

DEB'S DISTRICT UPDATE

Deb Jung • District Four

Special FY25 Budget Issue

Greetings

On May 22, the County Council adopted the FY25 Operating and Capital Budget. The Budget schedule was compressed this year due to the Memorial Day holiday. But we got it done and the dedication of Howard County's public servants was obvious from the many Worksessions that were held to discuss funding for the County Departments and Capital projects.

I would have filed several corrective amendments on points that I felt strongly about but I was unable to secure three votes beforehand. I'm not a fan of the amount of spending in the Non-Departmental Expenses category. For future budgets, I would like to see adjustments to the revenue projections so that we can bring our one-time funds to a more reasonable level and appropriate that money to our Departments for recurring expenses. These are great problems to have and we are lucky that our revenues are so strong in this County.

During the Budget vote, I asked that new initiatives receive feasibility studies that are shared with the Council. Knowing how these initiatives will be carried out and how they will affect the Operating Budget helps the Council exercise its fiduciary duties. Constituents often look to their Councilmember first for assistance. The more we know about County projects and services, the more we are able to help residents with questions and concerns.

I appreciate the amount of collaboration that occurred this year between the County and the school system. The school system serves the largest number of residents and has a scope much larger than the County government. The school system employs approximately 5000 more full-time people and maintains more buildings and grounds than the County. The school system also delivers unique services, such as health, nutrition, and transportation, directly to tens of thousands of students every day. We need to do all that we can to recognize and support the school system both inside and outside the classroom.

Deb

Columbia Community Center

I am so pleased to report that the County recently announced the sale of the former Columbia Flier building on Little Patuxent Parkway to a non profit that plans to transform the site into a community center, called The Source. This much-needed amenity will include recreational spaces, educational and employment supports, food resources, and child care services. The County is also providing $20 million in FY25 non-recurring funds for construction of the center. I have asked for a community center to serve the Wilde Lake and Harper's Choice area since my first year in office and I am so thankful that the County is making this investment.

Other FY25 Budget investments in District 4 include a second year of the Youth Empowerment grants to nonprofits for youth activities, a new Boys & Girls Club at the Howard Community College, continued support for Columbia Cares food program and new funding to Club Wilde Lake youth club sponsored by the Wilde Lake Village Community Association .







FY25 Capital Budget

Overview

- The total approved Capital Budget, including school projects, is $412 million, an increase of $28 million over FY24
- This total includes $89 million in borrowed funds (bonds) and $112 million in PayGo (surplus revenue), grants, and other sources.

General County projects account for 40% of the Capital Budget in FY25. School construction accounts for 21.4%. In FY24 this percentage was 33% for General County and 21% for School Construction. For context, the school system maintains 7 million square feet and the County maintains 2.6 million square feet in facilities and buildings.

New & Expanded Capital Projects

Old Circuit Courthouse Renovation (C0371) The old Courthouse will be renovated with approximately $10 million to host the Howard County Center for the Arts, the new Asian American and Pacific Islanders Culture Center, and Roving Radish.

High School 14 Land Acquisition (C0374) A total of $15 million (PayGo) will purchase a future high school site in Elkridge.

Elkridge Community Center (C0375) A 57,000 square feet center is being planned with a two-year appropriation of $11.5 million in FY25 and $30 million in FY27. Both sources of funds are PayGo.

Troy Park Indoor Track Facility (C0376) An appropriation of $2.5 million (PayGo) will occur in FY25 and $30 million (PayGo) in FY26 .

Public Ice Rink (C0377) A location has not been selected for this project, which is funded with $1 million in PayGo in FY25 and $30 million in bonds in FY28.

Elkridge Library Renovation (L0021) This project expands current capacity at the Elkridge Library with $4 million in PayGo.

Public Gardens (N3985) The FY25 appropriation of $400,000 will be used for the design and planning of a public garden at the Longwood property in Glenwood. A focus group will provide a preliminary concept plan by November 1, 2024. An additional $1m is programmed for FY26.

North Laurel Community Pool (C0358) This pool was originally set for construction funding in FY19 but later moved to FY27. The construction timeline has changed again with a $20.14 million appropriation in FY25. The operating cost is expected to be $500,000 a year.

FY25 Budget: Click here.

FY25 Capital Budget

High Ridge Building Renovation (C0379)
The former Rockland Elementary School on High Ridge Road currently houses the Howard County Center for the Arts and Head Start program. The Arts Center will move to the old Circuit Courthouse once renovations are completed in approximately a year and a half.

The High Ridge Road building will be renovated to serve as a home for the National Pan-Hellenic Council, comprised of nine historically African American fraternities and sororities known as the Divine Nine or the Black Greek Letters. According to the Administration, discussions with the Pan-Hellenic Council are ongoing; as the project is in the very early planning stages but it is envisioned that the project will include meeting and office spaces. .

FY25 funding includes the following:

- $3 million in bonds
- $450,000 state bond bill awarded for bathroom renovations. Per the County code, restroom renovations will require adult changing stations, which cost between $50,000 to $75,000.
- $109,000 in ARPA funds used for design planning.

My Budget Vote: Initially I did not support spending nearly $3.5 million in taxpayer funds on renovating a building for private non-profits. The Arts Council has been in the building for many years and the County Executive never proposed funding an upgrade. Our County Code requires us to support and house the Arts Council, which serves a public purpose. Putting public dollars into a space for private organizations, no matter how meritorious, is a concern. But I reviewed the property's deed and it does state that the building can be used for community organizations and non-profits. Accordingly I supported the amendment and the renovation funding.

In my voting statement, I asked the Pan-Hellenic Council to broaden their focus of support to the needs of the people who live nearby, no matter their ethnic background. There are many apartments within walking distance to this facility that are cut off from other public facilities in the County by Route 29. Meaningful activities for young people would be a huge asset and adult classes for English learners would help many recent immigrants.



The County-owned building on High Ridge Road served as the Rockland Elementary School until its closure in 1983. In 1989 the Board of Education transferred the site to the County. The Howard County Center for the Arts currently occupies 27,000 square feet of the building.

Downtown Columbia Update

Every Budget session, the Council is updated on Downtown Columbia, including the district's special financing scheme (Tax Increment Financing or TIF).

In 2017, Howard Hughes used $49 million in TIF bonds to pay for roads, water and sewer, and other essential infrastructure for the development of the district. These bonds are repaid through the increased tax revenue from the new development over the baseline of the district's original zoning. This increase is referred to as the "tax increment."

By law, any remaining revenue from the tax increment can be used for any County purpose, including such Downtown Columbia projects as a school, public housing, and public amenities called for in the Downtown Columbia agreements (including the DRRA). The DRRA, which is a 30-year agreement, obligates Howard Hughes to facilitate up to 900 affordable units through gap financing (managed by the Columbia Downtown Housing Corporation), land transfers for a library and transit center, and sufficient tax increment revenue to support proposed Downtown Columbia projects.

Decreased TIF Revenues

Previous TIF revenue models have anticipated more revenue than current projections.

FY25 revenues and expenditures include:

- Tax increment revenue: $6 million
- Reduction for tax assessment appeals: $118,542
- Reduction for EDA and LEED credits: $1.14 million
- Total revenue after reductions: $4.7 million
- Debt service and other costs (paid from total revenues): $2.62 million
- Available revenue for Downtown Columbia projects: $2.1 million

According to the annual projections for the Downtown Columbia projects, a total of $250 million is needed for the Downtown Columbia projects. The current fund balance is $13.6 million and with a projected appropriation beginning in FY26 the fund will be in deficit by FY29. The fund recovers in the 2040s.

At the May 15 Budget Worksession, the financial advisor from the consultancy group Municap told the County Council that TIF revenues were down because of slowed development, successful tax appeals, and environmental building credits. Residential, retail, and office development timelines have been pushed back by up to five, 10, and 15 years, respectively. In general the TIF revenue covers the bond liabilities but there is currently not enough revenue to pay for the housing and amenity projects called for in the Downtown Columbia agreements.

Downtown Columbia: Click here

Downtown Columbia Update

New Cultural Center & Housing

Due to increased construction costs, this project decreased in scope in FY24 and is currently being repriced. The new floor plan would result in the rebuild of Tony's Dinner Theater occupying approximately 80% of the space.

It is unlikely that the repricing will result in lower costs. As currently modeled the repayment of the bonds for the project's costs will send the TIF fund into deficit by 2029 due to insufficient revenues.

New Central Library

The FY24 Budget proposed a new library, including a parking garage for Howard Hughes businesses, on the Lakefront for $143 million. The project as proposed was not in compliance with our County laws requiring a competitive bidding process. A portion of project funding was put into contingency so that other sites and bids could be pursued. Since then, the Administration has conducted listening sessions to survey the community for their preferred locations for a new library. We are awaiting results from the survey.



Downtown Columbia Update

North-South Connector & Jug Handle

Construction of a north-south exit off of Route 29 to Merriweather District is underway. In the FY24 Budget, there was a proposed reconfiguration of Symphony Woods Road to the new jughandle highway ramps.

Last year, I expressed concern that proposed adjustments on Symphony Woods Road would create a speedway to the highway and create hazardous conditions for walking and biking between the District and the Lakefront.

The State Highway Administration has given permission to Howard Hughes to grade the land between US 29 and Symphony Woods Road, South Entrance Road, and Broken Land Parkway. According to the County's Interactive online map, this area is owned by the developer as Open Space.

Transit Center

A site for a Transit Center with housing on top is required to be provided by Howard Hughes once a certain number of housing units in Downtown Columbia are completed. That threshold is approaching but last year the Council was told that the Transit Center would be re-located from The Mall to the Merriweather Row area and possibly inside of a parking garage.

The Mall area will also be the site of one of the stops for the extended FLASH bus service connecting to Montgomery County.

In FY24, $100,000 was appropriated to conduct a new site study. This year, an additional $100,000 is being appropriated for a site study. The Council did not receive additional details on this project.



Downtown Columbia Update

The County is no longer pursuing the per-trip share program designed to be a financing source to recoup costs from Howard Hughes for traffic improvements. The termination of this program resulted in the loss of $2.6 million. Howard Hughes is also required to report to the County on a look back profit-sharing provision to determine if the County is owed funding deemed in excess of reasonable profits from the developer. The 2022 report shows that no payment is required.

A special fund for the purpose of constructing permanent public improvements (PPI) in Downtown Columbia collects revenues on specific parcels in Downtown Columbia.

Below is a list of received and outstanding payments for PPI.

Parcel	Property Address	Amount Due	Amount Received	Outstanding
Parcel D-2, 3MFB	6000 Merriweather Dr	$683,367.30	$683,367.30	
Parcel D-3, 3OA	6100 Merriweather Dr	$455,054.18	$455,054.18	
Parcel D-8 (Area Three)	6200 Valencia Ln	$551,944.68	$551,944.68	
MWD 3RE2 LLC	6251 Mango Tree Rd	$16,912.28	$16,912.28	
Toastique, Parcel D-10	6201 Mango Tree Rd	$2,495.08		$2,495.08
Southlake MOB	10285 Little Patuxent Pkwy	$114,022.23		$114,022.23
TOTALS		$1,823,795.75	$1,707,278.44	$116,517.31

FY 25 Capital Budget: D4 Projects

Police Station: According to the Administration, the third district station in Downtown Columbia, proposed in FY24, is no longer scheduled due to budget constraints.

North Columbia Fire Station: The Council did not receive an update on the negotiations with HCPSS regarding land acquisition and school programmatic requirements.

Banneker Fire Station Replacement: A feasibility study is being conducted for relocating the Banneker Fire Station to a new site on Cedar Lane. Land acquisition will then occur with the appraised value estimated at $2.87 million. We have no update on future use of the existing Banneker site.

Little Patuxent Wastewater Reclamation Plant Capital Repairs & Upgrades: A recent Federal grant of $1.44 million will be used to construct a hauled grease acceptance facility that will separate hauled grease from other waste streams treated at the reclamation plant. It will also provide grease pre-treatment (screening) and allow the grease to be fed into the plant's existing anaerobic digesters to be converted into biogas. This project will reduce complications caused by introducing grease into the front end of the system and will increase biogas generation. The County is obligated to accept hauled grease from County customers and Baltimore City's Back River Waste Water Treatment Plant.

Robinson Nature Center: The following table provides an update on improvements at the nature center.

Description	Estimate	Comments
Bird Safe Windows-Mezzanine Area	$4,800	window treatment film
Bird Safe Windows-Upper Window Area	TBD	Summer 2024
Parking lot renovations	$150K	
Children's Area 30x30 Installation	TBD $100K	Fall 2024
Pavilion 30 x 40 Install & Stamped Concrete	TBD $100K	Fall 2024
Amphitheater Design	$0	Spring-Summer 2024
Amphitheater construction	$500K	Fall 2024

South Fulton Park: Funding for this project has been moved to FY31 because of budget constraints, according to the Administration.

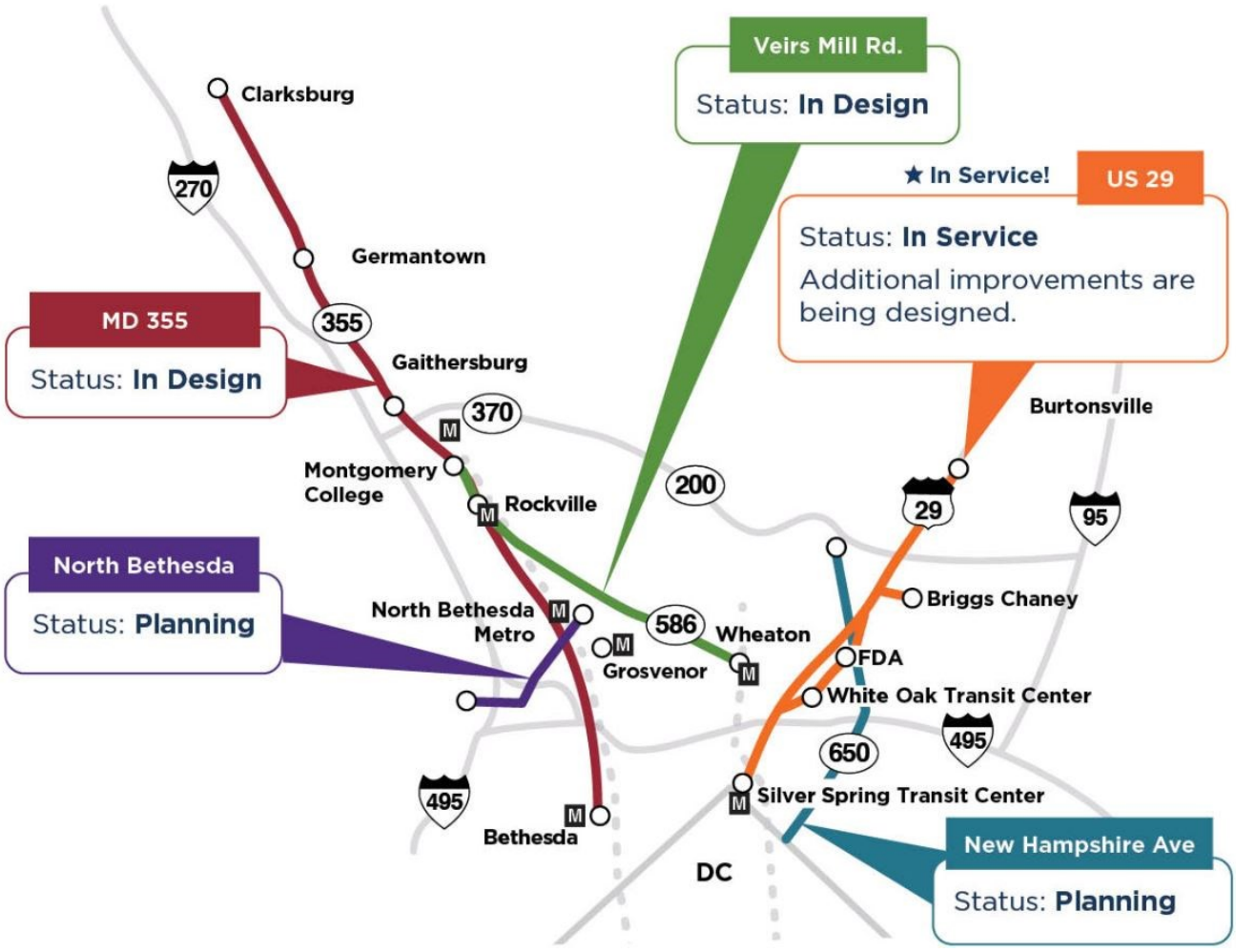
Longfellow Area Water Main Improvements: A new $4 million appropriation for this project covers the remaining construction costs. The additional costs are a result of inflation and the use of trenchless methods that will accelerate the construction timeline. Design is expected to begin in December 2024 and construction is planned for Spring 2025.

FY 25 Capital Budget: D4 Projects

FLASH Bus Stops: The FLASH bus service will connect Montgomery County to Howard County and will have stops at Maple Lawn, Johns Hopkins APL, and The Mall in Columbia. The estimated cost is $4.8 million for planning and preliminary engineering analyses. Efforts are being made to secure construction funding through Federal grants. In FY24, purchase orders totaling approximately $345,000 were executed for operations planning, preliminary engineering design, environmental review, and community outreach. Construction is anticipated to begin in FY25 and service is expected to start in early 2026.

RTA Bus Stops: Enhancements at bus stops for the Regional Transportation Agency (RTA) are also included in this category. For FY25, approximately $200,000 is earmarked for American Disability Act compliance through the construction of pads between the curb and sidewalk and sidewalk extensions to the subsequent road.

FLASH Service in Montgomery County



FY25 Education Budget

Howard County Public School System

Capital Budget: HCPSS is receiving $75.7 million for systemic renovations, Oakland Mills middle school renovation/addition, technology, and roofing projects.

Operating Budget: The Board of Education (BOE) requested a total Operating Budget of $1.143 billion, a $38.3 million (3.5%) increase. The requested County share was $769.8 million. The County Executive funded HCPSS at $766 million, which is $52 million over the state-required Maintenance of Effort.

The Administration submitted Amendment 2 to Council Resolution 48 that revised the budget request after the BOE voted to adjust expenditures. The revised request increased spending from within HCPSS's existing reserves by $11.9 million. An additional $4.7 million in Instructional Salaries restored gifted and talented programs and third grade strings. The increase in Instructional Salaries also increased compensation for teachers.

Amendment 1 to Council Resolution 48 inserted a statement that the Council supports a multi-year contract for teachers. I voted for both amendments because the school system remains my highest funding priority.

Howard Community College (HCC)

Capital Budget: $18.2 million is committed for the new Workforce Development and Trades Center and maintenance projects.

Tuition will stay the same for in-county students ($412/credit hour).

HCC will be adding 20 new staff members (through new and reallocated funds), including a Marketing Specialist and Business Analyst. An English Program Assistant is the only new instructional position.

Howard County Library System

The Elkridge Branch received renovation funds and a feasibility study will look into a new Southwest Branch. There is no new funding for the Central Library; last year's State grant is being used for community engagement. The Library is not adding new positions and its Operating Budget is $26.5 million.



HCC's new Math and Athletics building cost $101.6 million, split between the County and State funds. The building has been named after a philanthropic organization that donated $2 million for student scholarships.

FY25 Operating Budget

Operating Overview

- $1.657 billion, including fund balance, for County operations
- 11.5% ($171 million) increase over FY24
- $79.6 million in one-time expenditures

The Spending Affordability Advisory Committee recommended an operating budget of $1.44 billion (3.7% increase).

One time Expenditures

One-time funds (also known as PayGo) are unspent prior year funds that can be assigned to Capital projects, equipment purchases, grants or other non-recurring expenses. On average, the County has $30 million in PayGo annually; this excludes the Covid years when Federal aide increased one-time funds.

These one-time expenses are listed in the Operating Budget under Non Departmental Expenses. In FY25, a total of $79.6 million was appropriated to various County departments for purchases of equipment. A significant amount of these funds was also appropriated to new initiatives that do not currently have clear implementation plans. Other items benefit the community in a variety of ways.

Here are some expenditure highlights:

Health

Howard County Medical Center Emergency Department expansion $5,000,000
Howard County Medical Center Behavioral Health Unit expansion $1,000,000
Sheppard Pratt expansion $1,000,000
Reproductive Health Program $500,000

Environment

Environmental Land Banking Program for private property purchases $3,000,000
Electric Vehicle Infrastructure and Initiatives $1,000,000
Community Ecology Institute $40,000

Civic & Education

Howard County Arts Council Public Art Program $1,500,000
Historic Oakland Manor ADA elevator $300,000
Youth Engagement Program $500,000
Club Wilde Lake youth activities $100,000
Boys and Girls Club $221,600
Teachers' Loan Program $300,000
Bronze Villagers early literacy $12,300
Center for Elder Justice Education $55,000

BUDGET FYI

Budget hearings and worksessions: click here.

Budget legislation:

- CB27 FY25 Operating & Capital Budget
- CB28-34: Bond bills for Capital projects
- CR45: Future Capital projects
- CR46: HCC Operating budget
- CR48 HCPSS Budget
- CR50-68 Fees and taxes

Budget Legislation

CR50 Water/Sewer Rate Increases

The following is the increase in water and sewer rates that will occur in FY25.

Volumetric Charges	**FY24**	**FY25**
Water – winter	$2.12	$2.33
Water – summer	$2.37	$2.61
Sewer	$3.41	$3.75

CR57 Watershed Protection & Restoration Fee

Each property owner pays a special fee that is used to improve the water quality of storm-water in an effort to protect the Chesapeake Bay. In the FY25 Budget, the County Executive proposed increasing the fee significantly. The justification given by the Administration is that the collection of revenues is not keeping pace with the repairs and maintenance of storm ponds that the County would like to undertake.

I support these environmental efforts but I did not vote for a fee increase that would make it more expensive to live in this County. I cannot control mortgage interest rates, market housing prices, or flat salaries, but I can control the amount of tax that our residents have to pay to live here. There is enough money in the General Fund to accomplish the proposed pond repairs and that money should be used to support essential services.

The following is the increase in Watershed Fees that will occur in FY25.

Non-residential properties	**FY2024**	**FY2025**
Apartments	$15	$40
Commercial, Agriculture, Non-Profit	$15	$40
Mobile	--	$40
Ag Properties with Water Quality plan	--	lesser of $155 or $40/impervious unit
Residential properties	**FY2024**	**FY2025**
Townhouses & Condos	$15	$40
Single Family Detached (up to 25 acres)	$45	$115
Single Family Detached (more than 25 acres)	$90	$225

Budget Legislation

Property Tax Rate Changes

The County Executive proposed a net neutral tax shift between the Fire & Rescue tax and the property tax. The Fire & Rescue tax would be reduced by three cents on real property and seven and a half cents on personal property and increased respectively on property tax. This enables more revenue to be spent in the General Fund for recurring expenses through the County government.

According to the calculations by the County Council Auditor, those receiving an Aging in Place tax credit may experience a small decrease in property taxes as a result of the rate shift.

CR64 Fire & Rescue Tax

Type	FY2024	FY2025	
Real Property	23.6 cents	20.6 cents	per $100 value
Personal Property	59 cents	51.5 cents	per $100 value

CR65 Property Tax

Type	FY2024	FY2025
Real Property	$1.014	$1.044
Personal Property	$2.535	$2.610

CR54 Police Fees

Animal Control Fee increases:

Service	FY2024	FY2025	Notes
Rabies Vaccination	$10	$20	
Spay/Neuter	$80-$125	$92-165	Provided by vendor
Feline Leukemia test	$15	$20	