

MEMORANDUM

February 4, 2010

TO: Planning, Housing, and Economic Development (PHED) Committee

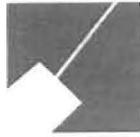
FROM: Marlene Michaelson, ^{MM} Senior Legislative Analyst

SUBJECT: M-NCPPC Budget Savings Plan

The Committee previously reviewed the reductions proposed by M-NCPPC to achieve the Round 2 Budget Savings objective. The Committee supported the savings proposed by M-NCPPC totaling \$1,250,000, with one exception. The Committee recommended against a reduction of \$181,300 in the Park Fund, which would eliminate school ballfield maintenance, since this could significantly impact the use of the fields by students and groups that use the fields after school and on weekends. The Committee requested that the Planning Board identify an alternative reduction of the same amount.

The Planning Board is now recommending closing 11 park activity buildings for an FY10 savings of \$181,300 (see © 1-2). The recommendation is to close these buildings at this time, but then to determine the ultimate disposition through a case-by-case analysis. The Department of Parks believes that the park activity building program is the least essential and one of the least utilized of their programs. They note that a decision to permanently close these buildings would significantly reduce future operating and capital budget.

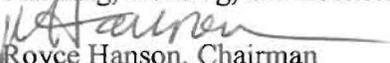
As the Committee will recall, the Department of Parks conducted a study of all 29 park activity buildings in 2007 and concluded that there are “too many buildings with too much unused time; we are losing money and have too large a future maintenance liability.” In addition to annual operating costs for all park activity buildings (\$4,875,500 in the recommended FY10 budget), the Department of Parks estimates the need to invest \$8 to \$10 million in capital costs to keep these buildings operational. In Staff’s view, this is far too much money to spend on a program that the Department believes is underutilized and their least essential program. Staff believes that the closure of the underutilized park activity buildings is appropriate and supports this proposed reduction.



MONTGOMERY COUNTY PLANNING BOARD
 THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

OFFICE OF THE CHAIRMAN

MEMORANDUM

DATE: February 3, 2010
 TO: Planning, Housing, and Economic Development Committee
 FROM: 
 Royce Hanson, Chairman
 SUBJECT: M-NCPPC Round 2 Savings Plan for FY 10

On January 21st, the PHED committee reviewed spending reductions proposed by M-NCPPC in response to the County Executive's call for a second round of savings measures in the current year. The committee rejected one savings recommendation proposed by the Department of Parks, specifically the elimination of a contract to maintain Montgomery County Public Schools elementary and middle school ballfields, and requested a substitute savings measure. The Department of Parks proposes the closing of 11 park activity buildings as the substitute measure to achieve an equivalent savings of \$181,300 in FY 10, and greater savings in FY 11. The 11 buildings proposed for closure are:

	PARK ACTIVITY BUILDING (Sorted by Capacity Utilization)	Address	FY09 Usage
1	Owens Local Park	1990 Beallsville Rd. Beallsville, MD 20839	3%
2	Lynnbrook Local Park	8008 Newdale Rd. Bethesda, MD 20814	9%
3	Stoneybrook Local Park	4105 Harvard St. Wheaton, MD 20906	10%
4	Camp Seneca Special Park	14500 Clopper Rd. Boyds, MD 20841	11%
5	Ken-Gar Palisades Local Park	4140 Wexford Dr. Kensington, MD 20896	14%
6	North Chevy Chase Local Park	4105 Jones Bridge Rd. Chevy Chase, MD 20815	15%
7	Maplewood-Alta Vista Local Park	5209 Alta Vista Rd. Bethesda, MD 20814	17%
8	Nolte Local Park	200 Denver Rd. Silver Spring, MD	17%
9	North Four Corners Local Park	211 Southwood Ave. Silver Spring, MD	17%
10	Clarksburg Neighborhood Park	22501 Weems Rd. Clarksville, MD 20817	17%
11	Colesville Local Park	610 Hobbs Dr. Colesville, MD 20904	18%

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As you know, the Department of Parks has prepared its operating budget in the program budget format for the past four years. Budget cuts and savings plans require that all programs be evaluated in priority order, and that cuts be presented in order of least essential to most essential programs, or non-core services to core services. The Park Activity Building program is deemed by the Department to be the least essential of its programs. Many of these old buildings have relatively low utilization, a high cost of operation, and significant need for capital renovation or replacement. We stopped including these buildings in new parks in the 1980s to avoid duplication of, or competition with services already provided by the County Recreation Department through their Community Recreation Centers (a decision further confirmed by the findings of the recent Parks and Recreation study).

Parks recommends closing all the buildings that are used less than 20% of their available capacity. In previous studies, Parks had targeted a minimum 30% utilization as a threshold for viable operation, but is taking a conservative approach for the purpose of this savings plan. Our recommendation for now is simply to close the buildings to save money. The ultimate disposition of each of the 11 buildings will be determined on a case-by-case basis over time. Savings will be realized by eliminating custodial contracts, utility payments, and maintenance. As there are existing commitments in many of these buildings, including to the Recreation Department as the largest user, we will work to schedule closings and /or rebook commitments to minimize inconvenience, while recognizing the need to meet the savings target.

The memorandum from the Executive invoking the savings plan stressed the dire economic forecast for FY 11 and asked that priority be given to cuts that will save operating money in future years. Continued closure of these buildings will accomplish that. Another major savings is capital cost avoidance as the majority of these buildings are well past their lifecycle and in need of replacement or major overhaul. We estimate the need to invest \$8 to \$10 million in the CIP over the next six years if all of these buildings were to be sustained. Parks has critical capital infrastructure maintenance needs in other core programs that would have priority if such funding were available.

In considering this cut, it is critical to consider several budget realities. Parks has reduced its FY 10 expenditures by 3% in FY 10 in compliance with the two savings plans. The spending affordability guidelines currently under consideration by the MFP committee, if adopted and met, would reduce the FY 11 Parks budget by 9% from what it would take to provide the same services as FY 10. There are no more reductions in the Parks budget without considerable pain. We are fully aware that the Park activity buildings have historical users and constituencies that will be inconvenienced by their closing. However, given the low usage of these buildings, we deem this impact to be significantly less severe than cutting core park programs more regularly used by a greater number of county residents.