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Annapolis, MD 21401
410-222-7450

Gustav S. Kurtz, Jr.
Chair, Planning Advisory Board

April 14, 2025

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

RE: Final Deliberation Letter, Proposed Capital
Budget & Program, FY2026 - FY2031

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 2026 and the balance of the program through Fiscal Year 2031 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 forwarded its Interim Deliberation Letter to you on March 19, 2025 after meeting to attempt to balance the CIP's identified needs with known resources. The PAB met on March 26, 2025 and was informed by the Budget Office of updates since the Interim Deliberation meeting that included funding and project class updates. As with the recommendations to you in the Interim Deliberation Letter; the final recommendations remain based on an understanding of the need to be fiscally conservative while funding the most important regulatory, quality of 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* and the *Land Preservation Parks and Recreation Plan*.

The PAB's recommendations for the Capital Budget and Program are based on the assumed availability of \$162.5 million of County PAYGO funds and General Obligation Bond affordability of approximately \$985 million (presently set at \$160 million for FY26-FY28, and then increased to \$165 million per year in FY29, and \$170 million per year for FY30-FY31; also includes an estimated surplus carryover of approximately \$505,000 from the prior fiscal year); the priority of the projects proposed by the requesting agencies; consistency with the prior adopted CIP (FY25-FY30); and the fiscal and policy impact of these projects on the County. The initial Program,

forwarded to the PAB for its deliberation was approximately \$1,568,042,000 and was over assumed affordability by approximately \$407,537,000 in the six-year cycle.

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. 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 FY2026 to FY2031, subject to changes in affordability ceilings and refined project cost estimates.

Additionally, the PAB notes that across all of the project classes, the multi-year, recurring projects have requested additional funding due to cost escalation. While the PAB attempted to provide adequate funding for these projects within the limited means, it is not sustainable to continuously underfund these projects. These projects require additional funding to allow for continued operation and maintenance of vital life/safety and system/resource preservation needs. Finally, the PAB notes that a number of projects and programs are anticipated to receive State and/or Federal funding. The PAB recommends taking advantage of these funds when available; however, if a project does not receive anticipated outside funding, the PAB recommends reevaluating the project or program to determine if the County should continue to pursue it.

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 FY2026 to FY2031, subject to changes in affordability ceilings and refined project cost estimates. 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 Final Advisory Recommendation for the FY2026 – FY2031 Capital Budget by a vote of 5-0.

The Final Advisory recommended Program by the PAB is approximately \$1,142,200,000 and is under assumed affordability by (\$5,804,900). The Capital Budget for FY2026 recommended by the PAB, valued at approximately \$313 million and is over the assumed affordability by approximately \$15.5 million.

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:

- *C001526 YMCA and L584100 Millersville Library* - Although these projects are recommended to be shifted from the CIP to the operating budget, the PAB commends the Public Libraries for their work to seek a public private partnership with the YMCA and colocate these facilities that will serve the Millersville community.
- *P579900 West County Swim Center* - The PAB commends the Department of Recreation and Parks for their work to find a new location for a swim center in a high- to medium-needs area as identified in the 2022 Land Preservation Parks and Recreation Plan. Additionally, the PAB notes the work of the department to seek grant and outside funding opportunities that significantly reduced the County contribution to this project.
- *F000426 Fire Apparatus Replacement and Expansion* - Although this project is recommended to be shifted from the CIP to the operating budget, the PAB acknowledges the extraordinary costs of these necessary expenses. The PAB supports the Fire Department in

their work to maintain and update fire apparatuses, equipment, and fire stations.

- *C519600 Information Technology Enhancement* - The PAB commends the work of the Office of Information Technology in addressing the recent cyber incident and supports the work of the department to maintain County operations.
- *L590700 Brooklyn Park Library and P579000 Brooklyn Park Community Center* - The PAB supports investments in Brooklyn Park to provide modern community spaces in an area that has been historically underserved by the County.
- *C443400 Agricultural Preservation Program and C543800 Rural Legacy Program* - The PAB notes the importance of the County's preservation programs to support once in a lifetime rural and agricultural preservation opportunities. The PAB emphasizes that if these projects are not supported when the opportunity arises, then the projects may never be accomplished.

Enclosed is the FY2025 (FY2025 – FY2030) Approved Program, the Departmental Requests and the PAB's Final 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, PlanningAdvisoryBoard@aacounty.org.

Sincerely,



Gustav S. Kurtz, Jr.
Chair

Enclosures

1. Affordability Comparison-FY2026 – FY2031
2. Project Class Summary-FY2026 - FY2031 PAB Final Recommendation
3. Project Class Summary-FY2025 - FY2030 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
Karen Henry, Director, Department of Public Works (DPW)
Beth O'Connell, Deputy Director, Bureau of Engineering, DPW
Brenda Cachuela, Acting County Auditor, Office of the County Auditor
Kaley Schultze, Administrative Officer, Anne Arundel County Council
Jenny B. Dempsey, 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

Capital Budget and Program

Anne Arundel County, Maryland

FY26 Capital Budget and Program - Affordability Comparison

	FY26 Bonds & PayGo	FY27 Bonds & PayGo	FY28 Bonds & PayGo	FY29 Bonds & PayGo	FY30 Bonds & PayGo	FY31 Bonds & PayGo
Affordability Target						
+ Normal Bonds	160,000,000	160,000,000	160,000,000	165,000,000	170,000,000	170,000,000
+ Prior Yr Credit	504,820	-	-	-	-	-
+ Fund Balance (PayGo)	137,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted Affordability	298,004,820	165,000,000	165,000,000	170,000,000	175,000,000	175,000,000
FY2026 Program	301,559,860	201,944,860	97,310,860	93,343,360	136,490,500	-
<i>Over (Under) Affordability</i>	<i>3,555,040</i>	<i>36,944,860</i>	<i>(67,689,140)</i>	<i>(76,656,640)</i>	<i>(38,509,500)</i>	<i>(175,000,000)</i>
PAB Recommended	313,470,234	386,522,015	89,096,800	99,476,800	125,742,100	127,892,000
<i>Over (Under) Affordability</i>	<i>15,465,414</i>	<i>221,522,015</i>	<i>(75,903,200)</i>	<i>(70,523,200)</i>	<i>(49,257,900)</i>	<i>(47,108,000)</i>
<i>Over (Under) Program</i>	<i>11,910,374</i>	<i>184,577,155</i>	<i>(8,214,060)</i>	<i>6,133,440</i>	<i>(10,748,400)</i>	<i>127,892,000</i>
Cumulative Affordability - Over (Under)						
FY2026 Program	3,555,040	40,499,900	(27,189,240)	(103,845,880)	(142,355,380)	(317,355,380)
Revised Affordability	15,465,414	236,987,429	161,084,229	90,561,029	41,303,129	(5,804,871)

Capital Budget and Program

Anne Arundel County, Maryland

FY26 Capital Budget and Program - Affordability Comparison

	FY26		FY27		FY28		FY29		FY30		FY31	
	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		165,000,000		170,000,000		170,000,000	
+ Not Used in Prior Year	504,820											
+ Fund Balance		137,500,000		5,000,000		5,000,000		5,000,000		5,000,000		5,000,000
Adjusted Affordability	160,504,820	137,500,000	160,000,000	5,000,000	160,000,000	5,000,000	165,000,000	5,000,000	170,000,000	5,000,000	170,000,000	5,000,000
FY2026 Program	296,559,860	5,000,000	196,944,860	5,000,000	92,310,860	5,000,000	88,343,360	5,000,000	131,490,500	5,000,000	-	-
Over (Under) Affordability	136,055,040	(132,500,000)	36,944,860	-	(67,689,140)	-	(76,656,640)	-	(38,509,500)	-	(170,000,000)	(5,000,000)
Dept. Request	349,531,527	41,246,107	485,201,000	6,217,200	160,828,469	5,512,800	139,494,000	4,689,800	186,074,500	4,704,600	179,723,000	4,819,000
Over (Under) Affordability	189,026,707	(96,253,893)	325,201,000	1,217,200	828,469	512,800	(25,506,000)	(310,200)	16,074,500	(295,400)	9,723,000	(181,000)
Over (Under) Program	52,971,667	36,246,107	288,256,140	1,217,200	68,517,609	512,800	51,150,640	(310,200)	54,584,000	(295,400)	179,723,000	4,819,000
PAB Recommended	274,762,127	38,708,107	381,202,815	5,319,200	84,482,000	4,614,800	95,335,000	4,141,800	121,485,500	4,256,600	123,521,000	4,371,000
Over (Under) Affordability	114,257,307	(98,791,893)	221,202,815	319,200	(75,518,000)	(385,200)	(69,665,000)	(858,200)	(48,514,500)	(743,400)	(46,479,000)	(629,000)
Over (Under) Program	(21,797,733)	33,708,107	184,257,955	319,200	(7,828,860)	(385,200)	6,991,640	(858,200)	(10,005,000)	(743,400)	123,521,000	4,371,000
Over (Under) Deptl. Req.	(74,769,400)	(2,538,000)	(103,998,185)	(898,000)	(76,346,469)	(898,000)	(44,159,000)	(548,000)	(64,589,000)	(448,000)	(56,202,000)	(448,000)

Combined Affordability - Over (Under)

FY2026 Program

Net Over (Under) Affordability	3,555,040	36,944,860	(67,689,140)	(76,656,640)	(38,509,500)	(175,000,000)
		<u>3,555,040</u>	<u>40,499,900</u>	<u>(27,189,240)</u>	<u>(103,845,880)</u>	<u>(142,355,380)</u>
Cumulative:		40,499,900	(27,189,240)	(103,845,880)	(142,355,380)	(317,355,380)

Dept. Request

Net Over (Under) Affordability	92,772,814	326,418,200	1,341,269	(25,816,200)	15,779,100	9,542,000
		<u>92,772,814</u>	<u>419,191,014</u>	<u>420,532,283</u>	<u>394,716,083</u>	<u>410,495,183</u>
Cumulative:		\$ 419,191,014	\$ 420,532,283	\$ 394,716,083	\$ 410,495,183	\$ 420,037,183

PAB Recommended

Net Over (Under) Affordability	15,465,414	221,522,015	(75,903,200)	(70,523,200)	(49,257,900)	(47,108,000)
		<u>15,465,414</u>	<u>236,987,429</u>	<u>161,084,229</u>	<u>90,561,029</u>	<u>41,303,129</u>
Cumulative:		236,987,429	161,084,229	90,561,029	41,303,129	(5,804,871)

Project Class Summary - FY25 Approved Capital Budget & Program

Class Title	FY26		FY27		FY28		FY29		FY30		FY31	
	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo
General County	43,557,100	1,161,000	27,999,000	734,000	25,126,000	880,000	21,687,000	880,000	21,687,000	880,000	-	-
Public Safety	46,007,000	1,804,760	44,310,000	1,315,860	4,278,000	1,561,860	3,139,000	1,922,360	25,117,000	1,750,000	-	-
Recreation & Parks	32,843,000	500,000	9,723,000	646,000	5,222,000	500,000	5,222,000	500,000	5,222,000	500,000	-	-
Roads & Bridges	27,440,760	1,776,240	50,494,860	1,296,140	35,256,860	1,050,140	29,755,360	689,640	31,658,000	862,000	-	-
Traffic Control	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	-	-
Dredging	2,035,000	208,000	1,089,000	208,000	1,089,000	208,000	1,089,000	208,000	1,089,000	208,000	-	-
Water Quality Improvements	-	-	-	-	-	-	-	-	-	-	-	-
School Off-Site	500,000	-	500,000	-	500,000	-	500,000	-	500,000	-	-	-
Board of Education	104,644,000	(450,000)	56,287,000	800,000	13,918,000	800,000	19,068,000	800,000	19,068,000	800,000	-	-
Community College	25,529,000	-	4,192,000	-	1,874,000	-	5,533,000	-	5,928,000	-	-	-
Library	12,004,000	-	350,000	-	3,047,000	-	350,000	-	19,221,500	-	-	-
General Fund Total:	296,559,860	5,000,000	196,944,860	5,000,000	92,310,860	5,000,000	88,343,360	5,000,000	131,490,500	5,000,000	-	-

Project Class Summary -- PAB Recommended

	FY26		FY27		FY28		FY29		FY30		FY31	
Class Title	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo	Bonds	PayGo
General County	51,162,000	15,848,250	40,917,000	734,000	24,725,000	880,000	23,271,000	880,000	21,632,000	880,000	21,632,000	880,000
Public Safety	13,366,000	1,650,400	103,716,000	956,200	4,637,000	973,800	2,191,000	860,800	33,550,000	803,600	27,412,000	1,380,000
Recreation & Parks	53,943,000	502,000	58,596,000	648,000	13,744,000	502,000	5,220,000	502,000	5,220,000	502,000	5,220,000	502,000
Roads & Bridges	31,748,267	3,533,000	75,831,000	1,772,000	41,361,000	1,050,000	34,253,000	690,000	29,880,000	862,000	37,648,000	400,000
Traffic Control	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-
Dredging	2,493,050	372,000	2,202,000	209,000	1,090,000	209,000	1,090,000	209,000	1,090,000	209,000	1,090,000	209,000
School Off-Site	500,000	-	500,000	-	500,000	-	500,000	-	500,000	-	500,000	-
Board of Education	84,383,185	12,391,457	88,339,815	1,000,000	(5,799,000)	1,000,000	19,700,000	1,000,000	21,150,000	1,000,000	25,722,000	1,000,000
Community College	27,589,625	225,000	4,192,000	-	1,874,000	-	6,760,000	-	6,113,500	-	1,947,000	-
Library	7,577,000	4,186,000	4,909,000	-	350,000	-	350,000	-	350,000	-	350,000	-
General Fund Total:	274,762,127	38,708,107	381,202,815	5,319,200	84,482,000	4,614,800	95,335,000	4,141,800	121,485,500	4,256,600	123,521,000	4,371,000