Resolution No.: 20-1261
Introduced: October 20, 2026
Adopted: November 10, 2026

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

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

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SUBJECT: Supplemental Appropriation #27-06 to the FY27 Capital Budget
Montgomery County Government
Department of General Services
Energy Conservation: MCG (No. P507834), $1,172,927

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 recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Energy Conservation: MCG	507834	Planning	$351,878	Utility Incentives
		Construction	$821,049	Utility Incentives
TOTAL			$1,172,927	

3. This increase is needed to appropriate utility incentive funds received as a result of participating in utility payback incentive programs with third-party vendors. The requested appropriation will support energy savings measures, renewable energy installations, greenhouse gas reduction efforts and waste diversion projects in County facilities.

4. The County Executive recommends a supplemental appropriation in the amount of $1,172,927 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 FY27 Capital Budget is approved as follows:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Energy Conservation: MCG	507834	Planning	$351,878	Utility Incentives
		Construction	$821,049	Utility Incentives
TOTAL			$1,172,927	

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council

Energy Conservation: MCG
(P507834)

Category	General Government	**Date Last Modified**	01/01/26
SubCategory	County Offices and Other Improvements	**Administering Agency**	General Services
Planning Area	Countywide	**Status**	Ongoing

	Total	Thru FY25	Est FY26	Total 6 Years	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Beyond 6 Years
EXPENDITURE SCHEDULE ($000s)											
Planning, Design and Supervision	9,173	236	317	8,620	363	172	1,323	1,800	2,254	2,708	-
Land	23	23	-	-	-	-	-	-	-	-	-
Site Improvements and Utilities	1	1	-	-	-	-	-	-	-	-	-
Construction	37,798	4,204	3,518	30,076	1,590	571	4,677	6,200	7,746	9,292	-
Other	17	17	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**47,012**	**4,481**	**3,835**	**38,696**	**1,953**	**743**	**6,000**	**8,000**	**10,000**	**12,000**	**-**
FUNDING SCHEDULE ($000s)											
Current Revenue: General	4	4	-	-	-	-	-	-	-	-	-
G.O. Bonds	39,509	2,159	450	36,900	450	450	6,000	8,000	10,000	12,000	-
State Aid	1,122	499	-	623	623	-	-	-	-	-	-
Utility Incentives	6,377	1,819	3,385	1,173	880	293	-	-	-	-	-
TOTAL FUNDING SOURCES	**47,012**	**4,481**	**3,835**	**38,696**	**1,953**	**743**	**6,000**	**8,000**	**10,000**	**12,000**	**-**

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 27 Request	450	Year First Appropriation	FY78
Appropriation FY 28 Request	450	Last FY's Cost Estimate	48,116
Supplemental Appropriation Request	1,173		
Cumulative Appropriation	8,939		
Expenditure / Encumbrances	5,558		
Unencumbered Balance	3,381		

PROJECT DESCRIPTION

The project supports efforts yielding financial returns to the County or substantial progress towards established environmental goals, such as meeting Building Energy Performance Standards (BEPS) at 69 facilities, energy savings, renewable energy installations, installation of resilient facility microgrids and 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, improvement in Energy Use Intensity (EUI) for compliance with BEPS, and quantifiable environmental benefits.

COST CHANGE

Cost increase reflects additional Utility Incentives to support energy efficiency improvements to County facilities.

PROJECT JUSTIFICATION

This program is integral to the County's efforts for reduction of GHG emissions, creation of resilient facilities, and meeting the County's Building Energy Performance Standards, along with cost-containment efforts. Generally, energy reduction 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, 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. FY27 supplemental in State Aid for the amount of $623,094 to reflect grant received from the Maryland Energy Administration (MEA) Local Government Energy Modernization (L-GEM). FY27 supplemental in Utility Incentives for the amount of $1,172,927.

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

Department of General Services, Department of Environmental Projection, Office of Management and Budget, Department of Finance