



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Keith Levchenko, Senior Legislative Analyst  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #SpecialProjectsLegislation and CIP

AGENDA ITEM #17B  
June 15, 2021  
**Introduction**

## SUBJECT

Expedited Bill 23-21, Special Capital Improvements Project - Full Upgrade of Existing Recycling Center Complex (P802201)

## DESCRIPTION/ISSUE

- Section §302 of the County Charter and Section §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally funded cost is projected to exceed the “Special Projects Legislation threshold.” The threshold is \$18,118,000 in FY22 dollars.
- On June 10, 2021 the County Executive transmitted a request for a Special Capital Improvements Project bill associated with the Amended FY21-26 Capital Improvements Program for the Full Upgrade of Existing Recycling Center Complex project (P802201).
- Public Hearing and Action on the bill is scheduled for June 29, 2021.

### This report contains:

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

**MEMORANDUM**

June 10, 2021

TO: Tom Hucker, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Capital Improvements Project Legislation  
Full Upgrade of Existing Recycling Center Complex (P802201)

In accordance with Section 302 of the County Charter and Section 20-1 of the Montgomery County Code, I am forwarding the attached Special Capital Improvements Project Legislation Authorization and Legislative Request Report for the Full Upgrade of Existing Recycling Center Complex (P802201) project.

This request is necessary because the local cost of the above project exceeds the FY22 Special Capital Improvements Project Legislation threshold of \$18,118,000 as set by Executive Order. The purpose of the project is set forth below.

This project will update the existing Material Recycling Center (MRF) with state-of-the-art equipment to increase commingled processing capacity to 200 - 240 tons per day (TPD). This includes a minor modification of the existing MRF building to increase storage capacity for both incoming and baled material. Equipment will be substantially replaced because the existing equipment is incompatible with modern recycling processing technology. The project will be funded through the Solid Waste Disposal Fund and Revenue Bonds.

I recommend prompt passage of this legislation to advance this project.

ME:aa

Enclosures (5)

c: Jennifer Bryant, Director, Office of Management and Budget  
Adam Ortiz, Director, Department of Environmental Protection  
Michael Coveyou, Director, Department of Finance  
Fariba Kassiri, Deputy Chief Administrative Officer  
Jerome Fletcher, Assistant Chief Administrative Officer  
Adriana Hochberg, Assistant Chief Administrative Officer  
Caroline Sturgis, Assistant Chief Administrative Officer  
Dale Tibbitts, Special Assistant to the County Executive  
Debbi Spielberg, Special Assistant to the County Executive  
Claire Iseli, Special Assistant to the County Executive

Bill No. 23-21  
Concerning: Full Upgrade of Existing Recycling Center Complex  
Revised: 6/11/2021 Draft No. 1  
Introduced: June 15, 2021  
Expires: December 15, 2022  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. 2021

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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**AN ACT** to authorize the planning, design, and construction of the Full Upgrade of Existing Recycling Center Complex (P802201) project in the Rockville area.

By adding to the laws of Montgomery County 2021

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

Section 1. The laws of Montgomery County, Maryland, are amended to read as follows:

Montgomery County, Maryland, is authorized to construct the Full Upgrade of Existing Recycling Center Complex Project No. 802201 in the Rockville area.

*Approved:*

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Tom Hucker, President, County Council

Date

*Approved:*

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Marc Elrich, County Executive

Date

*This is a correct copy of Council action.*

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Selena Mendy Singleton, Esq., Clerk of the Council

Date

**Bill 23 - 21**  
**Full Upgrade of Existing Recycling Center Complex (P802201)**  
**Legislative Request Report**

1. **Description** - The County Executive requests that capital project No. 802201 Full Upgrade of Existing Recycling Center Complex be authorized as a “Special Capital Improvements Project” pursuant to Section §302 of the County Charter and Section §20-1 of the Montgomery County Code.
2. **Problem** - Section §302 of the County Charter and Section §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally funded cost is projected to exceed \$18,118,000 in FY22 dollars. The estimated locally funded cost of this project in the FY22 Capital Budget and Amended FY21-26 Capital Improvements Program is \$20,350,000 for planning, design, and construction costs.
3. **Goals and Objectives** - This project will update the existing Material Recycling Center (MRF) with state-of-the-art equipment to increase commingled processing capacity to 200 - 240 tons per day (TPD). This includes a minor modification of the existing MRF building to increase storage capacity for both incoming and baled material. Equipment will be substantially replaced because the existing equipment is incompatible with modern recycling processing technology. The project will be funded through the Solid Waste Disposal fund and Revenue Bonds.
4. **Coordination** - This project has been coordinated with Maryland Department of the Environment (MDE) and Department of Permitting Services.
5. **Fiscal Impact** – Not Applicable.
6. **Impact** – Not Applicable
7. **Evaluation** - Capital projects are evaluated biennially by the County Executive and County Council as part of the Capital Improvements Program review.
8. **Experience Elsewhere** - Not Applicable.
9. **Sources of Information** – General Services
10. **Applications Within Municipalities** - Not Applicable.
11. **Penalties** - None Required.

# Full Upgrade of Existing Recycling Center Complex (P802201)

<b>Category</b>	Recycling and Resource Management	<b>Date Last Modified</b>	05/04/21
<b>SubCategory</b>	Recycling and Resource Management	<b>Administering Agency</b>	Environmental Protection
<b>Planning Area</b>	Rockville	<b>Status</b>	Final Design Stage

	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	810	-	-	810	-	810	-	-	-	-	-
Construction	19,540	-	-	19,540	-	11,090	8,450	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>20,350</b>	-	-	<b>20,350</b>	-	<b>11,900</b>	<b>8,450</b>	-	-	-	-

<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: Solid Waste Disposal	810	-	-	810	-	810	-	-	-	-	-
Revenue Bonds	19,540	-	-	19,540	-	11,090	8,450	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>20,350</b>	-	-	<b>20,350</b>	-	<b>11,900</b>	<b>8,450</b>	-	-	-	-

<b>APPROPRIATION AND EXPENDITURE DATA (\$000s)</b>												
Appropriation FY 22 Request				11,900	Year First Appropriation							
Cumulative Appropriation				-	Last FY's Cost Estimate							-
Expenditure / Encumbrances				-								
Unencumbered Balance				-								

## PROJECT DESCRIPTION

This project will update the existing Material Recycling Center (MRF) with state of the art equipment to increase commingled processing capacity to 200 - 240 tons per day (TPD). This includes a minor modification of the existing MRF building to increase storage capacity for both incoming and baled material. Equipment will be substantially replaced because the existing equipment is incompatible with modern recycling processing technology. An updated facility will have higher operation uptime (90% rather than the current 83%) and produce higher quality product that can receive a higher prices in the market.

Features of the renovated facility include removing glass at the beginning of sorting to reduce wear and tear on equipment, improved sorting screens, optical sorting, high efficiency electric motors, and reduced reliance on labor for sorting. An upgrade to the facility's electrical capacity may be added if it is determined that the current facility cannot handle the load needed after the renovation. This design will allow for the future addition of single stream processing equipment within the existing facility to receive and process recyclables from other jurisdictions, if expansion to a regional concept is supported in an effort to improve the recycling program's cost-benefit ratio.

## LOCATION

16103 Frederick Road, Derwood, MD

## ESTIMATED SCHEDULE

The project will begin in FY22 and is scheduled for completion in FY23.

## PROJECT JUSTIFICATION

The current commingled processing system at the Recycling Center (MRF) was installed in 1991 and upgraded in 2002 to process 10 tons per hour (TPH) or 80 tons per day (TPD). Due to increased population, expanded material mix, and increased resident participation, the MRF currently receives 130 - 150 TPD of commingled material, almost double the current capacity. To keep up with the incoming volume, the MRF must export 40 - 45% of the commingled material received at an annual cost of approximately \$1.2 million.

After almost 30 years of operation, the majority of the current system components have operated beyond their useful life, causing frequent downtime and high repair and maintenance costs. Replacement parts are increasingly difficult to source for some equipment. This project's improvements will reduce operating costs, increase revenue from the sale of recyclables, increase processing efficiency, and continue to provide high quality recycling services to the County.

## FISCAL NOTE

The Solid Waste Enterprise Fund is self-supporting through user fees. If the decision is made to finance this project via issuing debt, the County will issue Solid Waste Revenue Bonds, in which case revenue from the Solid Waste Enterprise Fund will be the source of repayment.

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**COORDINATION**

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Maryland Environmental Service, Department of Permitting Services.

**Fiscal Impact Statement**  
**Council Bill XX-XX Special Capital Improvements Project**  
**Full Upgrade of Existing Recycling Center Complex (P802201)**

**1. Legislative Summary.**

Section §302 of the County Charter and Section §20-1 of the County Code require certain capital improvement projects to be individually authorized by law if the locally-funded cost is projected to exceed \$18,118,000 in FY22 dollars. The Executive requested a bill for one project - Full Upgrade of Existing Recycling Center Complex - that now requires Special Capital Improvement Project legislation.

**2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

There are no expenditures or revenues associated with this bill. The bill serves only to authorize the designation of the Full Upgrade of Existing Recycling Center Complex project as a Special Capital Improvement Project.

**3. Revenue and expenditure estimates covering at least the next 6 fiscal years.**

See item #2 above.

**4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

Not applicable. There are no personnel costs associated with this bill.

**5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Not applicable. This bill does not authorize future spending.

**6. An estimate of the staff time needed to implement the bill.**

Not applicable. This bill does not affect staff responsibilities.

**7. An explanation of how the addition of new staff responsibilities would affect other duties.**

Not applicable.

**8. An estimate of costs when an additional appropriation is needed.**

Not applicable.



**9. A description of any variable that could affect revenue and cost estimates.**

Not applicable.

**10. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not applicable.

**11. If a bill is likely to have no fiscal impact, why that is the case.**

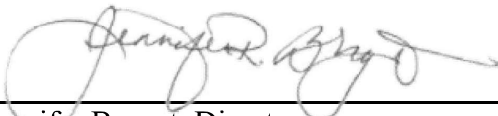
This bill authorizes the designation of the project as a Special Capital Improvement project. No new appropriation is required.

**12. Other fiscal impacts or comments.**

None.

**13. The following contributed to and concurred with this analysis:**

Anita Aryeetey, Office of Management and Budget.

  
\_\_\_\_\_  
Jennifer Bryant, Director  
Office of Management and Budget

6-9-21

\_\_\_\_\_  
Date




OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Marc Elrich  
*County Executive*

**M E M O R A N D U M**

June 8, 2021

TO: Thomas Hucker, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Capital Improvements Project Cost Criterion

Attached is an Executive Order establishing a cost criterion of \$18,118,000 for Special Capital Projects applicable to the FY22 Capital Budget and Amendments to the FY21-26 Capital Improvements Program (CIP).

I will forward, under separate cover, legislation necessary to enact into law those CIP projects that require special capital projects authorization.

ME:aaa

c: Richard S. Madaleno, Chief Administrative Officer  
Fariba Kassiri, Assistant Chief Administrative Officer  
Jennifer Bryant, Director, Office of Management and Budget



# MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland  
20850

Subject CIP COST CRITERION FOR SPECIAL CAPITAL IMPROVEMENTS PROJECTS FY22	Executive Order No. 051-21	Subject Suffix
Department OFFICE OF MANAGEMENT AND BUDGET	Department No. 31	Effective Date 6/8/21

WHEREAS, Section 20-1 of the Montgomery County Code titled "Authorization of Special Capital Improvements Projects by Law," effective February 23, 1979, provides that non-emergency County Government capital improvement projects estimated to cost at least four million dollars must be approved by a law enacted by the County Council, prior to receiving further appropriation, and that the County Executive shall, by annual Executive Order revise the four million dollar cost criterion for all major facilities to reflect the annual change in the latest published composite construction cost index established by the United States Department of Commerce; and

WHEREAS, the original cost criterion utilized by the County was \$4,000,000 for Special Capital Improvements projects; and,

WHEREAS, the Office of Management and Budget has established the procedure utilized below to ensure consistency in the annual calculation of the cost criterion; and,

WHEREAS, the applicable composite construction cost index (2005=100) established by the U.S. Department of Commerce (U.S. Census Bureau) published in the "Price Deflator (Fisher) Index of New Single-Family Houses Under Construction" (1964 to 2020), was 30.6 for June 1978 and 138.6 for June 2020; and,

WHEREAS, the increase in the applicable composite construction cost index of 108 since 1978 indicates that the cost criterion established for Special Capital Improvements projects for fiscal year 2022 (July 1, 2021 - June 30, 2022) should be \$14,118,000 greater than the original cost criterion;

NOW THEREFORE, the County Executive for Montgomery County, Maryland, hereby establishes the cost criterion at \$18,118,000 in accordance with Section 20-1 of the County Code, for the FY22 Capital Budget and the Fiscal Years (As Amended) 21-26 Capital Improvements Program.

Approved:

Marc Elrich, County Executive