PHED COMMITTEE #1
April 12, 2010

MEMORANDUM

April 8, 2010

TO: Planning, Housing, and Economic Development Committee

FROM: Marlene Michaelson, Senior Legislative Analyst MM
Jean Arthur, Legislative Analyst

SUBJECT: Maryland-National Capital Park and Planning Commission FY11 Operating Budget: Overview and Administration Fund

Those expected for this worksession:

Royce Hanson, Chairman, Montgomery County Planning Board
Rollin Stanley, Director, Planning Department
Alison Davis, Chief, Management Services Division/Planning
Patti Barney, Executive Director
Alfred Warfield, Acting Secretary Treasurer
Holly Sun, Budget Manager (CAS)

This memorandum provides an overview of the Maryland-National Capital Park and Planning Commission (M-NCPPC) budget, a summary of major changes proposed for FY11, and the budget for the Administration Fund (the Planning Department, the Commissioners' Office, and Central Administrative Services). On April 19, the Committee will continue with Special Revenue Funds and the Department of Parks budget. A third Committee worksession on April 26 will address any follow-up issues. Park Police will be considered by the Public Safety Committee on April 28.

Relevant pages from the County Executive Recommended FY11 Operating Budget are attached on ©1-7. Responses to Council Staff questions on the budget are attached at ©8 to 69. **All page references are to the FY11 M-NCPPC recommended budget; Committee Members may wish to bring a copy to the meeting.**

OVERVIEW OF M-NCPPC BUDGET

The total requested FY11 budget for the agency for **all funds**, including self-supporting funds, debt service, and reserve is $165.5 million, an increase of $24.6 million or 17.4 percent as compared to the FY10 budget (see page 29). This figure includes COLA and merit increases and a $20 million increase in the Advance Land Acquisition Revolving Fund (ALARF)[1]. Without the increase in ALARF, the total budget would have grown by $4.5 million or 3.2 percent.

The table below summarizes the **tax-supported** request. In February 2010, the Council approved an FY11 Spending Affordability Guideline (SAG) for M-NCPPC that was a $3.7 million increase from the $106.4 million approved FY10 budget. For FY11, the Commission has requested $112.1 million (excluding debt service, grants, and reserves), approximately $9.3 million above the February SAG amount target. The County Executive recommends funding at $91.6 million.

M-NCPPC SUMMARY OF TAX SUPPORTED FUNDS (Millions)		Increase/Decrease Over Approved **FY10** Budget	
		Dollars	Percent
Approved FY10 Budget	$106.6		
M-NCPPC FY11 Request	$112.1	$5.5	4.9
February Spending Affordability Guideline (SAG)	$102.8	($3.8)	(3.6%)
Executive Recommendation	$91.6	($15.0)	(14.2%)

The County Executive recommended funding level is $20.5 million or 18.3% **below the overall agency request**. Reaching this target will have a significant impact on the agency, its workprogram, and level of service as described in detail on ©8 to 59. The attached memorandum from the Chair estimates that **197 current employees** could lose their jobs as part of a reduction in force (RIF) and notes that this number would be "close to that of the entire Montgomery County Government, whose tax-supported budget is almost 13 times that of the Commission."[2] While the impact of these reductions would be severe, Staff believes M-NCPPC should be commended for the thoughtful way in which they established priorities, ranked proposed reductions, and resisted identifying unrealistic reductions that would force the Council to find alternative reductions. Their assessment will make it far easier for the Committee to do its work.

[1] The FY11 M-NCPPC budget assumes the ALARF balance will be spent almost in entirety in FY11. The FY10 M-NCPPC budget assumed ALARF would be spent in the prior fiscal year (FY09) and therefore showed a low balance in FY10, hence the large increase from FY10 to FY11.

[2] The memorandum indicates that this number is calculated based on average salary. Staff has not reviewed any of the assumptions or calculations used to generate this estimate.

The impact of the reductions is significant, but it should be put in the context of County departments that will also experience significant reductions. While the Executive did not recommend significant cuts to departments he believes provides critical services, such as public safety related functions, he did recommend large reductions for several departments **relative to their FY10 approved budget**[3].

Department	% Cut
County Executive	-23.1%
Commission for Women	-27.0%
General Services	-14.6%
Public Information	-22.7%
Regional Services Centers	-32.4%
Technology Services	-17.4
Transportation	-20.5%
Libraries	-22.4%
Recreation	-15.0%
Economic Development	-16.9%
Housing and Community Affairs	-43.5%

MAJOR CHANGES IN THE FY11 BUDGET

There are no major changes proposed by M-NCPPC for the FY11 budget and the only increases are for health insurance, retirement, staff compensation, and funding for the operation of new parks that have come on-line. Of note in the Department of Parks budget is the 10.9 percent decrease in Enterprise Expenditures. This is the first budget since FY05 that has not requested a subsidy from the General Fund. In addition, there is a significant increase in the Special Revenue Funds to reflect a transfer from the General Fund to pay for the maintenance of school ballfields.

The Department of Parks and the Planning Department continue to refine and improve their program budget presentation and CAS hopes to transition to a program budget in FY12.

LONG-TERM FISCAL SUSTAINABILITY

The cover letter in the budget (page 6) raises questions regarding the long-term fiscal sustainability of the M-NCPPC budget, in particular for the Park Fund, given the reductions in the Commission's property taxes. They have recommended a gradual restoration of their tax rate and requiring Rockville and Gaithersburg to contribute towards the cost of regional, recreational, conservation, and stream valley parks. (These cities provide their own local parks and therefore do not, and should not, pay for local parks.) Staff strongly agrees that the Council should reexamine the cities' contribution towards the operation of the non-local part of the park system.

Regarding the broader issue of long-term fiscal sustainability, the Council must determine whether it supports a strategy based on increased revenues, decreased costs, or a combination. The Council is considering having the Office of Legislative Oversight prepare a study related to the long-term

[3] This information is provided in Schedule B-2 of the Executive-Recommended FY11 Operating Budget (page 70-1).

structural budget deficit and it is not clear what options will emerge from this effort. However, Staff believes it is unlikely that the Council will choose to rely solely on increasing tax rates in future years. Staff believes that each agency will be forced to consider how to reduce or contain costs to address these long-term fiscal issues.

One option to reduce long-term deficits is a permanent reduction in the size of the workforce. M-NCPPC has, for the most part, chosen to freeze, rather than abolish, positions, while most departments in County Government have abolished a significant number of positions. For example, the Recreation Department will have abolished more than 40 percent of its career workforce since FY08 (assuming the Council supports the proposed FY11 reductions). **Overall, County Government will have reduced its workforce 10% in the two year period from FY09 to FY11.**

Once the Committee has decided the correct level of funding and the number of positions that will not be filled as a result of budget reductions, Staff believes it should consider which M-NCPPC positions should be abolished. All Commission departments have frozen numerous vacancies over the past few years; however, only 4 positions were abolished (by the Planning Department in FY09 with an additional one proposed to be abolished in FY11) and there has been an assumption that all of the remaining vacant positions will be restored when the County's fiscal situation changes. Staff questions whether this is a realistic assumption. The most fiscally conservative approach would be to abolish all positions not funded in FY11, and then debate in future years which should be added back.

ADMINISTRATION FUND

The Administration Fund of the Maryland-National Capital Park and Planning Commission (M-NCPPC) includes the bi-county Central Administrative Services (CAS), the Commissioners' Office, and the Planning Department. M-NCPPC's total budget request for the Administration Fund for FY11 is **$29,343,800** (excluding grants and reserves), representing a $1.7 million or **6.2% increase** over the FY10 budget (see page 31). The Executive recommends **$23,380,510,** which is $6 million (20.3%) less than the agency request and 15.4% below the approved budget.

ADMINISTRATIVE FUND BUDGET HIGHLIGHTS (Millions)	
FY10 Approved Budget	$27.63
FY11 Request	$29.34
FY11 Executive Recommendation	$23.38
Difference Between Request and Executive Recommendation	$5.96

REDUCTIONS TO MEET THE EXECUTIVE RECOMMENDED FUNDING LEVEL

The attached memorandum from the Commission Staff indicates the significant impact of the Executive budget on M-NCPPC. To achieve the Executive-recommended funding level, the Commission would have to eliminate all compensation increases (including cost of living increases and merit increases), institute ten furlough days, freeze all vacant positions (approximately 20 in addition to normal lapse), and eliminate 28 filled positions. **This would have a significant impact on the work program of the Planning Department as discussed below and would also impact the**

ability of the Central Administrative Services (CAS) departments to provide support services to the Commission.

If the Executive-recommended reductions were split among the three components of the Administration Fund so that each one received an equal percentage reduction, the different components would face reductions as follows:

Commissioners' Office	$258,941
Planning Department	$4,113,600
Central Administrative Services	$1,604,411
	$5,976,952

As the Committee is aware, any reduction to CAS must be agreed to by both Prince George's and Montgomery Counties, or the budget stands as submitted.

PLANNING DEPARTMENT FY11 EXPENDITURE ISSUES

CHANGES FROM FY10

The FY11 budget for the Planning Department is $19,946,900, which is an increase of $1,265,100 or 6.8% over the approved FY10 budget. (If COLA and Merit increases are not included, the increase is 4.3 %.) If the Executive-recommended reduction were divided equally among the Administrative Fund Departments, the Planning Department would have to reduce its budget by $4,113,600.

A description of each Planning Department program appears on pages 107 to 228 of the budget. M-NCPPC has requested 178.4 workyears for FY11, down from 179.15 for the four major components of the Planning Department: (1) Master Plan; (2) Plan Implementation; (3) Information Services; and (4) Management and Administration. The 0.75 reduction in workyears is due to the elimination of a term position associated with the Inter-County Connector (ICC) review. This position would be abolished.

The charts on pages 123 to 126 provide a comparison between the Planning Department's FY10 and FY11 workyears, and summary information about the FY11 costs for personnel and other costs. As the chart highlights, the Planning Department master plan resources will shift as they complete current plans and begin work on new ones.

- The Department will complete work in FY10 or early FY11 on the Germantown Employment Area Sector Plan, the White Flint I Sector Plan, the Gaithersburg West Master Plan, the Kensington Sector Plan, and the Housing Policy Element of the General Plan.
- It proposes to begin or intensify work on the Master Plan of Highway Plans Update, the Chevy Chase Lake Sector Plan, and three neighborhood plans: the Battery Lane Plan, the Washington Adventist University/Columbia Union College Plan, and the Burtonsville Circulation Amendment.
- Other plans currently in progress that would be continued in the proposed budget include the Takoma/Langley and Wheaton CBD plans (which will be delivered in FY11), Long Branch Sector Plan, the Master Plan of Highways, the Green Infrastructure Functional Master Plan, and Countywide Water Resources Policy Elements.

Other programs with increases or decreases in workyears are as follows:

- Additional resources will be allocated to the Zoning Code Re-write (increasing the workyears from 5.43 to 8.15) and the Growth Policy (increasing the workyears from 5.47 to 9.10). Capital Projects, Work Program Management, and Work Program Support are the other programs with increasing workyear allocations.
- The increases are offset by decreases in the workyears allocated to the Green Infrastructure Functional Master Plan, the Purple Line, Special Projects, Preliminary Subdivisions/Subdivision Plans, Project and Site Plans, and the White Flint II Sector Plan.[4]

Circles 47 to 48 provide an update on the Development Review Special Revenue Fund. The number of development applications has fallen continuously since FY06 (513 total applications) to the FY10 estimate (240 applications). Revenues are down significantly, but the M-NCPPC proposal to reduce staffing for Preliminary Plan/Subdivision Plans and Project/Site Plans by a combined 4.5 workyears in FY11 will reduce costs as well. If the Council endorses the Executive recommended reductions, the Department proposes to cut an additional 3 workyears from these programs. Reductions in Development Review Programs always pose a dilemma since sizing the staff to serve reduced needs in a recession means the loss of talented staff and an inability to respond once the economy improves and applications increase.

IMPACT OF EXECUTIVE REDUCTIONS

Attached on © 36 to 44 are the Department's non-recommended reductions to meet the Executive budget. The Executive's recommended budget reductions would significantly impact the workprogram of the Department. **The Department would continue to freeze 27 vacant positions, and would eliminate funding for an additional 17 workyears, reducing their overall workyears by 24% (see © 46).** Circles 36 to 44 describe the impact of each proposed reduction and Staff recommends that the Committee provide the Planning Department the opportunity to explain the impact of each proposed reduction at the meeting. Staff has summarized these reductions in 4 categories below: reductions in compensation, reductions in operating expenses, elimination of programs for FY11, and reductions in program resources.

Compensation: The M-NCPPC budget includes funding for COLAs and merit increases. Eliminating those increases and adding a 10 day furlough as proposed by the County Executive would reduce the Administration Fund budget by $913,400. Staff believes the compensation and furlough adjustments for M-NCPPC should mirror those the Council sets for County Government.

Operating Expenses: To meet the Executive funding level, the Planning Department would cut $102,700 in operating expenses (printing, postage, supplies, memberships, travel, conferences, training, etc.) and $101,000 in professional services related to information technology (IT).

[4] The budget is inconsistent in that the master plan schedule shows the Planning Department beginning work on the White Flint II Plan in FY11, but the workyear allocation shows a significant decrease in workyears for this program from FY10 to FY11. Staff suspects that there may have been a change in the workprogram after the FY10 budget was approved.

Programs to be Eliminated: Work on the following programs would be **eliminated** in FY11 for a total savings of $1,113,000:

	WY Reduction	Remaining WY	$ Savings
Green Infrastructure Functional Plan	0.95	0	101,200
Master Plan of Highways Update	3.50	0	372,800
White Flint II	2.25	0	239,700
Glenmont Sector Plan	2.55	0	271,000
Battery Lane Sector Plan	0.90	0	95,800
Bikeways Implementation	0.30	0	31,900
Subtotal Programs to be eliminated in FY11			1,113,000

The Master Plan schedule the Planning Department planned to submit at the upcoming Semi-Annual Report is attached at ©68. A revised master plan schedule which shows the impact of the Executive-recommended cuts is attached at ©69.

Programs with Reduced Funding: Many other programs would have significant reductions in funding in FY11, including the following:

	WY Reduction	Remaining WY	$ Savings
Information Services	2.00	3.90	213,000
Website	1.00	4.90	106,500
Water Resources Functional Plan	0.75	0.40	79,800
Master Plan for Historic Preservation	1.00	2.05	106,500
Chevy Chase Lake	1.05	2.65	111,800
Washington Adventist Hospital/ Columbia Union College	1.05	4.30	111,800
Mandatory Referrals	1.00	5.20	105,500
Work Program Management	2.05	7.95	218,300
Work Program Support	3.30	10.15	351,500
Growth Policy	5.30	3.80	564,500
Environmental Review/Forest Conservation/Inspections and Enforcement	2.00	9.60	213,000
Special Exceptions	1.05	4.30	111,800
Preliminary Plans/Subdivision Plans	1.60	8.70	170,400
Project/Site Plans	1.30	7.10	138,500
Research	1.00	5.00	106,500
Subtotal Programs to Reduced			2,710,400

Once again, Staff believes the Department should be given the opportunity to explain the potential impacts of these significant reductions. With cuts of this magnitude, it is clear that the Department's workprogram will be altered. They will also not be prepared to handle a surge in development activity once the economy recovers.

Staff recognizes that this is a difficult fiscal year and one in which it will be difficult, if not impossible, to restore most of the reductions recommended by the Executive. Nonetheless, if the Committee wants M-NCPPC to carry out the previously approved workprogram and be prepared to handle a surge in applications once the economy rebounds, it should consider placing some of these reductions on the reconciliation list beginning with those the Planning Department has identified as most critical. Staff further notes the previous difficulty the Planning Department had in attracting qualified candidates (based on what appeared to be a shortage of experienced planners nationwide). If talented staff are lost in a RIF, it may be difficult to replace them, at least in the short term.

COMMISSIONERS' OFFICE

The Montgomery County Commissioners' Office includes the Chairman's Office and the technical writers unit. The description of this Office and the requested budget appears on pages 47 to 49 of the M-NCPPC budget. The requested budget for FY11 is $1,281,600. This is a $73,200 or 6.1% increase from the FY10 budget.

To meet its prorated share of the Executive recommended reductions to the Administration Fund, this office would need to reduce its FY11 budget by $258,941. In addition to compensation reductions and furloughs, they propose to meet the target by reducing funding for food and beverages for meetings, giveaways at events, communications equipment for Planning Board meetings, office supplies and equipment, contributions to special programs, contractual services, and temporary staff; freezing a vacant position; and eliminating trainings and conferences. Even with all these reductions, described in more detail on ©3 to 15, there is a $30,000 gap of identified cuts to meet the Executive funding level.

CENTRAL ADMINISTRATIVE SERVICES

Central Administrative Services (CAS) provides the administrative functions for both the Montgomery and Prince George's portions of this bi-county agency through three departments: Human Resources and Management (DHRM), Finance, and Legal. The FY11 Montgomery County portion of the proposed CAS budget is $8,265,300, an increase of $378,500 or **4.8% over the approved FY10 budget** (page 31). The requested personnel services show an increase of $395,150 or 5.6% over the approved FY10 budget. Supplies and Materials show an increase of only $350 (0.18%), and Other Services and Charges increase by $38,200 (1.97%). The total CAS workyears are 1 greater than FY10 (in the Legal Department). **While CAS costs are 3.4% of the total Commission budget (which the budget indicates is less than the 5% administrative overhead considered to be standard), they are 5.7% of the Montgomery portion of the budget (excluding the ALARF Fund).**

The most significant changes to the CAS budget are the decision to once again centralize the Support Services portion of the budget (reversing last year's decision to allocate these costs directly to the departments as a cost cutting measure) and the proposal to increase the workyears in the Legal Department. The Committee may want to have CAS explain the rationale for the reversal on how Support Services are handled. The new legal position would be eliminated as part of the non-recommended cuts to meet the Executive-recommended budget.

If the Executive-recommended reduction to the Administration Fund were split evenly among the components of the Fund so that each experienced the same decrease relative to FY10, then CAS has indicated it would need to take $1.6 million in reductions from the Montgomery County portion of the their budget ($517,000 in DHRM, $653,584 in Finance, $326,427 in Legal, $80,800 in support service, and $26,600 in the Merit System Board). Attached on ©16 to 35 is their response to Staff's request that they identify their portion of the savings necessary to reach the Executive-recommended funding target. As with the other parts of the Commission, the changes include the reductions of proposed compensation increases, furloughs, freezing 6 vacancies (including normal lapse), and the loss of 11 filled positions. CAS should be given the opportunity to explain the impact of these reductions in more detail.

Included in the materials from M-NCPPC is a memorandum from the Prince George's County Planning Board indicating their concern regarding the reductions to CAS. **The two Councils must agree on any changes to the CAS budget, or the Commission's budget will stand as submitted**.

Staff notes that the Bi-County meeting will occur before the Council has completed its review of other department and agency budgets (May 13); therefore, it is not possible to consider any reductions or additions to the **CAS portion** of the M-NCPPC budget at the end of the budget process.

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Maryland-National Capital Park and Planning Commission

MISSION STATEMENT

The Maryland-National Capital Park and Planning Commission (M-NCPPC) in Montgomery County manages physical growth and plans communities, protects and stewards natural, cultural and historical resources, and provides leisure and recreational experiences.

BUDGET OVERVIEW

The M-NCPPC was established by the General Assembly of Maryland in 1927. As a bi-county agency, the Commission is a corporate body of, and an agency created by, the State of Maryland. The Commission operates in each county through a Planning Board and, in Montgomery County, a Park Commission. Five board members, appointed by the County Council, serve as the Montgomery County members of the Commission. The Planning Board exercises policy oversight to the Commissioners' Office, the Parks Department, the Planning Department, and Central Administrative Services.

On January 15 each year, M-NCPPC submits to the County Council and the County Executive the M-NCPPC proposed budget for the upcoming fiscal year. That document is a statement of mission and goals, justification of resources requested, description of work items accomplished in the prior fiscal year, and a source of important statistical and historical data. The M-NCPPC proposed budget is available for review in Montgomery County Public Libraries and can be obtained by contacting the M-NCPPC Budget Office at 301.454.1741 or visiting the Commission's website at www.mncppc.org. Summary data only are included in this presentation.

Tax Supported Funds

The M-NCPPC tax supported Operating Budget consists of the Administration Fund, the Park Fund, and the Advance Land Acquisition (ALA) Debt Service Fund. The Administration Fund supports the Commissioners' Office, the Montgomery County-funded portion of the Central Administrative Services (CAS) offices, and the Planning Department. The Administration Fund is supported by the Regional District Tax, which includes Montgomery County, less the municipalities of Barnesville, Brookeville, Gaithersburg, Laytonsville, Poolesville, Rockville, and Washington Grove.

The Park Fund supports the activities of the Parks Department and Park Debt Service. The Park Fund is supported by the Metropolitan District Tax, whose taxing area is identical to the Regional District.

The Advance Land Acquisition (ALA) Debt Service Fund supports the payment of debt service on bonds issued to purchase land for a variety of public purposes. The Advance Land Acquisition Debt Service Fund has a countywide taxing area.

Non-Tax Supported Funds

There are three non-tax supported funds within the M-NCPPC that are financed and operated in a manner similar to private enterprise. These self-supporting operations are the Enterprise Fund, the Property Management Fund, and the Special Revenue Fund.

Grants are extracted from the tax supported portion of the fund displays and displayed in the Grant Fund. The Grant Fund, as displayed, consists of grants from the Park and Administration Funds.

These funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. M-NCPPC is now reporting them in accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB), issued June 1999. The budgets are associated with Planning and Parks operations throughout the Commission.

Spending Affordability Guidelines

In February 2010, the Council approved FY11 Spending Affordability Guidelines (SAG) of $102,800,000 for the tax-supported funds of the M-NCPPC, which is a 3.6 percent decrease from the $106,646,100 approved FY10 budget. For FY11, the Commission has requested $112,073,100 excluding debt service, $9,273,100 above the total SAG amount of $102,800,000. The County Executive recommends approval of $91,599,090.

The total requested budgets for the Enterprise Fund, Property Management Fund, Special Revenue Funds, ALA Debt Service Fund, and Grant Fund, are $17,533,900, a 2.0 percent decrease from the $17,894,500 total FY10 approved budget. The County Executive recommends approval of $17,472,700.

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Commissioners' Office

The Commissioners' Office supports the five Planning Board members and enhances communication among the Planning Board, County Council, County residents, other governmental agencies, and other Commission departments.

Planning Department

The Planning Department provides recommendations, information, analysis, and services to the Montgomery County Planning Board (who also serve as the Park Commission), the County Council, the County Executive, other government agencies, and the general public. In addition, the Department is responsible for the preparation of master plans and sector plans which are recommended by the Planning Board and approved by the County Council. The Department reviews development applications for conformance with existing laws, regulations, master plans, and policies and then presents its recommendations to the Planning Board for action. The Department gathers and analyzes various types of census and development data for use in reports concerning housing, employment, population growth, and other topics of interest to the County Council, County government, other agencies, the business community, and the general public.

Planning Activities

The Planning Activities section recommends plans that sustain and foster communities and their vitality; implements master plans and manages the development process; provides stewardship for natural resources; delivers countywide forecasting, data, and research services; and supports intergovernmental services.

Central Administrative Services

The mission of the Central Administrative Services (CAS) is to provide effective, responsive, and efficient administrative, financial, human resource, and legal services for the M-NCPPC and its operating departments. Costs of the bi-county CAS office are divided equally between Montgomery and Prince George's Counties.

Parks Department

The Parks Department provides recommendations, information, analysis, and services to the Montgomery County Planning Boar (who also serve as the Park Commission), the County Council, the County Executive, other government agencies, and the general public. The Department also oversees the acquisition, development, and management of a nationally recognized, award winning park system providing County residents with open space for recreational opportunities and natural resources stewardship.

Montgomery Parks

Montgomery Parks oversees a comprehensive park system of 410 parks of different sizes, types, and functions that feature Stream Valley and Conservation Parks, Regional and Special Parks, and Local and Community Parks. Montgomery Parks serves County residents as the primary provider of open space for recreational opportunities and maintains and provides security for the park system.

Debt Service - Park Fund

Park Debt Service pays principal and interest on the Commission's acquisition and development bonds. The proceeds of these bonds are used to fund the Local Parks portion of the M-NCPPC Capital Improvements Program.

Debt Service - Advance Land Acquisition Debt Service Fund and Revolving Fund

The Advance Land Acquisition Debt Service Fund pays principal and interest on the Commission's Advance Land Acquisition bonds. The proceeds of the Advance Land Acquisition bonds support the Advanced Land Acquisition Revolving Fund (ALARF).

ALARF activities include the acquisition of land needed for State highways, streets, roads, school sites, and other public uses. The Commission may only purchase land through the ALARF at the request of another government agency, with the approval of the Montgomery County Council.

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Enterprise Fund

The Enterprise Fund accounts for various park facilities and services which are entirely or predominantly supported by user fees. Recreational activities include: ice rinks, indoor tennis, conference and social centers, boating, camping, and nature center programs. Operating profits are reinvested in new or existing public revenue-producing facilities through the Capital Improvements Program.

Property Management Fund

The Property Management Fund manages leased facilities located on parkland throughout the County, including single family houses, apartment units, businesses, farmland, and facilities which house County programs.

COUNTY EXECUTIVE RECOMMENDATIONS

The County Executive's recommended FY11 level of expenditure for M-NCPPC is $91,599,090, 14.1 percent below the FY10 approved budget for tax supported funds, exclusive of debt service. The Executive's recommended total is $11,200,910 or 10.9 percent under Council Spending Affordability Guidelines (SAG).

Park Fund

The County Executive recommends a Park Fund budget of $68,218,580, excluding debt service. This proposed funding represents a $10,800,520 or 13.7 percent decrease from the FY10 approved budget. The Executive recommends a reduction of $635,000 from the Commission's request for merit increases, a reduction of $1,010,000 for requested General Wage Adjustment increases, and a reduction of $12,936,910 to be determined by the Commission. Park Fund debt service increased by $3,400 from $4,304,400 in FY10 to $4,307,800 in FY11. The level of budget reduction recommended by the County Executive is comparable to the reductions required in the FY11 Recommend Recreation Operating Budget.

Administration Fund

The County Executive recommends an Administration Fund budget of $23,380,510. This represents a $4,246,490 or 15.4 percent decrease from the FY10 approved budget. The Executive recommends a reduction of $265,700 from the Commission's request for merit increases, a reduction of $401,900 for requested General Wage Adjustment increases, and a reduction of $5,327,700 to be determined by the Commission. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, the same amount as in FY10. The level of budget reductions recommended by the County Executive is comparable to other similar departments in the County's FY11 Operating Budget, including the Offices of the County Executive's 26% decrease.

ALA Debt Service

The County Executive recommends ALA debt service funding of $631,700 a decrease of $17,900 or 2.8 percent from the FY10 approved budget. The cost decrease is due to lower bond interest.

Enterprise Fund

The County Executive recommends an Enterprise fund budget of $9,178,600. This represents a $1,196,200 or 11.5 percent decrease from the FY10 approved budget of $10,374,800. The Executive recommends a reduction of $26,600 from the Commission's request for merit increases and a reduction of $34,600 for requested General Wage Adjustment increases.

Property Management Fund

The County Executive concurs with the M-NCPPC request for funding of $1,067,000. This represents a $40,300 or 3.9 percent increase above the FY10 approved budget of $1,026,700.

Special Revenue Fund

The County Executive recommends a Special Revenue Fund budget of $6,020,400. This represents a $752,000 or 14.3 percent increase from the FY10 approved budget. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, the same level as FY10, and a transfer of $785,000 from the General Fund to cover costs associated with the maintenance of MCPS Ballfields.

In addition, this agency's Capital Improvement Program (CIP) requires Current Revenue funding.

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PROGRAM CONTACTS

Contact Holly Sun of the M-NCPPC at 301.454.1741 or Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
ADMINISTRATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Administration Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	26,241,385	27,627,000	26,554,020	23,380,510	-15.4%
Capital Outlay	0	0	0	0	—
Administration Fund Expenditures	***26,241,385***	***27,627,000***	***26,554,020***	***23,380,510***	***-15.4%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	211.4	216.9	216.9	217.0	0.0%
REVENUES					
Intergovernmental	868,103	0	0	0	—
Property Tax	27,503,864	27,709,310	27,551,330	21,657,440	-21.8%
User Fees	424,484	287,500	367,250	350,000	21.7%
Investment Income	201,425	90,000	30,000	90,000	—
Miscellaneous	0	0	22,990	0	—
Administration Fund Revenues	***28,997,876***	***28,086,810***	***27,971,570***	***22,097,440***	***-21.3%***
PARK FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Park Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	77,824,224	79,019,100	76,662,080	68,218,580	-13.7%
Debt Service Other	3,804,650	4,304,400	4,304,400	4,307,800	0.1%
Capital Outlay	0	0	0	0	—
Park Fund Expenditures	***81,628,874***	***83,323,500***	***80,966,480***	***72,526,380***	***-13.0%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	688.2	688.5	688.5	700.6	1.8%
REVENUES					
Property Tax	76,815,841	76,970,290	76,531,480	69,596,600	-9.6%
Facility User Fees	1,446,153	1,879,800	1,729,800	1,686,000	-10.3%
Investment Income	377,695	180,000	40,000	110,000	-38.9%
Investment Income: CIP	289,009	30,000	60,000	170,000	466.7%
Intergovernmental	20,018	0	0	0	—
Miscellaneous	145,549	74,100	110,000	85,600	15.5%
Park Fund Revenues	***79,094,265***	***79,134,190***	***78,471,280***	***71,648,200***	***-9.5%***
ALA DEBT SERVICE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
ALA Debt Service Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	0	0	0	0	—
Debt Service Other	1,678,914	649,600	649,600	631,700	-2.8%
Capital Outlay	0	0	0	0	—
ALA Debt Service Fund Expenditures	***1,678,914***	***649,600***	***649,600***	***631,700***	***-2.8%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					

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	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
Property Tax	1,700,802	1,800,840	1,791,560	1,810,670	0.5%
ALA Debt Service Fund Revenues	***1,700,802***	***1,800,840***	***1,791,560***	***1,810,670***	***0.5%***
GRANT FUND MNCPPC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MNCPPC Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	275,448	575,000	575,000	575,000	—
Capital Outlay	0	0	0	0	—
Grant Fund MNCPPC Expenditures	***275,448***	***575,000***	***575,000***	***575,000***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Administration Fund Grants	0	150,000	150,000	150,000	—
Park Fund Grants	275,448	425,000	425,000	425,000	—
Grant Fund MNCPPC Revenues	***275,448***	***575,000***	***575,000***	***575,000***	—
ENTERPRISE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Enterprise Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	7,736,407	9,068,820	7,976,300	7,903,500	-12.8%
Debt Service Other	1,321,567	1,305,980	1,298,300	1,275,100	-2.4%
Capital Outlay	0	0	0	0	—
Enterprise Fund Expenditures	***9,057,974***	***10,374,800***	***9,274,600***	***9,178,600***	***-11.5%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	104.6	113.1	113.1	110.9	-1.9%
REVENUES					
Intergovernmental	82,249	0	0	0	—
Rentals	2,419,036	2,691,300	2,502,400	2,586,400	-3.9%
Fees and Charges	5,456,653	6,542,800	6,097,200	6,372,000	-2.6%
Merchandise Sales	651,471	797,400	630,900	761,200	-4.5%
Concessions	88,899	88,000	49,500	88,500	0.6%
Non-Operating Revenues/Interest	49,735	50,000	20,900	30,000	-40.0%
Enterprise Fund Revenues	***8,748,043***	***10,169,500***	***9,300,900***	***9,838,100***	***-3.3%***
PROP MGMT MNCPPC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Prop Mgmt MNCPPC Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	906,037	1,026,700	775,600	1,067,000	3.9%
Capital Outlay	0	0	0	0	—
Prop Mgmt MNCPPC Expenditures	***906,037***	***1,026,700***	***775,600***	***1,067,000***	***3.9%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	3.5	3.5	3.5	3.5	—
REVENUES					
Investment Income	29,818	25,000	0	0	—
Rental Income	876,219	1,001,700	766,600	807,000	-19.4%
Prop Mgmt MNCPPC Revenues	***906,037***	***1,026,700***	***766,600***	***807,000***	***-21.4%***
SPECIAL REVENUE FUNDS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Special Revenue Funds Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	3,971,292	5,268,400	4,875,500	6,020,400	14.3%
Capital Outlay	0	0	0	0	—
Special Revenue Funds Expenditures	***3,971,292***	***5,268,400***	***4,875,500***	***6,020,400***	***14.3%***

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	-
Workyears	38.5	27.1	27.1	27.5	1.[illegible]
REVENUES					
Intergovernmental	575,692	545,800	545,800	1,330,800	143.8%
Miscellaneous	306,804	0	0	0	—
Investment Income	65,103	10,000	10,000	30,000	200.0%
Service Charges	1,725,081	2,398,000	1,786,300	2,572,400	7.3%
Special Revenue Funds Revenues	***2,672,680***	***2,953,800***	***2,342,100***	***3,933,200***	***33.2%***
DEPARTMENT TOTALS					
Total Expenditures	**123,759,924**	**128,845,000**	**123,670,800**	**113,379,590**	**-12.0%**
Total Full-Time Positions	**0**	**0**	**0**	**0**	—
Total Part-Time Positions	***0***	***0***	***0***	***0***	—
Total Workyears	***1,046.2***	***1,049.1***	***1,049.1***	***1,059.5***	***1.0%***
Total Revenues	***122,395,151***	***123,746,840***	***121,219,010***	***110,709,610***	***-10.5%***

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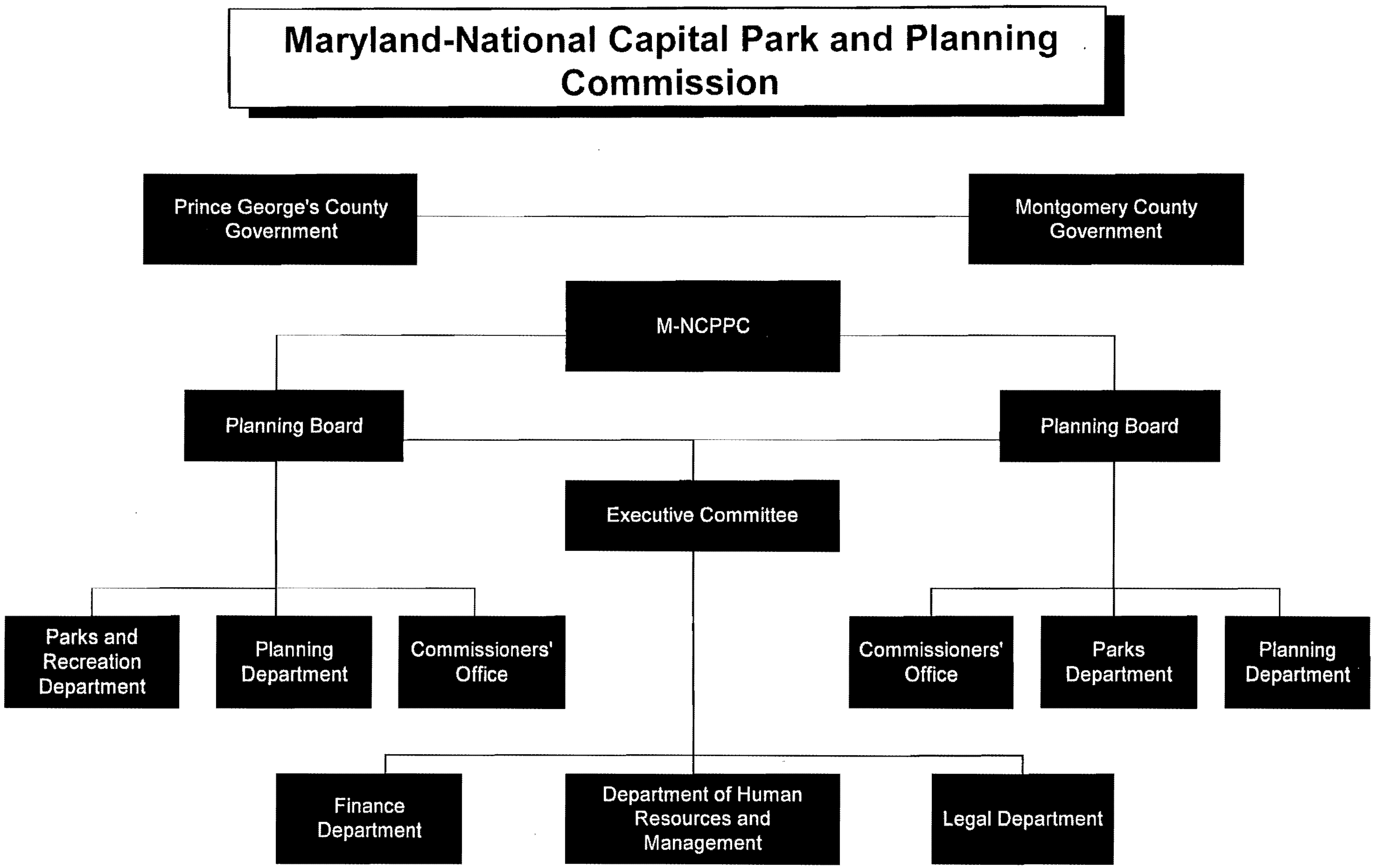
Maryland-National Capital Park and Planning Commission
Prince George's County Government
Montgomery County Government
M-NCPPC
Planning Board
Planning Board
Executive Committee
Parks and Recreation Department
Planning Department
Commissioners' Office
Commissioners' Office
Parks Department
Planning Department
Finance Department
Department of Human Resources and Management
Legal Department

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue • Riverdale, Maryland 20737

Office of the Chairman of the Montgomery County Planning Board

MEMORANDUM

April 5, 2010

TO: Planning, Housing and Economic Development Committee
Marlene Michaelson, Senior Legislative Analyst

FROM: Royce Hanson, Chairman, Montgomery County Planning Board

SUBJECT: Materials for Budget Work Session

In preparation for the upcoming work session on April 12th, the Planning Board directed each department to develop a list of non-recommended reductions to meet the County Executive's target funding level for the Commission's FY11 Proposed Budget. The attachments to this transmittal letter provide the responses to questions prepared by each department.

The Planning Board fully understands the fiscal challenges faced by the County, and we are prepared to work together with the PHED Committee and the Council to achieve a responsible level of reductions. However, the recommendation by the County Executive will cause a severe impact on core services by eliminating and/or delaying major Council directed planning initiatives which are necessary for future economic development, cut operating and maintenance efforts to levels that will result in a significant deterioration of our park system, and cripple our administrative corporate offices' ability to provide mandated services. These reductions will be painful for the residents we serve, the communities for which we plan, and our dedicated work force that has delivered services with shrinking resources as partners in meeting savings plans on a consistent basis in the past few years.

On January 15th, the Planning Board submitted a fiscally prudent budget that is designed to maintain services at a level lower than a few years ago, but largely comparable to its FY10 budget. The proposal tentatively included COLA and merit increases based on two ratified contracts. Other increases were limited to mandated cost increases, such as annualization and benefits growth. The Commission's proposed FY11 budget assumed no pre-funding for Other Post-Employment Benefits (OPEB) for a second year. The Commission also temporarily relaxed the 80%-120% market value corridor thereby contributing less to the pension fund than the level recommended by actuaries in response to the recognized need to constrain the budget. In recent years, our departments have implemented various cost-saving strategies including organizational restructuring, retirement incentives, streamlining processes, and significantly reduced non-discretionary spending, which limit the ability to absorb further reductions without devastating service implications.

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On March 15th, the Montgomery County Executive released his recommended funding level for FY11. The recommended funding level for the Commission represents **the deepest** reduction of all government entities with a reduction target of 14.1% below its FY10 budget, excluding reserves, debt services and grants (Administration Fund: -15.4%: Park Fund: -13.7%). The reduction is more than double the recommended reduction level for the County Government's tax-supported funds (-6.1%), and more than three times the recommended reduction levels for the Board of Education (-3.9%) and the Community College (-3.8%) on a percentage basis.

The County Executive's proposal represents a reduction of $20.5 million, or 18.3% (Administration Fund: -20.3%; Park Fund: -17.5%) from the Commission's proposed FY11 budget. The Commission's budget was only $106.6 million in FY10, equivalent to only 3% of the total Montgomery County budget including all entities. A reduction this deep provides very limited help in closing a nearly $780 million projected budget gap and will cause a devastating impact to the Commission's delivery of mandated core services established under State law.

The County Executive's recommendations will have severe and long-term implications on the Planning Department. The work of the Department is crucial for the County to continue and sustain its high qualify of life. Planning provides the cornerstone for job creation, economic development, housing and retail development, public health, and transportation planning. If approved by Council, almost every work program of the Planning Department will be reduced, delayed, or eliminated. This includes much needed outreach and information services, studies and analyses as well as new plans such as White Flint II, Glenmont, and Chevy Chase Lake. Protected is the long-overdue Zoning Code Revision which is well underway.

The Department of Parks has continued to operate at a reduced level of funding since FY09 while the park system continues to grow. Parks are a critical factor to the health and economic welfare of the residents of the County. To reach a funding reduction of this magnitude, the Department will be forced to substantially reduce park services, resulting in unsightly park areas, degradation of amenities, and further increases in the backlog of deferred maintenance. Stewardship of natural and cultural resources will be curtailed for non-native invasive treatments, deer management and reforestation efforts. Capital Improvement Projects to add new amenities or expand existing parks will be postponed. Park planning efforts like the Ovid Hazen Wells Recreational Park Master Plan will be deferred. Although safety will remain a priority, parks or facilities not meeting safety standards will ultimately be closed.

The level of reduction in the Central Administrative Services (CAS) departments, the employees of which serve both counties, will result in a serious decline in the mandated financial, legal and human resources services provided to the Prince George's County Planning Department and the Parks and Recreation Department as well. The attached letter from the Chairman of the Prince George's County Planning Board expresses the concerns of their Board related to the potential weakening of the corporate core which puts the organization as a whole at risk.

The non-recommended reductions include freezing vacant positions, eliminating contract employees, **eliminating COLA and merit increases for all employees** (subject to labor renegotiations), a **10-days furlough**, various other cost-saving strategies and **197 current employees (calculated based on average salary) could lose their jobs.** The anticipated level of Reduction in Force (RIF) represents one of every five employees in the existing work force on top of budgeted lapse. The number of Commission employees losing their jobs will be close to that of the entire Montgomery County Government, whose tax-supported budget is almost 13 times that of the Commission.

We recognize the extremely difficult fiscal situation and are willing to take major steps to cut expenditures and contribute our fair share in helping to address the County's fiscal challenge. However, we believe core services provided by the Commission to the counties under Article 28 should not be compromised to this extent. Our organization is comparatively small consisting of mostly personnel costs which limits our flexibility. We do not agree that shouldering a significantly higher reduction target in terms of percentage is a fair and reasonable manner in which to meet those challenges. We ask that the Council carefully consider the potential impact of the Executive's Recommendation and arrive at a more balanced approach to setting the Commission's FY 11 spending level.

We look forward to the opportunity to work with the PHED Committee and the Council to develop a more acceptable reduction level and budget plan.

Attachments

1. Letter from Prince George's County Planning Board
2. Response from the Commissioners' Office
3. Response from Central Administrative Services Departments
4. Response from Planning Department
5. Response from Department of Parks

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Prince George's County Planning Board
Office of the Chairman

14741 Governor Oden Bowie Drive
Upper Marlboro, Maryland 20772
TTY: (301) 952-4366
www.mncppc.org/pgco

301-952-3561

TO: The Planning, Housing and Economic Development Committee
County Council of Montgomery County

FROM: Samuel J. Parker, Jr., AICP, Chairman, Prince George's County Planning Board

DATE: April 6, 2010

SUBJECT: Suggested Budget Reductions for Central Administrative Services (CAS)

On behalf of the Prince George's County Planning Board, the purpose of this memorandum is to express our grave reservations with the proposal now under your consideration to reduce funding by 15.4 percent below approved FY 10 levels for the Central Administrative Services (CAS) of the Maryland-National Capital Park and Planning Commission.

Our Board understands that like other jurisdictions, local and nation-wide, Montgomery County faces an immense budget challenge for FY 2011 and must take drastic measures to preserve its fiscal stability. The Prince George's County Government is also dealing with the economic downturn, and we recognize that the Commission, including CAS, must bear a portion of the burden necessary to ensure the financial health of both our county stakeholders. However, even after considering the dire circumstances, we are convinced that cuts at the levels proposed by the Montgomery County Executive are excessive and untenable for three important reasons.

First, it is important to consider the starting point from which reductions are to be made. Two of the three CAS Departments, Finance and the Department of Human Resources and Management, have experienced very limited growth over the past 10 years. The Finance Department complement has increased by only 0.4 WY and the DHRM by only 2.0 WYs. Even during that time period, the departments have had to support growing work program demands due to regulatory changes and growth in the operating departments for new programs and expanded facilities. This fairly flat staffing level was achieved by streamlining processes, automating functions, reorganizing staff and decentralizing responsibilities. While the Legal Department has increased by 7.95WYs, those increases were in response to work program demands including Clarksburg, public private partnerships, and assuming the tort litigation program. The three departments therefore begin with very lean staffing levels. If adopted, non-recommended reductions would result in CAS eliminating/freezing approximately one-quarter of their existing personnel complement.

Second, as stewards of the Commission's corporate infrastructure, we are concerned that the reductions threaten capabilities to an extent which puts the organization as a whole at risk. For example, the reductions threaten our ability to pay vendors timely. The cuts also threaten our ability to effectively manage labor negotiations. They also threaten our ability to be responsive to property owners by resolving legal disputes related to subdivisions and site plans in a timely manner. Similarly, these cuts threaten our values of accountability by risking late financial reporting and payroll processing, and diminishing the ability to be transparent if our audit work is curtailed.

Third, our Board asks that your Committee consider that the cuts to CAS will cross county boundaries and directly impact the citizens of Prince George's County as these functions are essential to the delivery of our planning, parks and recreation programs and services.

Viewed holistically, we sincerely empathize with the difficult job before you. But we also think the value of having an independent bi-county agency with a more limited focus should not be lost while attempting to balance the budget during the monetary crisis. Toward that end, we urge you to consider that the percentage of reduction applied to the Commission appears to be quite large when compared with that of the other agencies. The value of our park and planning efforts in both counties are critical during such an economic situation. Our citizens come to rely on public parks more in turbulent times. Likewise our planning functions will position us for economic success.

In the end, we wish you to consider a vision of our Commission in the same light as a "vital" government function. If so, the vision must include a sufficiently funded CAS to support the operating departments' mission and the communities they serve.

April 12, 2010

TO: Planning, Housing and Economic Development Committee
Marlene Michaelson, Senior Council Analyst

VIA: Royce Hanson, Chairman

FROM: Joyce P. Garcia, Special Assistant to the Montgomery County Planning Board

SUBJECT: Budget Work Session

Below please find the Commissioners' Office's responses to Council Staff questions in preparation for the budget work session of April 12:

1. **What cuts would be necessary to meet the Executive recommended budget? What is the impact of those cuts on work program, quality of service, etc?**

In order to achieve the Montgomery County Executive's target of a 15.4% reduction from FY10 budget, the Commissioners' Office needs to reduce its same service level FY 11 proposed budget by $258,900. The non-recommended reduction list below starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs. Reductions in force, if they occur, are conducted in accordance with Commission Merit Rules and Regulations and applicable collective bargaining agreement provisions.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Cost of Living Adjustment	$19,100			Elimination of COLA for all employees. Decision on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations.
Merit Increases	$9,100			Elimination of annual merit increases for qualified employees (with appropriate rating levels and not at the top of the pay grade). Action on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations.
Reduction in estimated salary and benefits	$30,000			Reduction in estimated salary and related benefits (anticipated last fall) originally budgeted for potential

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Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				compensation difference between current chairman and incoming chairman as designated by County Council.
Food and Beverage Meeting Expenses	$6,000			Significantly reduce funding for food and beverage costs for Planning Board meetings and meetings held with other agencies.
Contribution for Supplies (Giveaways) at Special Events	$20,000			Eliminate contribution to the purchase of giveaways for planning and parks activities, affecting the Commission's distribution of informational material and ability to attract community members at special events.
Communication Equipment for Planning Board Meetings	$12,000			Significantly reduce budget for audio/visual equipment purchased in auditorium. Equipment will be replaced on an emergency basis only.
Office equipment and supplies	$12,000			Reduce budget for purchase of computers, general office equipment, and office supplies.
Contributions to Special Programs	$12,000			Eliminate contributions to Commissioners' Office, Planning, and Parks events (external and internal events. Includes external and internal events, i.e. assistance with fees and associated costs for participation at community events and contributions to internal cultural and other celebrations. Potentially impacts continued service provision by Departments and staff morale.
Conferences, Training, Workshops	$12,000			Eliminate training, conferences, and workshops for Planning Board and staff.
Freeze a part-time public affairs assistant position (vacant)	$47,250	0.5	0.0	Freeze a part-time, public affairs assistant position (vacant) to serve as clerk at Planning Board meetings.
Eliminate contracted	$14,691			Eliminate funding for contracted staff

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
staffing				to manage special projects, (i.e. updating homeowners association (HOA) mailing list and other projects).
Professional Services – Transcript Preparation	$3,000			Reduce funding for the preparation (external) of transcripts. Staff will prepare transcripts, reducing the ability to stay current with processing Planning Board Resolutions and Board meeting minutes.
Temporary staffing	$3,000			Eliminate budget for temporary office help, as needed, during long-term staff absences.
Furlough	$28,800			10-day furlough for employees in the Commissioners' Office (Includes Chairman and Commissioners.) This will create a significant, negative impact on staff morale.
GAP	$30,000			To be determined.
Total	258,941	0.5	9.0	

2. What are your current vacancies and of those, how many are due to frozen positions and how many are vacant above frozen positions due to normal turnover? How does this compare to the lapse recommendations in the budget?

The Commissioners' Office has one vacancy because a PT public affairs position has been frozen in order to achieve the FY10 savings plan targets. The FY11 proposed budget does not assume lapse.

3. Please provide additional detail on all operating costs comparing key subcategories to last year (support services, supplies and materials, and any other operating costs).

The FY11 proposed budget was identical to the FY10 adopted budget levels, with no increases for inflation or other factors.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue • Riverdale, Maryland 20737

April 12, 2010

TO: Planning, Housing and Economic Development Committee
Marlene Michaelson, Senior Council Analyst

VIA: Patricia C. Barney, Executive Director

FROM: Holly Sun, Budget Manager

SUBJECT: Budget Work Session

Below please find CAS Departments' responses to Council Staff questions in preparation for the budget work session of April 12:

1. **What cuts would be necessary to meet the Executive recommended budget? What is the impact of those cuts on work program, quality of service, etc?**

The Montgomery County Executive's FY11 Budget Recommendation proposed a funding level for the Montgomery County Administration Fund (including CAS) at 15.4% below FY10. For CAS departments, a 15.4% reduction from the FY10 budget represents a total reduction of $1.6 million or 19.2% on average from the Commission's proposed FY11 budget in Montgomery County. Due to the bi-county funding nature, the impact would be about double.

Due to the small size of CAS, the magnitude of the reductions reaches a level that would cripple the corporate core to the extent that we could not commit to delivering mandatory work programs on a timely basis. To relate these non-recommended reductions to the CAS work programs and service level, the following sections of the response present the savings, the workyear impact, and the program impact by department. The tables below summarize the impact. Also attached is an overview summary (Table A-E) of the reductions for each CAS department.

It should be noted that a reduction in workyears in a work program does not necessarily correlate to staff working on that program. Reductions in force, if they occur, are conducted in accordance with Commission Merit Rules and Regulations and applicable collective bargaining agreement provisions.

DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT (DHRM)

The Department's proposed FY11 budget is approximately 89% personnel costs; non-discretionary costs only account for about $0.2 million per County. Compensation provides for 38.5 workyears (18.75 in Montgomery County), assuming a 9% lapse (2.0 workyears per County) by freezing four positions impacting Executive Director's Office, Budget and Management, and Labor Relations. In consideration of the economic climate, the Department proposed budget also assumed no inflationary cost increase for operating expenses and no funding for capital outlay. The proposed budget included FY10 annualization, COLA, merit, retirement and other benefit increases. The total request also factored in a reduction to chargebacks to the Enterprise Fund and Risk Management Fund based on revised methodology for calculations.

In order to achieve the Montgomery County Executive's target of a 15.4% reduction from FY10 budget, the Department needs to reduce its same service level FY 11 proposed budget by $1,004,000 (-$517,000 or -20.8% in Montgomery County and -$487,000 or -19.6% in Prince George's County). The non-recommended reductions would require cuts to various operating costs, freezing additional vacancies on top of the budgeted lapse, and a reduction in force of four positions (two per county) based on average salary. Under this scenario, the work force is expected to decrease significantly with a total lapse of **26%** with service level declining as a result.

The non-recommended reduction list below starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs.

Reduction Item	**Savings**	**WY Reduced**	**WY Remaining**	**Impact**
Lapse (9%) included in FY11 Proposed Budget		2.0	18.75	Freezing four positions (2.0 per County) with a 9% budgeted lapse impacts the Department's ability to provide services in management analysis, labor relations, and organizational development and training.
Cost of Living Adjustment	$29,400			Elimination of COLA for all employees. Decision on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Merit Increases	$12,300			Elimination of annual merit increases for qualified employees (with appropriate rating levels and not at the top of the pay grade). Action on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Eliminate Non-Local Travel/Training	$5,000			Employees electing to participate in training, conferences or seminars out of the area are responsible for all of

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				the expenses. This action reduces opportunities for career development and requires reliance on local training and other resources to remain current with regulatory and other work program required changes.
Various Reductions in Operating Costs (Service Awards, Printing, Memberships, Subscriptions, Suppliers and Materials, etc.)	$20,000			Reductions would be achieved by eliminating CAS Service Awards Program, reducing printing, memberships, subscriptions, supplies and materials, etc. Work program will be impacted with limited resources to keep current with trends in the industry. The reduction will also significantly limit public access to print copies and instead rely on electronic formats, which could cause inconvenience on residents that do not have access to internet.
Eliminate Apprenticeship/Trades Educational Services Program	$6,300			Eliminate the last DHRM-sponsored Workforce Development program. Departments have to fund their respective employees if they choose to keep the program. The Apprenticeship program provides a four-year education and work experience in trades. DHRM provided the cost of membership, trade school, books and materials for the enrolled employees. (Subject to labor negotiations)
Reduce Professional Services	$60,000			This reduction significantly weakens the Department's capacity to perform analyses and special studies in different fields such as policy, operational issues, fiscal analyses and special classification or compensation areas.
Eliminate Term Contracts	$65,000			Eliminate funding for non-career staff backfilling multiple vacancies being frozen to achieve savings. Existing employees will attempt to absorb workload related to labor relations and records management, etc.
Furlough	$57,000			10-day furlough for employees to

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				reduce number of employees subject to RIF.
Recruitment and Selection	$66,000	1.0	1.0	Minimum service will be provided. Prolonged timeframe for conducting background checks is expected and risk will rise of recruiting career and seasonal employees with criminal records that work around children and other visitors placed in the Commission's care.
Executive Director's Office	$78,500	1.0	4.0	Minimum archives service will be provided to departments along with limited capacity to transition or improve the records management situation. Reduced administrative support to the Executive Director and the Department will impact the unit's ability to coordinate and prepare packets for Commission, Executive Committee and Department Directors meetings, manage department work program, provide office coverage and respond to questions from the public, and will reduce general administrative support for the Department.
Human Resources Records Management	$71,500	1.0	1.5	Reduced support to Human Resources Director and to data entry, background checking and personnel action form processing. The ability to process personnel records (reaching 31,000 in FY09) will be reduced by 1/3. The bulk of the transaction are for existing staff resulting from completion of performance evaluations, placement on Performance-Improvement-Plans, terminations, reclassifications, transfers, pay grade changes, series review changes, pay adjustments, retroactive payments, acting pay, scheduled hour changes, etc. These transactions must be completed by the end of each payroll. A backlog results in no pay check for an employee or an inaccurate paid amount. The ability to provide timely

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				guidance to the field regarding these personnel transactions would be greatly impacted, too.
Employee and Labor Relations /HR Director's Office	$55,000	0.5	3.0	Increases the difficulty to meet the needs for the two contract reopeners and scheduled union contract negotiations. Also largely limits the Department's ability to respond timely to employee concerns and grievances, departments' request for guidance on personnel matters, and the ability to provide counseling and education programs.
Total – MC	**$517,000**	**3.5**	**15.25**	
Total – Bi-County	**$1,004,000**	**7.0**	**31.50**	

DEPARTMENT OF FINANCE

The Finance Department budget funds mandatory work programs in support of the operating departments' operations. The Finance Department's work program includes payroll services, vendor payments, recording revenues and expenditures, investing cash and providing financial management tools and advice to support operating departments' decision making process. The Department has emphasized streamlining & reorganizing to keep growth at a minimum while striving to deliver a high level of service.

The Finance Department has the same number of positions (excluding the merged IT staff and the two new positions fully funded by Prince George's County in FY 09 to support its large CIP) as it had in FY 1992, which is 61. With frozen positions, we are currently 5% below the complement we had in FY 1992 to perform our basic financial services.

During that time period, we have had to meet increased IRS regulations related to debt, new GASB statements (most notably GASB 34) which significantly increased the complexity of our financial reporting requirements, provide financial analyses for public private partnerships, provide administrative and financial reporting for the Other Post Employment Benefits Trust and implement and maintain core financial systems and secure networks.

In consideration of the economic climate, the Department proposed budget assumed no inflationary cost increase for operating expenses and $0 for capital outlay. FY11 proposed budget assumes 4.3% lapse (1.5 work years in each county). The Finance Department has three vacancies that will remain frozen all of which have been frozen for the past two years. One position had been filled by an intern at a reduced cost. Those positions are the Accounting Technician (Accounts Payable), the Senior Purchasing Specialist and the Auditor, currently being supplemented by contractual services. The Finance Department recommends incorporating the change in chargeback allocation included in the proposed budget, which provides additional relief to the Administration Fund and some relief to the Montgomery County Enterprise Fund.

In order to achieve the Montgomery County Executive's target of a 15.4% reduction from FY10 budget, the Department needs to reduce its same service level FY 11 proposed budget by $1,247,200 (-$653,300 in Montgomery County). The non-recommended reduction list below starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Lapse (4.3%) included in FY11 Proposed Budget		1.5	32.30	Freezing 3 positions (1.5 per County) impacts services in accounting, purchasing and auditing.
Cost of Living Adjustment	$61,700			Elimination of COLA for all employees. Decision on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Merit Increases	$38,200			Elimination of annual merit increases for qualified employees (with appropriate rating levels and not at the top of the pay grade). Action on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Advertising	$6,300			If the Department has turnover, we will be unable to advertise the position unless we have savings after annual leave payout. This may result in leaving critical positions vacant.
IT Software and printers	$7,500			We will not be able to upgrade desktop software or replace printers that fail. This may result in lost opportunities to improve efficiency from software enhancements and impact productivity from printer failures.
Professional Services	$60,000			(Montgomery County Only) Significant delay in general ledger reconciliations for MC accounts, reduced capacity to

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				provide complex financial analysis to MC departments. Eliminates ability to survey and update the Commission's vendor file.
Furlough	$117,500			10-day furlough for employees in the Finance Department reducing impact of potential RIF action.
IT Operations - Professional Services for Disaster Recovery Project	$27,500			Reduces assistance in setting up and maintaining our disaster recovery site. Removing outside expertise from the project may impact our ability to fully implement our disaster recovery site at CAB or delay it significantly.
IT Operations - Hardware for Disaster Recovery Project	$54,500			This represents the financing for our disaster recovery hardware. We would not be able to purchase the required computers and servers to implement a disaster recovery site at CAB.
Department Management and Administration	$49,428	1	3.0	Eliminates the only administrative support for the Secretary-Treasurer and the department, as well as the department budget manager. These work programs will have to be shared among the remaining positions and significantly reduce the overall quality of service. This will negatively impact the other programs and result in slow responses and delays in processing of capital equipment financing, bond sales, budget forecasting, department budget management, personnel management, CAFR production, and other projects.
Payroll	$24,714	0.5	2	Despite recent improvements from implementation of Kronos timekeeping System for Career employees, eliminating this position will significantly impact our ability to process the seasonal payroll (processed every other week) and require additional temporary help

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				with this payroll during the summer months. We would also lose some of our backup to cover leave situations and would be more vulnerable to failing to meet payroll obligations timely. Additionally, we will not be able to process late timecard submissions resulting in some staff not being paid two weeks later.
Accounting	$49,428	1	4.0	Accounting has been impacted by new Accounting standards such as GASB 34 and 45 (OPEB) which made our work program more complicated. Finance would be unable to respond to field requests for complex financial analysis, timely bank reconciliations would not be possible, increasing fraud and risk and financial reports preparation and billings for grants would be slowed. The ability to provide timely projections to the operating departments would be reduced.
Purchasing	$24,714	0.5	1.80	(Note that one position is already frozen to accommodate lapse). Despite changes to increase decentralization, processing of RFP's and contracts will be significantly slowed down. The ability to negotiate price agreements, improve procurement processes, train field staff, maintain vendor relations and assist with large procurements will be degraded.
Accounts Payable	$24,714	0.5	2.0	(Note that one position is already frozen to accommodate lapse). Eliminating this position will significantly impact our ability to pay vendors on time. With the one position frozen we are already encountering slow payment situations, somewhat offset by using personnel from other programs who

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				would no longer be available under this scenario. We would not be able achieve an acceptable level of service, resulting in a potentially growing increase of late vendor payments which incur a 10% late fee after 45 days, mandated by State law.
IT Applications	$74,142	1.5	10.5	Loss of a these positions will reduce or eliminate the ability to maintain IT tasks, and install upgrades to current systems. These include program management for Kronos, Kronos upgrade and application support for seasonal employees , hand-held and mobile users, program management for Sharepoint, backup admin/program support for SAN, Disaster Recovery Site and Network operations, email, security, maintenance services, as well as representation on County-based committees. We would also experience a delay in help desk response time, decreased backup coverage, and potential delay or elimination of Commission-wide system upgrades such as ePersonality (HR/Payroll), EnergyCap (utility payment/mgmt), and Evault (data backup).
Treasury Operation	$8,530	0.5	1.5	This would make timely entering of cash receipt information into the accounting records problematic, and would eventually lead to outside auditor concerns. This also eliminates a position that could assist in areas where previously named eliminations would require assistance.
Audit	$24,714	05	1.5	Eliminating this position in an already lean Audit Division would reduce the number of audits that could be performed, thus exposing the Commission to additional risk from Fraud, Waste, and Abuse.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Total - MC	**$653,584**	**6.0**	**26.30**	
Total – Bi-County	**$1,247,168**	**12.0**	**54.60**	

LEGAL DEPARTMENT

In general, the cuts necessary to meet the County Executive's recommended budget for the OGC will require the Legal Department to eliminate six (6) legal and administrative jobs that currently are filled, even after assuming that compensation adjustments are eliminated and a 10-day furlough is imposed department-wide. All of these steps are necessary to reach a total reduction of $627,854 (or 24% below the maintenance-level budget proposed), of which $326,427 would be reductions in Montgomery County funding and $301,427 in Prince George's County funding. (Note: The estimate of jobs required for elimination is elevated because utilizing an average salary approach is expected to overstate projected savings because it does not reflect the real statistical distribution of salaries.)

On a prudential level, the cuts will require the Legal Department to indefinitely suspend its core operating emphasis on providing "proactive counsel, preventive advice and early intervention to support decision-makers." Reference: M-NCPPC Practice 1-40 (July 15, 2009). As a result of proposed reductions in force in Montgomery County and CAS, and the direct legal exposures related to the personnel actions implemented, the General Counsel does not believe that eliminating resources devoted to the employment law and litigation work is a realistic option. Indeed, challenges to a RIF are expected and must be given first priority. In addition, because the Commission expects to achieve savings by assuming direct responsibility for its risk management and workers compensation litigation, cuts at the level proposed by the County Executive will require OGC to reduce time and attention to every other area.

The impact of those cuts on work program will be pronounced in both counties. For example, at current staffing levels, Commission attorneys are generally available to support staff decision-making with legal advice about how various development review issues might be resolved with an applicant before a staff recommendation evolves and a public hearing occurs. That approach will not be possible in many cases if the cuts are imposed at the level envisioned. As a result, everyone must anticipate that Commission attorneys would request continuances with some frequency in subdivision and site plan cases in order to comport with the ethical requirements of providing diligent legal representation. In Prince George's County, where an absolute statutory deadline applies to certain decisions by the Planning Board, it is possible that some applications may be deemed approved as a matter of law without appropriate consideration by the Planning Board.

Finally, in general, the General Counsel anticipates the Department's current service delivery / business model of "embedding" attorneys in each operating department to provide day-to-day and integrated legal support will be curtailed or, perhaps in some instances, even eliminated. As a bottom line, the cuts will require more inter-departmental and inter-county sharing of attorney time, not less.

For those reasons, the General Counsel does not recommend reductions at that level. The non-recommended reduction list starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Cost of Living Adjustment	$20,300			Elimination of COLA for all employees. Decision on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Merit Increases	$12,400			Eliminates annual increases for employees who receive appropriate rating levels and who have not reached the top of the pay grade. Action on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees is subject to labor negotiations.
Furlough	$40,000			10-day furlough for employees in the Department reducing impact of potential RIF action.
Professional Services	$25,000			Reduction achieved by projected deferral of outside counsel fees to defend a civil suit filed against the Commission, several officials and employees involved in Montgomery County development functions. A supplemental appropriation may become necessary if the pace of this case accelerates beyond current expectations.
General Counsel Work Program	~~$120,000~~	~~1.0~~		~~Reduction achieved by continuing~~ programmed lapse for one attorney position to support Montgomery County Land Use functions. This workyear was first proposed and adopted for FY 08 to provide adequate legal resources at MRO to enable a number of strategic initiatives including, for example, the zoning ordinance rewrite.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
	$228, 727	3.0	2.5	Elimination of legal and administrative staff assigned to support land use, park and recreation operations in both counties. Highlight of key impacts expected include: ■ Substantially diminished capacity to resolve legal issues as part of development review process, likely resulting in the delay of certain subdivision and site plan approvals when issues cannot be resolved "on the fly" or at public hearing stage. ■ Inability to provide ongoing legal support for Montgomery County zoning ordinance rewrite, enforcement, and other planning activities. ■ Probable reduction of embedding legal staff on-site with operating departments in both counties. ■ Increase in cycle times for processing routine procurement transactions and substantially diminished capacity to provide ongoing legal support for public-private partnerships and other complex transactional matters. ■ Significant cost inefficiencies resulting from attorneys handling additional clerical/ administrative tasks, as well as experienced attorneys handling more routine (less complex) assignments. ■ Increase in legal risks associated with land use and transaction functions. Elimination of additional legal staff supported partially by Prince George's County Administrative Fund as necessary to achieve savings target for Montgomery County Administrative Fund. Highlight of key impacts expected include: ■ Amplified impact as described

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				above for reduction in force. ■ Possible elimination of embedding legal staff on-site with operating departments in both counties. Attorneys assigned to land use functions may be required to cover both county Planning Boards.
Total - MC	**$326,427**	**4.0**	**9.25**	
Total – Bi-County	**$627,854**	**7.0**	**18.75**	

SUPPORT SERVICES

The CAS Support Services account is for costs allocable to all the CAS departments. There is very limited capacity for this budget to take a reduction; the majority of budget is for office space rent (60%). Also included is unemployment compensation, risk management (insurance), utilities, print shop and standard supplies for the CAS departments. In order to achieve the Montgomery County Executive's target of a 15.4% reduction from FY10 budget, the Support Services has to reduce its rent payment by $161,600, or $80,800 per County. Fund balance will be utilized to cover the shortfall.

MERIT SYSTEM BOARD

The Merit System Board budget funds three appointed part-time board members and one part-time administrator. The only increase in the FY11 proposal is for benefit increase and anticipated compensation adjustments. This is a small budget without flexibility for reduction as it funds mandated services driven by caseload. The Merit Board currently projects an over expenditure of $33,000 in FY10. The CAS Departments are working to cover this shortfall.

In order to achieve the Montgomery County Executive's target of a 15.4% reduction from the FY10 budget, the Merit System Board needs to reduce its Proposed FY11 Budget by $26,600 (-$13,300 or 21.8% per County). Even after eliminating COLA and merit (subject to labor negotiations and two County Councils' approval) and assuming a 10 day furlough, the Merit Board is still short $9,200 in Montgomery County from achieving the target. The non-recommended reduction list below starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Cost of Living Adjustment	$800			Elimination of COLA for all employees. Decision on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				represented employees' action is subject to labor negotiations.
Merit Increases	$900			Elimination of annual merit increases for qualified employees (with appropriate rating levels and not at the top of the pay grade). Action on non-represented employees requires approval of both Montgomery and Prince George's County Councils. The action for represented employees' action is subject to labor negotiations.
Furlough	$2,400			10-day furlough for employees will likely cause a significant reduction in service levels.
GAP – Savings to Be Determined	$9,200			To be determined. Mandated services with costs driven by caseload makes it hardly possible to absorb any additional cuts.

2. **What are your current vacancies and of those, how many are due to frozen positions and how many are vacant above frozen positions due to normal turnover? How does this compare to the lapse recommendations in the budget?**

DHRM has eight vacancies currently (bi-County total). Four (9%) are frozen to meet FY10 adopted budget and FY11 proposed budget; two additional are frozen (increasing total lapse to 14%) temporarily to meet Montgomery County FY10 mid-year savings plan; and two others are critical to fill. Historical data indicates that normal lapse for this Department is 5 to 6%. The FY11 proposed budget assumed 9% lapse.

The Finance Department has four vacancies (bi-County total). One is vacant due to normal lapse and is currently being held for a Chief Information Officer for the Commission, and three are frozen. The FY11 proposed budget assumed 4.3% lapse.

~~**The Legal Department** has two vacancies (bi-County total). One vacancy assigned to the Montgomery~~ County Land Use Team is vacant due to normal lapse, and the other is not frozen because it is a position critical to employment litigation and enforcement proceedings. In order to meet the FY11 proposed budget, one workyear/position (described above) has been lapsed at $120,000 in Montgomery County operations.

The Merit System Board has no vacant positions.

3. **Please provide additional detail on all operating costs comparing key subcategories to last year (support services, supplies and materials, and any other operating costs).**

DHRM: No inflation growth was assumed for non-personnel costs. Supplies and Materials (bi-County total) has no change from FY10 adopted level except reallocating $11,900 to Support Services due to restoring CAS Support Services accounts for better oversight. Other Services and Charges also remain the same as the FY10 budget except for reallocating $360,200 to Support Services. Chargebacks to Internal Service Fund decrease by $40,500.

Finance: The changes in operating costs were largely due to transferring supplies and other services budgeted expenditures to CAS Support services, which was allocated to the CAS department s in FY 2010. For Supplies and Materials, the decrease was $18,900 or 8%. For Other Services and Charges, there was a decrease of $469,900 or 23%. In addition, a reevaluation of chargeacks was performed, resulting in increased chargebacks, primarily to internal service funds, of $335,400, or 19%.

Legal Department: The changes in operating costs for the Legal Department were nominal. The 6.3% decrease in Supplies and Materials and 16% decrease in Other Services and Charges are attributed to reallocating certain expenditures to CAS Support Services.

Merit System Board: Same as FY10 budget.

CAS Support Services: Restored in FY11 by reallocating same amount included in FY10 budget from individual departments.

Department: Department of Human Resources and Management

Table A

FY11 Proposed Budget - Montgomery County (without reserves, or grants)			$2,485,900			
	Proposed Items for Reduction	**Reduction amount**	**Reductions**	**Running Total**	**# Pos RIF/Unfund - MC**	**# Pos RIF/Unfund Bi-County Total**
County Executive Funding Level is 15.4 % below FY10 Budget (20.8% below FY11 Proposed)		**(517,000)**				
	Lapse included in FY11 Proposed Budget = 9%				(2)	(4)
	Savings from COLA reduction		(29,400)	2,456,500		
	Savings from Merit reduction		(12,300)	2,444,200		
	Eliminate non-local travel/training		(5,000)	2,439,200		
	Eliminate Apprenticeship Program		(6,300)	2,432,900		
	Various reductions in operating expenses (memberships, subscriptions, printing, supplies & materials, etc.)		(20,000)	2,412,900		
	Reduce funding for Professional Services		(60,000)	2,352,900		
	Freeze 1 HR Technician position		(38,500)	2,314,400	(0.5)	(1)
	Freeze 1 Recruitment position		(33,000)	2,281,400	(0.5)	(1)
	Freeze 1 Labor Relations position		(55,000)	2,226,400	(0.5)	(1)
	Eliminate term contracts		(65,000)	2,161,400		
	Eliminate Archives term contract		(12,500)	2,148,900		
	Furlough for 10 days @$11,400 per day ($5,700 per County)		(57,000)	2,091,900		
	RIF 4 positions @ $33,000 each (lapse increased to 26%)		(123,000)	1,968,900	(2.0)	(4.0)
	Summary reductions		**(517,000)**			
	Total Reductions (Bi-County)		**(1,004,000)**		**(5.5)**	**(11.0)**

Assumptions:

$66,000	**Savings from Reduction in Force/ WY (Bi-County)**
$11,400	**Furlough savings per day (Bi-County); $5,700 per day per County**
$12,300	**Merit - 3.5% on Anniversary (w/ benefits)**
$29,400	**COLA - MCGEO & Non-Represented Merit Career 2.25% in October or 1.69% annualized (w/ benefits)**

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Department: Finance

Table B

FY11 Proposed Budget - Montgomery County (without reserves, or grants)			$3,827,700			
	Proposed Items for Reduction	**Reduction amount**	**Reductions**	**Running Total**	**# Pos RIF/Unfund - MC**	**# Pos RIF/Unfund Bi-County Total**
County Executive Funding Level is 15.4% below FY10 Budget (17.1% below FY11 Proposed)		(653,300)				
	Lapse Included in FY11 Proposed Budget = 4.3%				(1.5)	(3.0)
	Remove funding for COLA		(61,700)	3,766,000		
	Savings from Merit reduction		(38,200)	3,727,800		
	Remove funding for advertising		(6,300)	3,721,500		
	Reduce funding for IT for Software/Printers		(7,500)	3,714,000		
	Reduce funding for Prof. Services MC Support Only		(60,000)	3,654,000		
	Furlough for 10 days @$23,450 per day ($11,750 per County)		(117,500)	3,536,500		
	Remove prof service for disaster recovery project		(27,500)	3,509,000		
	Remove funding for IT disaster recovery hardware		(54,500)	3,454,500		
	RIF 6 positions at $49,428 each (lapse to 12.9%)		(132,100)	3,322,400	(3.0)	(6.0)
	RIF additional 6 positions at $49,428 each (lapse to 21.4%)		(148,284)	3,174,116	(3.0)	(6.0)
	Summary reductions		**(653,584)**			
	Total Reductions (Bi-County)		**(1,247,168)**		**(7.5)**	**(15.0)**

Assumptions:

$49,428	**Savings from Reduction in Force/ WY (Bi-County)**
$11,750	**Furlough savings per day per County**
$38,200	**Merit - 3.5% on Anniversary (w/ benefits)**
$61,700	**COLA - MCGEO & Non-Represented Merit Career 2.25% in October or 1.69% annualized (w/ benefits)**

Table C

Department: Legal Department

FY11 Proposed Budget - Montgomery County (without debt service, reserves, or grants)			$1,365,250			
	Proposed Items for Reduction	**Reduction amount**	**Reductions**	**Running Total**	**# Pos RIF/Unfund - MC**	**# Pos RIF/Unfund - Bi-County Total**
County Executive Funding Level is 15.4% below FY10 Budget (23.9% below FY11 Proposed)		**(326,400)**				
	Unfunded MC, MRO mid-level attorney				(1.0)	(1.0)
	Savings from COLA Reduction		(20,300)	1,344,950		
	Savings from Merit Reduction		(12,400)	1,332,550		
	Reduce Funding for Professional Services (Outside Counsel)		(25,000)	1,307,550		
	Furlough for 10 days @ $4,000 per day		(40,000)	1,267,550		
	RIF 3 positions at $76,242 each		(114,363)	1,153,187	(1.5)	(3.0)
	RIF additional 3 positions @ $76,242 each		(114,363)	1,038,824	(1.5)	(3.0)
	Summary reductions		**(326,426)**			
	Total Reductions (Bi-County)		**(627,853)**		**(4.0)**	**(7.0)**

Note: The reductions in positions does not include the non-career or contract employees.

Assumptions:

$76,242	Savings from Reduction in Force/ WY (Bi-County) Based on Avg. Salary w/ Adjustment
$4,000	Furlough savings per day per County
$12,400	Merit - 3.5% on Anniversary (w/ benefits)
$20,300	COLA - MCGEO & Non-Represented Merit Career 2.25% in October or 1.69% annualized (w/ benefits)

Table D

Department: CAS Support Services

FY11 Proposed Budget - Montgomery County (without reserves, or grants)				$525,500			
	Proposed Items for Reduction	**Program**	**Reduction amount**	**Reductions**	**Running Total**	**# Pos RIF/Unfund - MC**	**# Pos RIF/Unfund - Bi-County Total**
County Executive Funding Level is 15.4% below FY10 Budget (15.4% below FY11 Proposed)			(80,800)				
	Reduce rent payment to EOB	DepartmentWide		(80,800)	444,700		
	Summary reductions			(80,800)			
	Total Reductions (Bi-County)			(161,600)			

Note:
No Personnel in account. Most expenses are non-discretionary and include unemployment, insurance, utilities, etc.

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Table E

Department: Merit System Board

FY11 Proposed Budget - Montgomery County				**$60,950**			
	Proposed Items for Reduction	**Program**	**Reduction amount**	**Reductions**	**Running Total**	**# Pos RIF/Unfund - MC**	**# Pos RIF/Unfund - Bi-County Total**
County Executive Funding Level is 15.4% below FY10 Budget (21.8% below FY11 Proposed)			(13,300)				
	Savings from COLA reduction	DepartmentWide		(800)	60,150		
	Savings from Merit reduction	DepartmentWide		(900)	59,250		
	Furlough for 10 days @$471 per day ($236 per County)	DepartmentWide		(2,355)	56,895		
	GAP to Identify for County Executive funding level			(9,245)	47,650		
	Summary reductions			(13,300)			
	Total Reductions (Bi-County)			**(26,600)**		-	-

Assumptions:

$471	Furlough savings per day (Bi-County)
$900	Merit - 3.5% on Anniversary (w/ benefits)
$800	COLA - MCGEO & Non-Represented Merit Career 2.25% in October or 1.69% annualized (w/ benefits)

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April 12, 2010

TO: Planning, Housing and Economic Development Committee
Marlene Michaelson, Senior Council Analyst

VIA: Rollin Stanley, Planning Director

FROM: Alison B Davis, Chief, Management and Technology Services

SUBJECT: Budget Worksession

Below please find the Planning Department's responses to Council Staff questions in preparation for the budget worksession of April 12:

1. What cuts would be necessary to meet the Executive recommended budget? What is the impact of those cuts on work program, quality of service, etc?

In the past three years the Planning Department work program generated significant master plans that will and can better position the County to react to demand for new jobs and housing as the marker rebounds. White Flint is an excellent example where several property owners are waiting for enactment of the zoning to submit major development applications. The positive implications on the County's fiscal health of these initiatives are significant.

For the past three fiscal years, the Planning Department effectively has experienced reductions in its budgets in that approved levels have not kept pace with the mandatory increases. To meet this and other funding challenges, the Department undertook such actions as a major reorganization including reducing its management structure, downgrading vacancies, abolishing four positions, using alternative hiring methods, and greatly curtailing its non-personnel spending. During the same timeframe, the Development Review Special Revenue Fund continues to experience loss of revenues which had to be covered by the tax-supported Administration Fund, further stressing the Department's dwindling fiscal resources. Despite effective funding losses, the Department has accomplished an increased and vigorous work program.

The proposed revisions to the work program will have an impact on the resources necessary to maintain response time on development applications. The application numbers have been in constant flux over the past two years impacting our ability to predict work load and allocate resources, and hence the impact on processing time.

We anticipate our budget impacts on processing are as follows:

- Closing the information counter on Fridays, however we anticipate our clients adjusting to this change quickly as well as having professional staff also share the duties of "manning the desk."

- Plan review – administrative functions will increasingly be done by reviewers as administrative staff positions are not filled and should application levels increase, we will need to determine how to respond, but we do anticipate some impact on review times.
- Web services – our efforts to automate information to expedite application processing and review plans will be impacted. Our recent Forest Conservation web mapping is an example of a new tool that can be beneficial.
- Not processing new historic designation applications will impact our standing as a high user of tax credits that generate construction jobs.
- Enforcement / inspections will be reduced; however we will attempt to reassign staff to fill gaps.

For FY11, the County Executive's recommendation is 20.8% below the Department's proposed same service level budget. To relate the effect of this funding level to the Department's program budget, the non-recommended cuts affecting workyear reductions are identified by program element with the workyear impact, accompanied savings,[1] and program impact statement. Reductions in force, if they occur, are conducted in accordance with Commission Merit Rules and Regulations and applicable collective bargaining agreement provisions. Additionally, since the non-personnel expenditures are spread by workyear, the non-recommended cuts in operating expenses are identified by line items with impact statements. The non-recommended reduction list starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs:

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
Cost of Living Adjustment	$270,600			Eliminates employee COLA from compensation package for covered and non-covered employees Decision on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations.
Merit Increases	$192,800			Eliminates annual increases for employees who receive appropriate rating levels or who have not reached the top of the pay grade. Decision on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations.
Printing, postage, paper and office supplies,	$55,000			These operating expenses have been steadily decreasing over the

[1] The savings are based on an average salary for vacancies for the Planning Department. The Commission's Merit System Rules and Regulations and Collective Bargaining Agreements regarding reductions in force have specific processes including timing requirements and payments for certain benefits which will impact of savings as result of a reduction in force in FY11. Determinations of affected employees are based on reduction in force procedures.

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
memberships, subscriptions, mileage, etc.				past three fiscal years. This reduction will limit public access to print copies and instead rely on electronic formats (Web and CDs).
Travel, conferences, training and seminars, employee skill set development	$47,700			These operating expenses have been steadily decreasing over the past three fiscal years. The Department is encouraging attending local offerings. Employees electing to participate in training, conferences or seminars out of the area are responsible for most if not all of the expenses...
Professional Services, miscellaneous services, and maintenance agreements	$101,000			Much of the Department's operating expenses involve the IT programs. Reductions in these expenditures risk continuity of critical services including LAN/WAN, GIS, servers and storage.
Furlough	$450,000			10-day furlough for employees in the Planning Department accommodating impact of potential RIF action.
Information Services	$213,000	2.00	3.90	Hours of operation were reduced from 8 hours every day to 6 ½ hours as part of the FY10 savings plans. For FY11, hours of operation will be further curtailed. We will be closing the Information Desk to the public on Fridays. Although more information is now available on the web, reviewers and planners (Planner of the Day) will need to be assigned to the information desk to cover a few hours each week which is not the most efficient use of their time. Information Services is reduced by closing the Transportation Information Counter and is inconvenient to the public.
Website	$106,500	1.00	4.90	Jeopardizes success in outreach improvements using websites, project pages, "mini-sites" (e.g. Zoning Montgomery), blogs, videos,

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				comment boards, etc. Accuracy and content will suffer.
Green Infrastructure Functional Plan	$101,200	0.95	0.00	Delay work efforts for FY11. This plan looks holistically at the County's valuable green areas and their connectivity to use as a guide for protecting habitat and sensitive environmental areas on a countywide scale. Although the Green Infrastructure plan is not state or county mandated, delaying jeopardizes our ability to protect these area as we continue to develop.
Highways Plan Update	$372,800	3.50	0.00	Deferring the Master Plan of Highways effort would delay the: • reconciliation of inconsistent master plan recommendations, • establishment of policy guidance for resource protection along several existing and candidate rustic roads, • implementation of the Minor Arterial classification to clarify neighborhood traffic protection measures, and development of staff draft recommendations until after the completion of the County BRT network study.
White Flint II	$239,700	2.25	0.00	The White Flint II Sector Plan will not be done in FY11. The Department has worked diligently to advance the master plan schedule. Master Plans are the primary tool by which the Council engages the public on land use matters.
Glenmont Master Plan	$271,600	2.55	0.00	The Glenmont Sector Plan will not be done in FY11. The Department has worked diligently to advance the master plan schedule. Master Plans are the primary tool by which the Council engages the public on land use matters.
Battery Lane	$95,800	.90	0.00	The Battery Lane analysis will be

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				postponed again in FY11.
Bikeways Implementation	$31,900	0.30	0.00	Deferring the Bikeways effort would reduce staff participation in advocacy, coordination, and review efforts to implement the bikeways recommendations in master plans.
Water Resources Functional Plan	$79,800	0.75	0.40	Reduce efforts in FY11. The Planning Board draft will be completed this spring. Reducing the effort in the water resources plan will delay obtaining council approval and submitting the plan to Maryland Planning Department. It also will delay coordination of efforts among other agencies.
Master Plan for Historic Preservation	$106,500	1.0	2.05	Reduce the efforts for the preparation of Amendments to the Master Plan of Historic Preservation to remove sites from the Historic Atlas. Work exclusively will be on the inventory and there will be a freeze on new nominations.
Chevy Chase Lake	$111,800	1.05	2.65	Work effort will be reduced on Chevy Chase Lake (i.e., less community outreach and longer time to complete the project)
Washington Adventist Hospital/Columbia Union College	$111,800	1.05	4.30	Work effort will be reduced on the neighborhood plan for Washington Adventist Hospital/Washington Adventist University (i.e., significantly less community outreach, less coordination with the municipality, fewer design alternatives and no preparation for a master plan amendment or alternative zoning strategy)
Mandatory Referrals	$106,500	1.00	5.20	Reduction in the effort associated with the review of Mandatory Referrals jeopardizes our ability to comply with local laws on timing for mandatory reviews which are public work projects and vital to the County's quality of life.
Work Program Management	$218,300	2.05	7.95	This program element contains the funding for the Department's

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				management staff which comprises approximately 6% of total staff. In the FY08 reorganization, restructuring took place which resulted in abolishment of four management/supervisory positions. This reduction will require additional restructuring.
Work Program Support	$351,500	3.30	10.15	Among other functions, this program element captures the administrative functions for the Department. Currently, we have very limited staff involved in administrative support of the work program. This reduction will add pressure on planning staffers to perform more administrative work, reduce support at public meetings, including Planning Board meeting and curtail community outreach activities.
Capital Projects	-42,600	+.40	3.10	Adds environmental staff time to review of Capital Projects.
Private Development & Public Project Coordination	-53,300	+0.50	3.35	Private Development and Public Project Coordination is increased to reflect monitoring activities requested by Council in the Gaithersburg and White Flint Sector Plans
Growth Policy	$564,500	5.30	3.80	The labor effort reduction reflects the assumption that the full Growth Policy review will be adjusted from a biennial to a quadrennial cycle with an adjustment in schedules so that one extra year, rather than two, is built into the process. In other words, the last Growth Policy was delivered to the Council in the first month of FY 10 and the next one will be delivered in the first month of FY 13. The following activities will occur during FY 11: o Annual updates to the PAMR and school test requirements

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				○ The assessment of pace/pattern of growth, master plan implementation report, and priority facilities will still be conducted on schedule during FY 11 to provide information for the FY 13-18 CIP. ○ The assessment of retail impacts on VMT, funded in part through the MWCOG TLC grant, will continue, as will needed improvements to land use forecasting and travel demand model processes All other studies to be led by the Department will be deferred indefinitely such as: ○ Highway Mobility Report ○ compact subdivision development ○ LEED classification as a component of Growth Policy ○ carbon offsets as an element of sustainable growth ○ Options to LATR The Department will continue to participate in discussions regarding the County's study of alternatives to PAMR, but no changes to LATR or PAMR will be entertained until FY 13.
Environmental Review/Forest Conservation/Inspections & Enforcement	$213,000	2.00	9.60	Reductions in this program element will jeopardize our ability monitor and enforce Planning Board decisions on forest conservation. Although reducing the effort in forest conservation and environmental reviews is consistent with the drop in submissions, we need to assure adequate staffing for inspections and plan reviews in order to protect our valuable natural resources. Review staff will be diverted to enforcement activities.
Special Exceptions	$111,800	1.05	4.30	The number of special exception

Reduction Item	Savings	WY Reduced	WY Remaining	Impact
				cases has declined so time staff devotes to the review of these applications will also decline. If rate picks up, there will be delays in reviews.
Preliminary Plans/Subdivision Plans	$170,400	1.60	8.70	This reduction recognizes the decrease in plan applications; however, these reductions jeopardize the Departments progress in process improvements as well as risking expeditious processing of applications as the economy recovers. Even with the advent of Project.Dox, if rate picks up, there will be delays in processing
Project/Site Plans	$138,500	1.30	7.10	This reduction recognizes the decrease in plan applications; however, these reductions jeopardize the Departments progress in process improvements as well as risking expeditious processing of applications as the economy recovers. Even with the advent of Project.Dox, if rate picks up, there will be delays in processing
Research	$106,500	1.00	5.00	This reduction will curtail needed specialized analysis and will require us to rely more heavily on standardize reporting templates for Master Plan, Council requests, and other information requests. Since the Census no longer includes the long form, there will be a need data for small area analyses of households, incomes, demographics, etc.
Subtotal	$4,844,600	35		
Less FY11 funding needed to cover expenses associated with RIF	-$ 731,000			Assuming effective date of 9/1/10, unemployment compensation, annual and comp leave payout, 3 months of health premiums
	$4,113,600	35		

Attached is an overview summary table of the reductions.

2. What are your current vacancies and of those, how many are due to frozen positions and how many are vacant above frozen positions due to normal turnover? How does this compare to the lapse recommendations in the budget?

The Planning Department has 27 vacancies. Nine are vacant due to normal lapse, and 18 are frozen. The normal lapse has been proposed again in FY11.

3. Please provide additional detail on all operating costs comparing key subcategories to last year (support services, supplies and materials, and any other operating costs).

The changes in operating costs were nominal. For Supplies and Materials, the increase was $10,200 or under 2%. For Other Services and Charges, there was a decrease of $17,100 or -0.05%. The changes in Support Services primarily are due to consolidation from the Divisions into operating along with the funding for COLA, increases in utilities and increases in chargebacks from internal service funds (which were offset to a great degree by decreases within the divisions).

4. Please provide the updates I ask for each year on the status of the Development review special revenue fund and the Enterprise Fund.

Please see Appendix B for update on the Development Review Special Revenue Fund.

Attachments (2)

cc: Amy Wilson, OMB

Department: Montgomery County Planning

FY11 Proposed Budget - Montgomery County (without reserves, or grants)		$19,796,900			
	Proposed Items for Reduction	**Reduction amount**	**Running Total of Reductions**	**Running Reduction Subtotal**	**# Pos RIF/Unfund**
County Executive Funding Level is 20.8% below FY11 Proposed		(4,113,600)			
	Current Lapse= 4.5%				(9)
	Unfund 13 frozen positions		(1,384,500)	18,412,400	(13)
	Savings from COLA Reduction (4 WY equivalent)		(270,600)	18,141,800	
	(Reductions at this point satisfy Spending Affordability Guidelines)				
	Unfund rest of frozen positions		(532,500)	17,609,300	(5)
	Savings from Merit Reduction (3 WY equivalent)		(192,800)	17,416,500	
	Savings from reduction is operating costs: printing, postage, office supplies, reducting response time for maintenance contracts, travel, conferences, training, and professional services etc. (3 WY equivalent)		(203,700)	17,212,800	
	Furlough for 10 days @ $51,500 per day (5 WY equivalent)		(450,000)	16,762,800	
	RIF17 positions @ $63,500/ per position		(1,079,500)	15,683,300	(17)
	Summary reductions		(4,113,600)		(44)

Note: The reductions in positions does not include the non-career or contract employees.

Assumptions:

$106,500	**Average salary for 1 vacant workyear fully loaded**	
$63,500	**Savings from Reduction in Force/ WY**	
	Two month delay	-$17,800
	Unemployment cost / WY	-$10,700
	Annual Leave payout w/FICA and medicare (for 3 weeks)	-$6,700
	Comp Leave payout with FiCA and Medicare (for 2 weeks)	-$4,400
	3 month health premium	-$3,400
-$43,000	**Furlough savings per day (after RIF action)**	
$192,800	**Merit - 3.5% on Anniversary (w/ benefits)**	
$270,600	**COLA - MCGEO & Non-Represented Merit Career 2.25% in October or 1.69% annualized (w/ benefits)**	

Planning Department Work Years Calculation - To Meet Montgomery County Executive Reduction Target

				To Meet MC Ex. Target				
Bi-County Total	**FY11 proposed positions**	****FY11 proposed work year**	***FY11 proposed lapse**	***additional Lapse**	**WY/POS RIF**	**work year left**	**Total lapse**	**% of Total Pos.**
Planning Department	181.00	**178.40**	-9.00	-18.00	-17.00	**134.40**	-44.00	-24.3%
Subtotal	**181.00**	**178.40**	**-9.00**	**-18.00**	**-17.00**	**134.40**	**-44.00**	-24.3%

*Wy rounded up
** Gross WY before lapse and Charge back

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Appendix B

Update of Development Review Special Revenue Fund
As of March 31, 2010

The development application activity and revenues assigned to the Development Review Special Revenue Fund are:

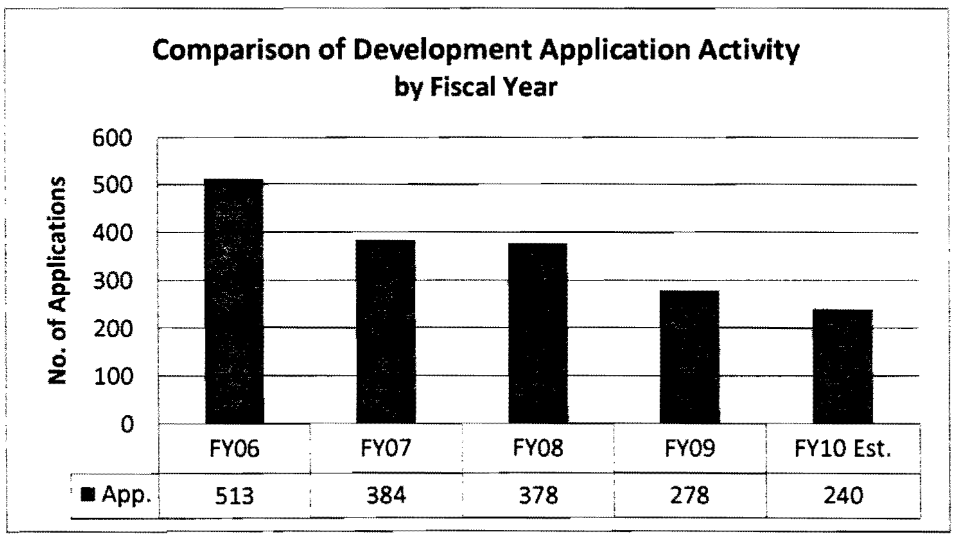
1. Subdivision Regulation Waivers Fees (SRW)
2. Project Plans Fees
3. Preliminary Plans Fees
4. Site Plans Fees
5. Record Plats Application Fees

The County Council approved a transfer in the Department's budget of $1.77 million in FY09 and $1.5 million in FY10 from the tax-supported Administration Fund to stabilize the Fund. FY11 proposed budget again proposes a $1.5 million transfer and the County Executive's recommendation affirms this proposal.

Application Activity

- The number of applications for FY10 is projected at 240 as compared to actual FY09 and FY08 applications of 278 and 378 respectively.

- Since the Fund was established, the application activity has consistently dropped an average of approximately 17.5% per year.



Fee Revenue

- The revenues for Development Review Special Revenue Fund through March 31, 2010 are $1,247,219.

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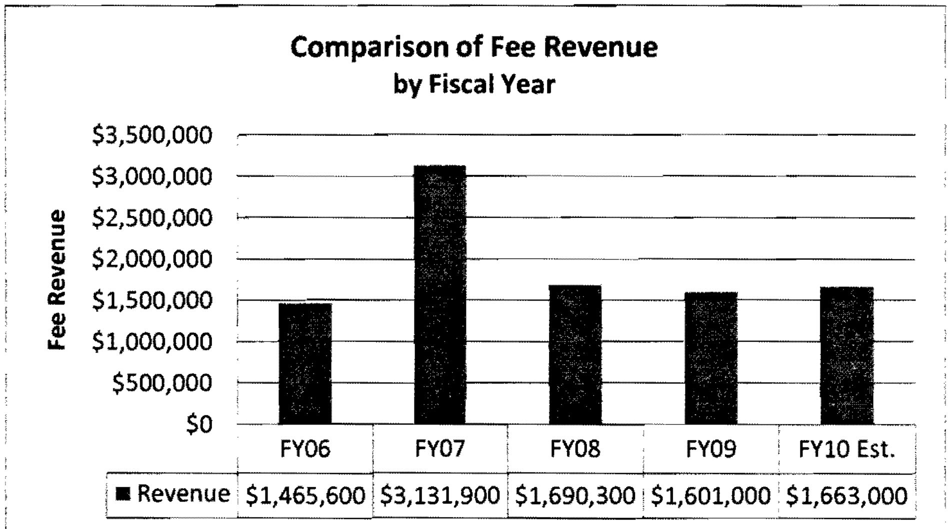
- To reach the budgeted total revenue in FY10 of $1,810,000, a monthly average of $150,833 is required.
- As of March, 2010 the monthly average is $138,480.
- Revenues for FY10 are projected to be $1,663,000 or 8% below the budgeted revenues of $1,810,000.
- While the fee revenues increased over 101% in FY07 due to the increased fee structure, the fund has experienced a 46% decrease in FY08.
- Despite the efforts to stabilize the fund the with transfers from the Administration fund, the fee revenue was 12% below budget in FY09 and is projected to be 8% below budget for FY10.
- Shortages in the fund must be covered by the Administration Fund.



April 5, 2010

TO: Planning, Housing and Economic Development Committee
Marlene Michaelson, Senior Council Analyst

VIA: Mike Riley, Deputy Director of Parks
Mary Ellen Venzke, Chief, Management Services

FROM: Karen Warnick, Budget Manager

SUBJECT: Budget Worksession

Below please find the Department of Parks' responses to Council Staff questions in preparation for the budget worksession of April 19:

1. **What cuts would be necessary to meet the Executive recommended budget? What is the impact of those cuts on work program, quality of service, etc?**

In consideration of the economic climate, for FY11, the Department of Parks submitted a reduced services budget of $82,729,300 with significant reductions in supplies, materials, contract services costs and minimal funding for new unfunded obligations. This proposed budget was not sufficient to meet current needs and did not address the growing backlog of maintenance. Currently, there is a backlog of more than 1,100 maintenance work orders, 138 major maintenance orders, and 890 tree maintenance orders.

In addition, each year the park system continues to grow by adding new parkland (either through dedication, donation, or purchase) with increased management responsibilities such as mowing, amenities to maintain, and resources to protect. The proposed FY11 budget does not provide the resources needed to properly maintain the growing park inventory, and puts us further behind on existing parks.

The FY11 proposed budget assumes a 7.5% lapse or 52.25 work years, the same as in FY10. This is higher than the normal attrition rate and has required the Department to have a modified hiring freeze for the past year. In addition, both the FY10 adopted and the FY11 proposed budget holds 14 positions unfunded from the FY09 Retirement Incentive program.

The FY09 and FY10 adopted budgets were significantly lower than requested and kept our work program below the maintenance level of a comprehensive park system. In addition, mid-year savings plans were implemented both years which further eroded the Department's ability to provide quality park amenities. The Department reduced efforts in technology initiatives, staff training, professional contracts, support to outside organizations for events, horticulture annual plantings, and select services for managed community open space, such as routine maintenance and repairs, litter control and patrols in urban and neighborhood parks. Recently, the Department closed 11 park activity buildings to meet the 2^{nd} FY10 savings plan reduction.

A major obstacle for the Department is that regardless of priority level, most of the Department's amenities are not able to be closed (ball fields, play grounds, trails, etc.). To "close" them would mean fencing them off from the patrons which would diminish residents' use of the parks and would come at a cost for the fencing materials, increased police patrols, and some continued maintenance thereby rendering minimal savings.

In addition, temporarily suspending the funding for a year or two for some projects, such as the deer management or the non-native invasive programs, would be detrimental and undermine much of the progress that has been gained in recent years. Closing some facilities even for a short period of time, such as the public gardens, would create a situation where staff would have to start over again when/if the facility reopened.

Safety is a top priority to the Department of Parks. As staff is stretched to perform mandated regulatory work, visitor safety may be compromised because of deferred maintenance. Under the County Executive's recommended budget, park benches, picnic tables and playground components not meeting safety standards will not be replaced or repaired, but rather will be removed. Some areas may be abandoned as active recreation areas as they deteriorate to the point of being unusable.

For FY11, the County Executive's recommendation is 17.5% or $14.5M below the Department's proposed same service level budget. The effect of this funding level would result in the overall degradation of the park system. All non-recommended reductions are identified by line items with impact statements. The detail regarding the non-recommended cuts affecting workyear reductions and accompanied savings[1] will be provided April 9th. It should be noted that reductions in force, if they occur, are conducted in accordance with Commission Merit Rules and Regulations and applicable collective bargaining agreement provisions.

The non-recommended reduction list below starts with measures that while being serious cuts with long term consequences for employees, allow us to keep the work force largely intact so as to be prepared for service demands as the economy rebounds. The remainder are in priority order from least damaging to most damaging to mission and work programs:

Reduction Item	**Savings**	**Impact**
Cost of Living Adjustment – MCGEO & Non-Represented Employees	$780,000	Eliminates employee COLA from compensation package for MCGEO and non-represented employees. Elimination of COLA for all employees. Decision on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations. If an agreement cannot be reached with the union, the impact will be to eliminate an equivalent of 18 positions.

[1] The savings are based on an average salary for the Department of Parks. The Commission's Merit System Rules and Regulations and Collective Bargaining Agreements regarding reductions in force have specific processes including timing requirements and payments for certain benefits which will impact of savings as result of a reduction in force in FY11. Determinations of affected employees are based on reduction in force procedures.

Reduction Item	Savings	Impact
Cost of Living Adjustment – FOP Employees	$230,000	Eliminates employee COLA from compensation package for FOP employees. This reduction would require the opening and renegotiation of the FOP contract. If an agreement cannot be reached with the union, the impact will be to eliminate an equivalent of 5 positions.
Merit Increases– MCGEO & Non-Represented Employees	$573,000	Eliminates annual increases for employees who receive appropriate rating levels and who have not reached the top of the pay grade. Action on non-represented employees requires approval of County Council. The action for represented employees is subject to labor negotiations. If an agreement cannot be reached with the union, the impact will be to eliminate an equivalent of 13 positions.
Merit Increases – FOP Employees	$62,000	Eliminates annual increases for employees who receive appropriate rating levels and who have not reached the top of the pay grade. This reduction would require the opening and renegotiation of the FOP contract. If an agreement cannot be reached with the union, the impact will be to eliminate an equivalent of 1 position.
Reduce Contribution to Self Insurance Risk Management Fund	$200,000	The Department provides an annual contribution to the Risk Management Fund based on actual and anticipated claims. The Finance Department has agreed to lower the FY11 contribution, hence, lower the reserve available for future claims resulting from accidents in parks. Should the actual reserves be insufficient to cover claims, the Department will have an increased exposure for risk. This may also have an effect on the reserve available for FY12, thereby, resulting in a larger contribution to restore the reserves to an acceptable balance.
Increase Park Planning & Stewardship Chargeback to the Capital Improvements Program (CIP)	$207,500	Increased CIP chargebacks for direct work on Legacy and restoration of historic structures. The impact will be less funding available for acquisitions and stabilization costs.
Increase Park Development Chargeback to CIP	$145,600	Increased CIP chargebacks similar to those used in County government. The impact is less funding available for unforeseen construction costs.
Increase Central Maintenance Chargeback to CIP	$272,000	Central Maintenance provides services to CIP in lieu of hiring outside contractors. This would shift the work program of the trade's unit and dedicate more man hours to the CIP. Increasing the amount of work that Central Maintenance charges to the CIP would reduce the number of employees available to perform trades work on Park facilities. This would increase the deferred non-capital

Reduction Item	Savings	Impact
		major maintenance backlog by approximately 50 work requests for an estimated backlog of approximately 188.
Eliminate Summer Intern and Employee Recognition Programs	$151,000	Support Services includes funding for a Collegiate Summer Intern Program and Employee Recognition cash awards for outstanding work accomplishments. This would eliminate these programs in their entirety. Eliminating the Intern Program would remove funding to attract potential future candidates in the park programming and management fields. This program has been highly successful. The projects planned in the summer of FY11 included: programming at Brookside Gardens and tree programs, park planning projects, developing and conducting park user surveys, standardization of budget impact costs of new parks and facilities, and various technology projects. The Employee Recognition Program is one of the few tools available to encourage and reward outstanding accomplishments for services provided in the parks. Employees are frequently faced with emergency situations related to weather or patrons in the parks. Eliminating funding to reward dedicated service will have a negative impact on employee morale and management's ability for positive reinforcement.
Forfeit New Positions for Unfunded Obligations and New Parks and Facilities (12.72 budgeted WYs)	$875,000	The proposed budget included the funding required to adequately address increased maintenance and patrols for new parks and facilities that have opened or will open by FY11. The new parks and facilities are added through the CIP and through dedications of developer-built parks and amenities. The new parks and facilities that have opened or will open soon are: Elmhirst Neighborhood Park Takoma-Piney Branch Local Park Cabin John and Olney Manor Dog Parks Woodstock Equestrian Center Aurora Hill Local Park Dowden's Ordinary Clarksburg Greenway Clarksburg Village North Local Park Northwest Branch SVU Trail Connector In addition, the Department must implement a series of new best management practices to address the legally mandated National Pollutant Discharge Elimination System (NPDES) regulatory requirements.

Reduction Item	Savings	Impact
		These new unfunded obligations continue to add to the work program and require additional resources to adequately maintain the existing and new facilities within the park inventory. The impact is there will be no new staff to take care of the new parks or unfunded legal mandates. By eliminating the personnel costs associated with the unfunded obligations and new park facilities, the workload for existing park maintenance crews and park police patrol units will be stretched. There will be a reduction in maintenance frequency and quality as current staff maintains the existing parks and amenities as well as the new ones. There will be an increase in the maintenance backlog to accommodate new requirements and a decrease in the frequency of police patrols. The increased work to meet the mandated NPDES requirements is estimated at 4 work years and without those new positions, increased pressure will be placed on staff that provide environmental stewardship functions. Staff will be diverted from other projects to meet this requirement.
Eliminate Capital Outlay Equipment (includes OBI)	$799,800	Eliminate all planned purchases over $5,000 to replace mowers, trailers, bleachers, fencing, and provide technology enhancements. This would be the 2nd year without maintenance equipment replacements. Equipment which is nearing, or has already reached, the end of its useful life will remain in service. Because of the age and condition of the equipment, downtime will increase and the cost of keeping these pieces in service will increase dramatically. In some cases, replacement parts may no longer be available. This would also eliminate funding to buy new park police vehicles for anticipated new police officers for additional park facilities. Without adequate equipment available, mowing and park maintenance will be delayed, resulting in less than desirable conditions in the parks. The maintenance crews will be less effective and efficient using outdated equipment and tasks, such as mowing, will take longer to perform. Ultimately, operator safety will be a factor unless obsolete equipment

Reduction Item	Savings	Impact
		is removed from service. Delaying technology enhancements will cause a drain in productivity and unscheduled downtime due to outdated technology.
Eliminate or Reduce Supplies and Materials (includes OBI)	$358,200	This action will reduce or eliminate supplies and maintenance materials across all of the program work elements. It includes office supplies, maintenance materials, obsolete furniture replacements, computer and printer replacements, and smaller maintenance equipment. It would also reduce some of the maintenance supplies requested to accommodate new facilities (OBI). Some of the significant impacts are: 1. Delay computer and laptop purchases/upgrades – computers and printers will be held passed their normal replacement cycles and less efficient. 2. Reduce supplies for new community garden program – limit expansion of this popular program. 3. Reduce/eliminate small maintenance equipment purchases – increase downtime, reduce frequency of maintenance in parks, and decrease worker safety by using aging equipment. 4. Reduce or eliminate the fertilizers and pest management for turf areas – increase weeds, erosion, and soil compaction and decrease the condition of turf areas resulting in poor conditions on athletic fields and community open space areas. 5. Reduce supplies for the new tree program (gator bags and liners) – decrease the chance of survival of new trees on parkland. 6. Reduce or eliminate participation in special events – reduce the number of diversity events offered by the Department and participation in public events and Montgomery County Fair. 7. Reduce office supplies and eliminate replacement of outdated office furniture – reduced productivity and potential injury from non-ergonomic furniture.
Eliminate or Reduce Contracts and Services (includes OBI)	$1,611,400	Cancel or reduce repair, maintenance and service contracts in many of the program work elements. Many of the services will be performed by existing staff in lieu of contractors. In many instances, staff will be redirected to perform necessary tasks which may limit our ability to respond to unforeseen events, emergencies and customer requests in

Reduction Item	Savings	Impact
		a timely manner. Some of the significant program impact areas: • Defer the Forward Looking InfraRed (FLIR) survey of white-tailed deer populations in select county parks. The data collected from FLIR surveys help staff understand the density and distribution of white-tailed deer in county parks. FLIR data are critical to establishing scientifically based population management goals. This proposed reduction will negatively impact the Department's ability to successfully manage white-tailed deer. • Reduce areas of non-native invasive plant management - Populations of non-native invasive plants are actively managed in the park systems' natural areas. The proposed reductions will hasten on-going degradation of our highest quality natural resources. This setback will allow non-native invasive plants to re-grow in areas that received treatment during the past two years thereby negating the positive benefits of previous management efforts. Experience has shown that three years of successive treatment are required for a sustained positive benefit to native plant populations. • Reduce the contract for caring of historic trees – Reducing the care of historic and champion trees may result in a reduced life span and possible loss of some historic trees. Eliminating the contract for lightning protection increases the risk of lightning striking historic trees and eliminates the funding to extend cable and rods to existing protected trees. • Eliminate contract for tree maintenance along parkways - This will limit the Department's ability to maintain trees on a 3 year cycle along busy parkways, thereby increasing the potential for road blockage, vehicle damage and personal injury along heavily used roadways. • Reduce the tree growing program - This will reduce the availability of quality trees for reforestation, replacement, and new parks. The Department will have to purchase available tree stock from vendors. Vendors may not have needed plants in their inventory. • Reduce the number of port-a-john rentals – This will reduce the number of comfort stations in the parks. The minimum required number comfort stations will

Reduction Item	Savings	Impact
		remain in the parks in the spring and summer months. This will result in inconvenience to park patrons and ball field users. • Reducing contract for fence repairs – This contract repairs fences that are not large enough to qualify for the CIP. The fences that need repair are often rusty, jagged, with insecure poles or attachment points, which may create a safety hazard with sharp and dangerous edges. The bottoms of fences often curl up, resulting in a sharp edge at ankle level. • Defer ballfield renovations - This contract supplements the work done through the CIP. The ballfields have significant erosion problems or are worn out such that the surface is uneven and may contribute to player injuries. • Eliminating custodial contracts in at least 6 staff office buildings and 19 public use buildings - By eliminating these contracts, park maintenance staff will be diverted from daily general park maintenance further stretching staff workloads and contributing to the overall degradation of parks. • Eliminating Integrated Pest Management (IPM) scouting contract – This contract proactively inspects for pests to determine the type of pest and the extent of infestation allowing staff to apply a specific type and amount of pesticide for the situation. By eliminating this contract, staff will have to broadly apply pesticides to ensure the any infestation does not spread. This will reverse the progress the Department has made to meet the mandate to significantly reduce the amount of pesticides used in the parks. • Eliminate facility assessment contract – This is a multi-year, multi-facility contact to assess the short and long term capital needs and life cycle replacement needs. Eliminating this contract will stall the Department's progress on understanding the infrastructure needs of the facilities and amenities. • Reduce architectural services for historic properties – Reducing this contract will extend the time to stabilize, repair, and interpretively program significant County cultural resources. This may result in the continued deterioration by neglect of these historic facilities. • Reduce or eliminate production of park publications and maps – Reducing publications will decrease the

Reduction Item	Savings	Impact
		public's awareness and use of park facilities and services. • Reducing training will limit employees' professional development and will reduce their ability to stay abreast of latest technology and techniques. There also will be lost opportunities for networking and partnering. • Reducing cell phones, couriers, postage, and air cards – This reduction will inhibit communication and will reduce productivity.
Furlough	$1,455,000	All employees will be mandated to take 10 days of leave without pay. This is equivalent to 3.8% of lost productivity to the Department and wages to the employees. This reduction would have a broad brushed, cross cutting impact across all work programs. It would require the opening and renegotiation of the FOP contract.
Subtotal	$7,720,700	
Additional Program Reductions through an Employee Reduction in Force (RIF) Action	$6,790,020	Program workyears equivalent to 155 assuming effective date of 9/1/10, unemployment compensation, annual and compensatory leave payouts, and 3 months of health premiums. Specific reduction items and impacts will be provided April 9, 2010 after consultation with the Planning Board.
	$14,510,720	

Attached is an overview summary table of the reductions.

2. **What are your current vacancies and of those, how many are due to frozen positions and how many are vacant above frozen positions due to normal turnover? How does this compare to the lapse recommendations in the budget?**

The Department Parks Department currently has 66 vacancies. Most positions have been frozen for the majority of the year. Positions deemed critical to operations have been filled internally, resulting in the about the same vacancy rate for the entire year. The 66 vacancies meet the 7.5% lapse (52 WY) proposed in FY11 and 14 vacancies remaining frozen from the FY09 Retirement Incentive. The total forced vacancy rate is close to 9%. Normal attrition has slowed considerably and the average days to fill a position is less than 60 days.

3. **Please provide additional detail on all operating costs comparing key subcategories to last year (support services, supplies and materials, and any other operating costs).**

TOTAL PARK FUND	FY10 Adopted	FY11 Proposed Operating Budget Changes	FY11 Proposed Unfunded Obligations & OBI	FY11 Proposed	Variance FY10 to FY11
Personnel Services	59,319,600	4,214,300	875,100	64,409,000	5,089,400
Supplies & Materials	7,085,600	(372,800)	252,200	6,965,000	(120,600)
Other Services & Charges	14,021,100	(1,421,600)	53,300	12,652,800	(1,368,300)
Capital Outlay	709,900	(35,100)	125,000	799,800	89,900
Chargebacks	(2,117,100)	19,800	0	(2,097,300)	19,800
Total Operating	79,019,100	2,404,600	1,305,600	82,729,300	3,710,200

Support Services costs have been significantly reduced. Although utility costs have risen due to price increases and new amenities, consumption continues to decline. Gasoline costs have been reduced by 23% partly due to reductions in the fleet and other initiatives to cut costs.

4. **Please provide the updates I ask for each year on the status of the Development review special revenue fund and the Enterprise Fund.**

The Fleet Management Report is attached. The Enterprise Report will be delivered April 9, 2010.

Attachments (2)

cc: Amy Wilson, OMB

Appendix A

Montgomery County Department of Parks

FY11 Proposed Budget (without reserves, or grants)		**$82,729,300**			
	Proposed Items for Reduction	**Reduction amount**	**Running Total of Reductions**	**Running Reduction Subtotal**	**# Pos Elim/ Unfund**
	Current Lapse= 7.5%				(52)
	Unfunded Positions frozen from FY09 Retirement Incentive				(14)
	1) Savings from COLA Reduction - MCGEO & Non-Represented Career Employees	**(780,000)**	(780,000)	81,949,300	
	2) Savings from COLA Reduction - FOP Career	**(230,000)**	(1,010,000)	81,719,300	
	4) Savings from Merit adjustment Reduction - MCGEO & Non-Represented Career Employees	**(573,000)**	(1,583,000)	81,146,300	
	5) Savings from Merit Adjustment Reduction FOP Career	**(62,000)**	(1,645,000)	81,084,300	
County Executive Funding Level is 17.5% or $14.5M below FY11 Proposed for a total budget of $68,218,580	6) Reduce Contribution to Self Insurance Risk Management Fund	**(200,000)**	(1,845,000)	80,884,300	
	7) Increase Park Planning & Stewardship Chargeback to CIP	**(207,500)**	(2,052,500)	80,676,800	
	7) Increase Park Development Chargeback to CIP	**(145,600)**	(2,198,100)	80,531,200	
	7) Increase Central Maintenance Chargeback to CIP	**(272,200)**	(2,470,300)	80,259,000	
	8) Eliminate Summer Intern and Employee Recognition Programs	**(151,000)**	(2,621,300)	80,108,000	
	9) Forfeit New Positions for Unfunded Obligations (12.72wys)	**(875,000)**	(3,496,300)	79,233,000	
	10) Eliminate Capital Outlay Equipment (includes OBI)	**(799,800)**	(4,296,100)	78,433,200	
	11) Eliminate or Reduce Supplies and Materials (includes OBI)	**(358,200)**	(4,654,300)	78,075,000	
	121) Eliminate or Reduce Contracts and Services (includes OBI)	**(1,611,400)**	(6,265,700)	76,463,600	
	13) Furlough for 10 days	**(1,455,000)**	(7,720,700)	75,008,600	
	14) Eliminate Filled Positions	**(6,790,020)**	(14,510,720)	68,218,580	(155)
	Summary reductions		(14,510,720)		(221)

Notes:

1) The WY RIF equivalent is calculated based on terminating employees Sept 1, 2010 and includes unemployment costs, leave

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Appendix B

September 2009

M-NCPPC, Montgomery County Department of Parks
Vehicle Fleet Report

PHED COMMITTEE RECOMMENDATION

During the FY10 Budget discussions, the Planning Housing and Economic Development Committee (PHED) recommended that M-NCPPC prepare a report on the Commission fleet of vehicles. The PHED Committee has not considered fleet management issues for the Commission, and has asked for a report on this issue to be prepared by Department of Parks' staff in time for the Planning Board's consideration as part of its review of the FY11 budget.

The Commission has close to 600 vehicles, most of which are used by Department of Parks employees. Issues addressed in this report include the number of vehicles, cycle for replacement of vehicles, types of vehicles being purchased, life cycle costs, maintenance frequency, vehicle sharing programs (such as Zip cars), and policies regarding twenty-four hour vehicle assignments.

The information collected was compared to County Government (Department of General Services [DGS] and Washington Suburban Sanitary Commission [WSSC]) data/policies to determine whether the existing standards and policies are appropriate. Information was also gathered from Radford University, Virginia, Palm Beach County, Florida and CQI Associates – Energy and Management Consultants.

OVERVIEW

Vehicle assets represent a major investment on the part of the Commission and require substantial annual funding for purchase, maintenance, and repair. To realize the full economic benefit of these assets and associated costs, vehicles should accrue mileage at a rate that justifies utilization. As the cost of supporting a fleet is directly related to the number of vehicles in the fleet, changes in size, type, and usage directly affects the maintenance, fuel consumption and repair costs.

In addition, fleet size and accidents have a direct cost impact on the Commission's self-insurance program. Fleet management continues to focus on utilization of existing assets, appropriate distribution based on work program, and the need to justify additional vehicles to the fleet.

NUMBER OF VEHICLES/EQUIPMENT FOR M-NCPPC MONTGOMERY COUNTY

On Road Vehicles

Class 1 - Passenger Cars, Light Trucks, SUV's and Motorcycles	**276**
Pass. Cars	39
Lt. Trucks and SUV's	79
Police Motorcycles	16
Hybrid Cars	13
Hybrid SUV's	15
Police Cars (patrol and spares)	114
Class 2,3,4 - Medium Trucks	**240**
Class 2	162
Class 3	35
Class 4	43
Class 5,6,7,8 - Heavy Trucks	**65**
Class 5	6
Class 6	11
Class 7	25
Class 8	23
Total on road vehicles	**581**

Equipment

Construction equipment (graders, rollers, etc.)	31
Tractors	73
Trailers	192
Grounds Maint. Equip. (lawnmowers, aerators, etc.)	331
Equipment Attachments (generators, seeders, sprayers, etc.)	173
Small engine equipment (chain saws, weed-eaters, etc.)	1463
Plows and Salt Spreaders	64
Boats	9
ATV's	31
Total Equipment	**2367**

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<u>Vehicle Distribution by Region</u>

Location	*Number of Vehicles*
Central Maintenance	*98*
Southern Region	*101*
Northern Region	*73*
Horticultural Services	*50*
Directors Office	*18*
Park Planning and Stewardship	*19*
Facility Management	*3*
Park Planning and Development	*18*
Planning Department	*23*
Park Police	*166*
Enterprise	*12*
Total	***581***

In regards to the 581 vehicles listed above, please note that 23 are assigned to the Planning Department, 166 to the Park Police Division and the balance are utilized for the Department of Park's work program.

LIFE CYCLE REPLACEMENT

M-NCPPC considers vehicles to have reached the end of their life-cycle based on ten years or 100,000 miles. Other agencies fleet operations use a similar method for calculating a vehicles life-cycle but also include a depreciation factor to maximize a vehicles trade in value. Actual life cycle may vary depending on type of vehicle usage, condition, or work program need. All vehicles are evaluated on a point system that is based on usage, mileage and overall maintenance repairs. The point system ranges from 1 to 15, with 15 being the highest factor for vehicle replacement.

Actual replacement age and mileage (193 vehicles disposed of since January 1, 2008)
Average age - 135 months or 11 years, 3 months; Average Disposal Mileage – 97,091

LIFE CYCLE COSTS AND MAINTENANCE FREQUENCY

Vehicle maintenance frequency varies by class of vehicle. As a general rule, regular maintenance for all vehicles is performed every 6 months or 5,000 miles, whichever occurs first. Some of the heavier trucks and police vehicles used in harsh conditions are scheduled at 3,000 mile intervals. For comparison, Ford Motor Company recommends 6 months or 5,000 miles servicing and General Motors recommends 6 months or 6,000 miles, while both manufacturers recommend more frequent servicing in harsh conditions.

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The life cycle cost of a vehicle varies based on the type of vehicle and what the vehicle is used for. The Department of Parks fleet management software system, "Faster," calculates the maintenance cost for a vehicle based on actual repair data entered and equates the cost into a "cost per mile". The cost per mile data is used to determine the average yearly cost for a vehicle and the life cycle cost.

Known data for Life Cycle Cost Calculation: Maintenance cost per mile for each vehicle type; Average miles driven per year (7,000 miles) Police vehicles average (10,900 miles) per year; Average number of months in the life cycle of a vehicle (135 months)

Average Yearly and Life Cycle Maintenance Costs -- By vehicle type

Vehicle Type	Cost Per Mile	Yearly Cost	Life Cycle Cost
Sedan	.17	$1190.00	$13386.60
Police Vehicle	.21	$2289.00	$25751.25
Light Truck/SUV	.17	$1190.00	$13386.60
Medium Truck	.33	$2310.00	$25987.50
Heavy Truck	.58	$4060.00	$45674.55

Average Yearly and Life Cycle Maintenance Costs -- By vehicle class

Vehicle Class	Cost Per Mile	Yearly Cost	Life Cycle Cost
Class 1	.17	$1190.00	$13,386.60
Police Vehicles	.21	$2289.00	$25751.25
Class 2	.21	$1470.00	$16,537.50
Class 3	.36	$2520.00	$28,350.00
Class 4	.41	$2870.00	$32,287.49
Class 5	.38	$2660.00	$29,924.99
Class 6	.41	$2870.00	$32,287.49
Class 7	.81	$5670.00	$63,787.50
Class 8	.71	$4970.00	$55,687.50

VEHICLE PURCHASE OVERVIEW

Funding for the majority of vehicles purchased are from the Commission's Internal Service Fund, which is reviewed and prioritized annually. On some occasions, vehicles are purchased from a division's capital outlay funds, but only with the approval of both the Fleet Manager and the Department Director or appropriate Deputy Director.

Vehicles are purchased based on best-in-class fuel economy standards when fueled by gasoline or bio diesel. The Department of Parks continues to order as many diesel vehicles as feasible to utilize bio-diesel fuel. The Department of Parks fueling sites pump approximately 98,000 gallons of diesel fuel per year of which 100% is bio-diesel. Where applicable and economically feasible, hybrid vehicles are purchased for administrative and park use. Hybrid vehicles are replacing older vehicles that have reached the end of their lifespan.

Vehicles purchased last 2 Years

39	Gas Powered Vehicles
11	Hybrid Vehicles
43	Diesel Powered Vehicles
93	**Total Vehicles Ordered**

VEHICLE SHARING PROGRAM

The Commission does not have a vehicle sharing program associated with a specific vendor, although the Commission's Central Administrative Services is experimenting with a Zip Car program. Pool vehicles are available throughout the park system for staff business use and employees are encouraged to carpool to meetings whenever feasible.

In addition, the Department of Parks has a Vanpool Program that transports employees from designated pickup/drop-off points to their workplace every business day. Currently there are 5 vans transporting 65 employees primarily from the Frederick County area. Employees are charged via payroll deduction and funds are placed in an established special revenue account. This program supports green energy by taking 60 vehicles off of heavily traveled roads each morning and evening.

An example of how the Vanpool supports a cleaner, green energy environment:

The Department of Parks' has 5 Vans currently in use.
These vans transport 65 employees.
Each employee would drive an average of 75 miles (round trip) per day.
Department Vanpools save approximately 4500 commuting miles per day on State/County roads. Based on a typical 220 day work year this would be a savings of 990,000 commuting miles.
Using a mid size car achieving 18mpg city and 25 mpg highway
This equates to 42,840 gallons of gas saved and 838,440 pounds of carbon emissions not released into the atmosphere.

TWENTY-FOUR HOUR VEHICLE ASSIGNMENTS

Twenty-four hour vehicle are assigned in accordance with the Commission Merit System Rules and Regulations, Commission Practice 6-10 entitled "Policies and Procedures Governing Commission Passenger Vehicles" and the Fraternal Order of Police Contract. General Service Employees, who are assigned twenty-four hour vehicles for emergency and after work requirements, are required in accordance with Internal Revenue Service, to pay for usage.

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Listing of 24 hour assignments

Justification	***Position***	***Location***
Natural Resources Tree Removal	Tree Climber II	Natural Resources
Emergency Carpentry	Trade Shop Sup. II	Central Maintenance
Emergency Electric/HVAC	Trade Shop Sup. II	Central Maintenance
Emergency Alarm	Lead Security Sys. Tech	Central Maintenance
Emergency Plumbing	Trade Shop Sup. II	Central Maintenance
Emergency Carpentry	Trade Shop Sup. II	Central Maintenance
Emergency Plumbing	Trade Shop Sup. II	Central Maintenance
All Emergencies	Construction Sup.	Central Maintenance
Park Emergencies/After hours events	Chairman	MRO
Park Emergencies/After hours events	Director	Directors Office
Park Emergencies/After hours events	Southern Region Chief	Cabin John
Park Emergencies/After hours events	Deputy Director	Directors Office
Park Emergencies/After hours events	Enterprise Div. Chief	Directors Office

Listing of Vanpool assignments

Justification	***Position***	***Location***
Commuter Van	Park Manager I	Central Maintenance
Commuter Van	Lead Mason	Central Maintenance
Commuter Van	Trade Shop Sup. I	Central Maintenance
Commuter Van	Park Maint. Worker III	Central Maintenance
Commuter Van	Clerk Supervisor	Central Maintenance

Park Police 24 Hour Vehicle Assignments

Position	**Number of Vehicles**	**Justification**
Police Officer FOP Member	71	FOP Contract
Command Staff	10	On Call

Fraternal Order of Police (FOP) members are contractually entitled to a 24 hour vehicle assignment. Consistent with the contract, personal use of the vehicles, including commuting and minimal errands on the way between work and home, shall be permitted. Exceptions to the out of county, Prince Georges and Montgomery, 24 hour assignment policy for bargaining unit members apply to those officers assigned to on-call positions with 60 minute response time.

Non-Represented Command staff use of 24 hour vehicles, are assigned based on, on-call status.

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LOW UTILIZATION AND ROTATION

The Department of Parks will commence assessing vehicle utilization using annual mileage as a primary benchmark. Vehicles that accrue less than 3,500 miles annually will be considered to be low utilization vehicles. In comparison, DGS uses 4,000 miles as their guideline to determine low utilization and CQI Associates uses 3000 miles as their benchmark. Low utilization vehicles may be retained by a division if their continued use can be justified. Vehicles that cannot be justified will be rotated to a new assignment or eliminated from the fleet.

Rotation of vehicles between work assignments is to ensure that mileage is commensurate with age. Vehicles that accrue very low or very high mileage will be exchanged in order to balance mileage with age. The Fleet Manager will recommend vehicles for consideration. Vehicle exchanges will be within a division wherever possible. If assets are not available within a division, vehicles will be exchanged between divisions.

FUELING SYSTEM OVERVIEW AND FUTURE

The Department of Parks has eleven refueling sites located throughout the park system. These sites pump unleaded, bio-diesel and diesel fuel. Last year, the fleet used 300,000 gallons of unleaded gas, 80,000 gallons of bio-diesel and 19,000 of diesel fuel. The Commission has increased the percentage of bio-diesel pumped from last year's 76% to 89% this year. The Department is now pumping 100% bio-diesel.

All fueling stations are in the process of being upgraded to digital Gasboy fuel dispensers and a Fuelmaster computer system for security, inventory control and reporting capability. Many of the current dispensers are 1970's vintage and replacement parts are no longer available.

BEST PRACTICES TO IMPROVE VEHICLE EFFICIENCY AND REDUCE EMISSIONS

- Provide appropriate maintenance and maintain proper tire pressure
- Continue to replace the oldest and highest usage vehicles
- Size the vehicles to meet the users job requirements and not user preferences to improve overall fleet performance
- Replace vehicles with a combination of best gas, hybrid, and diesel vehicles to provide the best overall results
- Downsize vehicles to improve efficiency and emissions
- Sedan vehicles should be used rather than trucks or SUVs unless the vehicle will be used for heavy duty work and cargo applications
- SUV hybrid vehicles are preferred over the purchase of gasoline fueled only models
- Diesel trucks larger than ¾ tons will be purchased for heavy duty work and cargo

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applications and fueled with bio-diesel

- Vehicles will be purchased based on the best in class fuel economy standards when fueled by gasoline or bio-diesel
- The primary fossil fuels will be gasoline with a 10% ethanol blend and B5 bio-diesel
- Introduce strategies to reduce diesel trucks idle time such as automatic shut down procedures, auxiliary power units and driver incentives.

Summary

The Department of Parks has worked to become a leader in the use of Bio-diesel fuel. Over the past two years, the Department has gone from 25% bio-diesel consumption to 100% bio-diesel. The Departments hybrid fleet has increased from 3% of the administrative fleet 3 years ago to 31% at present. Staff is also working to "right size" the fleet to fit the requirements of the Department's work program complement.

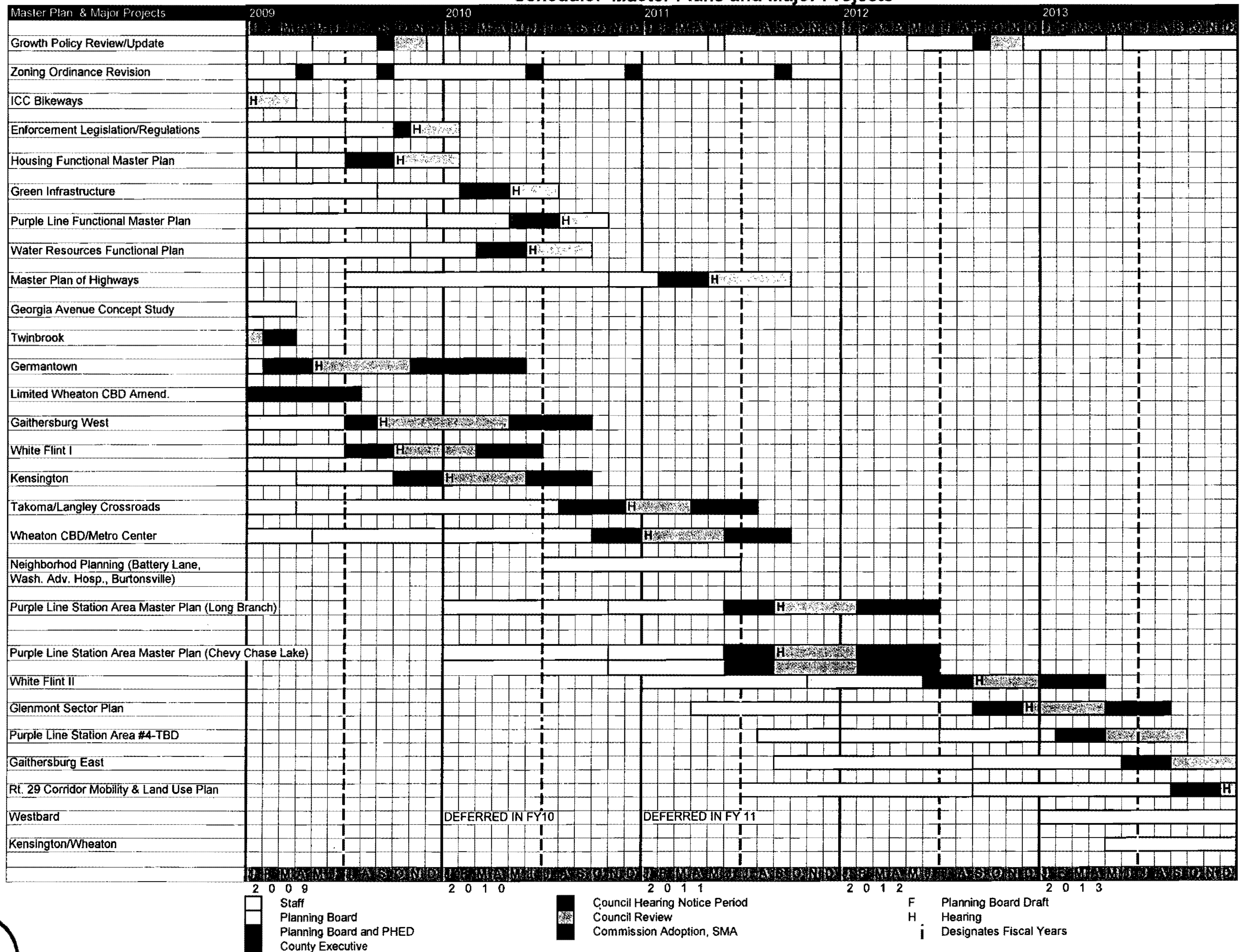
The Department purchases best-in-class gas and diesel powered vehicles whenever possible that will optimize fuel mileage and safety. A new Fuelmaster fueling system is being installed in each maintenance yard that will help to better track fuel consumption and produce data to help reduce the Department's carbon footprint.

The goal is to provide safe reliable transportation for Department of Parks' employees that best suits their work assignments and to provide the highest level of service to the citizens of Montgomery County in the most economical fashion.

Departmental Policy

Based on information gathered in this report, the Montgomery County Director of Parks will issue a Department Directive in regards to vehicle use, assignments, utilization of pool vehicles and sharing, purchasing guidelines, life cycle replacements, rotation policy, best practices, and overall fleet management efficiencies.

Schedule: Master Plans and Major Projects



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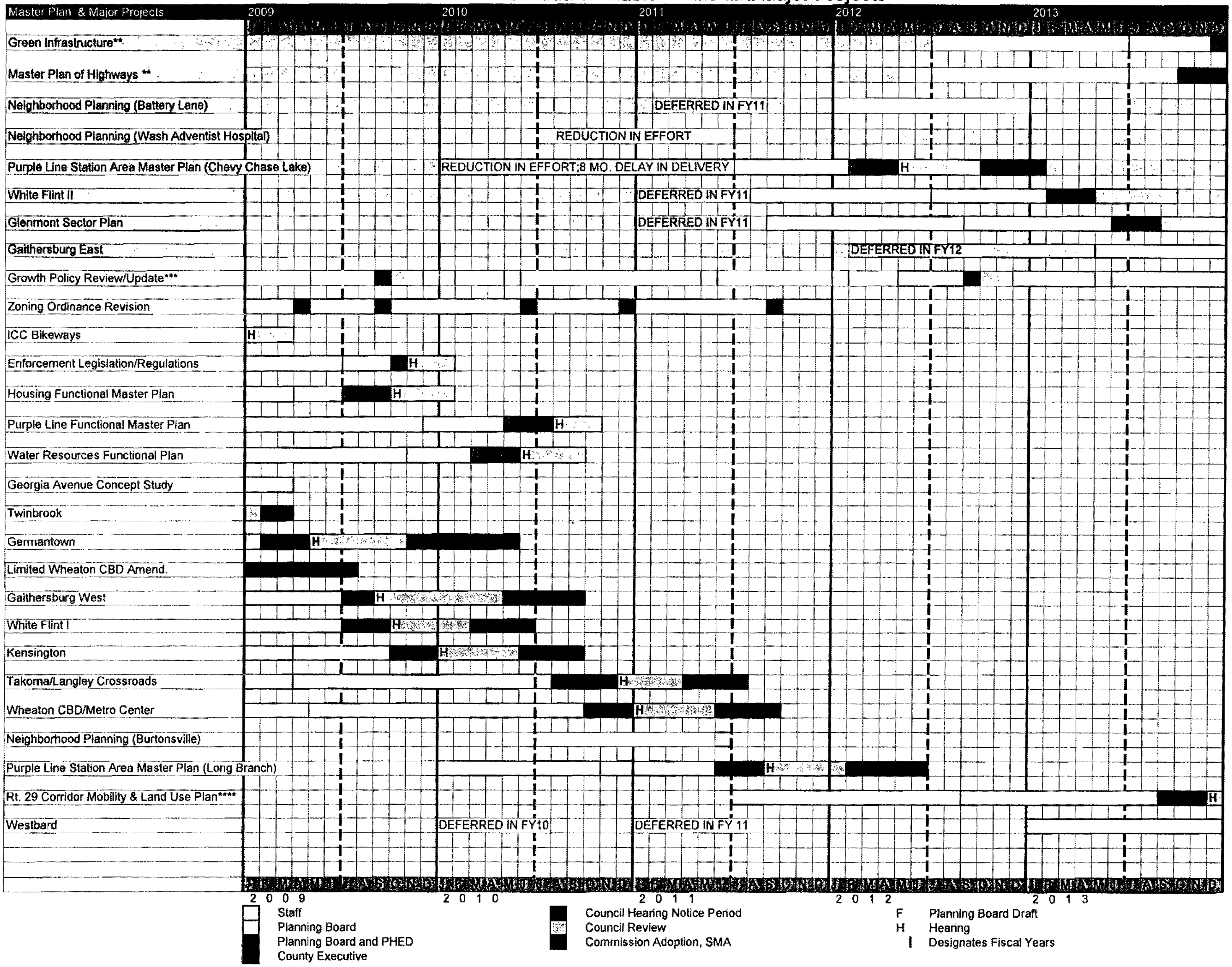
Work Program Impact of Cuts Proposed by County Executive *
Schedule: Master Plans and Major Projects



* The deferral of several plans has pushed the proposed plans for Purple Line Station #4 and Kensington/Wheaton off the chart entirely.
**Presumes staff levels restored in FY13
*** Growth Policy assumed to be on a quadrennial cycle for APFO standards.
****Presumes consulting service funding in FY12

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