

PHED Committee #1&2
April 21, 2014

M E M O R A N D U M

April 18, 2014

TO: Planning, Housing, and Economic Development (PHED) Committee
FROM: Marlene Michaelson, ^{MM} Senior Legislative Analyst
SUBJECT: Maryland-National Capital Park and Planning Commission FY15 Operating Budget

Those expected for this worksession:

Francoise Carrier, Chair, Montgomery County Planning Board

Parks Mary Bradford, Director of Parks
Mike Riley, Deputy Director of Administration, Department of Parks
John Nissel, Deputy Director of Operations
Christine Brett, Chief, Enterprise Division/Parks
Kennedi Anderson, Chief, Management Services
Karen Warnick, Departmental Budget Manager
John Hench, Chief, Park Planning & Stewardship

Planning Gwen Wright, Director
Rose Krasnow, Deputy Director
Valdis Lazdins, Chief, Research and Special Projects

This memorandum addresses the Maryland-National Capital Park and Planning Commission (M-NCPPC) budget, including the budgets for the Park Fund, the Enterprise Fund, Special Revenue Funds, Advance Land Acquisition Revolving Fund, the Property Management Fund, and the Internal Service Funds, as well as a follow-up discussion on the Planning Department proposal for a functional plan for housing.

All page references are to the M-NCPPC Fiscal Year 2015 Proposed Annual Budget; Committee Members may wish to bring a copy to the meeting. The Planning Board Chair's transmittal letter is on © 1 to 9. Relevant pages from the County Executive Recommended FY15 Operating Budget are

attached on © 10 to 16. M-NCPPC responses to Council Staff questions on the budget are attached at © 17 to 38.

M-NCPPC PARK FUND

Background and Summary

The Montgomery County Park System includes 420 parks with over 35,000 acres of land. M-NCPPC has requested FY15 **tax-supported** funding of \$86,693,898 excluding grants, debt service, and reserves. This represents a \$6.6 million or 8.2 percent increase from the FY14 approved budget. The Executive recommends \$83,908,952, a reduction of \$2,784,946 from the M-NCPPC request.

PARK FUND BUDGET HIGHLIGHTS (Millions)	
FY14 Approved Budget	\$80.10
FY15 Request	\$86.69
FY15 Executive Recommendation	\$83.91
Difference between Approved Budget and Request	\$6.59
Difference between M-NCPPC Request and Executive Recommendation	\$2.78

Although the Department of Parks experienced significant reductions in prior years, they are to be commended for seeking efficiencies and maintaining a quality park system. They have continued to manage more acres with less staffing and to seek creative ways to maintain the parks and increase Enterprise Fund revenues.

CHANGES FROM FY14 TO FY15

Page 163 of the budget explains the increases proposed for FY15. Since this page includes debt service (unlike the previous chart), it shows an increase of \$7.8 million or 9.3 percent above the FY14 approved budget. Major changes in the budget include the following:

Compensation Adjustments	\$3,396,890
Risk Management	\$942,382
Debt Service	\$1,255,683
Operating Budget Impact of New Parks (OBI)	\$448,038
NPDES Mandate	\$276,900
ADA Compliance Mandate	\$128,576
Consolidated Registration System	\$165,000
Known Operating Commitments	\$438,600
Incremental Essential Needs	\$993,000
FY14 Funding for One Time Equipment for OBI/ Deer Management	(\$197,000)
TOTAL INCREASES	\$7,848,069

Compensation and Benefits will be addressed by the GO Committee and are not discussed here. The remaining significant changes are summarized below.

Risk Management and OPEB

Parks expected to have a \$942,382 increase for risk management and a \$736,671 increase for Other Post-Employment Benefits (OPEB). In the information attached in the answers to Staff questions on © 18, they have updated this estimate and **now indicate that Risk Management will be \$200,000 less than projected and OPEB will be \$1,012,949 less than anticipated, resulting in a decrease in OPEB relative to last year.**¹ (These reductions are addressed again below under the Non-Recommended Reductions to meet the Executive recommended budget.)

Debt Service

The FY15 budget for debt service payments on Park bonds is projected to increase by \$1.26 million in anticipation of a \$14 million Park bond sale later in FY14 to match the current expenditure schedule of the Capital Improvements Program (CIP).

Operating Budget Impact of New Parks

Operating Budget Impact (OBI) are the costs associated with operating, maintaining and policing new and expanded parks. In FY15, the Department of Parks is requesting \$448,038 in additional funding for OBI; of this amount, \$96,339 is a one-time expense for FY15 capital equipment. The personnel increases includes 3 fulltime career maintenance workyears, 1 part time career (0.5 WY), the conversion of 1 part time career to 1 full time career (0.5WY), and .1 WY seasonal staff for a total of 5.1 WY.

NPDES Mandate

For FY15, the Department of Parks is requesting an increase of \$276,900 to its funding for National Pollution Discharge Elimination System (NPDES), bringing the total funding to \$2,314,762. The cost increases are based on replacing 4.5 WY of seasonal employees with 5.0 WY of full time employees to address deficiencies that remain in the Post Construction Stormwater Management measure, which deals primarily with the retrofit, repair, and maintenance of stormwater facilities on M-NCPPC parkland. **NPDES costs are funded by the Water Quality Protection Fund.**

¹ The reduction for OPEB is the result of a revised actuarial valuation that takes into consideration the Commission's conversion of the prescription plan it offers to Medicare eligible retirees to a Medicare approved Part D prescription plan. The risk management amount is less than proposed in the M-NCPPC FY15 budget request due to a more favorable FY14 year to date experience.

ADA Compliance Mandate

To meet the 2011 United States Department of Justice settlement agreement regarding compliance with American with Disabilities Act (ADA) regulations, the Department of Parks is requesting an increase of \$131,895. This includes an increase in chargebacks to the Enterprise Fund to support 2 new career staff in that fund.

Consolidated Registration System

The Department of Parks is working with the Department of Recreation and Community Use of Public Facilities to implement a consolidated registration system to create a more streamlined and user-friendly system for County residents. The Park Fund portion of this effort in FY15 is \$165,000.

Known Operating Commitments

The Known Operating Commitments include cost increases such as contractual obligations (software maintenance agreements totaling an additional \$132,600), information technology upgrades (\$150,000), utilities (\$6,000), and gasoline (\$150,000).

Incremental Essential Services

The FY15 proposed budget includes \$993,000 for an incremental increase in essential needs to address the backlog of work requests and to reverse the trend of the past few years. Included in the funding are the following:

- 3 one-year term contract positions to reduce the tree maintenance backlog,
- 1 full time career Park Police officer for midnight shift,
- Restoration of 2 full time career maintenance positions and 1 full time mechanic,
- 1 full time career and 1 term contract positions to extend the life of outdoor courts,
- 1 full-time career staff for the construction and renovation of natural surface trails, and
- An increase in supplies and services previously lost to inflation.

These increases are discussed in the section on non-recommended reductions.

Reductions from FY14

The FY14 budget included \$197,000 for the one-time purchase of equipment for OBI and the deer management program that is not included in the FY15 budget.

PROGRAM BUDGETING/COSTS BY DIVISION

For the third year in a row, the Department did not allocate costs or workyears by program or subprogram this year, but included cost information by Division. The Commission is in the process of implementing a new Enterprise Resource Planning (ERP) system that is being configured to collect data by program/activity. They have previously suggested that they will not revisit the benefits of preparing a program budget until after they have a full year of data from the new system (most likely at the end of FY15).

Without a program budget, the Council is forced to assess costs based on allocations to relatively large divisions and the incremental changes made this year. Information presented in this form makes it difficult for the Council to directly assess the impact of increases or decreases in funding on programs.

The Division allocation appears below. In total, they are requesting \$7.9 million (9 percent) in additional funding and 16.6 additional workyears (2.6 percent).

FY14 AND FY15 PARK FUND BUDGET				
	Approved FY14	FY15 Request	Change from FY14 to FY15	% Change from FY14 to FY15
Director of Parks (\$)	\$ 1,113,426	\$ 1,128,956	\$ 15,530	1.4%
workyears	7.80	7.80	0	0.0%
Public Affairs and Community Partnerships (\$)	\$ 2,101,299	\$2,244,489	\$ 143,190	6.8%
workyears	19.1	19.1	0	0.0%
Management Services (\$)	\$ 3,526,604	\$ 1,697,698	\$(1,828,906)	-51.9%
workyears	20.20	12.00	-8.2	-40.6%
Information Technology and Innovation (\$)		\$1,987,023	\$1,987,023	
workyears		8.1	8.1	
Park Planning and Stewardship (\$)	\$ 3,248,871	\$ 3,498,173	\$ 249,302	7.7%
workyears	26.60	29.10	2.5	9.4%
Park Development (\$)	\$ 2,999,984	\$ 2,976,157	\$ (23,827)	-0.8%
workyears	23.80	25.80	2	8.4%
Park Police (\$)	\$13,373,460	\$14,003,644	\$ 630,184	4.7%
workyears	109.40	111.30	1.9	1.7%
Horticulture, Forestry and Environmental Education (\$)	\$ 7,483,867	\$ 7,677,866	\$ 193,999	2.6%
workyears	80.60	84.00	3.4	4.2%
Facilities Management (\$)	\$10,666,122	\$10,887,913	\$ 221,791	2.1%
workyears	89.80	89.80	0.00	0.0%
Northern Region (\$)	\$ 8,788,659	\$ 9,102,127	\$ 313,468	3.6%
workyears	103.20	107.90	4.7	4.6%
Southern Region (\$)	\$12,361,497	\$12,726,373	\$ 364,876	3.0%
workyears	153.50	154.20	0.7	0.5%
Support Services (\$)	\$ 9,426,980	\$11,288,270	\$1,861,290	19.7%
workyears	1.10	2.60	1.5	136.4%
Non-Departmental (compensation and OPEB)	\$5,010,698	\$7,475,209	\$2,464,511	49.2%
Grants	\$400,000	\$400,000	\$0	0.0%
Capital Projects Funds	\$350,000	\$350,000	\$0	0.0%
Debt Service	\$3,887,100	\$5,142,738	\$1,255,638	32.3%
Budgetary Reserve (at 3%)	\$2,415,044	\$2,445,569	\$30,525	1.3%
Fund Total	\$87,153,611	\$95,032,205	\$7,878,594	9.0%
	635.10	651.70	16.6	2.6%

Improving Operations

Each year, Staff asks the Department to describe their efforts to increase efficiency over the prior year and also to indicate what actions they have taken to implement the recommendations of their strategic planning effort – Vision 2030. Attached on © 24 to 27 are their responses to these questions. They

also indicated that they are replacing the SmartParks work order, asset, inventory and project management system (see © 15), which allows them to track and manage maintenance costs by parks and by specific amenities. The Committee may want an update briefing once this new system is fully operational.

Maintenance Backlog

The M-NCPPC FY15 budget and the Semi-Annual Report emphasize the growth in the backlog of outstanding work orders from 500 in FY08 to 2,550 at this time. Almost half of the work orders are for hazardous tree work and the FY15 budget includes funding for contract positions to begin to address this particular issue. While the backlog appears significant, complaints to the Council regarding the condition of parks is virtually non-existent, indicating that the uncompleted tasks must be ones that are either not apparent to visitors or not important enough to result in having them contact the Council. The Department of Parks is to be commended on continuing such high levels of maintenance, even with reduced resources. The lack of complaints, however, does not mean that there are not repairs that need to be addressed.

The budget asks for increased staffing to “begin to address the backlog of work requests and reverse the trend of the past few years”, but even if the Council fully funded the M-NCPPC request, it would not erase the backlog. Moreover, there needs to be a strategy going forward to allow for appropriate levels of maintenance without requiring significant growth in the Department of Parks workforce.

Staff recommends that in the next six months the Department, with input from the Office and Management and Budget and Council Staff, review the list of backlog work orders to determine which work orders are critical and identify (1) options to catch up on critical outstanding work orders with **one-time funding**, and (2) strategies to keep up with maintenance going forward without significantly increasing the workforce.

Salary Lapse

The FY15 budget continues to assume a salary lapse of 7.5 percent. Although the Department indicates that this lapse forces them to hold positions vacant, their actual lapse for the past 3 years has consistently been in excess of 7.5 percent, indicating that there are still recruitable vacancies that can be filled.

PARKS FOUNDATION

Attached on © 47 to 49 is the calendar year 2014 approved budget for the Parks Foundation. The Foundation’s revenues continue to grow, and in calendar year 2014 they hope to raise over \$600,000 that can be used by the Department of Parks for its programs. Payroll and staff expenses are approximately \$200,000. In FY13, the first year the Planning Board requested funding for the Parks Foundation as part of the budget, it indicated the goal of having the foundation become self-sustaining within 5 years, and they have significantly surpassed that goal – both in terms of timing and fund raising.

NON-RECOMMENDED REDUCTIONS TO MEET THE EXECUTIVE-RECOMMENDED BUDGET

Attached on © 18 to 24 in the answers to Staff questions are the non-recommended reductions the Department of Parks would take to meet the Executive recommended funding levels. As noted above, **\$1.21 million of the \$2.78 reduction recommended by the Executive can be absorbed with no impact on the Department**, since Risk Management will be \$200,000 less than projected and OPEB will be \$1,012,949 less than projected in the FY15 proposed budget.

<u>Park Fund</u>	
FY15 Proposed Budget (less debt service, grants, and CIP transfer)	86,693,853
CE Recommendation	<u>83,908,952</u>
Reduction from Request	2,784,901
Less Retiree Health (OPEB) Reduction	(1,012,949)
Less Risk Management Reduction	<u>(200,000)</u>
Reductions Required to Achieve CE Recommendation	1,571,952

To meet the Executive recommended funding level, they would need to identify \$1.57 million in reductions. They have done so and grouped the reductions in three tiers, based on their priorities for restoration. Tier 1 reductions are their highest priority for restoration, followed by Tier 2 and then Tier 3. Details on the impacts of these reductions appear on © 19 to 24.

Tier 1 - Essential Needs		Funding	Positions
Top Priority to be Placed on Reconciliation List			
Tier 1-a	Tree Maintenance	153,393	3
Tier 1-b	Reduce Inflationary Increase to Supplies & Materials and Services from 1.0% to 0%	169,450	
Tier 1-c	Maintenance Restoration	142,485	2
Tier 1-d	Mechanic Restoration	34,879	1
Tier 1-e	Natural Surface Trails Restoration	37,626	1
Tier 1-f	Court Crew Restoration	104,651	2
Tier 1-g	Court Contract	50,000	
Tier 1-h	Park Police Restoration	41,102	1
<i>SUBTOTAL</i>		733,586	10
<i>Top Priority to be asked to go on Reconciliation List</i>			
Tier 2		Funding	Positions
To be Placed on Reconciliation List but with a priority lower than Tier 1			
Tier 2-a	Delay Hiring of Essential Needs Positions	174,414	
Tier 2-b	Reduce Seasonal Staffing	204,313	
Tier 2-c	Reduce Inflationary Increase to Supplies & Materials and Services from 1.5% to 1.0%	85,000	
Tier 2-d	Eliminate Increase in Gasoline	150,000	
Tier 2-e	Delay implementation of Customer Relationship Management Software	28,300	
<i>SUBTOTAL</i>		642,027	
<i>Second Priority to be asked to go on Reconciliation List</i>			
Tier 3		Funding	Positions
To be Placed on Reconciliation List but with a priority lower than Tiers 1 & 2			
Tier 3-a	Delay FY15 OBI Capital Outlay	96,339	
Tier 3-b	Delay FY15 Information Technology	100,000	
<i>SUBTOTAL</i>		196,339	
<i>Third Priority to be asked to go on Reconciliation List</i>			
<i>Total of All Tiers 1, 2 and 3</i>		1,571,952	

The Public Safety Committee will discuss the Park Police budget on April 30 including reductions related to Park Police.

As the Committee reviews the list of potential reductions and recommended restorations, it should recognize that, while some items on the list are career positions that would have an ongoing salary cost into the future, others are either one-time expenditures or contractual costs that would either not have ongoing costs or could easily be terminated. **If the Committee is concerned about the ongoing costs of additional new personnel, it should focus on funding the items that do not require this ongoing commitment. At a minimum, Staff would recommend adding the cost of seasonal employees (Tier 2-b) to the Tier 1 priority list.**

While Staff does not object to the Planning Board’s request to add the 10 positions listed above (and not funded in the FY14 compliment) to the reconciliation list, Staff is very concerned about comments in the budget and answers to questions that appear to indicate the intent to continue to increase the compliment in future years to restore all positions cut in the past few years. Staff believes that the Department of Parks must continue to work more efficiently so that they can manage a growing park system without always needing to increase staff.

Snow Removal on Capital Crescent Trail

Attached on © 39 to 40 is a memorandum from Councilmember Berliner recommending that the Committee support an additional \$75,000 to be placed on the reconciliation list for snow removal on the Capital Crescent Trail. The majority of the funds would be for the one time purchase of the appropriate equipment for treating the trail, and the rest would be allocated towards staffing costs, assuming 5 snow events that require plowing. Attached on © 41 to 42 is a memorandum from Department of Parks Director Mary Bradford describing all the issues involved in providing snow removal services to the Capital Crescent Trail. **Staff recommends that any effort to remove snow from the Trail be accompanied by data collection to determine the level of ridership in the winter and how snow removal would impact use of the trail.**

THE ENTERPRISE FUND

The Enterprise Fund accounts for various park facilities and services that are entirely or predominantly supported by user fees. (See pages 225 - 249 for a discussion of the Enterprise Fund.) Recreational activities include ice rinks, indoor tennis, event centers, boating, and camping programs. Operating profits are reinvested in new or existing enterprise facilities through the Capital Improvements Program. **The FY15 budget projects overall Fund revenue over expenditures of over one million dollars, allowing it to allocate \$785,000 for transfers to capital improvements, making it another extremely successful year for the Enterprise fund.**

The proposed expenditures for the Enterprise Fund for FY15 are as follows:

FY14 and FY15 ENTERPRISE FUND EXPENDITURES			
FY14 Budget	FY15 Request	Change from FY14 to FY15	% Change from FY14 to FY15
\$10,038,226	\$9,467,675	\$570,551	5.7%
116 WY	110.3	-5.7	4.9%

Revenues and Losses by Activity

The following chart indicates whether each of the Enterprise Fund activities has generated or is expected to generate a positive return in years. The net revenue for Ice Rinks, Event Centers and park Facilities all are calculated after a transfer to the CIP. (Net revenues prior to the transfer are significantly higher as shown in the last line of the chart below.) As the summary chart indicates, both

indoor tennis and park facilities are projected to generate significant profits for the Enterprise Fund in FY15, more than offsetting the losses created by the park facilities and event centers.

ENTERPRISE FUND REVENUE OVER/(UNDER) EXPENDITURES				
	Actual FY13	Budgeted FY14	Estimate FY14	Proposed FY15
GOLF COURSES	(\$264,829)	\$0	\$23,965	\$24,000
ICE RINKS	(\$101,781)	\$355,957	\$389,738	\$49,847
INDOOR TENNIS	\$459,655	\$305,873	(\$7,414)	\$348,927
EVENT CENTERS	(\$176,096)	(\$246,961)	(\$147,998)	(\$295,110)
PARK FACILITIES	\$679,504	(\$422,287)	(\$121,549)	\$132,166
TOTAL (including transfers to CIP)	\$596,453	(\$7,418)	\$136,742	\$259,830
Transfers		\$600,000	\$600,000	\$785,000
TOTAL (before transfers to CIP)	\$596,453	\$592,582	\$736,742	\$1,044,830

Golf – M-NCPPC made its last debt payment for Little Bennett Golf Course and for the first time will receive a percentage of net profits from the Revenue Authority. Golf courses are operated by the Montgomery County Revenue Authority (MCRA). Under the terms of their lease, the MCRA is required to make a percentage rent payment when net revenues generated by the golf courses exceed the lease-stated threshold of \$5.1 million for the three courses. **FY14 is the first year they have exceeded the threshold and will be paying close to \$24,000 to the Commission.** A similar payment is projected for FY15.

Ice Rinks – In FY14, the Commission made the final debt payment on the Cabin John Ice Rink. Without debt service, this activity produced enough net revenue to allow \$400,000 to be used in FY15 for the capital costs of dehumidification systems at the two ice rinks.

Indoor Tennis returns to producing over \$300,000 in net revenues after a one year dip due to a \$300,000 transfer in FY14 to the CIP for a multi-purpose room at the Wheaton Indoor Tennis Center.

Event center revenues continue to increase, due to enhanced packages and one-stop shopping for tables, chairs, and caterers. The budget proposes an FY15 transfer to the CIP of \$200,000 for projects at Seneca Lodge (ADA bathrooms) and a new entrance at Rockwood Manor. Without this transfer, it would still not be generating positive net revenue and the Council should continue to monitor M-NCPPC’s efforts to make these facilities self-sustaining.

Park Facilities are anticipated to generate \$132,166 in net revenue, even with a \$185,000 transfer to the CIP for a new locomotive for the Cabin John Regional Park.

Two years ago, the Committee asked the Enterprise Fund to develop a **long range facility plan** to better time the funding of new facilities or major improvements. Staff asked for an update on this effort and their response appears on © 37 to 38. While it is useful to have a list of CIP projects for the 6 year period of the CIP as appears on ©37 to 38, Staff believes it would be helpful to have a more comprehensive plan that considers the condition of all Enterprise facilities and the future timing of necessary improvements, as well as the need for new facilities into the future.

SPECIAL REVENUE FUNDS

“Special Revenue Funds” are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes (see pages 258 to 273 in the Budget). Programs that appear in the Special Revenue Funds are funded in total or in part by non-tax sources, while Enterprise Fund activities have traditionally been funded entirely (with some limited exceptions) by non-tax sources (i.e., fees). The total FY15 Special Revenue Fund **revenues** are projected to decrease by \$109,960 or -3 percent as compared to the FY14 budget, while proposed **expenditures** would decrease by \$10,422 or -0.2 percent (to \$5,744,249). **Although projected expenditures would exceed revenues by \$2,179,449, the \$4.5 million Fund balance will be drawn upon to make up the difference.**

While some funds use revenues only to the extent they are obtained (e.g., the Park Police Federally Forfeited Property Fund), for other funds there is an ongoing need for the activity, and transfers from tax supported funds are sometimes used to support expenditures.

The Special Revenue Funds in the FY15 Budget include the following funds:

- **Traffic Mitigation Program:** Developers with traffic mitigation agreements pay fees used for independent monitoring of trip reduction.
- **Historic Preservation – County Non-Departmental Account:** Was established to allow a transfer from the County Government to M-NCPPC to partially fund the Historic Preservation Commission. Beginning in FY14, the funding was moved to M-NCPPC, but the Special Revenue Fund will continue for grant projects and the sale of publications.
- **GIS Data Sales:** Revenue associated with the sale of Geographic Information System (GIS) data is used to update the plan/topographic base map.
- **Environmental/Forest Conservation Penalties:** Monies collected from fines imposed for violation of the County Forest Conservation Law may be spent on authorized forest-related projects and enforcement and administration of the Forest Conservation Program.
- **Development Review Special Revenue Fund:** Fees associated with the development review process are spent on staff who administer the process. (This Fund has generally required a significant County subsidy from the Administration Fund to cover expenditures.)
- **Forest Conservation:** Fees paid by developers in lieu of planting forests are used by M-NCPPC for forest planting, protection, maintenance, and planting.
- **Historic Renovations – Property Management:** Any excess revenues from property management of Commission rental properties are used for work associated with historic park properties.
- **Park Police – Drug enforcement:** Revenues from the sale of property seized as a result of drug-related crime convictions may be used for the purchase of equipment and other resources to combat drug-related crimes in the parks (State law authorization).
- **Park Police – Federally Forfeited Property:** Revenues from the sale of property seized as a result of drug-related crime convictions may be used for the purchase of equipment and other resources to combat drug-related crimes in the parks (Federal law authorization).
- **Interagency Agreements:** Revenues transferred from other agencies, used primarily to fund ballfield maintenance.

- **Park Cultural Resources:** Revenues and expenditures associated with historical and archeological programs and camps.
- **Special Events:** This Fund provides for work done by the Commission on a reimbursement basis for special events in the parks sponsored by outside entities (e.g., the Avon Breast Cancer Walk).
- **Nature Programs and Facilities:** For nature and environmental education programs, projects, and camps at nature facilities.
- **Special Donations and Programs:** This account allows for the expenditure of donations associated with the Parks Foundation and the Parks Corporate Sponsorship Initiative.

FY15 projected expenditures, revenues, and fund balances are shown below.

SPECIAL REVENUE FUNDS					
	Projected Beginning Fund Balance	Proposed FY15 Revenue	Proposed FY15 Expendtrs	Net FY15 Revenue	Proposed Ending Fund Balance
Traffic Mitigation	\$75,485	\$20,000	\$20,000	\$0	\$75,485
Historic Renovations - County Non-departmental account	\$60,725	\$0	\$61,000	-\$61,000	-\$275
GIS Data Sales	\$133,990	\$20,000	\$120,000	-\$100,000	\$33,990
Environmental/Forest Conservation Penalties Fund	\$47,898	\$25,000	\$67,200	-\$42,200	\$5,698
Development Review Special Revenue Fund (includes DAP)*	\$3,268,848	\$1,832,000	\$3,224,504	-\$1,392,504	\$1,876,344
Forest Conservation Fund	\$483,402	\$45,800	\$402,500	-\$356,700	\$126,702
Historic Renovations (Property Management)	\$34,947	\$100	\$30,000	-\$29,900	\$5,047
Park Police - Drug Enforcement Fund	\$26,477	\$100	\$20,000	-\$19,900	\$6,577
Park Police - Federally Forfeited Property	\$34,947	\$100	\$30,000	-\$29,900	\$5,047
Interagency Agreements	\$64,896	\$931,800	\$989,100	-\$57,300	\$7,596
Park Cultural Resources	\$4,673	\$34,200	\$38,800	-\$4,600	\$73
Special Events	\$19,525	\$60,000	\$60,000	\$0	\$19,525
Nature Programs and Facilities	\$88,065	\$134,600	\$133,000	\$1,600	\$89,665
Special Donations and Programs	\$53,788	\$461,100	\$480,645	-\$19,545	\$34,243
TOTAL ALL FUNDS	\$1,373,672	\$1,622,000	\$1,781,545	-\$159,545	\$1,214,127

In some cases, the funds show a large expenditure that will use a significant portion of the fund balance to achieve the objectives of the fund. For example, in FY15, the Park Police Drug Enforcement Fund is budgeted to spend far more than it anticipates in revenues because it has a large fund balance. This is appropriate as long as there is a fund balance.

FY15 is one of the first in many years where M-NCPPC has not asked for a transfer from the Administration Fund to support the fund.² The budget projects that they will end FY14 with a \$3.3 million fund balance, which will be used to pay FY15 expenditures in excess of revenues.

THE ADVANCE LAND ACQUISITION REVOLVING FUND (ALARF)

The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land needed for public purposes, including parks, roads, school sites, and other public uses. (See pages 274-277 for the discussion of the Advance Land Acquisition Revolving Fund.) There is an ALARF project description form (PDF) in the CIP, but ALARF is also shown in the operating budget because it is a revolving fund, and repayments to the Fund need to be held as an operating budget account.

The intent is for the agency or department that ultimately builds the project to repay ALARF; repayment has not consistently occurred in the past. Although the Fund is a revolving fund, there is frequently a lengthy lapse in time before it is refunded and, in some cases, repayment does not occur. M-NCPPC held on to many millions of dollars in real estate for many years for the Inter-County Connector (ICC) and has finally been repaid by the State. To provide the appropriation authority, the budget assumes that the entire Fund balance will be spent in FY15. **Council approval is still required for each ALARF purchase.**

Whenever the Fund drops inappropriately low, M-NCPPC issues new bonds to restore the balance. For FY15, they recommend total expenditures of \$1,724,400 in the Debt Service Fund, an increase of \$43,284 or 2.4 percent, and recommend total expenditures in the Revolving Fund of \$9,760,386 or 18.7 percent more than FY14. Each year, the Budget assumes that the total balance in the Revolving fund will be spent, which is rarely the case. (The FY14 budget assumed the full \$8.2 million balance would be expended, but the FY14 estimate at this time is for \$3.5 million.)

Staff recommends approval.

THE PROPERTY MANAGEMENT FUND

The Property Management Fund provides for the oversight, management, maintenance, administration, and leasing of parkland and facilities located on parkland (see pages 217 to 218). In FY15, expenditures and rental revenue are both proposed to increase by \$119,862, or 13.2 percent, due to the addition of new tenants and the renegotiation of existing leases. M-NCPPC proposes to increase staffing associated with the Property Management Fund by 1 workyear in FY15 for additional skilled trades work to provide the maintenance necessary to keep pace with the transition of tenants to achieve occupancy goals, to respond to maintenance calls for repairs, and to transform park activity buildings to leased property.

² In FY14, they requested a transfer, but the Council did not grant it due to the large fund balance.

The funding request is as follows:

FY14 and FY15 PROPERTY MANAGEMENT FUND			
FY14 Budgeted (Revenues and Expenditures)	FY15 Request (Revenues and Expenditures)	Change from FY14 to FY15	% Change from FY14 to FY15
\$906,458	\$1,026,320	\$119,862	13.2%
6 WY	7 WY	1 WY	16.7%
Note: Workyears include chargebacks			

Staff recommends approval.

INTERNAL SERVICE FUNDS

The M-NCPPC budget includes three Internal Service Funds: the Risk Management Fund; the Capital Equipment Fund; and Commission-Wide Group Insurance Fund.

Total expenditures for the Risk Management Fund were projected to **increase** by \$792,987 or 26.5 percent, to \$3,783,629 (see pages 279-282). The increase is due to significant increases in projected claims expenses and replenishment of fund balance to comply with their fund balance reserve policy. In their answers to Staff questions, they have indicated a \$200,000 reduction in costs due to a more favorable FY14 year experience to date. Given the increase in claims expenses, the proposed budget includes a request to fund one additional safety specialist (\$96,940) to enhance delivery of workplace safety program requirements for both Montgomery and Prince George's counties, with costs allocated 38 percent to Montgomery County.

The Capital Equipment Service Fund was established to provide an economical method of handling large purchases of equipment (see pages 283-285). The Fund spreads the cost of an asset over its useful life instead of burdening any one fiscal year with the expense. Revenues and expenditures are both expected to increase approximately 33 percent.

FY14 and FY15 CAPITAL EQUIPMENT INTERNAL SERVICE FUND				
	FY14 Budgeted	FY15 Request	Change from FY14 to FY15	% Change from FY14 to FY15
Operating Revenues	\$1,471,980	\$1,962,130	\$490,150	33.30%
Expenditures	\$1,016,994	\$1,359,743	\$342,749	33.70%
Net Revenue	\$454,986	\$602,387	\$147,401	32.40%

Total expenditures for the **Commission-Wide Group Insurance Internal Service Fund** for FY15 are \$51.61 million, a \$2.34 million or **4.7 percent increase** over the FY14 budget (see pages 286 – 288). Included in the proposed budget are the conversion of a previously budgeted seasonal position to a full time administrative support position (\$23,467) and a new term contract Wellness Coordinator position (\$78,204), which will be funded by the use of fund balance from the flexible spending accounts.

Staff recommends approval.

PLANNING DEPARTMENT FUNCTIONAL PLAN FOR HOUSING (\$250,000)

When the Committee considered the Planning Department budget on April 7, it asked the Planning Department to do further work on the new initiative proposed for a Functional Plan for Housing. The Committee concurred with Staff's questions as to whether a functional plan (as opposed to a study) was needed and asked for further clarity on the scope of the effort as well as the need for consulting resources. The Committee also wanted assurance of inter-agency coordination. A revised description for a joint Planning Department/Department of Housing and Community Affairs (DHCA) Rental Housing Study appears on © 43 to 46. Staff believes that the revised description addresses many of Staff's concerns; including indicating that it will be a multi-agency project and more clearly defining the project to focus on rental housing. While the project may address strategies to encourage new rental housing, Staff continues to believe that this effort must clearly address questions raised in the Woodmont Triangle and Long Branch Plans about the **existing** stock of naturally occurring market affordable rental housing in these and other areas in the County. Discussions of ways to encourage new rental housing should not detract from addressing questions regarding the existing housing.

There are 8 specific tasks listed on © 44 to 46. The Planning Department continues to believe that they will require \$250,000 in consulting services, and Staff has asked them to provide more detail on the tasks that would be delegated to a consultant since Staff is not clear on how these funds will be used.



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

OFFICE OF THE CHAIR

January 10, 2014

The Honorable Isiah Leggett
 Montgomery County Executive
 Executive Office Building
 101 Monroe Street
 Rockville, MD 20850

The Honorable Craig Rice
 President, Montgomery County Council
 Stella B. Werner Council Office Building
 100 Maryland Avenue
 Rockville, MD 20850

Dear Mr. Leggett and Mr. Rice:

Pursuant to §18-104 of the Land Use Article of the Annotated Code of Maryland, the Montgomery County Planning Board is pleased to transmit the FY15 Proposed Operating Budget for the operations of the Maryland-National Capital Park and Planning Commission in Montgomery County. This document contains the comprehensive budget presented at the budget appropriate levels of department and division, including lists of the programs and services provided by each division.

On-going Service Provision

Over the past few years, the Commission has worked with the County to balance limited resources with service delivery demands. Our FY14 Budget was based on a stabilization of resources necessary to provide investment in our critical infrastructure, maintenance and essential service needs. Our FY15 Proposed Budget is, of necessity, focused on rebuilding our ability to address service backlogs and respond to federal/state/local mandates.

Our primary mission remains unchanged: providing clean and safe parks, and delivering a timely, comprehensive development review program, key master plans, and other critical planning programs which drive economic development.

The FY15 proposed tax-supported operating budget is \$123.8 million. This is \$9.6 million more than the FY14 adopted budget, an 8.4 percent change, nearly all due to non-discretionary costs. The total proposed budget, including Enterprise operations, Property Management, Park Debt Service and Special Revenue funds, is \$145.2 million, an increase of \$10.4 million or 7.7 percent from the FY14 adopted budget.

**Summary of FY15 Proposed Budget Expenditures
 (net reserves, ALARF, and Internal Service Funds)**

	FY14 Adopted	FY15 Proposed	\$ Change	% Change
Montgomery Funds				
Administration	27,830,994	29,518,337	1,687,343	6.1%
Park (1)	84,738,567	92,586,636	7,848,069	9.3%
ALA Debt	1,684,300	1,724,400	40,100	2.4%
Subtotal Tax Supported	114,253,861	123,829,373	9,575,512	8.4%
Enterprise (2)	10,038,226	9,467,675	(570,551)	-5.7%
Property Management	906,458	1,026,320	119,862	13.2%
Special Revenue	5,754,671	5,744,249	(10,422)	-0.2%
Park Debt (3)	3,887,100	5,142,738	1,255,638	32.3%
Total Montgomery	134,840,316	145,210,355	10,370,039	7.7%

(1) Includes transfer to Debt Service and CIP

(2) Includes transfer to CIP

(3) While Park bond debt service has been adopted as a transfer out of the Park Fund to the Park Debt Service Fund, FY15 is the first year the Debt Service Fund is being presented. FY14 is shown for comparison purposes.

Although there is a somewhat brighter horizon in front of us, challenges remain. Montgomery County is continuing to recover from the Recession. For FY15, assessable base is projected to grow at a rate of about 3.5 percent, and general economic indicators show job growth, declining rates of unemployment, and low inflation. These positive indicators are welcome after the declines experienced in recent years, but at the same time do not mean that the Commission is relieved of fiscal stress. Costs, particularly benefit costs, continue to grow at higher rates than the revenues that support them. Secondly, mandates (NPDES, ADA Compliance, Consolidated Registration System), and Operating Budget Impact (OBI) and debt service from previously approved CIP projects impact the base budget. Thirdly, the Commission has budget needs that have been deferred over the last few years, particularly maintenance needs that grow more expensive to address the longer they are deferred. With property tax revenue making up more than 90 percent of the operating budget, slow growth means the Commission must manage its resources carefully to sustain a stable financial position.

Like most state and local government agencies, managing the cost pressure of personnel expenses remains a challenge. The cost pressure for major known personnel commitments constitutes nearly half of the 8.5 percent increase in the FY15 General Fund proposed budget. The table below begins with our FY14 adopted budget total and adds each of the elements that make up the proposed 8.5 percent increase.

M-NCPPC
Summary of FY15 Proposed Budget Major Changes
Montgomery County General Fund Accounts
Administration and Park Funds (excludes property management and reserves)

	<u>Budget Amount</u>	<u>% Change</u>
FY 14 Adopted Budget	\$ 112,569,561	
<i>FY15 Major Changes- increase (decrease)</i>		
<u>Major Personnel Cost Changes</u>		
OPEB Paygo	391,944	
OPEB Prefunding	559,792	
Health Insurance	1,336,948	
Pension (ERS)	(35,847)	
Employee Compensation Marker	2,395,677	
Subtotal Major Personnel Changes	4,648,514	4.1%
<u>Major Non-Personnel Cost Changes</u>		
Debt Service	1,255,638	
Park- NPDES	276,900	
OBI	448,038	
Investment in New Initiatives	2,031,929	
Operating Major Known Commitments	874,393	
Subtotal FY15 Major NonPersonnel Changes	4,886,898	4.3%
Total Dollar Change for Major Changes	9,535,412	8.5%
TOTAL FY15 Proposed Budget	\$ 122,104,973	8.5%

OVERVIEW OF BUDGET DEVELOPMENT AND ASSUMPTIONS

The Commission is putting forth a budget for FY15 that includes increases for major known commitments and investments in new initiatives, and seeks to begin to rebuild service levels.

The Proposed Budget includes the following major known commitments for personnel costs in FY15:

- Medical insurance and benefit costs;
- Full funding of OPEB PayGo and Pre-Funding as determined by the actuarial study;
- Full funding of pension contribution as determined by the actuarial study; and
- A dollar marker to adjust employee compensation which is subject to negotiations.

As shown in the table below, imbedded cost pressure for personnel expenses is \$4.65 million.

		FY15 Proposed Budget			
		FY14 Adopted	FY15 Proposed	\$ Change	% Change
Besides the compensation marker, the largest personnel cost increase in the FY15 Proposed Budget is for health and benefits, the cost of which is projected to rise by \$1.3 million, an increase of 11.6%. Growth in health care costs continues to be partially offset by increased cost	Summary of Changes in Major Personnel Costs				
	Montgomery County Administration Fund and Park Fund				
	OPEB				
	OPEB Prefunding	2,474,431	3,034,223	559,792	22.6%
	OPEB Paygo	4,100,264	4,492,208	391,944	9.6%
	Subtotal OPEB	6,574,695	7,526,431	951,736	14.5%
	Pension (ERS)				
	Pension (ERS)	11,550,774	11,514,927	(35,847)	-0.3%
	Health and Benefits(1)				
	Employee Health Benefits	11,561,835	12,898,783	1,336,948	11.6%
	Subtotal Personnel Costs	29,687,304	31,940,141	2,252,837	7.6%
	Employee Compensation				
	Marker for Changes to Employee Comp.		2,395,677	2,395,677	
Total Major Personnel Costs			4,648,514		

(1) Health and Benefits includes medical insurances (health, dental, vision, prescription), long-term disability, accidental death and dismemberment, and life insurance.

Note: The year over year difference in pension and health insurance cost is based on total cost and may exclude a reduction of that cost by salary lapse.

share paid by employees for certain health plans and plan design changes. The increased cost share is now fully phased in, effective January 1, 2014.

The next largest cost increase is for OPEB. OPEB refers to the costs to provide retiree health benefits. The costs for FY15 have been actuarially determined taking into consideration the plan design changes that went into effect this fiscal year. These changes include cost share increases for retirees and employees, and the adoption of a credited service model for new employees to gain retiree health benefits on a graduated cost schedule over time. The net change for total OPEB costs is about \$952,000, an increase of 14.5 percent. Total OPEB funding is \$7.5 million. As a positive consequence of the benefit restructuring changes, we are at 100 percent of the annual required contribution. OPEB is shown in Non-Departmental accounts in individual funds rather than being allocated to each department.

Pension costs, however, are decreasing. As determined by the actuary, these costs will decrease by 0.3 percent in FY15, representing a savings of \$36 thousand from the FY14 budget. This decrease is

due to the change in the methodology of amortizing the unfunded liability, as well as increased employee contributions to the non-police pension plans, effective July 1, 2014.

As for employee compensation, with negotiations pending, the budget includes a dollar marker for possible wage increases for non-represented and represented employees. For FY15, this amounts to \$2.4 million. The specific form of employee compensation adjustment will be determined through negotiations, and presented for approval at the Joint County Council Meeting in May 2014.

Investing to Meet Critical Equipment, Maintenance, and Essential Service Needs

Included in the funding levels of the Administration Fund and Park Fund is a funding request of \$2.0 million to address critical equipment, maintenance, and essential service needs. Each department's budget pages provide detailed information on how this increased investment will be used. Below is summary of the requests by department.

Fund	Department	Essential Needs Investment Amount
Administration	Planning	\$ 798,400
Administration	DHRM	68,829
Administration	Legal	40,800
Administration	Finance	76,750
Administration	Internal Audit	54,150
Park Fund	Parks	993,000
Total		\$2,031,929

Summary of FY15 Proposed Budgets for General Fund

The following table provides a comparative summary of the FY15 proposed budget to the FY14 adopted budget for the General Fund. Specific changes in each of the departments are explained in full detail in the Department pages of the Budget Book.

M-NCPPC
Summary of FY15 Proposed Budget General Fund Accounts
By Fund by Department (excludes reserves)

	<u>FY14 Adopted</u>	<u>FY15 Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
Administration Fund				
Commissioners' Office	1,142,601	1,203,020	60,419	5.3%
Planning Department Operating	17,883,605	18,475,244	591,639	3.3%
CAS	7,090,791	7,243,174	152,383	2.1%
Grants	150,000	150,000	-	0.0%
Non-Departmental (1)	1,563,997	2,446,899	882,902	56.5%
Subtotal Admin Fund	27,830,994	29,518,337	1,687,343	6.1%
Park Fund				
Park Department Operating	75,090,769	79,218,689	4,127,920	5.5%
Transfer to Debt Service	3,887,100	5,142,738	1,255,638	32.3%
Transfer to CIP	350,000	350,000	-	0.0%
Grants	400,000	400,000	-	0.0%
Non-Departmental (1)	5,010,698	7,475,209	2,464,511	49.2%
Subtotal Park Operating	84,738,567	92,586,636	7,848,069	9.3%
Montgomery Operating Subtotal	112,569,561	122,104,973	9,535,412	8.5%
Property Management	906,458	1,026,320	119,862	13.2%
Montgomery General Fund Total	113,476,019	123,131,293	9,655,274	8.5%

(1) Non-Departmental for FY14 Adopted includes OPEB prefunding and OPEB paygo. For FY15 Non-Departmental includes OPEB prefunding and OPEB paygo, and a budget marker for compensation adjustments.

PROGRAM HIGHLIGHTS

We are committed to a FY15 work program that helps achieve our goal of maintaining Montgomery County as one of the nation's best places to live. Below are some highlights of the program budget focus in each of the departments. A more detailed discussion of department budgets is provided in the Department pages of the Budget Book.

Parks Department

The Department of Parks will focus on delivering core services to properly operate, maintain and protect our park system.

The Commission continues to develop and maintain one of the largest and most diverse park systems in the nation with over 35,000 acres in 420 parks. Montgomery Parks has balanced the dual roles of providing developed parkland for active and passive recreational opportunities that promote healthy, active life styles, and serving as stewards and interpreters of Montgomery County's natural and cultural resources by conserving parkland.

Montgomery Parks offers leisure and recreational opportunities through an array of programmed and unprogrammed resources which enrich the quality of life for County residents. Ninety-one percent of Montgomery County households are park users. Like schools, churches, and other social gathering places, parks promote a sense of community. Studies show that institutions that foster the web of human relationships can make a neighborhood stronger, safer, and more successful. The social value of people caring about their communities provides economic benefits to help attract residents and businesses. From playgrounds and sports fields to park benches and trails, parks offer opportunities for people of all ages to communicate, compete, interact, learn and grow. Proximity to parks has been shown to increase property values.

Delivering high-quality service in parks is an important focus for Montgomery Parks as demand and usage continue to grow. Montgomery Parks seeks to provide quality recreational and educational opportunities through its operation, construction, development, and maintenance of a wide variety of facilities to meet the varied needs and interests of the County's residents. Montgomery Parks' Vision 2030 plan, prepared together with the County's Department of Recreation, is a comprehensive planning effort to develop long range plans and serves as a guide for future park development and resource protection to better address changing needs and growth forecasts through 2030.

Through the tough economic times in the past few years, Montgomery Parks continued to increase park acreage to accommodate growing population and environmental protection needs, incorporated more stringent regulatory mandates into our work program, and covered rising employee healthcare and risk management costs in the operating budget. In addition, resident demand for services continues to grow with the changing needs and diversity of the community. Montgomery Parks has strived to manage its operating budget with a focus on providing safe and well-maintained parks for our residents.

The Department's FY15 budget includes increases for compensation adjustments, unfunded obligations for new parks and amenities, known operating commitments, debt service on general obligation park bonds, risk management, information technology upgrades, and National Pollutant Discharge Elimination System (NPDES), Americans with Disabilities Act (ADA) and Consolidated Registration System mandates.

During the recent economic downturn, Department of Parks funding was reduced, as was funding for other County agencies. For the past few years, the Department has been operating at a same services level, while the economy has sluggishly improved. Our staff work years remain below the FY05 level. Over the last decade, park acreage increased 9 percent, but staffing is lower by nearly 1 percent. In addition, the Park tax rate has decreased 13 percent from its highest point of this timeframe. The deferred maintenance backlog is growing for buildings, grounds, and facilities (including trails, roads, and bridges). In FY08, there was a backlog of over 500 outstanding work orders for repairs and preventive maintenance. By FY12, that number had grown to 2,000, and last year, after the derecho in June 2013 and Super Storm Sandy in October 2013, that number had grown to 2,500. This year, the number of outstanding work orders has modestly increased to 2,550.

The FY15 proposed budget includes incremental increases for essential needs to begin to address the backlog of work requests and reverse the trend of the past few years. There is very little that is new about the incremental increases proposed for FY15. Rather, these are all efforts required to bring our infrastructure and amenities to acceptable standards, ensure patron and tenant safety, and preserve what we already have for the enjoyment of current and future generations.

Together, we have created a highly popular, valued, and nationally-recognized park system. Our entire team remains committed to honoring our core vision to provide "...an enjoyable, accessible,

safe, and green park system that promotes a strong sense of community through shared spaces and experiences and is treasured by the people it serves." We will continue to aggressively seek new funding opportunities and improve work program efficiencies. We remain committed to forming viable partnerships and strong relationships with our stakeholders and within our communities. The FY15 budget request will enable us to continue to provide safe, clean parks, keep our programs and facilities accessible and affordable, and maintain the quality of life for which Montgomery County is renowned.

Planning Department

The Planning Department continues to deliver its core services to improve the quality of life in Montgomery County by conserving and enhancing both natural and man-made environments for current and future generations. Central to this role, the Department develops master plans, reviews development applications, and researches, analyzes and presents information to the community and public officials to aid in planning for Montgomery County's future.

In addition to the FY15 work plan that is detailed in the department's budget section, the following new initiatives are proposed:

- **Information Technology**
Advances in software and communications systems allow staff to perform more intricate analysis and provide better customer support. Therefore, we are seeking funding for several upgrades including desktop virtualization software that will help us eliminate the need for desktop PCs, software to remotely manage our mobile devices, a system that will enable us to monitor our communications servers in real-time, and upgrades to our video conferencing units, among others. We also are looking to update our IT Strategic Plan, which has not been done since 2005.
- **Co-location of public facilities**
In these difficult economic times, we are looking for innovative ways to help government agencies share key public assets. During FY14, we began to look at ways in which schools and parks could co-locate their facilities; now we wish to extend this effort to look at other types of public facilities that might benefit from this approach, such as police and fire stations or libraries and neighborhood services centers. This initiative will involve a wide variety of public and private stakeholders.
- **Functional Plan for Housing**
Montgomery County continues to see an influx of new residents but finds that its housing stock has not always kept up with demand, particularly for more affordable housing. At the same time, it has become clear that some of our older, more affordable units, such as post World War II garden apartments, are reaching a stage where they need to be rehabilitated or replaced. Although the county is working toward finalizing a new housing policy that includes several admirable goals, this plan would seek to identify the actual tools that could help us reach these goals.
- **Travel Demand Forecasting**
Transportation modeling is essential to our master planning and subdivision staging work. In order to accommodate a growing population, we must seek to understand the role that new means of transportation, such as rapid vehicle transit and light rail, can play in reducing automobile congestion. Our existing models are based on an older paradigm and need to be re-examined. Staff will explore options, such as the University of Maryland micro-simulation travel demand modeling tool, to replace our current process, which focuses on Critical Lane Volume (CLV) and Highway Capacity Manual (HCM) analysis. To identify the most appropriate tool, we will need consultant resources. We are requesting

ongoing funding for one existing, but currently unfunded position and one-time consulting funding for Travel Demand Forecasting.

Central Administrative Services (CAS)

For FY15, CAS Departments' work priorities will center on the following:

- Complete implementation of the Enterprise Resource Planning System (ERP) overhaul of all corporate financial and human resource systems.
- Implement management supported recommendations from the FY13 Classification and Compensation Survey.
- Negotiate the full MCGEO collective bargaining agreement and implement contract changes from the full FY14 FOP negotiations.

New initiatives requested include:

DHRM

- Funding of one existing but unfunded Human Resources position to address classification and compensation program priorities.
- Reestablishment of a formal leadership development and workforce training program
- Expansion of the existing online training on internal standards and policies.

Finance

- Start-up costs for ERP help desk
- Upgrade in ERP vendor support

Internal Audit

- Funding of one existing but unfunded auditor position to increase the number and complexity of internal audits and reviews.

Legal

- Anticipated reclassification costs

TAX RATES AND LONG-TERM FISCAL SUSTAINABILITY

In addition to meeting the immediate FY15 challenges, the Commission continues to strive for long-term fiscal sustainability. Property taxes comprise more than 95 percent of revenue in the tax-supported funds. The moderate increases of property assessments present the Commission with a projected revenue growth that continues to lag the projected growth in expenditures. The Commission, in proposing this budget, has proposed a change in the real and personal property tax rates for the Park Fund of 0.4 and 1.0 cents, respectively. At this level, the Park tax rate is still below that of FY06.

The FY15 Proposed Budget requests a total tax rate for property tax supported funds of 7.60 cents real property and 19.10 cents personal property. The breakdown by fund is:

- Administration Fund: 1.80 cents real and 4.50 cents personal;
- Park Fund: 5.70 cents real and 14.30 cents personal; and
- Advanced Land Acquisition Fund: 0.10 cents real and 0.30 cents personal.

At these tax rates, the Commission will have sufficient property tax revenues to meet the FY15 proposed expenditures and reserve requirements for the Park Fund. The Administration Fund will

not require a tax increase in FY15 but will utilize about half of its undesignated fund balance to meet its proposed expenditures.

MONTGOMERY COUNTY PROPERTY TAX RATES (Cents per \$100 of assessed value)										
FUNDS	ACTUAL	ADOPTED	Proposed							
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Administration Fund										
Real	2.2	2.0	1.9	1.9	1.8	1.5	1.7	1.8	1.8	1.8
Personal	5.5	5.0	4.7	4.7	4.5	3.8	4.3	4.5	4.5	4.5
Park Fund										
Real	6.1	5.7	5.8	5.3	5.0	4.5	4.8	5.4	5.3	5.7
Personal	15.3	14.3	14.5	13.2	12.5	11.2	12.0	13.5	13.3	14.3
Advance Land Acquisition Fund										
Real	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Personal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Tax Rates (Cents)										
Real	8.4	7.8	7.8	7.3	6.9	6.1	6.6	7.3	7.2	7.6
Personal	21.1	19.6	19.5	18.2	17.3	15.3	16.6	18.3	18.1	19.1

CONCLUSION

In summary, the Commission is proposing a budget that will incrementally move us forward and will allow us to address several planning initiatives and previously scaled back parks maintenance. Although we have proposed increases where needed to address critical needs, we fully understand the ongoing economic challenges and look forward to working with the Council and Executive to incorporate adjustments where needed.

We look forward to working with you and your staffs on our FY15 budget proposal.

Sincerely,



Françoise M. Carrier
Chair

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 Department of Parks, 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 can be obtained by contacting the M-NCPPC Budget Office at 301.454.1731 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 Department of Parks 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.

Special Revenue Funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. The budgets are associated with Planning and Parks operations throughout the Commission.

Spending Affordability Guidelines

In February 2014, the Council approved FY15 Spending Affordability Guidelines (SAG) of \$103,700,000 for the tax-supported funds of the M-NCPPC, which is a 1.5 percent decrease from the \$105,308,030 approved FY14 budget. For FY15, the Commission has requested \$113,028,012 excluding debt service and retiree health insurance prefunding, \$9,328,012 above the total SAG amount of \$103,700,000.

The total requested budgets for the Enterprise Fund, Property Management Fund, Special Revenue Funds, ALA Debt Service Fund, and Grant Fund, are \$16,286,104, a 3.9 percent decrease from the \$16,946,955 total FY14 approved budget.

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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 information, analysis, recommendations and other staffing services to the Montgomery County Planning Board, the County Council, the County Executive, other governmental agencies, and the public. The Department prepares master and sector plans for Planning Board review and approval by the County Council. The Department reviews development applications for conformance with existing laws, regulations, master plans and policies, and presents its recommendations to the Planning Board for action. The Department gathers, analyzes and reports various data (such as housing, employment, population growth and other topics of interest) to the County Council, County government, other agencies, the business community, and the public.

Central Administrative Services

The mission of Central Administrative Services is to provide quality corporate services in the areas of corporate governance; human resources; finance and budget; legal counsel; information technology; and internal audit; and to deliver these services with integrity, innovation, responsiveness, and excellent customer service to the Commission, its employees, elected and appointed officials and the communities served in the bi-county region. The level of services and therefore funding allocation by county is tailored to the agency and the individual department needs. Certain functions are allocated based on labor distribution or a cost driver such as number of employees paid. Some functions such as the Merit System Board are funded evenly by both counties.

Department of Parks

The Department of Parks 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. 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. The Department oversees a comprehensive park system of over 35,300 acres in 420 parks of different sizes, types, and functions that feature Stream Valley and Conservation Parks, Regional and Special Parks, Recreational Parks, and Local and Community Parks. The Department 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.

Enterprise Fund

The Enterprise Fund accounts for various park facilities and services which are entirely supported by user fees. Recreational activities include: ice rinks, indoor tennis, event centers, boating, camping, trains, carousel, mini-golf, driving range, and splash and skate parks. Operating profits are reinvested in new or existing public revenue-producing facilities through the operating budget and 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 recommends an FY15 tax supported appropriation for M-NCPPC of \$112,362,846, 4.2 percent above the FY14 approved budget for tax supported funds, exclusive of debt service.

Park Fund

The County Executive recommends funding of \$83,908,952, excluding debt service. This proposed funding represents a \$3,807,485 or 4.8 percent increase from the FY14 approved budget and a reduction of \$2,784,946 from the Commission's request. Park Fund debt service increased by \$1,255,638 from \$3,887,100 in FY14 to \$5,142,738 in FY15.

The recommendation includes \$219,065 to support the joint development of the interagency class registration system ActiveNet. Implementation of the system will improve customer service to residents by allowing a one-stop access location between Parks, Community Use of Public Facilities (CUPF), the Charles W. Gilchrist Center for Cultural Diversity, and Department of Recreation.

Administration Fund

The County Executive recommends funding of \$28,453,894. This represents a \$772,900 or 2.8 percent increase from the FY14 approved budget and a reduction of \$914,443 from the Commission's request.

ALA Debt Service

The County Executive concurs with the M-NCPPC request for funding of \$282,860. This represents a decrease of \$14,740 or 5.0 percent from the FY14 approved budget.

Enterprise Fund

The County Executive concurs with the M-NCPPC request for funding of \$8,682,675. This represents a \$755,551 or 8.0 percent decrease from the FY14 approved budget of \$9,438,226.

Property Management Fund

The County Executive concurs with the M-NCPPC request for funding of \$1,026,320. This represents a \$119,862 or 13.2 percent increase from the FY14 approved budget of \$906,458.

Special Revenue Fund

The County Executive concurs with the M-NCPPC request for funding of \$5,744,249. This represents a \$10,422 or 0.2 percent decrease from the FY14 approved budget. The Executive recommends a transfer of \$866,800 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.

PROGRAM CONTACTS

Contact John Kroll of the M-NCPPC at 301.454.1731 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 FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud
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	23,397,963	27,680,994	27,600,994	28,453,894	2.8%
Capital Outlay	0	0	0	0	—
Administration Fund Expenditures	23,397,963	27,680,994	27,600,994	28,453,894	2.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	174.28	174.28	179.35	2.9%
REVENUES					
Intergovernmental	435,988	400,400	400,400	400,400	—
Investment Income	15,963	54,000	21,000	20,500	-62.0%
Property Tax	25,853,216	25,965,553	26,031,084	23,902,107	-7.9%
User Fees	390,430	235,000	236,000	240,580	2.4%
Administration Fund Revenues	26,695,597	26,654,953	26,688,484	24,563,587	-7.8%
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	75,758,557	80,101,467	80,101,467	83,908,952	4.8%
Debt Service Other	4,433,012	3,887,100	3,887,100	5,142,738	32.3%
Capital Outlay	0	0	0	0	—
Park Fund Expenditures	80,191,569	83,988,567	83,988,567	89,051,690	6.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	5.00	635.10	635.10	657.10	3.5%
REVENUES					
Facility User Fees	1,955,682	2,048,939	2,048,939	2,356,200	15.0%
Intergovernmental	2,146,460	2,037,862	2,037,862	2,314,762	13.6%
Investment Income	-68,776	5,000	5,000	5,000	—
Miscellaneous	220,289	106,500	106,500	122,000	14.6%
Property Tax	77,724,077	76,468,661	76,661,178	83,657,376	9.4%
Park Fund Revenues	81,977,732	80,666,962	80,859,479	88,455,338	9.7%
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	310,710	297,600	297,600	282,860	-5.0%
Capital Outlay	0	0	0	0	—
ALA Debt Service Fund Expenditures	310,710	297,600	297,600	282,860	-5.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	28.55	0.00	0.00	0.00	—
REVENUES					
Property Tax	1,680,687	1,686,287	1,685,497	1,723,014	2.2%
ALA Debt Service Fund Revenues	1,680,687	1,686,287	1,685,497	1,723,014	2.2%
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	78,296	550,000	550,000	550,000	—
Capital Outlay	0	0	0	0	—
Grant Fund MNCPPC Expenditures	78,296	550,000	550,000	550,000	—

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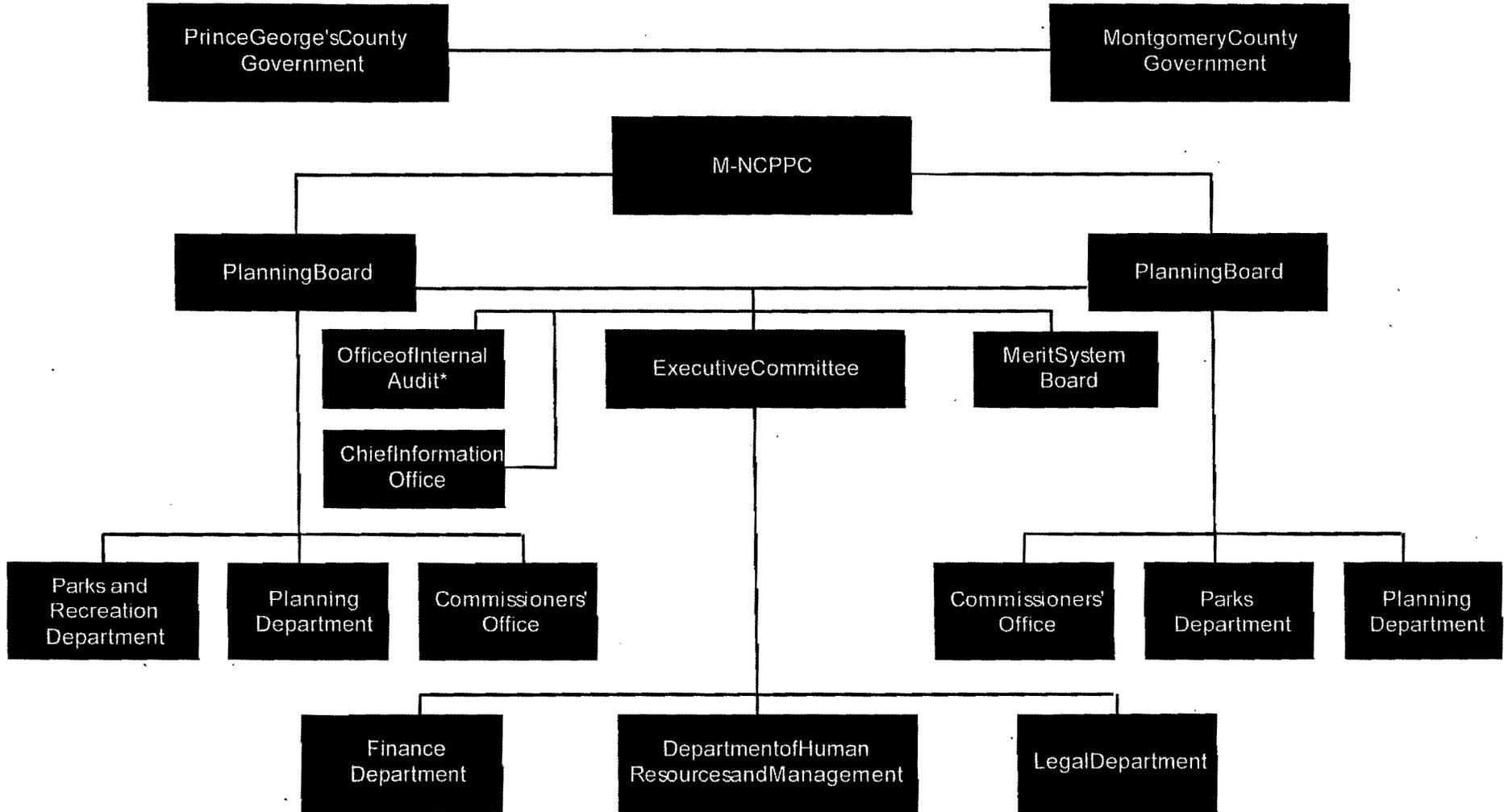
	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	118.90	0.00	0.00	0.00	—
REVENUES					
Administration Fund Grants	0	150,000	150,000	150,000	—
Park Fund Grants	78,296	400,000	400,000	400,000	—
Grant Fund MNCPPC Revenues	78,296	550,000	550,000	550,000	—
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	8,048,757	9,210,269	8,676,081	8,682,675	-5.7%
Debt Service Other	870,956	227,957	227,957	0	—
Capital Outlay	0	0	0	0	—
Enterprise Fund Expenditures	8,919,713	9,438,226	8,904,038	8,682,675	-8.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	173.40	116.00	116.00	110.30	-4.9%
REVENUES					
Fees and Charges	6,284,292	6,323,008	6,007,855	6,055,910	-4.2%
Intergovernmental	11,883	0	0	0	—
Merchandise Sales	640,199	722,100	622,800	627,350	-13.1%
Non-Operating Revenues/Interest	7,983	22,200	22,200	8,000	-64.0%
Rentals	2,896,220	2,963,500	2,987,925	3,036,245	2.5%
Enterprise Fund Revenues	9,840,577	10,030,808	9,640,780	9,727,505	-3.0%
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	839,471	906,458	906,458	1,026,320	13.2%
Capital Outlay	0	0	0	0	—
Prop Mgmt MNCPPC Expenditures	839,471	906,458	906,458	1,026,320	13.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	6.00	6.00	7.00	16.7%
REVENUES					
Investment Income	1,820	5,600	1,800	1,820	-67.5%
Rental Income	927,095	900,000	900,000	1,024,500	13.8%
Prop Mgmt MNCPPC Revenues	928,915	905,600	901,800	1,026,320	13.3%
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	4,897,488	5,754,671	5,393,428	5,744,249	-0.2%
Capital Outlay	0	0	0	0	—
Special Revenue Funds Expenditures	4,897,488	5,754,671	5,393,428	5,744,249	-0.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	625.60	27.17	27.17	24.85	-8.5%
REVENUES					
Intergovernmental	303,431	55,000	55,000	55,000	—
Investment Income	7,811	20,800	20,500	8,300	-60.1%
Miscellaneous	92,492	0	0	0	—
Service Charges	3,970,589	2,719,476	2,675,800	2,634,700	-3.1%
Special Revenue Funds Revenues	4,374,323	2,795,276	2,751,300	2,698,000	-3.5%

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	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
DEPARTMENT TOTALS					
Total Expenditures	118,635,210	128,616,516	127,641,085	133,791,688	
Total Full-Time Positions	0	0	0	0	
Total Part-Time Positions	0	0	0	0	
Total FTEs	951.45	958.55	958.55	978.60	2.1%
Total Revenues	125,576,127	123,289,886	123,077,340	128,743,764	4.4%

(15)

Maryland-National Capital Park and Planning Commission



*The Office of Internal Audit reports to Chair and Vice Chair of the Commission and the Audit Committee.



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND NATIONAL CAPITAL PARK AND PLANNING COMMISSION

April 16, 2014

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

VIA: Mary Bradford, Director of Parks

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 21:

1. What reductions do you propose to meet the Executive – recommended reductions?

See answer for question #2.

2. What are your priorities for restoration of funding?

From FY10-FY12, the Department of Parks budget was severely reduced and, today, the level of care for our valuable and popular amenities remains well below optimum and our own standards. The Department has continued to address critical maintenance deficiencies and prioritized work programs to keep the parks safe, accessible and protected. However, the deferred maintenance backlog is growing for building, facilities (including trails, roads, and bridges), and grounds. In FY12, there was a backlog of over 2,000 outstanding work orders for repairs and preventive maintenance. By the beginning of FY13, this number had grown to 2,500. By the fall of 2013, there were 2,550 outstanding work orders. In addition, there is a current backlog of 1,272 tree service requests. By the end of FY14, this backlog is expected to be over 2,000 service requests.

Last year, during the FY14 budget hearings with the PHED Committee, the Department was asked by Council Members what could be done to reduce the outstanding work orders. For the FY15 Proposed Park Fund budget, the Department included several essential needs requests to help reduce the backlog and to continue to maintain safe, accessible, and protected parks.

The chart below shows the Department of Parks FY15 Proposed Budget in comparison to the County Executive's recommendation, and the overall amount of reductions required in our budget to achieve the County Executive's recommendation.

Park Fund	
FY15 Proposed Budget (less debt service, grants and CIP transfer)	86,693,853
CE Recommendation	<u>83,908,952</u>
Reduction from Request	2,784,901
Less Retiree Health (OPEB) Reduction1	(1,012,949)
Less Risk Management Reduction2	<u>(200,000)</u>
Reductions Required to Achieve CE Recommendation	1,571,952

Notes:

1. The reduction for OPEB is the result of a revised actuarial valuation that takes into consideration the Commission's conversion of the prescription plan we offer to Medicare eligible retirees to a Medicare approved Part D prescription plan.
2. The risk management amount was reduced from the FY15 proposed budget due to year more favorable FY14 year to date experience.

In order to meet the Executive's recommended budget, the Department of Parks would have to cut programs in general park maintenance, public safety, tree care, equipment maintenance, trail maintenance, and outdoor court maintenance.

The Department of Parks compiled a set of reductions to reach the CE's target and broke the requested restoration into 3 tiers with Tier 1 being the Department's highest priority for restoration.

Even with a fully funded FY15 budget, the Department will continue to struggle to adequately meet the documented needs of a growing and diverse population while maintaining our current parks and facilities. This level of restoration would help us begin to turn the curve, providing resources for our unfunded mandates and enabling us to begin to address our maintenance backlog.

Tier 1 - Essential Needs		Funding	Positions
Top Priority to be Placed on Reconciliation List			
Tier 1-a	Tree Maintenance	153,393	3
Tier 1-b	Reduce Inflationary Increase to Supplies & Materials and Services from 1.0% to 0%	169,450	
Tier 1-c	Maintenance Restoration	142,485	2
Tier 1-d	Mechanic Restoration	34,879	1
Tier 1-e	Natural Surface Trails Restoration	37,626	1
Tier 1-f	Court Crew Restoration	104,651	2
Tier 1-g	Court Contract	50,000	
Tier 1-h	Park Police Restoration	41,102	1
SUBTOTAL		733,586	10
Tier 2			
To be Placed on Reconciliation List but with a priority lower than Tier 1			
Tier 2-a	Delay Hiring of Essential Needs Positions	174,414	
Tier 2-b	Reduce Seasonal Staffing	204,313	
Tier 2-c	Reduce Inflationary Increase to Supplies & Materials and	85,000	

	Services from 1.5% to 1.0%		
Tier 2-d	Eliminate Increase in Gasoline	150,000	
Tier 2-e	Delay implementation of Customer Relationship Management Software	28,300	
SUBTOTAL Second Priority to be asked to go on Reconciliation List		642,027	
Tier 3			
To be Placed on Reconciliation List but with a priority lower than Tiers 1 & 2		Funding	Positions
Tier 3-a	Delay FY15 OBI Capital Outlay	96,339	
Tier 3-b	Delay FY15 Information Technology	100,000	
SUBTOTAL Third Priority to be asked to go on Reconciliation List		196,339	
Total of All Tiers 1, 2 and 3		1,571,952	

Impact Statements for Tiered Non-recommended Reductions			
Tier 1 - Essential Needs Top Priority to be Placed on Reconciliation List		Funding	Positions
Tier 1-a	Tree Maintenance – Reduce Maintenance Backlog - One-time Expense – 3 Term Contract Employees	153,393	3
<p><u>Impact:</u> The Department of Parks has determined that hiring 3 contract tree climbers is the best solution for significantly reducing the large number of non-completed tree service requests. This would not have an adverse effect on future budgets. Without this funding, tree health and patron safety will be compromised.</p> <p>In the fall of 2013, the number of non-completed service requests for hazardous tree work was 1,272. Based on trends from previous years, we are forecasting a backlog of over 2,000 service requests by the end of the fiscal year with current resources. During a normal year, the existing tree crew can complete 1,086 service requests. Close to 1,000 service request will be backlogged at the end of the year. Unless additional resources are provided, the number of backlogged requests will continue to grow exponentially each year increasing the odds of serious accidents occurring in parks.</p> <p>Using existing service request data, a tree climber can complete 0.84 service requests per day. These positions are budgeted for 0.75 WYs each to allow for the normal lapse in hiring time. Working for 9 months, these climbers will be able to complete an estimated 168 service requests each, or an estimated 504 total service requests will be completed by this staff. This onetime expense will substantially reduce the tree service backlog. With the contract tree climbers plus the work of the existing tree crew, the backlog will be reduced to an estimated 410 work orders.</p>			
Tier 1-b	Reduce Inflationary Increase to Supplies & Materials and Services from 1.0% to 0%	169,450	
<p><u>Impact:</u> During the FY10 and FY11 budget process, the funding for supplies and materials (S&M) as well as other services and charges (OS&C) was dramatically reduced. Since that time, the budget for these categories has only increased due to known commitments such as contractual obligations, OBI, or mandated services. Since 2011, the consumer price index (CPI) has increased a total 6.2%, or an average of 2.1% each year.</p>			

By not keeping up with inflation, the Department's S&M and OS&C budgets have effectively shrunk. The Department has had to do more with less, cut services, and reduce its ability meet maintenance standards. For example, the Department has reduced or eliminated small maintenance equipment purchases which result in increased downtime, reduced frequency of maintenance in parks, and decreased worker efficiency by using aging equipment. The level of care provided to maintain the park system can be described as "Fair or Managed Care" at best.

For FY15, the Department proposes increasing the S&M and OS&C budget by \$254,450, which is 1.5% of the nearly \$17M budgeted in FY11 for these expenses. This increase is only one-quarter of the 6.2% CPI increase over these last 3 years which accounts for some efficiencies that have been achieved since FY11. The Department chose FY11 as the baseline year since S&M and OS&C have not increased since then except for known commitments.

This Tier 1 line item would eliminate 1% of the requested inflationary increase. The other 0.5% is included in Tier 2.

Tier 1-c	Maintenance Restoration	142,485	2
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Impact: Due to budget cuts in FY11, the Northern Parks division abolished nine maintenance positions. After analysis and review, the Department recommended the restoration of one of these positions which will allow current staff to meet performance measures and maintenance standards more effectively, and reduce the maintenance service backlog.

With the addition of this position, current staff can spend more time on tasks and responsibilities that have had a reduced focus due to new programs such as Smart Parks/EAM management; ERP management; new ADA compliance requirements; increased recycling efforts expanding to local parks; environmental mitigation projects; NPDES mandates; new storm water management regulations; new nutrient management regulations, and much more. While staff has high completion rates for urgent tasks that require quick response, routine tasks have suffered without the appropriate amount of oversight and coordination efforts.

In addition, the Southern Parks Division is requesting the restoration of a Regional Operations Manager. This position was abolished in FY09 during the fiscal downturn. The Southern Parks is the largest operations division in the Department responsible for about two-thirds of the 420 parks in the system in the most densely populated areas. This down-county division has the oldest infrastructure and the most staff with 147 positions.

By re-establishing this key position, the Southern Parks will be more successful with managing staff, reducing maintenance backlog, providing better service to the community at large, and providing for more effective oversight of a very large management area with many diverse facilities. Consistent maintenance requires constant attention and planning for the maintenance and upkeep of the assets in the park system.

Tier 1-d	Mechanic Restoration	34,879	1
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Impact: In FY09, Parks spent \$1 million on capital equipment. Funding for capital outlay was eliminated in FY10-FY13. The Department was able to purchase large equipment during those years through the internal service fund (ISF) which finances equipment costing more than \$5,000 that has a life expectancy of greater than 6 years (the length of the financing term).

Since FY09, the Department has used the equipment available to them or done without. Some of the equipment is old, outdated, not the correct type or size for the task, and not efficient. These aging assets result in escalating repair costs, longer downtime leading to lost productivity, decreased equipment reliability and, in some cases, may compromise operator and public safety. The rising repair workload has led to an increase in the backlog in service and preventative maintenance by 30%. It is common for equipment to be past due for preventive maintenance and to be taken out of service for extended periods.

During this time, four mechanic positions were abolished in FY11. One of the mechanics was located at the Meadowbrook Maintenance Yard. Now repairs typically completed on-site are reassigned to Shady Grove causing increased transportation costs and downtime, and adversely affecting the backlog at the Shady Grove facility. The Department is requesting the restoration of this position to decrease the backlog of service and repairs and to increase efficiency of the Meadowbrook shop. Reinstitution of this mechanic position would create a positive ripple effect of labor savings throughout the Department.

Tier 1-e	Natural Surface Trails Restoration	37,626	1
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Impact: Trails are one of the most popular facilities that the Department of Parks has to offer, and the blossoming trend of natural resource based recreation puts even more pressure on our Department to deliver safe and enjoyable natural surface trails that meet this need while stewarding the environment within which they reside. The Department of Parks currently offers approximately 140 miles of "sanctioned" trails across the park system. A "sanctioned" trail is a trail that has been constructed to sustainable standards, is inspected and maintained on a regular basis, has been blazed and signed in the field, and has maps available on the web.

Failure to fill the requested position will put the Department further behind with the routine inspection and maintenance of existing trail facilities and prevents the Department from retrofitting existing non-sanctioned trails to current standards.

Vision 2030 shows that the Department of Parks provides too few sanctioned natural surface trails in the down-county area – which is the area of greatest trail needs. This position would facilitate the inspection and maintenance of existing natural surface trails and allow for the planning and construction of new facilities in the areas of higher population density. In the near term, this position would focus on retrofitting natural surface trails in the Rachel Carson Greenway -- in Northwest Branch Stream Valley Park.

Over the past five years or so, the Department has experienced a sharp increase in the number of natural surface trail related requests for major repairs and/or new construction. These requests far exceed what can be accommodated by our existing staff compliment – which includes two work years in the Park Planning and Stewardship Division and one work year in Volunteer Services. The Department recognizes the importance of these requests -- but without additional staffing, will not be able to meet the growing demand for these popular facilities.

Tier 1-f	Court Crew Restoration– Addressing Service Order Backlog – Extending the Life of Outdoor Courts including 2 Full Time Career Staff plus Seasonal Staff	104,651	2
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Impact: The Department has over 500 outdoor courts including 305 tennis courts and 207 basketball courts. There are numerous work requests generated each year for these courts that our current staff cannot

complete. The Department renovates only 4-6 courts year utilizing CIP funding, leaving most in service long beyond the optimal life cycle of 25 to 30 years. The requested career and seasonal staff would establish a coating material application crew that works on the outdoor tennis and basketball courts as well as bridges, boardwalks, and play equipment.

The County Executive's proposed budget would compromise the service life of these assets and potentially increase liability.

Tier 1-g	Court Contract	50,000	
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Impact: In addition to the Court Crew restoration above, the Department requests funding to hire contractors as a supplement to the application crew program, to apply intermediate court sealing in spring and fall seasons. These programs would significantly increase service life of assets and reduce liability.

Tier 1-h	Park Police Restoration	41,102	1
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Impact: Our urban parks are seeing a marked increase in use as Montgomery County continues to urbanize, and much of this use is after typical park hours, requiring additional overnight patrols to ensure these parks remain safe and secure for all users at all times. The Department has requested funding for an additional police officer to staff the midnight shift to provide proactive patrols, on foot, bike and vehicle in urban parks, most of which are in the Central Business Districts of Silver Spring and Bethesda. The officer would be assigned to focus on urban parks, freeing up other midnight shift officers to focus on other proactive patrols.

The possible results of not filling this position would be increased vandalism, illicit after hours use and trespassing in our urban parks. Most of these parks back up to residential communities. The parks have been used in the past as an access point for criminals attempting to burglarize and commit thefts at adjoining residences. An increased focused proactive presence would help deter criminal activity in our urban parks after hours.

SUBTOTAL – Tier 1		733,586	10
<i>Top Priority to be asked to go on Reconciliation List</i>			

Tier 2			
To be Placed on Reconciliation List but with a priority lower than Tier 1		Funding	Positions

Tier 2-a	Delay Hiring of Essential Needs Positions by 4 Months	174,414	
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Impact: The Park Fund FY15 Proposed Budget included several essential needs requests to help reduce the backlog and to continue to maintain safe, accessible, and protected parks. The budget funds positions beginning in September to allow adequate time to fill these new positions.

By delaying the hiring of these critical tree maintenance, park maintenance, mechanic, trail, park police, and outdoor court positions until January, the Department will lose the benefit of reducing the maintenance backlog in the temperate fall season.

Tier 2-b	Reduce Seasonal Staffing	204,313	
<p>Impact: Employment of seasonal workers is a common and highly cost effective method of delivering park maintenance and programming services during peak usage periods.</p> <p>Seasonal staff augments maintenance crews allowing career staff to perform functions which require a broader skill set. Additionally, seasonal employees cover many evening and weekend hours controlling athletic field lighting at parks such as Ridge Road Recreational Park and Wheaton Regional Park and performing late evening custodial functions in park activity buildings and picnic shelters.</p> <p>With this \$204,313, or 17%, reduction in seasonal funding, career staff will be required to perform these duties, further reducing staffing levels during optimum maintenance hours and potentially necessitating overtime pay for career staff working longer hours.</p>			
Tier 2-c	Reduce Inflationary Increase to Supplies & Materials and Services from 1.5% to 1.0%	85,000	
<p>Impact: See response to Tier 1-b.</p>			
Tier 2-d	Eliminate Increase in Gasoline	150,000	
<p>Impact: Economists forecast fuel prices to increase 10% in the upcoming year and so the FY15 budget for gasoline/diesel fuel is proposed to increase by \$150,000, or 10% from the FY14 adopted budget. In addition, the current trend in the Department is to use the higher priced but "greener" biodiesel fuel.</p> <p>By keeping the gasoline budget at the FY14 level, the Department risks not having enough funding in FY15 to cover our fuel needs.</p>			
Tier 2-e	Delay implementation of Customer Relationship Management (CRM) Software	28,300	
<p>Impact: A CRM system tracks and directs the interactions between our Department and the public. The CRM will serve as the public interface for our new Enterprise Asset Management (EAM) software and is designed to streamline the process of responding to citizens and tracking the types of inquiries we receive. Montgomery Parks receives an estimated 1000 inquiries and requests for service per month, and a system to manage our interactions with the public is critical. Many public agencies who serve a similarly sized customer base have already implemented a system to manage citizen requests.</p> <p>Delaying the implementation of this software will have several negative impacts including: 1) more staff time spent on public response because of volume and escalation – frequently at the manager and senior leadership level, 2) continued lack of uniformity in responses which can cause customer confusion and additional work, 3) staff continuing to miss trends in requests for service and information, 4) loss of departmental knowledge/information that is important to citizens, 5) inadequate customer support leaving the Department vulnerable to high profile "gotcha" moments that can be quickly and easily linked to media and other public agencies such as County Council and the County Executive's office, and 6) missing data on staff performance, accomplishments, and areas for improvement.</p>			
SUBTOTAL – Tier 2		642,027	
Second Priority to be asked to go on Reconciliation List			

Tier 3 To be Placed on Reconciliation List but with a priority lower than Tiers 1 & 2		Funding	Positions
Tier 3-a	Delay FY15 Operating Budget Impact (OBI) Capital Outlay	96,339	
<p><i>Impact:</i> The capital outlay funds budgeted for FY15 is for equipment for the new Germantown Town Center park scheduled to open in the 2nd half of FY15. This equipment includes a utility vehicle with a plow and sweeper, a ride on core aerator, an extended cab pick-up truck, an enclosed equipment trailer, and a park police cruiser.</p> <p>Delaying the purchase of this equipment will require staff to use equipment that may be old, outdated, not the correct type or size for the task, and not efficient. This may result in increased downtime, lost productivity, decreased reliability, and may compromise operator and public safety.</p>			
Tier 3-b	Delay FY15 Information Technology – Desktop virtualization software and implementation	100,000	
<p><i>Impact:</i> Technology is advancing rapidly. Increasing numbers of staff are moving away from desktop computer to using smart phones, laptops and tablets to work more efficiently. The delay of desktop virtualization will slow development of staff efficiencies and delay the move away from desktop PCs.</p> <p>This item is 50% of the budget equally shared with the Planning Department. The PHED Committee supported placement of the Planning Department's \$100,000 on the reconciliation list.</p>			
SUBTOTAL – Tier 3 Third Priority to be asked to go on Reconciliation List		196,339	

3. Describe any changes in Department programs or policies over the last year related to Vision 2030, including efforts to achieve the cost recovery goals.

Vision 2030 includes five broad themes, 1) Programs and Experiences, 2) Planning and Development, 3) Operations, Maintenance, and Safety, 4) Management, and 5) Marketing and Outreach. Each of these themes has multiple goals with multiple objectives per goal, and each objective has multiple action items targeted to achieve the objective and goal. The Department of Parks staff has worked diligently to complete many of these action items this past year.

In addition, both Enterprise Fund and Park Fund revenue program continue to use the cost recovery analysis tool to calculate cost recovery for select fee based activities twice a year to analyze our program costs and bring our programs into alignment with the cost recovery pyramid. This information is presented to senior management and helps the Department to know whether or not a program is achieving its cost recovery goals, and, if not, has generated discussion on whether the subsidy was acceptable, as in the case of youth leagues renting ballfields, or if we needed to increase the cost recovery by restructuring the program, raising fees, reducing expenses, increasing the use of volunteers, or eliminating the program.

Below is a list of some of the programs or policies that Parks staff has completed or implemented over the past year that correlate to one of the five Vision 2030 themes.

- Significantly expanded the Department's annual Emancipation Day Celebration on November 2 & 3, 2013, with program offerings at Woodlawn Manor Special Park, Oakley Cabin, Josiah Henson Special Park, and the Harper Cabin at Brookside Nature Center, Wheaton Regional Park.
- Completed the Natural Resources Management Plan for Natural Areas in M-NCPPC Parkland in Montgomery County, Maryland. The plan provides a framework for the completion of park specific management plans -- as well as a schedule for the completion of these documents.
- Completed park specific management plans for natural areas in Black Hill Regional Park, Upper Paint Branch Stream Valley Park, and the Oursler Road Biodiversity Area in Patuxent River Stream Valley Park.
- Formalized the Friends Group program and changed the procedures to require legal agreements/ MOUs and ensure collaboration, coordination and common vision.
- Expanded the operating budget impact requests to include entrance and rules/regulations signage costs for new capital improvement projects.
- Established public-private partnership program criteria and new application process to help identify mission-aligned partners.
- Adopted a Corporate Sponsorship Policy (January 2013) and contracted with a vendor in FY14 to develop park system-wide corporate sponsorship packages to leverage support from businesses.
- Implemented Special Event Permit process which identifies extra costs associated with third party events and programs and ensures the event organizers cover those extra costs including park maintenance and park police time outside of their normal and routine role.
- Expanded the role of our in-house Exhibit Shop to create or support the creation of interpretive panels for historic properties.
- Increased the use of social media for strategic marketing campaigns.
- Expanded the use of digital media to notify the public of upcoming meetings/projects.
- Revised the How Are We Doing survey program to facilitate increased public input and response.
- Implemented targeted, seasonal registration campaigns to boost program registration.
- Partnered with the Convention and Visitor's Bureau to develop a calendar of all countywide community events and festivals.
- Implemented an online forum/blog using Disqus to solicit public input on park development projects.
- Launched a micro-site with a searchable directory of park projects in the design, planning and construction phases.
- Currently creating a departmental e-newsletter with an anticipated launch of the summer of 2014.
- Currently drafting a Public Outreach Manual to standardize public notifications related to master planning and project development with an anticipated completion date of the summer of 2014.
- Increased number of volunteers to over 11,000 contributing more than 84,000 hours in FY13. This increased use of volunteers allows many programs to expand their cost recovery achievements.
- Implemented an annual volunteer program in partnership with Montgomery County Conservation Corps and the Conservation Job Corps.
- Promoted volunteer opportunities through on-site signage which has significantly increasing participation in clean-up events.
- Drafted a Long Range Interpretive Plan (LRIP) for Brookside Gardens and the Nature Centers to coordinate our work programs. The LRIP addresses the following Vision 2030 goals: 1) Provide a

variety of high-quality programs that meet community needs and interests, and 2) Promote awareness, appreciation and understanding of Montgomery County's natural and historical resources.

- Worked actively with the Governor's Partnership for Children in Nature, a state-wide initiative to implement the State's environmental literacy graduation requirement and to improve access to nature for children and their families.

4. Provide an update on efforts to improve the efficiency of maintenance operations during FY14.

The Department of Parks is committed to adopting technology, processes and procedures to increase service efficiencies.

Training

- Specialized employee training has been a highly effective tool in streamlining operations and eliminating repetitive data entry procedures.
- Provided equipment specific training is a priority. For example, HVAC technicians have been provided dedicated instruction on all new equipment installations. Computerized diagnostic ports allow our staff to service, diagnose and repair equipment based on stored operational data. These advancements are highly effective in reducing labor and increasing efficiency.
- Equipped and trained field administration staff with fingerprinting equipment to more efficiently process seasonal hiring at critical times of the year.

Technology in the Field

- Automated monitoring systems have proven to be an excellent management tool, providing real time operating data from the field.
- Automated reporting system technology has also been utilized in selected applications. Pumping systems in targeted areas have been equipped to provide e-mail notifications of system status. These notifications allow staff to respond before failures would be recognized through traditional inspections. Parks will deploy this technology to other systems as it becomes readily available and affordable.
- Increased the use of scanning as a means to reduce paper use and staff time carrying information from one location to another.
- Increase use of technology to decrease travel time and carbon footprint such as GoTo meetings, and teleconferencing.

Smart Phone Technology

- Efficiencies in communication were realized by assigning smart phones to all managers and leaders. Significantly increased communication, reduced trips by supervisors to check on work and projects, and allowed staff to spend more time in the field. Managers were able to conduct operational business remotely and in real time rather than returning to the office to do so.

Maintenance Operations

- Built costs of materials and supplies into SmartParks work request data enabled staff to better forecast budget needs for work performed.

- Ensured that woody and compostable debris from storm clean ups was taken to Pope Farm for conversion to mulch and compost for reuse in the field which saved future material costs and landfill space. In some cases, Parks was able to expand the use of roll-off dumpsters to collect the material and reduce the numbers of trips necessary.
- Instituted standardizing pitchers' mound program in regional and recreational parks to decrease citizen complaint/inquiries and necessity to inspect/review/redo later. This represents an efficiency because taking care of an item on the front end prevents clean-up time/efforts on the back end.
- Implemented Management on Bikes to create an opportunity for the Park Managers to leave the trucks behind and ride a bike to assess trails, ball fields, playgrounds and parkways. This program has provided many opportunities for face-to-face interaction with park users, and helps promote health and fitness among our management team.
- Purchased a new tree spade that allows Pope Farm to harvest up to 5" caliber trees. Large trees can now be provided to parks instead of culling the large trees to make room for new liners.
- Expanded the pot in pot area at Pope Farm. By growing trees and shrubs in containers directly in the ground decreases the amount of labor needed to move plants into a protective greenhouse in the winter.
- Expanded drip irrigation at Pope Farm which reduced labor needs and water costs.
- Installed new boilers in the production greenhouse at Brookside Gardens which reduced utility costs.
- Adopted a zero waste policy with events at Brookside Gardens which has assisted with reducing waste costs.
- Continued to compost all landscape waste at the Pope Farm compost site including manure from the Parks' stables resulting in significant savings from not paying tipping fees and not purchasing compost.
- Changed the mode of operation for the tree crews from individual tree climbers being assigned work requests to all tree climbers and staff assigned work in a specific area of the county each week. This has reduced travel times and fuel consumption and increased the amount of work completed.

Volunteers

- The Department continues to look for additional ways to increase volunteer participation and implement efficiencies wherever we can to continue to reduce overall costs. Stream clean-up activity has been the fastest growing volunteer category, a direct result of the Water Quality Protection Fund resources allocated to our Department. A \$68,000 investment for a full-time volunteer coordinator led to a 131% increase in the number of annual stream clean-up events, attracting an additional 5,400 volunteers who contributed close to 13,000 hours – a value of close to \$300,000 – to remove more than 118,000 pounds of trash from our stream valleys, protecting and preserving our natural watersheds.

Sharing Resources

- Continued to look for opportunities to share resources, both personnel and material, across management areas and among divisions as well. This resulted in cross training opportunities and increased staff awareness of broader operations. Specifically shared field maintenance equipment amongst management areas (Quake aerators) to improve field playability and drainage for increased usable hours (less refunds) and player safety.

5. Provide the vacancies by quarter for the last 3 years.

Department of Parks Quarterly Vacancy Report - FY12, FY13, and FY14

Authorized Positions		672		Authorized Positions		673		Authorized Positions		675				
Quarters		Vacancies	Vacancy Rate	Quarters		Vacancies	Vacancy Rate	Quarters		Vacancies	Vacancy Rate			
FY 2012	1st Q	Sept.2011	72	10.71%	FY 2013	1st Q	Sept.2012	76	11.29%	FY 2014	1st Q	Sept.2013	57	8.44%
	Recruitable Vacancies*	23	3.42%	Recruitable Vacancies		42	6.24%	Recruitable Vacancies	23		3.41%			
	Frozen Vacancies*	42		Frozen Vacancies***		25		Frozen Vacancies***	25					
	Contract Working Against Vacancy	7		Contract Working Against Vacancy		9		Contract Working Against Vacancy	9					
	Budgeted Lapse		7.50%	Budgeted Lapse			7.50%	Budgeted Lapse			7.50%			
	2nd Q	Dec.2011	78	11.61%		2nd Q	Dec.2012	63	9.36%		2nd Q	Dec.2013	54	8.00%
	Recruitable Vacancies	17	2.53%	Recruitable Vacancies		30	4.46%	Recruitable Vacancies	20		2.96%			
	Frozen Vacancies**	57		Frozen Vacancies***		25		Frozen Vacancies***	25					
	Contract Working Against Vacancy	4		Contract Working Against Vacancy		8		Contract Working Against Vacancy	9					
	Budgeted Lapse		7.50%	Budgeted Lapse			7.50%	Budgeted Lapse			7.50%			
	3rd Q	Mar.2012	69	10.27%		3rd Q	Mar.2013	62	9.21%		3rd Q	Mar.2014	53	7.85%
	Recruitable Vacancies	6	0.74%	Recruitable Vacancies		32	4.75%	Recruitable Vacancies	19		2.81%			
	Frozen Vacancies**	57		Frozen Vacancies***		25		Frozen Vacancies***	25					
	Contract Working Against Vacancy	7		Contract Working Against Vacancy		5		Contract Working Against Vacancy	9					
	Budgeted Lapse		7.50%	Budgeted Lapse			7.50%	Budgeted Lapse			7.50%			
	4th Q	Jun.2012	72	10.71%		4th Q	Jun.2013	56	8.32%		4th Q	Jun.2014	0	0.00%
Recruitable Vacancies	19	2.83%	Recruitable Vacancies	23	3.42%	Recruitable Vacancies		0.00%						
Frozen Vacancies**	49		Frozen Vacancies***	25		Frozen Vacancies***								
Contract Working Against Vacancy	4		Contract Working Against Vacancy	8		Contract Working Against Vacancy								
Budgeted Lapse		7.50%	Budgeted Lapse		7.50%	Budgeted Lapse		7.50%						

*Modified hiring freeze invoked in last quarter of FY2011 due to Park Police study, potential RIF and carried forward 1st quarter FY2012

**Lapse and 15 additional positions due to property tax shortfall beginning in Dec. 2011

***Reduced frozen vacancies to 1/2 of 50 WY lapse to better reflect actual attrition rate

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6. Provide the rationale for any increases in supplies and materials, other services and charges, capital outlay, or other services and charges in excess of 10%

All the increases for supplies and materials (S&M), other services and charges (OS&C), and capital outlay in the Parks budget are included in the initiatives outlined on pages 163-165 in the budget book.

Increases in capital outlay include funding for equipment for OBI, essential needs maintenance staff, and the NPDES mandate. Capital outlay also includes a reduction for one time equipment budgeted in FY14.

Increases in S&M and OS&C are included in the following initiatives: 1) risk management, 2) debt service, 3) operating budget impacts, 4) NPDES mandate, 5) consolidated registration system, 6) known operating commitments including contractual obligations, information technology upgrades, utilities and gasoline, and 7) incremental essential needs including an across the board 1.5% increase in supplies and materials and other services and charges.

During the FY10 and FY11 budget, the funding for S&M as well as OS&C were dramatically reduced. Since that time, the budget for these categories has only increased due to known commitments such as contractual obligations, OBI, or mandated services. Since 2011, the consumer price index (CPI) has increased a total 6.2%, or an average of 2.1% each year.

By not keeping up with inflation, the Department's S&M and OS&C budgets have effectively shrunk. The Department has had to do more with less, cut services, and reduce its ability meet maintenance standards. The level of care provided to maintain the park system can be described as "Fair or Managed Care" at best.

For FY15, the Department proposes increasing the S&M and OS&C budget by \$93,150 and \$161,300 respectively, which is 1.5% of the nearly \$17M budgeted in FY11 for these expenses. This increase is only one-quarter of the 6.2% CPI increase over these last 3 years which accounts for some efficiencies that have been achieved since FY11. The Department chose FY11 as the baseline year since S&M and OS&C have not increased since then except for known commitments.

Questions related to FY 15 professional services

7. Are the costs associated with the volunteer database to create a database or to manage it on an ongoing basis? If the former, when will it be completed?

The costs associated with the volunteer database reflect the annual, ongoing cost for the existing volunteer management software provided by Samaritan Technologies, Inc. This software was purchased in 2007 and is utilized by both Montgomery County Parks and Prince George's Parks and Recreation to manage the front end public interface as well as back end data management for both agencies' volunteer programs.

8. Describe the rationale for the doubling of costs for Smart Parks

In conjunction with the Prince George's Department of Parks and Recreation, we are currently working with the Commission's Enterprise Resources Planning (ERP) vendor to include the replacement of our current SmartParks work order, asset, inventory and project management systems. The current Facility Focus software is outdated and no longer supported. The proposed new system will be web-based with many added features including integration with the ERP, GIS (Geographical Information Systems) and Kronos timekeeping systems. This new system will allow us to continue tracking maintenance costs by parks and specific amenities. The expense in FY14 was approximately ½ of the annual maintenance fee (\$60,000). The increased costs in FY15 cover the full year of maintenance (\$112,000).

9. Why has the cost of specialized professional services for support services doubled (from 55K to 110K)

During the severe budget cuts in FY10-12, the Parks budget for departmental training was significantly reduced to \$55,000. The Departmental training provided varies from year to year depending on the needs at that time and has included mandatory ADA training, leadership training, and other department wide training initiatives. In the FY15 budget, Parks proposed increasing the departmental training budget to \$110,000 as part of the 1.5% increase in Other Services and Charges

Other FY15 Questions

10. What would the cost be to use one-time contractual assistance (out-sourcing) to eliminate the backlog of outstanding work orders?

As a forward thinking governmental agency, Parks embraces competition, innovation, and choice. The Department of Parks looks for opportunities to contract out particular functions that can result in increased efficiency and lower costs. Over the years, we have had varied levels of success. Some of our successful contracts include trash and recycling collection, custodial work in Parkside, IT help desk support, and energy consultant support.

On the other hand, a few years ago we ended our long term contract with a property management firm for our rental houses and we have been much more successful in terms of cost and responsive maintenance for our renters. Another example is our former contract with Harley Davidson for motorcycle maintenance. By performing this maintenance in-house, we saved money and decreased down time for our Park Police motorcycles.

When it is determined that a function would best be performed by an employee due to the specialized skill, the Department then decides if the function is a short term need (less than 2-3 years) or is an on-going function that exceeds three years in duration. An ideal example of a function for a term contract employees was the Department's FY15 request for three tree climbers to help reduce the backlog of tree maintenance requests. With the extra help, we can reduce the backlog created by the derecho and Hurricane Sandy and then returned to our regular complement to carry out our normal tree maintenance functions.

However, if a function is an on-going function such as maintenance of storm water management structures, then it is incumbent upon the Department to fill the position with a career employee rather than deny the employee the opportunity to participate in the career benefits offered by the Commission.

To ensure we are using our resources wisely, the Department implemented a policy several years ago to have each hiring manager complete a hiring justification form detailing why a vacant position must be filled by a career employee rather than a seasonal, term contract, or an outside contractor.

The Department has analyzed SmartParks data to determine the best method to reduce or eliminate the outstanding work orders. As stated above, the term contract tree climbers was the best approach to reduce the tree maintenance backlog created by super storms. However, for our other maintenance operations, the majority of our outstanding work orders are preventive maintenance so that one-time contractual assistance (out-sourcing) would not effectively eliminate the backlog of work orders.

There are many benefits of a properly operated preventive maintenance program and many studies have shown the cost-benefit factor to be in favor of preventive maintenance rather than reactive maintenance. These benefits include:

- Equipment downtime is decreased and the number of major repairs is reduced.
- Better conservation of assets and increased life expectancy of assets, thereby eliminating premature replacement of machinery and equipment.
- Reduced overtime costs and more economical use of maintenance workers due to working on a scheduled basis instead of a crash basis to repair breakdowns.
- Timely, routine repairs circumvent fewer large-scale repairs.
- Improved safety and quality conditions for everyone.

Preventive maintenance activities can best be addressed by a sufficient number of skilled workers that have intimate knowledge of the equipment and facilities, rather than one-time contractual assistance.

11. What is the source of the benchmarking information for the maintenance standards?

The optimal frequency standards for tree maintenance are derived from benchmarks set by the American National Standards and the International Society of Arboriculture.

The optimal frequency standards for maintenance operations were originally derived years ago from the National Recreation and Parks Association (NRPA) maintenance benchmarks. Since that time, the optimal frequency has evolved based on updated NRPA benchmarks as well as the Department's best practical knowledge and best management practices.

The estimated and proposed frequencies are the targets staff can achieve based on the available budgeted funds.

12. Please explain what portion of costs associated with NPDES is one-time and what portion is expected to be ongoing.

New FY15 NPDES Funding Request	Personnel	Supplies	Services/Contracts	Capital Outlay	Total
	On-going Expenses			One-time Expense	
Northern Parks (2 Full-time Career Staff) & Southern Parks (2 Full-time Career Staff)	284,600	4,000	2,000	80,000	370,600
Less Seasonal Conversion to Full-time Career (4.5 Seasonal workyears)	(122,000)				(122,000)
Park Planning & Stewardship (1 Full-time Career Staff)	96,300	2,000			98,300
Less FY14 One Time Capital Outlay Request				(70,000)	(70,000)
TOTAL	258,900	6,000	2,000	10,000	276,900

The Department of Parks received its first National Pollutant Discharge Elimination System Small Separate Storm Sewer System (NPDES MS4) permit from the Maryland Department of the Environment (MDE) in the spring of 2010. The purpose of this permit, which is based in the Federal Clean Water Act, is to reduce stormwater pollution coming from impervious surfaces and thereby improve water quality. The permit requires the Department to develop Best Management Practices for each of the six Minimum Control Measures which include: Personnel Education and Outreach, Public Involvement and Participation, Illicit Discharge Detection and Elimination, Construction Site Runoff Control, Post Construction Stormwater Management, and Pollution Prevention and Good Housekeeping. Water Quality work conducted to fulfill the conditions of the Department of Parks' NPDES MS4 permit is continuous and on-going. Examples include staff training, stream clean-ups, detection and elimination of illicit storm drain connections; stream habitat improvement projects, sediment and erosion control on construction sites, stormwater facility maintenance, and pollution prevention/good house-keeping at the Department's maintenance yards.

While many improvements have been initiated under the permit, deficiencies still remain in the Post Construction Stormwater Management measure, which deals primarily with the retrofit, repair, and maintenance of stormwater facilities on M-NCPPC parkland.

The FY14 appropriation included approximately \$122,000 for the hire of two crews of three seasonal non-career intermittent employees. One crew was assigned to the Northern Park Division and the other to the Southern Park Division. Each of the employees was hired for a nine month period. As the past year unfolded, the Department of Park's senior management team learned that the technical nature of stormwater facility maintenance work does not lend itself to the use of seasonal employees. The work is complex and a significant amount of time was spent training these employees. This training will be lost at the end of nine months and the process of hiring and training will begin again.

This process is not efficient or cost effective. M-NCPPC's progress in this area has clearly been stified by insufficient dedicated staff that focuses on this type of specialized water quality related maintenance work. Accordingly, the Department is proposing to replace these six seasonal, non-career employees (and their 4.5 workyears) with four full-time career staff. This conversion would require an additional appropriation of \$162,600 in personnel funding.

Secondly, there is a significant amount of work in M-NCPPC's stream valley parks related to interagency watershed restoration efforts (e.g., stream restoration) and implementation of NPDES permit requirements (e.g., the retrofit of untreated impervious surface). Planning and implementation of these projects has placed significant demands on the Department of Parks. Park staff must carefully consider the tradeoffs in resources that are lost (e.g., riparian forest) and subsequently gained (e.g., improved water quality) as a result of these efforts. The projects can affect cultural resources (e.g., archaeological sites) and existing recreational improvements (e.g., trails) as well. Stormwater retrofit projects in particular also often require the humane relocation of aquatic resources, especially fish, amphibians, and reptiles to other suitable habitats – which is a time consuming and labor intensive effort. Accordingly, the Department of Parks is requesting funding for one full-time career natural resources specialist to focus on facilitating interagency watershed restoration projects and the on-going stewardship of M-NCPPC's stream valley parks.

13. Please explain what portion of costs associated with ADA compliance is one-time and what portion is expected to be ongoing?

The increased costs in the Park Fund associated with the ADA compliance mandate is \$128,576 in personnel expenses for staff budgeted for 10 months of the year. These salaries will need to be annualized in FY16. There are no one-time expenses associated with this mandate.

The budget includes 1 full time staff in Facilities Management with 50% of the costs charged back to the CIP and 1 full time staff in Park Development with 70% of the costs charged back to the CIP. These two positions will focus on ADA coordination for all project and maintenance activities to comply with the Department of Justice's (DOJ) Settlement Agreement. The 2016 deadline for the Settlement Agreement with DOJ is for the transmission of our transition plan and selected improvements at 16 parks. The 20 Year Transition Plan outlines all the improvements that are needed at all the parks in the future. The Commission will have 20 years in which to bring all of the parks into compliance with the ADA guidelines. Once all of the parks have been modified, the improvement process will start all over again.

The budget also includes 2 full-time positions included in the Enterprise Fund for inclusion services with a 50% chargeback from the Park Fund. These positions will work for both the Park Fund and Enterprise Fund activities. The Enterprise Division offers somewhat of a more traditional leisure services programs thus, Inclusion Services will be supervised by this division with charge backs to the Park Fund.

These two positions will begin the process to implement the 2011 Settlement Agreement requirement of an assessment of all "programs" for compliance and to develop and monitor a transition plan for access to recreational facilities and programs in collaboration with Department of Recreation and Community Use of Public Facilities (CUPF). These positions will also work to implement the ADA Grievance Policy (required by law) and take the lead in reporting and monitoring Project Civic Access for the department.

In addition, these positions will develop and implement the Department's Inclusion Services program for program access to classes, camps, and special events. They will develop and train staff on a self-evaluation tool, assess results and complete a report on findings and remediation steps to DOJ.

In addition to Enterprise activities, inclusion services will also be provided at the Department's Park Funded nature centers and historic and cultural sites. Another major area will be to provide appropriate and expanded communication and services with the disabled community for all Park public meetings, community events, and websites and social media, and to provide staff training to all Park employees on ADA program access requirements.

The Department is in the infancy stages of working towards meeting the Settlement Agreement requirements. For current programs, we are open to inclusion, but do not promote it. The Enterprise summer camps have hired seasonal staff with therapeutic recreation experience and training to work with our campers, and we do offer sign language interpretation upon request.

In FY16, the Department will need additional staff to implement the inclusion policies.

14. Why is the natural surface trail position full time and not seasonal? (page 191)

The planning, design, construction, and repair of natural surface trails takes place year round. The work is technical in nature and requires advanced professional training. Work efforts frequently require close coordination with a variety of career staff in other divisions (e.g., Park Managers in Northern Parks and Southern Parks; Heavy Equipment Operators in Facility Management, and Engineers in Park Development) as well as various regulatory agencies at the State and Local level. Oftentimes, this position will be called upon to lead work groups composed of career staff and volunteers. The year-round nature of the work, the professional/technical skills required, and the supervisory responsibilities of the position all contribute to the need for a career staff position rather than one that is seasonal non-career intermittent.

15. Provide an update on operating costs/revenues associated with Woodstock Equestrian Park. (When it was proposed the intent was for this park to be self-supporting.)

The Woodstock Equestrian Park opened in April, 2013 and features an arena, cross country course, and trails which are open to the public from dawn to dusk every day. Unless otherwise permitted for exclusive use, any or all of the features of the park are free of charge.

To date, the cross country course has proven popular with passersby, however, the riding arena has yet to be used for permitted equestrian events as Parks continues to complete punch list corrections and alterations.

The budgeted funding for operating this facility includes \$16,600 for seasonal maintenance staff and \$16,400 for supplies & materials and other services & charges for a total of \$33,000.

The bulk of revenue generated by the equestrian facility will come from special event permits during the riding season of May-October. Permitted equestrian events require use of both the cross country course and the arena. Riding arena alterations are anticipated to be completed in time for the riding season beginning this May.

After this year's season, Parks will be better able to determine if the cost recovery for the equestrian center and if it will be able to be fully self-supporting or not.

16. Why are new positions in Northern Parks for OBI full time and not seasonal? (I understand the need for full-time staff for NPDES activities so I am not referring to these positions.)

The FY15 OBI for the Northern Parks includes 2 full-time career, 1 part-time career, and 1 seasonal workyear. The breakdown by park is shown in the chart below.

FY15 Operating Budget Impact	WYS Career	WYS Seasonal
Northern Parks		
Germantown Town Center	0.52	0.20
Little Bennett Day Use Area	0.51	0.10
Northwest Branch Recreation Park	0.37	0.30
Natural Surface Trails	0.26	0.30
Clarksburg Greenway Hard Surface Trail	0.54	0.00
Inter County Connector	0.30	0.00
	2.50	1.00

Here is a description of each of the OBI projects.

Germantown Town Center Park: This project provides a new park in the Germantown Town Center, situated at the northern end of an 8.80-acre parcel of land owned by Montgomery County and shared with the new Germantown Regional Library. Features of the park include the creation of additional open space areas by placing a large storm water management facility underground, new interpretive trails and boardwalks, lighting, overlook terraces, water features, a pavilion that could be used for community festivals and events, and enhanced wetland areas for education and interpretation of nature. The park design features a braided path system, stone-faced retaining walls, a library plaza, a canted green space, a formal lawn area, a raised plaza with sculptural pergola, walking paths with wetland crossing, and overlooks.

Little Bennett Day Use Area: The 2007 Little Bennett Regional Park Master Plan recommended developing a Day Use Area, approximately 65 acres on the western edge of the park to welcome people and provide them with an overview of the natural and cultural interpretive opportunities of the park. The site consists primarily of rolling hills, open meadow areas, stream valleys and edge ecosystems that provide valuable non-forested habitats. The culturally rich and ecologically diverse

landscape provides a unique setting for the project. The current program of requirements recommended for the Day Use Area are nature based and include group picnic areas, nature based adventure playground, group camp fire ring, amphitheater, interpretive landscape gardens and trails.

Northwest Branch Recreation Park: This new recreational park is located on Norbeck Road, between Layhill and Norwood roads. The park will be constructed in two phases. Phase 1 is currently being constructed and will include 5 fields and parking as replacement for athletic fields removed for MD 200 Inter County Connector related construction.

Natural Surface Trails: Request for Little Bennett Regional Park is for the increased mileage to the overall Regional Park system which will require additional inspection, routine maintenance, and unscheduled maintenance related to storm damage and trail surface repairs.

Clarksburg Greenway Hard Surface Trail: Request is the additional mileage added to this overall trail that connects different sections and amenities within the Clarksburg Village. This project adds to the amount of inspection time, routine maintenance, and unscheduled maintenance related to storm damage and trail surface repairs.

Inter County Connector: Request is for the maintenance of 77.9 acres of new reforestation that was installed in the Rock Creek Management Area as a part of the environmental mitigation for the construction of the new highway. The 2 year maintenance period is expiring and we will need to maintain this acreage in order to ensure the survival of the 17,000 plus trees that were planted. This requires mowing with small as well as large/complex equipment and the application of pesticides to control non-native invasive plants.

Career versus Seasonal Staffing:

The work performed by these positions is year-round type maintenance. In the spring, summer, and fall months these individuals will be responsible for, mowing, trash collection, trail maintenance, facility cleaning, picnic shelter and restroom cleaning and maintenance, meadow management and maintenance of other park amenities. During the winter months these individuals will be responsible for snow removal operations including operation of a large dump truck with plow, construction projects, non-native invasive plant removal, deer management activities, and trail maintenance.

Some of the skills required by these positions include: Class A restricted Commercial Driver's License, Pesticide Applicator's Registration with the Department of Agriculture, fertilizer application certification as required by the Department of Agriculture, and the ability to drive truck/trailer combinations, experience operating large mowers and tractors with attachments, the ability to lead a small crews comprised of seasonal and career employees, construction experience, experience operating 1-ton truck/snow plow combinations, chainsaw experience and the ability to work independently. This would help ensure that the Parks' business is carried out in a professional and timely fashion. They must be able to demonstrate the park maintenance skills necessary to work independently at times, train seasonal employees if necessary, and monitor park programs and events to address many of the problems that arise in heavily used parks. These positions require the ability to work a full 40 hour weekly schedule, set priorities, meet deadlines, and work weekends, evenings, and overtime as necessary.

The maintenance level expected at these new parks and facilities will meet or exceed expectations if these positions are filled with career staff possessing these skill sets as opposed to seasonal employees. While Parks occasionally attracts older seasonal staff, most people seeking seasonal employment are typically high school and college students. They don't possess the required skill set to perform all facets of these positions, or the ability to work 12 months a year, and training them to do so would not be a prudent investment given the nature of seasonal employment.

17. I do not understand the rationale for a chargeback to support services for implement ADA programs. (Page 216). If these positions are for Enterprise facilities, why doesn't the Enterprise Fund absorb the cost?

See answer for question #13.

18. For the Enterprise Fund, provide a long range facility plan to see what CIP projects Parks is considering?

The Enterprise Fund accounts for various park facilities and services that are entirely or predominantly supported by user fees. Recreational activities include ice rinks, indoor tennis, event centers, boating, and camping programs. Operating profits are reinvested in new or existing enterprise facilities through the CIP. Since FY10 the Fund has performed in the black, no longer relying on additional support via transfers from the General Fund.

As revenues to the Enterprise Fund have increased so has the work program. This is the current CIP plan. Note: all projects are subject to change based on funds being available.

FY15

Wheaton Ice Arena - Replace Dehumidification System	\$200,000
Cabin John Ice Rink – Replace Dehumidification System (NHL rink)	\$200,000
Cabin John Train – Engine	\$135,000
Wheaton Indoor Tennis	\$300,000
Agricultural History Farm Park – continue work from FY14	\$50,000
Rockwood Manor – finish design work from FY14	\$20,000

FY16

Wheaton Sports Pavilion - Roof Replacement	\$250,000
Cabin John Ice Rink - dehumidification system (Olympic rink)	\$200,000
Cabin John Ice Rink - refrigeration system - starting work to be continued in FY17	\$400,000

FY17

Cabin John Ice Rink - Refrigeration Unit - replace piping and floors of the NHL and Studio rinks. R22 refrigerant will be phased out and replaced with new refrigeration (ammonia or other drop ins). Also new chiller, compressors, etc.	\$800,000
Olney Skate Park - New Building/Office	\$100,000

FY18	
Ovid Hazen Wells Carousel - Replace current carousel and refurbish building to house new carousel	\$450,000
Cabin John Ice Rink - Roof Replacement	\$450,000
FY19	
Woodlawn Manor - Design plans for garage bathrooms	\$50,000
Cabin John Ice Rink - Store front and office area	\$250,000
Pauline Betz Addie Tennis - Install Air Conditioning and expand facility	\$500,000
Rockwood Manor - Entrance way expanded and exit area created	\$200,000
FY20	
Woodlawn Manor - Convert garage to bathrooms & storage	\$500,000



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ROGER BERLINER
COUNCILMEMBER
DISTRICT 1

CHAIRMAN
TRANSPORTATION, INFRASTRUCTURE
ENERGY & ENVIRONMENT COMMITTEE

MEMORANDUM

April 16, 2014

TO: Nancy Floreen, PHED Committee Chair
Marc Elrich, PHED Committee Member
George Leventhal, PHED Committee Member

FROM: Roger Berliner, Councilmember, District 1 *RB*

SUBJECT: Snow Removal Program for the Capital Crescent Trail

I am writing to you to ask for your consideration and support of an additional \$75,000 to the Montgomery County Parks Department's FY15 budget for the development of a snow removal program along the Parks-maintained portion of the Capital Crescent Trail (CCT). If supported by the PHED Committee, the funds would be placed on the Reconciliation List for the Council's consideration. The majority of these funds would be for the one time purchase of the appropriate equipment for treating the trail and the rest would be allocated towards staffing costs.

The Capital Crescent Trail is a local treasure enjoyed recreationally by numerous residents throughout the year. But for those who do not own a car or perhaps have chosen to pursue alternative ways of transportation, the trail represents a critical corridor for getting to their workplace. I often hear from residents who report the difficulty of traversing the trail after a snow fall or icy conditions due to the lack of maintenance and snow removal. As a result, commuters are forced onto busy and dangerous roads that often do not have the appropriate bicycling infrastructure.

I would draw your attention to the strong community support of this program by numerous trail advocates including WABA, MoBike, and Friends of the Capital Crescent Trail.

In conclusion, I ask that you support this additional funding request when it comes before the PHED Committee for discussion on April 21. Thank you for your consideration.

cc: Craig Rice, Council President
Mary Bradford, Director, Parks Department
John Nissel, Deputy Director of Operations, Parks Department
Steve Farber, Council Administrator
Glenn Orlin, Deputy Council Administrator
Marlene Michaelson, Montgomery County Council staff
Shane Farthing, WABA
Jack Cochrane, MoBike
Ron Tripp, Friends of the Capital Crescent Trail



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

February 20, 2014

Councilmember Roger Berliner
Montgomery County Council
Stella B. Werner Office Building
100 Maryland Avenue
Rockville, MD 20850

Dear Councilmember Berliner:

Thank you for reaching out to me about snow removal on the Capital Crescent Trail. This has been a recurring issue during and after snow and ice storms, and one we have discussed and considered carefully over time to explore possible resolutions. Due to a number of reasons – including a lack of funding and resources – we have not been able to clear the trail in the past. However, we welcome an opportunity to revisit this with the Transportation, Infrastructure, Energy and Environment Committee in April and will develop an analysis of costs associated with snow and ice removal on the trail.

I would like to provide more details on the challenges involved in clearing snow and ice from our trails as we begin this dialogue. Montgomery Parks manages 420 parks – many of which require parking lots and adjacent sidewalks to be cleared when it snows. During snow events, our policy has been to clear parkways, park roads, certain park sidewalks/walkways, and assisting the county in snow removal from neighborhood streets for emergency transportation needs and so residents can safely reach jobs and schools. We do not plow any recreational trails, natural or hard surface, for a variety of reasons including:

- **Lack of funding and resources:** Includes figuring out how to clear snow vs. ice, post-snow removal and prioritization, and established standards for passage on bike and by foot. We also need to take into account all the feeder trails leading into the Capital Crescent Trail and other trails, and the purchase of specialized equipment to adequately remove snow from paved trails. These trails were not constructed originally to support the heavy equipment we use for general snow removal on streets and parking lots. We are gathering those cost figures for you. Hand-clearing is extremely difficult and cost-prohibitive for such lengthy trails, especially those that pass through corridors that are not near road access.

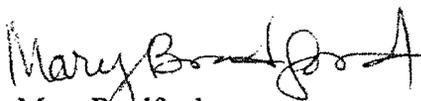
With over 200 miles of such recreational trails, this would be a very massive operation.

- **Environmental Impact Issues:** Just about all of Montgomery Parks' paved trails were constructed in environmentally sensitive stream valleys. Salting of trails in these areas would have a negative impact on water quality in streams and floodplain wetlands – as well as on the large numbers of plant and animal species that make these areas their homes.
- **Safety and legal concerns:** Park trails are currently categorized as recreational trails and intended to be open when weather permits for recreational use of all sorts. We are aware that some users consider them primarily as transportation corridors. We would need to explore potential safety and legal issues that might arise if we are asked to keep trails cleared for the purposes of transportation access – such as we do with sidewalks or streets.
- **Trail location and width create snow removal problems:** In certain areas, trails are very narrow and abut other properties, and in some instances are elevated - so any snow shoved to the side could drop over the edge of bridges, etc. leaving no place to put the snow that was removed.

As you know, our primary interest is in serving the residents of this county. We look forward to revisiting the issue of snow removal on trails with you and other members of the County Council in order to address the concerns noted in your letter.

Thank you again for taking time to contact me. Please don't hesitate to be in touch if you'd like to discuss further in advance of the April committee meeting.

Sincerely,



Mary Bradford
 Director
 Montgomery County Parks
 The Maryland-National Capital Park and Planning Commission

CC: Isiah Leggett, Montgomery County Executive
 Francoise Carrier, Chair, M-NCPPC
 Montgomery County Councilmembers
 John Boyd, Cabin John Maintenance Facility Director
 Keith Compton, Division of Highway Services, MCDOT
 Shane Farthing, WABA
 Jack Cochrane, MoBike
 Marlene Michaelson, Montgomery County Council staff
 Glenn Orlin, Montgomery County Council staff

April 17, 2014

MEMORANDUM

TO: Marlene Michaelson
FROM: Gwen Wright, Planning Director, Montgomery County Planning Department
SUBJECT: Revised Scope for FY 15 Housing Proposal

Please accept this memorandum as a revised scope for the housing project requested in the FY15 budget for the Montgomery County Planning Department. The scope has been coordinated with Rick Nelson, Director of DCHA, and Linda McMillan, Council Senior Legislative Analyst.

We look forward to discussing this issue with the PHED Committee on April 21.

Joint Planning Department/DHCA Rental Housing Study

Background

While Montgomery County has been at the forefront to explore and implement new and innovative ways to address housing issues, there is still much to do. These concerns have recently been raised more frequently as they relate to existing, affordable rental apartments - both older, garden apartment complexes located within close proximity to either Metro or the future Purple Line and high rise complexes in other parts of the County. While there are also affordability issues associated with homeownership, these would not be addressed as part of this study.

Montgomery County is no stranger to the high cost of housing. Burdensome housing costs are when a household spends 35 percent or more of its income on housing related expenses. The percent of the County's renter households meeting the burdensome housing cost threshold remained unchanged between 2008 and 2012, but it was a significant 40.5%. Montgomery County is one of only four jurisdictions in the region where the percentage of rent-burdened households was 40 percent or greater. Among the reasons for the resurging interest in this issue is the potential impact transit will have on the already high cost of housing - in this case rental rates and the ability to preserve existing, affordable units given the high probability of increased land costs near transit.

In April 2011 the County Council approved the Housing Element of the General Plan. This document makes very general recommendations for housing in Montgomery County and identifies policy objectives needed to accomplish the recommendations. In October 2012 the Department of Housing and Community Affairs (DHCA) forwarded the Draft 2012 Housing Policy to the Montgomery County Council for consideration. The Planning, Housing, and Economic Development Committee (PHED) of the County Council held several worksessions on the proposed draft during 2013, but has not yet completed review of this document.

Study Purpose

Given this background and previous work, a county-wide study of affordable rental apartments, with the goal of determining ways to enhance existing units and support the development of new units, would address a wide variety of issues these policy documents have touched on. It would also provide the necessary data to fully understand these concerns and the specifics for implementation tools.

Such an effort would be a joint Rental Housing Study undertaken by the Planning Department and DHCA, with funding by the Planning Department. As part of the process, DHCA would head up an interdepartmental work group to ensure input and awareness on the part of the broader Executive Branch, since the issues will no doubt affect many County departments and agencies.

The study would collect and analyze data, best practices, and explore options and alternatives. Ultimately, it would provide a basis for implementing agencies to determine policy directions, and determine priorities and appropriate implementation tools.

The project would have a number of key tasks:

- Develop a solid foundation of data that would be collected and analyzed in detail.
- Frame the affordable rental housing issues facing the County – including clearly defining different housing groups and terms (i.e. affordable, market rate, etc.).
- Reach out to both private and not-for-profit owners of existing, affordable rental housing to explore the problems facing these properties and potential solutions.
- Study successful approaches in other jurisdictions.
- Look at the economics of preserving existing, affordable rental housing, and of creating new affordable rental housing.
- Outline possible approaches and implementation tools to address this important issue.

This proposed study will build upon the excellent work already undertaken and require collaboration and partnerships between various agencies, private sector housing developers, and the broader community. Key participants would include not only Planning, but also Department of Housing and Community Affairs (DHCA), the Housing Opportunities Commission (HOC), other not-for-profit housing groups, and private owners of existing, affordable rental housing.

Detailed Study Approach

This effort is envisioned as three distinct elements, whose completion would stretch over two fiscal years. The project will require both existing staff resources, as well as consultant support. The first part will gather and analyze data, so as to frame the issues – what are the questions we wish to address and what background information is needed to accomplish that? As part of this step we will also rely on establishing partnerships between Montgomery County's Planning Department, DHCA, HOC, various not-for-profit housing providers, as well as the owners and management companies of the rental communities in question; to provide varying perspectives. These partnerships, especially with other County agencies, will be important throughout the entire effort and will help facilitate coordination and guidance. The next step will be to identify, test and narrow potential solutions, while the final step will be to identify and refine policy choices. The following details the recommended steps:

Part One

Task One - Reconnaissance

Using the current DHCA rental survey as a guide, map multi-family, rental properties and determine key attributes such as age and size of property, number of units, bedroom mix, density, land value to improvement ratios, proximity to transit, area demographics/incomes, supply/demand for housing, whether historic, where residents work, rental rates, existing zoning, vacant land, whether there is a

potential to convert to condo in the future etc. Another key step will be to gain consensus on the use of terms that relate to affordability – affordable units, MPDUs, and market rate.

Products – Maps, demographic and market data, property information, land use and zoning maps.

Meetings – In conjunction with County agency staffs and others

Task Two – Interviews

To get a better sense of the kinds of planning and zoning issues facing property owners and ideas how they would better address them, conduct a series of interviews/focus group discussions, organized by Planning staff and DHCA as a joint effort. Potential questions could address long term goals for specific properties, impediments to affordable rents, and maintenance issues, among others. These interviews will provide Planning and DHCA staffs a better sense of the kinds of issues being faced and it will further provide guidance for subsequent research on what other communities have done to address similar questions.

Products – Interview results, and priority issues to address.

Meetings – Update Planning Board, County Executive, and County Council.

Task Three – Explore Approaches in Other Jurisdictions

Based on the previous two tasks, we should have a much better understanding of existing, multifamily rental housing projects in Montgomery County and the kinds of issues they are facing. Staff will identify (and if possible, visit) and conduct interviews with other communities and/or developers, either in the region or elsewhere, facing similar issues. This will help us learn about approaches they have taken or are familiar with to address affordability. This previous work will also help us sharpen the kinds of questions we would pose to them and research the approaches they have taken – ***What worked, what did not, and what we are still willing to try?***

Products – Research paper regarding issues facing like community and ideas for their resolution.

Meetings – Update Planning Board, County Executive, and County Council.

Task Four – Identify Options

Once the survey work in Task Three is completed, we will organize potential approaches to address affordability and assess and rank them by category headings. This will allow us to identify opportunities and challenges of each potential option as they relate to Montgomery County. These may range from land use and zoning changes, financial incentives, and taxing policy, to acquisition strategies, and others. An important aspect of this task will be to closely coordinate with the DHCA and the County's Finance Department. An evaluation matrix will aid in prioritizing potential options.

Products – Assessment matrix and supporting documents regarding potential options to address housing affordability.

Meetings – Seek feedback from County agencies, property owners and update the Planning Board, County Executive, and County Council and seek their input.

Part Two

Task Five – Narrow Choices

Given the information prepared in the previous task, and input from the Planning Board, County Executive, and County Council, begin to narrow potential solutions to address affordable housing issues, as they relate to existing rental units in Montgomery County.

Products – Narrowed implementation strategies and tools.

Task Six – Test Application

As choices are being narrowed, test their viability by performing financial/fiscal analyses as one of the selection parameters. This may involve the development of a series of pro-forma analyses to understand whether incentives such as added density through rezoning are sufficient to maintain the desired amount of affordable housing.

Products – Pro-forma/financial/fiscal feasibility analyses for select tools and sites.

Part Three

Task Seven – Identifying and Refining Policies

Based on all of the previous tasks, present and discuss County policies to address affordable housing issues as they relate to for-rent units.

Products – Policy options and supporting information

Meetings - Seek feedback from County agencies, update the Planning Board, County Executive, and County Council and seek their direction.

Task Eight – Modify Policies

Based on direction from the Planning Board, County Executive, and County Council modify proposed policies as necessary and complete report.

Products – Draft/Final Report

**Montgomery Parks Foundation
Approved FY14 Budget**

Income

44815 · Designated Gifts (Subj. to 12%)

49000 · Administrative Fee-12%	(62,976.00)
43403 · BG-Designated - Other	5,000.00
43406 · BG-Capital Campaign	150,000.00
43414 · Western Grove Urban Park	75,000.00
43415 · Henson Campaign	200,000.00
43450 · Corporate Sponsorships	60,000.00
44830 · Naming Rights	10,000.00
44840 · Special Projects	10,000.00
105 · Donation Boxes	7,300.00
Total 44815 · Designated Gifts (Subj. to 12%)	454,324.00

43400 · Unrestricted

43420 · Donations	22,000.00
43410 · Memberships	16,000.00
43430 · Trees	16,000.00
43440 · Benches	34,500.00
43445 · Bricks	10,000.00
47000 · M-NCPPC In-Kind Support	192,031.00
43401 · Administrative Fee-12%	62,976.00
Total 43400 · Unrestricted	353,507.00

44800 · Restricted

44855 · Garden of Lights	500.00
43425 · Green Matters	1,750.00
44851 · Brookside Gardens - Other	20,000.00
Total 44851 · Brookside Gardens	22,250.00
44820 · Grants	150,000.00
44880 · Friends Groups	
44881 · Brookside Gardens	60,000.00
Total 44880 · Friends Groups	60,000.00
Total 44800 · Restricted	232,250.00

From Balance Sheet-Unrestricted Net Assets **138,498.00**

Total Income **1,178,579.00**

Expense

51000 · Program Services

51010 · Grant Expenses	150,000.00
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**Montgomery Parks Foundation
Approved FY14 Budget**

51040 · Marketing	70,600.00
51050 · Tributes	48,044.00
Total 51000 · Program Services	268,644.00

60900 · Business Expenses

60910 · Trustee Meeting	750.00
60920 · Business Registration Fees	200.00
60900 · Business Expenses - Other	500.00
Total 60900 · Business Expenses	1,450.00

61000 · Payroll/Staff Expenses

61010 · Salaries (Admin Support)	31,000.00
61011 · Salaries-In-Kind	170,031.00
61020 · Payroll Expenses	4,080.00
61050 · Professional Development	1,000.00
68300 · Travel and Meetings	1,200.00
Total 61000 · Payroll/Staff Expenses	207,311.00

62100 · Contract/Professional Fees

62110 · Accounting Fees	7,200.00
62120 · Audit	4,300.00
62140 · Legal Fees	5,000.00
62150 · Capital Campaign Consultant	25,000.00
Total 62100 · Contract/Professional Fees	41,500.00

63000 · Membership Expenses

63010 · Donor Communications	500.00
63000 · Membership Expenses - Other	2,000.00
Total 63000 · Membership Expenses	2,500.00

65000 · Operations

65015 · Staff Meetings	150.00
65030 · Printing and Copying	500.00
65040 · Supplies	100.00
65041 · Supplies/Materials-In-Kind	22,000.00
65060 · Bank Fees	500.00
65061 · Credit Card Fees	1,500.00
65065 · M-NCPPC Support	620,724.00
Total 65000 · Operations	645,474.00

65100 · Insurance

65120 · Insurance - Liability	650.00
65130 · Insurance-Directors & Officers	650.00
65160 · Workers Compensation	400.00
Total 65100 · Insurance	1,700.00

**Montgomery Parks Foundation
Approved FY14 Budget**

65200 · Software/Technology

65209 · Website 2,000.00

65210 · eTapestry 8,000.00

Total 65200 · Software/Technology 10,000.00

Total Expense **1,178,579.00**