PHED Committee #1
April 11, 2011

MEMORANDUM

April 7, 2011

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

FROM: Marlene Michaelson, Senior Legislative Analyst

SUBJECT: Maryland-National Capital Park and Planning Commission FY12 Operating Budget and Workprogram

Those expected for this worksession:

Francoise Carrier, Chairman, Montgomery County Planning Board
Rollin Stanley, Director, Planning Department
Alison Davis, Chief, Management Services Division/Planning
Dan Hardy, Chief, Functional Planning and Policy Division
Mary Bradford, Director, Department of Parks
Mike Riley, Deputy Director of Administration, Department of Parks
Gene Giddens, Deputy Director of Operations, Department of Parks
MaryEllen Venzke, Chief, Management Services Division/Parks
Karen Warnick, Budget Manager, Department of Parks
Patti Barney, Executive Director
Joe Zimmerman, Secretary-Treasurer
Adrian Gardner, General Counsel

This memorandum provides an overview of the Maryland-National Capital Park and Planning Commission (M-NCPPC) budget, a summary of major changes proposed for FY12, and the budget for the Administration Fund (the Planning Department, the Commissioners' Office, and Central Administrative Services), Department of Parks and Special Revenue Funds. The Advance Land Acquisition Revolving Fund, the Property Management Fund, and the Internal Service Funds will be addressed at the second Committee worksession on May 2, as well as any follow-up issues. Park Police will be considered by a joint Public Safety/Planning, Housing, and Economic Development (PHED) Committees meeting on April 25.

Relevant pages from the County Executive Recommended FY12 Operating Budget are attached on © 47 to 54. Responses to Council Staff questions on the budget are attached at © 1 to 35. **All page**

references are to the FY12 M-NCPPC recommended budget; Committee Members may wish to bring a copy to the meeting.

OVERVIEW OF M-NCPPC BUDGET

The total requested FY12 budget for the agency for **all funds**, including self-supporting funds, debt service, and reserve is $144.3 million, a decrease of $865 thousand, or less than 1 percent, as compared to the FY11 budget (see page 27). This figure includes tax-supported and non-tax supported funds and reserves. The tax supported Administration Fund and Park Fund, as well as the non-tax supported Enterprise Fund are recommended for 5 to 12.5 percent increases, offset by significant decreases to the Advance Land Acquisition Revolving Fund (ALARF), the Property Management Fund, and the Risk Management Fund.

The table below summarizes the **tax-supported** request. In February 2011, the Council approved an FY12 Spending Affordability Guideline (SAG) for M-NCPPC that was a $2.7 million decrease from the $92.7 million approved FY11 budget. For FY12, the Commission has requested $104.1 million (excluding debt service, grants, and reserves), approximately $14.1 million above the February SAG amount target. The County Executive recommends funding at $90.7 million. The County Executive recommended funding level is **$13.4 million or 12.9% below the overall agency request for tax-supported funds and 2.2% below the approved FY11 budget**.

M-NCPPC SUMMARY OF TAX SUPPORTED FUNDS (Millions)		Increase/Decrease Over Approved **FY11** Budget	
		Dollars	Percent
Approved FY11 Budget	$92.7		
M-NCPPC FY12 Request	$104.1	$11.4	12.3%
February Spending Affordability Guideline (SAG)	$90.0	($2.7)	(2.9%)
Executive Recommendation	$90.7	($2.0)	(2.2%)

Reaching this target will have a significant impact on the agency, its workprogram, and level of service as described in detail on © 1 to 35. The attached memorandum from the Chair indicates that the budget they submitted was a same services budget and the Executive's recommended funding level would be a reduction in the level of services. Approximately 30% of the reductions are proposed to be absorbed through unspecified changes in compensation and 5 days of furlough, and an additional 10% of the reductions are characterized by M-NCPPC as not having an impact on service. The remaining 60% they characterize as impacting service levels. **While the impact of these reductions would be severe, Staff believes M-NCPPC should be commended for the thoughtful way in which they**

established priorities, ranked proposed reductions, and resisted identifying unrealistic reductions that would force the Council to find alternative reductions.

COMPENSATION

Compensation for all agencies will be considered by the Government Operations Committee later in April, but the PHED Committee should know how compensation adjustments could impact the M-NCPPC budget. The FY12 budget as submitted by M-NCPPC includes cost of living adjustments (COLA) and merit increases, funds a defined benefit pension plan that assumes an unchanged employee contribution, also assumes that employees will contribute 15% of the cost of health insurance premiums, and funds Other Post-Employment Benefits (OPEB) at a total cost of approximately $2.5 for the entire agency. The County Executive has recommended eliminating COLA and merit increases this year and has also recommended increases in employee contributions to pensions and health premiums and reductions in OPEB funding. For M-NCPPC, he recommends restructuring compensation the same as for County Government. M-NCPPC is currently in negotiations with unions and cannot discuss the details of any changes they are proposing. They have included a dollar reduction associated with unspecified changes in compensation in their list of reductions to meet the Executive recommended reductions. The Office of Legislative Oversight (OLO) is calculating the cost changes in compensation and benefits the Executive is recommending for County Government if those changes were applied to M-NCPPC; however, this information will not be available for this packet.

MAJOR CHANGES IN THE FY12 BUDGET

There are no major changes proposed by M-NCPPC for the FY12 budget, and the only increases are for health insurance, retirement, staff compensation, restoration of furloughed days, increased debt service, and funding for the operation of new parks and unfunded mandates. Overall workyears in the Administration Fund (the Planning Department, Commissioners' Office, and Central Administrative Services) decrease by 1 (from 186.2 to 185.2), while workyears in the Department of Parks are proposed to increase by 38.6 (6%) from 635.9 to 674.5, including seasonal and contract employees (see page 38).

ADMINISTRATION FUND

The Administration Fund of M-NCPPC includes the bi-county Central Administrative Services (CAS), the Commissioners' Office, and the Planning Department. M-NCPPC's total budget request for the Administration Fund for FY12 is **$26,358,800** (excluding grants and reserves), representing a $2.8 million or **11.7% increase** over the FY11 budget (see page 29). The Executive recommends **$23,083,350,** which is $3.3 million (12.4%) less than the agency request and 2.2% below the approved budget. The impact of these reductions is discussed below by Department/Office.

ADMINISTRATIVE FUND BUDGET HIGHLIGHTS (Millions)	
FY11 Approved Budget	$23.60
FY12 Request	$26.36
FY12 Executive Recommendation	$23.08
Difference Between Request and Executive Recommendation	$3.28

PLANNING DEPARTMENT

PLANNING DEPARTMENT WORKPROGRAM

The Planning Department uses a program based budget and a description of each Planning Department program appears on pages 121 to 198 of the budget. M-NCPPC has proposed 142.1 workyears (before lapse and chargebacks) for FY12, **down from 174.4 in FY10**. The four major components of the Planning Department program budget are as follows: (1) Master Plans; (2) Plan Implementation; (3) Information Resources; and (4) Management and Administration.

The charts on pages 121 to 122 of the budget provide a comparison between the Planning Department's FY11 and FY12 workyears and summary information about the FY12 costs for personnel and other costs. As the chart highlights, the Planning Department master plan resources will shift as they complete work on some plans and begin work on new ones. In FY12 they propose to eliminate three programs (private development and public coordination; capital projects; and mandatory referrals, abandonments and annexations) and in their place create two new programs: public project coordination and master plan staging/monitoring. Staff believes it is a good idea to have a separate program dedicated to master plan staging and monitoring. In addition, the website and information services programs have been merged.

On April 5, the Council began discussing the Planning Department workprogram at the Semi-Annual Report meeting. Several Councilmembers expressed concern about potential delays in the master plan program and reductions that could impact the regulatory review process. Some Councilmembers also expressed an interest in adding a Bus Rapid Transit (BRT) Plan and work on Transportation Policy Area Review (TPAR) analysis. (The Planning Department has indicated to Staff that it will be able to complete both the BRT Plan and the TPAR analysis at the funding level proposed by Council Staff below.)

IMPACT OF EXECUTIVE REDUCTIONS FOR PLANNING DEPARTMENT

The FY12 proposed budget for the Planning Department is $17,217,300, **which is an increase of $1,161,420 or 7.2% over the approved FY11 budget**. This increase is due entirely to compensation and retirement adjustments since there is no increase of staff, professional services or publication costs and only a $43,000 increase in total operating costs. The Planning Board has allocated **$2,237,700** of the Executive proposed Administration Fund reductions to the Planning Department.

Attached on © 17 to 18 are the Department's non-recommended reductions to meet the Executive budget. The Executive's recommended budget reductions would significantly impact the workprogram of the Department. The Planning Department would freeze 4 existing vacancies and would additionally need to eliminate funding for 20.6 workyears. If they are unable to take the assumed compensation and furlough adjustments, it could result in a loss of an additional 12 workyears, for a total reduction of almost 33 workyears or 23% of their total workyears. This follows last year's reductions of 31 positions (including 15 filled positions that were subject to a reduction in force or RIF). Circles 17 to 18 describe the impact of each proposed reduction. No reduction in operating expenditures was proposed for the Planning Department.

Planning Department Reductions	$ Reduction
Unspecified Compensation and Benefit changes (subject to bargaining)	$496,152
5 Day Furlough (subject to bargaining)	$175,000
Eliminate 4 Vacancies	$360,000
Eliminate Filled Positions	
Master Plan Program (-7.5 workyears)	$463,730
Regulatory/Plan Implementation Program (-6.7 workyears)	$393,290
Information Resources Program (-3.6 workyears)	$211,320
Administration and Special Projects (2.8 workyears)	$164,360
Total Filled Positions	$1,232,700
Total	$2,263,852

The impact of these reductions is to defer all master plans scheduled to begin in FY12, including Glenmont, White Flint Phase II, Gaithersburg East/Montgomery Village, Brookeville Road/Lyttonsville Purple Line Master Plans, and the Master Plan of Highways Functional Plan. In addition, they would delay the Chevy Chase Lake Plan and reduce the level of effort for the Long Branch Plan. The reduced level of effort on the regulatory side could slow regulatory approvals as well as the zoning ordinance rewrite, and the reductions to the information resources program would reduce research efforts, including trend analysis and demographic and economic publications, and would further reduce hours at the information counter.

STAFF RECOMMENDATIONS REGARDING PLANNING DEPARTMENT REDUCTIONS

Staff believes that the Council's intent, as expressed at the Semi-Annual Report, is to minimize impacts on the Planning Department workprogram. This includes ensuring that they are able to handle the regulatory workload without delay, adhere to the Master Plan workprogram, and undertake transportation studies requested by the Council. Staff believes this can be accomplished in the following way:

1. Accept all compensation related adjustments proposed by the Planning Department (including the furlough) for a total reduction of $671,152. This number can be refined as further decisions are made regarding county-wide compensation issues to ensure parity among agencies.
2. Determine whether the Council wants to recommend a reduction in Other Post-Employment Benefits (OPEB), consistent with how it is treated in other agencies. The Planning Department Budget includes $508,300 for OPEB.
3. Do not fund 8 available vacancies. The Planning Department response suggests not funding 4 vacancies; however, in further discussion with Council Staff, they believe that they can keep 8 vacancies open (plus the additional 6 due to lapse) and still accomplish the workprogram,

including the transportation studies requested by the Council. This results in a savings of approximately $680,000.

4. Charge all staff working on stormwater management, watershed protection, water quality, and water quality monitoring to the Water Quality Protection Fund. The state law that authorizes the creation of this fund allows it to be used for the following:
   - Reviewing stormwater management plans;
   - Inspection and enforcement activities;
   - Watershed planning;
   - Planning, design, land acquisition, and construction of stormwater management systems and structures;
   - Retrofitting developed areas for pollution control;
   - Water quality monitoring and water quality programs;
   - Operation and maintenance of facilities; and
   - Program development of these activities.

   Thus far, the Fund has only been used for County Government programs, but there is no reason it cannot be used for M-NCPPC programs that meet the criteria in state law. M-NCPPC has estimated that the cost of staffing working on related issues is somewhere between $300,000 and $1 million. Further work needs to be done to determine which Planning Department activities are eligible, and Staff will report back to the Committee at the May 2 meeting.
5. Reduce the Administration Fund subsidy to the Development Review Special Revenue Fund by $250,000. The Development Review Special Revenue Fund is expected to begin the year with a $600,000 balance. The reduction would still leave a 10% year end balance. The Planning Department has cautioned that the balance may be artificially high due to the recent revenues from Sketch Plans and therefore a transfer from the Administration Fund may still be necessary at a future date (see © 31-32). However, Staff believes it is preferable not to have a larger balance than necessary at this time and fund a future supplemental if one is needed.
6. Have the Department of Parks absorb the $47,700 reduction to the Commissioners' Office that the Planning Department was asked to absorb. This larger Department is in a far better position to absorb this amount than the Planning Department.

Depending on the amount that is shifted to the Water Quality Protection Fund, the above list of actions could fully restore all reductions that have an impact on service and ensure that the Planning Department's workprogram will not be impacted. The Planning Director has indicated that funding at this level will allow them to staff their workprogram and also undertake the BRT Plan and TPAR studies requested by the Council.

COMMISSIONERS' OFFICE

The Montgomery County Commissioners' Office includes the Chairman's Office and the technical writers unit. The description of this Office and the requested budget appears on pages 43 to 45 of the M-NCPPC budget. The requested budget for FY12 is $1,136,400. This is a $113,740 or 11.1% increase from the FY11 budget. The budget funds the salaries of the Planning Board, as well as 4 full-time and 1 part-time position in the Chair's office and 2 full time Technical Writers/Editors.

The Commissioners Office would have had to take a $150,650 reduction to achieve a proportionate reduction of the total recommended by the County Executive for the Administration Fund. The

Planning Board allocated $55,000 of the Executive-recommended reductions to the Commissioners' Office and shifted $95,650 to the Planning Department and Department of Parks (split equally between the 2 departments). In addition to compensation reductions and furloughs, they propose to meet the target by reducing supplies and materials (computer upgrades and office furniture replacement) by $4,000 and eliminating outside consultant services proposed for Chair and Planning Board support ($7000) (see © 19).

CENTRAL ADMINISTRATIVE SERVICES

Central Administrative Services (CAS) provides the administrative functions for both the Montgomery and Prince George's portions of this bi-county agency through three departments: Human Resources and Management (DHRM), Finance, and Legal. The FY12 Montgomery County portion of the proposed CAS budget is $7,323,350, an increase of $648,800 or **9.7% over the approved FY11 budget** (page 29). The requested personnel services show an increase of $438,180 or 6.9% over the approved FY11 budget. Supplies and Materials are proposed to decrease $2,500 (1.4%), and Other Services and Charges increase by $128,780 (7.9%) (see page 52). The total CAS workyears are proposed to **decrease** by 1 from 57.15 to 56.15. **While CAS costs are 3.4% of the total Commission budget, they are over 5% of the Montgomery portion of the budget.**

Two years ago, the Montgomery County and Prince George's County Councils requested a study of CAS. That study was presented last year. The recommendations and future work suggestions from the report are attached at © 36 to 46. CAS is prepared to update the Committee on their progress in implementing the Report and Staff recommends a more thorough update after budget to ensure that all critical recommendations are implemented. Since the Prince George's County Departments of Planning and Parks and Recreation have always expressed an interest in a greater level of services than Montgomery County's Commission Departments, following the Report's recommendation should lead to a greater level of services and charges being allocated to Prince George's County. However, in the FY12 budget Montgomery County is paying a slightly higher share of costs than Prince George's County (see page 52).

Following one of the recommendations in the Report to ensure the independence of the audit function, the Commission has established the Internal Audit Group as a separate division with CAS and it now reports directly to the Executive Committee of the Commission instead of to the Secretary Treasurer. The budget for the new Division appears on pages 94 to 98 of the budget.

The Planning Board allocated $864,963 of the County Executive recommended reductions to the Administration Fund to the Montgomery County portion of CAS distributed as follows:

Human Resources and Management	$276,705
Finance	$439,780
Legal	$148,478

Attached on © 20 to 22 is their response to Staff's request that they identify how they reduced their respective budgets. As with the other parts of the Commission, the changes include compensation adjustments, furloughs, freezing vacancies (including normal lapse), and the loss of 3.5 filled positions attributable to Montgomery County (7 employees total for both Counties).

<u>The Montgomery County and Prince George's County Councils must agree on any changes to the CAS budget, or the Commission's budget will stand as submitted</u>. Staff notes that the Bi-County meeting will occur before the Council has completed its review of other department and agency budgets (May 12); therefore, it is not possible to consider any reductions or additions to the **CAS portion** of the M-NCPPC budget after May 12.

M-NCPPC PARK FUND

Background and Summary

The Montgomery County Park System includes 414 parks with over 35,000 acres of land. M-NCPPC has requested FY12 funding of $77,736,900, excluding debt service, grants, and reserves. This request includes salary increases. **The Executive recommends funding the Park Fund at $67,569,820. This is $10.17 million or 13% less than the M-NCPPC request, and $1.48 million or 2.1% less than the approved FY11 budget.**

PARK FUND BUDGET HIGHLIGHTS (Millions)	
FY11 Approved Budget	$69.05
FY12 Request	$77.74
FY12 Executive Recommendation	$67.57
Difference Between Request and Executive Recommendation	$10.17

Although the Department of Parks experienced significant reductions last year, 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. **While the Department is concerned that decreased staffing per acre of parkland is a negative trend, Staff believes it is indicative of trends throughout government and the need for greater efficiencies and creativity and that they should be proud of their accomplishments.**

Changes from FY11 to FY12

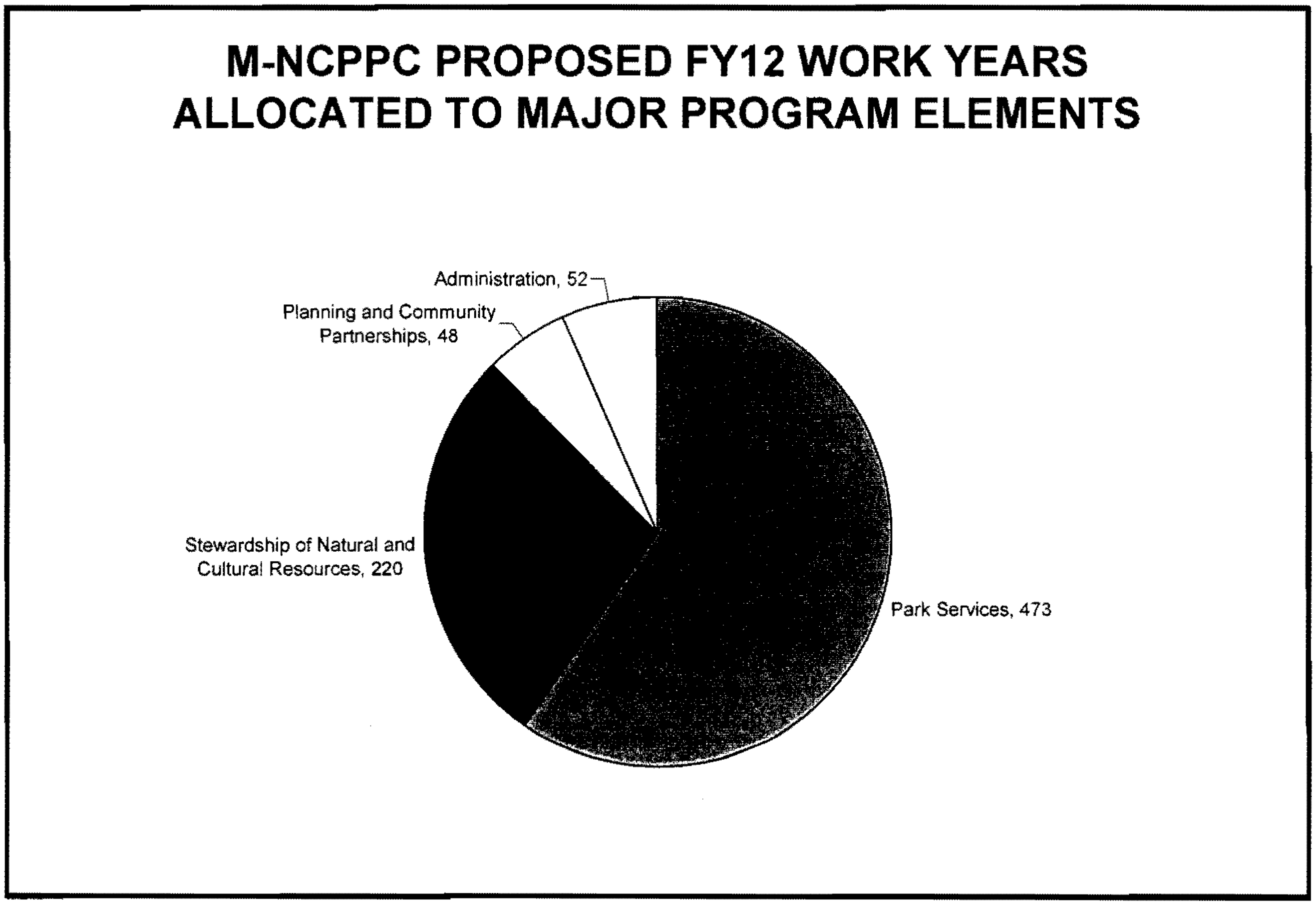
The proposed FY12 Department of Parks budget provides a level of service substantially similar to FY11. Most of the increases in the M-NCPPC request are associated with compensation and benefits (including the elimination of the FY11 furlough). The largest non-compensation increase in the Park fund of close to $1 million is for increases in technology costs, the operating cost of new parks, (both County funded and those built by developers), and non-discretionary or regulatory responsibilities, such as National Pollutant Discharge Elimination System (NPDES) or Americans with Disabilities Act (ADA) requirements. The budget also includes funding to reinstate seasonal employees terminated last year at a cost of $699,000.

After adding four new divisions over the last 3 years, this budget eliminates the Central Maintenance Division (combining it with Facilities Management) and the Special Programs Division (moving its functions to the Public Affairs and Customer Service Division and renaming it the Public Affairs and

Community Partnerships Division). Technology Center functions were moved into Management Services. The other divisions include the Office of Director of Parks, Management Services, Park Planning and Stewardship Park Development, Park Police, Horticulture, Forestry and Environmental Education (formerly Horticultural Services), Northern Parks, and Southern Parks. (Separate funds support the Enterprise Fund and Property Management Fund.)

Park Programs

Park programs fall into one of four categories: Park Services, Stewardship of Natural and Cultural Resources, Planning and Community Partnerships, and Management and Administration, with overall workyears divided as follows:



The proposed FY12 budget does not include any new programs, and the only growth in programs relates to the cost of operating new parks, unfunded mandates, and the restoration of terminated seasonal employees for a total increase of 45.5 workyears (38.6 of which are tax-supported). In addition, the Department has redistributed the workyears assigned to different programs as shown in the table that appears below.

DEPARTMENT OF PARKS WORKYEARS BY PROGRAM			
	FY11	**FY12**	% Change
PARK SERVICES			
ORGANIZED SPORTS			
Athletic Fields (includes baseball/softball and field sports)	78.00	81.30	4.23%
Multi-Use Courts	7.60	8.90	17.11%
Tennis	26.80	25.80	-3.73%
Subtotal Organized Sports	**112.40**	**116.00**	**3.20%**
REGIONAL ATTRACTIONS			
Seasonal Park Amenities (Boating, Camping, Trains/ Carousel, mini-golf/Splash playground)	37.20	39.50	6.18%
Ice Skating	47.90	53.00	10.65%
Subtotal Regional Attractions	**85.10**	**92.50**	**8.70%**
MEETING AND GATHERING PLACES			
Community Open Space	64.90	71.50	10.17%
Permitted Picnic Facilities	22.90	24.30	6.11%
Playgrounds	31.00	34.10	10.00%
Dog Exercise Areas	5.20	5.90	13.46%
Park Activity Buildings	35.20	36.00	2.27%
Event Centers	27.10	28.70	5.90%
Subtotal Meeting and Gathering Places	**186.30**	**200.50**	**7.62%**
TRAILS AND PARKWAYS			
Scenic Parkway Experiences	21.30	22.30	4.69%
Trails-Paved Surface	38.60	42.00	8.81%
Subtotal Trails and Parkways	**59.90**	**64.30**	**7.35%**
SUBTOTAL PARK SERVICES	**443.70**	**473.30**	**6.67%**

	FY11	FY12	% Change
STEWARDSHIP OF NATURAL AND CULTURAL RESOURCES			
LAND AND RESOURCE MANAGEMENT			
Arboriculture	30.10	31.30	3.99%
Horticulture	41.80	41.80	0.00%
Natural Resource Management	22.60	23.70	4.87%
Cultural Resources	11.30	12.30	8.85%
Streams	11.20	16.50	47.32%
Trails- Natural Surface	12.70	15.60	22.83%
Agricultural Suuport	4.50	4.30	-4.44%
Subtotal Land and Resource Management	**134.20**	**145.50**	**8.42%**
EDUCATION AND INTERPRETATION			
Nature Centers	26.80	26.40	-1.49%
Public Gardens	46.80	47.70	1.92%
Subtotal Education and Interpretation	**73.60**	**74.10**	**0.68%**
SUBTOTAL STEWARDSHIP OF NATURAL AND CULTURAL RESOURCES	**207.80**	**219.60**	**5.68%**
PLANNING AND COMMUNITY PARTNERSHIPS			
Park Planning	19.80	20.00	1.01%
Partnerships	6.80	6.70	-1.47%
Property Management (inc. equestrian)	9.00	9.60	6.67%
Third Party Support (inc. golf)	11.10	11.60	4.50%
SUBTOTAL PLANNING AND COMMUNITY PARTNERSHIPS	**46.70**	**47.90**	**2.57%**
ADMINISTRATION			
Management and Administration	50.00	52.10	4.20%
SUBTOTAL ADMINISTRATION	**50.00**	**52.10**	**4.20%**
TOTAL SERVICE DELIVERY	**748.20**	**792.90**	**5.97%**
CIP	**32.40**	**33.20**	**2.47%**
PROGRAM TOTAL	**780.60**	**826.10**	**5.83%**

The 10 most labor intensive programs are as follows:

Program	Proposed FY12 Workyears Before Reductions
Athletic Fields	81.3
Community Open Space	71.5
Ice Skating	53.0
Management and Administration	52.1
Public Gardens	47.7
Trails – paved surfaces	42.0
Horticulture	41.8
Seasonal Park Amenities	39.5
Park Activity Buildings	36.0
Playgrounds	34.1

Fleet Management

During its review of the FY10 budget, the PHED Committee requested a report on Fleet Management to be prepared by M-NCPPC staff as part of its review of the FY11 budget. The Department of Parks responded last year with baseline information regarding size of the fleet, lifecycle costs, maintenance frequency, vehicle sharing, and policies regarding take home cars. The Commission reported at that time that it had 581 vehicles for Montgomery County use, (23 assigned to the Planning Department, 166 to the Park Police Division, and the remainder to the Department of Parks). Last year, the Council asked that further work be done to compare their fleet usage and fleet management policies and practices to other agencies and other jurisdictions to see whether any changes in policies were warranted. Attached on © 35A to 35B is their response to Council Staff's request for this information. While the attachment indicates that they have downsized the fleet and made various improvements, it does not provide information about other agencies/jurisdictions or any benchmarks that can be used as a basis to make management and budget decisions. In addition, Staff understands that the Internal Audit Division has done an audit related to Commission fleet management. **Staff recommends that the Committee request a briefing on the audit results and ask that further work be done to establish benchmarks.**

Seasonal Employees and Contracting Out

Last year, to meet their targeted budget reductions, the Department of Parks eliminated all contract and seasonal employees. Given that seasonal employees and contracting are considered essential elements of an efficient parks system, Staff believes they should reconsider this decision. In 2002, the Office of Legislative Oversight (OLO) completed an analysis entitled "Managing Park Maintenance Costs: A Comparative Study". They looked at 9 jurisdictions known for having quality parks systems and collected information about their practices and observed that the most successful parks systems:

- Use detailed maintenance standards (which M-NCPPC does, as shown on pages 235-238 in the budget),
- Track the costs associated with different maintenance functions (as M-NCPPC has begun to do using Smart Parks),

- Contract out select park maintenance activities (with the most common being mowing, facility repairs, and tree trimming),
- Establish different standards for different categories of parks[1], and
- Use a significant percentage of seasonal workers.

OLO found that for those systems not located in warm climates (where there was a more consistent need for year-round services), the percent of the workforce that was seasonal ranged from 15% to 75% of the workforce, significantly greater than the 8% of seasonal employees used by the Department of Parks when the study was conducted. The benefits of seasonal employees for the parks system include the following:

- Enable the Department of Parks to increase the number of employees during peak season and reduce them in the winter when parks are less heavily used.
- Rapid hiring in response to workload needs.
- Scheduling flexibility – they can be employed the days, weeks or months needed and do not typically have a fixed schedule over an extended period of time. This is particularly significant since parks can be most used during non-traditional work hours.
- Significant labor cost savings. The average salary of a seasonal employee equates to **$20,500** per workyear while the average salary and benefits of a full time parks maintenance worker is **$53,400**. In addition, seasonal employees can be used during non-traditional hours when other employees would have required overtime.

Staff believes that the Department of Parks should have a target level of seasonal employees of at least 20% (which could save approximately $2.7 million without reducing the number of total workyears). To minimize the impact on existing full-time employees, the transition to seasonal labor should be phased in with seasonal employees filling vacant positions. Staff is **NOT** recommending that the Department lay off full time employees and replace them with seasonal workers. In addition, Staff recommends the Council not support the Department's proposal to eliminate 25 existing seasonal workyears added since the beginning of FY11.

Park Activity Buildings

The Park Activity Building program is described on page 263 of the budget. For FY12, the budget projects a cost of $4.28 million dollars and 36 workyears, only $19,000 and 3.55 workyears less than it was in the FY11 budget before the closure of 11 of 29 activity buildings. [2] The Department has previously indicated that the park activity building program is the least essential and one of the least utilized of their programs. Staff asked Department of Parks' staff why there was not a greater reduction in costs with the closure of 38% of the park activity buildings. Their response is attached on © 34-35. Staff continues to be perplexed that there were not additional reductions in labor costs associated with this program. The Committee may also want to consider whether additional closures

[1] M-NCPPC standards differ based on the type of park (see © 235 to 238), but not according to the level of use of the park, at least not in the formal written standards included in the budget. Managers make resource allocation decisions among the parks, but further work could be done to clarify the level of maintenance required for more or less intensively used parks.

[2] As the Committee may recall, the Department of Parks conducted a study of these 29 buildings in 2007 and concluded that there are "too many buildings with too much unused time; we are losing money and have too large a future maintenance liability." In the Department of Parks Staff Report they recommended continuing to operate 6 buildings, closing or transferring 5 buildings, and increasing marketing to determine if they could increase usage at the 18 remaining buildings.

may be appropriate, given the Department of Parks' earlier conclusions regarding the utility of these buildings.

School Ballfields

Last year, the Council supported having the maintenance of Montgomery County Public Schools (MCPS) ballfields moved from the Park Fund to the Special Revenue Fund ($748,600), and the source of funding is now a transfer from the General Fund. This ensures that the school fields are maintained to maximize usage without having the funding come from the Park Tax, which has a more limited base than the General Fund. (When MCPS was responsible for field maintenance, it only designated very limited funding for this purpose and field use was therefore limited, placing a greater burden on park fields.) The FY12 recommended funding is the same as FY11.

Park Fees and Revenues

Over the past few years, the Council has discussed whether the Department of Parks should change its fee structure in one of three ways:

- To differentiate between different user groups (e.g., to charge non-residents more than residents);
- To create fees for certain services that are now provided free (e.g., parking at regional or recreational parks or admission to facilities where the points of entry can be limited – such as Brookside Gardens); [3]and/or
- To reassess the cost recovery goals for those activities for which fees are currently charged (with the possibility of increasing fees or decreasing fees for certain user groups based on age or income).

The strategic planning effort undertaken by the Department of Parks and the Department of Recreation (Vision 2030) is examining the issues of fees charged for park and recreation facilities and services, but the plan is not yet complete. In the list of non-recommended reductions to meet the Executive budget, they have including $260,000 in additional revenues based on initial information from Vision 2030, the potential to make additional money at Nature Centers with new programming, sponsorships for the Garden of Lights at Brookside Gardens, and sales of trees from the Pope Farm nursery.

POTENTIAL REDUCTIONS TO THE DEPARTMENT OF PARKS BUDGET

The Executive has recommended reducing the Department of Parks budget by **$10.2 million.** This is **12.3% less** than the M-NCPPC request, and $920,000 or 13.9% less than the approved FY11 budget.

[3] **Examples** of potential opportunities to raise fees include an entrance fee at Brookside Gardens. If the over 400,000 people visiting Brookside Gardens each year were charged a $1 entrance fee, and assuming that 25% were exempt from paying the entrance fee, this could generate $300,000 per year. Another example would be the use of meters at regional and recreational parks. Assuming that the 12 regional and recreational parks combined would have 1,248,000 hours of metered time each year (an average of 200 cars per park, for 20 hours of metered time over the course of a week, at the 12 parks, for a period for 26 weeks, with a 2 hour stay) and charged 25 cents per hour, the revenue could be $624,000. Obviously, each of these revenue raising techniques also has costs associated with it, and staff did not have the information available to make a more precise estimate of revenues or an estimate of costs.

In addition, the Planning Board has allocated $47,500 in reductions for the Commissioners' Office to the Department of Parks. Achieving this target would require reductions in compensation and operating expenses, freezing vacant positions, and potentially a reduction in force (RIF). Reductions are described in summary fashion below and in greater detail on © 10 to 16.

Department of Parks Reductions	$ Reduction
Unspecified Compensation and Benefit changes (subject to bargaining)	$2,242,100
Furlough – half of FY11 levels (subject to bargaining)	$570,000
Adjustments/Efficiency improvements/Revenue Increases	$638,800
Reduced CIP Debt (Germantown Town Center Park)	$516,000
Reductions in CIP Current Revenue	$250,000
New CIP/Property Management Fund Chargebacks	$577,000
Increase Lapse from 5% to 6.5%	$858,400
Assorted Reductions in Service (in-house and contractual)	$3,658,680
Reductions in supplies and materials	$903,200
Total	$10,214,580

While many of the reductions (such as changes in compensation which mirror those being considered by the County Government) will not impact programs or service delivery, there are many reductions that will clearly impact the ability of the Department of Parks to provide the same level of services they have delivered in prior years. The Department has recommended reducing the costs in several program areas, but has not recommended any major restructuring or closing facilities (and has indicated to the Council in the past that it is difficult, if not impossible, to close parks).

STAFF RECOMMENDATIONS RELATED TO REDUCTIONS

1. Accept all Department of Parks non-recommended cuts with minimal service impacts listed as items 1 to 7 and 29 on © 10 to 13 totaling $4,216,900. This includes compensation adjustments and efficiency improvements that will not impact service and the proposed furlough. (Compensation adjustments can be refined as further decisions are made regarding County-wide compensation issues to ensure parity between agencies.) It also includes restoration of the debt service that would have been associated with the Germantown Town Center Park. (This reduction will not be available if the Council decides to keep the project on its current schedule instead of delaying it 2 years.)
2. Determine whether the Council wants to recommend a reduction in Other Post-Employment Benefits (OPEB), consistent with how it is treated in other agencies. The Department of Parks Budget includes **$1,692,200 for OPEB.**
3. Accept all recommended new chargebacks to the Capital Improvements Program (CIP) and Property Management Fund totaling $657,000. This will provide less support to operating programs but will mean that the associated staff will not lose their jobs and will mean increased support for the CIP.
4. As with the Planning Department, Staff believes that the Committee should explore whether funds from the Water Quality Protection Charge should be used to pay for those staff directly supporting stormwater management, watershed protection, water quality, and water quality monitoring. The Department of Parks preliminary estimate of staff associated with these functions is 13 workyears/$1.2 million. At a minimum, it should include the unfunded mandate

related to the National Pollutant Discharge Elimination System (NPDES) which is 4 workyears and $228,000. The Department will continue to refine this information in time for the Committee's May 2nd meeting.

5. Retain the 7.5% lapse rate that was proposed in the FY11 budget. This is approximately equivalent to the existing number of vacancies. This provides an additional $572,267 in reductions.
6. Do not fund the 38.6 workyears in new staff proposed for the FY12 budget, including those requested to support the operating budget impact of new parks. Since the park system has continued to grow, this clearly means less staff per acre of park to be managed and maintained. The Department will have to determine whether they can continue to provide a similar level of service through increased efficiency or whether service will decline.
7. Assume the total reduction to supplies and materials in the Department of Parks list of recommended reductions ($903,200). The specific reductions will need to relate to programs that are ultimately reduced.
8. Develop a plan to move select positions as they become vacant through attrition to seasonal status until the Department reaches the 20% goal described earlier. The Department should estimate what, if any, savings could accrue in FY12. (Staff is **not** recommending firing full time employees and replacing them with seasonal employees.)
9. Determine whether any further reductions are needed to reach the target level of reductions and whether those reductions should be put on a reconciliation list.

Staff notes that the Department of Parks proposed budget includes 38.6 **new** workyears (see page 38) and there are currently 48 vacancies for a total of 86.6 unfilled workyears recommended in the FY12 budget. Since the budget assumes a 5% lapse (and therefore 33.5 workyears are not funded), there are **53.1 proposed, but vacant workyears** that would be funded by the M-NCPPC FY12 budget. If these vacant positions are frozen or not added to the budget, and assuming that all other reductions are taken listed above and that the Water Quality Protection Charge can absorb some workyears, there should be minimal need to lay off existing park employees.

THE ENTERPRISE FUND

The Enterprise Fund accounts for various park facilities and services that are entirely or predominantly supported by user fees. (See pages 327-340 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 FY12 budget projects overall Fund revenue over expenditures of $151,800, making it the second year in a row the fund is operating without a transfer from the General Fund.** The Enterprise Fund staff should be commended for a remarkable turnaround in net revenues which occurred at the same time that the economy could have meant significantly reduced revenues.

The proposed expenditures for the Enterprise Fund for FY12 are as follows:

FY11 and FY12 ENTERPRISE FUND EXPENDITURES			
FY11 Budget	FY12 Request	Change from FY11 to FY12	% Change from FY11 to FY12
$9,178,600	$9,522,300	$343,700	3.7%
110.9 WY	118.8	7.9	7.1%

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 FY09 through FY12. Since the subsidy to the ice rinks in previous years significantly impacted the net revenue, Staff has displayed the ice rink and total costs including a subsidy (which treats the subsidy as revenue), and excluding the subsidy (which shows the net revenue without a subsidy). There were subsidies in FY05 to FY10 which were eliminated in FY11 and are not proposed for FY12. Net revenues without the subsidy are highlighted below. As the summary chart indicates, both indoor tennis and the park facilities are projected to generate significant profits for the Enterprise Fund in FY12, more than offsetting the losses created by the ice rinks and event centers. Golf Courses are negative for this year due a change in operation of the South Germantown Golf Park, but are expected to be positive in FY13. Since debt service for the Wheaton Ice Rink ends in FY12 and for Cabin John in FY14, the net revenues for these facilities should also increase significantly.

ENTERPRISE FUND REVENUE OVER/(UNDER) EXPENDITURES					
	Actual FY09	**Actual FY10**	**Budget FY11**	**Estimate FY11**	**Proposed FY12**
GOLF COURSES	$58,497	$41,033	$56,200	$10,300	($10,400)
ICE RINKS (including subsidy)	($391,256)	($449,970)	($472,100)	($430,100)	($366,300)
ICE RINKS (excluding subsidy)	($934,256)	($459,970)	($472,100)	($430,100)	($366,300)
INDOOR TENNIS	$206,507	$390,626	$476,300	$431,400	$334,800
EVENT CENTERS	($123,485)	($173,700)	($83,000)	($85,300)	($179,400)
PARK FACILITIES	$558,806	$703,243	$682,100	$547,400	$473,100
TOTAL (including ice rink subsidy)	**$309,069**	**$511,232**	**$659,500**	**$473,700**	**$251,800**
TOTAL (excluding ice rink subsidy)	($233,931)	$501,232	$659,500	$473,700	$251,800

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 353 to 367 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).

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. Changes for this year include two new sub-funds in the Special Donations and Programs Fund – one for donations from the reformed Montgomery County Park Foundation and the other for a new Parks Corporate Sponsorship Initiative. No revenues or expenditures are proposed for the Historic Renovations Fund in FY12 since the source of revenues is surpluses in the Property Management Fund, and none are anticipated this year.

FY12 projected expenditures, revenues, and fund balance are shown below.

SPECIAL REVENUE FUNDS					
	Beginning Fund Balance	**Proposed FY12 Revenue**	**Proposed FY12 Expendtrs**	**Net FY12 Revenue**	**Proposed Ending Fund Balance**
Historic Renovations (Property Management)	$0	$0	$0	$0	$0
Park Police - Drug Enforcement Fund	$37,475	$400	$37,000	-$36,600	$875
Park Police - Federally Forfeited Property	$43,974	$400	$43,000	-$42,600	$1,374
Interagency Agreements	$60,876	$965,100	$1,020,000	-$54,900	$5,976
Park Cultural Resources	$26,631	$29,400	$35,300	-$5,900	$20,731
Special Events	$12	$33,000	$33,000	$0	$12
Nature Programs and Facilities	$5,922	$121,000	$91,200	$29,800	$35,722
Special Donations and Programs	$45,006	$463,900	$504,900	-$41,000	$4,006
Traffic Mitigation	$33,006	$20,500	$20,000	$500	$33,506
Historic Preservation (County non-departmental account)	$14,004	$254,840	$254,840	$0	$14,004
GIS Data Sales	$45,740	$20,500	$23,000	-$2,500	$43,240
Environmental/Forest Conservation Penalities Fund	$64,337	$100,700	$82,000	$18,700	$83,037
Development Review Special Revenue Fund (includes DAP)	$901,332	$3,360,500	$3,380,900	-$20,400	$880,932
Forest Conservation Fund	$95,357	$52,000	$145,000	-$93,000	$2,357
TOTAL ALL FUNDS	**$1,373,672**	$5,422,240	$5,670,140	-$247,900	$1,125,772

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 FY12, the Park Police Drug Enforcement 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.

Planning Department Staff have provided information on the Development Review Special Revenue Fund (see © 31 to 32). As noted above in the discussion of Planning Department reductions, Staff recommends reducing the transfer from the Administration Fund to the Special Revenue Fund as a way to meet the Executive-recommended reductions. There would still be a projected 10% year end balance. If expenditures are greater than expected or revenues are less than expected, there may be a need for a supplemental, but Staff sees no need to keep a large fund balance at this time while having to cut other programs.

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MONTGOMERY COUNTY PLANNING BOARD

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

OFFICE OF THE CHAIRMAN

April 5, 2011

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

FROM: Françoise M. Carrier, Chair, Montgomery County Planning Board FMC

SUBJECT: FY12 Operating Budget Work Session

In preparation for the upcoming work session on April 11th, the Planning Board directed each department to develop a list of non-recommended reductions to meet the County Executive's target funding level. **To achieve this target, the Commission must identify reductions of approximately 13% or $13.4 million**. The Montgomery County side of the Commission submitted a budget proposal for FY12 that would allow us to perform the same level of services in FY12 that we have managed to provide with our sharply reduced FY11 budget. This includes funding for mandatory items such as our pension fund contribution, other post-employment benefits, and contractually obligated compensation adjustments, all of which are part of the operating budgets of our departments. The County Executive has recommended a significant reduction for our agency -- even below FY11 funding levels -- that will impair our ability to provide our core services and make RIFs virtually unavoidable.

In FY11, the impact of severe budget cuts was reduced through a retirement incentive program – that option is not available this year. The Commission is currently in negotiations with both of our unions to try to reduce compensation and benefit costs, but even if we succeed in negotiating such reductions, the extent of the budget cuts recommended by the Executive will cause a devastating impact on the Commission's services and facilities.

The attachments to this transmittal letter provide the list of non-recommended cuts and responses to questions from Council staff.

Planning Work Program Impact

In FY11, the Planning Department staff was reduced by 31 positions or approximately 20%. The Department underwent a layoff of 15 employees. As you are aware, the Planning Department's budget is prepared in a program format. The resource reductions for FY11 on a programmatic level are as follows:

- Master Plan program was cut by 27.8%
- Regulatory program was cut by 16.6%
- Information Services program was reduced by 27.1%
- Management and Administration program went down by 27.2%.

The Department responded by reorganizing, continuing to defer several master plans, and implementing cross-functional work assignments. In FY11, the Planning Department cut to the bone. Further reductions seriously jeopardize the Department's delivery of core functions. By major program level, the impact of the County Executive's recommendations is as follows:

Master Plan Program: In contrast to the timely master plan effort in the I-270 Corridor, a significant reduction in the work years will reduce the number of master plans to be completed in the eastern county areas and inside I-495. No new plans will be started in FY12, leaving a void in the master plans being delivered in late FY13 and in FY14.

Regulatory/Plan Implementation Program: Efforts on regulatory planning will be significantly reduced. We are training as many staff as possible to take on new regulatory tasks. This will take time, and as a result the processing of applications will be affected. The input to the Board of Appeals and Hearing Examiner will be reduced.

Information Resources Program: The loss of additional staffing in the Information Resources program threatens our ability to perform detailed and thorough analysis, identify trends, and provide needed information for decision making. Our Web, outreach activities, and ability to meet and serve the public are jeopardized. Additionally, the Department will reduce hours of operation at the Information Counter. Our ability to produce the demographic, economic, housing, and census analysis will be limited.

The Management and Administration program will be cut in proportion to the Department.

Park Work Program Impact

The FY11 adopted Park Fund budget, was 12.6% below the FY10 adopted budget. The Department was able to avoid a career reduction-in-force by offering a retirement incentive and terminating a number of non-career staff and service contracts. Non-personnel costs were substantially reduced or eliminated. Two divisions were eliminated through a restructuring and 63 positions were abolished. This has kept our work program below the maintenance level of a comprehensive park system. In addition, mid-year savings plans have been implemented for the past three years, further eroding the Department's ability to provide quality park amenities. The Department closed 11 park activity buildings last spring to meet budget reductions.

In consideration of the economic climate, for FY12, the Department of Parks submitted a budget of $82,604,800 (not including reserves or grants) that includes increases for compensation adjustments called for in union contracts, unfunded obligations for new parks and federal or state mandates, known operating commitments, and the reinstatement of funding for seasonal employees. A significant decrease was also proposed for savings generated by utility efficiencies and rent from consolidating office space.

Even with these increases, the funding for the Department will be below the amount needed to maintain a quality park system. Currently, there is a backlog of more than 1,225 outstanding work orders for repairs and preventive maintenance. In addition, each year the park system continues to grow by adding new parkland (either through dedication, donation, or purchase) with increased management responsibilities such as mowing, amenities to maintain, and resources to protect. The proposed FY12 budget does not provide the resources needed to properly maintain the growing park inventory, and puts us further behind on existing parks.

A major obstacle for the Department is that regardless of priority level, most of the Department's amenities are not able to be closed (ball fields, play grounds, trails, etc.). To "close" them would mean removing amenities (fencing, standards, playground equipment, etc.) and letting nature take over the open space. This would diminish residents' use of the parks and would come with a cost to remove the amenities, increased need for police patrols, and some continued maintenance, reducing the potential savings.

Closing some facilities or curtailing service to those facilities, even for a short period of time, would eventually create a situation where major capital improvements might be needed to restore the facility at a later date. In addition, temporarily suspending the funding for a year or two for some projects, such as the deer management program, would be detrimental and undermine much of the progress that has been gained in recent years. The non-native invasive program was reduced over 75% in FY11. In FY10, 365 acres were treated; only 85 acres will be treated in FY11. This reduced funding will hasten the on-going degradation of the highest quality natural areas in parks such as Blockhouse Point, Rachel Carson, and Little Bennett.

CAS Work Program Impact

The Commission's Departments of Human Resources and Management, Finance, and Legal provide corporate functions for seven departments of the agency in Montgomery and Prince George's operations. These departments provide mandated agency-wide functions in administration, policy, personnel management, financial accountability, legal advice and court representation, workplace and public safety, and risk mitigation. The independent Merit System Board is also part of Central Administration Services (CAS). CAS has already been doing more with less.

In FY11, CAS was required to absorb significant cuts and restructured operations in response to a 15% budget reduction. Hiring and compensation was frozen, a 10-day furlough was instituted, a retirement incentive program was instituted, and a reduction in force was imposed for occupied positions. Real people lost their jobs. Overall, Human Resources and Management and Finance staff was reduced by approximately 15% in FY11.

The County Executive's FY12 recommendation of another potential reduction of $2 million to CAS (the $1 million cut recommended on the Montgomery County side translates into a total $2 million cut as applied to CAS as a whole, unless Prince George's

County decides to provide supplemental monies to fund CAS positions that will serve Prince George's County) presents a serious issue as to whether CAS will be able to continue providing required administrative functions sufficiently to support the operating departments. The Human Resources and Management and Finance Departments' staffing levels will decline another 7% for a total of 22% equal to the FY09 level and leading to reductions in force. Fortunately, the Legal Department may be able to avoid another RIF this year however, the Department lost more than $630,000 from budget reductions in FY11 while assuming new programs in workers compensation and tort litigation to save overall expense.

Second Year of Deepest Reductions

The Planning Board fully understands the fiscal challenges faced by the County, and we are prepared to work together with the PHED Committee and Council to achieve a responsible level of reductions. However, the County Executive's recommendation would again result in the Commission receiving the most severe reduction in funding of any County funded agency. Although some County Government departments are recommended for reductions, the Commission is the only agency recommended for an overall decrease below FY11. The County Government, MCPS and the College are recommended to increase by 1.0%, 3.5% and .7% respectively; the Commission's budget is recommended to decline by 2.2%. This reduction would follow the 13% reduction adopted in FY11, which was almost twice the 7% reduction of County Government in FY11 and almost three times the 5% reduction of MCPS.

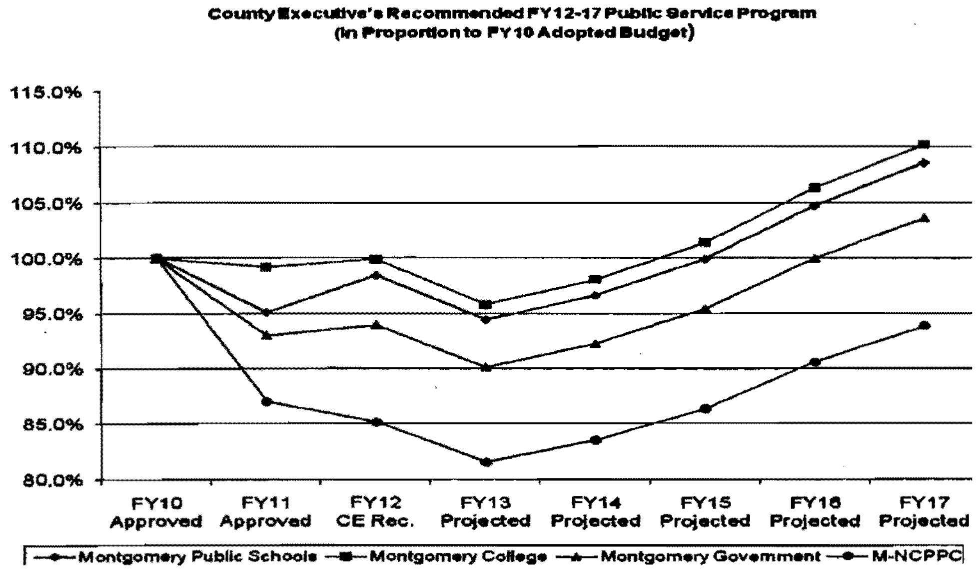
The following table summarizes the past and projected rates of growth for the four county-funded agencies starting in FY10 and is based on the County Executive's latest recommended FY12 – FY17 fiscal plan.

FY10-17 Funding Levels for Major Montgomery County Funding Entities

($ in Millions)	Approved FY10	Approved FY11	Chg. % FY10-11	CE Rec. FY12	Chg. % FY11-12	Projected FY17	Chg. (%) FY10-17	Chg. ($) FY10-17
Montgomery Co. Public Schools	2,020.1	1,919.8	-5.0%	1,987.6	3.5%	2,192.3	8.5%	172.2
Montgomery College	217.5	215.8	-0.8%	217.3	0.7%	239.6	10.2%	22.1
M-NCPPC	106.6	92.7	-13.0%	90.7	-2.2%	100.0	-6.2%	(6.6)
Montgomery Co. Government	1,251.2	1,163.6	-7.0%	1,175.5	1.0%	1,296.5	3.6%	45.3
Total	3,595.4	3,391.9		3,471.1		3,828.4		233.0
M-NCPPC as a % of Total	3.0%	2.7%		2.6%		2.6%		

Sources - FY10-11 (approved budgets); FY12-17 (County Executive's Recommended FY12-17 Public Services Program)

The disparity in growth is shown clearly in the following graph, which utilizes FY10 as the base year and presents spending in future years as a percent of the FY10 budget. The Commission will experience the lowest growth in the coming six years per the fiscal plan and in fact is the only agency that would, at the end of the period, remain below FY10 funding levels.



Summary

The important missions of this agency are at risk of being compromised in a very serious manner if the County Executive's recommended budget is adopted. We hope to work with the County Council and its staff to find ways to arrive at a responsible level of budget cuts that will keep our planning efforts moving forward and allow us to continue providing safe and clean parks.

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

PCB11-25

April 05, 2011

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

FROM: Patricia C. Barney, Executive Director

SUBJECT: FY12 M-NCPPC Budget Work Session

Below please find Maryland-National Capital Park and Planning Commission responses to Council Staff questions in preparation for the budget work Session of April 11:

1. **Identify reductions necessary to meet the County Executive recommended budget.**

   Attached are schedules from each department/unit presenting non-recommended reductions along with the cost, workyears, and service impacts. Note that the following units' non-recommended reductions are small and therefore summarized below:

   Internal Audit - $9,454
   Support Services - $65,286

   Also note that $47,700 of non-recommended reductions was shifted to the Park Fund and the CAS Departments absorbed $8,565 for the Merit Board and $17,883 for Internal Audit.

2. **Identify current vacancies in each department (frozen positions and other vacancies occurring through attrition).**

   Attached is the 3rd Quarter Vacancy Report for each department.

3. **Update FY11 revenues and any changes in fee/revenue policies recommended or being considered for FY12. Have any changes in policies resulted from the Vision 2030 effort?**

The following responses were provided by the Departments noted below:

Finance Department on Taxes and Interest Income

Decreasing assessments due to appeals have resulted in the loss of over $600 million in tax base since July 1. This translates to a loss of property tax revenue of $246,900 in the Administration

Fund and $708,400 in the Park Fund. Interest income is expected to be $50,000 and $281,500 below budget in the Administration and Park Funds respectively.

The declines in revenue are projected to be partially compensated for with expenditure reductions in each fund. The projected reduction in fund balance is $167,650 for the Administration Fund and $716,400 for the Park Fund. These estimates are considered worse case, and are expected to be revised upwards as additional information is available.

Planning Department – Revenues

The Administration Fund revenues related to the Planning Department come from fees for Pre-Application Fees, Natural Resources Inventory/Forest Stand Delineation Fees, Forest Conservation Plan Fees, Forest Conservation Plan Exemption Fees and fees associated with Special Protection Areas (other fees are revenue for the Special Revenue Fund). Administration Fund revenues were budgeted at $350,000 in FY11. Actual revenue is projected to be $123,200 below budget due to the drop in the number of applications. Accordingly, FY12 budget is proposed at $230,000--a 34% reduction from FY11.

Parks Department

1. **Have any changes in policies resulted from the Vision 2030 effort?**

   The Vision 2030 process included developing a Cost Recovery Pyramid using cost-based or activity-based principles to determine the cost of providing a service and appropriate recovery target based on where the service fell on one of the five levels of the pyramid. The five levels range between "Mostly Community Benefit" (mostly tax-supported) to "Mostly Individual Benefit" (little to no tax support).

   A target range and minimum cost recovery goal will be adopted for each category of service. This process will require the programs to track and meet these goals through cost reductions, recommended pricing strategies and/or use of alternative funding sources as appropriate. The process will also require the Department to review all fees, rentals and leases to assure compliance with cost recovery goals in relation to the cost to provide the service and the category of service level on the pyramid. The final cost recovery goals and pricing strategies will be included in the final Vision 2030 plan at the end of this fiscal year. In addition, Parks will certainly use the feedback from the Park & Recreation User Survey and the numerous stakeholder public meetings and summits conducted as part of Vision 2030 in the shaping of its next Capital Improvements Program, which will be underway in a matter of weeks. In particular, the theme of "protect what you already have" that came out of Vision 2030 will be a priority for the CIP.

2. New Fees and Revenue Sources

The Department will take new fees to the Board in May. Once the Vision 2030 plan is complete, we may additional fees to the Board for approval. At this time the Department is proposing additional revenue in FY12 of $260,000 from additional programming at the nature centers, and sale of trees at Pope Farm. We are also anticipating additional revenue through sponsorships to cover the cost of the Garden of Light Show and other special events in the parks.

We expect the Property Management Fund to continue to renegotiate lease agreements as appropriate to meet cost recovery goals set by the Vision 2030 plan.

Attachments: Item 1. Reduction Impact Templates for all Departments
Item 2. Vacancy Report for all Departments

M-NCPPC Department of Parks – FY12 Budget

Non-Recommended Reductions in Priority Order from Lowest Impact to Greatest Impact

FY12 Proposed Budget (without reserves or grants)		**$73,357,880**
FY11 Budget	FY11 Proposed Budget (Excluding reserves, grants) (No OPEB budgeted)	**$87,037,100**
	FY11 Adopted Budget (Excluding reserves, grants) (No OPEB Budgeted)	**$73,357,880**
	FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)	**($13,679,220)**
	FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)	**-15.7%**
FY12 Proposed Budget	FY12 Proposed Budget (Excluding reserves, grants, OPEB and Debt Service)	**$76,044,700**
	FY 12 Proposed Budget OPEB	**$1,692,200**
	FY 12 Proposed Budget Debt Service	**$4,867,900**
	FY 12 Proposed Total Budget (Excluding reserves and grants)	**$82,604,800**
	FY12 County Executive (CEX) Recommendation	**$72,437,720**
	Reductions Required to Achieve CEX Recommendation	**($10,167,080)**
	50% of CEX Reduction Recommended for Commissioner's Office	**$47,500**
	Reductions Required to Achieve CEX Recommendation + Commissioner's Office Reduction	**($10,214,580)**
	FY12 CEX Impact (% reduction between Proposed & CEX Recommendation)	**-12.4%**

	Item	**Savings**	**WY Reduction**	**Impact**
	REVENUE REPLACEMENTS OR REDUCTIONS WITH MINIMAL SERVICE IMPACTS			
1	Adjustments since proposed budget was prepared	$137,900		No impact.
2	New revenue opportunities Offsetting Expenditure Reductions	$260,000		Newly identified revenue generating opportunities with nature center programs and facilities; park, program and facility sponsorships, and the sale of trees from Pope Farm Nursery.
3	Move CIP Current Revenue Reductions to Operating Budget	$250,000		Relatively minor impact to several CIP projects, as long as reductions are limited to FY 11 balances. Impacted projects include PLAR, Legacy Open Space, Historic Structures, Pollution Prevention, and Natural Trails.
4	Compensation/Benefit Adjustment Proposals	$2,242,100		Certain employee compensation adjustments and benefit contributions require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 49 positions.**
5	Reduce Debt Service Payment based on Revised CIP	$516,000		The proposed two-year delay to Germantown Town Center Urban Park will allow a significant reduction in debt service payments in FY 12. **If the two year delay is not approved, the impact will be to eliminate an equivalent of**

Item		Savings	WY Reduction	Impact
				13 positions.
6	Reductions in Supplies, Materials and Contractual Services through Increased Efficiencies	$75,100		Minimal impact. Reduction of office supplies and copy machines through the consolidation of staff in one location and the renegotiation of contracts will produce significant savings.
7	Reductions in Personnel through Increased Efficiencies	$165,800	2.8	Minimal impact. Eliminating 3 work years where duties can be efficiently transferred to other staff, volunteers, or another agency. Reduction in overtime due to change in State law affecting Park Police court appearances.
REDUCTIONS WITH SERVICE IMPACTS				
8	Establish a Public Affairs & Community Partnerships Chargeback to the Corporate Sponsorship Special Revenue Account	$35,600	0.3	Corporate sponsorships is a new initiative being introduced in FY12 and the revenue generated through this program is expected to be sufficient to cover the staff time needed to manage it.
9	Increase Park Planning & Stewardship Chargeback to the Capital Improvements Program (CIP)	$52,700	0.5	Increased CIP chargebacks for direct work on legacy and natural surface trails. Planning work programs not eligible for CIP chargeback will be impacted.
10	Increase Park Development Chargeback to CIP	$204,700	1.5	Increased CIP chargebacks for staff working on CIP projects. Work programs not eligible for CIP chargeback will be impacted.
11	Increase Chargeback to the Enterprise Fund for Brookside Gardens	$44,000	0.5	This will result in less funding available in the Enterprise Fund for seasonal staff that supports the management and training of volunteers and garden maintenance. Duties will be transferred to existing staff who have been heavily burdened with additional duties from previous budget cuts. The ability to grow the volunteer program and to maintain the appearance of the gardens to attract visitors, rentals, and donors will be diminished.
12	Increase Lapse through Departmental Hiring Freeze from 5% to 6.5% (9.8 wy increase from 33.5 wy to 43.3 wy)	$858,400	9.8	As vacancies accrue through attrition, positions will not be filled and work programs where the attrition occurs will be adversely impacted.
13	Establish Two New Horticulture, Forestry, & Environmental Education Chargebacks to the CIP	$60,000	1.0	Park staff will assume responsibility for renovating 10 to 15 ball fields each year which is currently accomplished through contract. Reforestation projects, community gardens installations, and tree planting will be delayed.
		$100,000	1.5	The Pope Farm growing program will focus solely on trees and shrubs. The perennial program that supplies plants for plant replacement in parks and around park facilities will be eliminated.
14	Establish an Exhibit Shop Chargeback to the	$10,000	0.1	Reduced support for Brookside Gardens and Nature Center programs and events.

	Item	Savings	WY Reduction	Impact
	CIP			
15	Eliminate Professional Architectural and Engineering Services for Historic Properties	$45,200		100% cut in contract services (architectural & engineering) supporting acquisition of Historic Area Work Permits for on-going maintenance and repair of the Darby House, Kensington Cabin and Red Door Store. Critical repairs will be delayed at least one year or more. This problem is long-term and growing.
16	Eliminate Seasonal Resource Analysis Staff for Water Quality Monitoring and Environmental Review	$28,500	0.6	This represents a 50% reduction in stream monitoring. Water quality data were collected from 24 sites in FY11. 14 sites will be monitored in FY12. The sites that will not be monitored include six sites in Little Bennett Regional Park and two sites in Northwest Branch Unit 3 and two sites in Northwest Branch Unit 4. Expected outcomes include less complete data for setting CIP priorities for stormwater retrofit and stream restoration projects and for evaluating the effectiveness of completed projects. There will be a 50% reduction in time spent on environmental review of park development projects with the expected outcome of more impacts to aquatic resources in parks.
17	Reduce Non-Native Invasive Plant Program	$55,000		$15,000 (75%) cut in supplies and $40,000 (48%) cut in herbicide for treating non-native invasive (NNI) plants in M-NCPPC parks. NNI plants out-compete many native plant species, especially those that are rare, threatened, or endangered. In FY10, Parks staff treated 365 acres. 85 acres will be treated in FY11. Approximately 45 acres will be treated in FY12. The proposed reductions will hasten on-going degradation of the highest quality natural areas in parks such as Blockhouse Point, Rachel Carson, and Little Bennett. This reduction will allow NNIs to re-grow in previously treated areas thereby negating the benefits of previous management efforts. Experience has shown that three years of successive treatment is necessary to achieve moderate control.
18	Reduce FY12 Equipment Lease Payment	$256,000		Reduction in amount of equipment financed to reduce the lease payments in FY12 and beyond. The equipment remaining will be older, less efficient, and often out of service.
19	Reduce Operations of Nature Centers	$92,500	1	Reduction in teen programs and diminished ability of the nature centers to work with Montgomery County Public Schools on the State's mandatory environmental literacy requirement.
20	Reduce Capital	$109,700	1.5	Delay the construction and/or opening of several approved

Item		Savings	WY Reduction	Impact

	Investment Support			projects in the Parks CIP, particularly projects that add large operating costs when completed. Also, extend the time to review external agency projects that impact parkland and require issuance of a permit for construction on park property. Projects include:
				
				• Trail projects
				   * Trail connectors, i.e., trail connector from North Gate Drive to Matthew Henson Trail
				   * Trail Renovations
				• Bridge and culvert replacements
				   * Next group of inspected vehicular and pedestrian bridges that are need of replacement/repair.
				• Stream Protection projects
				   * Various stream restoration projects, including those at Valley Mill and Ken-Gar Local Parks

21	Reduce Administrative Support	$113,700	2	Managers will spend more time on clerical duties. Reduced customer service and response time to public.
22	Reduce Human Resources Support	$76,400	1	Compromises the quality assurance monitoring of employee evaluations, personnel actions, and Commission mandated employee programs such as Defensive Driving, fingerprinting, First Aid/CPR.
23	Reduce Grants Support	$45,600	1	Reduced ability to research, secure and monitor grants.
24	Reduce Technology Support	$78,400	1	Substantially reduces support for technology causing downtime of computers and printers impacting employee productivity.
25	Reduced Ability to Manage Horticulture and Arboriculture Programs at Brookside Gardens	$41,300	1	Essential daily managerial oversight, support and direction for programs will diminish leading to an increase in personnel matters and program inefficiencies and a decrease in program quality and amount of work accomplished.
26	Eliminate Historic Tree Program	$41,300	1	Decline in health and possible loss of over 200 significant and champion trees on park property which include 3 state champions (Goshen Elm) and 10 county champions (Linden Oak).
27	Reduce Facility Maintenance at Brookside Gardens	$41,300	1	Buildings cleanliness and safety will diminish and have a negative impact on over 400,000 visitors and over 600 events, programs and rentals annually.
28	Establish a Facilities Management Chargeback to the Property Management Fund	$150,000	2.5	Park staff will assume the responsibility of maintaining park houses in the Property Management Fund which is currently accomplished through contract. The impact is less resources to work on park repairs and maintenance. Emergency repair response in parks will be delayed.
29	Furlough	$570,000		This reduction of lost productivity would have a broad brushed, cross cutting impact across all work programs. Certain employee compensation adjustments require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 14 positions.**

Item		Savings	WY Reduction	Impact
30	Curtail Park Police Patrols from 2AM-6AM	$395,000	5	Curtailed patrol of parks and the 24 hour Capital Crescent Trail between 2AM-6AM. Genuine emergency and life safety calls would be transferred to MCP through 911. Park Police Communications would still operate 24/7 due to National Crime Information Center (NCIC) requirements, and they will handle call processing to MCP or explain the delay to the caller and coordinate the day shift response.
31	Eliminate Seasonal Staff for Deer Management Sharp Shooting Program in Down County Area/Urban Zones Eliminate Associated Supplies and Contractual Services	$43,700 $69,500	1	In FY11, 596 deer were removed from 11 parks and two M-NCPPC owned golf courses through sharp-shooting. The parks included Black Hill Regional, Rock Creek Regional, Wheaton Regional, Northwest Branch Recreational, Woodlawn Special, North Branch Stream Valley Units 2, 3, and 4, Rock Creek Stream Valley Unit 7, Northwest Branch Stream Valley Unit 7, Layhill Local, Northwest Golf Course, and Needwood Golf Course. These deer (596 animals) account for 45% of total number of deer removed from parks through M-NCPPC's deer management program. Expected outcomes in FY12 include more deer-vehicle collisions, more impacts to park natural areas, more home-owner complaints, and increased concerns regarding Lyme disease in the down-county area.
32	Forfeit New Positions for Unfunded Federal Mandates for the National Pollutant Discharge Elimination System (NPDES) (4 career wy)	$228,000	4	The Department of Parks must implement a series of new best management practices to address the legally mandated National Pollutant Discharge Elimination System (NPDES) regulatory requirements. If new resources are not provided, the work must be absorbed at the expense of existing programs. Staff currently assigned to implement CIP projects, manage environmental stewardship programs, and perform general park maintenance work will be assigned to NPDES compliance diminishing those programs further.
33	Forfeit New Positions for Operating Budget Impacts (OBI) for CIP and Developer Built projects (2 career wy and 1.1 seasonal wy) Forfeit Supplies and Materials Funding for OBI for CIP and Developer Built projects	$300,000 $271,000	3.1	The proposed budget included the funding required to adequately address increased maintenance and patrols for new parks and facilities that have opened or will open by FY11. The new parks and facilities are added through the CIP and through dedications of developer-built parks and amenities. If new resources are not provided, the work must be absorbed at the expense of existing programs. Staff currently assigned to perform general park maintenance and police functions will dedicate time to these parks at the expense of others. Projects that produce OBI in FY 12 include: • Black Hill Trails Renovation and Extension • Darnestown Square Heritage Park • Elmhirst Parkway Neighborhood Park • Legacy Open Space • Minor Construction: Local Parks • Minor Construction: Non-Local Parks • Pollution Prevention & Repairs to Ponds and Lakes • Rock Creek Trail Pedestrian Bridge • Trails Hard Surface Design and Construction • Trails Natural Surface Design and Construction

Item		Savings	WY Reduction	Impact
34	Eliminate or Reduce Contracts and Services	$319,700		Cancel or reduce repair, maintenance and service contracts in many of the program work elements. Some of the services will be performed by existing staff or deferred. Some of the significant program impact areas are: • reduction of maintenance contracts • demolition services • abatement services • mobile communications. In many instances, staff will be redirected to perform necessary tasks which may limit our ability to respond to unforeseen events, emergencies and customer requests in a timely manner.
35	Eliminate or Reduce Supplies and Materials	$583,500		This action will reduce or eliminate supplies and maintenance materials across all of the program work elements. It includes maintenance materials, computer and printer replacements, signage, construction and fleet supplies, and smaller maintenance equipment all with a direct impact on operations and the appearance of parks. This is approximately a 10% overall reduction in supplies and materials, on top of similar reductions over the past two years. Some of the significant impacts are: 1. Delay computer and laptop purchases/upgrades – computers and printers will be held passed their normal replacement cycles and less efficient. This reduces computer replacement by 50%. 2. Reduce/eliminate small maintenance equipment purchases – increase downtime, reduce frequency of maintenance in parks, and decrease worker efficiency by using aging equipment. 3. Reduce or eliminate the fertilizers and pest management for turf and garden areas. Degradation of green spaces.
36	Reduce or Eliminate Specialized Trades Maintenance Work (Carpenter, Plumber, Security Systems Technician, Heavy Equipment Operator)	$276,200	4	Substantially reduce preventive and reactive facility maintenance and repair functions. Park facilities may have to be temporarily closed awaiting repair, particularly if deemed unsafe. Deferral of major maintenance projects including playground renovations, roof replacements, window replacements, and park activity building renovations. Response time to maintenance calls will be increased. Repairs to water mains, sewer mains, electrical systems, grinder pumps, restroom facilities will be delayed or deferred. Limited ability to repair equipment resulting in greater downtime for vehicles, heavy equipment, and mowers. Water fountains may be removed from service rather than repaired. Reduced inspections and preventative maintenance leading to premature failures of capital equipment such as HVAC systems, plumbing systems and electric systems.

Item		Savings	WY Reduction	Impact
37	Reduce General Park Maintenance	$454,400	8	Significant reductions in general park maintenance resources over the past several years have left many parks at a tipping point where park or facility closures are inevitable if the trend continues. Basic maintenance services can only be curtailed so far before parks become undesirable and potentially hazardous places. General park maintenance includes turf management and mowing, athletic field maintenance, playground inspection and repair, trash and litter removal, regular facility inspections, storm clean-up, storm water facility inspection and maintenance, trail and walkway maintenance, landscape maintenance, hardscape maintenance, snow removal, tennis and basketball court maintenance, staffing special events, building custodial services, gazebo and shelter maintenance, and general park management services. This reduction will impact all those programs and may necessitate the temporary or permanent closure of park facilities and /or entire parks if they are deemed unsafe due to facilities in disrepair. It is difficult to keep people out of a closed park. Park Police presence will still be required.
38	Eliminate Seasonal Staff for Maintenance Operations	$516,400	25.2	Employment of seasonal workers is a common and highly cost effective method of delivering park maintenance and programming services during peak usage periods. Seasonal staff augment 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. Without a seasonal complement, 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. **This reduction will mean the termination of 50-75 intermittent employees.**
		$10,214,600	81.9	

Planning Department

Non Recommended Cuts to Reach County Executive Recommendation

	WY	$
FY11 Proposed Budget		$19,796,900
FY11 Adopted Budget (Excluding reserves, grants)		$15,905,880
FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)		($3,891,020)
FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)		-19.7%
FY12 Proposed Budget (exclusive of reserves and grants)		$17,067,300
FY12 Proposed OPEB		$508,300
FY12 Total Budget		$17,575,600
Amount of Reduction		-$2,189,955
Absorb portion of reduction to Commissioners' Office		-$47,700
CE Recommended Budget		$15,337,900
Total Reduction		-$2,237,700

Reductions Required to Achieve County Executive Recommendations

Work Program Item	WY	$	Impact
Five Day Furlough		-$175,000	Subject to bargaining; equivalent to 3 workyears
Eliminate available vacancies	-4	-$360,000	
Compensation and Benefit Adjustments		-$496,152	Subject to bargaining; equivalent to 9 workyears
Subtotal		-$1,031,152	

Impact on Master Plan Program

	WY	$	Impact
Reductions to Master Plan Program	**-7.50**	**-$463,730**	
1. Defer all plans scheduled to start in FY12: This is in addition to Battery Lane and Westbard which already are proposed for deferral in FY12. Only one neighborhood plan will be funded which limits our ability to respond to opportunities.			Would create large gaps in the Council receiving plans in FY13 and 14; requests for piecemeal fixes would mushroom.
a. Brookville Road/Lyttonsville Purple Line Area Master Plan			Delays completion of the Purple Line area master plans.
b. Glenmont Sector Plan			Delays capitalization on metro assets and current infrastructure investments.
c. White Flint, Phase II, Master Plan			Slows down a cohesive vision of Rockville Pike.
d. Gaithersburg East/Montgomery Village Sector Plan			Prolongs community uncertainty; out of sync with Montgomery Village initiatives; opens door for piecemeal rezoning requests in TS zone as of 2015.
e. Defer Master Plan of Highways Functional Plan			Defer Implementation: Rustic Roads, Minor arterials.
2. Delay of plans in progress			
Delay Chevy Chase Lake			Prolongs community uncertainty; drops initiative resulting from recent public outreach; delays in completing the long range planning needed in anticipation of the Purple Line.
Reduce Level of Effort for Long Branch			Prolongs community uncertainty; delays in completing the long range planning needed in anticipation of the Purple Line; slows increases in tax revenues that would result from redevelopment.
Plans scheduled to be delivered to Council in FY12 (Kensington and Vicinity Sector Plan; Takoma/Langley Crossroads Plan; Wheaton CBD and Vicinity Sector Plan; Burtonsville Neighborhood Plan and Clarksburg Amendment)			**Not recommended to be considered for reduction.**

Impact on Regulatory/Plan Implementation Program

	WY	$	Impact
Reductions in Regulatory/Plan Implementation	**-6.70**	**-$393,290**	
Reduce Level of Effort for Preliminary Plans; Sketch, Site and Project Plans; Forest Conservation; Zoning Text Amendments (ZTA), Local Map Amendments (LMA), Special Exceptions			Fewer reviewers results in in slower processing and less comprehensive reviews and less staff input. This would hinder development opportunities and slow construction schedules resulting in reduction of tax dollars that would result from redevelopment. For LMAs and ZTAs, staff would engage in fewer meeting with the public and provide less staff input to Hearing Examiner and Board of Appeals.
Reduce Level of Effort for Zoning Code Rewrite			Delay delivery and less staff comprehensive review; longer to realize cost savings through newer and simpler code.
Reduced level of effort for master plan staging and monitoring, review of Capital Projects and mandatory referrals			Limit efforts to only White Flint and Greater Seneca Science Center; eliminate monitoring of rest of County; reduced inter-agency coordination. Consider limiting Mandatory Referrals to administrative review, unless an FCP is required.

Reductions Required to Achieve County Executive Recommendations

Work Program Item	WY	$	Impact
Impact on Information Resources Program			
Reduction to Information Resources	**-3.6**	**-$211,320**	
Reduce Level of Effort for Research Program			Cuts this program by nearly 75%; no trend analysis, demographic and economic data publications. Limits basis for planning and implementation decisions particularly necessary for good long range planning. Cuts in this area jeopardize such services as "Snapshots" and the analysis of census changes.
Reduce Information Counter/Web Services			Reduce accessibility of public to Information Counter to 2 days per week or reduce hours of operation per day to 3. Limits accessibility to users--the public, developers, land holders. The Department is effectively using its technology for outreach and transparency. Reliability of links and ability to ensure current information is jeopardized.
Impact on Administration and Special Projects			
Reduction to Administration and Special Projects	**-2.80**	**-$164,360**	
Reduce work program oversight			Proportional reduction due to work program cuts.
Reduce work program support			Proportional reduction due to work program cuts and efficiency gained by outsourcing Help Desk.
Special Projects			Eliminates capacity to respond to Council requests.
Subtotal Work Program Impacts	**-21**	**-$1,232,700**	
Total	**-25**	**-$2,263,852**	

Montgomery County - Commissioners' Office - Administration Fund

FY12 Proposed Budget / Non Recommended Actions to County Executive Recommendation

4/11/2011

	Description	Amount	% Change from FY12	# Workyears Equivalent Reductions
Summary	FY11 Proposed Budget	$1,281,600		
	FY11 Adopted Budget (Excluding reserves, grants)	$1,022,660		
	FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)	($258,940)		
	FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)	-20.2%		
	FY12 Proposed Budget (Excluding reserves and grants)	$1,136,400		
	FY 12 Proposed Budget OPEB	$37,800		
	FY 12 Proposed Budget Debt Service	$0		
	FY 12 Proposed Total Budget (Excluding reserves and grants)	$1,174,200		
	FY12 County Executive (CEX) Recommendation	$1,023,550		
	Reductions Required to Achieve CEX Recommendation	**($150,650)**	-12.8%	(3)
	Commissioners' Office Reductions	**($55,000)**	-4.7%	(1)
	Parks and Planning Department Reductions on behalf of Comm. Office	**($95,650)**	-8.1%	(2)

	Reduction Items	Savings	Equivalent WY Reduction	Impact
Non-Recommended Reductions	Compensation/Benefit Adjustment Proposals	($29,600)		Certain employee compensation adjustments and benefit contributions require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 0.7 position.**
	Furlough (50% of current)	($14,400)		This reduction of lost productivity would have a broad brushed, cross cutting impact across all work programs. Certain employee compensation adjustments require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 0.3 position.**
	Reduce Supplies and Materials	($4,000)		Eliminate computer upgrades and office furniture replacement.
	ReduceOSC	($7,000)		Eliminate outside consultant services proposed for Chair and Planning Board support.
	Total	**($55,000)**		

BiCounty - Department of Human Resources and Management - Montgomery Administration Fund
FY12 Proposed Budget / Non Recommended Actions to County Executive Recommendation
4/11/2011

	Description	Amount	% Change from FY12	# Workyears Equivalent Reductions	BiCounty # Workyears Equivalent
Summary	FY11 Proposed Budget	$2,485,900			
	FY11 Adopted Budget (Excluding reserves, grants)	$1,968,900			
	FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)	($517,000)			
	FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)	-20.8%			
	FY12 Proposed Budget (Excluding reserves and grants)	$2,090,550			
	FY 12 Proposed Budget OPEB	$85,250			
	FY 12 Proposed Budget Debt Service	$0			
	FY 12 Proposed Total Budget (Excluding reserves and grants)	$2,175,800			
	FY12 County Executive (CEX) Recommendation	$1,899,095			
	Reductions Required to Achieve CEX Recommendation	**($276,705)**	-12.7%	(4.9)	(8.5)
	Total BiCounty Reductions to Achieve MC CEX Recommendation	**($474,726)**	-10.8%	(8.0)	(8.0)

	Reduction Items	Savings	Equivalent WY Reduction	Impact
Non-Recommended Reductions	Compensation/Benefit Adjustment Proposals	($47,010)		Certain employee compensation adjustments and benefit contributions require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 1.0 position.**
	Furlough (50% of current)	($28,889)		This reduction of lost productivity would have a broad brushed, cross cutting impact across all work programs. Certain employee compensation adjustments require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of 1.0 position.**
	Eliminate funding for Class/Comp Study	($22,500)		Eliminate outside consultant services proposed to review our classification methodology used to assign positions to job classifications.
	Freeze one position in Class/Comp	($60,000)	(0.5)	Lapse 1.0 position. Imposed budgeted lapse impacts the teams ability to provide timely services for class series analysis, reviews, and salary parity studies. Increases the difficulty to meet the needs for the two contract reopeners and scheduled union contract negotiations.
	Freeze one position HR Director's Office	($55,000)	(0.5)	Lapse 1.0 position. Imposed budgeted lapse will reduce the division's administrative support and reduce the ability of the HR Director to respond timely to unemployment compensation cases, payments to vendors that provide external HR services, and research projects assigned by the Director. Eliminates phone coverage. Plan is to partially mitigate the impact by reassigning existing duties and referring visitors through signage directly to team cubicles.
	Subtotal	**($213,399)**	**(1.0)**	
	Human Resources and Corporate Policy and Management Services	($63,306)	(1.0)	Reduced support will significantly impact services provided in the areas of administrative management, program support, research/analysis for Commission-wide programs and timely response to requests made by the Commission, its various operating departments, and the respective county governments. To mitigate the impact, critical services and tasks will be reassigned to remaining staff to the extent possible. Less critical duties will be delayed or postponed until resources are available.
	Subtotal Montgomery County	**($276,705)**	**(2)**	
	Bi-County Total	**$ (474,726)**	**(4)**	

BiCounty - Department of Finance - Montgomery Administration Fund
FY12 Proposed Budget / Non Recommended Actions to County Executive Recommendation

	Description (Excluding reserves, debt service, grants & OPEB prefunding)		Amount	$ Change from FY12	% Change from FY12	# Positions Equivalent Reductions	BiCounty # Positions Equivalent
Summary	FY11 Proposed Budget	$	3,827,700				
	FY11 Adopted Budget (Excluding reserves, debt service, grants, OPEB)	$	3,174,450				
	FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)	$	(653,250)				
	FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)		-17.1%				
	FY12 Proposed Budget (Excluding reserves, debt service, grants, OPEB)	$	3,322,600				
	FY 12 Proposed Budget OPEB♦	$	151,100				
	FY 12 Proposed Budget Debt Service	$	-				
	FY 12 Proposed Total Budget (Excluding reserves and grants)	$	3,473,700				
	FY12 County Executive (CEX) Recommendation	$	3,033,920	$ (439,780)	-12.66%	(8.2)	(16.5)
	Reductions Required to Achieve MC CEX Recommendation	$	(439,780)				
	BiCounty Reductions to Achieve MC CEX Recommendation		(879,560)			(16.5)	(16.5)

	Reduction Items	Cuts	Equivalent WY Reduction	Impact
Non-Recommended Reductions	Compensation/Benefit Adjustment Proposals	(103,100)		Employee net income decreased, financial burden increase to staff, may impact morale, productivity, and attrition. Certain employee compensation adjustments and benefit contributions require negotiations with the affected employee representatives. **If full agreement cannot be reached, the impact is the equivalent of a reduction of ~1.5 position(s).**
	Furlough enactment (excluding retirement costs) assume 50% of current	(50,250)		Lower employee morale, decreased productivity, increased sick leave usage and attrition. **If full agreement cannot be reached, the impact is the equivalent of a reduction of ~1.0 position(s).**
	Freeze ERP IT Mgr Vacancy (Fund from ERP Project)	(58,485)	0.5	No long term funding to retain position when ERP project ends. This is a stop-gap measure only as this position will need to be funded in the future.
	Reduce Professional Services IT	(15,000)		Will not be able to implement employee self service. Cost savings will be deferred to completion of ERP.
	Defer IT Training	(15,000)		Staff knowledge to maintain existing systems and implement improvements will not be realized. Increased reliance on consultants with additional costs. Staff training on new systems will be impaired.
	Reduce IT Licensing (Contingent on move to Cloud)	(15,000)		Kronos must move to Cloud or savings will not be realized
	Lapse Accountant Vacancy 6 Mo.	(22,325)	0.25	Continued overburden of workload on existing staff and delay of needed ERP proj resource
	Xerox Contract Savings (Assume contract signed by 7/1/11)	(4,000)		CIO/Purchasing efforts reduced contracts costs by 20%
	Freeze Purchasing Prin Admn Asst Vacancy	(34,726)	0.5	Reduced ability to provide procurement assistance to field operating departments
	Subtotal	**(317,885)**	**1.25**	
	RIF to reach CE Reductions	(121,895)	2.5	A total loss of five (actual BiCty #) employees will significantly impact the ability of finance to provide basic accounting services such as payroll, cash receipt posting, vendor payments, purchasing (RFP/RFI's, contract processing, field training, etc.), ad-hoc help requests, general program support, financial system access, accounting entry adjustments, research/analysis for Commission-wide and department programs/statisticial reports; representation and participation on Commission task forces, and internal training, to mention a few. The FY11 reductions resulted in the loss, via RIP, of five experienced & tenured staff members with two of these positions later abolished with the workloads redistributed to remaining staff. Eliminating additional staff will severely affect the capacity of the remaining staff to address special projects or respond timely to employees', management's, or the public's needs. In addition, remaining staff will be further stretched to meet the demands of implementing the ERP system. Low morale and a significant reduction, elimination and delay in service delivery are to be expected; detailed service impact to be more fully determined upon identifying the class specifications and specific duties impacted by the RIF.
	Subtotal Montgomery County	**(439,780)**	**3.75**	
	Bi-County Total	**(879,560)**	**7.5**	

BiCounty - Legal Department - Montgomery Administration Fund
FY12 Proposed Budget /Recommended Actions to County Executive Recommendation
4/11/2011

Summary

Description	Amount	% Change from FY12	# Workyears Equivalent Reductions	BiCounty # Workyears Equivalent
FY11 Proposed Budget	$1,365,250			
FY11 Adopted Budget (Excluding reserves, grants)	$1,038,850			
FY 11 Adopted Impact ($ reduction between Proposed & Adopted FY 11)	($326,400)			
FY11 Adopted Impact (% reduction between Proposed & Adopted FY11)	-23.9%			
FY12 Proposed Budget (Excluding reserves and grants)	$1,121,638			
FY 12 Proposed Budget OPEB	$49,322			
FY 12 Proposed Budget Debt Service	$0			
FY 12 Proposed Total Budget (Excluding reserves and grants)	$1,170,960			
FY12 County Executive (CEX) Recommendation	$1,022,482			
Mongtomery County Reductions Required to Achieve CEX Recommendation	**($148,478)**	-12.7%	(1.4)	(1.7)
BiCounty Reductions Required to Achieve CEX Recommendation	**($227,462)**	-10.1%	(1.7)	(1.7)

Non Recommended Reductions Detail

	Savings	Equivalent WY Reduction	Impact
Compensation/Benefit Adjustment Proposal	($42,189)		Certain employee compensation adjustments and benefit contributions require negotiations with the affected employee representatives. (However, the Legal Department does not include any represented employees.) Action on compensation for non-represented employees requires approval of both Montgomery and Prince George's County Councils. If full agreement cannot be reached, the impact is the equivalent of a reduction of 0.7 wy.
Furlough enactment (excluding retirement costs) assume 50% of current	($20,000)		This reduction of lost productivity would have a broad brushed, cross cutting impact across all work programs. If full agreement cannot be reached, the impact is the equivalent of a reduction of 0.3 wy.
Eliminate outside counsel allocated to certain case	($67,705)	(1.1)	This funding decrease amplifies a risk that in-house resources may be insufficient to manage a pending multiple-plaintiff lawsuit initiated in Montgomery County while the Commission was represented by the Montgomery County Attorney's Office. If motions filed by the Commission's are resolved favorably, the need for the outside counsel – already approved by the Montgomery County Council – would likely be abated. If those motions are not resolved favorably, the Commission may need to consider a supplemental appropriation. The General Counsel is reasonably optimistic about a favorable result.
Reductions/Concessions/Prepayments on contract services	($18,584)	(0.3)	This funding decrease is predicated on curtailing the proposed FY 2012 cost of online legal subscriptions and data services for the Office of the General Counsel. The General Counsel anticipates using a combination of approaches to achieve this reduction; including review and analysis to evaluate existing use of online legal libraries, renegotiation of subscription rates and terms of service, and prefunding FY 2012 cost from available salary lapse. This reduction may increase the cost associated with legal staff to search, locate and travel to remote locations where necessary resources are available for review off-line.
Subtotal	**($148,478)**	**(1.4)**	
RIF to reach CE Reductions	$0	0.0	
Subtotal Montgomery County	($148,478)	(1.4)	
Bi-County Total	**($227,462)**	**(1.7)**	

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Parks Department 3rd Quarter

			Vacancies	Vacancy Rate
	Authorized Positions		669	
	Quarters			
FY2011	1	Sept.2010	50	7.47%
	Recruitable Vacancies		12	1.79%
	Frozen Vacancies		34	5.08%
	Contract Working Against Vacancy		4	0.60%
		Lapse	0	0.00%
	2	Dec.2010	48	7.17%
	Recruitable Vacancies		12	1.79%
	Frozen Vacancies		33	4.93%
	Contract Working Against Vacancy		3	0.45%
		Lapse	0	0.00%
	3	Mar.2011	51	7.62%
	Recruitable Vacancies		15	2.24%
	Frozen Vacancies		33	4.93%
	Contract Working Against Vacancy		3	0.45%
		Lapse		
	4	Jun.2011		0.00%
	Recruitable Vacancies			
	Frozen Vacancies			
	Contract Working Against Vacancy			
		Lapse		

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Planning Department 3rd Quarter

FY2011

Authorized Positions		151	
Quarters		Vacancies	Vacancy Rate
1	Sept.2010	24	15.89%
Effective Vacancy Rate		10	6.62%
Unfunded Vacancies		7	4.64%
Contract Working Against Vacancy		1	0.66%
Lapse		6	3.97%
2	Dec.2010	49	32.45%
Recruitable Vacancies		10	6.62%
Frozen Vacancies		7	4.64%
Contract Working Against Vacancy		1	0.66%
Lapse		6	3.97%
3	Mar.2011	25	16.56%
Recruitable Vacancies		5*	3.31%
Frozen Vacancies		5**	3.31%
Unfunded Vacancies		7	4.64%
Contract Working Against Vacancy		2	1.32%
Lapse		6	3.97%
4	Jun.2011		0.00%
Recruitable Vacancies			
Frozen Vacancies			
Contract Working Against Vacancy			
Lapse			

* Five positions are held because of "acting" positions.

** Vacant positions are frozen due to potential staff reductions.

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Finance Department 3rd Quarter

Authorized Positions			33	
	Quarters		Vacancies	Vacancy Rate
FY2011	1	Sept.2010	3.5	10.61%
	Recruitable Vacancies		1.5	4.55%
	Frozen Vacancies		2	6.06%
	Contract Working Against Vacancy		0	0.00%
	Lapse		0	0.00%
	2	Dec.2010	3.5	10.61%
	Recruitable Vacancies		1.5	4.55%
	Frozen Vacancies		2	6.06%
	Contract Working Against Vacancy		0	0.00%
	Lapse		0	0.00%
	3	Mar.2011	3.5	10.61%
	Recruitable Vacancies		2.5	7.58%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
	Lapse		1	3.03%
	4	Jun.2011		0.00%
	Recruitable Vacancies			
	Frozen Vacancies			
	Contract Working Against Vacancy			
	Lapse			

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

DHRM 3rd Quarter

FY2011

Authorized Positions		17	
Quarters		Vacancies	Vacancy Rate
1	Sept.2010	3.5	20.59%
Recruitable Vacancies		1.5	8.82%
Frozen Vacancies		2	11.76%
Contract Working Against Vacancy		0	0.00%
	Lapse	0	0.00%
2	Dec.2010	3.5	20.59%
Recruitable Vacancies		1.5	8.82%
Frozen Vacancies		2	11.76%
Contract Working Against Vacancy		0	0.00%
	Lapse	0	0.00%
3	Mar.2011	4	23.53%
Recruitable Vacancies		1	5.88%
Frozen Vacancies		3	17.65%
Contract Working Against Vacancy		0	0.00%
	Lapse	0	0.00%
4	Jun.2011		0.00%
Recruitable Vacancies			
Frozen Vacancies			
Contract Working Against Vacancy			
	Lapse		

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Legal Department 3rd Quarter

FY2011	Authorized Positions		10.80	
	Quarters		Vacancies	Vacancy Rate
	1	Sept.2010	0	0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	0	0.00%
	2	Dec.2010	0	0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	0	0.00%
	3	Mar.2011	0	0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	0	0.00%
	4	Jun.2011		0.00%
	Recruitable Vacancies			
	Frozen Vacancies			
	Contract Working Against Vacancy			
		Lapse		

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Commissioners' Office 3rd Quarter

Authorized Positions		12	
Quarters		Vacancies	Vacancy Rate
1	Sept.2010	1	8.33%
Recruitable Vacancies		0	0.00%
Frozen Vacancies		1	8.33%
Contract Working Against Vacancy		0	0.00%
Lapse		0	0.00%
2	Dec.2010	1	8.33%
Recruitable Vacancies		0	0.00%
Frozen Vacancies		1	8.33%
Contract Working Against Vacancy		0	0.00%
Lapse		0	0.00%
3	Mar.2011	1	8.33%
Recruitable Vacancies		0	0.00%
Frozen Vacancies		1	8.33%
Contract Working Against Vacancy		0	0.00%
Lapse		0	0.00%
4	Jun.2011		0.00%
Recruitable Vacancies			
Frozen Vacancies			
Contract Working Against Vacancy			
Lapse			

FY2011

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Merit Board Office 3rd Quarter

			Vacancies	Vacancy Rate
	Authorized Positions		0.5	
FY2011	1	Sept.2010	0	0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
	Lapse		0	0.00%
	2	Dec.2010	0	0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
	Lapse			
	3	Mar.2011		0.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
	Lapse			
	4	Jun.2011		0.00%
	Recruitable Vacancies			
	Frozen Vacancies			
	Contract Working Against Vacancy			
	Lapse			

(Authorized positions reflect re-organization presented to County Council in Oct 2010)

Office of Internal Audit 3rd Quarter

FY2011	Authorized Positions		5	
	Quarters		Vacancies	Vacancy Rate
	1	Sept.2010	1	20.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	1	20.00%
	2	Dec.2010	1	20.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	1	20.00%
	3	Mar.2011	1	20.00%
	Recruitable Vacancies		0	0.00%
	Frozen Vacancies		0	0.00%
	Contract Working Against Vacancy		0	0.00%
		Lapse	1	20.00%
	4	Jun.2011		0.00%
	Recruitable Vacancies			
	Frozen Vacancies			
	Contract Working Against Vacancy			
		Lapse		

April 4, 2011

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

FROM: Alison B. Davis, Management and Technology Chief

SUBJECT: Development Review Special Revenue Fund Revision

Attached, please find revised budget for the Development Review Special Revenue Funds. In the fall of this fiscal year, the Department received the newly implemented sketch plan fees. The sketch plan reviews are newly implemented as a result of the C-R Zone. The fees were initially incorporated and projected into the review stream as were the existing fees (site, project, and preliminary, etc.). This presented two problems.

1. The sketch fee is up front and capped, and when the applicant comes back to move the project along, fees for regular preliminary and site plans have offsets built in. The long term effect is that there may be an actual reduction because of this process. However, for FY11 revenues for the Development Review Special Revenue Fund may be artificially high because of sketch plans, when, as the development application process moves forward, we could face deficits in out years. Pursuant to standard accounting practices, revenue should only be recognized when a phase has actually occurred; therefore the adjusted budget tracks the sketch fees as a separate line item.
2. The original revenue projections were based as if sketch plans fees were repeating when in fact the three that were filed in the fall will be the only three filed in FY11 and the foreseeable future. Therefore, the projections needed to be adjusted.

The adjusted FY12 budget for the Development Review Special Revenue fund shows a projected fund balance of $588,300. At the inception of this revenue fund, a reserve fund balance of 15% was intended because of the types of expenditures that the fund covers (e.g. workyears and rent). Until this year, the fund has never attained the recommended reserve. However, it should be cautioned that attaining this level of fund balance level may be short term and due to effect of the sketch fees which may well be only in FY11.

Attachment

DEV AUTOMATION PROCESS (DAP) AND DEVELOPMENT REVIEW FUND	Actual FY10	Budget FY11	Estimated FY11	Proposed FY12
BEGINNING FUND BALANCE	**461,211**	**(25,289)**	**482,532**	**608,709**
REVENUE				
Intergovernmental Revenues	0	0		
Sales	0	0		
Charges for Service/User fees/DAP	1,606,550	25,000	15,000	15,000
Recreation/User Fees	0	0		0
Sketch Plan Fees			238,377	
Rentals/Concessions	0	0		0
Interest	4,230	2,000	2,000	7,500
Miscellaneous Revenues	500	1,810,000	1,769,000	1,810,000
Transfer from Administration Fund	**1,528,000**	**1,528,000**	**1,528,000**	**1,528,000**
TOTAL REVENUE	3,139,280	3,365,000	3,552,377	3,360,500
EXPENDITURE				
Personnel Services	0	0	0	0
Supplies and Materials	0	0	0	0
Other Services and Charges	359	75,000	84,000	307,900
Capital Outlay	0	0		0
Other Classifications	**3,117,600**	**3,342,200**	3,342,200	3,073,000
TOTAL EXPENDITURE	3,117,959	3,417,200	3,426,200	3,380,900
Total Revenue Less Expenditure	**21,321**	**(52,200)**	126,177	(20,400)
ENDING FUND BALANCE	$482,532	($77,489)	608,709	588,309
Workyears	23.42	23.55	23.55	23.55

Responses from Department of Parks:

1. Can you provide more detail on the 4.5 new workyears proposed for OBI for Non-CIP projects and new mandates (see page 343)? What are the non-CIP projects and new mandates?

   Non-CIP Projects - 0.5 wy/$215,000 = OBI for Developer projects – Arora Hills Local Park, Dowden's Ordinary Special Park, and Olney Manor Dog Park.

   New mandate - 4.0 wy/$228,000 = National Pollutant Discharge Elimination System (NPDES) federal mandate – more detail below.

   To implement the new NPDES MS4 Phase II permit requirements, a request was made to fund 4 work years (WYs) and $228,000 in OBI. The permit requirements and responsibilities of the new positions were presented to the Planning Board on October 29, 2009. The main responsibilities of these new positions are summarized below. The responsibilities associated with the positions below are currently unfunded initiatives not part of any work program but are required in order to fully comply with the new NPDES MS4 Phase II permit.

   Natural Resources Specialist (1 WY, $73,895 OBI)
   - Develop training materials and programs for Best Environmental Practices related to improving environmental practices related to maintenance and operations of parkland. Topics to be included are pollution prevention, sustainable landscaping, and stormwater reduction techniques.
   - Create and maintain webpage that provides the general public with educational materials and information on park-specific concerns related to water quality and pollution prevention.
   - Develop a stormwater outfall monitoring program to detect illicit discharges in the park storm drain system.

   Environmental Engineer (1 WY, $37,995 OBI including 60 percent CIP chargebacks)
   - Manage the mapping of all storm drain infrastructure on parkland.
   - Identify, inventory, and prioritize areas that do not currently have stormwater management structures treating runoff.
   - Manage design and construction of stormwater retrofits to treat uncontrolled runoff from these areas based on prioritization.

   Park Maintenance Workers (2 WYs, $116,110 OBI)
   - Assist in implementing Best Environmental Practices programs. This may include regional implementation of a composting program, soil management program, and development of a road salt reduction program.
   - Assist with extra maintenance and specialized landscaping requirements associated with non-structural stormwater retrofits (e.g., bioretention areas) that are constructed as part of the permit requirements.
   - Coordinate with Environmental Engineer on projects within the region related to permit implementation, including stormwater retrofits and stream restoration projects.

2. Why are some enterprise activities shown as being funded to a significant degree by the Park Fund (e.g., Regional Park Amenities - $2.4 M, Ice Skating – $1.3M)

   This really is an issue pointing out one of the shortcomings of the program budget. The program budget does not take into account chargebacks ($2.7M in the Park Fund) or that Support Services ($12.6M) is allocated across all program elements. Each program element has some very precise direct costs, and various indirect costs that are not as easily assigned to a program.

Regarding chargebacks, Park Fund employees in several divisions provide work for the ice rinks and those divisions receive a chargeback from the Enterprise Fund. However, these chargebacks are not shown in the program budget. For example, Public Affairs and Community Partnerships provide marketing support, Management Services provides technology support, Facilities Management provides trades work, and the Southern Parks provide some general maintenance support. All these divisions receive a chargeback from Enterprise for work done but is it not shown in the program budget.

A few of these divisions allocate their supplies, materials and services budgets proportionately to each program element based on the workyears allocated the other divisions. For example, a percentage of Management Services technology non personnel budget is charged to the ice rink program element even though Enterprise pays for their own technology supplies and contracts merely because of the Park Fund work years allocated to the Ice Rink program element. Also, Park Police patrol and provide support to the ice rinks, however, Park Police are responsible to patrol all park property regardless of the facility operator. For example, Park Police patrol the swim centers run by MCRD on Park property.

Then there is the $12.6M Support Services budget which is proportionately allocated to each program element based on Park Fund work years assigned to each element. Support Services includes the Park Fund utilities, insurance, risk management, trash collection, ISF Equipment payments, the COLA/Merit for Park Fund employees, the OBI request, etc. The Enterprise Fund budgets/pays for each of these items through the Enterprise Fund as appropriate for each of the Enterprise facilities. It is very difficult to find the best way to spread Support Services charges precisely, therefore, we use this method and stick with it for consistency.

As we stated above, your question brings to light a shortcoming of the way we allocate expenses in the program budget. But until we have a fully integrated financial tracking system in place, we will continue with the current methodology even if the data is somewhat skewed. We feel it is better to have slightly skewed data rather than no data at all.

3. Shouldn't the funding for park activity buildings have decreased in light of the closure or transfer of 11 buildings? Instead it shows an increase from 3.94M to 4.28M

The FY12 proposed budget include lower lapse, COLA, merit, retirement and other increases. This program element also includes the addition of one seasonal work year in FY2.

The FY11 proposed budget for the park activity building program element was $4.47M and 39.55 wys. Through budget cuts, 11 buildings were closed and the funding and wys were reduced to $3.94M and 35.2 wys. The FY12 budget increased 0.8 wys to include seasonal staff to assist the evening custodians.

The FY12 proposed budget includes a 5% lapse, down from 7.5% in FY11, and increases for COLA, Merit, and retirement. Those increases raised the average salary by 7%. So the 36.0 wys in FY12 Proposed cost $270,000 more than 35.2 wys cost in FY11 Adopted.

The supplies/materials and services actually decreased over $60,000 from FY11 adopted to FY12 proposed.

There have been savings in utilities at these facilities but that is shown in Support Services budget which is allocated out proportionately by wys to the program elements. So the park activity building savings lowered the overall utility budget but only a percentage of that was allocated to the program element.

(Note: Parks lowered the overall utility projection by $640K and showed that as a net decrease in our budget on pg 239 along with rent reductions).

4. When does debt service end on the ice rinks?

   Wheaton Ice – FY12
   Cabin John Ice – FY14

5. Am I correct in understanding that you are recommending adding back some seasonal as additions to the FY11 number of workyears (and not in place of existing full time employees?

   Yes. We are adding 31.7 seasonal wys to the FY12 budget. Seasonal workers augment the work done by the career staff and can help reduce necessitating overtime by our career staff.

6. What is the average cost of a seasonal employee?

   The average seasonal salary is $9.85/hour (incl FICA) or $20,500 per year.

7. What is the average cost of a full time park maintenance worker?

   The average MCGEO employee $21.35/hour (incl FICA) or $44,600 per year. Adding in average medical benefits = $53,400.

8. Last year the Council asked that "Further work should be done to compare the Department of Parks' fleet management policies and practices to other agencies or industry standards to determine whether any changes are warranted". What has been done to follow-up on this request?

   See the attached report – FLEET MANAGEMENT April 2011.

9. Do you have any sense of how the maintenance standards in the budget (beginning on page 235) compare to the standards of other jurisdictions?

   In 2005, MC Parks conducted a national park maintenance standards survey study that was used to justify all of our park maintenance standards (including ballfields) by benchmarking the results in a comparative study. That study showed we were actually one of the leaders in established maintenance standards for a large park system.

   In addition, MC Parks used detailed recommendations from FEA, our facility assessment contractor. We used the attached narratives that describe the programs and one sample of the actual standards.

Information provided by the Department of Parks:

FLEET MANAGEMENT - The Parks Department's Fleet Manager, along with the Department's Energy Consultant, CQI Associates, Inc. continue to research other agencies and be proactive in implementing best management practices for the Fleet. Our fleet program has undergone some significant changes over the past year and we continue to examine these improvements to determine what additional implementation can be achieved:

VEHICLE CONSOLIDATION/DOWNSIZING - Our Fleet Manager conducted an internal study to determine rate of on-road usage to analyze what savings could be achieved by removing underutilized vehicles from the fleet. The study is an on-going process and we are currently evaluating our fleet mileage quarterly to identify potential underutilized vehicles. Results to date identified seventy-five vehicles that did not meet our utilization guidelines. Twenty-five of these vehicles were moved to new work locations and the remaining fifty were disposed of at auction.

Savings from these vehicle disposals vs. savings from vehicle acquisition: Average vehicle cost is approximately $26,000 with a replacement cycle of ten years. Over a ten year period the replacement cost would have been $1.3 million or $130,000 per year. Potential savings from maintenance costs is $1,470 per year or $73,500 for fifty vehicles. Combined savings (maintenance and replacement) per year equals a reduction for vehicles of $203,500.

VEHICLE PURCHASE MORATORIUM - The Department for the past two years has placed a moratorium on purchasing small vehicles such as Sedans, SUVs, and pick-up trucks. When these types of vehicles are purchased in the future they will be based on the best in class fuel economy standards when fueled by gasoline or B5 Bio-diesel.

BIO-DIESEL USAGE – Over the past few years the Department has gone from 25% bio-diesel consumption to 100% consumption

PARK POLICE MOTORCYCLE REPAIR – Over the past nine months, mechanics at Shady Grove have assumed the responsibility for repair and maintenance of the park police motorcycle fleet. A team of three mechanics have completed the spring preventative maintenance on all the motorcycles in addition to all needed repairs. Several of the motorcycles were in disrepair due to years of service at the local dealership. Our mechanics found several critical safety related parts that were in the process of failing or were about to fail. This included front axle seals, tires, brakes, etc. Our mechanics also diagnosed an engine issue (that the local dealership wanted to charge $4000 to repair) which included two worn out lifters and a camshaft and completed the repair for $1000.

FUELMASTER – Since 2009 we have been upgrading our fueling sites. Our first two sites (Shady Grove and Meadowbrook) have an additional Fuel-master computer for 24 hour security and inventory control. These sites have also had new dispensers and associated hardware installed. The underground tanks were not removed at Shady Grove due to cost and possibility of moving to another location and at Meadowbrook, the three underground tanks were cost prohibited to be removed. Our two latest sites have had their underground tanks removed and replaced with above ground fuel storage along with a Fuel-master fuel computer and new dispensers. The two new sites (Saddlebrook and Cabin John) are state of the art fueling sites that are environmentally friendly and offer 24 hour security. Our goal is to have all Department of Parks fueling sites upgraded to the Fuel-master computer system and all below ground fuel tanks removed and replaced with above ground tanks by 2014. This time table depends of available appropriations. These upgrades are necessary for the Department's fuel sites to meet Maryland Department of the Environment guidelines for fuel dispensing systems.

PARTS INVENTORY/AFTERMARKET PARTS PROGRAM – Another initiative staff has been working towards for the forthcoming year is: Restructuring vehicle parts purchasing and establishing a distribution network. We currently stock very few parts at our garage locations for repairs. We are working on analyzing what parts are used on a high frequency and will commence purchasing these parts in bulk to obtain bulk discount from our vendors. By doing this, a 10% savings is not an unrealistic number. Another benefit of warehousing is that the parts are on hand when repairs are being performed, saving mechanics down time in tracking parts. We are also investigating aftermarket parts purchasing. Many of the parts use are available in the aftermarket (generic) and depending on the situation may be used in the repair of our vehicles. (Aftermarket parts are not used on police vehicles). The cost savings for purchasing aftermarket parts is approximately 5% to 20%.

HEAVY EQUIPMENT RENTAL – Another initiative being looked into is combining Departmental resources for large equipment usage. The Department has equipment spread out across the park system which is sometime used on a seasonal or emergency basis only. We are reviewing the feasibility of "pooling" large equipment in a central location and implementing a program that will enable park staff to reserve on an "as needed" basis. This will reduce the number of pieces of large equipment needed and increase utilization of stock on-hand.

C.A.R.S – The Parks Department has been an active member in the CARS Fleet Management Committee (Cross Agency Resource Sharing). Our Fleet Manager, working with Fleet managers from the following agencies: Montgomery County (DGS), WSSC, Montgomery College, Montgomery County Public Schools, and the Housing Opportunities Commission have developed and presented programs that will utilize current county resources that may be proprietary to one agency that could provide benefits to all fleet agencies across Montgomery County. Ideas include: Sharing parts purchasing solicitation, sharing maintenance space, combining resources for grants solicitation, sharing and reducing fueling sites through-out the county, other agencies implementing a computerized fuel-master program like the Department of Parks is implementing, and combining training for technical staff. In regards to the latter point, the committee is currently working to formulate a curriculum with Montgomery College regarding the feasibility of classes to be offered.

Excerpts from the Review of The Central Administrative Services of the Maryland-National Park And Planning Commission

April 2010

H. RECOMMENDATIONS

The following recommendations cover each of the major issues addressed in this report.

GOVERNANCE

To strengthen governance within the Commission, the Planning Board should develop and implement written policies and procedures related to the decision-making process, including:

- Defining the roles and responsibilities of the seven department directors and clarifying the relationship between the Executive Director and the other six directors;
- Defining the structure of the Executive Committee (including who can participate, who can vote, how the agenda will be set, and how meeting actions will be documented; the user departments attend meetings of the Committee but are not members, and the Commission should consider whether they should be members);
- Ensuring that significant decisions of the Executive Committee are conveyed to the full Planning Boards and relevant staff;
- Establishing and maintaining a system of monitoring to ensure Commission-wide decisions are implemented (including a follow-up process and measures to ensure individual accountability);
- Establishing and maintaining a process of ensuring that stakeholder (i.e., user departments, the Commissioners, etc.) input is obtained prior to decisions that may impact the Commission and the community as a whole; and
- Establishing a protocol that maximizes communication between both of the Planning Boards and the County Councils, as it relates to pending state legislation. By establishing such a protocol, it is hoped that this will end or greatly diminish the prospect of confusing or conflicting legislative positions on proposed or pending legislation.

The Planning Boards should decide who will be responsible for determining that all Commission-wide administrative policies and procedures are followed and monitoring future compliance. The roles of CAS, the Executive Committee, and the Planning Boards in this task should be clarified.

PERFORMANCE MANAGEMENT

- Performance Metrics should be established to create targets for performance and indicate how they will be evaluated. The performance metrics should reflect how CAS will meet its own internal objectives and meet the needs of the user departments.
- Service Level Agreements should be established that indicate the services to be provided by CAS for the departments (types of services as well as quantity and quality of services). It may

be appropriate to establish a small number of pilots in the coming year. (A sample SLA is attached at **Appendix 5.**)

- Once SLAs are developed, the Commission also needs to develop a process to monitor and evaluate their success. Incentives (and/or penalties) may be necessary to ensure the creation and adherence to SLAs.
- The Commission should examine further opportunities to embed CAS staff in the user departments, since this appears to be linked to increased satisfaction on the part of user departments.
- CAS management needs to create a new focus on customer service for user departments in its employees. Ongoing evaluations by user departments should be solicited and presented to the Planning Boards to determine if they are successful.

SERVICE DELIVERY

The Study Team identified three major potential strategies to consider as a result of this CAS overview:

1. Keep the current model of CAS providing all services, but strengthen user department ability to improve service quality through Service Level Agreement system deployment and through stronger governance models.

2. Modify the current model by differentiating between "core" and "on-demand" (or non-core) services that are offered by CAS to departments. Under this model, each department would be obligated to accept the core services but free to determine the level of on-demand services it requires and whether to obtain the on-demand services from CAS or in another manner. The departments could obtain these services from one or more of the following sources:

- CAS
- Its own staff
- Staff from County departments able and willing to provide it
- Partnerships with other organizations
- Contract services with private providers

This model not only allows the two counties to select different levels of on-demand services to reflect its needs and priorities, but could also mean that departments with the counties could select different levels of on-demand services. (For example, the Montgomery County Department of Parks may prefer to have CAS provide recruitment services for the park maintenance workers they hire each year, while the Montgomery County Planning Department may prefer to do its own recruitment for specialized planning positions.) It also creates the incentive for CAS to tailor its services to user department needs so that it is the selected provider for on-demand services.

CAS charges to the departments would vary depending on the level of services each department selects. Such a model requires advance planning so that CAS would be able to budget and deploy resources in an equitable manner. In addition, the departments would not be able to significantly vary the level and types of services every year, since this would present staffing continuity problems for CAS. CAS should consider how best to staff on-demand services and whether contractual staff may be a better alternative to permanent staff if the staff support needed will vary from year to year.

3. Have all CAS services (both core and non-core) provided independently for each County by an alternative provider of its choice (e.g., County Government). Under this scenario, CAS would only retain a small core of staff required by Article 28 (or the counties would seek an amendment to Article 28 to eliminate these requirements).

The Study Team does not recommend the third option and believes that the high level of satisfaction with many CAS services, combined with the logistical and legal issues involved in any option to have a majority of CAS functions provided by another entity, indicate that this option should not be pursued. Moreover, the Study Team was not able to conclude that transferring CAS functions to another entity would result in greater efficiencies or reduced costs. Instead, the Study Team recommends a combination of options one and two above to ensure the greatest quality of services and ability to better tailor the services to meet the departments' needs.

SERVICE DEFINITION

As previously stated, the analysis framework for this study used a service definition model provided by CAS itself. CAS is organized into three departments (Human Resources and Management, Finance, and Legal) and they have identified 46 explicit functions performed by these departments (with each office being responsible for 15, 20, and 11 respectively). This service definition was accepted with no external validation of scrutiny, and user departments provided quality assessments for each.

Within these 46 functions, it is possible to define certain functions as "core" and necessary to be provided by a centralized service delivery agent (most likely CAS staff or contractors). Others, defined by the degree of uniqueness tying it to specific departmental mandates, could be defined as "non-core" or "on-demand" and assigned to the user departments to deploy using service models best suited to their work environments. Some departments could choose to have their non-core services provided entirely by CAS, while other may choose other providers.

The determination as to which services are non-core deserves additional attention. CAS is likely to consider all functions to be core functions, while the departments may want a greater number of services to be non-core than may be optimal and, therefore, the Planning Boards will play an important role in the final determination. To **begin** this analysis, the study team reviewed all CAS functions and has come up with a preliminary allocation to each type. Most of the functions identified below as being non-core will have at least some component that must be performed by CAS. For example, while departments may choose to do their own records management, CAS would still maintain certain records such as payroll records.

Service	Core	Non-core
1. HUMAN RESOURCES AND MANAGEMENT		
Classification and Compensation	X	
Training		X
Benefits Management	X	
Risk Management	X	
Employee Records Management	X	
Employee Labor Relations	X	
Recruitment		X

Corporate Communications	X	
Corporate Records Management		X
MDF/Fair Practices	X	
Budget		X
Management Analysis		X
Executive Management	X	
Employee Retirement System	X	
Non-Departmental	X	
2. FINANCE DEPARTMENT		
Debt Management	X	
Corporate Financial Management/Analysis	X	
Financial Systems Administration & Training	X	
Department Management & Administration	X	
Accounting	X	
Accounts Payable	X	
Payroll	X	
Fraud, Waste and Abuse Audits	X	
Bank Reconciliation	X	
Facility and Program Audits	X	
Risk Assessments	X	
Investment Management	X	
Revenue Processing and Bank Management	X	
Taxes and Other Analysis	X	
Applications		X
Network Security	X	
Computer Operations		X
Procurement of Goods and Services		X
Vendor Relations	X	
Records and Policy	X	
3. LEGAL DEPARTMENT		
Advice	X	
Support for Planning Board/Commission Hearings	X	
Civil Trial Litigation	X	
Judicial Review Litigation	X	
Administrative Litigation	X	
Appellate Litigation	X	
Legislative Advocacy	X	
Business Transactions	X	
Property Management Transactions	X	
Procurement Transactions	X	
Regulatory Transactions	X	

Note: The Legal Department should continue the core provision of services while the embedded model is in place

The Commission may want to initiate a pilot to determine how non-core services can be shifted to the user department or another entity the department designates. The pilot would enable the user department to establish an evaluation process to determine whether they prefer the services of CAS versus alternative providers and would establish a process for determining how CAS will reduce resources when a non-core function is shifted to another entity.

The distribution of services into core and on-demand services will necessitate a new approach to calculating the payment each County makes for CAS services. For on-demand services, each County will pay according to the level of services they require. Core services will be provided for the entire Commission, but the Study Team believes it is appropriate to reexamine how the costs for the core services are allocated. The Planning Boards and user departments need to understand the costs of each service, and CAS should develop an acceptable algorithm that distributes those costs to user departments and the Commission in a meaningful way, rather than continuing to assume an equal split for each County. In addition, work should be done to determine when CAS chargebacks to user departments are appropriate and to make those chargebacks transparent and understandable for the departments.

Audit

To strengthen the internal audit function, the Planning Board should consider the following:

1. External peer reviews should be performed at least once every 3 years (as required by GAGAS); otherwise, the internal audit function should make reference to performing audits in accordance with some other audit standards, such as the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The reviews should be presented to the Audit Committee and Planning Boards so that they can ensure that recommendations are implemented.

2. The external peer auditors should be asked to directly comment on how CAS can better minimize the perception of a lack of independence and whether the existing reporting structure serves this purpose. Options that should be considered are whether the internal audit manager should report directly to the Audit Committee or Planning Board Chairs regarding all audit-related matters, rather than reporting to the Secretary-Treasurer and/or the Executive Director. The external peer auditors should also be asked to consider whether the Secretary Treasurer should serve on the Audit Committee and whether it is appropriate for CAS to audit a department's role in the function that CAS also provides (such as IT).

3. It is critical for the Commission to strengthen the Audit Committee by providing the resources and expertise it needs to function properly. The Planning Board members that serve on that Committee are part-time Board members and devote a significant amount of time to other issues before the Planning Boards. The resources of the outside expert are critical if there is to be more than a cursory review of materials presented to the Audit Committee. This member should be appointed as soon as possible and the Planning Boards may want to consider whether to also appoint an auditing expert from each County Government to provide additional expertise. (The selection of the outside expert must be done in a manner that guarantees his or her independence.)

4. CAS should continue their practice of (1) preparing risk-based audit plans to determine audit priorities and (2) submitting the audit plans to the Audit Committee for approval. CAS should evaluate whether the audit plans are detailed enough to solicit meaningful input.

5. When preparing audit plans, the internal audit function should take into consideration audit requests made by the various departments within the Commission, and should request additional resources to perform more frequent audits, if necessary.

6. The Commission should evaluate who should receive each audit report and how it can better assure that there is appropriate follow-up for each audit. In particular, the Planning Boards should determine whether the Audit Committee, Chairs, and/or Planning Board should be briefed on each audit and provided information on a routine basis on the follow-up for each audit.

IT

The Study Team believes that Commission IT applications should be up to date, reasonably priced, and meet the user department needs. In order to do this, greater flexibility for user departments to meet their individual needs should be provided. Enterprise-wide requirements can be accomplished in a way that takes advantage of Commission-wide economies of scale, while allowing departmental needs to be accommodated in the most direct and efficient manner.

In order to strengthen the provision and use of IT services within the Commission, the Planning Board should consider the following range of recommendations.

1. Direct that an Enterprise Technology Strategic plan be developed; such a plan should look at least 5 years in the future, incorporate the latest technology developments, and lay out a vision for the use of IT within the Commission. The term "Enterprise" should be interpreted to include both County needs and the needs of the departments and the central Commission functions in an integrated manner and, therefore, include all stakeholders in its development.

2. Establish clear roles and responsibilities for the Senior Management Technology Group and the Senior Technology Group or their successors. Included in the responsibilities should be approval processes for deployment and interoperability standards, and that would promote a single, citizen-centric view of information.

3. Establish a Core Services cluster of services that are to be performed by CAS in a centralized manner for all users; an early definition of such services might include infrastructure, security, email, and web services under a strong Content Management System that allows each user department to contribute to contribute its own information through their staff actions.

4. There are two groups intended to provide input from users into the CAS IT function: the Senior Technology Group (STG) and the Senior Management Technology Group (SMTG). It appears to be the appropriate function to allow a mix of core and on-demand services, since the user departments have very different opinions regarding CAS's role in providing IT services. Use the various Steering groups to define each non-core service and define a mechanism through which the current CAS delivery model will transition to a non-core framework for those departments who opt into such a service arrangement. The provider of non-core services might be another governmental entity or a private service provider.

5. Along with the recommendations made by the Study Team, the Commission should consider the recommendations made in the separate studies performed by Clifton Gunderson and Public Technology Institute.

Procurement

In order to move the procurement recommendations forward, it would be helpful to consider an implementation group made up of procurement experts as well as departmental stakeholders who understand what is to be procured and under what conditions. This group should be tasked with the responsibility to develop and robustly disseminate, both to CAS employees and user departments, a set of "Procurement Guiding Principles" within 3 months of their work. These Principles would be based on the existing Purchasing Manual, but would incorporate user input through a methodical process. Subsequent work should review and endorse the recommended policy changes to the procurement code, and organize its rapid deployment and use.

Guiding principles for M-NCPPC might include:

1. Well documented procedures, rules, and template

2. Use of SLAs to clarify expectations and timeframes

3. A system that permits CAS level of involvement based on the size and complexity of the procurement

4. Departments/CAS should be encouraged to achieve efficiencies through bulk purchases/riding other contracts, etc.

5. Timelines for procurement with incentives for CAS to meet deadlines.

6. The Commission should work with both Montgomery and Prince George's Counties to reexamine its MFD program and better define its justification, goals and mandate. It should further determine whether economic incentives and a more rigorous certification progress are necessary to achieve these goals.

In addition, following the Legal Department's model of embedding staff may work well for procurement and should be explored.

Training

CAS and departments should collaboratively identify which training should be provided by CAS and which should be provided at the department level, with final determinations to be made by the Planning Boards.

Human Resources

1. CAS should work more closely with departments to develop appropriate job descriptions and identify the appropriate means and target audience for soliciting new employees (particularly for those jobs that require specialized skills).

2. By allowing this service to be provided on-demand, those departments content with CAS recruitment efforts can continue to use their services, while those departments not content can choose other options.

3. We recommend that CAS undertake an entire classification review every five years.

I. Future Work Suggestions

The Planning Boards should determine which of the recommendations in the report they support, and assign a Commission Implementation Task Force to implement those recommendations. The results and actions of this Task Force should be reported to both Prince George's and Montgomery County Councils within 12 months of this report's release. This group should include both CAS and department staff. Upon formation, the Task Force should immediately develop a work plan with scheduled targets and deadlines. At a minimum, the Study Team recommends that the Commission establish its Task Force within one month after receipt of this report and revise the Executive Committee standard operating procedures within 3 months after the receipt of this Report. The Table below can be used as a starting point for the work items of the Task Force.

More in-depth analysis in specific areas may well be justified. The Study Team did not have the time nor the resources to explore the actual productivity of CAS services at a detailed level, and the high priority problem areas identified should be scoped for an additional analysis. Already, the IT function is being reviewed by the non-profit Public Technology Institute, and a report with recommendations as to a more productive provision of IT services should provide sharper insight. Similar analyses could be performed for other important functions where users have identified major concerns.

The establishment of a Service Level Agreement system under which CAS establishes explicit agreements with users as to the expected levels of service for each provided function is a complex, yet important, undertaking. An effort to develop SLAs for a small number of pilot services could be undertaken in the future and expanded to all services as experiences, outcomes, and resources permit.

Finally, an effort that could be helpful on a periodic basis is a management audit to be undertaken by an external, independent organization such as an accounting firm or a general management consulting firm. The results of such an audit should be distributed to all users, and would go a long way towards communicating the improvements made and challenges still in existence for the CAS organization.

	Action	Page reference	Time Frame
1	Establish a Commission Implementation Task Force for CAS Report recommendations and report results to Councils within 12 months	30	S
2	Clarify roles of Department Directors and Executive Director	14, 22	S
3	Clarify and implement Executive Committee procedures (departmental inclusion in Agenda setting and participation, development and posting of minutes, decisions conveyed to Boards and staff)	9,14, 22	S
4	Develop, vet and launch policy of user involvement for all commission-wide policies and procedures	9, 22	S
5	Develop a system to monitor the implementation of	22	

	Commission-wide decisions		
6	Strengthen coordination between Legal and two Counties through the development of a Protocol, with advance communication of positions before they are publicly taken	8,9,14,22	S
7	Create targets for CAS performance and performance metrics	15, 22-23	
8	Appoint the third, external member of the Audit Committee and ensure the Committee has the access to the necessary expertise and resources.	17, 27	S
9	Immediately arrange a peer review of the audit function and conduct peer reviews every three years.	18,26	S
10	Determine who should receive and be briefed on audit reports and how to ensure follow-up to audit recommendations.	27	S
11	Identify strategies to ensure independence of the audit function.	26	M
12	More clearly define the goals of the MFD program update and determine whether changes are needed	29	M
13	Improve communication of internal structures, incentives and work targets of CAS personnel to users	8	M
14	Conduct ongoing evaluations to solicit feedback from user departments of CAS practices and performance and present them to the Boards	8,23	M
15	Develop transparent and accurate costing algorithms that can serve as the foundation of improved charge back of on-demand and core services	9	M
16	Develop an IT service model which emphasizes user involvement in applications	9	M
17	Clarify IT procurement and Management responsibilities	9,10	M
18	Emphasize major procurement support through bulk purchasing	10, 28	M
19	Assess which services can be provided On-Demand	30,31	M
20	Plan, develop and launch a model of Core and On-Demand services through a pilot effort	16, 26	M
21	Ensure that Statements of Compliance be included in each audit	17	M
22	Continue to develop and submit annual audit plans for approval (and determine whether the contents of the plan can be improved).	17, 27	M
23	Develop an Enterprise Technology Strategic Plan	19, 27	M
24	Continue to identify efficiencies in CAS operations	7	M
25	Increase use of automation in recruitment	11	M
26	Create Service Level Agreements between user departments and CAS to monitor and improve performance over time, and indicate how they will be evaluated (start with pilots)	15,22	L
27	Expand the use of embedded personnel in departments	23	L
28	Develop and implement transparent chargeback model	26	L
29	Clarify Roles and Responsibilities of two steering mechanisms for IT (SMTG and STG)	27,28	L

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30	Establish a user group to develop and disseminate a set of procurement guiding principles (to address procedures, use of SLAs, bulk purchasing, timelines, etc.)	28	L
31	Reassess which training programs should be provided by CAS and which should be provided by departments.	29	L
32	Perform classification review on a five year cycle	29	L

Key:
S Short term – within the next 6 months
M Medium term – within 18 months
L Long Term – within 3 years

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Maryland-National Capital Park and Planning Commission

MISSION STATEMENT

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

BUDGET OVERVIEW

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

On January 15 each year, M-NCPPC submits to the County Council and the County Executive the M-NCPPC proposed budget for the upcoming fiscal year. That document is a statement of mission and goals, justification of resources requested, description of work items accomplished in the prior fiscal year, and a source of important statistical and historical data. The M-NCPPC proposed budget is available for review in Montgomery County Public Libraries and can be obtained by contacting the M-NCPPC Budget Office at 301.454.1761 or visiting the Commission's website at www.mncppc.org. Summary data only are included in this presentation.

Tax Supported Funds

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

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

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

Non-Tax Supported Funds

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

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

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

Spending Affordability Guidelines

In February 2011, the Council approved FY12 Spending Affordability Guidelines (SAG) of $90,000,000 for the tax-supported funds of the M-NCPPC, which is a 2.9 percent decrease from the $92,653,170 approved FY11 budget. For FY12, the Commission has requested $104,095,700 excluding debt service, $14,095,700 above the total SAG amount of $90,000,000. The County Executive recommends approval of $90,653,170.

The total requested budgets for the Enterprise Fund, Property Management Fund, Special Revenue Funds, ALA Debt Service Fund, and Grant Fund, are $17,001,340, a 2.2 percent decrease from the $17,386,700 total FY11 approved budget. The County Executive

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recommends approval of $17,001,340.

Commissioners' Office

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

Planning Department

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

Planning Activities

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

Central Administrative Services

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

Parks Department

The Parks Department provides recommendations, information, analysis, and services to the Montgomery County Planning 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.

Montgomery Parks

Montgomery Parks oversees a comprehensive park system of 414 parks of different sizes, types, and functions that feature Stream Valley and Conservation Parks, Regional and Special Parks, and Local and Community Parks. Montgomery Parks serves County residents as the primary provider of open space for recreational opportunities and maintains and provides security for the park system.

Debt Service - Park Fund

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

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

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

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

Enterprise Fund

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

Property Management Fund

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

COUNTY EXECUTIVE RECOMMENDATIONS

The County Executive's recommended FY12 level of expenditure for M-NCPPC is $90,653,170, 2.2 percent below the FY11 approved budget for tax supported funds, exclusive of debt service. The Executive's recommended total is $653,170 or 0.73 percent above the Council Spending Affordability Guidelines (SAG). To promote equity among locally funded public employees and produce sustainable savings across the entire government, I recommend that the governing boards of the other county funded agencies, including the Park and Planning Commission, support an approach to restructuring employee compensation as I am recommending for the County Government.

Park Fund

The County Executive recommends a Park Fund budget of $67,569,820, excluding debt service. This proposed funding represents a $1,480,260 or 2.1 percent decrease from the FY11 approved budget. The Executive recommends a reduction of $10,167,080 from the Commission's request. The Commission will determine how to implement the reduction. Park Fund debt service increased by $560,100 from $4,307,800 in FY11 to $4,867,900 in FY12.

Administration Fund

The County Executive recommends an Administration Fund budget of $23,083,350. This represents a $519,740 or 2.2 percent decrease from the FY11 approved budget. The Executive recommends a reduction of $3,275,450 from the Commission's request. The Commission will determine how to implement the reduction. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, the same amount as in FY11.

ALA Debt Service

The County Executive concurs with the M-NCPPC request for funding of $320,900. This represents a decrease of $310,800 or 49.2 percent from the FY11 approved budget.

Enterprise Fund

The County Executive concurs with the M-NCPPC request for funding of $9,522,300. This represents a $343,700 or 3.7 percent increase from the FY11 approved budget of $9,178,600.

Property Management Fund

The County Executive concurs with the M-NCPPC request for funding of $938,000. This represents a $129,000 or 12.1 percent decrease from the FY11 approved budget of $1,067,000.

Special Revenue Fund

The County Executive concurs with the M-NCPPC request for funding of $5,670,140. This represents a $289,260 or 4.9 percent decrease from the FY11 approved budget. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, the same level as FY11, and a transfer of $785,000 from the General Fund to cover costs associated with the maintenance of MCPS Ballfields.

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

Reorganization

The County Executive supports the recommendation of the Organizational Reform Commission to transfer all parks user services from the Maryland National Capital Park and Planning Commission (M-NCPPC) to County government and retain at M-NCPPC park planning and environmental stewardship and ownership of park property. Implementation of this recommendation will lead greater efficiencies, improved customer service and eventual savings. The largest share of savings would likely come from consolidation of parks maintenance functions. However, the environmental stewardship and ownership of Park property must remain with M-NCPPC. In addition, this restructuring should include the transfer of programming functions from the M-NCPPC Parks Department to the County Government through the Department of Recreation.

The Executive recommends the creation of a joint committee of County Government and M-NCPPC staff be formed for a six-twelve month period to develop a transition plan to begin the consolidation in a phased manner starting in FY12 and carrying through to FY13 with a full integration to be completed by FY14. This committee would need to be led by a neutral party and have active participation by County Council staff.

The County Executive supports merging the M-NCPPC Park Police into the Montgomery County Police Department. This reorganization was also supported by the County Council's Organizational Reform Commission. This merger would provide our residents and visitors with a more effective and efficient police system. The parks would see an improvement in police service, as would the rest of the County. This recommendation is not included in the FY12 Budget because the state legislation necessary for this restructuring will not be in place for the FY12 budget. The Executive will continue to work with the County Council and M-NCPPC to implement this important reorganization.

PROGRAM CONTACTS

Contact Jasmine Prepetit of the M-NCPPC at 301.454.1761 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 FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
ADMINISTRATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Administration Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	26,383,142	23,603,090	23,410,740	23,083,350	-2.2%
Capital Outlay	0	0	0	0	—
Administration Fund Expenditures	***26,383,142***	***23,603,090***	***23,410,740***	***23,083,350***	***-2.2%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	216.9	217.0	177.0	175.9	-18.9%
REVENUES					
Intergovernmental	137,382	0	48,000	0	—
Property Tax	27,893,688	23,220,970	23,069,250	23,944,650	3.1%
User Fees	353,989	350,000	233,600	230,000	-34.3%
Investment Income	60,468	90,000	40,000	60,000	-33.3%
Miscellaneous	0	0	5,300	0	—
Administration Fund Revenues	***28,445,527***	***23,660,970***	***23,396,150***	***24,234,650***	***2.4%***
PARK FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Park Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	77,147,812	69,050,080	68,758,080	67,569,820	-2.1%
Debt Service Other	3,658,975	4,307,800	4,307,800	4,867,900	13.0%
Capital Outlay	0	0	0	0	—
Park Fund Expenditures	***80,806,787***	***73,357,880***	***73,065,880***	***72,437,720***	***-1.3%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	688.5	687.9	602.9	641.0	-6.8%
REVENUES					
Property Tax	77,539,025	69,596,600	69,142,340	70,321,140	1.0%
Facility User Fees	1,506,807	1,845,000	1,782,600	1,669,300	-9.5%
Investment Income	40,584	110,000	50,000	115,000	4.5%
Investment Income: CIP	1,961	170,000	3,500	2,000	-98.8%
Miscellaneous	168,990	85,600	120,500	74,000	-13.6%
Park Fund Revenues	***79,257,367***	***71,807,200***	***71,098,940***	***72,181,440***	***0.5%***
ALA DEBT SERVICE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
ALA Debt Service Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	0	0	0	0	—
Debt Service Other	1,824,924	631,700	631,700	320,900	-49.2%
Capital Outlay	0	0	0	0	—
ALA Debt Service Fund Expenditures	***1,824,924***	***631,700***	***631,700***	***320,900***	***-49.2%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Property Tax	1,804,764	1,810,670	1,786,870	1,740,560	-3.9%
ALA Debt Service Fund Revenues	***1,804,764***	***1,810,670***	***1,786,870***	***1,740,560***	***-3.9%***
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	515,765	550,000	550,000	550,000	—

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	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
Capital Outlay	0	0	0	0	—
Grant Fund MNCPPC Expenditures	***515,765***	***550,000***	***550,000***	***550,000***	—
PERSONNEL					
Full-Time	0	0	0	0	[illegible]
Part-Time	0	0	0	0	[illegible]
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Administration Fund Grants	0	150,000	150,000	150,000	—
Park Fund Grants	515,765	400,000	400,000	400,000	—
Grant Fund MNCPPC Revenues	***515,765***	***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	7,764,076	7,903,500	7,602,300	8,262,600	4.5%
Debt Service Other	1,298,312	1,275,100	1,275,100	1,259,700	-1.2%
Capital Outlay	0	0	0	0	—
Enterprise Fund Expenditures	***9,062,388***	***9,178,600***	***8,877,400***	***9,522,300***	***3.7%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	113.1	110.9	110.9	118.8	7.1%
REVENUES					
Rentals	2,647,483	2,586,400	2,754,500	3,018,500	16.7%
Fees and Charges	5,908,744	6,372,000	5,957,900	6,065,100	-4.8%
Merchandise Sales	637,367	761,200	645,900	649,300	-14.7%
Concessions	55,850	88,500	28,700	29,200	-67.0%
Non-Operating Revenues/Interest	11,918	30,000	10,500	12,000	-60.0%
Enterprise Fund Revenues	***9,261,362***	***9,838,100***	***9,397,500***	***9,774,100***	***-0.7%***
PROP MGMT MNCPPC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	[illegible]
Employee Benefits	0	0	0	0	—
Prop Mgmt MNCPPC Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	791,908	1,067,000	1,027,200	938,000	-12.1%
Capital Outlay	0	0	0	0	—
Prop Mgmt MNCPPC Expenditures	***791,908***	***1,067,000***	***1,027,200***	***938,000***	***-12.1%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	3.5	3.5	3.5	2.5	-28.6%
REVENUES					
Investment Income	5,515	10,000	5,000	5,000	-50.0%
Rental Income	786,393	807,000	772,200	733,000	-9.2%
Prop Mgmt MNCPPC Revenues	***791,908***	***817,000***	***777,200***	***738,000***	***-9.7%***
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	4,292,711	5,959,400	5,587,950	5,670,140	-4.9%
Capital Outlay	0	0	0	0	—
Special Revenue Funds Expenditures	***4,292,711***	***5,959,400***	***5,587,950***	***5,670,140***	***-4.9%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	27.1	27.5	27.5	28.5	3.6%
REVENUES					
Intergovernmental	512,275	484,800	484,840	434,840	-10.3%
Miscellaneous	143,902	0	0	0	[illegible]
Investment Income	13,654	30,000	0	0	—
Service Charges	1,758,319	2,572,400	2,783,600	2,660,400	3.4%
Special Revenue Funds Revenues	***2,428,150***	***3,087,200***	***3,268,440***	***3,095,240***	***0.3%***

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
DEPARTMENT TOTALS					
Total Expenditures	123,677,625	114,347,670	113,150,870	112,522,410	-1.6%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	*0*	*0*	*0*	*0*	—
Total Workyears	*1,049.1*	*1,046.8*	*921.8*	*966.7*	*-7.7%*
Total Revenues	*122,504,843*	*111,571,140*	*110,275,100*	*112,313,990*	*0.7%*

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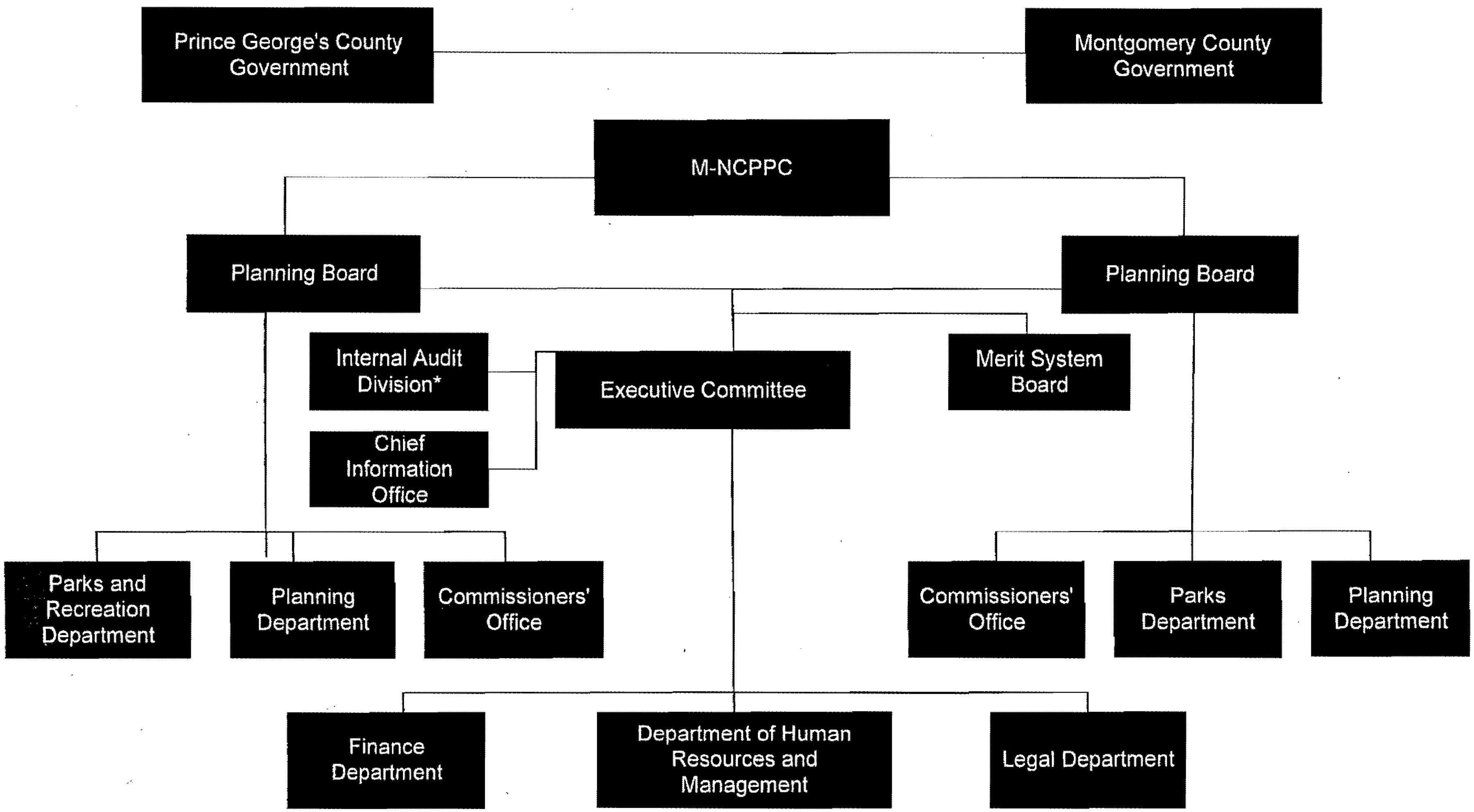
Maryland-National Capital Park and Planning Commission



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

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