



Legislation Review

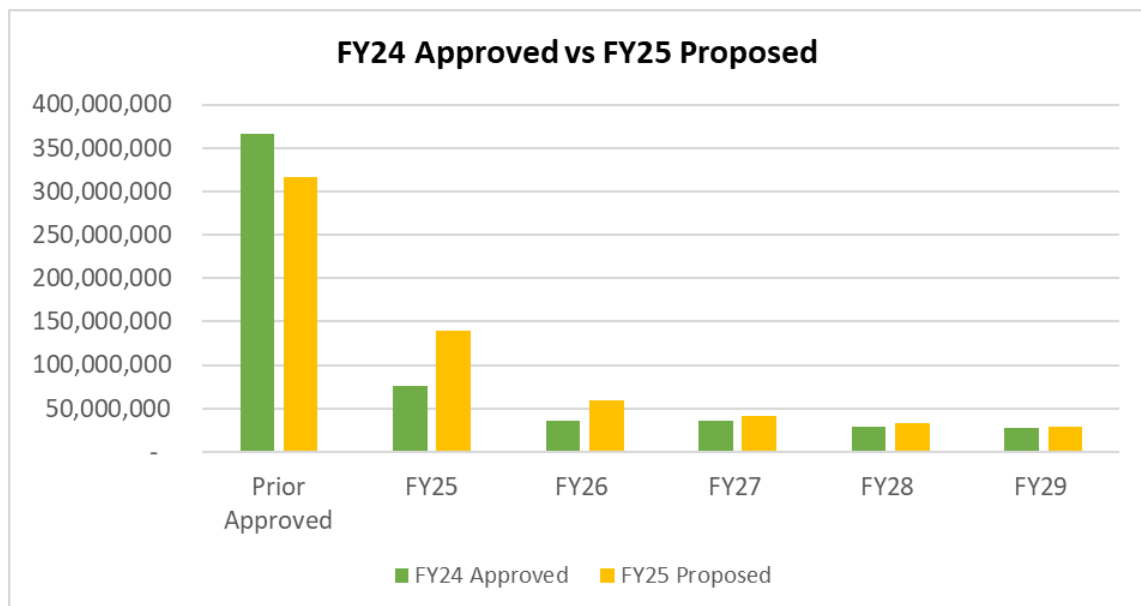
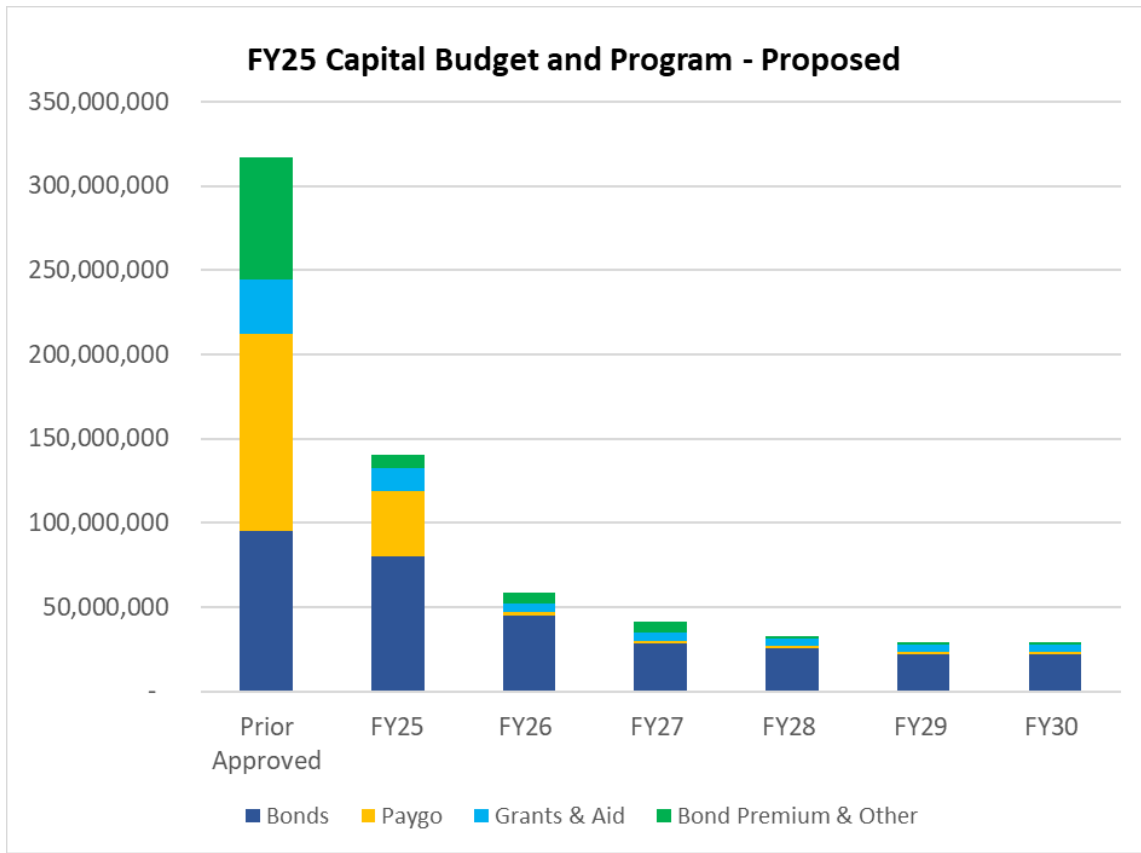
Review of the Fiscal Year 2025 Proposed Capital Budget and Program General County (C Class)

Report Date: May 15, 2024
Hearing Date: May 16, 2024

C Class Project Type:	Questions Sent to Agency:	Responses Received from Agency:
C - Land Acquisition	April 26, 2024	May 1, 2024
C - OIT	April 15, 2024; May 9, 2024	May 3, 2023; May 14, 2024
C - General County	May 1, 2024; May 10, 2024	May 7, 2024; Waiting on Responses

This analysis considers all agency responses.

General County (C Class) Capital Budget Summary



Note: Chart data provided in the Appendix

Analysis of the FY25 Proposed Capital Budget and Program

- The four projects receiving the largest FY25 funding amounts in the FY25 Proposed Capital Budget are:
 - \$23,711,500 for Information Technology Enhance (Project #C519600, p. 26 of the capital budget book),
 - \$22,292,000 for Odenton MARC TOD Dev Ph 1 & 2A (Project #C565500, p. 35),
 - \$21,567,000 for Traffic Maint Fac Upg Relo (Project #C589000, p. 45), and
 - \$18,592,000 for Fire Equip Maint Facility (Project #C571900, p. 38).
- The FY25 Proposed Capital Budget and Program includes 45 projects: 23 stand-alone/one-time and 22 multi-year/recurring.
- Five projects replace previously approved FY25 funding amounts with new funds from different sources.
 - Information Technology Enhance (Project #C519600, p. 26) replaces \$11,194,000 in General County Bonds with General Fund PAYGO and increased General Fund PAYGO to a total of \$21,407,000 (FY24 Approved Capital Budget and Program had \$250,000 in General Fund PAYGO for FY25).
 - County Facilities & Sys Upgrad (Project #C537800, p. 30) replaces \$3,967,202 in General County Bonds with General Fund PAYGO. In total, this project's FY25 funding was increased by \$3,330,000 (\$3,000,000 in General Fund PAYGO and \$330,000 in Energy Loan Revolving Fund funds) from the FY24 Approved Capital Budget and Program to address the project backlog.
 - Odenton MARC TOD Dev Ph 1 & 2A (Project #C565500, p. 35) replaces \$2,000,000 in Tax Increment Fund (TIF) with General County Bonds. In total, this project's FY25 funding was increased by \$17,292,000 from the FY24 Approved Capital Budget and Program to fund the balance of the construction costs for the parking garage project.
 - Parking Garages Repair/Renov (Project #C571700, p. 36) replaces \$773,000 in General County Bonds with \$523,000 in General Fund PAYGO and \$250,000 in Parking Garage Fund (this project was also reduced by \$5,139,000 in General County Bonds from the FY24 approved capital budget and program to the FY25 proposed capital budget).
 - Circuit Courthouse Major Reno (Project #C585700, p. 43) replaces \$1,550,000 in General County Bonds with Bond Premium. In total, this project's FY25 funding was decreased by \$3,503,000 as certain construction costs were moved into FY26.
- New project funding is provided for the following:
 - County Septic Systems Access (Project #C591200, p. 48) for \$134,000 in General Fund PAYGO funding with design costs budgeted in FY25.
 - Glen Burnie Plz Redevelopment (Project #C591300, p. 49) for \$1,550,000 in General Fund PAYGO and Other Fed Grants funding with design in FY25 for Glen Burnie Town Center Plaza improvements.
 - UM BWMC – Cardiac Cath Labs (Project #C591400, p. 50) for \$500,000 in General Fund PAYGO for assistance towards the expansion and renovation of BWMC's cardiac catheterization labs.
 - Multicultural Center (Project #C591500, p. 51) for \$5,500,000 in General Fund PAYGO and Other State Grants funding with design and construction costs in FY25 to study,

identify, and develop a center that promotes diversity, inclusivity, and cultural awareness in the County.

- Digital Access – DSP (Project #591600, p. 52) for \$1,375,000 in General Fund PAYGO and Other State Grants to help families get access to reliable high-speed internet.

Capital Budget – Key Observations and Recommendations

1. **Lack of Support – Available Program Funds to Complete Projects Identified – Advance Land Acquisition (Project #C106700, p. 19 of the capital budget book) –** The project’s available balance as of March 31, 2024 was \$5,644,910 and the Administration was not able to explain how this balance will be utilized in FY24 by providing a list of the expected land acquisitions along with the associated cost estimates and timeline.

The FY25 Proposed Capital Budget and Program includes \$3,350,000 in General Fund PAYGO for this project. The Administration advises that \$3,500,000 in FY24 and FY25 funding will be used to purchase property at 1699 Millersville Road for the Board of Education (BOE) School Bus Facility/Lot (Project #E591800) capital project. The Administration advises that the purchase agreement has been signed, environmental and feasibility studies are underway, and there is an anticipated closing date in October 2024. This would leave \$5,495,000 for unanticipated needs. **Based on the lack of support and the available balance, we recommend reducing FY25 General Fund PAYGO by \$3,350,000.**

2. **Operational Costs in the Capital Budget – Agricultural Preservation Prgm (Project #C443400, p. 22) –** The FY25 Proposed Capital Budget and Program provides \$2,170,000 in FY26 for this project, which includes \$1,900,000 in General County Bonds, \$200,000 in State of Maryland Agricultural Land Preservation Fund grant funding (Other State Grants), and \$70,000 from the Tri-County Council of Southern Maryland (Miscellaneous Funding).

The Administration advises that the \$70,000 in FY26 Miscellaneous funding is for (1) expansion of public outreach and engagement, (2) ongoing support and stewardship of farms and farm owners with easements, and (3) supporting and streamlining easement inspections and reporting through improved technology and digital data collection. These funding uses are consistent with operating budget expenditures rather than capital construction. **We recommend deleting FY26 Miscellaneous funding of \$70,000 and including in the FY26 Current Expense Budget if awarded.**

3. **Lack of Support - Reforest Prgm-Land Acquisition (Project #C531200, p. 27) –** The FY25 Proposed Capital Budget and Program provides \$500,000 in FY25 Reforestation-Forest Conservation Funds for this project. However, the Administration was not able to provide a list of proposed FY25 land acquisitions.

4. **Lack of Support – Lack of State Grant Funding – Rural Legacy Program (Project #C543800, p. 31)** – The FY25 Proposed Capital Budget and Program provides \$75,000 in FY25 General County Bonds and \$1,500,000 in FY25 Other State Grants. The Administration has applied for \$2,500,000 in State Rural Legacy Program grant funding, but the award is still pending. The Administration was not able to provide a list of actual FY23 acquisitions, actual/expected FY24 acquisitions, and proposed FY25 acquisitions.
5. **Historical Spending Reduction – Failed Sewage & Private Well Fnd (Project #C501100, p. 25)** – As of May 1, 2024, this project had an available project balance of \$185,000. The average annual expenses in this project are \$38,000. There is a sufficient available balance for the Administration to perform planned tasks of \$53,000 and the remaining project funds would be available for any unplanned tasks. **We recommend deleting the FY25 General Fund PAYGO of \$80,000.**
6. **Calculation Error – Parking Garages Repair/Renov (Project #C571700, p. 36)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$509,000. **Therefore, we recommend reducing FY25 General Fund PAYGO by \$14,000, and reducing FY26 General County Bonds by \$495,000.**
7. **Calculation Error – Millersville Garage Renovation (Project #C571800, p. 37)** – Our review disclosed a calculation error in the project cost estimates. As a result, the Administration reduced the project budget by \$337,000. **Therefore, we recommend reducing FY26 General County Bonds by \$337,000.**
8. **Calculation Error – West County Road Ops Yard (Project #C580000, p. 40)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$1,112,000. The proposed FY25 budget included a reduction of \$673,000 in prior approved General County Bonds. **We recommend reducing an additional \$1,112,000 in prior approved General County Bonds.**
9. **Calculation Error – Circuit Courthouse Major Reno (Project #C585700, p. 43)** – Our review disclosed calculation errors in the project cost estimates. As a result, the Administration reduced the project budget by \$993,000. **Therefore, we recommend reducing FY26 General County Bonds by \$513,000, reducing FY27 General County Bonds by \$408,000, and reducing FY28 General County Bonds by \$72,000.**
10. **Increase in funding – Information Technology Enhancement (Project #C519600, p. 26)** – The FY25 Proposed Capital Budget and Program includes FY25 funding of \$23,711,500 (an increase of \$11,437,000 from the FY24 Approved Capital Budget and Program), including \$21,407,000 in General Fund PAYGO for the Computer Aided Dispatch

Analysis of the FY25 Proposed Capital Budget and Program

911 system replacement (expected cost of \$7,500,000 to \$9,000,000) and the new financial system upgrade (expected cost of \$13,000,000 to \$15,000,000), both of which are expected to take two years to implement. Additionally, the Detention system (expected cost of \$1,300,000) and Billing system (MUNIS with a cost not yet known) need to be updated. Multi-factor authentication tokens (expected cost of \$112,000) will also be purchased under this project. We are still working with the Administration to obtain quality support for the expected costs under this entire project.

11. **Project will be closed – Wired Broadband Access (Project #C586200, p. 62)** – As of May 1, 2024, this project had an available balance of \$226,600. There was no FY25 funding request and the Administration advised that the entirety of the currently appropriated funds will be used and the project closed out by December 31, 2025 per the ARP Grant terms.
12. **Resilience Authority** – The Administration advised that the implementation of EV Charging St & Oth Grn Tech (Project #C582800, p. 42) was transferred to the Resilience Authority, and the County will partner with the Resilience Authority to manage Glen Burnie Plz Redevelopment (Project #C591300, p. 49).

Analysis of the FY25 Proposed Capital Budget and Program

Appendix: Chart Data

FY25 Proposed Capital Budget and Program vs FY24 Approved

Funding Source	Prior Approved	FY25	FY26	FY27	FY28	FY29	FY30	Total Proposed
Bonds	95,314,668	79,861,798	45,102,100	28,407,000	25,198,000	21,687,000	21,687,000	221,942,898
Paygo	116,724,665	38,877,702	2,129,900	1,478,000	1,478,000	1,478,000	1,478,000	46,919,602
Impact Fees	-	-	-	-	-	-	-	-
Grants & Aid	32,080,666	13,413,000	5,000,000	4,800,000	4,800,000	4,800,000	4,800,000	37,613,000
Bond Premium & Other	72,793,332	7,980,000	6,420,000	6,350,000	1,350,000	1,350,000	1,350,000	24,800,000
FY25 Proposed	316,913,331	140,132,500	58,652,000	41,035,000	32,826,000	29,315,000	29,315,000	331,275,500
FY24 Approved	365,889,041	76,175,500	35,956,000	36,196,000	29,308,000	27,815,000		205,450,500