

Resolution No.: 20-1021  
Introduced: January 13, 2026  
Adopted: January 27, 2026

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the Request of the County Executive

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**SUBJECT:** Supplemental Appropriation #26-2 to the FY26 Capital Budget  
Montgomery County Government  
Department of General Services  
Energy Conservation: MCG (No. P507834), \$1,163,055

**Background**

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.

2. The County Executive has requested the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Energy Conservation: MCG	0507834	Construction	\$1,163,055	Utility Incentives

3. This increase is needed to appropriate utility incentive funds received from participating in utility payback incentive programs with third-party vendors. The requested appropriation will be used in energy savings, renewable energy installations, greenhouse gas reduction, and waste diversion projects in County facilities.

- 4. The County Executive recommends a supplemental appropriation in the amount of \$1,163,055 for the Energy Conservation: MCG project and specifies that the source of funds will be Utility Incentives.
- 5. Notice of public hearing was given, and a public hearing was held.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

A supplemental appropriation to the FY26 Capital Budget is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Energy Conservation: MCG	0507834	Construction	\$1,163,055	Utility Incentives

This is a correct copy of Council action.




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Sara R. Tenenbaum  
Clerk of the Council



# Energy Conservation: MCG (P507834)

Category	General Government	Date Last Modified	03/03/25
SubCategory	County Offices and Other Improvements	Administering Agency	General Services
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY24	Rem FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	8,531	146	209	8,176	99	99	99	99	3,890	3,890	-
Land	23	23	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	1,945	1	-	1,944	-	-	-	-	972	972	-
Construction	37,607	3,801	678	33,128	1,736	1,514	351	351	14,588	14,588	-
Other	10	7	3	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>48,116</b>	<b>3,978</b>	<b>890</b>	<b>43,248</b>	<b>1,835</b>	<b>1,613</b>	<b>450</b>	<b>450</b>	<b>19,450</b>	<b>19,450</b>	<b>-</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: General	4	4	-	-	-	-	-	-	-	-	-
G.O. Bonds	42,409	1,709	-	40,700	450	450	450	450	19,450	19,450	-
State Aid	499	499	-	-	-	-	-	-	-	-	-
Utility Incentives	5,204	1,766	890	2,548	1,385	1,163	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>48,116</b>	<b>3,978</b>	<b>890</b>	<b>43,248</b>	<b>1,835</b>	<b>1,613</b>	<b>450</b>	<b>450</b>	<b>19,450</b>	<b>19,450</b>	<b>-</b>

<b>APPROPRIATION AND EXPENDITURE DATA (\$000s)</b>				
Appropriation FY 26 Request		450	Year First Appropriation	FY78
Supplemental Appropriation Request		1,163	Last FY's Cost Estimate	46,953
Cumulative Appropriation		6,703		
Expenditure / Encumbrances		4,191		
Unencumbered Balance		2,512		

## PROJECT DESCRIPTION

The project supports efforts yielding financial returns to the County or substantial progress towards established environmental goals, such as energy savings, renewable energy installations, installation of resilient facility microgrids and resilient facility hubs, and greenhouse gas reductions. The County conducts energy assessments and other analyses 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 return on investment energy conservation projects; provide ancillary funds to support the installation of solar photovoltaic systems, installation of resilient facility microgrids and facility resiliency hubs 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, including facility benchmarking; 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, improved facility resiliency, and quantifiable environmental benefits.

## COST CHANGE

FY26 supplemental to program Utility Incentives.

## 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 mandates 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, Council Bill 16-21 Building Energy Performance Standards, and Council Bill 13-22 Comprehensive Building Decarbonization. Reductions in energy consumption, greenhouse gas emissions, and maintenance are expected.

## FISCAL NOTE

FY24 supplemental in Utility Incentives for the amount of \$861,844. FY25 supplemental in Utility Incentives for the amount of \$1,384,533. FY26 supplemental in Utility Incentives for the amount of \$1,163,055.

## 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

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Department of General Services, Department of Environmental Protection, Office of Management and Budget, and Department of Finance.