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Annapolis, MD 21401
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Gustav S. Kurtz, Jr.
Chair, Planning Advisory Board

March 17, 2023

The Honorable Steuart Pittman, County Executive
Anne Arundel County
Arundel Center, P.O. Box 2700
Annapolis, Maryland 21404

RE: Interim Deliberation Letter, Proposed
Capital Budget and Program, FY2024 -
FY2029

Dear County Executive Pittman:

The Planning Advisory Board (PAB) is a citizen advisory board created by §532 of the Anne Arundel County Charter. Under §533 of the Charter, the PAB is charged with recommending the list of capital projects, along with their estimated costs, to be implemented by the County in Fiscal Year 2023 and the balance of the program through Fiscal Year 2028 in the Capital Budget (CIP). The PAB believes that the CIP should be consistent with the County's goals, policies and plans including *Plan2040*, the *Master Plan for Water Supply and Sewerage Systems* and other Functional Plans as adopted by Anne Arundel County. The PAB also believes that the CIP should be, to the greatest extent possible, consistent with the current adopted program.

The PAB received two days of presentations in February provided by various County Departments, as well as the Anne Arundel County Public Schools, Anne Arundel Community College and Anne Arundel County Public Libraries. The PAB deliberated on February 24, 2023, and finalized the interim recommendations on projects and programs in the proposed FY2024 - FY2029 Capital Budget. During these deliberations, the PAB was well supported by the Office of Budget and the Department of Public Works with their response to questions about projects and programs as well as cost estimates and budget impacts.

The PAB's recommendations for the Capital Budget and Program are based on the assumed availability of \$115 million of County PAYGO funds and General Obligation Bond affordability of approximately \$1.14 billion (presently set at \$160 million per year; this also includes an

estimated surplus carryover of approximately \$176 million from the prior fiscal year); the priority of the projects proposed by the requesting agencies; consistency with the prior adopted CIP (FY2023 – FY2028); and the fiscal and policy impact of these projects on the County. The initial Program, forwarded to the PAB for its deliberation was \$1,692,860,079 and was over assumed affordability by \$441,874,961 in the six-year cycle. The PAB would like to bring attention to the fact that a number of project estimates in the FY24-29 CIP are double or more than double the amount of previous cost estimates. This is very concerning and the estimation process should be reviewed.

During its deliberation, the PAB, with the assistance of the Office of Budget and Department of public Works, was able to substantially reduce the large imbalance between the projects and programs with their estimated costs and assumed affordability. This year, there was significant cost escalation of ongoing projects due to inflation, resulting in cuts to a number of quality projects. The PAB thanks all the Departments and staff who worked hard on projects that were cut because of affordability, and encourages the Departments to make requests in future years.

In offering these recommendations to you, the PAB has practically met the target of keeping the Capital Budget and Program within the limits of assumed affordability over the entire span of the program from FY2024 to FY2029, subject to changes in affordability ceilings and refined project cost estimates. The recommendations are based on the PAB's understanding of the need to be fiscally conservative while funding the most important regulatory, life/safety and system / resource preservation needs. The PAB also considered equity in their decisions, including making investments in high needs areas as identified in County documents such as Plan2040, the Land Preservation Parks and Recreation Plan, and Poverty Amidst Plenty.

Following further discussion about the Program, the level of assumed affordability, and the extent of demonstrated unmet need in the County, the PAB voted to unanimously approve the Interim Advisory Recommendation for the FY2024 – FY2029 Capital Budget by a vote of 6-0.

The Interim Advisory recommended Program by the PAB is \$1,283,035,254 and is over assumed affordability by \$32,050,136 (2.5% of the six-year amount). The Capital Budget for FY2024 recommended by the PAB, valued at \$341,890,694 is under the assumed affordability by \$84,094,424.

After the application of additional anticipated funding sources by the Budget Office, the recommended Program by the PAB is over assumed affordability by \$25,550,136 (2% of the six-year amount), and the Capital Budget for FY2024 recommended by the PAB is under the assumed affordability by \$90,594,424.

The PAB wishes to draw your attention to the following specific projects within the six-year program. These projects listed below are arrayed in no special order of significance:

- *F586400* Joint 911 Public Safety Center - the PAB supports the construction of the new 911 center to more efficiently direct calls to the Police and Fire Departments.

- *H002324* BWI to City of Baltimore Trail - the PAB supports improvements for pedestrian and bicycle infrastructure to enhance the quality of life in Anne Arundel County and its benefits to public health and the environment.
- *F000924* Ordnance Road Correctional Center (ORCC) Comprehensive Reentry Hub - the PAB supports design and construction of a reentry hub reentry to provide programs for current and former incarcerated people to help reduce recidivism rates and aid in reintroduction to public life.
- Board of Education Old Mill Complex schools - the PAB supports continued design and construction of new school facilities to provide updated facilities for schools at and around the Old Mill Complex, including *E550300* Old Mill Middle School North, *E550400* Old Mill Middle School South, *E578100* Old Mill High School, and *E578000* Center for Applied Technology (CAT) North.

Enclosed is the FY2023 (FY2023 – FY2028) Approved Program, the Departmental Requests and the PAB’s Interim Deliberation by Project Class Summary for your information.

If there are any questions regarding our recommendation, please contact Michael Stringer in the Office of Planning and Zoning, pzstri20@aacounty.org.

Sincerely,



Gustav S. Kurtz, Jr.
Chair

Enclosures

1. Affordability Comparison-FY2024 – FY2029
2. Project Class Summary-FY2024 - FY2029 PAB Interim Recommendation
3. Project Class Summary-FY2023 - FY2028 Approved Program

cc: Christine Anderson, Chief Administrative Officer, Office of the County Executive
Chris Trumbauer, Budget Officer, Office of the County Executive
Members of the Planning Advisory Board
Naomi McAllister, Senior Capital Budget Analyst, Office of Budget
Laura Corby, Administrative Officer, Anne Arundel County Council
Jenny Jarkowski, Planning and Zoning Officer, Office of Planning and Zoning (OPZ)
Christina Pompa, Deputy Planning and Zoning Officer, Planning Division, OPZ
Cindy Carrier, Planning Administrator, Long Range Planning Section, OPZ
Michael Stringer, Planning Board Administrator, OPZ

FY2024 Capital Budget and Program - Affordability Comparison

	2024	2025	2026	2027	2028	2029
	Bonds & PayGo	Bonds & PayGo	Bonds & PayGo	Bonds & PayGo	Bonds & PayGo	Bonds & PayGo
Affordability Target						
+ Normal Bonds	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
+ Prior Yr Credit	175,985,118	-	-	-	-	-
+ Fund Balance (PayGo)	90,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted Affordability	425,985,118	165,000,000	165,000,000	165,000,000	165,000,000	165,000,000
FY2023 Program	288,065,100	243,239,100	201,310,500	143,932,700	120,914,700	-
<i>Over (Under) Affordability</i>	<i>(137,920,018)</i>	<i>78,239,100</i>	<i>36,310,500</i>	<i>(21,067,300)</i>	<i>(44,085,300)</i>	<i>(165,000,000)</i>
Dept. Request	379,972,319	481,319,500	310,175,100	170,773,900	155,473,900	195,145,360
PAB Recommended	341,890,694	407,050,500	214,346,900	126,706,900	104,066,900	88,973,360
<i>Over (Under) Affordability</i>	<i>(84,094,424)</i>	<i>242,050,500</i>	<i>49,346,900</i>	<i>(38,293,100)</i>	<i>(60,933,100)</i>	<i>(76,026,640)</i>
Cumulative Affordability - Over (Under)						
FY2023 Program	(137,920,018)	(59,680,918)	(23,370,418)	(44,437,718)	(88,523,018)	(253,523,018)
Dept. Request	(46,012,799)	270,306,701	415,481,801	421,255,701	411,729,601	441,874,961
PAB Recommended	(84,094,424)	157,956,076	207,302,976	169,009,876	108,076,776	32,050,136

FY2024 Capital Budget and Program - Affordability Comparison

	2024		2025		2026		2027		2028		2029	
	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo
Affordability Target												
+ Normal Bonds	160,000,000		160,000,000		160,000,000		160,000,000		160,000,000		160,000,000	
+ Not Used in Prior Year	175,985,118											
+ Fund Balance		90,000,000		5,000,000		5,000,000		5,000,000		5,000,000		5,000,000
Adjusted Affordability	335,985,118	90,000,000	160,000,000	5,000,000	160,000,000	5,000,000	160,000,000	5,000,000	160,000,000	5,000,000	160,000,000	5,000,000
FY2023 Program	278,065,100	10,000,000	238,239,100	5,000,000	196,310,500	5,000,000	138,932,700	5,000,000	115,914,700	5,000,000	-	-
<i>Over (Under) Affordability</i>	<i>(57,920,018)</i>	<i>(80,000,000)</i>	<i>78,239,100</i>	<i>-</i>	<i>36,310,500</i>	<i>-</i>	<i>(21,067,300)</i>	<i>-</i>	<i>(44,085,300)</i>	<i>-</i>	<i>(160,000,000)</i>	<i>(5,000,000)</i>
Deptl. Request	363,284,319	16,688,000	475,088,200	6,231,300	303,780,300	6,394,800	164,738,000	6,035,900	149,192,000	6,281,900	188,923,000	6,222,360
<i>Over (Under) Affordability</i>	<i>27,299,201</i>	<i>(73,312,000)</i>	<i>315,088,200</i>	<i>1,231,300</i>	<i>143,780,300</i>	<i>1,394,800</i>	<i>4,738,000</i>	<i>1,035,900</i>	<i>(10,808,000)</i>	<i>1,281,900</i>	<i>28,923,000</i>	<i>1,222,360</i>
<i>Over (Under) Program</i>	<i>85,219,219</i>	<i>6,688,000</i>	<i>236,849,100</i>	<i>1,231,300</i>	<i>107,469,800</i>	<i>1,394,800</i>	<i>25,805,300</i>	<i>1,035,900</i>	<i>33,277,300</i>	<i>1,281,900</i>	<i>188,923,000</i>	<i>6,222,360</i>
PAB Recommended	328,442,694	13,448,000	402,434,200	4,616,300	209,567,100	4,779,800	122,286,000	4,420,900	99,400,000	4,666,900	84,066,000	4,907,360
<i>Over (Under) Affordability</i>	<i>(7,542,424)</i>	<i>(76,552,000)</i>	<i>242,434,200</i>	<i>(383,700)</i>	<i>49,567,100</i>	<i>(220,200)</i>	<i>(37,714,000)</i>	<i>(579,100)</i>	<i>(60,600,000)</i>	<i>(333,100)</i>	<i>(75,934,000)</i>	<i>(92,640)</i>
<i>Over (Under) Program</i>	<i>50,377,594</i>	<i>3,448,000</i>	<i>164,195,100</i>	<i>(383,700)</i>	<i>13,256,600</i>	<i>(220,200)</i>	<i>(16,646,700)</i>	<i>(579,100)</i>	<i>(16,514,700)</i>	<i>(333,100)</i>	<i>84,066,000</i>	<i>4,907,360</i>
<i>Over (Under) Deptl. Req.</i>	<i>(34,841,625)</i>	<i>(3,240,000)</i>	<i>(72,654,000)</i>	<i>(1,615,000)</i>	<i>(94,213,200)</i>	<i>(1,615,000)</i>	<i>(42,452,000)</i>	<i>(1,615,000)</i>	<i>(49,792,000)</i>	<i>(1,615,000)</i>	<i>(104,857,000)</i>	<i>(1,315,000)</i>

Combined Affordability - Over (Under)

FY2023 Program												
Net Over (Under) Affordability	(137,920,018)		78,239,100		36,310,500		(21,067,300)		(44,085,300)		(165,000,000)	
			<u>(137,920,018)</u>		<u>(59,680,918)</u>		<u>(23,370,418)</u>		<u>(44,437,718)</u>		<u>(88,523,018)</u>	
Cumulative:			(59,680,918)		(23,370,418)		(44,437,718)		(88,523,018)		(253,523,018)	
Deptl. Request												
Net Over (Under) Affordability	(46,012,799)		316,319,500		145,175,100		5,773,900		(9,526,100)		30,145,360	
			<u>(46,012,799)</u>		<u>270,306,701</u>		<u>415,481,801</u>		<u>421,255,701</u>		<u>411,729,601</u>	
Cumulative:			270,306,701		415,481,801		421,255,701		411,729,601		441,874,961	
PAB Recommended												
Net Over (Under) Affordability	(84,094,424)		242,050,500		49,346,900		(38,293,100)		(60,933,100)		(76,026,640)	
			<u>(84,094,424)</u>		<u>157,956,076</u>		<u>207,302,976</u>		<u>169,009,876</u>		<u>108,076,776</u>	
Cumulative:			157,956,076		207,302,976		169,009,876		108,076,776		32,050,136	

Project Class Summary - FY2023 Approved Program

Class Title	2024		2025		2026		2027		2028		2029	
	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo
General County	35,777,600	10,631,200	34,516,400	988,700	33,135,500	825,200	34,201,700	1,184,100	22,172,700	938,100	-	-
School Off-Site	500,000	-	500,000	-	500,000	-	500,000	-	500,000	-	-	-
Dredging	1,000,000	200,000	1,000,000	200,000	1,000,000	200,000	1,000,000	200,000	1,000,000	200,000	-	-
Board of Education	73,640,500	3,750,000	62,982,700	800,000	58,275,000	800,000	58,941,000	800,000	45,563,000	800,000	-	-
Fire & Police	55,058,000	2,048,800	(125,000)	1,691,300	11,692,000	1,854,800	5,379,000	1,495,900	1,897,000	1,741,900	-	-
Roads & Bridges	35,777,000	(7,130,000)	51,450,000	820,000	31,288,000	820,000	31,530,000	820,000	31,530,000	820,000	-	-
Traffic Control	2,075,000	-	2,075,000	-	2,075,000	-	2,075,000	-	2,075,000	-	-	-
Community College	2,195,000	-	10,295,000	-	20,245,000	-	4,167,000	-	1,924,000	-	-	-
Library	3,730,000	-	43,863,000	-	350,000	-	350,000	-	3,608,000	-	-	-
Recreation & Parks	68,312,000	500,000	31,682,000	500,000	37,750,000	500,000	789,000	500,000	5,645,000	500,000	-	-
Water Quality Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Runoff Controls	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Total:	278,065,100	10,000,000	238,239,100	5,000,000	196,310,500	5,000,000	138,932,700	5,000,000	115,914,700	5,000,000	-	-

Project Class Summary -- PAB Recommended

Class Title	2024		2025		2026		2027		2028		2029	
	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo
General County	42,646,600	13,456,200	62,045,200	880,000	25,955,100	880,000	28,568,000	880,000	21,680,000	880,000	20,187,000	880,000
School Off-Site	750,000	-	500,000	-	500,000	-	500,000	-	500,000	-	500,000	-
Dredging	1,588,000	103,000	1,089,000	200,000	1,089,000	200,000	1,089,000	200,000	1,089,000	200,000	1,089,000	200,000
Board of Education	121,085,454	1,550,000	99,076,000	800,000	107,437,000	800,000	19,818,000	800,000	19,068,000	800,000	19,701,000	400,000
Fire & Police	27,203,500	2,048,800	62,167,000	1,691,300	4,844,000	1,854,800	30,116,000	1,495,900	11,488,000	1,741,900	1,428,000	2,032,360
Roads & Bridges	44,714,100	(4,660,000)	58,652,000	995,000	34,990,000	995,000	50,761,000	995,000	33,022,000	995,000	31,942,000	995,000
Traffic Control	2,163,040	-	2,075,000	-	2,075,000	-	2,075,000	-	2,075,000	-	2,075,000	-
Community College	2,150,000	450,000	10,295,000	(450,000)	20,245,000	(450,000)	4,167,000	(450,000)	1,475,000	(450,000)	1,399,000	(100,000)
Library	4,044,000	-	44,230,000	-	350,000	-	350,000	-	3,608,000	-	350,000	-
Recreation & Parks	82,098,000	500,000	62,305,000	500,000	12,082,000	500,000	(15,158,000)	500,000	5,395,000	500,000	5,395,000	500,000
Water Quality Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Runoff Controls	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Total:	328,442,694	13,448,000	402,434,200	4,616,300	209,567,100	4,779,800	122,286,000	4,420,900	99,400,000	4,666,900	84,066,000	4,907,360