Keywords: #FY21-26CIP #GeneralGovernment

AGENDA ITEM #9
 April 28, 2020
Worksession

SUBJECT: FY21-26 Capital Improvements Program & Amendments: Department of General Services (DGS)

EXPECTED ATTENDEES

- Mary Beck, Manager, OMB
- Bob Dorfman, Director, ABS
- Greg Ossont, Deputy Director, DGS

FISCAL SUMMARY

FY21-26 versus Amended FY19-24 Expenditures (in 000's)

	Six-Year Total	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Beyond 6-Years
1 FY19-24 Amended	272,365	76,863	44,744	48,548	37,182	36,588	28,440			0
2 FY21-26 CE Rec	207,968			45,334	31,226	37,850	28,553	31,052	33,953	0
3 change from FY19-24 (\$,%)	(64,397) -23.6%			(3,214)	(5,956)	1,262	113			-
4 FY21-26 Amended CE Rec	221,410			51,490	33,381	39,982	29,510	32,487	34,560	1,492
5 change from FY19-24 (\$,%)	(50,955) -18.7%			2,942	(3,801)	3,394	1,070			1,492
6 change from Jan 15 CE Rec (\$,%)	13,442 6.5%			6,156	2,155	2,132	957	1,435	607	1,492
7 Council Straw Vote	211,568			45,934	31,826	38,450	29,153	31,652	34,553	0
8 change from FY19-24 (\$,%)	(60,797) -22.3%			(2,614)	(5,356)	1,862	713			-
9 change from CE Rec (\$,%)	3,600 1.7%			600	600	600	600	600	600	-
10 difference from amended CE rec (\$,%)	(6,242) -2.8%			(4,956)	(955)	(932)	243	(235)	593	(1,492)

EXECUTIVE AMENDMENTS & OTHER ISSUES

Amendments (6-Year Totals)

- ABS Retail Store Refresh
(\$6.832 million in Current Revenue: Liquor)
- Wheaton Arts & Cultural Center
(\$100,000 in Current Revenue: General)
- Exelon-Pepco Merger Fund
(\$6.2 million in Utility Merger Funds)
- AltaGas-WGL Merger Fund
(\$7 million in Utility Merger Funds)
- Facility Planning: MCG
(FY20 \$100,000 shift/reduction in Current Revenue: General)
- ADA Compliance: MCG
(FY20 \$1 million reduction Current Revenue: General)
- Energy Conservation: MCG
(\$6.7 million shift/reduction in Utility Merger Funds)

Other Issues

- Council Office Building Renovation: Review & make a preliminary decision

COUNCIL STAFF RECOMMENDATION

- Council staff concurs with the Executive’s recommendation for the Council Office Building Renovation project.
- Council staff concurs with the Executive’s recommendation for the general government amendments.

This report contains: Staff Report- Pages 1-4 | PDFs ©1-19

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MEMORANDUM

April 23, 2020

TO: County Council
FROM: Nicole Rodriguez-Hernandez, Legislative Analyst
SUBJECT: **General Government FY21-26 Capital Improvement Program (CIP)**
PURPOSE: Review FY21-26 CIP projects and amendments

Expected Attendees:

- Mary Beck, Manager, OMB
- Bob Dorfman, Director, ABS
- Greg Ossont, Deputy Director, DGS

Summary

On March 10, the Council reviewed and made preliminary decisions on the County Executive's Recommended General Government FY21-26 CIP. The Council concurred with the Executive's recommendation on all projects with the following exceptions:

- 1) Planned Lifecycle Asset Replacement- the Council added \$600,000 in general obligation (G.O.) bonds per fiscal year to increase the annual funding level to 20% (from 16%) of the optimal annual funding recommended by the 2020 Infrastructure Maintenance Task Force (IMTF) report
- 2) Council Office Building Renovations- the General Operations & Fiscal Policy (GO) committee agreed to postpone review in order to allow Executive staff to prepare additional information and options related to this project.

A summary of the Council's decisions can be found on the bottom of page 2.

On March 16, the Executive transmitted amendments to his recommended FY21-26 CIP budget, including four amendments specific to general government (©5-10). On April 7, the Executive transmitted an additional three amendments related to the general government CIP (©11-18).

The County Executive's Amendments to the FY21-26 CIP	
New Project: ABS Retail Store Refresh	Technical Amendment: Facility Planning: MCG
New Project: Wheaton Arts & Cultural Center	Schedule Adjustment: ADA Compliance
New Project: Exelon-Pepco Merger Fund	Technical Amendment: Energy Conservation: MCG
New Project: AltaGas - WGL Merger Fund	

COUNTY EXECUTIVE’S RECOMMENDED FY21-26 CIP

Council Office Building (COB) Renovation ©1.

The GO committee and subsequently the Council has not yet reviewed or held a straw vote on this project. The County Executive did not transmit any amendments for this project.

FY21-26 (\$000s)	6-YR	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
FY19-24 Approved	\$9,729	\$6,776	\$1,500	\$1,453	--	--	--		
FY21-26 CE Rec	\$1,453			\$1,453	--	--	--	--	--
Difference	(\$8,276)			\$0					

Source of Funds: \$1.453 million in G.O. Bonds

Budget Highlights

- The Executive recommends no change in funding for FY21. The approved FY19-24 CIP and recommended FY21-26 CIP do not include funding past FY21 as current renovations are expected to be completed by the end of the 2020 calendar year.

Overview & Updates

The COB project is divided into three phases. The first phase was completed in 2009 and focused on renovating the third-floor hearing room and anteroom. The second phase is currently underway and is expected to be completed by the end of summer 2020. The third phase would renovate the curtain wall windows in the southern end of the building.

The current health crisis has had minimal impacts on phase II construction/renovation. Work is still being completed on the stairwells and the 2nd and 3rd floors. The auditorium and ESCo (Energy Service Companies) work are finished. The health crisis has delayed the return of the Office of Consumer Protection and the Board of Appeals (previous tenants in the COB). A new move-in date has not yet been decided.

In July 2019, Council Staff submitted a memo to the Council describing the four available options ranging from \$420,000 to \$2.9 million to address phase three of the renovation: the curtain wall. The memo is attached on ©2-5.

Recently, DGS leadership has explored a fifth option with the firm Onyx for a solar glass curtain wall. Cost estimates and technical feasibility are still being analyzed. In addition, the cost estimates for the original four options are outdated and need to be refined. All options should include operating budget impacts. Currently, \$400,000 is set-aside for this phase of the project.

Council staff recommends deferring a decision on the COB curtain wall. Council Staff concurs with the Executive’s recommendation.

The Council’s March 10 Preliminary Decisions

- The Council concurred with the Executive on the following projects:

ADA Compliance	HVAC/Elec Replacement	Red Brick Courthouse Structural Repairs
Asbestos Abatement	Life Safety Systems: MCG	Rockville Core- Grey Courthouse
Energy Conservation: MCG	Resurfacing Parking Lots: MCG	Old Blair Auditorium Reuse
Energy Systems Modernization	Roof Replacement	Advanced Land Acquisition Revolving Fund
Environmental Compliance: MCG	Council Office Building Garage	Facilities Site Selection
Building Envelope Repair	EOB HVAC Renovation	Facility Planning

- The Council voted to add \$600,000 in G.O. bonds per fiscal year to the Planned Lifecycle Asset Replacement project.

COUNTY EXECUTIVE’S AMENDED FY21-26 CIP

1. New Project: ABS (Alcohol Beverage Services) Retail Store Refresh ©6

FY21-26 (\$000s)	6-YR	FY21	FY22	FY23	FY24	FY25	FY26
FY21-26 CE Rec	\$6,832	\$1,785	\$1,267	\$781	\$957	\$1,435	\$607

Source of Funding: \$6.832 million in Current Revenue: Liquor

Budget Highlights

- ABS started remodeling stores in FY20 within their operating budget. In order to facilitate expenditure tracking, “current revenue: liquor” funding was shifted from the operating budget to a stand-alone PDF.
- This new project does not negatively affect transfers to the general fund; it is seen as a vital piece of ABS’s 5-Year Financial Plan to increase its transfer to the County. This funding will also allow ABS to leverage contributions from landlords who may match or exceed the original investment made by ABS.

Overview & Updates

This level of effort project provides the funding for aesthetic and major building system renovations, increasing opportunities for new customer experiences such as tasting rooms and growler stations. The remodeling schedule will align with the store’s lease renewals and will continue indefinitely. There were four refurbishments scheduled in FY20: Darnestown, Cabin John, Montrose and Wheaton.

Council staff concurs with the Executive’s recommendation.

2. New Project: Wheaton Arts & Cultural Center ©7

FY21-26 (\$000s)	6-YR	FY21	FY22	FY23	FY24	FY25	FY26
FY21-26 CE Rec	\$100	\$100	--	--	--	--	--

Source of Funding: \$100,000 in Current Revenue: General

Budget Highlights

- The Executive shifted \$100,000 in FY20 current revenue from the Facility Planning: MCG PDF for this stand-alone project. It will provide for planning and initial design activities, including site evaluation. Additional funds will be added to advance this project, when necessary.

Overview & Updates

This new public-private arts facility located in the Wheaton Arts & Entertainment District will be home to an Arts Incubator program, several performance/gallery spaces, workstations, and rental program. The goal of this facility is to provide equal access to educational opportunities and artist spaces in an inclusive environment to diverse populations.

Council staff concurs with the Executive’s recommendation.

3. Technical Amendment: Facility Planning: MCG ©8-9

The Executive’s amendment reflects a \$100,000 reduction in current revenue estimated FY20 expenditures due to the shift in funding for the new Wheaton Arts & Cultural Center stand-alone project.

Council staff concurs with the Executive’s recommendation.

4. Schedule Adjustment: ADA Compliance: MCG ©10-11

The Executive’s amendment reflects a \$1,000,000 reduction in current revenue estimated FY20 expenditures due to delays in project implementation. **Council staff concurs with the Executive’s recommendation.**

5. New Project: Exelon-Pepco Merger Fund ©14-15

FY21-26 (\$000s)	6-YR	FY21	FY22	FY23	FY24	FY25	FY26
FY21-26 CE Rec	\$6,200	\$1,971	\$1,942	\$2,287	--	--	--

Source of Funding: \$6.2 million in Utility Merger Funds

Budget Highlights

- The Executive shifted \$6.2 million in Utility Merger Funds from the Energy Conservation: MCG PDF for this stand-alone project to facilitate expenditure reporting and establish a revolving fund with energy savings for future projects. The Executive branch is determining a process to calculate energy savings.
- The Council originally appropriated the merger funds as part of the Restricted Donation Fund in the operating budget in FY19.

Overview & Updates

This new stand-alone project will provide funding for energy-savings projects with short paybacks in public facilities. Projects will focus on electric consumption and include converting to more energy-efficient technology and heating, ventilation, and cooling (HVAC) system control upgrades. Specific projects have been identified through FY22.

Council staff concurs with the Executive’s recommendation.

6. New Project: AltaGas-WGL Merger Fund ©16-17

FY21-26 (\$000s)	6-YR	FY21	FY22	FY23	FY24	FY25	FY26
FY21-26 CE Rec	\$7,000	\$4,530	\$1,176	\$1,294	--	--	--

Source of Funding: \$7 million in Utility Merger Funds

Budget Highlights

- The Executive created this stand-alone project to facilitate expenditure tracking for energy efficiency projects focused on reducing natural gas consumption in County facilities. Operating budget impacts are to be determined.
- The Council originally appropriated the merger funds as part of the Restricted Donation Fund in the operating budget in FY19.

Overview & Updates

This PDF will provide funding for projects such as combined heat & power system upgrades and thermal envelope component improvements. Specific projects have been identified through FY22.

Council staff concurs with the Executive’s recommendation.

7. Technical Amendment: Energy Conservation: MCG ©18-19

FY21-26 (\$000s)	6-YR	FY21	FY22	FY23	FY24	FY25	FY26
FY21-26 CE Rec	\$7,590	\$2,380	\$2,380	\$2,380	\$150	\$150	\$150
Amended FY21-26 CE Rec	\$900	\$150	\$150	\$150	\$150	\$150	\$150
Difference	(\$6,690)	(\$2,230)	(\$2,230)	(\$2,230)	\$0	\$0	\$0

The Executive’s amendment reflects a total reduction of \$6.7 million in Utility Merger Funds. For FY21, the Executive shifted \$6.2 million to the new Exelon-Pepco Merger Fund PDF. The remaining \$500,000 will remain in the FY20 operating budget for the following projects: Potomac Library, Upper County Community Recreation Center and Pool, Bethesda-Chevy Chase RSC, and the Margaret Schweinhaut Community Center.

Council staff concurs with the Executive’s recommendation.



Council Office Building Renovations (P010100)

Category General Government **Date Last Modified** 01/09/20
SubCategory County Offices and Other Improvements **Administering Agency** General Services
Planning Area Rockville **Status** Under Construction

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	2,657	1,374	1,183	100	100	-	-	-	-	-
Land	4	4	-	-	-	-	-	-	-	-
Site Improvements and Utilities	2	2	-	-	-	-	-	-	-	-
Construction	41,401	31,909	8,139	1,353	1,353	-	-	-	-	-
Other	1,580	616	964	-	-	-	-	-	-	-
TOTAL EXPENDITURES	45,644	33,905	10,286	1,453	1,453	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: Cable TV	1,052	900	152	-	-	-	-	-	-	-
G.O. Bonds	40,428	28,841	10,134	1,453	1,453	-	-	-	-	-
Long-Term Financing	4,000	4,000	-	-	-	-	-	-	-	-
PAYGO	164	164	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	45,644	33,905	10,286	1,453	1,453	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	-	Year First Appropriation	FY05
Appropriation FY 22 Request	-	Last FY's Cost Estimate	45,644
Cumulative Appropriation	45,991		
Expenditure / Encumbrances	39,207		
Unencumbered Balance	6,784		

PROJECT DESCRIPTION

This project is in three phases. The first phase renovated the hearing room, conference room, and anteroom on the third floor of the Council Office Building (COB) which had not been renovated in at least twenty-five years. The first phase was completed in 2009. Phase II replaces the HVAC system, the lighting systems, windows in the rest of the COB, upgrades restrooms to ADA standards, renovates the auditorium on the first floor, provides improved signage inside and outside the buildings, refreshes common areas, and reconfigures space on the fourth, fifth, and sixth floors for the Council Office and the Office of Legislative Oversight (OLO) staff. Phase III will renovate curtain wall windows in the southern end of the building.

ESTIMATED SCHEDULE

The project is expected to be finished in Summer 2020.

PROJECT JUSTIFICATION

Heating, ventilation, and air conditioning in the COB function poorly and most of the restrooms are not compliant with updated ADA standards or high performance building standards. The Council Office and OLO have far outgrown their space since it was last reconfigured more than 25 years ago. The 1st Floor Auditorium, which is used regularly for County Government staff training and as a meeting place by civic organizations, is extremely substandard.

FISCAL NOTE

The second phase of the project is partially funded with a \$184,000 unencumbered balance from the first phase and a FY15 transfer of \$2,993,000 in G.O. Bonds from the Montgomery County Government Complex (360901). A FY15 supplemental of \$296,000 in G.O. Bonds was approved. An audit by Energy Service Company (ESCO) has been conducted, and it has determined that \$4 million in savings can be anticipated from this project. An Energy Savings Performance Contract (ESPC) will allow for third-party funding to cover this portion of the contract, so that G.O. Bonds are not required for funding. A financing mechanism is in place to cover the cost of the contract and the repayment of debt is guaranteed through the energy savings. A FY17 transfer of \$700,000 in long-term financing from Energy Systems Modernization was approved.

DISCLOSURES

A pedestrian impact analysis has been completed for this project.

COORDINATION

County Council, Department of General Services, Department of Technology Services, Legislative Branch Office, Office of Consumer Protection, and Department of Housing and Community Affairs. Special Capital Projects Legislation was enacted on June 23, 2015 and signed into law on July 6, 2015 (Bill No. 27-15).






MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

July 22, 2019

TO: Councilmembers
FROM: Linda Price,  Legislative Analyst
SUBJECT: Curtainwall Windows

On May 23, the Council approved the FY20 Capital Budget and amendments to the FY19-24 Capital Improvements Program. The reconciled budget reduced the funding in the Council Office Building (COB) Renovations project by \$600,000 in FY21. This reduced the placeholder funds for addressing the curtainwall issue from \$1 million to \$400,000, the minimum that will be needed to implement one of the 4 options identified by Department of General Services' contractor.

The Council approved the placeholder funds to allow DGS to conduct further analysis on the 4 options to repair or replace the curtainwall windows in the southern end of the COB. The funds were added with the understanding that upon completion of the study, the Council may decide to choose a more extensive option funded through a supplemental appropriation and CIP amendment.

The curtainwall windows are the windows on the southern end of the Maryland Avenue wing of the building. The window system runs up the entire height of the building. These windows were due to be replaced within the scope of the project as the current system is vulnerable to water and pest infiltration, solar heat gain, and thermal comfort issues. A number of issues became apparent to the design/build contractors that complicated a simple replacement of the windows. Some of the issues included:

- The entire window system would need to be replaced from the 1st through 6th floors for each vertical section;
- One to two months would be needed to replace each section;
- Temporary barriers would need to be built, which would be both expensive, inconvenient for building occupants, and very complex to install and take down; and
- Periods of rain pose significant risk to the building, especially for the Data Center on the 3rd floor. Upon further study, it was determined that the Data Center would be unaffected.

Initial options estimated the cost of the refurbishment/replacement to be between \$400,000 and \$2.5 million for each of the 4 options. The following table provides updated information on the components of the 4 options, including costs, benefits, energy savings, and the estimated time to payback each option. The full table is also provided as an attachment, providing additional details on construction time and added thermal benefits.

Option	Description	Added Thermal Benefit *	Air/Water Infiltration *	Preliminary Costs	Potential Life Span Increase of Curtain-wall	Estimated Energy Savings	Estimated (Payback Years)
A1	Clean and reuse existing single pane glass. Add a new Low-e film. Replace gaskets, pressure plates, sealants and exterior snap covers.	Rating of 1	Rating of 2	\$420,000 - \$570,000	5 – 10 years	\$18,973	21.08
A2	Replace existing 1/4" single pane glass. Replace gaskets, pressure plates, sealants and exterior snap covers.	Rating of 2	Rating of 2	\$630,000 - \$800,000	5 – 10 years	\$21,892	28.32
B	Replace existing curtainwall with a traditional stick fabricated exterior glazed curtainwall system and high-performance Low E glass. Re-caulk all precast joints surrounding curtainwall, with a redundant row of backer rod and sealant.	Rating of 5	Rating of 5	\$2,450,000 - \$2,700,000	25 – 40 years	\$32,838	70.65
C	Replace existing curtainwall with a traditional stick fabricated exterior glazed curtainwall system and high-performance single pane glass. Wrap existing precast surround at curtainwall with insulated metal panels.	Rating of 5	Rating of 5	\$2,625,000 - \$2,875,000	25 – 40 years	\$32,838	76.13

*Rating 1-5 are provided with 1 having the least benefit and 5 having the greatest benefit

The Current curtainwall window has reached the end of its useful life. Therefore, if the Council were to implement options A1 or A2, full replacement would still need to occur down the road. Implementation of options A1 and A2 would defer the expense, but the County incurring the full replacement cost is inevitable.

Councilmembers
July 22, 2019
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DGS is requesting input, based on preliminary data, on which option the Council would like to pursue. Please let me know your preference on how you would like to move forward by Monday, July 29. Feel free to contact either myself at x77922 or Glenn Orlin at x77936 if you have any questions.

cc: Marlene Michaelson
Glenn Orlin

Comparing the Options – Additional Information

Option	Description	Added Thermal Benefit: Vision glass only (U-value indicates the rate of heat flow due to conduction, convection, and radiation through a window as a result of a temperature difference between the inside and outside. The higher the U-factor the more heat is transferred (lost) through the window in winter. Rating 1-5 with 1 least benefit and 5 greatest benefit)	Air and water infiltration Rating 1-5 1 least benefit and 5 greatest benefit.	Preliminary cost estimate	Construction Schedule	Potential Life Span Increase of curtainwall
Option A1	Clean and reuse existing 1/4" single pane glass. Add a new Low-e film. Replace gaskets, pressure plates, sealants and exterior snap covers.	Reuse of existing 1/4" single pane glass has a U value of approximately 1.22. = high U value, high heating or cooling loss. (Equivalent R value approximately .81) Rating of 1	Improvements limited to Curtainwall Suggest testing after install is complete to confirm penetrations are sealed. Rating of 2	\$420,000- 570,000 + (+ to be determined based on construction phasing)	10 -14 months Very labor intensive.	5-10 years
Option A2	Replace existing 1/4" single pane glass with either Energy Advantage Low E Coating or tempered tinted glass. Replace gaskets, pressure plates, sealants and exterior snap covers.	Replacing the existing 1/4" single pane glass with a new Low E 1/4" single pane having a U value of 1.02- 1.04. represents a 1.2 times improvement of heat transfer over the existing glazing but still has a high U value- high heating or cooling loss. (Equivalent R value approximately .98) Rating of 2	Suggest testing after install is complete to confirm penetrations are sealed. Rating of 2	\$630,000 – 800,000+ (+ to be determined based on construction phasing)	10 -14 months Very labor intensive.	5-10 years
Option B	Replace existing curtainwall with a traditional stick fabricated exterior glazed curtain wall system similar to the 1600 LR Wall by Kawneer with fiberglass pressure plates and high-performance Low E glass such as Viracon UNE1-63, Guardian SNX 62/27 or Solarban 70XL. Re-caulk all precast joints surrounding curtain wall, with a redundant row of backer rod and sealant.	Replacing the existing 1/4" single pane glass with a new double pane insulated glazing unit having a U value of 0.29 represents a 4.2 times improvement reducing heat transfer over the existing glazing and has a low U value- low heating or cooling loss. (Equivalent R value approximately 3.44) Rating of 5	Suggest testing after install is complete to confirm penetrations are sealed. Rating of 5	\$2,450,000- 2,700,000 + (+ to be determined based on construction phasing and additional structural requirements)	7 -10 months Depending on construction phasing and additional structural requirements for curtainwall support	25-40 years
Option C	Replace existing curtainwall with a traditional stick fabricated exterior glazed curtainwall system similar to the 1600 LR Wall by Kawneer with fiberglass pressure plates and high-performance Low E glass such as Viracon UNE1-63, Guardian SNX 62/27 or Solarban 70XL. Wrap existing precast surround at curtainwall with insulated metal panels, such as Alucobond metal panels.	Replacing the existing 1/4" single pane glass with a new double pane insulated glazing unit having a U value of 0.29 represents a 4.2 times improvement reducing heat transfer over the existing glazing and has a low U value- low heating or cooling loss. (Equivalent R value approximately 3.44) Rating of 5	Suggest testing after install is complete to confirm penetrations are sealed. Rating of 5	\$2,625,000- + 2,875,000+ (+ to be determined based on construction phasing and additional structural requirements)	7 -10 months Depending on construction phasing and additional structural requirements for curtainwall support	25-40 years

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Resources –

1. <https://www.guardianglass.com/mx/en/products/brands/sunguard/snx/62-27>
2. <https://www.wbdg.org/resources/windows-and-glazing>



ABS Retail Store Refresh

(P852101)

Category General Government **Date Last Modified** 03/13/20
SubCategory Other General Government **Administering Agency** Liquor Control
Planning Area Countywide **Status** Preliminary Design Stage

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Construction	8,324	-	-	6,832	1,785	1,267	781	957	1,435	607	1,492
TOTAL EXPENDITURES	8,324	-	-	6,832	1,785	1,267	781	957	1,435	607	1,492

FUNDING SCHEDULE (\$000s)

Current Revenue: Liquor	8,324	-	-	6,832	1,785	1,267	781	957	1,435	607	1,492
TOTAL FUNDING SOURCES	8,324	-	-	6,832	1,785	1,267	781	957	1,435	607	1,492

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request		1,785	Year First Appropriation
Appropriation FY 22 Request		1,267	Last FY's Cost Estimate
Cumulative Appropriation		-	
Expenditure / Encumbrances		-	
Unencumbered Balance		-	

PROJECT DESCRIPTION

This level of effort project is intended to provide a structured process to ensure that all Alcohol Beverage Services (ABS) retail store locations are modernized and updated to provide customers with a friendlier shopping experience, in well merchandised stores that offer choice, convenience, and knowledgeable staff. Once a retail store has been refreshed, it could offer tasting rooms, growler stations, wider shopping aisles, pairing dinners, other special events and a more aesthetically pleasing and safer shopping experience. Flooring, painting, shelving, updating restrooms, and work identified for major building systems (including the roof, mechanical/HVAC, and windows) will be included to "freshen up" the retail stores and ensure working and efficient operating systems.

ESTIMATED SCHEDULE

ABS started remodeling stores in FY20 within their operating budget, with four refurbishment projects at the Darnestown, Cabin John, Montrose and Wheaton retail store locations. Beginning in FY21, and within this CIP project, the remodel schedule would align with the schedule of lease expirations with stores being remodeled in the year in which their lease is negotiated for renewal with the understanding that all 25 stores would be evaluated and refurbished prior to the end of the CIP project. Then the CIP cycle for refresh work would start over again. ABS identifies the stores to be refreshed approximately 18 months before planning and design work begins on them.

PROJECT JUSTIFICATION

This project is a vital piece of ABS's 5 Year Financial Plan to increase its transfer to the County. Further, this project will give ABS the ability to be able to leverage external funding that will eliminate the need to use debt financing or tax dollars. Many of the retail stores have not been updated for 20 years. Ensuring that ABS is able to execute its multi-year plan to renovate/upgrade its 25 outdated retail stores is key to two out of three of its Turn the Curve Performance Goals. This project will also allow ABS to leverage contributions from landlords who will match, and in some cases exceed, the investment ABS will be able to make in each store remodel - an investment the landlords are not able to commit to without the County appropriation.



Wheaton Arts and Cultural Center (P722106)

Category Culture and Recreation **Date Last Modified** 03/14/20
SubCategory Recreation **Administering Agency** General Services
Planning Area Kensington-Wheaton **Status** Planning Stage

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	100	-	-	100	100	-	-	-	-	-
TOTAL EXPENDITURES	100	-	-	100	100	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	100	-	-	100	100	-	-	-	-	-
TOTAL FUNDING SOURCES	100	-	-	100	100	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	100	Year First Appropriation
Appropriation FY 22 Request	-	Last FY's Cost Estimate
Cumulative Appropriation	-	
Expenditure / Encumbrances	-	
Unencumbered Balance	-	

PROJECT DESCRIPTION

This project provides for planning and initial design activities for a new arts and cultural facility to be located in the Wheaton and Arts and Entertainment District. Potential sites include County-owned property in the downtown Wheaton area. The project's specifications, including the potential for affordable housing, will be evaluated for the selected site.

ESTIMATED SCHEDULE

Project activities will continue in FY21.

PROJECT JUSTIFICATION

A Program of Requirements was completed in FY20. The POR specifications provide for requirements for the facility; the ultimate design and configuration of the facility will depend on the characteristics of the selected site.

FISCAL NOTE

Funding for this project is transferred from Facility Planning: MCG (P508768). The funding source is Current Revenue: General.

DISCLOSURES

A pedestrian impact analysis will be performed during design or is in progress.

COORDINATION

Department of Recreation. Department of General Services.





Facility Planning: MCG (P508768)

Category General Government
SubCategory County Offices and Other Improvements
Planning Area Countywide

Date Last Modified 03/12/20
Administering Agency General Services
Status Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	10,528	8,729	239	1,560	260	260	260	260	260	260	-
Land	87	87	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	7	7	-	-	-	-	-	-	-	-	-
Construction	412	412	-	-	-	-	-	-	-	-	-
Other	222	222	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	11,256	9,457	239	1,560	260	260	260	260	260	260	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	10,611	8,812	239	1,560	260	260	260	260	260	260	-
Current Revenue: Solid Waste Disposal	20	20	-	-	-	-	-	-	-	-	-
G.O. Bonds	625	625	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	11,256	9,457	239	1,560	260	260	260	260	260	260	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	160	Year First Appropriation	FY87
Appropriation FY 22 Request	260	Last FY's Cost Estimate	10,836
Cumulative Appropriation	9,796		
Expenditure / Encumbrances	9,474		
Unencumbered Balance	322		

PROJECT DESCRIPTION

This project provides for general government facility planning studies for a variety of projects under consideration in the CIP. In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, Montgomery County develops a Program of Requirements (POR) that outlines the general and specific features required on the project. Selected projects range in type including: new buildings, renovation of existing buildings, stormwater management, and recycling centers. Facility planning is a decision making process that includes the determination of the purpose of and need for a candidate project, a rigorous investigation of non-County sources of funding, and an estimate of the cost of the design and an estimated range of the cost of construction of the project. Facility planning represents feasibility analysis, planning and preliminary design and develops a POR in advance of full programming of a project in the CIP. Depending upon the results of a facility planning determination of purpose and need, a project may or may not proceed to design and construction. For a full description of the facility planning process, see the CIP Planning Section.

COST CHANGE

Addition of FY25 and FY26 to this level-of-effort project. \$100,000 of funding is shifted to the new Wheaton Arts and Cultural Center CIP (P722106) to continue planning for that project in FY21.

PROJECT JUSTIFICATION

Facility planning costs for projects which ultimately become stand-alone projects are included here. These costs will not be reflected in the resulting individual project.

OTHER

The study proposals under this program are developed in conjunction with program departments, the Department of General Services, the Office of Management and Budget (OMB), and consultants to ensure accurate program requirements. Planning studies are underway or to be completed in FY20 or FY21 are listed on the next page. This list includes projects that will potentially be considered for inclusion as stand-alone projects in the future years. Other projects not listed may be planned under urgent situations. Planning for future fire stations will be considered if response time or population data warrant such a need.

FISCAL NOTE

Funds may also be used to explore opportunities in the event a private developer expresses interest in County property. In FY21, \$100,000 of funding is shifted to the new Wheaton Arts and Cultural Center CIP (P722106) to continue planning for that project in FY21.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

Department of Environmental Protection, Department of General Services, Department of Correction and Rehabilitation, Department of Fire and Rescue Services, Department of Police, Department of Health and Human Services, Department of Recreation, Department of Public Libraries, Circuit Court, Office of Management and Budget, Commission on People with Disabilities, and Montgomery County Pedestrian Safety Advisory Committee.

CANDIDATE PROJECTS

- **4TH DISTRICT POLICE STATION (WHEATON-GLENMONT)**
- **ALTERNATE EMERGENCY COMMUNICATIONS CENTER**
- **CLARKSBURG LIBRARY**
- **COUNTY FACILITY REFRESH (NON-LIBRARY)**
- **DAMASCUS DEPOT**
- **MONTGOMERY VILLAGE FIRE STATION #39**
- **NORTH COUNTY TRANSIT DEPOT**

STUDIES UNDERWAY OR PLANNED FOR FY21

- **BETHESDA REGIONAL COMMUNITY RECREATION CENTER**
- **BUSHEY DRIVE REDEVELOPMENT**
- **CHEVY CHASE LIBRARY REDEVELOPMENT**
- **HILLANDALE FIRE STATION #24 RENOVATION/REPLACEMENT (COLESVILLE)**
- **POOLESVILLE DEPOT**
- **POOLESVILLE SERVICES CO-LOCATION STUDY**
- **WHEATON ARTS AND HUMANITIES CENTER (SEE NOTE #2 BELOW)**
- **WHEATON PARKING LOT #13 REDEVELOPMENT**

NOTE #1: AS OPPORTUNITIES OCCUR, COUNTY FACILITIES IN NEED OF REHABILITATION AND/OR EXPANSION MAY BE CONSIDERED FOR FACILITY PLANNING TO LEVERAGE NON-COUNTY FUNDING. EXAMPLES OF SUCH OPPORTUNITIES WOULD BE WHEN REDEVELOPMENT OCCURS OR WHEN LOCAL VOLUNTEER FIRE/RESCUE DEPARTMENTS RENOVATE, ADD TO, OR REPLACE VOLUNTEER-OWNED FIRE STATIONS. EXAMPLES OF PROJECTS WHERE REDEVELOPMENT COULD OCCUR INCLUDE THE 4TH AND 5TH DISTRICT POLICE STATIONS.

NOTE #2: PLANNING FOR THIS PROJECT HAS BEEN MOVED TO A NEW STAND-ALONE PROJECT FOR FY21, WHEATON ARTS AND CULTURAL CENTER (P722106).



Americans with Disabilities Act (ADA): Compliance

(P361107)

Category	General Government	Date Last Modified	03/12/20
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	14,923	9,961	762	4,200	700	700	700	700	700	700	-
Site Improvements and Utilities	22,788	5,861	5,527	11,400	1,900	1,900	1,900	1,900	1,900	1,900	-
Construction	19,162	2,858	5,204	11,100	1,850	1,850	1,850	1,850	1,850	1,850	-
Other	1,127	690	137	300	50	50	50	50	50	50	-
TOTAL EXPENDITURES	58,000	19,370	11,630	27,000	4,500	4,500	4,500	4,500	4,500	4,500	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	3,235	-	235	3,000	500	500	500	500	500	500	-
G.O. Bonds	43,401	8,006	11,395	24,000	4,000	4,000	4,000	4,000	4,000	4,000	-
PAYGO	11,364	11,364	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	58,000	19,370	11,630	27,000	4,500	4,500	4,500	4,500	4,500	4,500	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	3,500	Year First Appropriation	FY11
Appropriation FY 22 Request	4,500	Last FY's Cost Estimate	50,000
Cumulative Appropriation	32,000		
Expenditure / Encumbrances	24,342		
Unencumbered Balance	7,658		

PROJECT DESCRIPTION

This program provides for an on-going comprehensive effort to ensure that County buildings and other facilities are built and maintained in compliance with Title II of the Americans with Disabilities Act (ADA) and the ADA 2010 Standards for Accessible Design. This program includes both the correction of deficiencies identified by the United States Department of Justice (DOJ) during its proactive Project Civic Access (PCA) assessment of County facilities, an assessment by the County of all County government buildings and facilities not included in the PCA assessment, and remediation of any deficiencies identified by those assessments. The program also includes policy development, advanced technical training for County architects and engineers to ensure that ADA compliance and accessibility are incorporated throughout the County's planning, staff training, design, and construction process in order to ensure that County facilities are fully compliant with Title II of the ADA. In September 2010 revised Title II ADA regulations, including the 2010 Standards, were issued by DOJ. The new 2010 Standards include revisions to the 1991 ADA Accessibility Guideline (ADAAG) standards and supplemental standards for features not addressed in the 1991 ADAAG including pools, recreation facilities, ball fields, locker rooms, exercise rooms, picnic areas, golf courses, playgrounds and residential housing. The Title II ADA regulations require jurisdictions to proactively address the supplemental standards by bringing all features addressed in the supplemental standards into compliance with the 2010 Standards.

ESTIMATED SCHEDULE

FY21: 14705 Avery Rd., Germantown Outdoor Pool, MLK Outdoor Pool, Pre-Release Center - Phase II (Residential), 401 Hungerford Dr., Coffield Community Center.

FY22: Olney Aquatic Center, Executive Office Building - Phase II, Montgomery County Conference Center, Clara Barton Community Center, Holiday Park Community Center - Phase II, Pre-Release Center - Phase III (Courtyard).

COST CHANGE

Addition of FY25 and FY26 to this level-of-effort project. FY20 expenditures was reduced based on the implementation schedule.

PROJECT JUSTIFICATION

Montgomery County was selected by DOJ for a Project Civic Access review in 2006. Project Civic Access is a proactive, ongoing initiative of the Disability Rights Section (DRS) of the DOJ Civil Rights Division to ensure ADA compliance in local and state governments throughout the country. DOJ has completed reviews and signed settlement agreements with over 150 jurisdictions to date. DOJ has inspected approximately 112 County government buildings and facilities. In addition, they have inspected polling places, ballfields, golf courses, and local parks. Montgomery County signed a legally binding settlement agreement to address the findings in August 2011. M-NCPPC was a co-signer of the Agreement. The Agreement requires the County to remediate all problems identified by DOJ within a negotiated timeline and to survey all remaining buildings, facilities, and programs not surveyed by DOJ. Programs and facilities must be surveyed within a three-year time frame, with approximately 80 completed each year. Prior to FY20, the County was required to send a report of its findings to DOJ each year with a proposed remediation plan and timeline.

FISCAL NOTE

Funding switch in FY18 for \$2,800,000 between Current Revenue: General and GO Bonds (Bond Premium).

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

United States Department of Justice, Department of Health and Human Services, Department of Transportation, County Attorney's Office, Montgomery County Public Schools, Revenue Authority, Maryland-National Capital Park and Planning Commission, Department of General Services, and Montgomery County Public Schools.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 7, 2020

TO: Sidney A. Katz, Council President
FROM: *Amanda Klein for*
Marc Elrich, County Executive
SUBJECT: Recommended FY21 Capital Budget and Amendments to the FY21-26 Capital Improvement Program (CIP)

I am pleased to transmit to you three additional recommended FY21 amendments to the FY21-26 Capital Improvement Program (CIP). These amendments are needed to allocate funds that the County received as part of the agreements approved by the Maryland Public Service Commission (PSC) related to the merger of Exelon Corporation, Pepco Holdings Inc., Potomac Electric Power Company, and Delmarva Power and Light Company in 2015, and the merger of AltaGas Ltd., WGL Holdings, Inc., and Washington Gas Light Company (AltaGas/WGL Merger) in 2018. The merger agreements restrict the use of these funds for specific purposes, and these amendments will facilitate documenting these results. These projects also represent a significant investment in the County's goal to reduce greenhouse gas emissions, reduce maintenance and energy consumption costs, and save vital taxpayer dollars.

New Project: Exelon-Pepco Merger Fund CIP

The Exelon/Pepco Holdings, Inc. (PHI) merger, approved by the Maryland PSC per Order No. 86990 on May 15, 2015 and Order No. 88128 on April 12, 2017 regarding the Most Favored Nation Provision, resulted in the County receiving funds to establish a Green Sustainability Fund. The County will use these funds for this project to establish a revolving funding mechanism to implement energy-savings projects in public facilities. In contrast to the projects implemented through the Energy Systems Modernization CIP, the projects recommended to be funded through this new CIP project are intended to have relatively short payback periods. Projects include lighting retrofits converting to more energy-efficient and longer-lasting light-emitting diode technology and heating, ventilation, and cooling (HVAC) system control upgrades.

Sidney A. Katz, President, County Council
April 7, 2020
Page 2

My January CIP recommendations originally allocated \$6.7 million of the Exelon-Pepco merger funds to the Energy Conservation: MCG project. After further analysis, I am recommending that \$6.2 million of these funds be programmed in a new CIP project to facilitate expenditure reporting and to establish a revolving fund in which future energy savings will fund future projects. The remaining \$500,000 will be used in FY20 to fund projects at the Potomac Library, Upper County Community Recreation Center and Pool, Bethesda-Chevy Chase Regional Services Center, and Margaret Schweinhaut Senior Center. This \$500,000 is currently appropriated in the Restricted Donation Fund as part of the operating budget. Specific projects have been identified through FY22, and staff will identify additional projects for FY23 to FY26.

New Project: AltaGas-WGL Merger Fund CIP

The AltaGas/WGL merger, approved by the Maryland PSC per Merger Order No. 88631 on April 4, 2018, resulted in the County receiving approximately \$7 million to fund energy efficiency projects in facilities utilizing natural gas energy sources. Combined heat and power system upgrades, thermal envelope component improvements (such as insulation), and other projects which increase energy efficiency of County facilities will be funded. Specific projects have been identified through FY22, and staff will identify additional projects for FY23 to FY26.

Technical Adjustment: Energy Conservation: MCG CIP

As noted above, I am recommending a technical adjustment to this project to shift the Exelon-Pepco merger funds to a separate project. With this adjustment, the only cost increase to the Energy Conservation: MCG level-of-effort project is due to the addition of FY25 and FY26 funding.

I look forward to the successful implementation of these projects and their positive impact on the environment and our County operations.

ME:nm

Attachments: New and Amended Project Description Forms (PDFs)

c: Andrew W. Kleine, Chief Administrative Officer
Marlene Michaelson, Executive Director, County Council
Richard S. Madaleno, Director, Office of Management and Budget
David Dise, Director, Department of General Services
Executive Branch Department Heads and Office Directors



Exelon-Pepco Merger Fund (P362105)

Category	General Government	Date Last Modified	04/08/20
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	55	-	-	55	55	-	-	-	-	-	-
Construction	6,145	-	-	6,145	1,916	1,942	2,287	-	-	-	-
TOTAL EXPENDITURES	6,200	-	-	6,200	1,971	1,942	2,287	-	-	-	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Utility Merger Funds	6,200	-	-	6,200	1,971	1,942	2,287	-	-	-	-
TOTAL FUNDING SOURCES	6,200	-	-	6,200	1,971	1,942	2,287	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Approp. Request	1,971	Year First Appropriation
Appropriation FY 22 Approp. Request	1,942	Last FY's Cost Estimate
Cumulative Appropriation	-	
Expenditure / Encumbrances	-	
Unencumbered Balance	-	

PROJECT DESCRIPTION

This project provides for the design and implementation of energy savings projects in various County facilities and locations using funds obtained through the merger of Exelon Corporation, Pepco Holdings Inc., Potomac Electric Power Company, and Delmarva Power & Light Company ("Exelon/PHI merger"), approved by the Maryland Public Service Commission (PSC) per Order No. 86990 on May 15, 2015. Projects include lighting retrofits, heating, ventilation, and cooling (HVAC) controls upgrades and equipment replacement including chillers, condensing units and air handling units.

ESTIMATED SCHEDULE

Projects are identified and scheduled based on energy savings potential, reduced maintenance costs, overall cost savings, and quantifiable environmental benefits. Schedule is subject to change based on project need. Currently planned projects include:

FY21: Upper County Community Recreation Center and Pool; Margaret Schweinhart Senior Center, Scotland Neighborhood Recreation Center; Holiday Park Senior Center; Gwendolyn Coffield Community Recreation Center; David F. Boos Equipment Maintenance and Transit Operations Center (EMTOC); Potomac Community Recreation Center; and Fire Station #10 (Cabin John Volunteer Fire Station)

FY22: Jane Lawton Community Recreation Center; Public Safety Headquarters (PSHQ); Veteran's Plaza Civic Center; Gaithersburg Highway Maintenance Facility; Fire and Rescue Maintenance Depot (Southlawn); and Alternate Emergency Communications Center

PROJECT JUSTIFICATION

The Exelon/PHI (PHI) merger, approved by the Maryland PSC per Order No. 86990 on May 15, 2015 and Order No. 88128 on April 12, 2017 regarding the Most Favored Nation Provision, resulted in the County receiving over \$40 million, of which \$8.4 million was designated to establish a Green Sustainability Fund. The County will use \$6.7 million of these funds for this project to establish a revolving funding mechanism to implement energy savings projects in public facilities. Generally, projects will pay for themselves over several years. Significant reductions in energy consumption, greenhouse gas emissions, and maintenance are expected.

OTHER

Staff from the Department of General Services (DGS), Department of Finance (FIN), Office of Management and Budget (OMB), and County Attorney (OCA) are coordinating the development of processes and monitoring of energy savings in order ensure funds are revolving as intended by the terms of the merger. Energy savings are not expected to be realized until the completion of the first round of projects in FY22 and FY23.

FISCAL NOTE

A total of \$6.7 million was originally appropriated in the Restricted Donation Fund in FY19. Approximately \$500,000 is expected to be spent in FY20 from the Restricted Donation Fund to fund the initial round of projects, including: Potomac Library, Upper County Community Recreation Center and Pool, Bethesda-Chevy Chase Regional Services Center, and Margaret Schweinhart Senior Center. The remaining funds of \$6.2 million will be shifted to this new CIP in

FY21.

Projects are also expected to be eligible for utility incentives during and after implementation; utility incentives will offset the use of the merger funds. Merger funds cannot be used to supplant existing County funding for projects, including staff charges.

COORDINATION

Department of General Services, Department of Finance, Office of Management and Budget, County Attorney



AltaGas-WGL Merger Fund (P382106)

Category	General Government	Date Last Modified	04/08/20
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	205	-	-	205	150	55	-	-	-	-	-
Construction	6,795	-	-	6,795	4,380	1,121	1,294	-	-	-	-
TOTAL EXPENDITURES	7,000	-	-	7,000	4,530	1,176	1,294	-	-	-	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Utility Merger Funds	7,000	-	-	7,000	4,530	1,176	1,294	-	-	-	-
TOTAL FUNDING SOURCES	7,000	-	-	7,000	4,530	1,176	1,294	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Approp. Request	4,530	Year First Appropriation	
Appropriation FY 22 Approp. Request	1,176	Last FY's Cost Estimate	-
Cumulative Appropriation	-		
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

PROJECT DESCRIPTION

This project provides for the design and implementation of energy savings projects in various County facilities and locations using funds the County received as part of the merger of AltaGas Ltd., WGL Holdings, Inc., and Washington Gas Light Company ("AltaGas/WGL merger"), as approved by the Maryland Public Service Commission (PSC) per Merger Order No. 88631 on April 4, 2018. The funds are intended to implement projects that improve energy efficiency and reduce natural gas usage in County buildings. The funds will be administered by the Department of General Services (DGS) for projects such as combined heat and power (CHP) systems (also known as cogeneration), thermal envelope components (such as insulation), boiler upgrades, and increasing the energy efficiency of facilities.

ESTIMATED SCHEDULE

Projects are identified and scheduled based on energy savings potential, reduced maintenance costs, overall cost savings, and quantifiable environmental benefits. Schedule is subject to change based on project need. Currently planned projects include:

FY21: Animal Shelter; Olney Swim Center; Germantown Indoor Swim Center; Damascus Community Recreation Center

FY22: Rothgeb Worker Center; Kenney Shriver Aquatic Center (KSAC); Potomac Community Recreation Center

PROJECT JUSTIFICATION

The AltaGas/WGL merger, approved by the Maryland PSC per Merger Order No. 88631 on April 4, 2018, resulted in the County receiving approximately \$7 million to fund energy efficiency projects in facilities utilizing natural gas energy sources. Significant reductions in energy consumption, greenhouse gas emissions, and maintenance are expected.

OTHER

Staff from the Department of General Services (DGS), Department of Finance (FIN), Office of Management and Budget (OMB), and County Attorney (OCA) are coordinating the development of processes and monitoring of energy savings in order ensure funds are utilized as intended by the terms of the merger.

FISCAL NOTE

A total of \$7.0 million was originally appropriated in the Restricted Donation Fund in FY19 for funding energy efficiency improvements in public buildings. The full amount of this funding will be shifted into this CIP project in FY21 for improved expenditure tracking and scheduling.

Projects are also expected to be eligible for utility incentives during and after implementation; utility incentives will offset the use of the merger funds. Merger funds cannot be used to supplant existing County funding for projects, including staff charges.

COORDINATION

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Energy Conservation: MCG (P507834)

Category	General Government	Date Last Modified	04/03/20
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

Total	Thru FY19	Last FY20	Total 5 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY19	Last FY20	Total 5 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	421	124	89	188	33	33	33	33	33	33	-
Land	23	23	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	235	-	235	-	-	-	-	-	-	-	-
Construction	2,742	1,058	862	702	117	117	117	117	117	117	
Other	10	4	6	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,431	1,209	1,322	900	150	150	150	150	150	150	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY19	Last FY20	Total 5 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Current Revenue: General	4	-	4	-	-	-	-	-	-	-	-
G.O. Bonds	2,159	433	826	900	150	150	150	150	150	150	
State Aid	449	-	449	-	-	-	-	-	-	-	
Utility Incentives	819	776	43	-	-	-	-	-	-	-	
TOTAL FUNDING SOURCES	3,431	1,209	1,322	900	150	150	150	150	150	150	-

OPERATING BUDGET IMPACT (\$000s)

Energy				(240)	(40)	(40)	(40)	(40)	(40)	(40)
NET IMPACT				(240)	(40)	(40)	(40)	(40)	(40)	(40)

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Approp. Request	150	Year First Appropriation	FY78
Appropriation FY 22 Approp. Request	150	Last FY's Cost Estimate	3,131
Cumulative Appropriation	2,531		
Expenditure / Encumbrances	1,483		
Unencumbered Balance	1,048		

PROJECT DESCRIPTION

The project supports efforts yielding rapid financial returns to the County or substantial progress towards established environmental goals, such as energy savings, renewable energy installations, greenhouse gas reductions, and waste diversion. The County conducted energy assessments and other analysis to identify resource and cost savings opportunities in County facilities that will inform project scheduling. In addition, the County is preparing a comprehensive sustainability plan with specific programs and actions to reduce the environmental footprint of County operations and reduce costs. This project will provide funds to target rapid return on investment energy conservation projects; provide ancillary funds to support the installation of solar photovoltaic systems on County facilities; augment other energy conservation projects (e.g., funding incremental costs of higher efficiency equipment); support energy and sustainability master planning for County facilities and operations; leverage federal, state, and local grant funding; and provide funds to leverage public-private partnerships and third-party resources.

ESTIMATED SCHEDULE

Projects are identified and scheduled based on energy savings potential, reduced maintenance costs, overall cost savings, and quantifiable environmental benefits.

COST CHANGE

Cost increase due to the addition of FY25 and FY26 to this level-of-effort-project

PROJECT JUSTIFICATION

This program is integral to the County's cost-containment efforts. Generally, projects will pay for themselves in one to ten years, with short payback initiatives being targeted to reduce pressure on the operating budget. The program also funds incremental costs in staff, planning, contractor support, analytics and other efforts to increase the impact of the County's overall energy and sustainability projects. The program is necessary to fulfill the mandate of the County's building energy design standards (8-14a), Council Bill 2-14 Energy Performance Benchmarking, Council Bill 5-14 Social Cost of Carbon, Council Bill 6-14 Office of Sustainability, and Council Bill 8-14 Renewable Energy Technology. Significant reductions in energy consumption, greenhouse gas emissions, solid waste, water consumption, and maintenance are expected.

FISCAL NOTE

A FY18 supplemental of \$819,000 in Utility Incentives was approved.

DISCLOSURES

Expenditures will continue indefinitely. The County Executive asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

COORDINATION

Department of General Services, - Advanced Energy Initiative, and Energy Modernization Program.