

Appendix 1: County Executive Letter Forming the Task Force



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

January 31, 2007

The Honorable Sidney Katz
Mayor
City of Gaithersburg
31 South Summit Avenue
Gaithersburg, Maryland 20877

Dear Mayor Katz:

I am writing to you in your capacity as President of the Montgomery County Chapter of the Maryland Municipal League (MML). I know that a number of our municipalities are interested in establishing a new Task Force to study County/municipal revenue sharing. It has been eleven years since a joint Task Force studied these issues and I have agreed to establish a new effort. The previous structure of the Task Force seemed to serve the County and municipalities very well so I propose to follow a similar model.

I will establish a ten-member Municipal Revenue Sharing Task Force with five municipal representatives and five County representatives. The Task Force will be led by Co-Chairs with one from among the municipal representatives and one from among the County representatives. Please provide me with the names of five representatives of the Montgomery County Chapter of MML to serve on the Task Force. Please select one individual as a Co-Chair of the Task Force. I would appreciate receiving these names by February 28, 2007.

I have arranged for Barbara Hawk to once again serve as a facilitator for the Task Force. She did this very ably eleven years ago, has an excellent understanding of the issues and has the respect and trust of the County and municipalities.

It is my hope that the Task Force can complete its work by the end of 2007 so that any Task Force recommendations can be reviewed, approved and ready for FY 09 implementation.

Sincerely,

Isiah Leggett
County Executive

IL:dar

cc: Marilyn Praisner
Tim Firestine
Paul Folkers

Appendix 2: Request to Extend the Task Force (April 2008)

Officers

Mayor Carolyn Shawaker
Town of Garrett Park
President

Council Member Bruce Williams
City of Takoma Park
Vice President

Manager Julian Mansfield
Village of Friendship Heights
Treasurer

Fred Felton
Assistant City Manager
City of Gaithersburg
Secretary



Maryland Municipal League
Montgomery County Chapter

Executive Board

Mayor Walter Behr
Town of Somerset

Manager
Geoffrey Biddle
Chevy Chase Village

Mayor
Peter Fosseman
Town of Kensington

Commission President
Peter Menke
Town of Barnesville

April 22, 2008

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

Dear County Executive Leggett,

As you are aware, the Municipal Revenue Sharing Task Force has been meeting regularly since your initial appointments in the spring of 2007. While the Task Force originally planned on completing its work by the end of calendar 2007, it is my understanding that you agreed to the Task Force's request to extend the completion date to April 30, 2008.

Based on my conversations with municipal representatives on the Task Force, it is my understanding that consensus has been reached on a number of key issues including the hotel tax and the income tax; however, additional discussions are required on the remaining issues.

Sub-committees of the Task Force have completed significant work on road reimbursement and three categories of recreation and parks, but the full Task Force has not yet reached consensus on these issues. Additionally, the Task Force work on police services, the energy tax, and senior services is still in its early stages.

When it became clear that the Task Force work would not be completed in time for preparation of our FY 2009 budgets, you approved the municipal representatives' request to fund municipal tax duplication at the same levels as FY 2008. This decision could allow the Task Force additional time to complete its work although we are all anxious to see it completed.

At this point, I am suggesting that you approve an additional 90 day extension for the completion of the Task Force report, and that we jointly ask the Task Force members to agree to a detailed timeline during its next meeting for addressing the outstanding issues referenced above by July 31, 2008.

Your consideration is greatly appreciated. Please feel free to contact me at 301-942-0766 if you have any questions or want to discuss.

Sincerely,

Carolyn Shawaker
Carolyn Shawaker
Chapter President

Appendix 3: Letter Naming Municipal Members

Officer

Mayor Sidney A. Katz
City of Gaithersburg
President

Mayor Larry Giammo
City of Rockville
Vice President

Manager Julian Mansfield
Village of Friendship Heights
Treasurer

Mayor Carolyn Shawaker
Town of Garrett Park
Secretary



**Maryland Municipal League
Montgomery County Chapter**

Executive Board

Mayor Walter Behr
Town of Somerset

Manager
Geoffrey Biddle
Chevy Chase Village

Council Member
Kenneth Goldsmith
Town of Kensington

Council Member
Bruce Williams
City of Takoma Park

February 27, 2007

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

Dear County Executive Leggett, *IKE*

We would like to take this opportunity to thank you for hosting our February 22, 2007 Montgomery County Chapter meeting. We would also like to thank you for moving so quickly in establishing a new task force to study County/Municipal revenue sharing.

Pursuant to your letter dated January 31, 2007, we have selected the following six municipal representatives to serve on the Task Force:

Takoma Park City Manager Barb Matthews
Poolesville Commissioner Roy Johnson
Rockville Finance Director Gavin Cohen
Garrett Park Council Member Peter Benjamin
Village of Friendship Heights Village Manager Julian Mansfield
Gaithersburg Assistant City Manager Fred Felton

We appreciate your offer to have a municipal representative serve as Co-Chair of the Task Force, and have selected Assistant City Manager Fred Felton for that role.

If you should have any questions, or wish to discuss this matter please feel free to contact me at 301-258-6310.

Sincerely,

Sidney A. Katz
Sidney A. Katz
Chapter President

Please address correspondence to the MML Montgomery County Chapter in care of
Pres. Sidney A. Katz, 31 S. Summit Avenue, Gaithersburg, Maryland 20877

Appendix 4: Maryland Code – § 6-305 of the Tax-Property Article

§ 6-305. County tax rate in certain municipal corporations

(a) "Tax setoff" defined. -- In this section, "tax setoff" means:

- (1) the difference between the general county property tax rate and the property tax rate that is set for assessments of property in a municipal corporation; or
- (2) a payment to a municipal corporation to aid the municipal corporation in funding services or programs that are similar to county services or programs.

(b) Applicability of section. -- This section applies only in:

- (1) Allegany County;
- (2) Anne Arundel County;
- (3) Baltimore County;
- (4) Frederick County;
- (5) Garrett County;
- (6) Harford County;
- (7) Howard County;
- (8) Montgomery County; and
- (9) Prince George's County.

(c) Discussion and adjustment. -- The governing body of the county shall meet and discuss with the governing body of any municipal corporation in the county the county property tax rate to be set for assessments of property in the municipal corporation as provided in this section. After the meeting if it can be demonstrated that a municipal corporation performs services or programs instead of similar county services or programs, the governing body of the county shall grant a tax setoff to the municipal corporation.

(d) Setting county rate for municipal corporation. -- In determining the county property tax rate to be set for assessments of property in a municipal corporation, the governing body of the county shall consider:

- (1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and
- (2) the extent that the similar services and programs are funded by property tax revenues.

(e) Rate need not be uniform. -- The county property tax rate for assessments of property located in a municipal corporation is not required to be:

- (1) the same as the rate for property located in other municipal corporations in the county; or
- (2) the same as the rate set in a prior year.

(f) Tax setoff request. --

(1) At least 180 days before the date that the annual county budget is required to be approved, any municipal corporation in the county that desires that a tax setoff be provided shall submit to the county a proposal that states the desired level of property tax setoff for the next fiscal year.

(2) (i) A request submitted under paragraph (1) of this subsection shall be accompanied by:

1. a description of the scope and nature of the services or programs provided by the municipal corporation instead of similar services or programs provided by the county; and
2. financial records and other documentation regarding municipal revenues and expenditures.

(2) (ii) The materials submitted under subparagraph (i) of this paragraph shall provide sufficient detail for an assessment of the similar services or programs.

(3) After receiving a proposal from a municipal corporation requesting a tax setoff under this subsection, the governing body of the county shall promptly submit to the municipal corporation financial records and other documentation regarding county revenues and expenditures.

(g) Meetings, officers, information and services. --

(1) At least 90 days before the date that the annual county budget is required to be approved, the county and any municipal corporation submitting a tax setoff request under subsection (f) of this section shall designate appropriate policy and fiscal officers or representatives to meet and discuss the nature of the tax setoff request, relevant financial information of the county and municipal corporation, and the scope and nature of services provided by both entities.

(2) A meeting held under paragraph (1) of this subsection may be held by the county representatives jointly with representatives from more than one municipal corporation.

(3) (i) The county officers or representatives may request from the municipal corporation officers or representatives additional information that may reasonably be needed to assess the tax setoff.

(3) (ii) The municipal corporation officers or representatives shall provide the additional information expeditiously.

(h) Statement of intent. --

(1) At or before the time the proposed county budget is released to the public, the county commissioners, the county executive of a charter county, or the county council of a charter county without a county executive shall submit a statement of intent to each municipal corporation that has requested a tax setoff.

- (2) The statement of intent shall contain:
- (i) an explanation of the level of the proposed tax setoff;
 - (ii) a description of the information or process used to determine the level of the proposed tax setoff; and
 - (iii) an indication that, before the budget is enacted, appropriate officials or representatives of the municipal corporation are entitled to appear before the county governing body to discuss or contest the level of the proposed tax setoff.

(i) Municipal representatives may testify at hearings. -- Representatives of each municipal corporation in the county requesting a tax setoff shall be afforded an opportunity to testify before the county governing body during normally scheduled hearings on the county's proposed budget.

(j) Agreements regarding tax setoff. -- Notwithstanding the provisions of subsections (d), (f), and (g) of this section:

- (1) a county and one or more municipal corporations may enter into an agreement setting different terms or timing for negotiations, calculations, or approval of a tax setoff; and
- (2) a county may grant a tax setoff to a municipal corporation that does not make a request in the fashion described in this section.

Appendix 5: Montgomery County Code - Chapter 30A – Montgomery County Municipal Revenue Program

§ 30A-1. Established.

§ 30A-2. Qualification of municipal public services for county reimbursement.

§ 30A-3. Determination of amount of reimbursement.

§ 30A-4. Limitations on expenditures.

§ 30A-5. Application to participate in program.

§ 30A-6. County tax rate in certain municipalities. For Takoma Park fire, no longer applicable.

Sec. 30A-1. Established.

There is hereby established a program to reimburse municipalities within the county for those public services provided by the municipalities which would otherwise be provided by the county government. (1974 L.M.C., ch. 7, § 1.)

Sec. 30A-2. Qualification of municipal public services for county reimbursement.

Municipal public services shall qualify for county reimbursement if the following conditions are met: (1) The municipality provides the service to its residents and taxpayers; (2) the service would be provided by the county if it were not provided by the municipality; (3) the service is not actually provided by the county within the municipality; and (4) the comparable county service is funded from tax revenues derived partially from taxpayers in the participating municipality. (1974 L.M.C., ch. 7, § 1.)

Sec. 30A-3. Determination of amount of reimbursement.

Subject to the provisions of section 30A-4, each participating municipality shall be reimbursed by an amount determined by the county executive to approximate the amount of municipal tax revenues required to fund the eligible services. The amount of reimbursement shall be limited to the amount the county executive estimates the county would expend if it were providing the services. (1974 L.M.C., ch. 7, § 1.)

Sec. 30A-4. Limitations on expenditures.

All expenditures by the county under the authority of this chapter shall be subject to the limits of the funds appropriated by the county council. (1974 L.M.C., ch. 7, § 1.)

Sec. 30A-5. Application to participate in program.

Any municipality within the county desiring to participate in the county municipal revenue program shall submit not later than November 15 of each year to the county an application which shall be in such form and contain such information as may be required by the county executive. (1974 L.M.C., ch. 7, § 1.)

Appendix 6: Resolution 13-650 (September 10, 1996)

Resolution No.: 13-650
Introduced: Sept. 10, 1996
Adopted: Sept. 10, 1996

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: County Reimbursements under the Montgomery County Municipal Revenue Program - Task Force Report and Recommendations

Background

1. Chapter 30A of the Montgomery County Code (1994) provides for a program which reimburses municipalities and special taxing districts for those public services provided by the municipalities which would otherwise be provided by the County.
2. Reimbursements under Chapter 30A have been made pursuant to a procedure established under Resolution 8-2222, dated October 17, 1978, which was revised and supplemented by Resolution 9-1752, dated April 27, 1982.
3. In March 1995 County Executive Douglas M. Duncan appointed County and municipal representatives to serve on the Montgomery County Task Force to Study the Municipal Tax Duplication Reimbursement Program. This Task Force was charged with reviewing the procedures and formulas used to determine the amount of the reimbursements and with making recommendations to improve these procedures and formulas.
4. The Task Force submitted its Final Report and recommendations, a copy of which is attached, to County Executive Douglas M. Duncan, on June 5, 1996.
5. The goals of the Task Force were to determine:
 - a. Whether the complex formulas used to calculate the reimbursements could be simplified;
 - b. Whether reimbursements could be made in a way that would provide greater

predictability to each municipality in planning the following year's budget;

- c. Whether a single reimbursement could be made.
6. The Task Force recommends that the following formulas be used to determine the reimbursements for the following services provided by the municipalities:
 - a. Transportation. Reimbursements shall be a percentage of the County's actual, audited per mile or per item expenditure, multiplied by the number of miles or items in each municipality. The percentage reflects the percentage of the County expenditures that are paid for with property tax revenues.
 - b. Park Maintenance. Reimbursements will be based upon the same formula currently used.
 - c. Code Enforcement. Reimbursements will be based upon the net County property tax supported code enforcement expenditures per dwelling or per parcel.
 - d. Other services. Reimbursements will be based upon the net County property tax supported expenditures.

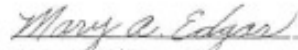
Action

The County Council for Montgomery County, Maryland, approves the following resolution:

1. The Final Report of the Task Force to Study the Municipal Tax Duplication Reimbursement Program is accepted and the recommendations, as outlined in the report, are accepted for funding within the Municipal Revenue Program
2. The recommendations contained in the Report will be implemented beginning in Fiscal Year 1997.
3. Reimbursement payments to municipalities will be made once a year, by October 1.
4. Reimbursements for Fiscal Year 1997 will be based upon Fiscal Year 1995 actual, audited expenditures from the County's comprehensive annual financial report. Thereafter annual reimbursements will continue to be based upon the actual audited expenditures using a similar two year interval.
5. Municipalities will not be required to submit their expenditures but will be required to provide annual certification of eligible services
6. The Task Force will meet annually to review the municipal revenue program.

7. To the extent that the County Council is required to meet annually and discuss with each municipality the rate for assessments or the tax reimbursement program, the Council delegates this duty to the County Executive or his delegate, who should then report back to the County Council.

This is a correct copy of Council action.



Mary A. Edgar, Clerk
Secretary of the Council

APPROVED:



Douglas M. Duncan
County Executive

Appendix 7: 1996 Task Force Report

Tax Duplication Task Force Final Report

June 5, 1996

EXECUTIVE SUMMARY OF RECOMMENDATIONS

The Montgomery County Tax Duplication Task Force recommends the following:

- In FY96 the Montgomery County municipalities will receive tax duplication reimbursements calculated according to the tax duplication formulas currently in place. FY95 base data is used to make these calculations.
- In FY97 the tax duplication reimbursements will be based on the formulas recommended by the Task Force. These formulas are based on FY95 actual expenditures.
- The recommended formulas are based on the County's actual, net, property tax supported expenditures for service (i.e. total expenditures less applicable off-setting non-tax revenues), not on the amount spent by the municipalities.

TRANSPORTATION

- 61.7% of the County's FY95 actual, audited per mile or per item expenditure multiplied by the number of road miles or items in each municipality.
- In FY97 each municipality will receive a reimbursement payment for transportation that is no less than the amount received in FY96.
- The Task Force will meet prior to next year's meet and confer to review the impact of changes in State Highway User Revenue program and any other changes in non-tax.

POLICE

- Since the County does not currently use the presence of Gaithersburg, Rockville and Village of Chevy Chase police forces in determining their resource and beat allocation formulas no duplication reimbursement is recommended.

PARK MAINTENANCE

- In FY97 the park maintenance reimbursement will be based on the current formula.
- The Task Force will review problems with the current system and recommend a new formula for FY98 if necessary.

CODE ENFORCEMENT

- The reimbursement will be based on the County's net per dwelling or per parcel cost rather than on the municipality's net cost.
- The Task Force recommends that the municipalities will not be required to submit details of their expenditures but will be required to provide annual certification of eligible services and workload data for selected services.
- Any negotiations related to other Takoma Park consolidation will be separate from the tax duplication issues.

BACKGROUND

In March, 1995 County Executive Douglas M. Duncan appointed County and municipal representatives to serve on the Montgomery County Task Force to study the Municipal Tax Duplication Reimbursement Program. The municipal representatives recommended by the Maryland Municipal League Montgomery County Executive Board are: Beverly Habada, Administrator, City of Takoma Park, David Humpton, Manager, City of Gaithersburg, Rick Kuckkahn, Manager, City of Rockville, Susan Robinson, Manager, Town of Chevy Chase, Lib Tolbert, Mayor, Barnesville. The County representatives are: Mike Coveyou, Department of Finance, Betty Ferber, Office of the County Attorney, George Griffin, Office of the County Executive, Susan Hoffmann, Intergovernmental Relations Office, Bryan Hunt, Office of Management & Budget, and Chuck Sherer, County Council Staff. Barbara Hawk, Director, Institute for Governmental Service has served as facilitator of the group. Andi Silverstone, Town of Chevy Chase, served as secretary to the Task Force. Paulette Bowles, Office of Management & Budget, has provided technical assistance and staff support. The group began meeting in April, 1995 and met through May, 1996.

TASK FORCE GOALS

The Task Force was directed to look into issues surrounding the current tax duplication formula and to recommend improvements to the program. Early in the process the group decided that its primary goal was to improve and simplify the current system, rather than to create a new system. A second goal was to resolve policy and administrative problems associated with the current program. An important objective of the Task Force was to assure that neither the County nor the municipalities receive a "windfall" from new formulas, and conversely, that no jurisdiction suffer a large revenue loss. The Task Force was directed to report their recommendations to the County Executive for his review and action.

Several problems associated with the current system were identified, and the Task Force focused on resolving those issues. The Task Force determined that there were both administrative problems and policy issues to be resolved. The group agreed that the police and transportation (road maintenance) formulas were the most significant areas of concern. These issues were also the most complex and difficult for the Task Force to resolve. Determination of the level of service provided by the County and estimating what the portion of those expenditures are supported by property tax revenues is complicated and time-consuming. However, the group reached consensus on the following issues:

POLICY ISSUES

1. The reimbursement program should be equitable, efficient to administer, and easily understood by the public.
2. The basis for the reimbursement program should be the amount the County would spend to provide a duplicated service rather than the amount spent by a municipality to provide the service. Therefore, the rebate to the municipalities should be based on the County's actual, net, property tax funded expenditures for a given service. The reimbursement formula should not include services provided by a municipality but not provided by the County.
3. The reimbursement program should be as predictable and stable as possible and should require as little paperwork as possible by both the County and the municipalities.
4. In order to minimize the potential budgetary impact of the new formulas on either the County or the municipalities, any changes should be phased in if possible.
5. There should be provisions for annual re-evaluation of the reimbursement program.

ADMINISTRATIVE/PROCEDURAL ISSUES

1. The formula for reimbursements should be based on the actual, net, County property tax supported expenditures for service. (i.e. total expenditures less applicable off-setting non-tax revenues).
2. The reimbursement for transportation should be based on a cost per mile or per unit figure, less off-setting revenues such as fees and charges and Highway User Revenues.
3. The police services reimbursement should more accurately reflect the number of first responses by County and municipal police officers or use some other measure that accounts for the net County per capita police expenditures.
4. Reimbursement payments to municipalities should be made once a year, by October 1, instead of twice a year as is current practice. To accomplish this, the Task Force recommends using audited expenditure figures from the County's comprehensive annual financial report (CAFR). For instance, FY97

payments would be based on the audited FY95 actual figures which are available in late December, 1995. This assures that both the County and the municipalities have firm numbers before their respective budget cycles begin.

5. The recommendations, if adopted, should be implemented in FY97. Therefore, reimbursements will be based on FY95 actual, audited expenditures. (It should be noted that this requires using FY95 actuals for two years' reimbursements; FY96 reimbursements using the old formula, and FY97 reimbursements using the new formula.)
6. An annual review of the program will be conducted by the municipalities and the County. The Task Force will remain as constituted and may meet throughout the year to discuss issues that affect the reimbursement formula. The group will also meet prior to the annual meet and confer sessions with the County Executive and the County Council.

RECOMMENDED REIMBURSEMENT FORMULAS

Table 1 summarizes the reimbursements for each municipality for duplicated services proposed for FY97 using the new formula. Table 2 compares current and recommended reimbursements. All recommended totals use FY95 actual figures.

Transportation

A primary goal of the Task Force was to develop a simpler, equitable reimbursement formula for transportation expenditures. The proposed formula has two components. The first is the cost of road maintenance provided by the County Department of Public Works and Transportation (Divisions of Highway Services and Traffic and Parking Services). Roadway maintenance, bridge maintenance, storm damage, roadway resurfacing (CIP projects), traffic signs & pavement markings, and street light maintenance costs were calculated on a per road mile basis. The maintenance costs of bridges and traffic signals were calculated on a per item basis. (Table 3) The second component is the percentage of the County expenditures that could be, and therefore theoretically are, paid for with property tax revenues. State Highway User Revenues (HUR) and miscellaneous fees and charges are also used to fund County road maintenance costs. The Task Force determined that in FY95 Highway User Revenues and miscellaneous sources accounted for approximately 38.3% of the total eligible expenditures (Table 4). Therefore, the net County property tax funded cost is 61.7% of total expenditures in FY95. This percentage will change annually depending on the amount of Highway User Revenues received, the amount of other miscellaneous fees and charges and the size of the County road maintenance budget.

Table 1
Summary of Proposal

Municipality	Miles	Proposed Road Maint Reimb.	Proposed Code Enforce- ment	Proposed Police	Prop/Cur Metro Access Roads	Prop/Cur Other Items*	TOTAL
Barnesville	0.00	0					0
Brookeville	0.46	3,699					3,699
Chevy Chase, Sec. III	2.23	17,931					17,931
Chevy Chase, Sec. V	1.80	12,866					12,866
Chevy Chase View	3.40	27,339					27,339
Chevy Chase Village	8.27	66,499	8,262				74,761
Town of Chevy Chase	9.92	79,766	11,891			7,291	98,948
Drummond	0.38	3,056					3,056
Friendship Heights	0.83	6,674				59,181	65,855
Gaithersburg	70.12	571,483	154,371				725,854
Garrett Park	3.92	31,521					31,521
Glen Echo	1.71	13,750					13,750
Kensington	8.17	65,695	15,527			28,440	109,662
Laytonsville	1.07	8,604					8,604
Martin's Addition	2.21	17,771					17,771
North Chevy Chase	1.97	15,841					15,841
Oakmont	0.27	2,171					2,171
Poolesville	15.28	122,866				29,270	152,136
Rockville	133.88	1,126,604	170,339		155,230	110,253	1,562,426
Somerset	4.24	34,094					34,094
Takoma Park	18.24	154,754	14,259	23,178		781,181	973,372
Washington Grove	2.92	23,480					23,480
TOTAL	291.09	2,406,462	374,649	23,178	155,230	1,015,616	3,975,135

* Source of Data

State Highway Administration of Maryland

FY 94 Recapitulation of Urban and Rural Mileage

* Other items as calculated include: Police Crossing Guards, Senior Transportation, Elderly Shopping, Park Maintenance, and a Human Relations Commission.

Police Pass Thru not shown on this table.

Table 2
Comparison of Current Formula to Proposal
By Municipality

Municipality	Miles	Proposed Road Maint Relmb.	Current Road Maint FY 95 Relmb.	Change Road Maint Relmb.	Proposed Enforce- ment	Current Enforce- ment	Prop Police Pass Thru not shown	Current Police Pass Thru Shown	Prop/Cur Metro Access Roads	Current Other Items	Prop Other Items*	Total New Proposal	Current Total	Change Proposed
Barnesville	0.00	0	0	0	0	0						0	0	0
Brookville	0.46	3,669	3,384	315								3,669	3,384	315
Chevy Chase, Sec. III	2.23	17,931	16,407	1,524								17,931	16,407	1,524
Chevy Chase, Sec. V	1.80	12,866	11,772	1,094								12,866	11,772	1,094
Chevy Chase View	3.40	27,339	25,015	2,324								27,339	25,015	2,324
Chevy Chase Village	8.27	66,499	60,145	6,354	8,262	8,547	0	7,324		7,453	7,291	74,761	76,716	-1,955
Town of Chevy Chase	9.92	79,766	72,884	6,782	11,891	12,277						98,948	92,714	6,234
Deerwood	0.38	3,056	2,795	260								3,056	2,795	260
Friendship Heights	0.83	6,674	6,107	567						50,052	59,181	65,855	65,159	-304
Gaithersburg	70.12	571,483	515,892	55,591	184,371	50,528	0	41,310				735,854	607,710	118,144
Gerard Park	3.62	31,521	28,841	2,680								31,521	28,841	2,680
Glen Echo	1.71	13,750	12,581	1,169								13,750	12,581	1,169
Kensington	8.17	65,695	60,109	5,586	15,527	18,043				29,060	29,440	109,682	105,232	4,450
Laytonville	1.07	8,604	7,872	732								8,604	7,872	732
Martin's Addition	2.21	17,771	16,280	1,511								17,771	16,280	1,511
North Chevy Chase	1.97	15,841	14,484	1,347								15,841	14,484	1,347
Oakmont	0.27	2,171	1,986	185								2,171	1,986	185
Potomacville	15.28	122,855	112,418	10,447						29,939	29,270	152,136	142,349	9,787
Rockville	133.86	1,126,604	984,992	141,612	170,359	84,176	0	50,169	155,230	120,628	110,253	1,582,426	1,384,215	178,211
Somerset	4.24	34,094	31,195	2,899								34,094	31,195	2,899
Takoma Park	18.24	154,754	134,197	20,557	14,229	14,720	23,178	23,710		777,430	781,181	973,372	950,057	23,315
Washington Grove	2.92	23,480	21,462	1,998								23,480	21,462	1,998
TOTAL	261.09	2,408,462	2,141,630	264,632	374,649	186,271	23,178	131,533	155,230	1,024,573	1,015,616	3,975,135	3,616,237	355,898

* Source of Data

State Highway Administration of Maryland

FY 94 Recapitulation of Urban and Rural Mileage

* Other Items as calculated include: Police Crossing Guards, Senior Transportation, Elderly Shopping, Park Maintenance, and a Human Relations Commission.

10%
Increase
OVERALL

Table 3
Municipal Tax Duplication
Road Maintenance Calculation
FY 95 County Maintenance Cost Factors

Roadway and Related Maintenance	\$ 6,494 per mile
Storm Damage	\$ 1,083 per mile
Roadway Resurfacing (CIP Projects)	\$ 2,242 per mile
Main Roads (Asphalt)	
Residential Roads (Slurry)	
Curb and Gutter, Sidewalk	
Traffic Signs and Pavement Markings	\$ 822 per mile
Traffic Light Maintenance	\$ 103 per mile
Street Light Maintenance	\$ 2,280 per mile
TOTAL	\$ 13,024 per mile
PLUS	
Traffic Signal Maintenance	\$ 2,000 per signal
Bridge Maintenance	\$ 3,098 per bridge
Pedestrian Bridge	\$ 713 per pedestrian bridge

Table 4
Municipal Tax Duplication
Transportation HUR and Revenue Offset
Calculation and Formula

MC DPWT Tax Supported Operating Expenditures (1)	\$ 24,021,040
Debt Service (2)	\$ 37,380,590
MC DPTW Eligible Expenditures	\$ 61,401,630
Subtract: Other Rev Sources (grants, fees, and charges)(3)	\$ (6,286,361)
Equals: Total HUR Eligible DPTW Expenditures	\$ 55,115,269
State Highway User Revenue (HUR) Received (4)	\$ 21,086,402
Ratio of HUR to total expenditures (HUR Ratio)	38.26

1 Page 42-5 FY 97 Operating Budget

2 Page 13 FY 97 Recommended Operating Budget

3 Charges to Suburban District, DOT CIP projects, minus current revenue funding,
and charges to mass transit, and parking/urban district

Calculated by Bryan Hunt, OMB 4-96

4 Page 42-5 FY 97 Operating Budget

Based on this rationale, the Task Force recommends that the transportation property tax reimbursement for FY97 be set at 61.7% of the actual, audited County per mile or per item FY95 road maintenance expenditures, multiplied by the number of road miles or items in each municipality. All municipalities will be guaranteed the dollar amount of the FY96 payment in FY97. Table 5 compares the current transportation formula with the recommended formula by maintenance category. Table 6 summarizes the anticipated impact of the recommended formula on each municipality.

The Task Force agreed to meet in one year to adjust the transportation formula. The Task Force further recommends that a group of transportation professionals meet to discuss and make recommendations regarding the difference in maintenance costs of urban (or highly traveled) roads, rural and residential roads. They will also look at whether there are any special road costs experienced by Rockville as the center of County government.

If the recommendations cannot be implemented beginning in FY97 the Task Force recommends that they be implemented in FY98 and based on actual, audited FY96 data. FY96 data (using either the current or the proposed formulas) will result in significantly higher payments due to the snow storm costs. The Task Force agreed that if the recommendation is not implemented until FY98, FY96 data will be used for that year also, except that a four year average will be used for the storm damage factor in the formula. (See Table 7 for a summary of historic maintenance cost data)

POLICE

Calculation of a police services reimbursement formula is complicated by the fact that the County is required, by law, to provide the same level of service to municipal residents and non-municipal residents except in the case of Takoma Park. Under a 1949 agreement the City of Takoma Park has responsibility for all calls for police assistance and dispatches its own officers. The City has a mutual aid agreement with the County. The police reimbursement issue is further complicated by the fact that each of the other jurisdictions which offer police services (Rockville, Gaithersburg and the Village of Chevy Chase) has a different arrangement with the County for responding to calls.

The City of Rockville has its own central dispatch operation which handles telephone and walk-in complaints. They also monitor the County system and dispatch their officers to complaints/incidents in Rockville. The County can dispatch Rockville officers as a first response but generally does not. All addresses in Chevy Chase Village are coded in the County's dispatch system. When a call for service from a Village address is received a code appears on the dispatcher's screen and a Village police officer is then dispatched to the call. County police officers are not dispatched to emergency calls in the Village unless there are no Village units available. Non-emergency calls are held until a Village unit is available. The City of Gaithersburg has concurrent jurisdiction

TABLE 5
Proposed Transportation Payment for FY97 using FY95 Actual Data
Compared to the FY96 Payment (Most Recent Payment which used FY95 data)

Municipality	# of miles*	Miles Reimbursement of \$13,024	# of signals	Traffic signal Reimbursement of \$2,000	# of bridges	Bridge Reimbursement of \$3,008	# of Pod. Bridge	Pod. Bridge Reimbursement of \$713	TOTAL	Multiplicand by H&R Total 38.26%	Current Year Reimbursement For Road Maint. FY96	Increase \$
Barnesville	0.00	0	0	0	0	0	0	0	0	0	0	0
Brookville	0.46	5,991	0	0	0	0	0	0	5,991	3,699	3,364	315
Chevy Chase, Sec. III	2.23	29,043	0	0	0	0	0	0	29,043	17,931	16,407	1,524
Chevy Chase, Sec. V	1.60	20,838	0	0	0	0	0	0	20,838	12,866	11,772	1,094
Chevy Chase View	3.40	44,280	0	0	0	0	0	0	44,280	27,339	25,015	2,324
Chevy Chase Village	8.27	107,706	0	0	0	0	0	0	107,706	66,409	60,845	5,564
Town of Chevy Chase	9.92	129,186	0	0	0	0	0	0	129,186	79,766	72,884	6,882
Durmond	0.36	4,948	0	0	0	0	0	0	4,948	3,056	2,796	260
Friendship Heights	0.63	10,810	0	0	0	0	0	0	10,810	6,674	6,107	567
Gaithersburg	70.12	913,216	0	0	4	12,392	0	0	925,610	571,483	515,892	55,591
Garrett Park	3.92	51,053	0	0	0	0	0	0	51,053	31,521	28,641	2,880
Glen Echo	1.71	22,270	0	0	0	0	0	0	22,270	13,750	12,581	1,169
Kensington	8.17	106,403	0	0	0	0	0	0	106,403	65,695	50,100	15,595
Layonsville	1.07	13,935	0	0	0	0	0	0	13,935	8,604	7,872	732
Marian's Addition	2.21	28,782	0	0	0	0	0	0	28,782	17,771	16,260	1,511
North Chevy Chase	1.97	25,657	0	0	0	0	0	0	25,657	15,841	14,494	1,347
Oakmont	0.27	3,516	0	0	0	0	0	0	3,516	2,171	1,986	185
Poolesville	15.28	199,001	0	0	0	0	0	0	199,001	122,866	112,419	10,447
Rockville	133.08	1,743,605	29	58,000	7	21,686	2	1,427	1,824,718	1,126,604	984,902	141,612
Somersel	4.24	55,220	0	0	0	0	0	0	55,220	34,094	31,195	2,899
Takoma Park	10.24	237,551	5	10,000	1	3,008	0	0	250,649	154,754	134,197	20,557
Washington Grove	2.82	38,029	0	0	0	0	0	0	38,029	23,400	21,483	1,917
TOTAL	281.09	3,791,052	34	68,000	12	37,176	2	1,427	3,887,855	2,406,462	2,141,631	264,831
												12.37% Increase

* Source of Data - Montgomery County Department of Public Works and Transportation, Division of Highway Services and Parking and Traffic Services
 State Highway Administration of Maryland
 FY 94 Recapitulation of Urban and Rural Mileage

Table 6
Transportation
By Municipality

A	B	C	D	E	F	G
Municipality	Miles	Estimated FY97 Payment with current formula	Estimated FY97 Payment with proposed formula			Change C-E
Barnesville	0.00	0	0			0
Brooksville	0.46	3,384	3,699			315
Chevy Chase, Sec. III	2.23	16,407	17,931			1,524
Chevy Chase, Sec. V	1.60	11,772	12,866			1,094
Chevy Chase View	3.40	25,015	27,339			2,324
Chevy Chase Village	6.27	60,845	66,499			5,654
Town of Chevy Chase	9.92	72,984	79,786			6,782
Drummond	0.38	2,796	3,058			260
Friendship Heights	0.83	6,107	6,674			567
Geithersburg	70.12	515,892	571,483			55,591
Garret Park	3.92	28,841	31,521			2,680
Glen Echo	1.71	12,581	13,750			1,169
Kensington	8.17	60,109	65,695			5,586
Laytonsville	1.07	7,872	8,604			732
Martins Addition	2.21	16,260	17,771			1,511
North Chevy Chase	1.97	14,494	15,841			1,347
Oakmont	0.27	1,966	2,171			185
Poolesville	15.28	112,419	122,868			10,447
Rockville	133.88	984,982	1,126,604			141,612
Somerset	4.24	31,195	34,094			2,899
Takoma Park	18.24	134,197	154,754			20,557
Washington Grove	2.92	21,483	23,460			1,997
TOTAL	291.09	2,141,631	2,406,462			264,831

Source of Data

State Highway Administration of Maryland

FY 94 Recapitulation of Urban and Rural Mileage

* Other Items* as calculated include Police Crossing Guards, Senior Transportation, Elderly Shopping, Park Maintenance and a Human Relations Commission

* Estimate made using current budget estimates and adding for the estimated total cost of snow removal and storm damage. Current estimate for HUR funds also used.

** Proposed Formula Uses FY95 Actual audited data, the two year lag provides time to budget the amount and time for the municipalities to plan for the payment.

Table 7
County Cost Data

A	B	C	D	E	F	G	H	I	J	K	L	M	O
Year	Total Increase Miles	In Miles	Roadway Maint.	Per Mile Storm Damage	Per Mile Re- Surfacing	Per Mile Traffic Signs	Total Road Maint.	Energy/miles Cost of Street Lights per mile	Traffic Light Maint.	Total Road Maint. Including Lights/Marking	Per Bridge	Per Signal Each	
FY93 Actual	1,957		4,556	1,192	2,193	844	8,001	2,065		10,965	2,472	2,000	
FY94 Actual	2,011	15	5,610	2,409	2,595	870	11,564	2,152		13,716	2,548	2,000	
FY95 Actual	2,100	89	6,494	1,063	2,242	822	10,641	2,260	103	13,024	3,066	2,000	

Notes:
Data for cost of bridges and traffic signals for FY 93 estimated from FY 94
Contract for Street Light Maintenance \$410,860 budget, actual \$307,421

with Montgomery County police and officers are dispatched directly by the County.

Originally, the Task Force recommended a formula based in part on the current formula used to calculate the Takoma Park reimbursement which assumes a ratio of seven police officers for every 6,000 calls. The ratio of total service calls to municipality first responses is factored in and the police State aid paid to municipalities is subtracted. However, members of the Task Force met with County police officials to discuss the County's internal review of police services, beat realignments, restructuring of district boundaries and reallocation of resources. The Task Force found that the County does not use the number of first response calls made by municipal officers as a factor in their beat allocation decisions. The Montgomery County police are required to provide the same level of service to all residents whether or not they reside in a municipality. The County asserts that if the municipalities did not provide police services, the result would be an increase in response time countywide. Their logic is that while the presence of the municipal police allows the County police to respond faster or to more complaints, the absence of municipal police would not significantly change the beat allocation now in effect.

The Task Force agreed that the basis for the reimbursement program should be the amount the County would spend to provide a duplicated service rather than the amount spent by a municipality to provide a service. None of the municipalities provide all or primary police services within their boundaries. The County reasons that if the municipalities no longer provided police services to their residents, the County would expend the same dollar amount now expended countywide and provide a somewhat lower level of service countywide. That is, the County police would not necessarily provide the same level of service that either municipal or other County residents receive today. Using this reasoning the municipal police services is a supplemental rather than a duplicated service. Therefore, we recommend no duplication reimbursement be made at this time. However, it is clear that there is a threshold point, below which the level of service would not be acceptable to residents. It can be assumed that at that point the County police might need to provide additional resources (officers, vehicles, etc.) or change their beat allocation to include first responses by municipal police. The Task Force will continue to monitor this issue and will propose changes if necessary.

CODE ENFORCEMENT

The recommended code enforcement reimbursement formula is based on the net County property tax supported code enforcement expenditures per dwelling or per parcel. Table 5 includes the anticipated reimbursement to each jurisdiction. Due to a recently adopted change in County policy placing most code enforcement activities in an enterprise system, no reimbursement is anticipated after the FY98.

PARK MAINTENANCE

The park maintenance formula was originally based on a cost accounting system (labor retrieval system) used by the Maryland-National Capitol Park and Planning Commission (M-NCPPC). In FY88 the M-NCPPC stopped using the system. The County has subsequently used the 1988 figure plus an inflator (CPI-U for the Washington area) each year to calculate the cost of maintaining various types of urban parks. Additional data will be required to develop a more accurate cost reimbursement formula. There are also questions related to which parks operated by municipalities are eligible for reimbursement. Several problems with the current system have been identified.

1. The inflated figures may not be a true reflection of the cost of maintaining the parks today.
2. The formula accounts only for expenditures and not for offsetting revenues.
3. The criteria for determining which municipal park maintenance expenditures are reimbursable appears to be unclear and somewhat inconsistent.

The Task Force recommends that until another formula can be developed the Park Maintenance reimbursement formula should remain as it is. During the next several months the Task Force will look into this issue and recommend a new formula for park maintenance reimbursement.

OTHER

All other services will continue to be based on the net County property tax supported expenditures. Municipalities will not be required to submit their expenditures, but will be required to provide annual certification of eligible service and workload data necessary for reimbursement for selected services such as elderly shopping service, senior transportation and crossing guards.

The Task Force also recommends that any negotiations related to the Takoma Park consolidation be kept separate from other Tax Duplication Task Force issues.

Appendix 8: County Attorney Advice on Legal Requirements



2008 JUL 2 AM 11:14

Isiah Leggett
County Executive

OFFICE OF THE COUNTY ATTORNEY


Leon Rodriguez
County Attorney

AMENDED MEMORANDUM

CONFIDENTIAL CLIENT COMMUNICATION

TO: Kathleen Boucher
Assistant Chief Administrative Officer
Offices of the County Executive

VIA: Karen Federman-Henry, Chief
Division of Finance and Procurement

FROM: Scott R. Foncannon 
Associate County Attorney

DATE: July 1, 2008

RE: County's obligation for municipal revenue reimbursement for municipal police department services within Montgomery County

This memorandum amends the previous memorandum dated June 6, 2008, on this issue. I was asked to add a reference to Chevy Chase Village to the memorandum.

Issue

You have asked this office to give you a written opinion on whether Montgomery County is required to reimburse municipalities that have a municipal police force under County law or grant a tax setoff to those municipalities under state law.

Answer

For the reasons stated below, Montgomery County is not required to reimburse a municipality that has a municipal police force or to grant a tax setoff where Montgomery County also provides police department services in the municipality.

101 Monroe Street, Rockville, Maryland 20850-2580
(240) 777-6795 TTD (240) 777-2545 • FAX (240) 777-6705 • scott.foncannon@montgomerycountymd.gov

Facts

In January of 2007, the Montgomery County Executive, Isiah Leggett, requested the formation of a municipal revenue sharing task force (Task Force). As a result of this request, the Task Force, consisting of both County and municipal representatives, was formed to discuss tax duplication and revenue sharing issues between the County and the municipalities located within the County. During the course of discussions among the County representatives on the Task Force on the issue of revenue sharing with municipalities that had a municipal police force, the question arose as to whether the County was legally obligated to make a tax duplication payment or to grant a tax setoff to the City of Rockville, the City of Gaithersburg, or Chevy Chase Village under existing County or State law for the cost of their municipal police services. I was advised that the County provides police services and coverage in all three districts where these municipalities are located, as if the municipal police departments did not exist and that County Police Officers are dispatched to calls in all three municipalities. In addition, the County provides other law enforcement services to all of these municipalities including, but not limited to, police recruit training at the County training academy, computerized dispatch, emergency response team coverage, 911 center operations, crime scene and forensic specialist, crime lab services and special investigation divisions. In light of the fact that the County provides police services in these municipalities, the question was asked whether, based on the language of the County Code and the State Code, the County is legally required to make any reimbursement to the municipalities for the police department services provided by these municipalities.

Legislative History of Tax Duplication Payments

Since the 1950's there have been statewide discussions about State and local legislation to create tax duplication payments by Counties to municipalities. In 1972 the County Council commissioned a study to determine the service areas where tax duplication might exist, calculate the estimated overlap, develop alternatives to overcome duplication and to determine the fiscal impact on both the County and the municipalities. This report concluded, among other things, that tax duplication was limited primarily to street maintenance. In 1973 Montgomery County enacted Chapter 30A of the Montgomery County Code that established a "program to reimburse municipalities ...for those public services provided by municipalities which would otherwise be provided by the County government." This code section has remained unchanged since 1973.

In 1977 the County Council established a joint Task Force on County-Municipal Financial Relationships to examine the formula used to provide payments to the municipalities. The Task Force report revised the formula for municipal rebates and the County Council established a new procedure for reimbursement to the municipalities by resolution dated October 17, 1978. A similar task force was appointed by the County Council in 1981 and again in 1995 to study and review tax duplication issues and to report their findings to the Council. One of the findings of the 1995 Task Force concluded that "Municipal police services provided were

Kathleen Boucher
July 1, 2008
Page 3

determined to be supplemental warranting no reimbursement.”

Meanwhile in 1975 the State passed tax duplication legislation that is now codified in Section 6-305 of the Tax-Property Article, Annotated Code of Maryland. The original text of the law applied to Montgomery County and was permissive. In 1985 the State revised the law and made it mandatory that the County grant a “Tax Setoff” to municipalities to “aid the municipal corporation in funding services or programs that are similar to county services or programs.” TP§6-305(a)(2). Under State law the County is required to consider “the services and programs that are performed by the municipal corporation instead of similar county services and programs;...” TP§6-305(d)(1).

Further details of the legislative history appear in a memorandum dated August 30, 2002, from this Office to the Director, Office of Management and Budget. The memorandum is attached for your reference.

Statutory Instruction and Interpretation

The Appellate courts in the State of Maryland have repeatedly explained that the goal of statutory construction is to discern and effectuate the legislature’s intent. The Maryland Court of Special Appeals summarized these rules in *Maryland-National Capital Park and Planning Commission v. State Dept.*, 110 Md. App. 677, 688, 678 A.2d 602, 607 (1996):

Ever mindful of our desire to discern and effectuate the General Assembly’s intent, *Oaks. v. Connors*, 339 Md. 24, 35, 660 A.2d 423 (1965), we examine the language of the enactment and give to the language its natural and ordinary import, *Montgomery County v. Buckman*, 333 Md. 516, 523, 636 A.2d 228 (1994). If the language is plain and free from ambiguity and expresses a definite and sensible meaning, we will, ordinarily, end our inquiry. *Id.* We are not, however, rigidly bound to the precepts of the “plain meaning” rule. *Department of Gen. Servs. v. Harmans Assocs. Ltd. Partnership*, 98 Md. App. 535, 545, 633 A.2d 939 (1993). Where the General Assembly has chosen not to define a term used in a statute, we will give that term its ordinary and natural meaning and will not resort to the subtle or forced interpretations for the purpose of extending or limiting the operation of the statute. *Brown v. State*, 285 Md. 469, 474, 403 A.2d 788 (1979). Furthermore, we examine the entire statutory scheme and consider the purpose behind the particular statute before us. *Department of Public Safety v. Howard*, 339 Md. 357, 369, 663 A.2d 74 (1995). Cognizant that the language of the statute is the foundation from which our inquiry commences, we also review legislative history

and the prior state of law, and contemplate the particular evil, abuse, or defect that the General Assembly wished to remedy with the enactment of the statute at issue. *Lemley v. Lemley*, 102 Md. App. 266, 290, 649 A.2d 1119 (1994). Moreover, the examination of related statutes is not beyond our reach. *GEICO v. Insurance Comm'r*, 332 Md. 124, 132, 630 A.2d 713 (1993).

To ascertain the legislative intent, the Court examines “the language of the enactment and gives that language its natural and ordinary meaning.” *Montgomery County v. Buckman*, 333 Md. 516, 523, 636 A.2d 448, 452 (1994). Where no ambiguity exists, no further review is needed. And where a specific definition does not appear in the statute, the court will apply the ordinary and natural meaning of the word. *Brown v. State*, 285 Md. 469, 474, 403 A.2d 788, 791 (1979). In applying statutory construction principles, the appellate court may refer to dictionary definitions and common usage. *Id.* See also *Benson v. State*, 389 Md. 615, 634-635, 887 A.2d 525, 536 (2005); *Board of License Commissioners for Prince George’s County v. Global Express*, 168 Md. App. 339, 348, 896 A.2d 432, 437 (2006). Often the entire statutory scheme becomes relevant to consider the purpose behind the statute. *Comptroller v. Phillips*, 384 Md. 583, 591, (2005).

In this case both the State and the County have enacted laws relating to the same topic—reimbursement of funds to municipalities for duplication of services. When interpreting similar statutes adopted by State and local governments it is important to consider whether a conflict between the two laws exists and, if so, the effect of that conflict. The Maryland Courts have recognized the concurrent power of the State and a political subdivision to enact laws regulating the same topic, providing there is no irreconcilable conflict between the two and the State has not chosen to preempt the entire field. *Baltimore v. Sitnick*, 254 Md. 303 (1969). Generally, a local law is “preempted by conflict when it prohibits an activity which is intended to be permitted by State law, or permits an activity which is intended to be prohibited by State law.” *Coalition for Open Doors v. Annapolis Lodge No. 622 Benevolent and Protective Orders of Elks*, 333 Md. 359 (1964).

When the State legislature passes a law, it is presumed to have knowledge of its prior enactments, *State v. Briker*, 321 Md. 86 (1990), as well as all other relevant enactments, *Cicoria v. State*, 332 Md. 2 (1993), and to have knowledge of appellate Court interpretations. *State v. Sowell*, 353 Md. 719 (1999).

Principles of statutory construction also require that when construing statutes that relate to the same topic “those statutes must be read together, interpreted with reference to one another, and harmonized, to the extent possible, both with each other and with other provisions of the statutory scheme; neither statute should be read to render the other, or any portion of it, meaningless, surplusage, superfluous, or nugatory.” *Geico v. Insurance Commissioner*, 332 Md.

Kathleen Boucher
July 1, 2008
Page 5

124 (1993). In the event there is a conflict and the conflict cannot be harmonized or reconciled, the superior authority, in this case the State law, will prevail. *City of Baltimore v. Sitnick, supra*.

Discussion

A. To qualify for tax duplication payments under County Law, the service must not actually be provided by the County in the municipality.

Section 30A-2 of the Montgomery County Code lists four conditions that must be met to qualify for tax duplication payments:

1. The municipality provides the services to its residents and taxpayers;
2. The service would be provided by the County if it were not provided by the municipality;
3. The service is not actually provided by the County within the municipality; and
4. The comparable County services funded from tax revenues derived partially from taxpayers in the participating municipality.

Condition 3 requires that the service provided by the municipality is "not actually provided by the County within the municipality." Section 30A-2, Montgomery County Code. The word "actually" is not otherwise defined in this Section or elsewhere in the Code, so the ordinary and natural meaning of the word will be applied. The word "actually" is defined in Webster's New Collegiate Dictionary, 150th Anniversary Edition, 1981 as "in act and in fact, really, at the present moment, in point of fact, in truth." (p.12) The ordinary and natural meaning of the word "actually" in the context of Section 30A-2(3), plainly and clearly states that in order to qualify for reimbursement, the County does not really or in point of fact provide the services. As described above, the County does in point of fact and actually provide police services in both Rockville and Gaithersburg. This interpretation is supported by the plain language of Section 30A-2(2) as well, which states the service "would be provided by the County if it were not provided by the municipality," again suggesting that only under those circumstances where the County does not provide the service is the County required to reimburse the municipality. The plain language of this section and the natural and ordinary meaning of the word "actually" clearly indicate that, if the County is providing police services within the municipality, then the County is not required to reimburse the municipality.

B. To qualify for a tax setoff under TP§6-305, the municipality must perform services and programs in place of similar services and programs performed by the County.

In order to qualify for a tax setoff or payment to a municipality, TP§6-305(c) requires a municipality to demonstrate that the municipality "performs services or programs instead of similar County services or programs." The words "instead" or "instead of" are not otherwise defined in this section or elsewhere in the Code, so the ordinary and natural meaning of the words will be applied. The word "instead" is defined as "1. as a substitute or equivalent; 2. as an alternative to something expressed or implied." And the phrase "instead of" is also defined as "a substitute for or alternative to." Webster's New Collegiate Dictionary, 150th Anniversary Edition, 1981. (p. 593)

The ordinary and natural definition of these words in the context of the statute states that, unless the municipal service or programs are in place of or a substitute for similar County services or programs, the municipality does not qualify for a tax setoff or other payment. In this case, because the County continues to provide a variety of police services within these municipalities, the County is not required to provide a tax setoff. The plain language of the section, together with the ordinary and natural definitions of the words, limits the payment by the County to only those situations where no County services are provided within the municipality. Because the language is not ambiguous, further review or analysis is not required.

C. The State law and County law concerning tax duplication payments are not in conflict regarding the requirement to make payment.

After review of the requirement of the County law that the County not "actually" provides service and the requirement of State law that the municipality provide the service "instead of" the County, it is my opinion that these provisions are similar and harmonious with each other and do not present a conflict that requires one to have priority over the other. Both requirements plainly state that the reimbursement or tax setoff is only required if the County does not provide the service within the municipalities. The facts indicate that the County is providing police services to Gaithersburg, Rockville and Chevy Chase Village.

Conclusion

Consistent with the statutory construction principles that require the State and County laws to be read in harmony whenever possible, both of these laws require that the reimbursement or tax setoff is appropriate only where the County does not provide any police services within the municipality. The facts indicate that the County provides police services to all three of these municipalities. Therefore, under both the County law and the State law, the County is not legally obligated to reimburse the municipalities for those police services.

SRF:jq

Kathleen Boucher
July 1, 2008
Page 7

A07-02216 - Memorandum to Kathleen Boucher
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OFFICE OF THE COUNTY ATTORNEY

Douglas M. Duncan
County Executive

Charles W. Thompson, Jr.
County Attorney

MEMORANDUM

TO: Robert K. Kendal, Director
Office of Management and Budget

VIA: Marc P. Hansen, Chief
General Counsel Division

FROM: Betty N. Ferber
Associate County Attorney

DATE: August 30, 2002

RE: Municipal Tax Duplication Payments

You have asked us to review the State (Property Tax Duplication) and County (Municipal Revenue Sharing) laws that govern certain payments by the County granted to municipal corporations in Montgomery County. You indicate that the current appropriation for municipal tax duplication/revenue sharing payments is nearly \$5 million and that a reduction in payments, to exclude the County income tax revenue in calculating the amount due to the municipalities, would save the County approximately \$2.5 million.

You ask whether payments made under the County Municipal Revenue Program, Chapter 30A of the Montgomery County Code, may be reduced by the portion of the County income tax revenue that is currently distributed to municipalities under Tax-General Article, Section 2-607, and whether Chapter 30A limits County payments to the portion of County general revenue derived from property taxes.

You also ask whether Tax Property Article, Section 6-305, Annotated Code of Maryland, contemplated that the tax set-off required to be granted by the County to municipalities may be limited to that portion of County general revenue fund derived from property taxes.¹

¹ Property tax includes tax imposed on both real and personal property

RESPONSE

1. The legislative history of Chapter 30A suggests that the drafters assumed that the increase in municipal property taxes that would have to be raised from a municipality's residents to pay for a service performed by the municipality in lieu of the service being provided by the County --, i.e., the amount that the municipality sought to have reimbursed -- was already reduced by the income tax distributed to the municipality under the State income tax distribution law.

2. State law would not prevent the County from limiting the payment made to a municipality to the portion of the County's general revenue fund derived from property taxes collected from the municipalities and used to fund County services. However, State law only sets a baseline payment to a municipality and does not preclude a county from providing a more generous payment to its municipalities if the payments serve a public purpose.

3. Chapter 30A does not limit tax duplication payments to the portion of the County's general revenue fund derived from property taxes collected from the municipalities and used to fund County services. In fact, Chapter 30A and its legislative history indicate that the payment to each municipality is intended to return to each municipality "an amount equal to the estimated duplicated taxes paid by its residents for eligible services," i.e. an amount measured by the additional taxes required to be raised by a municipality to fund the service.

4. Resolution 13-650, which is currently used to implement Chapter 30A, provides that the amount due a municipality is determined by calculating the County's cost for performing an eligible service. The resolution ignores one prong of the calculation envisioned under Chapter 30A -- the amount a municipality pays for an eligible service with municipal tax revenues (generally the municipal real property tax). Therefore, Resolution 13-650 may result in a payment that exceeds that called for under Chapter 30A. We note however, that the Council may appropriate funds for the use of municipalities in excess of the amounts contemplated by either the County revenue sharing or state tax duplication laws if the Council finds that the appropriation is in the public interest.

BACKGROUND

A. State Income Tax Distribution Law

A provision distributing a percentage of County income tax to municipalities within its boundaries has been part of State law since 1937. The Report of the Maryland Tax Revision Commission of 1939, in discussing the history of this provision, indicates that before 1937 there existed an "intangibles tax." Two-thirds of this tax was retained locally and the remainder paid to the State. The Report states that "when the intangibles tax was abolished, it was necessary to compensate the localities for the revenue loss. The method adopted was to allocate one-fourth of the collections from the individual income tax to the localities in which the taxpayers

respectively reside, this including a share of the tax on ordinary income as well as on investment income."

The local distribution provision in the 1939 law provided in relevant part:

258 (Distribution of Tax.) *** one -fourth (1/4) of the taxes collected under this sub-title from individual residents of the various counties of the State shall be paid over and distributed by the Comptroller to the County Commissioners of the respective counties in which such taxpayers reside; but in the case of a taxpayer residing in an incorporated city, town or village of any county, one-fourth (1/4) of the tax collected from such taxpayer shall be equally divided between the incorporated city, town or village, and the county in which such taxpayer resides.

Under Section 2-607, Tax-General Article, the Comptroller is required to distribute to each municipal corporation, (with some limitations) the greater of "17% of the county income tax liability of [its] *** residents, or 0.37% of the Maryland taxable income of those residents, ***."

B. Tax Duplication Law - General

In accordance with Tax-Property Article, Section 6-305, and Chapter 30A of the Montgomery County Code, the County reimburses municipalities within the County for services the municipalities provide to their residents, which would otherwise be provided by the County. The principle underlying the reimbursement is that County residents who are also residents of a municipality pay not only County property taxes, but additional municipal property taxes. However, they receive certain services only from the municipality. A tax inequity or double taxation occurs, when the resident is taxed twice – once by the County for a service the property owner does not receive from the County and once by the municipality which does provide the service. In some counties in the State this inequity is rectified by a tax differential under which the county property tax for municipal residents is set at a lower rate than the county property tax for property owners in unincorporated areas. In other counties, such as Montgomery County, a payment is made to the municipality rather than to the individual taxpayer to reimburse the municipality for the property tax collected from its residents to pay for the municipal services.

In Maryland there have been efforts since at least the early 1950s, spearheaded by the Maryland Municipal League (and at various times opposed by the Maryland Association of Counties), to enact legislation on both the State and at the local levels to create a property tax differential or payment in lieu of a tax differential by the counties to the municipalities. These efforts resulted in legislation that was enacted in Montgomery County in 1973 and at the State level in 1975.

C. County Tax Duplication Law

Chapter 30A, Section 30A-1, of the Montgomery County Code, which has been unchanged since passage in 1973, establishes a "program to reimburse municipalities * * * for

those public services provided by the municipalities which would otherwise be provided by the County government." Section 30A-2 provides that municipal public services qualify for the reimbursement if 1) the municipality provides the service, 2) the service would be provided by the County if not provided by the municipality, 3) the service is not provided by the County in the municipality, and 4) "the comparable County service is funded from tax revenues derived partially from taxpayers in the participating municipality." Section 30A-3 provides that subject to appropriation of funds by the County Council, "each participating municipality shall be reimbursed by an amount determined by the County Executive to approximate the amount of municipal tax revenues required to fund the eligible service." (Emphasis supplied.) Section 30A further provides that the cap on the amount of the reimbursement is "the amount the County Executive estimates the County would expend if it were providing the services." Chapter 30A provides a tax differential for Takoma Park only.²

The legislative history for Chapter 30A reveals that a "Municipal Revenue Program" was proposed by County Executive James P. Gleason in May 1973. In September of 1972 Mr. Gleason had the County Budget and Research Section undertake a study to determine the service areas where tax duplication might exist, calculate the estimated overlaps or duplication, develop alternatives to overcome duplications, and determine the fiscal impact on both the County and the municipalities of the various alternatives.

The Final Report on the Montgomery County Municipal Revenue Program, dated May 24, 1973 (Final Report), concluded that tax duplication was limited primarily to street maintenance work. In determining the service areas where tax duplication existed, certain activities were excluded. For example, municipal government activities were excluded because they were considered a basic requirement for citizens wanting their own local government. Also only municipal services which correspond to tax-supported County services were eligible since municipal residents' property taxes were not used to pay for certain self-supporting County activities, such as garbage collection and animal control. The services which were eligible for reimbursement thus were only municipal services which correspond to County General Fund-financed services.

In calculating the estimated tax duplication or overlap, the Final Report defined "tax duplication" to mean "that amount of local funds that municipalities must raise from their own resources to provide the County level of services within their boundaries." The Final Report explains that to reach this figure, total municipal expenditures for the eligible services were compiled and then certain deductions were made. These deductions included certain "shared revenues" that municipalities were entitled to receive which, if the municipalities were not in existence, would otherwise go to the County. One group of these revenues included State-shared gasoline tax and motor vehicle registration revenue, which the Report noted were ear-marked for use on street-related services. The other group of these shared revenues included "a portion of the County-shared income taxes, traders' permit fees" and other taxes, "all of which may be used as municipalities choose,[and] are distributed to municipalities instead of to the County."

² The section in Chapter 30A providing a tax differential for Takoma Park was added in 1986 and revised in 1998.

(Emphasis added.) The Final Report noted that the "sharing of these revenues with municipalities reduces the funds that must be raised from local sources for street-related services, and in effect represents a return to municipalities of all or a portion of the County taxes their residents pay for the County level of those same services. Therefore, to derive the net expenditures for the services in question, applicable portions of ear-marked and other shared revenues were subtracted from total expenditures for those services." (Emphasis supplied.)³

Another calculation that the Final Report concluded must be made to determine the tax duplication is one that takes into account the diseconomies resulting from the municipalities smaller size and any supplementary levels of service. The Final Report recognized that the availability of accurate data from the County and the municipalities to enable them to make these calculations would be very difficult to come by. Therefore the Final Report recommended, as an alternative to overcoming the duplication, that after determining the municipality's net expenditures (i.e., after reducing its expenditures by the deductions for shared revenues), the net expenditures should be further reduced by one-third, an amount which is "assumed to represent the portion of net expenditures related to the diseconomies of scale or supplemental levels of service." As a further alternative the Final Report recommended that "these calculations notwithstanding, a minimum grant of \$1,000 be proposed.

The initial version of the proposed new law made clear that the amount that was to be reimbursed to the municipality is "the amount which a municipality must raise from its own taxes to provide the eligible services."

In the cover memorandum which accompanied the Final Report, Mr. Gleason states that the goal of the program is for the County to "return annually to each municipality an amount equal to the estimated duplicated taxes paid by its residents for eligible services."

D. State Tax Duplication Law

Two years later, in 1975, the State tax duplication law was first enacted as Article 81, Section 32A.⁴ That first version of the law, which was applicable to Montgomery County, was not mandatory, but permissive, allowing counties to levy a tax on property within a municipal corporation at a rate less than the general county property tax rate, "if the municipal corporation performs governmental services or programs in lieu of similar county governmental services or programs." State law provided that in establishing the tax rate, "the county may take into account the governmental services and programs which the municipal corporations perform in lieu of similar county governmental services and programs and the extent that the similar

³ To illustrate, if the cost to the municipality of providing street maintenance is \$17,000 and the municipality received \$14,000 in State-shared gas tax and \$2,000 in shared income tax, then the municipality's net expenditure for the service is \$1,000 and it must only raise enough property tax to cover the \$1,000 expense. That \$1,000 expenditure constitutes the tax duplication and is the amount which the County Municipal Revenue Program was designed to reimburse. See *Final Report*.

⁴ Before 1975 State law required two counties, Harford and Anne Arundel, to provide a tax differential to their municipalities. Section 6-307, Tax-Property Article.

services and programs are funded through property tax revenues." (Emphasis supplied.) The law further provided that "in lieu of a lesser rate of county property tax, the "county may make a payment to the municipal corporations to assist the municipal corporations in funding governmental services or programs which the municipal corporations perform in lieu of similar county services or programs." (Emphasis supplied.)

In 1977 only four counties provided any tax setoff to their municipalities. Harford and Anne Arundel provided a tax rate differential and Montgomery and Prince George's provided a rebate program. By 1984 four counties (Anne Arundel, Charles, Harford, and Prince George's) provided a tax differential and seven counties (Calvert, Caroline, Carroll, Dorchester, Frederick, Montgomery and Queen Anne's) provided rebates.

In 1985 when the Tax-Property Article was enacted, Article 81, Section 32A was divided into two sections - Section 6-305, which was mandatory, and Section 6-306, which remained permissive. Section 6-305, which specifically applied to Montgomery County and seven other counties (Allegheny, Anne Arundel, Baltimore County, Garrett, Harford, Howard, and Prince George's),⁵ required these counties to provide a tax setoff if a municipal corporation demonstrated that it performs certain services in lieu of similar county services or programs, whereas all other counties, covered under Section 6-306, were given the option of providing such a setoff but were not required to do so. In all other respects the language of both provisions remained nearly identical to the original language of the 1975 law.

A change to Section 6-305 occurred in 1998 when House Bill 216 added the term "Tax Setoff" which was defined to mean either a tax differential or "a payment to a municipal corporation to aid the municipal corporation in funding services or programs that are similar to county services or programs." House Bill 216 also added a formalized process for county/municipal tax setoff deliberations, under which any municipality that submits a timely request for a tax setoff will be entitled to a structured and timely discussion with appropriate county officials about the nature of the requested tax setoff.⁶ A county and municipality may use an alternative process to address tax setoffs, if one is mutually agreed upon. However, the basic language regarding the setting of the tax rate has not changed in any significant way. The operative provision still reads:

In determining the county property tax rate to be set for assessments of property in a municipal corporation, the governing body of the county may consider:

- (1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and

⁵ In 1999 Frederick County was added to this list.

⁶ The process detailed in the legislation provides that any municipality may submit to the county a request for a property tax setoff, which must include a justification for the request and supporting financial data, and the county must provide financial and other information to the municipality, hold a meeting to discuss tax setoff issues, and submit a statement of intent to the municipality regarding the setoff request; the municipality may discuss or contest the setoff as part of the county's budget process.

(2) the extent that the similar services and programs are funded by property tax revenues.
(Emphasis supplied.)⁷

As was the case for the original law, Section 6-305(j)(1) provides that counties and municipalities "may enter into an agreement setting different terms or timing for negotiations, calculations or approval of a tax set-off."

State law does not set forth any formula for computing either the tax differential or payment but leaves it to each county to determine the tax rate or payment based upon the concept that municipalities are entitled to some aid or assistance from the county to compensate them for the additional amounts they collect from their citizens. The amount of the payment is not required to be measured by either the municipalities' costs or the county's costs.

In 1998 15 of the 22 counties with municipalities provided some type of setoff. Five provided only a differential, nine provided only a rebate, and two (Montgomery and Prince George's) provided both a differential and a rebate.

E. Procedures for Determining which Expenditures of Montgomery County Municipalities are Reimbursable and the Amount of the Reimbursement for Each Municipality.

Since enactment of Chapter 30A, the County practice for determining what municipal expenditures will be reimbursed and the procedures for reimbursing each municipality has been established in a series of Resolutions. The Municipal Revenue Program began providing what initially were characterized as "rebates" to the municipalities in 1974.

In 1977 the County Council established a joint Task Force on County-Municipal Financial Relationships to examine the formula used to provide the rebates. The Report that the Task Force issued in September of 1978 revised the formula for the municipal rebate program. By Resolution 8-2222, dated October 17, 1978, the County Council established a new procedure for reimbursing each municipality for street-related expenditures, beginning in fiscal year 1979. The revised formula provided each municipality with a grant per street mile based on the cost to the County for street maintenance in unincorporated areas.

It was soon apparent that adjustments again needed to be made to the formula for street-related expenditures, and that municipalities should also receive reimbursement for certain police services and for code enforcement services. The County Council, by Resolution 9-1492, adopted October 13, 1981, and Resolution 9-1514, adopted October 20, 1981, reestablished and appointed a Task Force on County Municipality Financial Relationships.⁸

⁷ Section 6-305(d).

⁸ The 1982 Task Force stated that its guiding principles were the following:

1. The service provided by a municipality had to be one that was provided in lieu of being provided by the County.
2. The reimbursement was to be limited to the amount the County would expend if it were providing the service.

This Task Force issued a Report recommending certain revisions to the County's Municipal Revenue Program, which recommendations were accepted by Resolution 9-1752, adopted April 27, 1982. These revisions included changing the formula for reimbursement of street-related expenditures, adding reimbursement for police services, and including a county reimbursement program for code expenditures such as zoning, housing, animal control, and construction code enforcement. The County also agreed to reimburse two cities for consumer affairs and human relations services. The Report established that the payments should be the lower of the amount the County would expend or the actual expenditure by the municipality for the service. It also made clear that the calculations for each year should be based upon the County's and each municipality's actual audited expenditures for the prior fiscal year.

In March 1995 the County Executive appointed County and municipal representatives to serve on the Montgomery County Task Force to Study the Municipal Tax Duplication Reimbursement Program. The Task Force was directed to review and make recommendations to improve procedures and formulas used to determine the amount of the reimbursements. The municipalities felt that the calculations they had to make to obtain a reimbursement were extremely complex. The goals of the Task Force included simplifying the calculations necessary to determine the amount of a reimbursement, and providing greater predictability to the municipalities regarding what they could expect to receive from the County.

The Task Force made the following recommendations, which were approved by the County Council in Resolution 13-650, adopted September 10, 1996:

1. Payments should be made once per year based on the prior fiscal year expenditures.
2. Municipalities would no longer be required to submit expenditures. Reimbursement amounts would in future be based on what the County would have spent had the County performed the service in the municipality.
3. Transportation payments in future would be based on the following formula:
 - a. Determine the cost of County road maintenance per mile.
 - b. Determine the percentage of the County expenditures that could be, and theoretically are, paid for with property tax revenues, subtracting out any off-setting non-tax revenues.⁹
4. Municipal police services provided were determined to be supplemental warranting no reimbursement.

3. The reimbursement was to be for property tax duplication, and therefore, is limited to expenses financed with property tax revenues paid by all County taxpayers.

⁹ To demonstrate how this operates, the Task Force looked at fiscal year 1995 expenditures and determined the amount of the applicable off-setting non-tax revenues, i.e. Highway User Revenues and Miscellaneous sources, which accounted for about 38.3 % of the total eligible expenditures. Therefore, the Task Force explained, "the net County property tax funded cost is 61.7% of the total expenditures in fiscal year 1995." The Task Force further explained that it recognized that this percentage will change annually depending upon the Highway User Revenues received, the amount of other miscellaneous fees and charges and the size of the County road maintenance budget.

5. The code enforcement reimbursement formula should be based on the net County property tax supported code enforcement expenditures per dwelling or parcel.
6. Park maintenance should be reimbursed under the same formula previously used.
7. Reimbursement of all other services should continue to be based on the net County property tax supported expenditures. Municipalities will not be required to submit their expenditures, but will be required to provide annual certification of eligible service and workload data necessary for reimbursement for selected services such as elderly shopping service, senior transportation and crossing guards.

The 1996 Report repeatedly refers to the "net County property tax supported expenditures." What did the term mean to the Task Force? When using that term the Task Force appeared to mean the County's actual cost of providing the service, less any "applicable, off-setting non-tax revenues," such as Highway User Revenues, but subtracting out nothing more. (See the discussion regarding the transportation expense in the Task Force report.)

It is evident that the intent of the Task Force and the County Council in adopting the Task Force's Report, was no longer to adhere to any specific technical formula, but to reimburse the municipalities for their costs generally. The 1996 Resolution and the Task Force recommendations which it adopted, changed the formula from the previous system, where payments to the municipalities were the lesser of what the County would have spent or what the municipalities actually did spend to a more simplified, "theoretical" formula, based entirely on what the County was spending throughout the County and therefore would have spent had it performed the service within the boundaries of the municipality. Under the system adopted in 1996 the municipalities are no longer required to submit their actual expenditures.

DISCUSSION AND CONCLUSIONS

Municipalities assess taxpayers within their jurisdictions an additional amount over the amount which they are assessed as County residents. This additional amount is used to fund the service provided by the municipality which otherwise would be provided by the County. Chapter 30A proposes to reimburse the municipalities for this amount.

Although Section 6-305, Tax-Property Article, requires certain counties to either adjust an eligible municipality's tax rate or make a payment to the municipality, the law gives broad discretion to the counties to determine whether to provide a tax differential or make a payment as well as broad discretion to determine how to calculate the differential or the payment. It has not set forth any formula for computing the tax differential or payment, but has left that calculation to each county. It is within the discretion of each county whether to make a precise calculation or provide a payment which approximates the cost of the duplicated service or to be more generous.

Two years before the State enacted its law, Montgomery County chose to provide a reimbursement to its municipalities for the services they provide that would otherwise be provided by the County government. While Chapter 30A was enacted to provide relief from perceived property tax inequities, it makes no specific reference to property taxes. The

legislative history of Chapter 30A suggests that the County Executive who proposed the legislation and the County Council that enacted it had in mind a program that would reimburse the municipalities the amount they had to raise from their citizens to provide the County level of services within their boundaries. The County Executive's Final Report recognized how theoretically the tax duplication could be calculated, but also recognized the difficulty of implementing a system that applied that complex calculation to come up with the precise tax duplication every year. The legislation as passed provides that each municipality "shall be reimbursed by an amount determined by the County Executive to approximate the amount of municipal tax revenues required to fund the eligible services. The amount of the reimbursement shall be limited to the amount the County Executive estimates the County would expend if it were providing the services." (Emphasis supplied.) This language suggests that the County Council did not anticipate that it was even possible to arrive at anything other than an imprecise amount for the reimbursement.

The actual formulas and procedures for making payments to municipalities in Montgomery County were not contained in Chapter 30A, but in the Resolutions that the County Council approved since enactment of Chapter 30A, in 1978, 1982, and 1996. In each of these years the County Council has had an opportunity to revisit the legislation, and the formulas and procedures used to justify the payments to municipalities. By approving each Task Force's Report in these Resolutions, the County Council has in effect approved the methods used over the years for calculating the payments, and determined that those methods were consistent with Chapter 30A and its legislative intent.

During the first twenty years after the County legislation was enacted, the County Council Resolutions indicate that the goal was to develop calculations that would result in a figure that represented the actual costs borne by the municipalities. However, over time, it became apparent that this goal was far too complicated to achieve, and in 1996 it was essentially abandoned when the County Council adopted Resolution 13-650, and the measure of the cost to the municipalities was the cost to the County.

County law and the Resolutions passed by the County Council implementing County law authorize a County rebate or reimbursement program in which County payments will roughly equal the amount of local funds that municipalities must raise to provide the County level of service within the municipalities' boundaries, capped only by the amount the County would spend if it were providing the service.

It can not be disputed that the goal of the legislation was to "return annually to each municipality an amount equal to the estimated duplicated taxes paid by its residents for eligible services," and the legislation as enacted provides that "each participating municipality shall be reimbursed by an amount determined by the county executive to approximate the amount of municipal tax revenues required to fund the eligible services." In other words, the measure of the reimbursement is the additional property taxes that must be raised by the municipality to cover the cost of the service. See footnote 3, *supra*.

Robert K. Kendal
August 30, 2002
Page 11

Technically we do not believe that the amount of the County's cost for an eligible service may be limited to the portion attributed to the property tax because certain other County taxes are imposed on municipal taxpayers such as the real property transfer tax and the fuel energy tax.

We hope this is responsive to your request. If you have any questions or concerns, please do not hesitate to contact us.

*Appendix 9: “Discussion of Municipal Tax Duplication Methodologies”
by Chuck Sherer, Task Force Member
November 5, 2007*

Municipal tax duplication payments are based on State and County law, both of which are appendices in this report. There are at least two methods for calculating the payments. Both methods start by calculating the net County cost to provide the service (total cost minus non County revenues, such as State aid and user fees). If a service were funded entirely by non-County revenue, then the net County cost is zero, so there is no basis for reimbursement since there is no tax duplication, and the County does not save any County taxes by not providing the service in the municipalities.

Method I calculates the amount of tax duplication directly. Method II calculates the net County cost per unit of service (such as road miles maintained) and multiplies by the number of units the municipality serves. Road cost will be used to illustrate.

Method I. Based on State law The County has always used some variation of method II, but method I is an option consistent with State law (see attachment, Tax Property Article, section 6-305). The State requires the County to meet [annually] with the municipalities. “After the meeting if it can be demonstrated that a municipal corporation performs services or programs instead of similar county services or programs, the governing body of the county shall grant a tax setoff to the municipal corporation.”

The “tax setoff” can be a lower property tax rate for the residents in the municipality or a payment from the County to the municipal corporation. The County has always given a payment, not a lower rate. State law does not specify how the counties should calculate the amount of reimbursement, but does say that “the governing body of the county shall consider:

- (1) the services and programs that are performed by the municipal corporation instead of similar county services and programs; and
- (2) the extent that the similar services and programs are funded by property tax revenues.”

The above section **specifies** that the municipality must perform the service to get a reimbursement, and **implies** that the amount of reimbursement is the portion of the County service that is funded by property taxes from residents in the municipalities. In FY06, property tax was 35% of General Fund taxes, so property tax funds 35% of the net County cost (Net County cost = Total County cost - non-County revenues, such as State and Federal aid, and user fees.)

In summary, to get a reimbursement or lower tax rate:

- The law says that the municipality must provide the service that the County does not provide (see §c on page 6).
- The law implies that the municipality and the County must fund the service partly by property tax revenues (see §d on page 6).

FY06 General Fund Revenue	Amount	% of total
Property tax	\$782,131,830	35.0%
County Income Tax	1,044,561,989	46.8%
Real Property Transfer Tax	145,478,479	6.5%
Energy Tax	117,381,196	5.3%
Recordation Tax	96,239,932	4.3%
Telephone Tax	29,176,263	1.3%
Hotel/Motel Tax	15,869,779	0.7%
Admissions Tax	2,365,311	0.1%
Total taxes	\$2,233,204,779	100.0%

So, if the County's net cost (total cost minus non-County revenues) to maintain one mile of road is \$5,000, then the property tax funded portion of that cost is \$1,750 (35% of \$5,000).

What is the rationale for municipal tax duplication payments,

and how much should the payments be?

1. Residents of municipalities pay a property tax to their municipality and also pay the General Fund property tax to the County. Property tax is the only duplicate tax, levied by both the County and by municipalities.
2. Most of the General Fund property tax that municipal residents pay to the County is used to fund services the County provides to the municipal residents, such as the public schools and the community college, fire and rescue services, health and human services, libraries, and police for most municipalities.
3. However, a small part of the General Fund property tax that municipal residents pay to the County is used to fund services the County does **not** provide to the residents, because the municipality provides the services. This portion of their payment to the County is a duplicate property tax payment. There are no other duplicate tax payments, so there is no rationale for reimbursing the portion of net County cost funded by other taxes.
4. Because the municipal residents are paying the County for some services the County does not provide to these residents, State law requires the County to do one of the following: **a)** set a lower General Fund property tax rate for the residents in a municipality; or **b)** reimburse the municipal government for the amount of property tax (the duplicate property tax).

5. Reimbursements are for services described in #3 above. The most expensive such service is maintaining roads. The amount of duplicate property tax to be reimbursed is calculated as follows (revenues and costs are in the General Fund):

- a. Determine the total cost the County incurs to provide the service (such as road maintenance) and subtract any **non**-County revenues, such as State aid and user fees, to get the net County cost. The net County cost is funded by **County** taxes. In FY06, the net County cost to maintain roads was \$13.5 million. (If the entire cost were funded by non-County revenues, there would be no funding from property taxes, no duplication, and no reimbursements.)
- b. Calculate property taxes as a percent of total taxes, which was 35% in FY06. This means that 35% of the net County cost of each service was funded by property taxes.
- c. Multiply the percent from **b** (property taxes as a percent of total taxes) by the net County cost from **a** to determine the amount of the net County cost which was funded by property taxes. 35% of \$13.5 million = \$4.7 million. (The \$8.8 million remainder of the net County cost was funded by the other County taxes.)
- d. Calculate General Fund property taxes from each municipality as a percent of total General Fund property taxes. **For example, if the residents of a municipality contribute 1% of total General Fund property taxes, then these residents paid for 1% of the net County cost of each General Fund service, whether the County provided the service to the municipality or not.**
- e. Calculate the duplicate property taxes: multiply the % from **d** by the amount from **c**.
1% of \$4.7 million = \$47,000. **This is the amount of General Fund property tax the residents of the municipality paid the County for a service the County did not provide, which is the amount the County should reimburse the municipality. It is the duplicate property tax payment.**
- f. Repeat a-e for each eligible service.

Method II. Based on County law (see attachment, Chapter 30A of the County Code). The County Code specifies the “Determination of amount of reimbursement. a) Subject to the provisions of section 30A-4, each participating municipality shall be reimbursed by an amount determined by the county executive to approximate the amount of municipal tax revenues required to fund the eligible services. b) The amount of reimbursement

shall be limited to the amount the county executive estimates the county would expend if it were providing the services.”

County calculation (©3). The County has not tried to determine “the amount of municipal tax revenues required to fund the eligible services.” This would require County staff to analyze in great detail the financial records of each municipality, which would be extremely difficult, and extremely time consuming. Instead, the County has tried to calculate the amount the County would spend if the County provided the service (since this is the limit/maximum, the County is not underpaying). **In other words, the amount of reimbursement is determined from the amount the County saves by not providing the service, which is the amount by which the County’s budget would increase if the County started providing the service.** However, if a municipality does not levy a property tax, the County does not reimburse for any costs, since there is no property tax duplication (this may be mixing method I with method II).

The County starts with the total cost, subtracts any non-County funding (such as State aid, Federal aid, and user fees) to get the net County cost. If a service were funded entirely by non-County revenue, then the net County cost is zero, so there is no basis for reimbursement since there is no tax duplication, and the County does not save any County taxes by not providing the service in the municipalities.

Using road maintenance as an example, the County then divides the net County cost by the number of road miles the County maintains to get the net County cost per mile, which is multiplied by the number of miles in each municipality. The result is our best estimate of “...the amount the county executive estimates the county would expend if it were providing the services.”

Variations Two variations for calculating the amount of reimbursements are:

1. Reduce the number calculated in the box above by the amount of income tax that funds the service (47% of the net County cost), since the municipalities already get an income tax payment of 17% of the County income tax paid by its residents. (In FY06, the municipalities’ share totaled \$28 million, see ©8.)
2. Reimburse only the property tax funded portion, which was 35% of the net County cost. Compared to variation 1, this variation reduces the number calculated in the box above by **all** other taxes, not just the income tax. If the County wanted to use this option, County staff recommend using method I above, which is a more direct way to measure property tax duplication.

Cost issues for both methods

1. Overhead One question is which items are included in the total costs, before deducting non-County funding? One way to think about this is to ask which costs would increase if the County had to maintain one more mile (or 10 or 100, etc.). The answer is clearly all materials, operating expenses, and labor directly associated with maintaining the road. Should any overhead costs should be included? The answer is that:

- overhead costs should be included if they would increase if the County had to maintain more miles; and
- overhead costs should **not** be included if they would **not** increase if the County had to maintain more miles.

With regard to costs in the Department of Public Works and Transportation, none of the costs associated with the director, deputy directors, or division chiefs should be included, because none of these costs would increase if the County took over maintenance of the municipal roads, none of these costs would increase. **These costs are fixed with respect to the number of miles maintained.**

The only overhead costs that should be included in calculating reimbursement are whatever such costs would increase if the County started maintaining more miles, which are the first line supervisors of the direct labor. The County **also** includes the supervisors of the first line supervisors. Including the two levels of supervision just mentioned might slightly overstate the costs, because the County might not create another depot in addition to the five existing depots, nor would the number of first line supervisors necessarily increase. However, the Department includes these costs in its accounting so the costs can be easily seen in the County's financial reports, and we see no reason to take these costs out.

2. Capital costs In calculating the FY08 reimbursement for road maintenance, OMB used the FY06 actual expenditures in FY06 for the four Capital Improvements Program projects listed below. The Clarksburg project should **not** have been used. Mr. Orlin identified several projects that **should** have been used, and will presumably be used in future years: Neighborhood Traffic Calming, Street Tree Preservation, and Guardrail Replacement.

Roadway Maintenance - Capital Improvement Program (CIP)	FY06 actual expenditure
Primary Arterial Resurfacing	\$6,802,537
Rural Residential Resurfacing	1,976,255
Clarksburg Area Rehabilitation	542,057
Sidewalk and Infrastructure (curb/gutter replacement)	3,852,318
Capital budget costs	\$13,173,167

Most of the expenditures are funded by County bonds, so the County spreads the cost over 20 years. However, the County uses the total cost shown above in calculating the FY06 road costs, which overstates the cash outflow in FY06: the total cost is 10 times the FY06 amount the County actually paid (the debt service payment, as shown on ©6).

For ease of presentation, assume the FY06 expenditures were \$10 million (instead of \$13.2 million), that the County finances that cost with 20 year bonds, makes equal principal payments each year, and that the interest rate is 5%. The term “debt service” means the payment of principal plus the payment of interest. The principal payment is the same each year and the interest payment decreases each year, so the debt service payment decreases, from \$1 million in the first year to \$525,000 in the last year. There are at least two ways that these capital costs can be accounted for in calculating municipal tax duplication payments.

1. The current method, which uses the total \$10 million cost in calculating the FY06 road costs. While the total cost is 10 times the FY06 payment of \$1 million (see attached spreadsheet), the County has incurred a \$10 million obligation, and the present value of all debt service payments is \$10 million, so this is an accurate measure of the County’s FY06 cost.
2. An alternative method would be to use the FY06 debt service payment of \$1 million, plus the comparable FY06 payment for the total cost financed in FY05, plus the comparable FY06 payment for the total cost financed in FY04, and so on for the previous 17 years. As can be easily imagined, this would be extremely tedious to do — the person doing the calculation would need to add 20 different amounts from 20 debt service schedules for multiple projects every year!

What we cannot do is to mix the two methods. We must choose one or the other. The municipal representatives have asked that some amount of interest be included, which we can do if we use method 2. However, we cannot add interest to method 1. If

we did this, we would presumably have 20 interest payments in each of the next 20 years starting in FY08, and the present value of these payments would be in addition to the \$10 million total cost we have already assumed, so the total present value would exceed the \$10 million total cost. This is clearly wrong, so we cannot include interest if we use method 1 (but we must include interest if we use method 2).

Office of Management and Budget Note Regarding Calculations for Appendices 10 through 16

From FY08-FY12, the Municipal Tax Duplication Payment has been flat-lined at the FY07 approved amount (FY08–FY10) or reduced due to County fiscal constraints (FY11-12). Although it ultimately was not used because the calculation yielded a lesser amount than FY07, FY08 was the last year in which the formula amount was recommended by the County Executive. The Task Force agreed to keep the FY09 and FY10 budgets at the FY07 approved amount since the Task Force Report was still in progress. In FY11 the County Council reduced that frozen level from previous years by 15 percent and kept that same amount in FY12 due to fiscal constraints (excludes Takoma Park Police services, which is being reviewed in a separate workgroup). Finally, for FY13 the Council approved a one-time increase which restored the difference between the five percent reduction the County Executive indicated to the municipalities in February 2010 and the fifteen percent that was budgeted as a result of County fiscal constraints in FY11.

Since FY08 was the last year the current formula was recommended (based on FY06 data), the Task Force used these numbers for the proposed revised tax duplication payments. Therefore, it would be easy to see the changes from the current formula to the proposed formulas.

The only change in data which significantly changes the amount of the Municipal Tax Duplication Payment under the proposed formulas is the reduction of the County's portion of State Highway User Revenue (HUR). For example, in FY12 the County received \$1.8 million in HUR and in previous years it received greater than \$40 million (2,293 road miles to maintain). However, the municipalities received \$1.6 million in FY12 (350.6 road miles to maintain).

The County HUR was reduced from the road maintenance calculation (proposed at different levels by OMB and the municipalities), this would increase the municipalities' recommended proposed formula amount by \$2,824,922 (from \$7,774,296 to \$10,599,218 if there was no HUR in FY06). However, this would keep the OMB recommended amount the same since OMB recommends that the payment equal the duplicated property tax portion of the formula amount plus an additional amount to hold the municipalities harmless.

In the event that the County HUR is restored by the State, the County representatives recommend that the HUR reduction remain in the road maintenance formula.

Appendix 10: Options for the Municipal Tax Duplication Payment

	B	C	D	E	F	G	H
2	Options for MTD Payment*						
3							
4		OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6
5	Municipality	Current	FY07 - 09	OMB HUR	35% of	Municipality	35% of
6		Formula	Approved	Adjustment**	Option 3	Recommendation***	Option 5
7			Budget				
8	Barnesville	0	0	0	0	0	0
9	Brookeville	6,229	7,158	4,716	1,652	7,382	2,585
10	Chevy Chase, Sec. III	28,629	32,322	19,406	6,796	30,019	10,514
11	Chevy Chase, Sec. V	17,796	0	13,476	4,720	21,091	7,387
12	Chevy Chase View	37,817	43,460	28,635	10,029	44,818	15,696
13	Chevy Chase Village	92,096	105,837	95,604	33,483	135,012	47,285
14	Town of Chevy Chase	121,026	137,187	89,852	31,469	137,066	48,004
15	Drummond	4,227	4,857	3,200	1,121	5,009	1,754
16	Friendship Heights	87,181	86,993	32,357	11,332	36,260	12,699
17	Gaithersburg	1,100,093	1,230,181	874,871	306,405	1,293,463	453,007
18	Garrett Park	44,380	50,106	46,706	16,358	65,696	23,008
19	Glen Echo	19,020	21,858	14,467	5,067	22,606	7,917
20	Kensington	134,093	144,800	107,731	37,731	146,616	51,349
21	Laytonsville	11,901	13,677	9,012	3,156	14,104	4,940
22	Martin's Additions	24,581	28,249	18,613	6,519	29,131	10,203
23	North Chevy Chase	21,912	25,181	16,592	5,811	25,968	9,095
24	Oakmont	3,003	3,451	2,274	796	3,559	1,246
25	Poolesville	192,979	221,771	146,125	51,177	228,701	80,098
26	Rockville	2,099,406	2,228,449	1,735,982	607,990	2,469,791	864,991
27	Somerset	48,994	55,335	52,396	18,350	72,576	25,418
28	Takoma Park	687,020	910,333	581,923	203,806	747,218	261,697
29	Washington Grove	41,154	47,294	31,162	10,914	48,772	17,081
30	TOTAL	4,823,537	5,398,499	3,925,101	1,374,682	5,584,855	1,955,975
31							
32							
33	*All options use FY06 actuals as the basis. Excludes the Takoma Park Police MOU payment and miscellaneous adjustments.						
34							
35	**Although both County Task Force Recommended formulas (3 and 4) are less than the previous approved budget, the County Task Force recommends adding an additional payment to keep the municipalities at the Approved Budget level. The County's Option # 3 accounts for all applicable road operating costs using Highway User Revenue (HUR); Option #4 is the property tax portion of that amount.						
36							
37							
38	***Does not include a property tax portion and an additional payment; it's just the total amount the County saves for all General Fund revenues, using 50% HUR for the road maintenance formula.						
39							
40							
41	Note: 35% is the percent of property taxes within the County's entire FY06 General Fund tax revenues.						

Appendix 11: Current Master Spreadsheet

FY08 Municipal Tax Duplication Payment Summary																		
Municipality	Local Road Miles *	Tax-Supt Road Reimb.	Takoma Park		Rockville		Board of Appeals	Hearing Examiner	Elderly Services	Park Maint.	Human Relations Com.	Animal Control	Total Other** Services	NDA FY08 Rec. Appropriation	Other*** Misc. Adjustments	Net FY08 Formula Payment	FY07, FY08 & FY09 Approved	Percent Change
			Police	Crossing Guards	Metro Access													
Barnesville	0.00	0											0	\$ -	\$ -	\$ -	\$ -	-13.0%
Brookville	0.56	6,229											0	\$ 6,229	\$ -	\$ 6,229	\$ 7,158	-13.0%
Chevy Chase, Sec. III	2.23	24,804							3,825				3,825	\$ 28,629	\$ -	\$ 28,629	\$ 32,322	-11.4%
Chevy Chase, Sec. V	1.60	17,796											0	\$ 17,796	0	\$ -	\$ -	0.0%
Chevy Chase View	3.40	37,817											0	\$ 37,817	\$ -	\$ 37,817	\$ 43,460	-13.0%
Chevy Chase Village	8.28	92,096											0	\$ 92,096	\$ -	\$ 92,096	\$ 105,837	-13.0%
Town of Chevy Chase	9.92	110,337					511	1,013	9,165		0	10,689	\$ 121,026	\$ -	\$ 121,026	\$ 137,187	-11.8%	
Drummond	0.38	4,227										0	0	\$ 4,227	\$ -	\$ 4,227	\$ 4,857	-13.0%
Friendship Heights	0.82	9,121										78,060	\$ 87,181	\$ -	\$ 87,181	\$ 86,993	0.2%	
Gaithersburg	87.95	987,412							6,112	71,948		63,926	112,681	\$ 1,100,093	\$ -	\$ 1,100,093	\$ 1,230,181	-10.6%
Garrett Park	3.99	44,380							48,755			0	0	\$ 44,380	\$ -	\$ 44,380	\$ 50,106	-11.4%
Glen Echo	1.71	19,020										0	0	\$ 19,020	\$ -	\$ 19,020	\$ 21,858	-13.0%
Kensington	8.17	98,208							35,885			35,885	\$ 134,093	\$ -	\$ 134,093	\$ 144,800	-7.4%	
Laytonville	1.07	11,901										0	0	\$ 11,901	\$ -	\$ 11,901	\$ 13,677	-13.0%
Martin's Additions	2.21	24,581										0	0	\$ 24,581	\$ -	\$ 24,581	\$ 28,249	-13.0%
North Chevy Chase	1.97	21,912										0	0	\$ 21,912	\$ -	\$ 21,912	\$ 25,181	-13.0%
Oakmont	0.27	3,003										0	0	\$ 3,003	\$ -	\$ 3,003	\$ 3,451	-13.0%
Poolesville	17.35	192,979										0	0	\$ 192,979	\$ -	\$ 192,979	\$ 221,771	-13.0%
Rockville	154.18	1,867,039							49,681		133,005	49,681	232,367	\$ 2,099,406	\$ -	\$ 2,099,406	\$ 2,228,449	-5.8%
Somerset	4.24	48,994										0	0	\$ 48,994	\$ -	\$ 48,994	\$ 55,335	-11.5%
Takoma Park****	34.73	389,959	2,089,736	174,693					72,368			2,336,797	\$ 2,726,756	\$ (50,000)	\$ 2,676,756	\$ 3,000,069	-9.1%	
Washington Grove	3.70	41,154										0	0	\$ 41,154	\$ -	\$ 41,154	\$ 47,294	-13.0%
TOTAL	348.73	\$ 4,052,969	\$ 2,089,736	\$ 174,693	\$ -	\$ 511	\$ 1,013	\$ 104,548	\$ 193,191	\$ 133,005	\$ 113,607	\$ 2,810,304	\$ 6,863,273	\$ (50,000)	\$ 6,795,477	\$ 7,488,240	-8.3%	
Source of Data - State Highway Administration of Maryland FY06 Recapitulation of Urban and Rural Mileage County Miles and actual FY06 DPWT expenditures for comprehensive roadway maintenance.																		
FY08 Rec Appropriation \$ 6,863,273																		
FY07 Approved NDA \$ 7,488,240																		
Change FY07 to FY08 \$ (624,967)																		
Per Finance appropriation must include \$50K TP repay (not net)																		

****Other** include: Takoma Park Police Crossing Guards, elderly transport services and code enforcement

*****Other Misc. Adjustment include reductions where MTD payment exceeds amount of property tax raised by municipalities btd (1/19/07/gb)

Other adjustment of \$50,000 reflects County loan to Takoma Park for the revitalization of the Pinecrest area.

Repayments of \$50,000 per year are due starting in FY01 through 08, with \$55,000 due in FY09.

*****Takoma Park Police payment is based on the old MOU.

Appendix 12: OMB Recommendation Master Spreadsheet

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
2	OMB Recommended Municipal Tax Duplication Payment Summary																		
3																			
4	Municipality	Animal Control	Board of Appeals	Crossing Guards	Elderly Services	Hearing Examiner	Human Rights	Park Maint	Road Related	County Saves TOTAL	Duplicated Prop. Tax* At 35%	FY07 - 09 Hold Harmless	Add'l Payment Permitted M-L	SUBTOTAL L + N	Takoma Park Adjustments**	Misc. Adjustments***	New Formula Payments	Prev. Formula Payments	Change
5																			
6																			
7	Barnesville								0	0	0	0	0	0		0	0	0	0
8	Brookville								4,716	4,716	1,652	7,158	5,506	7,158		0	7,158	6,229	929
9	Chevy Chase, Sec. III							624	18,782	19,406	6,796	32,322	25,526	32,322		0	32,322	28,629	3,693
10	Chevy Chase, Sec. V***								13,476	13,476	4,720	0	-4,720	0		0	0	0	0
11	Chevy Chase View								28,635	28,635	10,029	43,460	33,431	43,460		0	43,460	37,817	5,643
12	Chevy Chase Village							25,968	69,736	95,604	33,483	105,837	72,354	105,837		0	105,837	92,096	13,741
13	Town of Chevy Chase		520			1,030		4,754	83,548	89,852	31,469	137,187	105,718	137,187		0	137,187	121,026	16,161
14	Drummond								3,200	3,200	1,121	4,857	3,736	4,857		0	4,857	4,227	630
15	Friendship Heights							19,339	6,906	32,357	11,332	86,993	75,661	86,993		0	86,993	87,181	(188)
16	Gaithersburg	63,926				48,755			762,190	874,871	306,405	1,230,181	923,776	1,230,181		0	1,230,181	1,100,093	130,088
17	Garrett Park							13,101	33,965	46,706	16,358	50,106	33,748	50,106		0	50,106	44,380	5,726
18	Green Echo							65	14,402	14,467	5,067	21,858	16,791	21,858		0	21,858	19,020	2,838
19	Kensington							26,047	81,684	107,731	37,731	144,800	107,069	144,800		0	144,800	134,093	10,707
20	Laytonville								9,012	9,012	3,156	13,677	10,521	13,677		0	13,677	11,901	1,776
21	Marlin's Additions								18,613	18,613	6,519	28,249	21,730	28,249		0	28,249	24,581	3,668
22	North Chevy Chase								16,592	16,592	5,811	25,181	19,370	25,181		0	25,181	21,912	3,269
23	Oakmont								2,274	2,274	796	3,451	2,655	3,451		0	3,451	3,003	448
24	Prolesville								146,125	146,125	51,177	221,771	170,594	221,771		0	221,771	192,979	28,792
25	Rockville	65,139				49,081		133,301	1,487,861	1,735,982	607,990	2,228,449	1,630,459	2,228,449		0	2,228,449	2,099,406	129,043
26	Somersel							12,394	40,002	52,396	18,350	55,335	36,985	55,335		0	55,335	48,994	6,341
27	Takoma Park							106,144	301,086	581,923	203,806	910,333	706,527	910,333		0	910,333	869,769	42,564
28	Washington Grove								31,162	31,162	10,914	47,294	36,380	47,294		0	47,294	41,154	6,140
29	TOTAL	129,085	520	174,693	104,548	1,030	133,301	208,336	3,173,608	3,925,101	1,374,682	5,398,499	4,023,817	5,398,499	2,189,436	0	7,587,940	6,795,477	792,463
30																			
31																			
32	Note: The above calculations are derived from FY08 actuals. The Municipal Tax Duplication Payment of \$7,489,240 has been the same amount for FY07, FY08, and FY09. The formula amount for FY08 was less than FY07 by \$543K, so the County kept the amount at the FY07 level. Since the Task Force's report was not completed for the FY09 budget process, the Executive & Council recommended the same amount as the previous two years.																		
33																			
34																			
35	According to State law (Tax-Property Article, Section 6-305), if duplicative services exist, the reimbursing counties must either impose a real property tax rate differential or make a tax rebate payment to the municipal corporation. Therefore, the "Duplicated Prop. Tax" shows only the property tax portion of the payments, required by State law. This was calculated by multiplying the FY06 percentage of property taxes within all General Fund Revenues (35%) times the total amount the County saves if it were to provide the same services as the municipalities. The "Add'l Payment Permitted" is the amount in addition to the property tax duplication payment that the County law permits, but is not required to pay the municipalities.																		
36																			
37																			
38																			
39	Includes the Takoma Park Police MOU payment (\$2,089,736), the recreation payment for New Hampshire Avenue (\$140,700), and the repayment to the County for the realization of the Precinct area (-\$50,000) for a total of \$2,189,436. FY09 will be the last year for Precinct payment; it was only included for comparison purposes. The Police MOU is currently being renegotiated and the amount used in the formula is from the current agreement.																		
40																			
41																			
42	***Miscellaneous adjustments include reductions where MTD payment exceeds amount of property tax raised by municipalities.																		
43																			
44	****Chevy Chase Section 5 does not charge property taxes and therefore receives no tax duplication payment.																		
45																			
46																			

Appendix 13: Municipal Recommendation Master Spreadsheet

Municipalities' Recommended Municipal Tax Duplication Payment Summary															
	B	C	D	E	F	G	H	I	J	K	O	P	Q	R	S
	Municipality	Animal Control	Board of Appeals	Crossing Guards	Elderly Services	Hearing Examiner	Human Rights	Park Maint.	Road Related	County Saves SUBTOTAL	Takoma Park Adjustments*	Misc. Adjustments**	New Formula Payments	Prev. Formula Payments	Change
													TOTAL		
7	Barnesville								0	0		0	0	0	0
8	Brookville							624	7,382	7,382		0	7,382	6,229	1,153
9	Chevy Chase, Sec. III								29,395	30,019		0	30,019	28,629	1,390
10	Chevy Chase, Sec. V**								21,091	21,091		0	21,091	0	21,091
11	Chevy Chase View								44,818	44,818		0	44,818	37,817	7,001
12	Chevy Chase Village							25,868	109,144	135,012		0	135,012	92,066	42,946
13	Town of Chevy Chase		520			1,030		4,754	130,762	137,066		0	137,066	121,026	16,040
14	Drummond								5,009	5,009		0	5,009	4,227	782
15	Friendship Heights				6,112			19,339	10,809	36,260		0	36,260	87,181	(50,921)
16	Gaithersburg	63,926			48,755				1,180,782	1,293,463		0	1,293,463	1,100,093	193,370
17	Garrett Park							13,101	52,595	65,696		0	65,696	44,380	21,316
18	Glen Echo							65	22,541	22,606		0	22,606	19,020	3,586
19	Kensington							26,047	120,569	146,616		0	146,616	134,093	12,523
20	Laytonsville								14,104	14,104		0	14,104	11,901	2,203
21	Martin's Additions								29,131	29,131		0	29,131	24,581	4,550
22	North Chevy Chase								25,968	25,968		0	25,968	21,912	4,056
23	Oakmont								3,559	3,559		0	3,559	3,003	556
24	Poolesville								228,701	228,701		0	228,701	192,979	35,722
25	Rockville	65,139			49,681		133,301		2,221,670	2,469,791		0	2,469,791	2,099,406	370,385
26	Somerset							12,394	60,182	72,576		0	72,576	48,994	23,582
27	Takoma Park			174,693				106,144	466,381	747,218	2,189,436	0	2,936,654	2,676,756	259,898
28	Washington Grove								48,772	48,772		0	48,772	41,154	7,618
29	TOTAL	129,065	520	174,693	104,548	1,030	133,301	208,336	4,833,362	5,584,855	2,189,436	0	7,774,296	6,795,477	978,814
30															
31															
32	Note: The above calculations are derived from FY06 actuals. The Municipal Tax Duplication Payment of \$7,488,240 has been the same amount for FY07, FY08, and FY09. The formula amount for FY08 was less than FY07 by \$643K, so the County kept the amount at the FY07 level. The Task Force recommended that the FY07 level be used again for FY09.														
33															
34															
35	**Includes the Takoma Park Police MOU payment (\$2,089,736), the recreation payment for New Hampshire Avenue (\$149,700), and the repayment to the County for the revitalization of the Pinecrest area (-\$50,000) for a total of \$2,189,436. FY09 will be the last year for the Pinecrest payment; it was only included for comparison purposes. The Police MOU is currently being renegotiated and the amount used in the formula is from the current agreement.														
36															
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38															
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40															
41															
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Appendix 14: Current Road Maintenance Payment Formula

	A	B	C	D	E	F	G	H	I	J	K	N	O
	FY08 Road Maintenance Payments												
	Municipality	# Road Miles*	Payment Miles \$19,202	# of traffic signals	Traffic signal Energy \$2,366	# Traffic sig's Maintained**	Traffic signal Maint cost \$2,829	# of beacons	Maint/Energy per beacon \$319	# of bridges	Bridge Payment \$3,166	SUB TOTAL	Tax Supported Payment 57.92% of Total Expend
7	Barnesville	0.00	0	0	0	0	0	0	0	0	0	0	0
8	Brookville	0.56	10,753	0	0	0	0	0	0	0	0	10,753	6,229
9	Chevy Chase, Sec. III	2.23	42,820	0	0	0	0	0	0	0	0	42,820	24,804
10	Chevy Chase, Sec. V	1.60	30,723	0	0	0	0	0	0	0	0	30,723	17,796
11	Chevy Chase View	3.40	65,287	0	0	0	0	0	0	0	0	65,287	37,817
12	Chevy Chase Village	8.28	158,993	0	0	0	0	0	0	0	0	158,993	92,096
13	Town of Chevy Chase	9.92	190,484	0	0	0	0	0	0	0	0	190,484	110,337
14	Drummond	0.38	7,297	0	0	0	0	0	0	0	0	7,297	4,227
15	Friendship Heights	0.82	15,746	0	0	0	0	0	0	0	0	15,746	9,121
16	Gaithersburg	87.95	1,688,817	0	0	0	0	0	0	5	15,830	1,704,647	987,412
17	Garrett Park	3.99	76,616	0	0	0	0	0	0	0	0	76,616	44,380
18	Glen Echo	1.71	32,835	0	0	0	0	0	0	0	0	32,835	19,020
19	Kensington	8.17	156,880	0	0	0	0	0	0	4	12,664	169,544	98,208
20	Laytonsville	1.07	20,546	0	0	0	0	0	0	0	0	20,546	11,901
21	Martin's Addition	2.21	42,436	0	0	0	0	0	0	0	0	42,436	24,581
22	North Chevy Chase	1.97	37,828	0	0	0	0	0	0	0	0	37,828	21,912
23	Oakmont	0.27	5,185	0	0	0	0	0	0	0	0	5,185	3,003
24	Poolesville	17.35	333,155	0	0	0	0	0	0	0	0	333,155	192,979
25	Rockville	154.18	2,960,567	39	92,257	45	127,320	6	1,915	13	41,158	3,223,217	1,867,039
26	Somerset	4.24	81,417	0	0	0	0	0	0	1	3,166	84,583	48,994
27	Takoma Park	34.73	666,886	0	0	0	0	0	0	2	6,332	673,218	389,959
28	Washington Grove	3.70	71,047	0	0	0	0	0	0	0	0	71,047	41,154
29	TOTAL	348.73	6,696,319	39	92,257	45	127,320	6	1,915	25	79,150	6,996,961	4,052,969
30													
31													
32	**Per Enad Elhasel (240-314-8508, VMX 12/22/06), the City of Rockville owns/maintains 39 signals and 6 beacons. The City also maintains 6 additional signals which are owned by MSHA.												
33	**Per B. Mangum and O. Mumpower (301-258-6370) Gaithersburg does not own/maintain traffic signals.												
34	Recapitulation of Urban and Rural Mileage by County Report as of December 31, 2005, (available June 20, 2006).												

	A	B	D
1			
2	Ratio of HUR to County Expenditures (HUR Ratio)		
3	FY06 Actual Expenditures and Revenues for FY08 payment		
4			
5	Tax Supported Expenditures:		
6	1) DPWT Tax-Supported Operating Expenditures	\$42,453,617	
7			
8	2) Debt Service for CIP projects	\$48,415,800	
9	Subtotal Expenditures	\$90,869,417	
10	Offsetting County Revenue:		
11	3) LESS: Other Revenue Sources (Grants, fees, and charges)*	\$0	
12	SHA payment to County for maintenance of Traffic Signals	(\$642,859)	
13	DPWT Service Fees	(\$133,530)	
15	Storm Drainage Maintenance	(\$3,049,616)	
16	Subtotal Offsetting Revenues	(\$3,826,005)	
17			
18	4) TOTAL Tax Supported Expenditures	\$87,043,412	
19			
20	5) SHA - Highway User Revenues	\$36,623,789	
21			
22	Ratio of HUR to County Expenditures (HUR Ratio)	42.08%	
23			
24	*Debt Service Operating expense may be for all Transportation Related Roads and Storm Drains		
25	**1996 MOU references various revenues - item needs to be updated		
26			
27			
28			
29			
30			
31	County Expenditures for Roadway Maintenance (Actual FY06 Expend. for Cal of FY08 MTD Payments)		
32	Total County Expenditures on Comprehensive Roadway Maintenance		\$50,098,057
33	Total County Miles (Mileage Determined by SHA for County and Municipalities)		2,609
34	Per Mile County Expenditures on Comprehensive Roadway Maintenance		\$19,202
35	Breakdown of Comprehensive Roadway Maintenance Expenditures	AMOUNT	Cost Per Mile
36	Roadway Maintenance - Operating Budget -	\$18,733,045	\$7,180
37	Road Patching (all types of asphalt repairs)	\$8,783,401	
38	Roadside Maintenance (i.e. shoulder maintenance, litter pickup, etc)	\$1,813,423	
39	Maintenance and Cleaning of Storm Drains	\$2,723,525	
40	Mowing	\$779,682	
41	Tree Maintenance	\$2,837,462	
42	Maintenance of Curbs, gutters and sidewalks	\$396,886	
43	Resurfacing - Micro Seal portion	\$1,398,666	
44			
45	Roadway Maintenance - Capital Improvement Program (CIP)	\$13,173,167	\$5,049
46	Primary Arterial Resurfacing CIP No.508527	\$6,802,537	
47	Rural Residential Resurfacing CIP No.500511	\$1,976,255	
48	Clarksburg Area Rehabilitation CIP No.500711	\$542,057	
49	Sidewalk and Infrastructure (curb/gutter replacement) CIP No.508182	\$3,852,318	
50			
51	Other Items Reimbursed on a per mile Basis	\$18,191,845	
52	Snow Removal and Wind and Storm Damage Clean-up	\$9,783,162	\$3,750
53			
54	Traffic Signs and Pavement Marking	\$1,884,300	\$722
55	Energy Costs for Streetlighting	\$5,510,224	\$2,112
56	Streetlighting Maintenance (Operating and CIP Project No. 507055)	\$1,014,159	\$389
57	Total	\$50,098,057	\$19,202
58	Expenditures for Other Roadway Components (Reimb. to Selected Municipalities)	\$4,204,814	Unit Cost
59	Beacon Maintenance & Energy (assumes 214 beacons): Cost per Beacon	\$68,310	\$319
60	747 Traffic Signals - Maintenance (Operating and CIP Project No. 507154): Cost per Signal	\$2,113,514	\$2,829
61	747 Traffic Signals - Energy (Operating) Cost per Signal	\$1,767,084	\$2,366
62	Bridge Maintenance (maintenance is funded in the CIP projects below): Cost per bridge	\$324,216	\$3,166
63	Bridge Renovation (CIP No. 509753 GO. Bond funded Portion)		
64	Bridge Preservation (CIP No. 500315)		
65	TOTAL ROADWAY MAINTENANCE AND OTHER COMPONENTS	\$54,302,871	

Appendix 15: OMB Recommendation to Simplify the Current Road Maintenance Payment Formula

	A	B	C	D	E
1	OMB Recommended - County Expenditures for Road Maintenance				
2	(Actual FY06 Expenditures used to calculate FY06 MTD Payments)				
3	(The calculations are used to determine the payment to each municipality, located on the "Road Related Maintenance Reimbursement")				
4					
5	Item	Costs	Sources/Calculations	Task Force Changes	
6	I. Road Maintenance				
7	A. Operating Budget				
8	Road Patching (all types of asphalt repairs)	\$8,783,401	FAMIS		
9	Roadside Maintenance (i.e. shoulder maintenance, litter pickup, etc)	1,813,423	FAMIS		
10	Maintenance and Cleaning of Storm Drains	2,723,525	FAMIS		
11	Mowing	779,682	FAMIS		
12	Tree Maintenance	2,837,462	FAMIS		
13	Maintenance of Curbs, gutters and sidewalks	396,886	FAMIS		Removed encumbrances and County facilities' maintenance.
14	Resurfacing - Micro Seal portion	1,398,665	FAMIS		
15	Snow Removal and Wind and Storm Damage Clean-up	8,213,203	FAMIS		
16	Traffic Signs and Pavement Marking	1,741,921	FAMIS		Removed encumbrances.
17	Operating budget costs	\$28,688,168	Sum of B8-16		
18					
19	B. Capital Improvement Program (CIP)				
20	Primary Arterial Resurfacing CIP No.508527	\$6,803,278	FAMIS		
21	Rural Residential Resurfacing CIP No.500511	1,976,255	FAMIS		
22	Clarksburg Area Rehabilitation CIP No.500711	542,057	FAMIS		
23	Sidewalk and Infrastructure (curb/gutter replacement) CIP No.508182	3,852,318	FAMIS		
24	Capital budget costs	\$13,173,908	Sum of B20-23		
25					
26	Total road cost, operating + capital	\$41,862,076	B17 + B26		
27					
28	II. Streetlights				
29	A. Operating Budget				
30	Utilities	5,510,224	FAMIS		Removed encumbrances.
31	Personnel and operating costs	382,691	FAMIS		
32	Operating budget costs	5,892,915	Sum of B30-31		Previous amount was the budget amount and not the actuals. Took the percentage of amount budgeted for knockdown replacement and multiplied it by the expenditures.
33					
34	B. Capital budget				
35	Maintenance CIP Project No. 507055	354,754	FAMIS		
36	Total Streetlighting cost, operating + capital	\$6,247,669	B32 + B35		
37					
38	III. Road costs + Streetlights costs	\$48,109,745	B26 + B36		Includes operating budget costs, excluding utilities (not in DOT's budget).
39	Less State aid from highway user revenues	-29,070,859	CAFR, Exhibit A-7		
40	Equals net cost to County	\$19,038,886	B38 - B39		
41					
42	County-maintained miles (does not include miles maintained by municipalities)	2,261	SHA, Table HPS-60A		Updated the miles (previous amount included municipality maintained miles).
43	Net cost to County per mile	\$8,422	B40/B43		
44	Municipalities maintained miles	348.73	SHA, Table HPS-60		
45	Net cost County saves	\$2,937,073	B43 x B44		
46					
47	IIIA Separate road costs from streetlight costs				
48	Total road cost, operating + capital (from above)	\$41,862,076	B26		
49	Total Streetlighting cost, operating + capital (from above)	\$6,247,669	B36		
50	Total, roads + streetlights	\$48,109,745	Sum of B48-49		
51					
52	% road	87.0%	B48/B50		
53	% streetlights	13.0%	B49/B50		
54					
55	Net road + streetlight cost the County saves (from above)	\$2,937,073	B45		
56	Road cost, using % from above	\$2,555,657	B52 x B55		The municipalities requested that the streetlight costs are reimbursed separately from the other road costs.
57	Streetlight cost, using % from above	\$381,417	B53 x B55		
58					
59					

...continued on next page...

	A	B	C	D	E
1	OMB Recommended - County Expenditures for Road Maintenance				
60	IV. Traffic Signal Maintenance Calculation (City of Rockville only)				
61					
62	Traffic Signal Maintenance Operating and CIP Cost				
63	Maintenance Operating Budget	\$274,293	FAMIS		Updated to include beacon maintenance.
64	Electricity Operating Budget	\$1,807,432	FAMIS		
65	Maintenance CIP Project No. 507154	\$1,851,600	FAMIS		
66	Traffic Signal Program cost	\$3,933,325	Sum of B63-65		Percentage of maintenance budgeted was multiplied by the actual expenditures.
67	Less SHA payment for maintenance	-642,859	DPWT Revenue Summary		
68	Equals net cost to County	\$3,290,466	B66 - B 67		
69					
70	Number of signals	747	CAFR, Table 26		
71	Number of beacons	214	DPWT		
72	Total Signals and Beacons	961	Sum of B70-71		Removed encumbrances.
73					
74	Net cost to County per signal/beacon	\$3,424	B68/B72		
75	Number of Traffic Signals & Beacons in Rockville	39	City of Rockville		Removed encumbrances.
76	Net cost County saves because Rockville maintains its traffic signals	\$133,536	B74 x B75		
77					
78	V. Bridge Maintenance				
79	Bridge Maintenance Operating and CIP Cost				
80	Maintenance Operating Budget	\$7,718	FAMIS		Updated the number of bridges, based on DOT's biennial bridge inventory from 2005, released in the fall of 2006. Will use the inventory from now on, since the number of bridges is a moving target.
81	Bridge Renovation CIP No.509753 (bond-funded portion)	\$536,502	FAMIS		
82	Bridge Preservation CIP No.500315	\$653,135	FAMIS		
83	Bridge Maintenance Program cost	\$1,197,355	Sum of B80-82		
84					
85	Total County bridges	279	DPWT 2005 Bridge Inventory		
86	Net cost to County per bridge	\$4,292	B83/B85		
87	Municipalities maintained bridges	24	DPWT 2005 Bridge Inventory		
88	Net cost County saves	\$102,998	B86 x B87		
89					
90	VI. Net cost County saves for roads, streetlights, signals, and bridges				
91	Roads	2,555,657	B56		
92	Streetlights	381,417	B57		
93	Signals	133,536	B76		
94	Bridges	102,998	B88		
95	TOTAL	3,173,608	Sum of B91-94		
99					
112	FYI - This is the FY08 amount based on the formula. The Executive and Council		4,052,969		
113	decided to reimburse the same amount in FY08 as in FY07 because the formula				
114	amount was lower.				

Appendix 16: Municipal Recommendation to Simplify the Current Road Maintenance Payment Formula

	A	B	C	D	E
1	Municipality-Recommended - County Expenditures for Road Maintenance				
2	Actual FY06 Expenditures used to calculate FY08 MTD Payments)				
3	The calculations are used to determine the payment to each municipality, located on the "Road Related Maintenance Reimbursement"				
4					
5	Item	Costs	Sources/Calculations	Task Force Changes	
6	I. Road Maintenance				
7	A. Operating Budget				
8	Road Patching (all types of asphalt repairs)	\$8,783,401	FAMIS		
9	Roadside Maintenance (i.e. shoulder maintenance, litter pickup, etc)	1,813,423	FAMIS		
10	Maintenance and Cleaning of Storm Drains	2,723,525	FAMIS		
11	Mowing	779,682	FAMIS		
12	Tree Maintenance	2,837,462	FAMIS		
13	Maintenance of Curbs, gutters and sidewalks	396,886	FAMIS	Removed encumbrances and County facilities' maintenance.	
14	Resurfacing - Micro Seal portion	1,398,665	FAMIS		
15	Snow Removal and Wind and Storm Damage Clean-up	8,213,203	FAMIS		
16	Traffic Signs and Pavement Marking	1,741,921	FAMIS	Removed encumbrances.	
17	Operating budget costs	\$28,688,168	Sum of B8-16		
18					
19	B. Capital Improvement Program (CIP)				
20	Primary Arterial Resurfacing CIP No.508527	\$6,803,278	FAMIS		
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23	Sidewalk and Infrastructure (curb/gutter replacement) CIP No.508182	3,852,318	FAMIS		
24	Capital budget costs	\$13,173,908	Sum of B20-23		
25					
26	Total road cost, operating + capital	\$41,862,076	B17 + B26		
27					
28	II. Streetlights				
29	A. Operating Budget				
30	Utilities	5,510,224	FAMIS	Removed encumbrances.	
31	Personnel and operating costs	382,691	FAMIS		
32	Operating budget costs	5,892,915	Sum of B30-31	Previous amount was the budget amount and not the actuals. Took the percentage of amount budgeted for knockdown replacement and multiplied it by the expenditures.	
33					
34	B. Capital budget				
35	Maintenance CIP Project No. 507055	354,754	FAMIS		
36	Total Streetlighting cost, operating + capital	\$6,247,669	B32 + B35		
37					
38	III. Road costs + Streetlights costs	\$48,109,745	B26 + B36		
39	Less State aid from highway user revenues (@ 50%)	-18,311,895	CAFR, Exhibit A-7		
40	Equals net cost to County	\$29,797,851	B38 - B39		
41					
42	County-maintained miles (does not include miles maintained by municipalities)	2,261	SHA, Table HPS-60A	Updated the miles (previous amount included municipality maintained miles).	
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50	Total, roads + streetlights	\$48,109,745	Sum of B48-49		
51					
52	% road	87.0%	B48/B50		
53	% streetlights	13.0%	B49/B50		
54					
55	Net road + streetlight cost the County saves (from above)	\$4,596,828	B45		
56	Road cost, using % from above	\$3,999,870	B52 x B55	The municipalities requested that the streetlight costs are reimbursed separately from the other road costs.	
57	Streetlight cost, using % from above	\$596,957	B53 x B55		
58					
59					

...continued on next page...

	A	B	C	D	E
1	Municipality-Recommended - County Expenditures for Road Maintenance				
60	IV. Traffic Signal Maintenance Calculation (City of Rockville only)				
61					Updated to include beacon maintenance.
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67	Less SHA payment for maintenance	-642,859	DPWT Revenue Summary		
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73					
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75	Number of Traffic Signals & Beacons in Rockville	39	City of Rockville		
76	Net cost County saves because Rockville maintains its traffic signals	\$133,536	B74 x B75		Removed encumbrances.
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78	V. Bridge Maintenance				
79	Bridge Maintenance Operating and CIP Cost				
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83	Bridge Maintenance Program cost	\$1,197,355	Sum of B80-82		
84					
85	Total County bridges	279	DPWT 2005 Bridge Inventory		
86	Net cost to County per bridge	\$4,292	B83/B85		
87	Municipalities maintained bridges	24	DPWT 2005 Bridge Inventory		
88	Net cost County saves	\$102,998	B86 x B87		
89					
90	VI. Net cost County saves for roads, streetlights, signals, and bridges				
91	Roads	3,999,870	B56		
92	Streetlights	596,957	B57		
93	Signals	133,536	B76		
94	Bridges	102,998	B88		
95	TOTAL	4,833,362	Sum of B91-94		
99					
112	FYI - This is the FY08 amount based on the formula. The Executive and		4,052,969		
113	Council decided to reimburse the same amount in FY08 as in FY07 because				
114	the formula amount was lower.				

Appendix 17: Memo from County OMB Director regarding the
Road Maintenance Payment

M E M O R A N D U M

October 23, 2008

TO: Kathleen Boucher, Assistant Chief Administrative Officer

FROM: Joseph F. Beach, Director
Office of Management and Budget

SUBJECT: Treatment of Highway User Revenue in Municipal Tax Duplication

As discussed, I have reviewed the proposed formula change for the Road Related portion of the Municipal Tax duplication (MTD) formula and I believe the one change needs to be made. This change would be to the treatment of State Highway User Revenue which under the proposed formula would be reduced by 50% before calculating the net cost to the County of road related expenditures. This treatment would be inconsistent with how the County budgets for transportation related expenditures.

As the attached excerpt from the Approved FY09 Operating Budget for the Department of Transportation indicates, all Highway User Revenues are budgeted to pay for the general fund costs of the Department of Transportation. The total budget for DOT in FY09 is \$48,747,030 and estimated Highway User Revenues are \$39,672,000 for this year. Therefore, the road maintenance costs and the streetlight personnel and operating costs that are budgeted within the DOT general fund are entirely paid for by the State Highway User Revenue and should be deducted from the total road and streetlight costs to arrive at the net cost to the County which is the basis for calculating net cost to County for per mile road/streetlight maintenance costs.

JFB:df

Attachment

c: Alex Espinosa, Office of Management and Budget
Mike Coveyou, Department of Finance
Blaise DeFazio, Office of Management and Budget

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY09	Approved FY09	% Chg. Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	18,481,160	
Employee Benefits	0	0	0	7,987,600	
County General Fund Personnel Costs	0	0	0	26,468,760	
Operating Expenses	0	0	0	22,278,270	
Capital Outlay	0	0	0	0	
County General Fund Expenditures	0	0	0	48,747,030	
PERSONNEL					
Full-Time	0	0	0	468	
Part-Time	0	0	0	6	
Workyears	0.0	0.0	0.0	314.0	
REVENUES					
Subdivision Review	0	0	0	529,160	
Residential Parking Permits	0	0	0	125,000	
Maintenance of Traffic Signals	0	0	0	846,500	
Highway User State Aid	0	0	0	39,672,000	
Rodoville Visitor Parking	0	0	0	65,000	
County General Fund Revenues	0	0	0	41,237,660	
BRADLEY NOISE ABATEMENT					
EXPENDITURES					
Salaries and Wages	0	0	0	0	
Employee Benefits	0	0	0	0	
Bradley Noise Abatement Personnel Costs	0	0	0	0	
Operating Expenses	0	0	0	0	
Capital Outlay	0	0	0	0	
Bradley Noise Abatement Expenditures	0	0	0	0	
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	15,593	28,220	26,880	29,970	6.2%
Investment Income	1,539	0	0	0	
Bradley Noise Abatement Revenues	17,132	28,220	26,880	29,970	6.2%
CABIN JOHN NOISE ABATEMENT					
EXPENDITURES					
Salaries and Wages	0	0	0	0	
Employee Benefits	0	0	0	0	
Cabin John Noise Abatement Personnel Costs	0	0	0	0	
Operating Expenses	0	0	0	0	
Capital Outlay	0	0	0	0	
Cabin John Noise Abatement Expenditures	0	0	0	0	
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	330	8,010	7,850	8,720	8.9%
Investment Income	572	0	0	0	
Cabin John Noise Abatement Revenues	902	8,010	7,850	8,720	8.9%
DEPARTMENT TOTALS					
Total Expenditures	0	0	0	48,747,030	
Total Full-Time Positions	0	0	0	468	
Total Part-Time Positions	0	0	0	6	
Total Workyears	0.0	0.0	0.0	314.0	
Total Revenues	18,034	36,230	34,730	41,276,350	13828.7%

Transportation 4-197

Appendix 18: Municipal Proposal – Road Maintenance Payment

DATE: June 10, 2008
TO: Revenue Sharing Task Force
FROM: Municipal Task Force Representatives
SUBJECT: Road Costs and Reimbursements

On April 9, 2008, the municipal representatives presented a proposal for fairly compensating municipalities for the cost of maintaining roads within their corporate boundaries. The proposal reflected a deduction of 50% of the Highway User Revenue funds received by the County each year and the incorporation of a ten percent factor to reflect administrative and other costs not captured in the current methodology.

The municipal representatives also requested the following:

- The use of audited figures, with a process that includes a supervisory sign-off within the County, certifying that the computations were done correctly;
- The opportunity for municipalities to audit the calculations and, if errors are discovered, to have reimbursements made to the municipalities or the County, as appropriate;
- Receipt of a written statement of the amount of the reimbursement no later than February 1 of each year, to allow sufficient time for the municipalities to incorporate the information into their annual budgets;

The County provided a counter-proposal on May 14, 2008 which incorporated the municipalities' request for a 50% deduction of the Highway User Revenue funds received each year. The County's alternative did not include any additional overhead costs beyond those already reflected in the existing formula computations.

The County's methodology establishes a municipal payment amount of \$4,531,421--the amount due to the municipalities in FY 2008 under the present formula methodology. The payment amount is broken down into two components. One component is the purported property tax-funded portion of the net cost saved by the County. The difference between the purported property tax-funded portion and the FY 2008 payment amount is referred to as a grant.

The grant-funded portion would be adjusted each year based on the amount of the assumed property-tax funded portion so that the total payment equals the FY 2008 amount. The overall payment to the municipalities would not increase until the purported property-tax portion exceeds the FY 2008 payment amount.

In response to the County's proposed methodology, the municipal representatives would offer the following comments:

- The County law is clear that the rebate program is a "...program to reimburse municipalities within the county for those public services provided by the municipalities which would otherwise be provided by the county government." The County law does not specify the source of the funds for those services. Consequently, the municipalities are strongly opposed to any breakout of the payment into a "property tax-funded portion" and a "grant-funded portion."
- As noted above, the overall payment to the municipalities would not increase until the purported property-tax portion exceeds the FY 2008 payment amount. While this approach sets a "floor" for the payment made to the municipalities, it provides no mechanism for the payment to municipalities to increase as road maintenance costs—both for the County and for the municipalities—escalate, at least for decades. Additionally, if the intent is to provide the municipalities with a set payment each year, then the application of a formula each year serves no practical purpose.
- The municipal representatives recognize that the existing formula computations include certain costs of supervision. However, we continue to maintain that not all overhead costs are captured and that some factor should be incorporated into the new methodology to account for this. In recognition of the expressed concern of the County representatives relative to this matter, the municipal representatives would be agreeable to a factor of three percent as opposed to the ten percent originally suggested. This would be consistent with the overhead factor tentatively agreed upon relative to the Park Group 2 payment to municipalities.
- In its proposal of April 9, 2008, the municipal representatives raised the issue of streetlight costs. Currently, streetlights are factored into the per road mile cost. Instead of this methodology, the municipal representatives suggest that streetlight costs be allocated to the individual municipalities on a per unit basis so that there is a direct correlation between the number of streetlights that a municipality has and the payment made by the County. Keeping in mind the Task Force's goal of simplicity, the per unit cost would be determined by dividing the County's total streetlight costs by the number of County streetlights.

Appendix 19: Bridges – Letter from DPWT on Takoma Park Bridge Sufficiency Ratings (09-19-07)



DEPARTMENT OF PUBLIC WORKS AND TRANSPORTATION

Isiah Leggett
County Executive

September 19, 2007

Arthur Holmes, Jr.
Director

Mr. Ali Khalilian, P.E.
City Engineer
Department of Public Works
City of Takoma Park
31 Oswego Avenue
Silver Spring, Maryland 20912

Re: Bridge MT-01, Maple Avenue over Sligo
Creek and Bridge MT-02,
Flower Avenue over Sligo Creek
C.I.P. Project No. 509132 – Bridge
Inspection

Dear Mr. Khalilian:

This letter is in reference to bridges MT-01 and MT-02 that are owned and maintained by the City of Takoma Park. We have reviewed the current Bridge Sufficiency Ratings (BSR) for these two bridges and evaluated the factors affecting the BSR for both bridges.

The Bridge Sufficiency Rating formula, as defined by the Federal Highway Administration, is a method of evaluating data by calculating four separate factors to obtain a numeric value which is indicative of a bridge's sufficiency to remain in service. The result of the formula is a percentage in which 100 percent represents an entirely sufficient bridge and zero percent represents an entirely insufficient or deficient bridge. The four factors include:

- Structural Adequacy and Safety (55% max);
- Serviceability and Functional Obsolescence (30% max);
- Essentiality for Public Use (15% max);
- Special Reductions (13% max).

The following is a breakdown of the BSR's for Bridge's MT-01 and MT-02:

MT-01 Maple Avenue over Sligo Creek: Bridge MT-01 has a BSR of 54.7%. The bridge is currently posted for 26,000 lbs GVW single vehicle and 48,000 lbs GVW combination vehicle. The Structural Adequacy and Safety factor is 33.45% out of 55% max. The Serviceability and Functional Obsolescence factor is 10% out of 30% max. This factor was reduced due to the bridge clear roadway width and the Average Daily Traffic count. The Essentiality for Public Use factor is 14.28% out of 15% max. Since the sum of the first three factors exceeded 50%, the Special Reductions factor was determined to be 3% out of 13% max based on the Traffic Safety Features Codes. The sum of the first three factors minus the Special Reductions factor gives a BSR of 54.7%.

(22)

Division of Capital Development

101 Monroe Street, 8th Floor • Rockville, Maryland 20850 • 240-777-7220 • 240-777-7277 FAX
www.montgomerycountymd.gov

Mr. Ali Khalilian
September 19, 2007
Page 2

MT-02 Flower Avenue over Sligo Creek: Bridge MT-02 has a BSR of 25.9%. The bridge is currently posted for 12,000 lbs GVW single vehicle and 18,000 lbs GVW combination vehicle. The Structural Adequacy and Safety factor is 6% out of 55% max. This factor was reduced due to the low load posting of the bridge. The Serviceability and Functional Obsolescence factor is 6% out of 30% max. This factor was reduced due to the bridge clear roadway width of 23' and the Average Daily Traffic count. The Essentiality for Public Use factor is 13.89% out of 15% max. Since the sum of the first three factors is below 50%, the Special Reductions factor was not used. The sum of the first three factors gives a BSR of 25.9%.

For both bridges, built in the same year 1930, the BSR's are low because they were not designed to carry the heavy truck loads of current standards. In addition, both of the bridges clear roadway widths and approach roadway alignments do not meet current standards. Therefore, both bridges are considered functionally obsolete, which means they don't function as a normal highway bridge should and they are not capable of safely carrying heavier vehicles across the bridge. Based upon the current bridge inspection reports, the primary structural elements of both bridges are rated from satisfactory condition to fair condition. This means all primary structural elements are sound but may have minor section loss, cracking, spalling or scour.

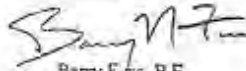
Neither bridge is structurally deficient, but both do require load posting to prevent heavy trucks from crossing the bridge. If heavy trucks are kept off the bridges, then the bridges are in satisfactory condition structurally. If the City is willing to tolerate that no large trucks can cross these bridges (specifically Flower Avenue which has a weight limit of 12,000 lbs), then with some corrective maintenance the bridges can safely carry traffic until inspections determine otherwise.

It was noted in the current bridge inspection report for Bridge MT-01 that the pier footing is undermined due to channel scour along the south face with up to 1.2' horizontal penetration at the southwest corner. The County recommends that this undermining be filled and scour protection for the pier be provided. The County also recommended that the sidewalk for this bridge be closed until repairs are made because the sidewalk is severely deteriorated and is unsafe for pedestrian traffic.

Both of these bridges are eligible for Federal Aid due to the fact that they are functionally obsolete. We have attached a preliminary cost break down for the reconstruction of each bridge. Please let us know as soon as possible if Takoma Park would like to replace these bridges using Federal Aid money. We will begin the application process for funding as soon as we hear from you.

If you have any questions, please call me, at 240-777-7261 or Mr. Brian Copley, at 240-777-7227.

Sincerely,


Barry Fuss, P.E.
Senior Engineer

Attachments:

cc: Brian Copley
Project File/Reading File

**CITY OF TAKOMA PARK
BRIDGES MT-01 MAPLE AVENUE OVER SLIGO CREEK AND
MT-02 FLOWER AVENUE OVER SLIGO CREEK**

PRELIMINARY COST BREAK DOWN (ONE BRIDGE)			
(Costs are in \$1000.00)	TOTAL	TAKOMA PARK	FEDERAL AID
MSHA Consultant	\$400	\$80	\$320
Construction Management	\$300	\$200	\$100
Construction	\$2,000	\$400	\$1,600
Montgomery County Project Management	\$100	\$100	
TOTAL	\$2,800	\$780	\$2,020

Appendix 20: Bridges – Letter from Takoma Park on Bridge Sufficiency Ratings (01/07/08)



January 7, 2008

The Honorable Isiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

Dear Mr. Leggett:

Within the City of Takoma Park there are two road bridges over Sligo Creek. One bridge is on Maple Avenue, and the other is on Flower Avenue.

Montgomery County inspects each bridge in the County on a biannual basis. As the ranking of bridges falls, the bridges that Montgomery County is responsible for are placed on the CIP, anticipating the need for repair or replacement. A bridge must have a BSR equal to or less than 80 to be eligible for federal funds for major rehabilitation and equal to or less than 50 to be eligible for federal funds for total replacement. It has been determined through the County bridge inspection process that both of the bridges in Takoma Park have low Bridge Sufficiency Ratings (BSR) and should be repaired or replaced in the near future.

The BSR of the Maple Avenue Bridge was 54.7 based on the most recent inspection. The bridge is on a heavily used street near Washington Adventist Hospital, many large apartment buildings, and the City's Public Works facility. It is regularly crossed by Ride On and school buses, as well as City trash trucks.

In response to the information contained in the inspection report, Takoma Park temporarily closed the pedestrian walkway and had the emergency repairs made to the pedestrian sidewalk in the fall of 2007. The underlying structure of the bridge was not addressed as part of this project.

The pier footing of the Maple Avenue Bridge is undermined due to channel scour. The County inspectors recommended that the undermining be filled and scour protection for the pier be provided. This work would need to be done even if heavy vehicles are prohibited from using the bridge.

In addition to the condition of the structural bridge supports, the BSR for the Maple Avenue Bridge is low because the bridge's clear roadway width and approaches are sub-standard. The bridge does not have standard, handicapped-accessible sidewalks nor does it have adequate road width to accommodate both large vehicles and bicycles. Besides being a connection between

the apartments and the hospital, the bridge is on the Sligo Creek Hiker-Biker Trail, and, in fact, connects two pieces of Sligo Creek Parkway. The heavy bus, bicycle and pedestrian use of the bridge requires a bridge with a road and sidewalk configuration that can allow safe passage for all users.

The Flower Avenue Bridge ranked 25.9 of 100 possible points in the inspection ratings. The bridge has a weight limit of 12,000 lbs, meaning heavy vehicles cannot use this bridge. While the structural soundness of the bridge is considered "satisfactory," this is only provided heavy vehicles do not use the bridge in the future. The bridge is an essential connection into a residential neighborhood, however, and that prohibition may be difficult to maintain.

Under the current arrangement between the County and municipalities, Takoma Park is responsible for the two bridges within its boundaries. The current tax duplication formula for road maintenance provides minimal funding (several thousand dollars in the most recent calculation) to address routine maintenance such as painting. In the discussions of the Revenue Task Force, both Montgomery County and City of Takoma Park officials felt it made sense for the County to oversee replacement of the bridges. In addition to the expertise that is required for these types of projects, it would be difficult to address replacement or major rehabilitation of bridges in the tax duplication formula given the significant variances in bridges throughout the County.

Since the Revenue Sharing Task Force is not scheduled to complete its work until late spring/early summer, I am writing to request that you include the reconstruction of the two bridges in Takoma Park on Montgomery County's Capital Improvement Program (CIP) now. It would have been nice if replacement of these bridges could have occurred in a healthier budget environment, but unfortunately that is not the case. The best that can be done is to place the Maple Avenue and Flower Avenue Bridges in the CIP so that they can be addressed appropriately and systematically along with the other capital needs of the community.

Brian Copley and Barry Fuss of the County's Division of Capital Development are familiar with the City's bridges. Takoma Park City Manager Barb Matthews can address questions related to the funding of the reconstruction work and the discussions of the Revenue Task Force on this subject. She can be reached at 301-891-7268 or BarbaraM@takomagov.org.

Thank you for your consideration of this request.

Sincerely,



Bruce R. Williams
Mayor

cc: Takoma Park City Council
Barb Matthews, City Manager

Appendix 21: Bridges – Letter from Takoma Park on Bridge Sufficiency Ratings (09/30/08)

City of Takoma Park, Maryland

Office of the Mayor
Telephone: (301) 881-7230
Fax: (301) 270-8794
BruceW@takomagoV.org



7500 Maple Avenue
Takoma Park, MD
20912

The Honorable Bruce R. Williams
Mayor

September 30, 2008

The Honorable Isaiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

Dear Mr. Leggett:

In January 2008, I first wrote you concerning the two bridges over Sligo Creek located within the City of Takoma Park. One bridge is on Maple Avenue, and the other is on Flower Avenue. I am writing to request that you include the reconstruction of the two bridges in Takoma Park on Montgomery County's Capital Improvement Program (CIP) at this time.

Under the current arrangement between the County and municipalities, Takoma Park is responsible for the two bridges within its boundaries. The current tax duplication formula for road maintenance provides minimal funding (several thousand dollars in the most recent calculation) to address routine maintenance such as painting. Funding has not been included for major repair or replacement.

Takoma Park City Manager Barb Matthews, who serves as one of the municipal representatives on the Revenue Sharing Task Force, raised this issue during the group's discussions. The municipal representatives proposed a process for how the repair or replacement of municipally-owned bridges should be addressed going forward. While the municipal representatives are still awaiting receipt of a draft report from the County members, Ms. Matthews has been advised that the County prefers to handle municipal bridge matters on a case-by-case basis.

The two bridges in Takoma Park need to be addressed now.

As you are probably aware, Montgomery County inspects each bridge in the County on a biannual basis. The bridges that Montgomery County is responsible for are placed on the CIP as their ranking falls, anticipating the need for their repair or replacement. A bridge must have a Bridge Sufficiency Ratings (BSR) equal to or less than 80 to be eligible for federal funds for major rehabilitation and equal to or less than 50 to be eligible for federal funds for total replacement. It has been determined through the County bridge inspection process that both of the bridges in Takoma Park have low Bridge Sufficiency Ratings and should be repaired or replaced in the near future.

The BSR of the Maple Avenue Bridge was 54.7 based on the most recent inspection. The bridge is on a heavily used street near Washington Adventist Hospital, many large apartment buildings, and the City's Public Works facility. It is regularly crossed by Ride On and school buses, as well as City trash trucks.

In response to the information contained in the inspection report, Takoma Park temporarily closed the pedestrian walkway and had the emergency repairs made to the pedestrian sidewalk in the fall of 2007. The underlying structure of the bridge was not addressed as part of this project.

The pier footing of the Maple Avenue Bridge is undermined due to channel scour. The County inspectors recommended that the undermining be filled and scour protection for the pier be provided. This work would need to be done even if heavy vehicles are prohibited from using the bridge.

In addition to the condition of the structural bridge supports, the BSR for the Maple Avenue Bridge is low because the bridge's clear roadway width and approaches are sub-standard. The bridge does not have standard, handicapped-accessible sidewalks nor does it have adequate road width to accommodate both large vehicles and bicycles. Besides being a connection between the apartments and the hospital, the bridge is on the Sligo Creek Hiker-Biker Trail, and, in fact, connects two pieces of Sligo Creek Parkway. The heavy bus, bicycle and pedestrian use of the bridge requires a bridge with a road and sidewalk configuration that can allow safe passage for all users.

The Flower Avenue Bridge ranked 25.9 of 100 possible points in the inspection ratings. The bridge has a weight limit of 12,000 lbs, meaning heavy vehicles cannot use this bridge. While the structural soundness of the bridge is considered "satisfactory," this is only provided heavy vehicles do not use the bridge in the future. The bridge is an essential connection into a residential neighborhood, however, and that prohibition may be difficult to maintain.

It would have been nice if replacement of these bridges could have occurred in a healthier budget environment, but unfortunately that is not the case. The best that can be done is to place the Maple Avenue and Flower Avenue Bridges in the CIP so that they can be addressed appropriately and systematically along with the other capital needs of the community.


In closing, the City of Takoma Park is requesting the following:

- Funding in the County's FY 2010 budget for maintenance repairs to the Flower Avenue and Maple Avenue bridges. Based on the 2007 Biennial Bridge Inspection Report, maintenance repairs for the Flower Avenue bridge are projected to cost \$44,500 while maintenance repairs for the Maple Avenue bridge have an associated cost of \$48,892.
- Inclusion of the Maple Avenue and Flower Avenue bridges in the County's CIP.

- Montgomery County Department of Transportation (MCDOT) take the necessary actions to pursue federal aid funding from Maryland State Highway Administration for the design and eventual reconstruction of Takoma Park's bridges. The City understands that certain structural modifications would likely be required for the projects to qualify for federal funding.
- The County would pay the required 20 percent local match for a federally-funded bridge project. Decorative or other aesthetic design enhancements desired by Takoma Park would not be eligible for County funding.
- MCDOT would, at its expense, manage the design contract and provide construction management services of the bridges' replacement or rehabilitation.
- In recognition that municipal officials have a greater knowledge of their communities, Takoma Park would assume the primary role in interacting and communicating with area residents regarding the bridge projects.

Thank you for your consideration of this request. Please do not hesitate to contact me (301-891-7230 or brucew@takomagov.org) or City Manager Barb Matthews (301-891-7266 or barbaram@takomagov.org) should you have any questions about this matter.

Sincerely,



Bruce R. Williams
Mayor

cc: Takoma Park City Council
Barb Matthews, City Manager
Joseph Beach, Director MCOMB
Kathleen Boucher, MC Assistant CAO
Art Holmes, Director, MCDOT

Appendix 22: Bridges – Letter from County Executive to Takoma Park (11/06/08)



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

November 6, 2008

The Honorable Bruce R. Williams
Mayor of City of Takoma Park
7500 Maple Avenue
Takoma Park, Maryland 20912

Dear Mayor Williams:

Thank you for your recent letter regarding funding requests for maintenance repairs to the Flower Avenue and Maple Avenue Bridges and the required twenty percent local match if the County were to pursue federal aid for the two bridges' reconstruction. You have also requested that the County manage the design and construction of the two bridges and include them in the County's Capital Improvements Program (CIP). Further, you raised concerns about tax duplication formulas with respect to major bridge repair and replacement.

The County reimburses all municipalities for bridge maintenance through The Municipal Tax Duplication Program. We calculate how much it costs the County to maintain each bridge and deduct applicable revenue-related expenditures. This reimbursable per-bridge net cost is forwarded to each municipality to cover each bridge in their budget. This is consistent with other reimbursable items in the Program, such as, road maintenance, streetlight maintenance, etc. Unfortunately, I cannot increase the bridge maintenance payment to Takoma Park or any other municipality; the increase would be beyond tax duplication and it would be at the expense of the non-municipality County taxpayer.

Last September, the Division of Capital Development in the Department of Public Works and Transportation (DPWT), which now resides within the new Department of Transportation (DOT), responded to a similar request from Takoma Park's Department of Public Works. In response, DPWT indicated that although both bridges are functionally obsolete, neither bridge is structurally deficient. Inspections have determined that with load posting to prevent heavy trucks from crossing and scour protection for the pier footing on the Maple Avenue Bridge, both bridges can safely carry traffic. However, it was noted that because of the bridges' low bridge sufficiency rating, both were eligible for federal funds through the Federal Bridge Replacement and Rehabilitation Program under the Intermodal Surface Transportation Efficiency Act. Although, DOT's current recommendations are unchanged, there is urgency regarding the use of available federal funds.

Federal funds are distributed by the Maryland State Highway Administration (MSHA) to each County over a six-year period. Currently, Montgomery County receives between two and three million dollars a year. The current six-year program ends in September 2009. MSHA will then receive a new allocation from Federal funds. The new allocation and the amount to be distributed to each County are unknown at this time.

The Honorable Bruce R. Williams
November 6, 2008
Page 2

It may be possible to apply for and receive funding for bridge design out of the current MSHA allocation; however it is unlikely that these projects would receive funding out of the current allocation for bridge construction. This is because the design of the bridges must be complete before they can be considered for construction funding and it is unlikely that the design would be complete by September 2009. Typically, the design of a bridge takes approximately two years. Therefore, there is no guarantee that construction funds will be available for these bridges in the next MSHA six-year allocation, even if current MSHA funds are used on bridge design.

I would like to reiterate that the County is willing to offer professional assistance to coordinate and manage the rehabilitation or replacement of any municipality bridge that meets the requirement for federal aid, provided that the municipality provides the local match. Takoma Park's contribution of the local match would be consistent with resource allocation of several other municipal bridge reconstruction projects within the County.

If you have other questions regarding the County's guidelines on funding municipalities' bridge rehabilitation, please contact Blaise DeFazio, Office of Management and Budget, at 240-777-2763 or blaise.defazio@montgomerycountymd.gov. If you are able to provide the local funding match and would like the County to assist with the federal funding application process, please contact Barry Fuss, Department of Transportation, at 240-777-7227 or barry.fuss@montgomerycountymd.gov.

Thank you for taking the time to share your thoughts. I would like to emphasize that I value the working relationship that the County and Takoma Park have had over the years and I look forward to continuing this relationship in the future.

Sincerely,

Isiah Leggett
County Executive

IL:bd

- c: Kathleen Boucher, Assistant Chief Administrative Officer
Joseph F. Beach, Director, Office of Management and Budget
Arthur Holmes, Director, Department of Transportation
Jennifer Barrett, Director, Department of Finance

Appendix 23: Municipal Proposal - Bridge Replacement

DATE: June 10, 2008

TO: Revenue Sharing Task Force

FROM: Municipal Task Force Representatives

SUBJECT: Municipally-owned Bridges

Recent events in other parts of the country clearly demonstrate the importance of allocating resources for the proper maintenance of bridges. Consequently, the issue of bridge replacement and rehabilitation was the topic of considerable discussion by the Road Maintenance Subcommittee during its deliberations.

According to the 2005 Municipal Bridge Inventory, there are 24 municipally-owned bridges in Montgomery County. The current tax duplication formula for road maintenance has provided minimal funding (several thousand dollars in the most recent calculation) to address routine maintenance such as painting. The formula does not address the replacement or major rehabilitation of bridges located in municipalities, and the County does not currently provide any funding to municipalities for such projects.

The guiding principle that the Task Force has followed throughout its deliberations is whether the County has incurred savings because of a municipally-provided service. There is no doubt that the County receives a financial benefit because it does not have the responsibility for replacing or rehabilitating the 24 bridges owned by municipalities.

In addition to the financial aspects of replacing or rehabilitating a bridge, the municipal representatives feel that the County should take the lead role due to the complex nature of such work. Most municipalities have limited or no knowledge of bridge construction while the staff of the Department of Public Works and Transportation has expertise in both the federal funding application process and overseeing such projects.

The Road Maintenance Subcommittee discussed several options to address the major rehabilitation or replacement of municipally-owned bridges, including transfer of ownership to the County. Because of the implications for routine maintenance activities, this was not deemed to be a viable alternative.

It is the consensus of the municipal representatives that it would be difficult to address the replacement or major rehabilitation of the municipally-owned bridges in a formulaic manner. There are simply too many variances in the width, length, and location of the municipally-owned bridges.

After considering what other alternatives might be appropriate, the municipal representatives would like to propose the following:

- Montgomery County Department of Public Works and Transportation (MCDPWT) would continue to coordinate the bi-annual bridge inspection process and to discuss the results with those municipalities with bridges within their corporate boundaries.
- As the ranking of a municipal bridge falls, it would be placed on the County's Capital Improvement Program, anticipating the need for its repair or replacement. The inclusion of all bridges in the County's Capital Improvement Program will facilitate the direction of funding to those bridges that are most in need of repair or replacement.
- The Bridge Sufficiency Rating (BSR) of each municipally-owned bridge would be evaluated to determine if it is eligible for federal funding. Under current guidelines, a bridge must have a BSR equal to or less than 80 to be eligible for federal funds for major rehabilitation and equal to or less than 50 to be eligible for federal funds for total replacement.
- MCDPWT would notify each municipality when a bridge within its corporate boundaries appears to qualify for federal funding based on the BSR, the length of the bridge, and other relevant factors. The parties will discuss any significant structural modifications that would likely be required for the project to qualify for federal funding.
- Assuming that the municipality agrees to any structural modifications that would likely be required for the project to qualify for federal funding, MCDPWT would take the necessary actions to pursue federal aid funding from Maryland State Highway Administration for the design and reconstruction of the municipal bridge.
- The County would pay the required 20 percent local match for a federally-funded bridge project. Decorative or other aesthetic design enhancements desired by a municipality would not be eligible for County funding.
- Of the 24 municipally-owned bridges, two are 20 feet or less in length. Such short span bridges are not currently eligible for federal funding but should also be included in the County's Capital Improvement Program, anticipating the need for their repair and replacement. The County would pay for any elements required to make a short span bridge structurally sound. Decorative or other aesthetic design enhancements desired by the municipality would not be eligible for County funding.
- MCDPWT would, at its expense, manage the design contract and provide construction management services of the bridge replacement or rehabilitation.
- Recognizing that municipal officials have a greater knowledge of their communities, municipalities would play the primary role in interacting and communicating with area residents regarding a bridge project.

Appendix 24: Memo from the Park Tax Subcommittee Chair to the Task Force—Follow up to the Draft Reports on the Park Tax (Appendices 25 and 26)

To: Revenue Sharing Task Force Committee

From: Patricia Colihan Barney, Park Tax Subcommittee Chair

Date: October 5, 2008

Subject: Follow up to Draft Reports on Park Tax

BACKGROUND

The Revenue Sharing Task Force Committee established two subcommittees to deal with the Park Tax issues. Results of the Subcommittees' work was detailed in two draft reports dated March 14, 2008. Each report identified a number of open issues. This report attempts to describe the results from follow up actions taken. The first section deals with the municipalities that do not pay the park tax, while the second section deals with the municipalities that do pay the park tax. This report has not yet been reviewed by the Subcommittee members and their views may differ from my observations.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO NOT PAY THE PARK TAX

Issue: Three municipalities do not pay the Park Tax and do not maintain any municipal park system programs. Although municipal representatives on the Subcommittee initially supported the inclusion of Brookville, Barnesville and Laytonsville in the Park District, the municipal representatives later did not reach consensus on this issue.

Action: No subsequent action required. Issue is provided for information.

Issue: Municipalities questioned the percentage of costs allocated to the Regional Parks when compared with the large number of Community Use Parks maintained by the Commission.

Action: Commission representatives provided a Regional Park tour for the Rockville and Gaithersburg Task Force representatives. As part of the tour, representatives were also shown how the SmartParks data is captured and reported. Based on the reaction of the participants, I believe they gained a better understanding of the magnitude of effort required to support the Regional Parks System. In addition, at the next Task Force meeting, they no longer expressed questions regarding the SmartParks data. Attachment 1 provides a brief summary of the benefits of the County-Wide Regional and Stream Valley Park Systems.

Issue: Although there were some differences of opinion regarding the level of municipal Recreational Parks, the proposal did not include municipalities' funding support for that Park Type. The Rockville and Gaithersburg representatives indicated that their Recreational Park facilities are used by County residents outside their city limits at the same cost as their residents.

Action: Recommend that fee schedules be obtained annually from municipalities to document that this policy remains in place.

Issue: The municipalities feel that they do provide some Stream Valley Parks; however the Commission's position is that these parks supplement rather than duplicate the benefits, and therefore they should provide funding support. Total Stream Valley acreage of the municipalities is about 3% of the acreage that the County provides.

Action: No additional action was taken. Attachment 1 provides a narrative describing the benefits of the County-wide Regional and Stream Valley Park Systems prepared by the Parks Department.

Issue: The County-Wide Park capital improvement program (CIP) is funded primarily by County general obligation bonds and grants, while the Community Use Park CIP is funded by Commission bonds supported by the Park Tax. The model was adjusted to remove the portion of the Park Tax used to support actual Commission Park Bond debt service.

Action: Municipalities supported this change.

Summary: Although it appeared that the Subcommittee had reached some agreement regarding Regional Park funding support, the municipal representatives on the Subcommittee had been clear that their support for any funding support for County-Wide Parks was contingent upon resolution of other issues before the Revenue Sharing Task Force. As a result, the municipal representatives did not reach consensus on funding for the County-Wide Park Program.

The Commission's position is that the municipalities that do not pay the park tax and do not have park systems should be in the Park District, and those municipalities that run park programs should contribute to the County-wide Park System as a matter of tax equity for the other taxpayers.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO PAY THE PARK TAX

Issue: The Commission provided data from the SmartParks database for average cost per acre by Park Type. The Commission representatives supported an averaging approach over three years to smooth out extraordinary maintenance experience both high and low with, the earlier years increased by a CPI factor..

Action: The municipal representatives supported the three-year averaging approach.

Issue: Although the municipal representatives supported using the Park Type categories to develop cost per acre, in some cases, the municipal and Commission representatives had a difference of opinion regarding the park classification of a specific park. In particular, Takoma Park took exception to the classification of some of their parks as Neighborhood Parks instead of Urban Parks, and Friendship Heights took exception to two of their parks classifications as Urban rather than something similar to the Commission's Brookside Gardens. The differences are critical as the cost per acre for Neighborhood Parks are significantly lower than Urban Parks and the Urban Park cost was much less than the cost per acre that Friendship Heights indicated was required for their highly landscaped parks.

Action: Commission representatives visited the parks in question. The Urban Parks in Takoma Park did resemble their Neighborhood Parks. The major difference was that Neighborhood Parks have ballfields. The Commission Parks staff indicated that the reason for the Commission's higher per acre cost for Urban Parks is largely a result of transportation costs being allocated to parks with extremely small acreage. Although the Commission representatives considered an averaging of the Neighborhood and Urban Parks per acre costs, this approach did not appear feasible as the basis for the entire reimbursement model was on average cost by specific park classification. County members of the Task Force felt that it was important to maintain the standard classification per the description in the 2005 Land Preservation, Parks and Recreation Plan. The Takoma Park representative disagrees with this approach as the costs per acre they expend on the parks in question are significantly higher than the reimbursement model based on Neighborhood Park classification.

Action: Commission representatives also visited the two parks in question in Friendship Heights and noted the more intense landscaping at one park in particular. However, as the basis for the reimbursement is the dollars saved by the County/Commission, the Commission representatives felt that the Urban Park classification was appropriate and that the additional cost incurred for these two parks was associated with an enhanced level of park landscaping that the Commission does not generally provide at its Urban Parks.

Issue: The municipal representatives indicated that their cost for playground construction/renovation was much greater than the \$60,000 and therefore requested reconsideration of the \$3,000 annual capital factor developed by the Commission.

Action: The Commission reexamined its estimate by reviewing the construction costs related to a number of recent playground projects. As a result, the playground factor was adjusted to \$81,000/ 20 years or a \$4,050 annual capital factor with CPI growth in future years.

Issue: Although the concept of utilizing the first and second level supervisors had been agreed upon by the Subcommittee, the actual approach to calculate that percentage had not been reviewed by the municipal representatives.

Action: The 3% factor as proposed in the Draft Report was supported.

Issue: The reimbursement amount cannot exceed the amount of Park Tax that supports the Community Based Park program which the municipality generates as calculated from their assessable base.

Action: None of the reimbursements exceeded the Community-Use Parks portion of the Park Tax paid by the respective municipality.

Summary: The Subcommittee reached agreement on the basic formula for reimbursement, but a few differences remain with regard to municipal park classification.

Regional Parks - Regional Parks play an essential role in preserving natural areas, and in providing active and passive recreational opportunities. These large (greater than 200 acres) land preservation areas play a key role in conserving and preserving areas of cultural, natural and agricultural heritage for Montgomery County. The massive size of these parks allows them to also accommodate many more users in both active and passive pursuits without degrading the resource.

It is a requirement that 2/3rds of the land in Regional Parks is reserved for conservation-related purposes, and this significant acreage forms the nodes of greenways that run throughout the County, protecting streams, buffers, wetlands, wildlife corridors, and forests.

The recreational activities that are provided are used by all County residents, and include picnicking, hiking, boating, fishing, camping, ice skating, equestrian, football, softball, hockey, lacrosse, soccer, and many more leisure activities. The placement of five Nature Interpretation Facilities in the Regional parks also makes them the focus of many interpretive and conservation activities, and a significant teaching location for the stewardship efforts of our Parks Department.

Stream Valley Parks - Stream Valley Parks are the predominant conservation tool in Montgomery County. The 12,466 acres of parkland that comprises the Stream Valley system could be considered the Green Infrastructure of the County, protecting the water quality, the historical fabric and the natural beauty of the land. Since 1927, the Commission and the County have demonstrated foresight and wisdom in land conservation and stream protection along these green ribbons that, in addition to the environmental benefits, have also provided unlimited opportunities for outdoor recreation at a scale unmatched by any municipal park system. The trails are used by hikers, runners, bikers, horse riders, and outdoor enthusiasts. In many cases the Regional Parks are nodes of green along these corridors of conservation, creating a Green Infrastructure, which benefits all of Montgomery County, whether used personally or not.

However, a resident does not have to visit one of these parks to derive a significant benefit; the benefits that are available to residents County-wide include, but are not limited to the following:

Active Use – These parks are available and used by residents from every part of Montgomery County. There is not an admission fee, and most fees that are charged for permits and reservations are based solely on the cost of providing a particular private benefit;

Passive Use – Use of trails, paths, open areas, picnicking, nature appreciation, kite flying, biking, equestrian uses, and much, much more are free to every resident;

Intrinsic Benefits - Growing Smart – The Regional Parks and the Stream Valley system are integral to regional land planning and intelligent design;

Attracting Investment – The beauty and accessibility of Montgomery Parks has remained an important factor in businesses wanting to locate in Montgomery County;

Boosting Tourism – Our signature attractions, such as Brookside Gardens, Wheaton, Cabin John, Rock Creek, Black Hill, and Little Bennett have State-wide and Region-wide audiences and visitors;

Preventing Floods – Our land along the streams helps preserve the riparian buffers, and the flood plains which help absorb and protect the flood waters from the developed portions of the County;

Safeguarding the Environment – Interior forests, aquatic life, wildlife corridors for migration and home range, water quality protection and conservation management are all essential components of the management of these County-wide resources;

Increasing property values – Montgomery Parks are beautiful, attractive, and preserve a look and feel to the County, which adds a significant portion to the quality of life, and therefore the attractiveness of living in this County.

The residents of these municipalities have a variety of park experiences available to them, including Federal, State, County and Municipal parks, but the only ones some municipalities do not pay for are the County Parks.

Appendix 24: Memo from the Park Tax Subcommittee Chair to the Task Force—Follow up to the Draft Reports on the Park Tax (Appendices 25 and 26)

To: Revenue Sharing Task Force Committee

From: Patricia Colihan Barney, Park Tax Subcommittee Chair

Date: October 5, 2008

Subject: Follow up to Draft Reports on Park Tax

BACKGROUND

The Revenue Sharing Task Force Committee established two subcommittees to deal with the Park Tax issues. Results of the Subcommittees' work was detailed in two draft reports dated March 14, 2008. Each report identified a number of open issues. This report attempts to describe the results from follow up actions taken. The first section deals with the municipalities that do not pay the park tax, while the second section deals with the municipalities that do pay the park tax. This report has not yet been reviewed by the Subcommittee members and their views may differ from my observations.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO NOT PAY THE PARK TAX

Issue: Three municipalities do not pay the Park Tax and do not maintain any municipal park system programs. Although municipal representatives on the Subcommittee initially supported the inclusion of Brookville, Barnesville and Laytonsville in the Park District, the municipal representatives later did not reach consensus on this issue.

Action: No subsequent action required. Issue is provided for information.

Issue: Municipalities questioned the percentage of costs allocated to the Regional Parks when compared with the large number of Community Use Parks maintained by the Commission.

Action: Commission representatives provided a Regional Park tour for the Rockville and Gaithersburg Task Force representatives. As part of the tour, representatives were also shown how the SmartParks data is captured and reported. Based on the reaction of the participants, I believe they gained a better understanding of the magnitude of effort required to support the Regional Parks System. In addition, at the next Task Force meeting, they no longer expressed questions regarding the SmartParks data. Attachment 1 provides a brief summary of the benefits of the County-Wide Regional and Stream Valley Park Systems.

Issue: Although there were some differences of opinion regarding the level of municipal Recreational Parks, the proposal did not include municipalities' funding support for that Park Type. The Rockville and Gaithersburg representatives indicated that their Recreational Park facilities are used by County residents outside their city limits at the same cost as their residents.

Action: Recommend that fee schedules be obtained annually from municipalities to document that this policy remains in place.

Issue: The municipalities feel that they do provide some Stream Valley Parks; however the Commission's position is that these parks supplement rather than duplicate the benefits, and therefore they should provide funding support. Total Stream Valley acreage of the municipalities is about 3% of the acreage that the County provides.

Action: No additional action was taken. Attachment 1 provides a narrative describing the benefits of the County-wide Regional and Stream Valley Park Systems prepared by the Parks Department.

Issue: The County-Wide Park capital improvement program (CIP) is funded primarily by County general obligation bonds and grants, while the Community Use Park CIP is funded by Commission bonds supported by the Park Tax. The model was adjusted to remove the portion of the Park Tax used to support actual Commission Park Bond debt service.

Action: Municipalities supported this change.

Summary: Although it appeared that the Subcommittee had reached some agreement regarding Regional Park funding support, the municipal representatives on the Subcommittee had been clear that their support for any funding support for County-Wide Parks was contingent upon resolution of other issues before the Revenue Sharing Task Force. As a result, the municipal representatives did not reach consensus on funding for the County-Wide Park Program.

The Commission's position is that the municipalities that do not pay the park tax and do not have park systems should be in the Park District, and those municipalities that run park programs should contribute to the County-wide Park System as a matter of tax equity for the other taxpayers.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO PAY THE PARK TAX

Issue: The Commission provided data from the SmartParks database for average cost per acre by Park Type. The Commission representatives supported an averaging approach over three years to smooth out extraordinary maintenance experience both high and low with, the earlier years increased by a CPI factor..

Action: The municipal representatives supported the three-year averaging approach.

Issue: Although the municipal representatives supported using the Park Type categories to develop cost per acre, in some cases, the municipal and Commission representatives had a difference of opinion regarding the park classification of a specific park. In particular, Takoma Park took exception to the classification of some of their parks as Neighborhood Parks instead of Urban Parks, and Friendship Heights took exception to two of their parks classifications as Urban rather than something similar to the Commission's Brookside Gardens. The differences are critical as the cost per acre for Neighborhood Parks are significantly lower than Urban Parks and the Urban Park cost was much less than the cost per acre that Friendship Heights indicated was required for their highly landscaped parks.

Action: Commission representatives visited the parks in question. The Urban Parks in Takoma Park did resemble their Neighborhood Parks. The major difference was that Neighborhood Parks have ballfields. The Commission Parks staff indicated that the reason for the Commission's higher per acre cost for Urban Parks is largely a result of transportation costs being allocated to parks with extremely small acreage. Although the Commission representatives considered an averaging of the Neighborhood and Urban Parks per acre costs, this approach did not appear feasible as the basis for the entire reimbursement model was on average cost by specific park classification. County members of the Task Force felt that it was important to maintain the standard classification per the description in the 2005 Land Preservation, Parks and Recreation Plan. The Takoma Park representative disagrees with this approach as the costs per acre they expend on the parks in question are significantly higher than the reimbursement model based on Neighborhood Park classification.

Action: Commission representatives also visited the two parks in question in Friendship Heights and noted the more intense landscaping at one park in particular. However, as the basis for the reimbursement is the dollars saved by the County/Commission, the Commission representatives felt that the Urban Park classification was appropriate and that the additional cost incurred for these two parks was associated with an enhanced level of park landscaping that the Commission does not generally provide at its Urban Parks.

Issue: The municipal representatives indicated that their cost for playground construction/renovation was much greater than the \$60,000 and therefore requested reconsideration of the \$3,000 annual capital factor developed by the Commission.

Action: The Commission reexamined its estimate by reviewing the construction costs related to a number of recent playground projects. As a result, the playground factor was adjusted to \$81,000/ 20 years or a \$4,050 annual capital factor with CPI growth in future years.

Issue: Although the concept of utilizing the first and second level supervisors had been agreed upon by the Subcommittee, the actual approach to calculate that percentage had not been reviewed by the municipal representatives.

Action: The 3% factor as proposed in the Draft Report was supported.

Issue: The reimbursement amount cannot exceed the amount of Park Tax that supports the Community Based Park program which the municipality generates as calculated from their assessable base.

Action: None of the reimbursements exceeded the Community-Use Parks portion of the Park Tax paid by the respective municipality.

Summary: The Subcommittee reached agreement on the basic formula for reimbursement, but a few differences remain with regard to municipal park classification.

Regional Parks - Regional Parks play an essential role in preserving natural areas, and in providing active and passive recreational opportunities. These large (greater than 200 acres) land preservation areas play a key role in conserving and preserving areas of cultural, natural and agricultural heritage for Montgomery County. The massive size of these parks allows them to also accommodate many more users in both active and passive pursuits without degrading the resource.

It is a requirement that 2/3rds of the land in Regional Parks is reserved for conservation-related purposes, and this significant acreage forms the nodes of greenways that run throughout the County, protecting streams, buffers, wetlands, wildlife corridors, and forests.

The recreational activities that are provided are used by all County residents, and include picnicking, hiking, boating, fishing, camping, ice skating, equestrian, football, softball, hockey, lacrosse, soccer, and many more leisure activities. The placement of five Nature Interpretation Facilities in the Regional parks also makes them the focus of many interpretive and conservation activities, and a significant teaching location for the stewardship efforts of our Parks Department.

Stream Valley Parks - Stream Valley Parks are the predominant conservation tool in Montgomery County. The 12,466 acres of parkland that comprises the Stream Valley system could be considered the Green Infrastructure of the County, protecting the water quality, the historical fabric and the natural beauty of the land. Since 1927, the Commission and the County have demonstrated foresight and wisdom in land conservation and stream protection along these green ribbons that, in addition to the environmental benefits, have also provided unlimited opportunities for outdoor recreation at a scale unmatched by any municipal park system. The trails are used by hikers, runners, bikers, horse riders, and outdoor enthusiasts. In many cases the Regional Parks are nodes of green along these corridors of conservation, creating a Green Infrastructure, which benefits all of Montgomery County, whether used personally or not.

However, a resident does not have to visit one of these parks to derive a significant benefit; the benefits that are available to residents County-wide include, but are not limited to the following:

Active Use – These parks are available and used by residents from every part of Montgomery County. There is not an admission fee, and most fees that are charged for permits and reservations are based solely on the cost of providing a particular private benefit;

Passive Use – Use of trails, paths, open areas, picnicking, nature appreciation, kite flying, biking, equestrian uses, and much, much more are free to every resident;

Intrinsic Benefits - Growing Smart – The Regional Parks and the Stream Valley system are integral to regional land planning and intelligent design;

Attracting Investment – The beauty and accessibility of Montgomery Parks has remained an important factor in businesses wanting to locate in Montgomery County;

Boosting Tourism – Our signature attractions, such as Brookside Gardens, Wheaton, Cabin John, Rock Creek, Black Hill, and Little Bennett have State-wide and Region-wide audiences and visitors;

Preventing Floods – Our land along the streams helps preserve the riparian buffers, and the flood plains which help absorb and protect the flood waters from the developed portions of the County;

Safeguarding the Environment – Interior forests, aquatic life, wildlife corridors for migration and home range, water quality protection and conservation management are all essential components of the management of these County-wide resources;

Increasing property values – Montgomery Parks are beautiful, attractive, and preserve a look and feel to the County, which adds a significant portion to the quality of life, and therefore the attractiveness of living in this County.

The residents of these municipalities have a variety of park experiences available to them, including Federal, State, County and Municipal parks, but the only ones some municipalities do not pay for are the County Parks.

Appendix 24: Memo from the Park Tax Subcommittee Chair to the Task Force—Follow up to the Draft Reports on the Park Tax (Appendices 25 and 26)

To: Revenue Sharing Task Force Committee

From: Patricia Colihan Barney, Park Tax Subcommittee Chair

Date: October 5, 2008

Subject: Follow up to Draft Reports on Park Tax

BACKGROUND

The Revenue Sharing Task Force Committee established two subcommittees to deal with the Park Tax issues. Results of the Subcommittees' work was detailed in two draft reports dated March 14, 2008. Each report identified a number of open issues. This report attempts to describe the results from follow up actions taken. The first section deals with the municipalities that do not pay the park tax, while the second section deals with the municipalities that do pay the park tax. This report has not yet been reviewed by the Subcommittee members and their views may differ from my observations.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO NOT PAY THE PARK TAX

Issue: Three municipalities do not pay the Park Tax and do not maintain any municipal park system programs. Although municipal representatives on the Subcommittee initially supported the inclusion of Brookville, Barnesville and Laytonsville in the Park District, the municipal representatives later did not reach consensus on this issue.

Action: No subsequent action required. Issue is provided for information.

Issue: Municipalities questioned the percentage of costs allocated to the Regional Parks when compared with the large number of Community Use Parks maintained by the Commission.

Action: Commission representatives provided a Regional Park tour for the Rockville and Gaithersburg Task Force representatives. As part of the tour, representatives were also shown how the SmartParks data is captured and reported. Based on the reaction of the participants, I believe they gained a better understanding of the magnitude of effort required to support the Regional Parks System. In addition, at the next Task Force meeting, they no longer expressed questions regarding the SmartParks data. Attachment 1 provides a brief summary of the benefits of the County-Wide Regional and Stream Valley Park Systems.

Issue: Although there were some differences of opinion regarding the level of municipal Recreational Parks, the proposal did not include municipalities' funding support for that Park Type. The Rockville and Gaithersburg representatives indicated that their Recreational Park facilities are used by County residents outside their city limits at the same cost as their residents.

Action: Recommend that fee schedules be obtained annually from municipalities to document that this policy remains in place.

Issue: The municipalities feel that they do provide some Stream Valley Parks; however the Commission's position is that these parks supplement rather than duplicate the benefits, and therefore they should provide funding support. Total Stream Valley acreage of the municipalities is about 3% of the acreage that the County provides.

Action: No additional action was taken. Attachment 1 provides a narrative describing the benefits of the County-wide Regional and Stream Valley Park Systems prepared by the Parks Department.

Issue: The County-Wide Park capital improvement program (CIP) is funded primarily by County general obligation bonds and grants, while the Community Use Park CIP is funded by Commission bonds supported by the Park Tax. The model was adjusted to remove the portion of the Park Tax used to support actual Commission Park Bond debt service.

Action: Municipalities supported this change.

Summary: Although it appeared that the Subcommittee had reached some agreement regarding Regional Park funding support, the municipal representatives on the Subcommittee had been clear that their support for any funding support for County-Wide Parks was contingent upon resolution of other issues before the Revenue Sharing Task Force. As a result, the municipal representatives did not reach consensus on funding for the County-Wide Park Program.

The Commission's position is that the municipalities that do not pay the park tax and do not have park systems should be in the Park District, and those municipalities that run park programs should contribute to the County-wide Park System as a matter of tax equity for the other taxpayers.

OPEN ISSUES RELATED TO MUNICIPALITIES THAT DO PAY THE PARK TAX

Issue: The Commission provided data from the SmartParks database for average cost per acre by Park Type. The Commission representatives supported an averaging approach over three years to smooth out extraordinary maintenance experience both high and low with, the earlier years increased by a CPI factor..

Action: The municipal representatives supported the three-year averaging approach.

Issue: Although the municipal representatives supported using the Park Type categories to develop cost per acre, in some cases, the municipal and Commission representatives had a difference of opinion regarding the park classification of a specific park. In particular, Takoma Park took exception to the classification of some of their parks as Neighborhood Parks instead of Urban Parks, and Friendship Heights took exception to two of their parks classifications as Urban rather than something similar to the Commission's Brookside Gardens. The differences are critical as the cost per acre for Neighborhood Parks are significantly lower than Urban Parks and the Urban Park cost was much less than the cost per acre that Friendship Heights indicated was required for their highly landscaped parks.

Action: Commission representatives visited the parks in question. The Urban Parks in Takoma Park did resemble their Neighborhood Parks. The major difference was that Neighborhood Parks have ballfields. The Commission Parks staff indicated that the reason for the Commission's higher per acre cost for Urban Parks is largely a result of transportation costs being allocated to parks with extremely small acreage. Although the Commission representatives considered an averaging of the Neighborhood and Urban Parks per acre costs, this approach did not appear feasible as the basis for the entire reimbursement model was on average cost by specific park classification. County members of the Task Force felt that it was important to maintain the standard classification per the description in the 2005 Land Preservation, Parks and Recreation Plan. The Takoma Park representative disagrees with this approach as the costs per acre they expend on the parks in question are significantly higher than the reimbursement model based on Neighborhood Park classification.

Action: Commission representatives also visited the two parks in question in Friendship Heights and noted the more intense landscaping at one park in particular. However, as the basis for the reimbursement is the dollars saved by the County/Commission, the Commission representatives felt that the Urban Park classification was appropriate and that the additional cost incurred for these two parks was associated with an enhanced level of park landscaping that the Commission does not generally provide at its Urban Parks.

Issue: The municipal representatives indicated that their cost for playground construction/renovation was much greater than the \$60,000 and therefore requested reconsideration of the \$3,000 annual capital factor developed by the Commission.

Action: The Commission reexamined its estimate by reviewing the construction costs related to a number of recent playground projects. As a result, the playground factor was adjusted to \$81,000/ 20 years or a \$4,050 annual capital factor with CPI growth in future years.

Issue: Although the concept of utilizing the first and second level supervisors had been agreed upon by the Subcommittee, the actual approach to calculate that percentage had not been reviewed by the municipal representatives.

Action: The 3% factor as proposed in the Draft Report was supported.

Issue: The reimbursement amount cannot exceed the amount of Park Tax that supports the Community Based Park program which the municipality generates as calculated from their assessable base.

Action: None of the reimbursements exceeded the Community-Use Parks portion of the Park Tax paid by the respective municipality.

Summary: The Subcommittee reached agreement on the basic formula for reimbursement, but a few differences remain with regard to municipal park classification.

Regional Parks - Regional Parks play an essential role in preserving natural areas, and in providing active and passive recreational opportunities. These large (greater than 200 acres) land preservation areas play a key role in conserving and preserving areas of cultural, natural and agricultural heritage for Montgomery County. The massive size of these parks allows them to also accommodate many more users in both active and passive pursuits without degrading the resource.

It is a requirement that 2/3rds of the land in Regional Parks is reserved for conservation-related purposes, and this significant acreage forms the nodes of greenways that run throughout the County, protecting streams, buffers, wetlands, wildlife corridors, and forests.

The recreational activities that are provided are used by all County residents, and include picnicking, hiking, boating, fishing, camping, ice skating, equestrian, football, softball, hockey, lacrosse, soccer, and many more leisure activities. The placement of five Nature Interpretation Facilities in the Regional parks also makes them the focus of many interpretive and conservation activities, and a significant teaching location for the stewardship efforts of our Parks Department.

Stream Valley Parks - Stream Valley Parks are the predominant conservation tool in Montgomery County. The 12,466 acres of parkland that comprises the Stream Valley system could be considered the Green Infrastructure of the County, protecting the water quality, the historical fabric and the natural beauty of the land. Since 1927, the Commission and the County have demonstrated foresight and wisdom in land conservation and stream protection along these green ribbons that, in addition to the environmental benefits, have also provided unlimited opportunities for outdoor recreation at a scale unmatched by any municipal park system. The trails are used by hikers, runners, bikers, horse riders, and outdoor enthusiasts. In many cases the Regional Parks are nodes of green along these corridors of conservation, creating a Green Infrastructure, which benefits all of Montgomery County, whether used personally or not.

However, a resident does not have to visit one of these parks to derive a significant benefit; the benefits that are available to residents County-wide include, but are not limited to the following:

Active Use – These parks are available and used by residents from every part of Montgomery County. There is not an admission fee, and most fees that are charged for permits and reservations are based solely on the cost of providing a particular private benefit;

Passive Use – Use of trails, paths, open areas, picnicking, nature appreciation, kite flying, biking, equestrian uses, and much, much more are free to every resident;

Intrinsic Benefits - Growing Smart – The Regional Parks and the Stream Valley system are integral to regional land planning and intelligent design;

Attracting Investment – The beauty and accessibility of Montgomery Parks has remained an important factor in businesses wanting to locate in Montgomery County;

Boosting Tourism – Our signature attractions, such as Brookside Gardens, Wheaton, Cabin John, Rock Creek, Black Hill, and Little Bennett have State-wide and Region-wide audiences and visitors;

Preventing Floods – Our land along the streams helps preserve the riparian buffers, and the flood plains which help absorb and protect the flood waters from the developed portions of the County;

Safeguarding the Environment – Interior forests, aquatic life, wildlife corridors for migration and home range, water quality protection and conservation management are all essential components of the management of these County-wide resources;

Increasing property values – Montgomery Parks are beautiful, attractive, and preserve a look and feel to the County, which adds a significant portion to the quality of life, and therefore the attractiveness of living in this County.

The residents of these municipalities have a variety of park experiences available to them, including Federal, State, County and Municipal parks, but the only ones some municipalities do not pay for are the County Parks.

Appendix 25: Municipalities that Have Parks, but whose Property Owners Do Not Pay the Metropolitan District Tax

To: Revenue Sharing Task Force Committee

From: Patricia Barney, Park Tax Subcommittee Chair

Date: March 14, 2008

Subject: Draft Report – Municipalities that Do Not Pay the Park Tax

OVERVIEW

This report has been prepared as a draft report presenting the methodology proposed for funding support for Park and Planning Commission County-Wide park facilities and services by municipalities that do not pay the Metropolitan District Tax (Park Tax). The objective of our work effort was to develop a fair model upon which to base future funding support by these municipalities to reflect the benefits their communities receive from the County-Wide Park Program. By obtaining some share in the support for the County-Wide Park Program by these municipalities, we should achieve a more equitable taxation of the other taxpayers in the County.

These municipalities include two groups, the municipalities that do not provide park services and those that do provide park services.

The first group includes Brookeville, Barnesville, and Laytonsville. The Subcommittee is of the opinion that this group should be included in the Metropolitan District and pay the Park Tax.

The second group includes Gaithersburg, Poolesville, Rockville and Washington Grove. It is this group that is the focus of the report. At issue is how to determine the park benefit derived from the Commission's County-Wide Parks in view of the considerable park resources that are provided by these municipalities, and the appropriate level of funding support.

The Subcommittee consisted of the following representatives:

Fred Felton, Gaithersburg
Gavin Cohen, Rockville
Wade Yost, Poolesville
Chuck Sherer, Montgomery County Government

Monica Sanchez provided administrative support. The municipalities also engaged their park management staff to provide input into the process.

The Subcommittee was assisted by the following Park and Planning Commission staff:

Brian Woodward
Mark Wallis
Joe Davis

I appreciate the assistance from all the parties involved. The proposed approach requires that the Commission's SmartParks total maintenance costs and park police costs by Park Type be updated annually in order to determine the percentage of the Park Tax required to support the various County-wide Park Types.

In my opinion, the Subcommittee has reached partial agreement on the proposed methodology for Regional Parks; however there are some questions regarding the percentage of our costs associated with the Regional Parks as generated by the SmartParks data. The possible inclusion of Stream Valley Parks in the formula has not yet been discussed with the municipalities.

In addition, the municipal representatives were clear in their desire to have any funding support for County-Wide Parks contingent upon the resolution of the other issues before the Revenue Sharing Task Force.

The draft report has just recently been completed and released to the municipalities for their review. It will require additional revision to completely incorporate the municipalities' views. The preliminary park funding support calculations are presented using the Commission's SmartParks maintenance costs by Park Type and park police costs based on number of dispatch calls by Park Type as a basis for the allocation of the total Park Tax by Park Type.

Finally, the Subcommittee's task was to develop a reasonable funding support model. We recognize that the timing of the funding support may be phased in over a period of time to assist the municipalities.

GUIDING PRINCIPLES AND HOW THE PROPOSED APPROACH MEETS THEM

The proposed model is based on a number of guiding principles. These principles are presented below along with the approach to meet them.

Principle:

The methodology for developing the municipalities' payments should not be too complex and should be easily applied to each of the four municipalities.

Approach:

The proposed methodology assumes that we treat all four municipalities the same even though the Park Programs they provide at the municipal level vary significantly in size and complexity. The proposed funding support model is provided below.

Total Real Property Assessable Base per municipality/\$100 times (the Real Property Park Tax Rate less the Real Property Park Tax Rate required to pay actual debt service on the Commission Park Bonds) times the percentage of the Commission Budget allocated to the County-Wide Park Type (Regional Parks and possibly Stream Valley Parks).

Plus

Total Personal Property Assessable Base per municipality/\$100 times (the Personal Property Park Tax Rate less the Personal Property Park Tax Rate required to pay actual debt service on the Commission Park Bonds) times the percentage of the Commission Budget allocated to the County-Wide Park Type (Regional Parks and possibly Stream Valley Parks).

Attachment 1 presents preliminary funding support calculations based on the formula. It includes both Regional Parks and Stream Valley Parks for illustrative purposes.

Open Issue:

The process by which the support for the County-Wide Parks Program is collected has not been discussed. There are three potential outcomes.

1. The municipalities make a payment directly to the County.
2. The municipalities are included in the Metropolitan District, pay the total Park Tax and receive a payment from the County representing the duplication.
3. The municipalities are taxed at a different rate.

Principle:

The data on which the municipalities' park funding support is based should be easily obtainable and verifiable.

Approach:

The maintenance costs by Park Type are available from the Commission's SmartParks Database generated on a work order system for FY 06 and FY 07. The allocation of the Park Police costs are based on FY 2005 and FY 2006 dispatched service calls. The percentage of the total costs allocated to each Park Type has been blended and averaged for FY 06 and FY 07. See attachment 2.

Open Issue:

The municipalities questioned the percentage of costs allocated to the Regional Parks when compared with the large number of Community Use Parks maintained by the Commission. The Commission Parks representatives have been working to arrange a tour of Commission Regional Parks for the municipal representatives to better explain the extreme level of effort required to maintain these heavily programmed parks.

Principle:

The payment should be based on the cost to support the County-Wide Park Types that the municipalities as a group do not provide. The categories of Park Types should be defined to enable consistent application in determining the Park Types that are not provided by the municipalities.

Approach:

The Park Type classifications are based upon the categories and definitions presented in the 2005 Land Preservation, Parks and Recreation Plan. Attachment 3 presents the narrative descriptions for the County-wide Park and the Community Use Park Types. The Subcommittee agrees that the municipalities as a group provide Community Use Parks. The Community Use Parks are classified as Urban Parks, Neighborhood Parks, Local Parks and Neighborhood Conservation Areas. There is also agreement that the municipalities provide some parks in the County-Wide category consisting of Regional Parks, Recreation Parks, Special Parks, Stream Valley Parks and Conservation Parks. We have agreement that the municipalities do not provide any Regional Parks.

Open Issue:

Although there were some differences of opinion regarding the level of municipal Recreational Parks, we are not proposing that the municipalities' funding support include that Park Type. The Rockville and Gaithersburg representatives indicated that their Recreational Park facilities are used by County residents outside of their City limits at the same cost as their residents. This position needs to be verified by the Park staff.

The municipalities feel that they do provide some Stream Valley Parks; however the Commission's position is that these parks supplement rather than duplicate the benefits and therefore they should provide funding support. Total Stream Valley acreage of the municipalities is about 3% of the acres that the County provides. Attachment 4 presents the park classifications for Gaithersburg and Rockville. Poolesville and Washington Grove provide smaller park programs. Their park lists are provided in Attachment 5 (to be provided later).

Principle:

The County-Wide Park capital improvement program (CIP) is funded primarily by County general obligation bonds and grants. As the municipalities pay the County tax, no additional support is required for the CIP. The Commission's Community Use Park CIP is funded largely by Commission issued Park Bonds and grants.

Approach:

The model removes the Park Tax associated with the actual Debt Service on Commission Park Bonds and does not include any factor for the County –Wide CIP as the municipalities already support those costs through the County Tax.

Open Issue:

This revision to the formula has not yet been discussed with the municipalities.

THE PROCESS FOLLOWED BY THE SUBCOMMITTEE

The Subcommittee met a number of times brainstorming ideas over the past year. We began with a review of the Park Type Classifications. The municipal representatives provided a list of their parks along with the amenities provided (see Attachment 6 - to be provided). The municipalities classified their parks by Park Type and this information was reviewed by the Commission Park representatives. A few changes were made and some differences of opinion still remain, but they are not material to the final outcome. Commission Park staff also visited some of the municipal park facilities to gain a better understanding of the level of service provided.

As indicated above, we still have to schedule the tour of Commission regional parks and provide any additional data the municipalities require to gain a comfort level in the percentage allocated to Regional and possibly Stream Valley Parks.

SUMMARY OF METHODOLOGY

The proposed methodology for determining County-Wide Park funding support by the municipalities is proposed to consist of a multi-step approach:

- 1) Update the SmartParks database and the Park Police dispatch calls to generate the percentage allocation for the Regional and Stream Valley Parks. (depending on outcome of discussion)
- 2) Update the amount of the Park Tax required to support the Commission's actual Park Bond debt service.

- 3) The final step is dependant on the approach to collecting the funding support. If a payment is made by the municipalities to the County, the assessable base information from each municipality will be obtained from the County's Finance Department. The amount of payment will be then be calculated. If the funding support is through the taxing of residents, the tax rate would be determined during the budget cycle and a reimbursement formula for services rendered would be determined based on the Park Tax collected and associated with the other Park Type categories.

Montgomery County Assessable Base FY08 February 2008					Attachment 1 Do Not Pay	
		Gaithersburg	Poolesville	Rockville	Washington Grove	Total
REAL ASSESSABLE BASE	Full Year	7,933,133,670	552,978,970	10,207,843,071	77,997,003	18,771,952,714
	3/4 Year	1,429,434	429,112	119,661,700	244,070	121,764,316
	1/2 Year	1,691,545	-	16,310,052	-	18,001,597
	1/4 Year	-	-	-	-	-
		7,936,254,649	553,408,082	10,343,814,823	78,241,073	18,911,718,627
Full Park Tax Rate for Real	5.80	\$ 4,603,028	\$ 320,977	\$ 5,999,413	\$ 45,380	10,968,797
Less amount for Park Bond Debt Service	-0.30	(238,088)	(16,602)	(310,314)	(2,347)	(567,352)
Net Real Property Taxes	5.50	4,364,940	304,374	5,689,098	43,033	10,401,445
PERSONAL ASSESSABLE BASE		408,708,400	8,217,750	439,824,089	1,567,910	858,318,149
Park Fund Tax Rate	14.50	\$ 592,627	\$ 11,916	\$ 637,745	\$ 2,273	1,244,561
Less amount for Debt Service	-0.75	-30,653	-616	-32,987	-118	-64,374
	13.75	561,974	11,299	604,758	2,156	1,180,187
TOTAL ASSESSABLE BASE		8,344,963,049	561,625,832	10,783,638,912	79,808,983	19,770,036,776
Total Park Tax		\$ 5,195,655	\$ 332,892	\$ 6,637,158	\$ 47,653	12,213,358
Less Amount for Debt Service		\$ (268,741)	\$ (17,219)	\$ (343,301)	\$ (2,465)	(631,725)
Total Park Tax		\$ 4,926,914	\$ 315,674	\$ 6,293,856	\$ 45,188	11,581,633
REGIONAL PORTION (a)	0.2562	1,262,275	80,876	1,612,486	11,577	2,967,214
STREAM VALLEY PORTION (a)	0.0597	294,137	18,846	375,743	2,698	691,424
TOTAL REGIONAL AND STREAM VALLEY		1,556,412	99,721	1,988,229	14,275	3,658,638

Attachment 2 Do Not Pay						
Local/Regional	Park Type	Acreage	Maintenance %	Police %	Enterprise %	Blended %
County-Wide	Conservation		0.74%	0.53%	0.00%	0.71%
County-Wide	Historical		0.49%	1.40%	0.00%	0.61%
County-Wide	Regional		27.89%	10.44%	0.00%	25.62%
County-Wide	Recreational		10.16%	6.98%	0.00%	9.74%
County-Wide	SVU		5.49%	9.17%	0.00%	5.97%
County-Wide	Special		5.59%	2.15%	0.00%	5.14%
County-Wide	Misc. Rec & Non Rec		10.28%	25.15%	0.00%	12.21%
Total County-Wide			60.63%	55.82%	100.00%	60.00%
Local/Regional	Park Type	Acreage	Maintenance %	Police %	Enterprise %	Blended %
Local	Urban		2.33%	2.61%	0.00%	2.37%
Local	Local		29.30%	31.74%	0.00%	29.61%
Local	NCA		0.41%	0.79%	0.00%	0.46%
Local	Neighborhood		7.33%	9.04%	0.00%	7.55%
Total Local			39.37%	44.18%	0.00%	40.00%
Maintenance data averaged for FY 2006 and FY 2007 from SmartParks						
Police data averaged for FY2005 and FY 2006 from dispatched service calls.						

Attachment 3

M-NCPPC Park Classification System

The M-NCPPC park system is categorized into different park types for budgeting and planning purposes. The park types are based in part on the service area of each park, its physical size, natural features, and the kind of facilities it contains. This section will describe and help define the distinctions between different types of parks. The table on the M-NCPPC Montgomery County Park Classification System contains a summarized description of each type of park, including approximate park size and typical recreation facilities.

Countywide Parks

Larger parks that serve regional recreation needs or conservation needs are called County-wide Parks. Over 90% of the total County park acreage, nearly 30,000 acres, is in County-wide parks. There are five types of County-wide parks: regional, recreation, special conservation, and stream valley. Of these, the regional, recreational, and special park categories are recreation-oriented parks, while the conservation and stream valley parks belong to a sub-category of County-wide Parks known as conservation oriented parks.

Recreation-Oriented Parks: Regional, recreational and special parks are large parks serving County-wide recreation needs. They provide opportunities for active and passive recreation, but also generally contain areas without facilities that serve conservation purposes.

Regional Parks are large, typically over 200 acres, and contain a wide range of recreation opportunities and facilities, while retaining 2/3 of the park for conservation. Regional parks are the most popular of the County's parks. In 1995, surveys of developed portions of regional parks indicated visits by several million people annually. Many other informal users enjoy the undeveloped portions of the park.

Montgomery County has five developed regional parks offering a variety of recreation opportunities within a reasonable driving time of most County residents. Three of these parks serve the lower and mid-County areas. Wheaton, the System's first regional park, was opened to the public in 1961 and is easily reached by southeastern County residents. Cabin John Regional Park is accessible to southwestern County residents, and Rock Creek Regional Park by people living in the middle and upper-County areas. Many recreational facilities are provided including lighted tournament quality athletic fields, year-round tennis courts, ice rinks, trains, and a carousel. Rock Creek offers golf, boating and other water oriented recreation activities. Additionally, each of these parks furnishes other recreation opportunities, such as nature centers, playgrounds, trails, and picnic areas, and Wheaton has a large botanical garden.

The two regional parks that serve the northern Area of the County have large acreage of open space and conservation area. Little Bennett has a golf course and a large campground, while Black Hill offers opportunities to enjoy picnicking and water-related recreation as well as a many miles of trails.

Recreation Parks is a category that includes parks with intensive development similar to that found in the ball field and tennis court complexes at regional parks; however, they differ from regional parks in that they do not limit 2/3 of their development to conservation uses.

Small picnic/playground areas are also included in this category. Presently, Montgomery County has three such developed parks -- Olney Manor, Martin Luther King and Damascus. Fairland Recreational Park is under construction, and there are several other undeveloped recreational parks which are planned for future development including Ovid Hazen Wells, Ridge Road, Muncaster, Gude and Northwest Branch Recreational Parks.

Special Parks preserve historic or culturally significant features and have distinguishing characteristics that set them apart from other park classifications. McCrillis Gardens, Woodlawn Manor House, Rockwood Manor Park, and the Agricultural History Farm Park are good examples of special parks in the County. They are often used for small conferences, social events, specialized education, and art exhibits. Important historic sites are preserved in all types of parks. Examples of these are the Silver Spring in Acorn Urban Park, Woodlawn Manor House with its smoke house, and the Needwood Mansion.

Conservation-Oriented Parks

There are two types of County-wide conservation oriented parks: stream valley parks and conservation area parks. Both protect important environmental areas; however, they differ in that stream valley parks are linear parks acquired to protect stream valleys and conservation parks are large natural areas acquired to preserve specific natural, archaeological or historical features. Both types of parks are managed to provide stewardship of sensitive areas, but may include trails and other low impact recreation areas when carefully designed to avoid, minimize, and/or mitigate environmental impacts.

Stream Valley Parks form the foundation of the park system, extending as greenways throughout the urban areas and into the countryside, putting the natural environment within close reach of all Montgomery County citizens. They separate communities with green open space buffers and provide easy access to nature for adjacent residents. Just as they were seventy years ago, stream valley parks today are acquired primarily for conservation purposes. They hold the key to watershed protection throughout the County by reducing flooding, sedimentation and erosion, and they furnish valuable habitat for many species of wildlife. Some stream valleys, such as the Upper Paint Branch Stream Valley, are also designated as special protection areas. These areas are so sensitive that they are subject to a special set of regulations designed to protect them.

Stream valley parks also preserve some of the County's most beautiful and interesting terrain, providing long, interconnected greenways of parkland that provide corridors for trails and wildlife. There are 30 such parks in the County, which include nearly 12,000 acres of parkland. In urban areas, clusters of active recreation facilities in parks adjacent to stream valley parks were developed many years ago to serve as local parks for nearby residents. More recent environmental regulations now limit or prevent intensive development along stream banks to reduce sedimentation and erosion and environmental degradation caused by urban runoff.

Conservation Area Parks are generally large areas that preserve specific natural, archaeological or historical features; are typically located in upland areas; and are acquired specifically for environmental preservation purposes. Conservation area parks may include outstanding examples of natural communities, self-sustaining populations of rare, threatened, or endangered plant and animal species, or unique archaeological and historical resources. Given

the sensitive nature of the resources in conservation parks, development is very limited and generally restricted to passive recreation areas and opportunities such as trails, fishing and picnic areas, and nature study. Opportunities for interpretation of the protected environmental, historic, and archeological elements should be maximized through self-guided nature trails, interpretive signage, and naturalist programs. There are nine conservation parks in the County, which include over 2,160 acres of parkland.

Community Use Parks

Smaller types of parks that are primarily used by local residents and nearby areas are group in the classification system under the category of community use parks. These parks are sometimes referred to as local parks, and provide everyday recreation needs for residents close to home. Currently there are over 200 developed community use parks. Many are located in the down-county area where they were placed to serve County development in the 1950s and 60s. As new park construction tries to keep pace with an ever-expanding County population, more parks are now being developed in rapidly growing upcounty areas.

The classification system presently includes four types of community use parks: urban, neighborhood, local parks, and neighborhood conservation areas.

Urban Parks serve central business districts or other highly urban areas, providing green space in an often otherwise concrete environment. These parks serve as a buffer between adjacent residential, office and commercial districts, and contain landscaped sitting areas, walkways, and in several cases, play equipment, handball and paddle ball courts. Urban parks serve an important role as gathering places for the community and accommodate activities such as concerts and performances, celebrations, fairs, and outdoor spaces for area employees to have lunch. Nearly all of the County's 19 developed urban parks are located in the down-County with concentrations in the Bethesda and Silver Spring areas.

Neighborhood Parks are small, generally, walk-to parks providing informal leisure opportunities and recreation in heavily populated areas. They often provide about five acres of open space developed with a sitting area, playground, informal play field, and tennis and/or basketball courts. There are 74 developed neighborhood parks in the County, with the largest number found in the Wheaton, Silver Spring, and Bethesda areas where they were developed to serve early concentrations of single-family housing.

Local Parks provide both programmed and informal recreation opportunities within reach of all area residents. Typically about ten to fifteen acres in size, these parks contain athletic fields, tennis and basketball courts, picnic and playground areas, and sometimes recreation buildings and other facilities.

The major difference between neighborhood and local parks is that the local parks provide regulation size athletic fields that can be reserved for game play. Over 40% of the people visiting local parks in 1996 were either league players or league game spectators. Ballplayers attend games on fields near their homes, or travel to other parts of the County to challenge opposing teams. Therefore local parks often have large service areas. Many people drive to local parks, while many neighborhood parks are within walking distance.

Neighborhood Conservation Areas are small pieces of parkland preserved in residential areas. They are generally conveyed to M-NCPPC during the subdivision process and frequently contain streams or drainage areas and adjacent wooded slopes. They remain undeveloped and benefit the neighborhood by providing open space, reducing storm water runoff, and bringing nature into an urban environment.

MONTGOMERY COUNTY PARK CLASSIFICATION SYSTEM

PARK TYPE	PARK TYPE DESCRIPTION	TYPICAL FACILITIES*	APPROXIMATE SIZE
COUNTY-WIDE PARKS – Parks in this category serve all residents of Montgomery County			
- Recreational Oriented Parks			
Regional Parks	Large Parks that provide a wide range of recreational opportunities but retain 2/3 or the acreage as conservation areas.	Picnic / playground areas, tennis courts, athletic fields, golf course, campgrounds, water-oriented recreation areas.	200 acres or more
Recreational Parks	Parks larger than 50 acres in size that are more intensively developed than Regional Parks, but may also contain natural areas.	Athletic fields, tennis courts, multi-use courts, picnic/playground areas, golf course, trails, natural areas.	50 acres or more
Special Parks	These parks include areas that contain features of historic and cultural significance.	Vary, but may include agricultural centers, garden, small conference centers, historic structures, etc.	Varies
- Conservation Oriented Parks			
Stream Valley Parks	Interconnected linear parks along major stream valleys providing conservation and recreation areas.	Hiker-biker trails, fishing, picnicking, playground areas.	Varies
Conservation Area Parks	Large natural areas acquired to preserve specific natural archaeological or historic features. They also provide opportunities of compatible recreation activities.	Trails, fishing areas, nature study areas, informal picnic areas.	Varies
COMMUNITY USE PARKS – Parks in this category serve residents of surrounding communities			
Urban Parks	Very small parks, serving highly urban areas.	Landscaping, sitting/picnic areas, play equipment, courts, and shelters.	1 Acre
Neighborhood Parks	Small parks providing informal recreation in residential areas.	Play equipment, play field, sitting area, shelter, tennis and Multi-use courts. (Don not include regulation size ballfields).	2.5 Acre
Local Parks	Larger parks that provide ballfields and both programmed and unprogrammed recreation facilities.	Ballfields, play equipment, tennis and multi-use courts, sitting/picnic area, shelters, buildings and other facilities.	15 Acre
Neighborhood Conservation Areas	Small parcels of conservation oriented parkland in residential areas, generally dedicated at the time of subdivision.	Generally undeveloped, may include a storm water management pond and related facilities.	Varies

*This list is not all-inclusive, but includes facilities typical of each park type.

Attachment 4

Attachment 4
Do Not Pay

Rockville Parks			MNCPPC Difference
NAME	Acres	Self classification	
Wooton Mill Park	106.5	Recreational	
Potomac Woods Park	42	Recreational	
Woodley Gardens Park	37.5	Recreational	
Dogwood Park	44.22	Recreational	
Civic Center	153	Special	Local
Beall-Dawson Historic	2.9	Special	
Senior Center	12.1	Special	
Autre-St. Mary's	1.4	Special	
King Farmstead	7.6	Special	NCA
Memory Walk	0.23	Special	
King Farm SVP	28.4	Stream Valley	
King Farm - McDonalds	9	Stream Valley	
King Farm Watkins Pond	15	Stream Valley	
Fallsgrove SVP	50.2	Stream Valley	
Rose Hill SVP	12.46	Stream Valley	
Upper Watts Branch	78.8	Conservation	
Dawson Farm	7.2	Conservation	
Gaithersburg Parks			MNCPPC Difference
NAME	Acres	Self Classification	
Bohrer Park	58	Recreational	Local
Kelly Park	27.7	Recreational	
Lakelands Park	11.6	Recreational	
Morris Park	26.5	Recreational	
Robertson Park	8.9	Recreational	
Kentlands Mansion		Special	Building
Casey Comm Ctr		Special	
Arts Barn		Special	
Observatory Park		Special	
Muddy Branch SVP	153.9	Stream Valley	Bohrer (?)
Upper Longdraft SVP	23.6	Stream Valley	
Whetstone ranch SVP	57.9	Stream Valley	
Blohm Park	24.3	Conservation	
Cristman Park	3.6	Conservation	
Kentlands Lakes	40	Conservation	
Metropolitan Park	27	Conservation	
Washington Woods Park	22.3	Conservation	

Attachment 5

Poolesville and Washington Grove: Parks Classified by Park Type (never received from the municipalities)

Attachment 6

Gaithersburg, Rockville, Poolesville and Washington Grove: Park Amenities, by Park (never received Washington Grove's, need electronic copies for Gaithersburg, Rockville and Poolesville).

Appendix 26: Municipalities that Have Parks, and whose Property Owners Pay the Metropolitan District Tax

To: Revenue Sharing Task Force Committee

From: Patricia Barney, Park Tax Subcommittee Chair

Date: March 14, 2008

Subject: Draft Report – Municipalities that Pay the Park Tax

OVERVIEW

This report has been prepared as a draft report presenting the methodology proposed for reimbursement for park facilities and services provided by the municipalities that pay the Metropolitan District Tax (Park Tax). The Subcommittee consisted of the following representatives:

Geoff Biddle, Chevy Chase Village
Fred Felton, City of Gaithersburg
Julian Mansfield, Village of Friendship Heights
Barbara Matthews Takoma Park
Chuck Sherer, Montgomery County Government

Monica Sanchez provided administrative support. The municipalities also engaged their park management staff to provide input into the process.

The Subcommittee was assisted by the following Park and Planning Commission staff:

Brian Woodward
Mark Wallis
Joe Davis

I appreciate the assistance from all the parties involved. Our objective was to develop a logical approach to fairly compensate those municipalities that pay the Park Tax for park facilities and services they provide. The proposed approach requires that the municipal park inventories, the SmartParks average costs per acre by park type and the overhead and capital replacement factors be updated annually.

In my opinion, the Subcommittee has reached substantial agreement on the proposed methodology; however there are some differences of opinion which are noted for your consideration and discussion as open issues. The draft report has just recently been completed and released to the municipalities for their review. It will require additional revision to completely incorporate the municipalities' views. The park reimbursement calculations are presented using the Commission's park classification for illustrative purposes.

BACKGROUND

The objective of our work effort was to develop a fair reimbursement model based upon the dollars the County (Commission) saves due to the municipalities that pay the Park Tax also providing and funding some of their own park facilities and services. The current payment levels have not been re-examined in many years, and in fact the Subcommittee was not able to obtain any information explaining the reimbursement methodology currently in place.

GUIDING PRINCIPLES AND HOW THE PROPOSED APPROACH MEETS THEM

The proposed reimbursement model is based on a number of guiding principles. These principles are presented below along with the approach to meet them.

Principle:

The methodology for a tax duplication payment formula should be easily understandable, replicable over time, and applicable to municipalities providing park facilities and services of different sizes and complexities.

Approach:

The proposed reimbursement model is based on paying the municipalities according to the following formula:

Commission average maintenance cost per acre by park type times the total acres of the park type maintained by the municipality for each park type plus an overhead factor plus a capital replacement factor for each facility type in the park.

Principle:

The source on which the municipalities' park inventory is based should be easily obtainable and verifiable.

Approach:

The acres of parkland maintained by the municipalities will be obtained from the Commission's Geographic Information System (GIS). This information is to be updated regularly as parkland changes occur, through communication by municipal representatives to designated Commission park staff.

Principle:

The reimbursement should be based on the cost saved by the County/Commission as determined by a reliable information source.

Approach:

The costs per acre for reimbursement will be obtained from the Commission's SmartParks Database which maintains actual maintenance costs based on work orders processed by park type. Attachment 1 presents the FY 06 and FY 07 average costs.

Principle:

The reimbursement should be based upon the costs per acre by type of park recognizing the cost difference between maintaining developed and passive parkland.

Approach:

The data generated by the SmartParks Database is classified by park type and provides an average cost per acre for each park type. Although the Commission has only FY 06 and FY 07 data available, future costs per acre should be based upon a three year average to smooth out extraordinary maintenance experience both high and low. We could apply a CPI factor to the earlier years to account for inflation.

Open Issue:

This averaging concept needs to be discussed with the municipalities. The Commission staff felt that the averaging approach was more reasonable.

Principle:

The categories of park types should be defined to enable consistent application for reimbursement to each municipality based on the types of park facilities they provide. The segment of the park categorization scheme that is most applicable to the scale of a municipality park is the "Community Use" parks category.

Approach:

The park type classifications are based upon the categories and definitions presented in the 2005 Land Preservation, Parks and Recreation Plan. Attachment 2 presents the narrative descriptions for the County-wide Parks and the Community Use Parks. In general, these municipalities do not provide any County-Wide Parks. The Community Use Parks are classified as Urban Parks, Neighborhood Parks, Local Parks and Neighborhood Conservation Areas.

Open Issue:

In some cases, the municipality and the Commission representatives had a difference of opinion regarding the park classification of a specific park. The first issue to consider is whether a space is a park. The Commission's definition of what constitutes a park is derived more from determining what open spaces are not parks, along with the original intended use of the land. The Commission for example would not consider parkland to include town hall building footprints, heavily landscaped road rights-of-way, and free standing membership only pools. I believe the Subcommittee agreed with that definition; however it should be confirmed by the Task Force.

The other area of difference of opinion centers around the Urban versus Neighborhood Parks whereby the Commission would classify a park as Neighborhood and the municipality would classify the park as Urban when the park includes a ballfield. This issue is significant as the cost per acre for Urban parks is substantially greater than the cost per acre for Neighborhood Parks. The difference of opinion also occurred regarding a municipal park that had significant landscaping. These issues need to be presented to the Task Force for discussion. The draft schedules present the Commission's classification for illustrative purposes.

Principle:

An allowance for Capital Replacement of specific facilities should be provided which reflects the replacement cost to the County (Commission) as the Commission's Community Use Parks' capital costs are funded by Commission issued Park Bonds secured by the Park Tax. The factor recognizes the financial cost incurred to replace park facilities at the end of their lifecycles.

Approach:

The Commission staff and the municipal representatives reviewed and/or discussed the park facilities maintained by the municipalities. The majority were playgrounds, tennis courts and basketball courts. These facilities are assumed to have a 20-year life. Replacement costs have been estimated by the Commission staff based on Commission projects.

The initial cost for a new **Playground** is based on an estimate of **\$60,000** for a typical local park playground. The cost breakdown includes:

- 20% (\$12,000) planning, design and supervision at time of construction.
- 40% (\$24,000) purchase of all the equipment
- 40% (\$24,000) installation, including the excavation, edging, surfacing, under drains, etc.

The initial cost for new **Double Tennis Courts** is \$75,000 plus 10% staff charges - **\$82,500**. Typical renewal work includes demolition and replacement of fence, gates, posts, concrete footers, net posts, bench and practice board; new pavement section (stone base and 4" asphalt) on top of the existing surface; color coating and striping; backfill with topsoil, seed and mulch.

The initial cost for a new **Single Tennis Court**, same scope of work \$50,000 plus 10% staff charges – **\$55,000**

The initial cost for a new **Double Basketball Court** is \$24,000 plus 5% staff charge - **\$25,200**. Typical renewal work includes demolition and replacement of basketball standards (backboard, post and concrete footing), filling asphalt pavement cracks and applying a paving fabric, and a 2" asphalt overlay and striping.

The initial cost for a new **Single Basketball Court**, same scope of work is \$15,000 plus 5% staff charge - **\$15,750**.

Based on the above, the initial Annual Capital Replacement Factors would be:

Playgrounds: $\$60,000/20 \text{ yrs} = \$3,000$
Double Tennis Courts: $\$82,500/20 \text{ yrs} = \$4,125$
Single Tennis Courts: $\$55,000/20 \text{ yrs} = \$2,750$
Double Basketball Courts: $\$25,200/20 \text{ yrs} = \$1,260$
Single Basketball Courts: $\$15,750/20 \text{ yrs} = \787

Open Issue:

The municipalities indicated that the costs they incur are higher than those estimated by the Commission. The Commission staff needs to provide data to share with the municipalities to support the costs included in the draft model. Commission staff also needs to provide what a typical Neighborhood Park includes. It was also noted that some cost difference may occur due to the Commission's buying power. However as the basis of the reimbursement is the cost the County/Commission saves, I believe the appropriate cost should be based on Commission's experience.

The process to provide for adjustment reflecting inflation needs to be discussed.

Principle:

An allowance for supervisory overhead should be incorporated based upon typical overhead costs that would be incurred if the parks were maintained by the Commission.

Approach:

Overhead is proposed to be calculated using only the first and second level supervisors as additional management overhead would not be incurred by the Commission if it were to maintain the municipal parks. The Commission's first level supervisor (Maintenance Leader) cost is already accounted for in the SmartParks Database cost per acre by park type data. The next level supervisor is the Park Manager I, and the Park Manager II, both of which can and do supervise Maintenance Leaders. It is this overhead factor that has been incorporated into the model.

There are 31 Park Manager I and II positions in the entire Commission park system and the total budgeted salary and benefits for these positions was calculated. The total cost of these 31 positions was then divided by the total salary cost in SmartParks, and expressed as a percentage. The calculated percentage was 2.99%. The number was subsequently rounded to 3%.

Open Issue:

Although the concept of utilizing the first and second level supervisors has been agreed upon by the Subcommittee, the actual approach to calculate that percentage has not been reviewed by the municipalities.

Principle:

The calculated reimbursement payment should not exceed the Park Tax revenue dedicated to the Community Based Parks paid by the taxpayers in the specific municipality.

Approach:

The reimbursement amounts will be compared to each municipalities' assessable base times the Park Tax times the percentage of the Park Tax dedicated to Community Based Parks. The percentage of the Park Tax utilized for Community Based Parks will be based upon information generated by the SmartParks Database.

Open Issue:

This last calculation has not been discussed with the municipalities. I don't believe it will have an impact on any payment, but it should be calculated.

THE PROCESS FOLLOWED BY THE SUBCOMMITTEE

The Subcommittee met a number of times brainstorming ideas over the past year. The City of Takoma Park was used as the pilot project for this effort. Takoma Park was selected because it is the largest and most complex of the current Park Tax paying municipalities. If a reasonable reimbursement methodology could be developed for the City, the Subcommittee felt that the model could be applied to smaller less complex municipalities. Subsequently, each municipality worked through the process in a similar way.

Step 1 - Inventory Verification and Categorization

A site visit was arranged with the person(s) most familiar with the municipal open space system. To save time, two municipalities and representatives from Montgomery Parks (MCP) met simultaneously at one of the municipality locations. The purpose of the meeting was explained and the park categorization scheme was discussed. A GIS map of each municipality was shared and examined to ensure inventory accuracy. Corrections were noted on the map to be fixed by the Commission's Research and Technology GIS team. Each municipal park was discussed relevant to function and facilities. Each park was then categorized using the MCP categorization scheme (Attachment 2).

The MCP park type cost per acre was averaged between Fiscal Year 06 and Fiscal Year 07 (Attachment 1) and multiplied by the number of acres in that park to get a maintenance cost per year for that park. Each individual park went through the identical exercise until all parks for that municipality were completed. The sum of all parks was then calculated to derive a total cost for maintenance.

Step 2 - Overhead Factor

The second step was calculating the maintenance supervision overhead costs. This process consisted of the following steps:

The total cost of municipal park maintenance (as calculated in Step 1) is multiplied by 3% factor to arrive at a total overhead allowance for maintenance.

Step 3 - Capital Renewal Factor

The third and final step was determining an allowance for the replacement of capital assets. It was determined that the most prevalent municipal park assets are playgrounds, basketball courts and tennis courts. The 20-year renewal assumption was developed by the Subcommittee. The costs for replacement and renewal were established using Montgomery Parks costs. An inflation factor is to be added to the annual cost.

REIMBURSEMENTS

Attachment 3 presents the current and proposed park reimbursements for the municipalities based on the above methodology. Again the totals are preliminary as there are a number of open issues to be discussed. The total reimbursement presented on the worksheets is \$167,989. This is a decrease of \$25,202. The majority of the decrease relates to the Village of Friendship Heights (\$53,660). The reimbursement range is \$68,953 for the City of Takoma Park, to a low of \$65 for the Town of Glen Echo. Under the proposed model, nine municipalities would receive park reimbursements, up from five municipalities previously. Attachment 4 illustrates the proposed payments to each individual municipality and the detailed per park costs, overhead and capital renewal factors.

SUMMARY OF METHODOLOGY

The proposed methodology for determining park reimbursements is proposed to consist of a multi-step approach:

- 1) The mapping of the municipal parkland inventory using Geographic Information System (GIS) mapping software
- 2) The categorization of those lands using the Montgomery County Parks (MCP) categorization scheme to “assign” those municipal parks into a park type by Commission staff
- 3) Municipal park inventory and categorization verification by municipalities
- 4) The calculation of the total parkland maintained by municipality measured in acres by the GIS
- 5) Generation of average per acre costs per park type using SmartParks Database
- 6) The application of Commission cost per acre by park type applied to municipalities parks categorized by the park type
- 7) Development of a per year allowance for capital asset replacement adjusted for inflation
- 8) Development of overhead percentage updated annually based on Commission data
- 9) Comparison of preliminary total reimbursement by municipality to projected Park Tax Revenue for Community Based Parks program for the municipality.

Attachment 1

Average Maintenance Costs per Acre 7/1/2005 – 6/30/2007



AVERAGE MAINTENANCE COSTS PER ACRE 7/1/2005 to 6/30/2007



CONSERVATION PARK FY06

LABOR COST	\$73,339.25
MATERIAL COST	\$5,798.71
EQUIPMENT COST	\$0.00
TOTAL COST	\$79,137.96
TOTAL ACREAGE	3,611.83
AVERAGE COST PER ACRE	\$21.91

FY07

LABOR COST	\$57,263.88
MATERIAL COST	\$2,443.48
EQUIPMENT COST	\$0.00
TOTAL COST	\$59,707.36
TOTAL ACREAGE	3,782.82
AVERAGE COST PER ACRE	\$15.78

HISTORICAL/CULTURAL PARK FY06

LABOR COST	\$26,234.93
MATERIAL COST	\$3,370.29
EQUIPMENT COST	\$0.00
TOTAL COST	\$29,605.22
TOTAL ACREAGE	104.91
AVERAGE COST PER ACRE	\$282.20

FY07

LABOR COST	\$47,310.23
MATERIAL COST	\$14,449.26
EQUIPMENT COST	\$0.00
TOTAL COST	\$61,759.49
TOTAL ACREAGE	104.91
AVERAGE COST PER ACRE	\$588.69



AVERAGE MAINTENANCE COSTS PER ACRE 7/1/2005 to 6/30/2007



LOCAL PARK FY06

LABOR COST	\$2,881,888.33
MATERIAL COST	\$340,165.84
EQUIPMENT COST	\$1,041.50
TOTAL COST	\$3,228,717.41
TOTAL ACREAGE	2,209.44
AVERAGE COST PER ACRE	\$1,461.33

FY07

LABOR COST	\$2,016,456.96
MATERIAL COST	\$224,793.75
EQUIPMENT COST	\$1,935.50
TOTAL COST	\$2,256,521.48
TOTAL ACREAGE	2,215.45
AVERAGE COST PER ACRE	\$1,018.54

MISC. NON RECREATION PARK FY06

LABOR COST	\$774,740.22
MATERIAL COST	\$112,770.01
EQUIPMENT COST	\$0.00
TOTAL COST	\$912,222.98
TOTAL ACREAGE	106.20
AVERAGE COST PER ACRE	\$8,589.44

FY07

LABOR COST	\$648,222.09
MATERIAL COST	\$108,581.95
EQUIPMENT COST	\$0.00
TOTAL COST	\$816,247.10
TOTAL ACREAGE	106.20
AVERAGE COST PER ACRE	\$7,685.73



AVERAGE MAINTENANCE COSTS PER ACRE
7/1/2005 to 6/30/2007



MISC. RECREATION PARK
FY06

LABOR COST	\$86,314.44
MATERIAL COST	\$14,520.38
EQUIPMENT COST	\$0.00
TOTAL COST	\$100,834.82
TOTAL ACREAGE	4.16
AVERAGE COST PER ACRE	\$24,245.55

FY07

LABOR COST	\$79,491.61
MATERIAL COST	\$12,171.48
EQUIPMENT COST	\$0.00
TOTAL COST	\$95,456.96
TOTAL ACREAGE	4.16
AVERAGE COST PER ACRE	\$22,952.45

NEIGHBORHOOD CONSERVATION AREA PARK
FY06

LABOR COST	\$44,196.15
MATERIAL COST	\$1,239.04
EQUIPMENT COST	\$0.00
TOTAL COST	\$45,435.19
TOTAL ACREAGE	283.53
AVERAGE COST PER ACRE	\$160.25

FY07

LABOR COST	\$28,705.57
MATERIAL COST	\$2,640.20
EQUIPMENT COST	\$360.00
TOTAL COST	\$31,705.77
TOTAL ACREAGE	283.53
AVERAGE COST PER ACRE	\$111.83



AVERAGE MAINTENANCE COSTS PER ACRE

7/1/2005 to 6/30/2007

**NEIGHBORHOOD PARK****FY06**

LABOR COST	\$745,035.23
MATERIAL COST	\$40,494.30
EQUIPMENT COST	\$0.00
TOTAL COST	\$785,529.53
TOTAL ACREAGE	654.92
AVERAGE COST PER ACRE	\$1,199.42

FY07

LABOR COST	\$513,190.29
MATERIAL COST	\$69,194.95
EQUIPMENT COST	\$3,070.20
TOTAL COST	\$587,338.27
TOTAL ACREAGE	658.37
AVERAGE COST PER ACRE	\$892.10

RECREATIONAL PARK**FY06**

LABOR COST	\$986,128.03
MATERIAL COST	\$83,252.55
EQUIPMENT COST	\$0.00
TOTAL COST	\$1,069,380.58
TOTAL ACREAGE	3,011.94
AVERAGE COST PER ACRE	\$355.05

FY07

LABOR COST	\$738,135.85
MATERIAL COST	\$64,792.26
EQUIPMENT COST	\$385.60
TOTAL COST	\$832,213.71
TOTAL ACREAGE	3,012.48
AVERAGE COST PER ACRE	\$276.26



AVERAGE MAINTENANCE COSTS PER ACRE 7/1/2005 to 6/30/2007



REGIONAL PARK FY06

LABOR COST	\$2,368,219.25
MATERIAL COST	\$203,129.71
EQUIPMENT COST	\$1,010.00
TOTAL COST	\$2,574,031.58
TOTAL ACREAGE	7,830.31
AVERAGE COST PER ACRE	\$328.73

FY07

LABOR COST	\$2,181,103.70
MATERIAL COST	\$303,904.66
EQUIPMENT COST	\$235.78
TOTAL COST	\$2,647,845.06
TOTAL ACREAGE	7,889.80
AVERAGE COST PER ACRE	\$335.60

SPECIAL PARK FY06

LABOR COST	\$379,298.11
MATERIAL COST	\$35,277.16
EQUIPMENT COST	\$0.00
TOTAL COST	\$414,575.27
TOTAL ACREAGE	2,183.14
AVERAGE COST PER ACRE	\$189.90

FY07

LABOR COST	\$456,789.47
MATERIAL COST	\$61,723.93
EQUIPMENT COST	\$11,974.75
TOTAL COST	\$631,272.99
TOTAL ACREAGE	2,201.15
AVERAGE COST PER ACRE	\$286.79



AVERAGE MAINTENANCE COSTS PER ACRE
7/1/2005 to 6/30/2007



STREAM VALLEY UNIT
FY06

LABOR COST	\$556,488.47
MATERIAL COST	\$32,085.53
EQUIPMENT COST	\$9,509.50
TOTAL COST	\$598,083.50
TOTAL ACREAGE	13,086.72
AVERAGE COST PER ACRE	\$45.70

FY07

LABOR COST	\$377,241.67
MATERIAL COST	\$50,217.59
EQUIPMENT COST	\$89.96
TOTAL COST	\$429,442.93
TOTAL ACREAGE	13,315.86
AVERAGE COST PER ACRE	\$32.25

URBAN PARK
FY06

LABOR COST	\$232,202.02
MATERIAL COST	\$24,301.45
EQUIPMENT COST	\$0.00
TOTAL COST	\$256,503.47
TOTAL ACREAGE	27.74
AVERAGE COST PER ACRE	\$9,247.00

FY07

LABOR COST	\$163,015.83
MATERIAL COST	\$16,265.41
EQUIPMENT COST	\$405.90
TOTAL COST	\$179,687.14
TOTAL ACREAGE	30.42
AVERAGE COST PER ACRE	\$5,906.54



AVERAGE MAINTENANCE COSTS PER ACRE 7/1/2005 to 6/30/2007



BROOKSIDE GARDES **FY06**

LABOR COST	\$160,002.93
MATERIAL COST	\$32,849.70
EQUIPMENT COST	\$0.00
TOTAL COST	\$192,852.63
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

FY07

LABOR COST	\$168,858.72
MATERIAL COST	\$57,536.54
EQUIPMENT COST	\$0.00
TOTAL COST	\$226,395.26
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

COUNTY **FY06**

LABOR COST	\$70,546.46
MATERIAL COST	\$973.51
EQUIPMENT COST	\$0.00
TOTAL COST	\$71,519.97
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

FY07

LABOR COST	\$4,073.58
MATERIAL COST	\$74.90
EQUIPMENT COST	\$0.00
TOTAL COST	\$4,148.48
TOTAL ACREAGE	
AVERAGE COST PER ACRE	



AVERAGE MAINTENANCE COSTS PER ACRE

7/1/2005 to 6/30/2007



PROPERTY MANAGEMENT

FY06

LABOR COST	\$31,770.12
MATERIAL COST	\$5,151.33
EQUIPMENT COST	\$390.00
TOTAL COST	\$37,311.45
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

FY07

LABOR COST	\$15,774.93
MATERIAL COST	\$5,216.51
EQUIPMENT COST	\$1,280.00
TOTAL COST	\$22,271.44
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

ALL

FY06

LABOR COST	\$22,111.44
MATERIAL COST	\$19,794.80
EQUIPMENT COST	\$0.00
TOTAL COST	\$41,906.24
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

FY07

LABOR COST	\$16,561.35
MATERIAL COST	\$1,402.39
EQUIPMENT COST	\$0.00
TOTAL COST	\$17,963.74
TOTAL ACREAGE	
AVERAGE COST PER ACRE	

Attachment 2

M-NCPPC Park Classification System

The M-NCPPC park system is categorized into different park types for budgeting and planning purposes. The park types are based in part on the service area of each park, its physical size, natural features, and the kind of facilities it contains. This section will describe and help define the distinctions between different types of parks. The table on the M-NCPPC Montgomery County Park Classification System contains a summarized description of each type of park, including approximate park size and typical recreation facilities.

Countywide Parks

Larger parks that serve regional recreation needs or conservation needs are called County-wide Parks. Over 90% of the total County park acreage, nearly 30,000 acres, is in County-wide parks. There are five types of County-wide parks: regional, recreation, special conservation, and stream valley. Of these, the regional, recreational, and special park categories are recreation-oriented parks, while the conservation and stream valley parks belong to a sub-category of County-wide Parks known as conservation oriented parks.

Recreation-Oriented Parks: Regional, recreational and special parks are large parks serving County-wide recreation needs. They provide opportunities for active and passive recreation, but also generally contain areas without facilities that serve conservation purposes.

Regional Parks are large, typically over 200 acres, and contain a wide range of recreation opportunities and facilities, while retaining 2/3 of the park for conservation. Regional parks are the most popular of the County's parks. In 1995, surveys of developed portions of regional parks indicated visits by several million people annually. Many other informal users enjoy the undeveloped portions of the park.

Montgomery County has five developed regional parks offering a variety of recreation opportunities within a reasonable driving time of most County residents. Three of these parks serve the lower and mid-County areas. Wheaton, the System's first regional park, was opened to the public in 1961 and is easily reached by southeastern County residents. Cabin John Regional Park is accessible to southwestern County residents, and Rock Creek Regional Park by people living in the middle and upper-County areas. Many recreational facilities are provided including lighted tournament quality athletic fields, year-round tennis courts, ice rinks, trains, and a carousel. Rock Creek offers golf, boating and other water oriented recreation activities. Additionally, each of these parks furnishes other recreation opportunities, such as nature centers, playgrounds, trails, and picnic areas, and Wheaton has a large botanical garden.

The two regional parks that serve the northern Area of the County have large acreage of open space and conservation area. Little Bennett has a golf course and a large campground, while Black Hill offers opportunities to enjoy picnicking and water-related recreation as well as a many miles of trails.

Recreation Parks is a category that includes parks with intensive development similar to that found in the ball field and tennis court complexes at regional parks; however, they differ from regional parks in that they do not limit 2/3 of their development to conservation uses. Small picnic/playground areas are also included in this category. Presently, Montgomery County has three such developed parks -- Olney Manor, Martin Luther King and Damascus. Fairland Recreational Park is under construction, and there are several other undeveloped recreational parks which are planned for future development including Ovid Hazen Wells, Ridge Road, Muncaster, Gude and Northwest Branch Recreational Parks.

Special Parks preserve historic or culturally significant features and have distinguishing characteristics that set them apart from other park classifications. McCrillis Gardens, Woodlawn Manor House, Rockwood Manor Park, and the Agricultural History Farm Park are good examples of special parks in the County. They are often used for small conferences, social events, specialized education, and art exhibits. Important historic sites are preserved in all types of parks. Examples of these are the Silver Spring in Acorn Urban Park, Woodlawn Manor House with its smoke house, and the Needwood Mansion.

Conservation-Oriented Parks

There are two types of County-wide conservation oriented parks: stream valley parks and conservation area parks. Both protect important environmental areas; however, they differ in that stream valley parks are linear parks acquired to protect stream valleys and conservation parks are large natural areas acquired to preserve specific natural, archaeological or historical features. Both types of parks are managed to provide stewardship of sensitive areas, but may include trails and other low impact recreation areas when carefully designed to avoid, minimize, and/or mitigate environmental impacts.

Stream Valley Parks form the foundation of the park system, extending as greenways throughout the urban areas and into the countryside, putting the natural environment within close reach of all Montgomery County citizens. They separate communities with green open space buffers and provide easy access to nature for adjacent residents. Just as they were seventy years ago, stream valley parks today are acquired primarily for conservation purposes. They hold the key to watershed protection throughout the County by reducing flooding, sedimentation and erosion, and they furnish valuable habitat for many species of wildlife. Some stream valleys, such as the Upper Paint Branch Stream Valley, are also designated as special protection areas. These areas are so sensitive that they are subject to a special set of regulations designed to protect them.

Stream valley parks also preserve some of the County's most beautiful and interesting terrain, providing long, interconnected greenways of parkland that provide corridors for trails and wildlife. There are 30 such parks in the County, which include nearly 12,000 acres of parkland. In urban areas, clusters of active recreation facilities in parks adjacent to stream valley parks were developed many years ago to serve as local parks for nearby residents. More recent environmental regulations now limit or prevent intensive development along stream banks to reduce sedimentation and erosion and environmental degradation caused by urban runoff.

Conservation Area Parks are generally large areas that preserve specific natural, archaeological or historical features; are typically located in upland areas; and are acquired specifically for environmental preservation purposes. Conservation area parks may include outstanding examples of natural communities, self-sustaining populations of rare, threatened, or endangered plant and animal species, or unique archaeological and historical resources. Given the sensitive nature of the resources in conservation parks, development is very limited and generally restricted to passive recreation areas and opportunities such as trails, fishing and picnic areas, and nature study. Opportunities for interpretation of the protected environmental, historic, and archeological elements should be maximized through self-guided nature trails, interpretive signage, and naturalist programs. There are nine conservation parks in the County, which include over 2,160 acres of parkland.

Community Use Parks

Smaller types of parks that are primarily used by local residents and nearby areas are group in the classification system under the category of community use parks. These parks are sometimes referred to as local parks, and provide everyday recreation needs for residents close to home. Currently there are over 200 developed community use parks. Many are located in the down-county area where they were placed to serve County development in the 1950s and 60s. As new park construction tries to keep pace with an ever-expanding County population, more parks are now being developed in rapidly growing upcounty areas.

The classification system presently includes four types of community use parks: urban, neighborhood, local parks, and neighborhood conservation areas.

Urban Parks serve central business districts or other highly urban areas, providing green space in an often otherwise concrete environment. These parks serve as a buffer between adjacent residential, office and commercial districts, and contain landscaped sitting areas, walkways, and in several cases, play equipment, handball and paddle ball courts. Urban parks serve an important role as gathering places for the community and accommodate activities such as concerts and performances, celebrations, fairs, and outdoor spaces for area employees to have lunch. Nearly all of the County's 19 developed urban parks are located in the down-County with concentrations in the Bethesda and Silver Spring areas.

Neighborhood Parks are small, generally, walk-to parks providing informal leisure opportunities and recreation in heavily populated areas. They often provide about five acres of open space developed with a sitting area, playground, informal play field, and tennis and/or basketball courts. There are 74 developed neighborhood parks in the County, with the largest number found in the Wheaton, Silver Spring, and Bethesda areas where they were developed to serve early concentrations of single-family housing.

Local Parks provide both programmed and informal recreation opportunities within reach of all area residents. Typically about ten to fifteen acres in size, these parks contain athletic fields, tennis and basketball courts, picnic and playground areas, and sometimes recreation buildings and other facilities.

The major difference between neighborhood and local parks is that the local parks provide regulation size athletic fields that can be reserved for game play. Over 40% of the people visiting local parks in 1996 were either league players or league game spectators. Ballplayers attend games on fields near their homes, or travel to other parts of the County to challenge opposing teams. Therefore local parks often have large service areas. Many people drive to local parks, while many neighborhood parks are within walking distance.

Neighborhood Conservation Areas are small pieces of parkland preserved in residential areas. They are generally conveyed to M-NCPPC during the subdivision process and frequently contain streams or drainage areas and adjacent wooded slopes. They remain undeveloped and benefit the neighborhood by providing open space, reducing storm water runoff, and bringing nature into an urban environment.

MONTGOMERY COUNTY PARK CLASSIFICATION SYSTEM

PARK TYPE	PARK TYPE DESCRIPTION	TYPICAL FACILITIES*	APPROXIMATE SIZE
COUNTY-WIDE PARKS – Parks in this category serve all residents of Montgomery County			
- Recreational Oriented Parks			
Regional Parks	Large Parks that provide a wide range of recreational opportunities but retain 2/3 or the acreage as conservation areas.	Picnic / playground areas, tennis courts, athletic fields, golf course, campgrounds, water-oriented recreation areas.	200 acres or more
Recreational Parks	Parks larger than 50 acres in size that are more intensively developed than Regional Parks, but may also contain natural areas.	Athletic fields, tennis courts, multi-use courts, picnic/playground areas, golf course, trails, natural areas.	50 acres or more
Special Parks	These parks include areas that contain features of historic and cultural significance.	Vary, but may include agricultural centers, garden, small conference centers, historic structures, etc.	Varies
- Conservation Oriented Parks			
Stream Valley Parks	Interconnected linear parks along major stream valleys providing conservation and recreation areas.	Hiker-biker trails, fishing, picnicking, playground areas.	Varies
Conservation Area Parks	Large natural areas acquired to preserve specific natural archaeological or historic features. They also provide opportunities of compatible recreation activities.	Trails, fishing areas, nature study areas, informal picnic areas.	Varies
COMMUNITY USE PARKS – Parks in this category serve residents of surrounding communities			
Urban Parks	Very small parks, serving highly urban areas.	Landscaping, sitting/picnic areas, play equipment, courts, and shelters.	1 Acre
Neighborhood Parks	Small parks providing informal recreation in residential areas.	Play equipment, play field, sitting area, shelter, tennis and Multi-use courts. (Don not include regulation size ballfields).	2.5 Acre
Local Parks	Larger parks that provide ballfields and both programmed and unprogrammed recreation facilities.	Ballfields, play equipment, tennis and multi-use courts, sitting/picnic area, shelters, buildings and other facilities.	15 Acre
Neighborhood Conservation Areas	Small parcels of conservation oriented parkland in residential areas, generally dedicated at the time of subdivision.	Generally undeveloped, may include a storm water management pond and related facilities.	Varies

*This list is not all-inclusive, but includes facilities typical of each park type.

Attachment 3

Current Versus Future Municipal Maintenance Reimbursements (Preliminary)

Municipality	Park System (Y/N)	Current Park Reimbursement	Proposed Park Reimbursement	Change in Reimbursement
Barnsville, town	N	N/A	N/A	N/A
Brookeville, town	N	N/A	N/A	N/A
Chevy Chase Section #3 village	Y	3,825	624	-3,201
Chevy Chase Section #5, village	N	N/A	N/A	N/A
Chevy Chase View, town	N	N/A	N/A	N/A
Chevy Chase Village, town	Y	0	25,868	25,868
Chevy Chase, town	Y	9,165	4,754	-4,411
Drummond	N	N/A	N/A	N/A
Friendship Heights	Y	71,948	18,288	-53,660
Garrett Park, town	Y	0	12,048	12,048
Glen Echo, town	Y	0	65	65
Kensington, town	Y	35,885	24,997	-10,888
Laytonsville, town	N	N/A	N/A	N/A
Martin's Additions, village	N	N/A	N/A	N/A
North Chevy Chase, village	N	N/A	N/A	N/A
Oakmont	N	N/A	N/A	N/A
Somerset, town	Y	0	12,392	12,392
Takoma Park, City	Y	72,368	68,953	-3,415
TOTAL		193,191	167,989	-25,202

Attachment 4

Each Municipalities' Parks, Acreage, and Preliminary Tax Duplication Payment Calculation

Attachment 4

Preliminary Calculations						
Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Chevy Chase Sec. III	Gazebo Park	0.0800	Urban	\$7,577.00	\$606.16	
Total + 3%		0.0800			\$624.34	
Additional Payments						
		\$0.00				
		\$0.00				
		\$0.00				
		\$624.34				
* Court payment is for either a double (first value) or single (second value) court.						

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Village of Chevy Chase	Betty English Park	0.110	Neighborhood	\$1,045.50	\$115.01	
Village of Chevy Chase	Boxwood Park	0.280	Neighborhood	\$1,045.50	\$292.74	
Village of Chevy Chase	Brookville Park	0.360	Neighborhood	\$1,045.50	\$376.38	
Village of Chevy Chase	Hesketh Park	0.250	Neighborhood	\$1,045.50	\$261.38	
Village of Chevy Chase	Large Oliver Park	0.860	Neighborhood	\$1,045.50	\$899.13	
Village of Chevy Chase	Newlands Park	0.690	Neighborhood	\$1,045.50	\$721.40	
Village of Chevy Chase	Small Oliver Park	0.310	Neighborhood	\$1,045.50	\$324.11	
Village of Chevy Chase	Laurel Park	1.110	NCA	\$136.00	\$150.96	
Village of Chevy Chase	Belmont Buffer	1.550	Urban	\$7,577.00	\$11,744.35	
Village of Chevy Chase	Village Hall & Grounds	1.350	Urban	\$7,577.00	\$10,228.95	
Total + 3% Overhead		6.870			\$25,867.82	
Additional Payments						
Playground CIP		\$0.00				
Tennis Court CIP*		\$0.00				
Basketball Court CIP*		\$0.00				
Total Tax Duplication Payment		\$25,867.82				
*Court payment is for either a double (first value) or single (second value) court						

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Town of Chevy Chase	Rosemary Circle Park	0.270	Urban	\$7,577.00	\$2,045.79	
Town of Chevy Chase	Rosemary Triangle Park	0.175	Urban	\$7,577.00	\$1,325.98	
Town of Chevy Chase	Tarrytown Park	0.504	Neighborhood	\$1,045.50	\$526.93	
Town of Chevy Chase	Zimmerman Park (parcel 1)	0.652	Neighborhood	\$1,045.50	\$681.67	
Town of Chevy Chase	Zimmerman Park (parcel 2)	0.034	Neighborhood	\$1,045.50	\$35.55	
Total + 3% Overhead		1.635			\$4,754.39	
Additional Payments						
Playground CIP		\$0.00				
Tennis Court CIP*		\$0.00				
Basketball Court CIP*		\$0.00				
Total Tax Duplication Payment		\$4,754.39				
*Court payment is for either a double (first value) or single (second value) court						

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Friendship Heights	Hubert Humphrey Friendship Park *	0.950	Urban	\$7,577.00	\$7,198.15	
Friendship Heights	William Tyler Page Park *	0.342	Urban	\$7,577.00	\$2,591.33	
Friendship Heights	Willoughby Park	0.667	Urban	\$7,577.00	\$5,053.86	1 Playground
Total + 3% Overhead		1.959		\$7,577.00	\$15,288.64	1 Playground
Additional Payments						
Playground CIP		\$3,000.00				
Tennis Court CIP*		\$0.00				
Basketball Court CIP*		\$0.00				
Total Tax Duplication Payment		\$18,288.64				
*Court payment is for either a double (first value) or single court (second value)						

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Town of Garrett Park	Porcupine Woods Park	3.240	Neighborhood	\$1,045.50	\$3,387.42	1 Basketball
Town of Garrett Park	Cambria Park	1.880	Neighborhood	\$1,045.50	\$1,965.54	1 Playground & 1 Single Tennis Court
Town of Garrett Park	Yeandle Park (proposed)	0.500	Neighborhood	\$1,045.50	n/a	
Town of Garrett Park	Schoolhouse Park (proposed)	0.750	Neighborhood	\$1,045.50	n/a	
Total + 3% Overhead		6.370		\$1,045.50	\$5,513.55	1 Playground & 1 Tennis and 1 Basketball Court
Additional Payments						
	Playground CIP	\$3,000.00				
	Tennis Court CIP*	\$2,750.00				
	Basketball Court CIP*	\$785.00				
Total Tax Duplication Payment		\$12,048.55				

*Court payment is for either a double (first value) or single (second value) court

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Glen Echo	Princeton Ave. Park	0.060	Neighborhood	\$1,045.50	\$62.73	
Total + 3% Overhead		0.060		\$1,045.50	\$64.61	
Additional Payments						
	\$4000/yr Playground CIP	\$0.00				
	\$5300 or \$3550/yr Tennis Court CIP*	\$0.00				
	\$1600 or \$1000/yr Basketball Court CIP*	\$0.00				
Total Tax Duplication Payment		\$64.61				

*Court payment is for either a double (first value) or single (second value) court

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Town of Kensington	Clum-Kennedy Gardens Park	0.687	Urban	\$7,577.00	\$5,205.40	
Town of Kensington	Ernest Memorial Park (parcel 1)	0.062	Urban	\$7,577.00	\$469.77	
Town of Kensington	Ernest Memorial Park (parcel 2)	0.475	Urban	\$7,577.00	\$3,599.08	
Town of Kensington	Flinn Park	0.337	Urban	\$7,577.00	\$2,553.45	
Town of Kensington	Howard Avenue Park	0.058	Urban	\$7,577.00	\$439.47	
Town of Kensington	Joseph Park	0.165	NCA	\$136.00	\$22.44	
Town of Kensington	Reinhardt Park	0.656	Urban	\$7,577.00	\$4,970.51	Playground
Town of Kensington	St. Paul Park	3.187	Neighborhood	\$1,045.50	\$3,332.01	Single Basketball Court
Total + 3% Overhead		5.627			\$21,209.89	1 Playground and 1 Basketball Court
Additional Payments						
	Playground CIP	\$3,000.00				
	Tennis Court CIP*	\$0.00				
	Basketball Court CIP*	\$787.00				
Total Tax Duplication Payment		\$24,996.89				

*Court payment is for either a double (first value) or single (second value) court

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
Town of Somerset	Capella Park	3.230	Neighborhood	\$1,045.00	\$3,375.35	1 Double Tennis 1 Single Tennis and 1 Basketball Court
Town of Somerset	Vinton Park	16.730	Stream Valley	\$45.70	\$764.56	
Town of Somerset	Founders Park	0.060	Urban	\$7,577.00	\$454.62	
Total + 3% Overhead		20.020		\$2,889.23	\$4,732.37	3 Tennis and 1 Basketball Court
Additional Payments						
	\$4000/yr Playground CIP	\$0.00				
	\$5300 or \$3550/yr Tennis Court CIP*	\$6,875.00				
	\$1600 or \$1000/yr Basketball Court CIP*	\$785.00				
Total Tax Duplication Payment		\$12,392.37				

*Court payment is for either a double (first value) or single (second value) court

Municipal Parks in Montgomery County						
Owner	Park Name	Size (Acres)	Category	Cost per acre	Cost per Park	Capital Facilities
City of Takoma Park	Hefner Park	2.2800	Neighborhood	\$1,045.00	\$2,382.60	Playground
City of Takoma Park	Lower Portal Park	0.1950	Urban	\$7,577.00	\$1,477.52	
City of Takoma Park	Memorial Park	0.3890	Urban	\$7,577.00	\$2,947.45	
City of Takoma Park	Spring park	2.6000	Neighborhood	\$1,045.50	\$2,718.30	Playground & double basketball court
City of Takoma Park	Jequie Park	3.1000	Neighborhood	\$1,045.50	\$3,241.05	Playground & single basketball court
City of Takoma Park	Upper Portal Park	0.6000	Urban	\$7,577.00	\$4,546.20	
City of Takoma Park	Th. Siegler Historic	0.8710	Urban	\$7,577.00	\$6,599.57	
City of Takoma Park	B.Y. Morrison Park	0.1690	Urban	\$7,577.00	\$1,280.51	
City of Takoma Park	Jackson Boyd Park	0.2730	Urban	\$7,577.00	\$2,068.52	Playground
City of Takoma Park	Forest Park	1.4000	Urban	\$7,577.00	\$10,607.80	Playground & double basketball court
City of Takoma Park	Colby Tot Lot	0.2290	Urban	\$7,577.00	\$1,735.13	Playground
City of Takoma Park	Glengary Place Park	0.5500	NCA	\$136.00	\$74.80	
City of Takoma Park	Toatley Fraser park	0.3020	Urban	\$7,577.00	\$2,288.25	Playground
City of Takoma Park	Democrat & Republican	0.1420	Urban	\$7,577.00	\$1,075.93	
City of Takoma Park	Circle Woods	1.2810	NCA	\$136.00	\$174.22	
City of Takoma Park	Wabash Open Space	0.9380	NCA	\$136.00	\$127.57	
City of Takoma Park		15.3190		\$2,914.41	\$44,645.79	7 Playgrounds & 5 basketball courts
Additional + 3% Overhead						
Additional Payments						
\$4,000/yr Playground CIP		\$18,000.00				
\$5,300 or \$3,550/yr Tennis Court CIP*		\$0.00				
\$1,600 or \$1,000/yr Basketball Court CIP*		\$3,287.00				
Total Tax Duplication Payment		\$65,932.79				
* Court payment is for either a double (first value) or single (second value) court.						

Appendix 27: County-Wide Parks in Montgomery County

Regional Parks - Regional Parks play an essential role in preserving natural areas, and in providing active and passive recreational opportunities. These large (greater than 200 acres) land preservation areas play a key role in conserving and preserving areas of cultural, natural and agricultural heritage for Montgomery County. The massive size of these parks allows them to also accommodate many more users in both active and passive pursuits without degrading the resource.

It is a requirement that 2/3rds of the land in Regional Parks is reserved for conservation-related purposes, and this significant acreage forms the nodes of greenways that run throughout the County, protecting streams, buffers, wetlands, wildlife corridors, and forests.

The recreational activities that are provided are used by all County residents, and include picnicking, hiking, boating, fishing, camping, ice skating, equestrian, football, softball, hockey, lacrosse, soccer, and many more leisure activities. The placement of five Nature Interpretation Facilities in the Regional parks also makes them the focus of many interpretive and conservation activities, and a significant teaching location for the stewardship efforts of our parks department.

Stream Valley Parks - Stream Valley Parks are the predominant conservation tool in Montgomery County. The 12,466 acres of parkland that comprises the Stream Valley system could be considered the Green Infrastructure of the County, protecting the water quality, the historical fabric and the natural beauty of the land. Since 1927, the Commission and the County have demonstrated foresight and wisdom in land conservation and stream protection along these green ribbons that in addition to the environmental benefits, have also provided unlimited opportunities for outdoor recreation at a scale unmatched by any municipal park system. The trails are used by hikers, runners, bikers, horse riders, and outdoor enthusiasts. In many cases the Regional Parks are nodes of green along these corridors of conservation, creating a Green Infrastructure, which benefits all of Montgomery County, whether used personally or not.

However, a resident does not have to visit one of these parks to derive a significant benefit; the benefits that are available to residents County-wide include, but are not limited to the following:

Active Use – These parks are available and used by residents from every part of Montgomery County. There is not an admission fee, and most fees that are charged for permits and reservations are based solely on the cost of providing a particular private benefit;

Passive Use – Use of trails, paths, open areas, picnicking, nature appreciation, kite flying, biking, equestrian uses, and much, much more are free to every resident;

Intrinsic Benefits - Growing Smart – The Regional Parks and the Stream Valley system are integral to regional land planning and intelligent design;

Attracting Investment – The beauty and accessibility of Montgomery Parks has remained an important factor in businesses wanting to locate in Montgomery County;

Boosting Tourism – Our signature attractions, such as Brookside Gardens, Wheaton, Cabin John, Rock Creek, Black Hill, and Little Bennett have state-wide and Region-wide audiences and visitors;

Preventing Floods – Our land along the streams helps preserve the riparian buffers, and the flood plains which help absorb and protect the flood waters from the developed portions of the County;

Safeguarding the Environment – Interior forests, aquatic life, wildlife corridors for migration and home range, water quality protection and conservation management are all essential components of the management of these County-wide resources;

Increasing property values – Montgomery Parks are beautiful, attractive, and preserve a look and feel to the County, which adds a significant portion to the quality of life, and therefore the attractiveness of living in this County.

The residents of these municipalities have a variety of park experiences available to them, including Federal, State, Count and Municipal parks, but the only ones they do not pay for are the County Parks;

APPENDIX 28: Parks: Town of Poolesville's Position



The Commissioners of Poolesville

P.O. Box 158
Poolesville, Maryland 20837
(301) 428-8927 Fax (301) 972-7619

Memorandum

July 1, 2008

TO: Revenue Sharing Task Force Committee

FROM: Wade Yost, Town Manager

RE: Poolesville Park Position

The Town of Poolesville is in support of the City of Rockville's position and to that end, cannot support the proposed methodology and recommendations to charge municipal residents additional taxes above what they already pay for park services. In addition, Poolesville recognizes the unique challenges and dissimilarities of each municipal park system and believes each should be reviewed on an individual basis.

The Town of Poolesville has been exempt from the Metropolitan Tax due to the large number of parks and stream valleys for a community of its size and its remote location from County facilities. As with several of the other municipalities and Montgomery County represented in the Revenue Sharing Task Force, Poolesville has a Parks Board, parks maintenance crews and diversified recreational opportunities, all funded through property taxes. Rockville's position that municipal services relative to County services are a "wash" is consistent with our position. The Town of Poolesville has a population just over 5,100 residents while the "Poolesville area" (defined as a 15 minute drive from the center of Town) is nearly 10,000. All of the additional residents are County residents and use Poolesville's park and trail system quite extensively. In short, if Town residents are levied an additional park tax, they will be paying more taxes towards parks that County residents living just outside Town limits who are enjoying Poolesville's park and trail systems at Poolesville tax payer's expense.

In addition, Poolesville is unique in several respects. Being remotely located in the western portion of the County and surrounded by the Agricultural Reserve, Poolesville has developed an extensive park and trail system to provide its residents with what the County is not able to provide due to geographical challenges. In review of the regional park classification, the most significant difference is the sheer size and open space of the parks. The Town lies within the ten of thousands of acres of the Ag Reserve and large regional parks – including the Sugarloaf Mountain reserve and the C&O Canal National Park – closer for our residents than the nearest regional parks maintained by the County. Our miles of rural roads attracts hundreds of bikers and joggers every weekend and residents clearly bike and hike on these routes as well. The Potomac River is also just six miles away with miles of access for fishing and boating. As a result, it is frankly unlikely that our residents utilize County facilities to any large degree. They just do not need to do so. Trails, camping, boating, sports fields and fishing amenities all lay within a bicycle ride or short drive from the Town.

User fees are another unique characteristic of Poolesville Parks. While the County and some other municipalities charge user fees, Poolesville has always maintained that the parks are paid for through taxes and should therefore be free to use, both residents of Poolesville and non-residents. Many of our ballfields, tennis courts and pavilions are permitted to county organizations such as the Germantown Athletic Club, Upper Montgomery County Athletic Club and Montgomery Soccer Incorporated. We welcome all to our park system, which is maintained at the highest level, at no charge. In effect, our policy of providing access to our parks free

provides a significant subsidy and benefit to the County when its residents visit our town for sports events using our park facilities.

The Town of Pooleville appreciates the opportunity to provide input and will remain committed to participating in the Revenue Sharing Task Force.

Appendix 29: Gaithersburg Proposal - Police Services

2008 Municipal Tax Duplication Proposal

Relating to the duplication of police service within the City of Gaithersburg there are several different possibilities for calculating a county tax rebate to the municipalities. The most basic is to assign a given amount to either the number of sworn officers or the number of police employees. A more complex, but more accurate determination of the proper amount, would include an analysis of calls for service (CFS).

Using CAD generated CFS data, although readily retrievable; It is not however, completely accurate. Identifying the true primary unit for any given CFS is not as accurate as one would imagine. There are several reasons for this to include: entry errors made by either communication staff or patrol officers, the agreed definition of a CFS, and the ability to change the primary unit via the mobile computer. A more accurate method of using the CAD data is to measure the time spent handling the CFS. This does not just limit the assignment to the primary unit, but takes into account officer time spent in both a primary and a backup status.

A notable statistic from the attached data sheets illustrates that the county significantly under staffs both the 1st (-12) and 6th (-13) Districts compared to the other four patrol districts. A logical conclusion is that this occurs because the Rockville City Police provide coverage in the 1st District, and the Gaithersburg Police (GPD) provides coverage in the 6th District.

The final page of the attachment (titled MCP 6th District) shows a pie chart depicting the CFS time workload. The pie slice on the right (listed as Montgomery Village) shows that 45% of the time spent on CFS within the 6th District is outside of the City of Gaithersburg. The two pie slices on the left indicate that of the remaining 55% of the time spent on CFS within the 6th District (those within the City), MCP handles 30% and GPD handles 25%.

All Events with Onsite Responses

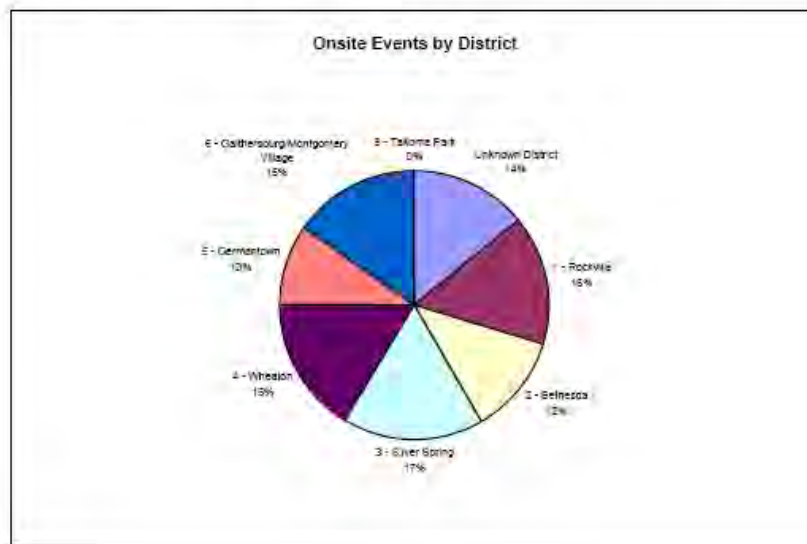
District	# Events	Avg Minutes Spent	Minutes Spent	Projected Staff Dist.	Projected Staff Dist.	Actual	Authorized
Unknown District	43,362	75.96	3293775.67	17%	92.81		
1 - Rockville	47,852	57.19	2736438.63	14%	77.10	84	90
2 - Bethesda	36,197	59.02	2136291.02	11%	60.19	83	91
3 - Silver Spring	51,663	62.13	3209791.97	17%	90.44	117	121
4 - Wheaton	50,246	60.39	3034273.65	16%	85.49	102	112
5 - Germantown	29,553	61.47	1816651.95	9%	51.19	78	72
6 - Gaithersburg/Montgomery Village	46,609	65.32	3044408.17	16%	85.78	79	94
8 - Takoma Park	3	1.03	3.08	0%	0.00		
County-Wide Total	305,485	63.09	19271634.13	100%	543.00	543	580

Unit Types	# Events	Avg Minutes Spent	Minutes Spent	% Work Done
Non-City	25,055	37.09	929248.40	56%
City	25,055	29.55	740331.53	44%
All Types	25,055	66.64	1669579.93	100%

Time Spent On-Call in LOCCITY =GA			
Unit Types	Minutes	Hours	Years
Non-City	929,248	15,487	27.81
City	740,332	12,339	22.15
All Types	1,669,580	27,826	49.96

Data Explanation / Assumptions

1. "All Calls with Onsite Responses" - records from table "MIS_RPT_EVH" with "ENTRYDATE" between 7/1/06-6/30/07 inclusive excluding any call that did not have at least one unit record in table "MIS_RPT_EVH_UNA_STL" with an value of "ONS" in field "STATUSNAME"
2. "Unknown District" - these calls were not geocoded and, as such, have no geo-locational information to determine actual district
3. Sheriff/No Dispatch records were filtered out by excluding values "NO DIS" and "S" from field "FINDISPOSITION" in table "MIS_RPT_EVH"
4. "Minutes Spent On-Call" - # Events multiplied by the average minutes spent (total time spent from 7/1/06-6/30/07)
5. 557 hours responder per position per year



All Events with Onsite Responses

District	# Events	Avg Minutes Spent	Minutes Spent	Projected Staff Dist.	Projected Staff Dist.	Actual	Authorized
Unknown	283	21.36	6,044.36	0%	0.17		
1 - Rockville	56,981	90.25	5,132,615.07	18%	96.73	84	80
2 - Bethesda	41,493	59.68	2,483,622.45	13%	89.69	83	91
3 - Silver Spring	80,132	66.37	5,308,624.05	21%	112.46	117	121
4 - Wheaton	56,667	61.62	3,486,062.70	18%	98.22	102	112
5 - Germantown	33,627	66.53	2,233,724.38	11%	82.09	78	72
6 - Gaithersburg/Montgomery V/	56,302	66.15	3,698,041.13	19%	103.35	79	84
County-Wide Total	305,485	63.09	19,271,634.13	100%	543.00	543	580

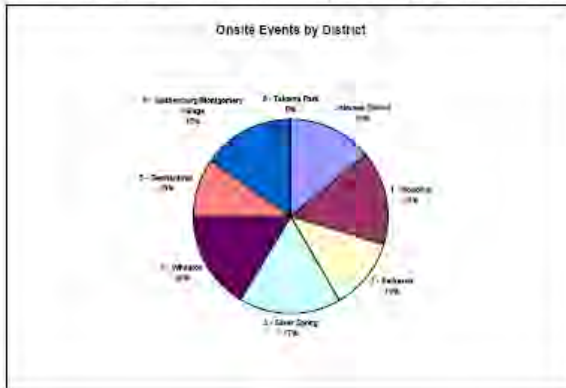
Unit Types	# Events	Avg Minutes Spent	Minutes Spent	% Work Done
Non-City	25,055	37.09	929,248.40	56%
City	25,055	29.55	740,331.53	44%
All Types	25,055	66.64	1,669,579.93	100%

Time Spent On-Call in LOGCITY = GA

Unit Types	Minutes	Hours	Years
Non-City	929,248	15.487	27.81
City	740,332	12.339	22.16
All Types	1,669,580	27.826	49.96

Data Explanation / Assumptions

1. "All Calls with Onsite Responses" - records from table "MIS_RPT_EVH" with "ENTRYDATE" between 7/1/05-6/30/07 inclusive excluding any call that did not have at least one unit record in table "MIS_RPT_EVH_UNA_STL" with an value of "ONS" in field "STATUSNAME"
2. "Unknown District" - these calls were not geocoded and, as such, have no geo-locational information to determine actual district
3. Sheriff/No Dispatch records were filtered out by excluding values "NO DIS" and "S" from field "FINDISPOSITION" in table "MIS_RPT_EVH"
4. "Minutes Spent On-Call" - # Events multiplied by the average minutes spent (total time spent from 7/1/05-6/30/07)



All Events with Onsite Responses minus No Dispatch / Sherriff

District	# Events	Avg Minutes Spent	Minutes Spent	Projected Staff Dist.	Projected Staff Dist.	Actual	Authorized
Unknown	44	7.287121212	320.63	0%	0.01		
1 - Rockville	38320	60.06319807	2,301,621.75	17%	91.26	84	90
2 - Bethesda	28706	64.07099619	1,839,222.02	13%	72.94	83	91
3 - Silver Spring	42761	66.30683801	2,835,346.70	21%	112.44	117	121
4 - Wheaton	39422	68.09619502	2,684,488.20	20%	106.46	102	112
5 - Germantown	24025	64.86638293	1,558,414.85	11%	61.80	78	72
6 - Gaithersburg/Montgomery VI	38035	68.61595578	2,472,575.97	18%	96.06	79	94
County-Wide Total	209,313	65.41	13,691,990.12	100%	543	543	580

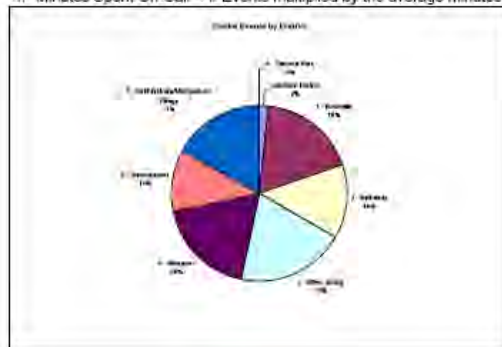
Unit Types	# Events	Avg Minutes Spent	Minutes Spent	% Work Done
Non-City	18,216	39.75	724,172.52	54%
City	18,216	33.84	616,361.37	46%
All Types	18,216	73.59	1,340,533.88	100%

Time Spent On-Call in LOCCITY=GA

Unit Types	Minutes	Hours	Years
Non-City	724,173	12,070	21.67
City	616,361	10,273	18.44
All Types	1,340,534	22,342	40.11

Data Explanation / Assumptions

1. "All Calls with Onsite Responses" - records from table "MIS_RPT_EVH" with "ENTRYDATE" between 7/1/06-6/30/07 inclusive excluding any call that did not have at least one unit record in table "MIS_RPT_EVH_UNA_STL" with an value of "ONS" in field "STATUSNAME"
2. "Unknown District" - these calls were not geocoded and, as such, have no geo-locational information to determine actual district
3. Sheriff/No Dispatch records were filtered out by excluding values "NO DIS" and "S" from field "FINDISPOSITION" in table "MIS_RPT_EVH"
4. "Minutes Spent On-Call" - # Events multiplied by the average minutes spent (total time spent from 7/1/06-6/30/07)



All Events with Onsite Responses minus No Dispatch / Sherriff

District	# Calls for Service	Avg Minutes Spent	Minutes Spent	Proj. Staff Dist. Percentages	Proj. Staff Dist. Positions
Unknown District	3,569	65.47	233,648.18	2%	9.15
1 - Rockville	37,561	60.01	2,254,134.50	16%	88.24
2 - Bethesda	28,370	64.42	1,827,483.03	13%	71.54
3 - Silver Spring	41,857	66.19	2,770,706.73	20%	108.46
4 - Wheaton	38,837	67.59	2,624,935.32	19%	102.76
5 - Germantown	23,744	64.96	1,542,422.78	11%	60.38
6 - Gaithersburg/Montgomery Village	35,372	68.94	2,438,656.48	18%	95.47
8 - Takoma Park	3	1.03	3.08	0%	0.00
County-Wide Total	209,313	65.41	13,691,990.12	100%	536

CFS in MV	48.5%	17156
CFS in City -	51.5%	18216
Total CALLS in 6D	100%	35372

TIME in the City- GPD/MCP		
GPD	616361.37	46.0%
MCP	724172.52	54.0%
Total---	1340533.89	100.0%

CFS TIME	Minutes Spent	% total TIME 6D CFS	GPD Contribution
MCP - In the City	724,172.52	29.70%	
GPD - In the City	616,361.37	25.27%	25.27% * 94
Total ---	1,340,533.89	54.97%	24

CFS time in MV 1,098,122.59 45.03%

CFS time all 6D 2,438,656.48 100.00%

SEE GRAPH

Time Spent On-Call in LOCCITY =GA			
CFS TIME	Minutes	Hours	Years
MCP	724,173	12,070	21.67 *
GPD	616,361	10,273	18.44 *
All Types	1,340,534	22,342	40.11

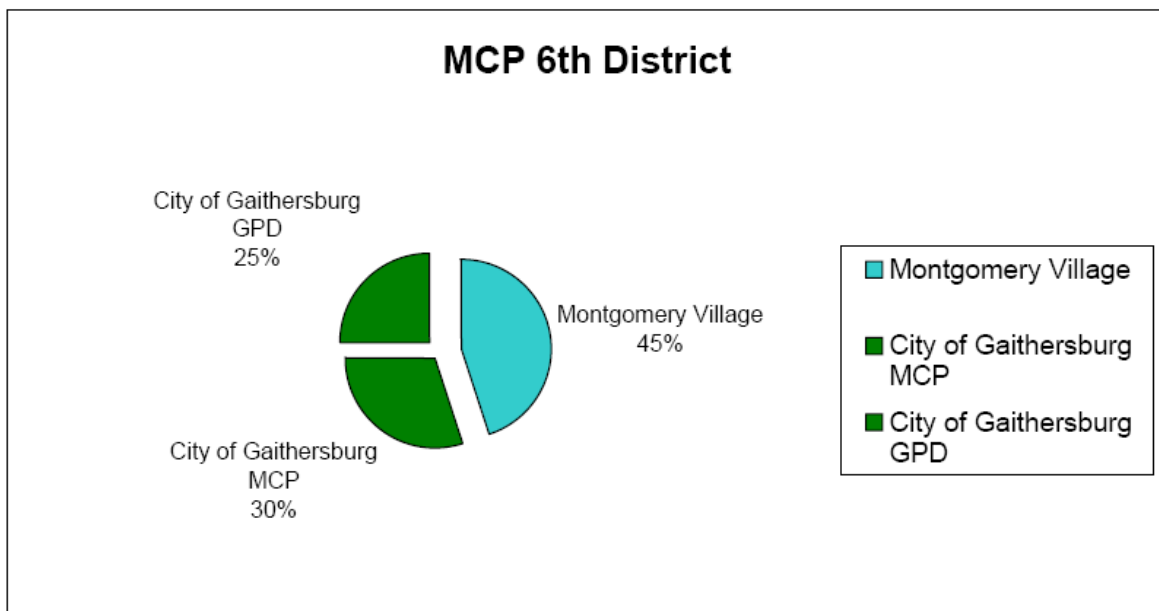
MCP District	Authorized	Actual	Difference	
Rockville	90	78	-12	-13.33%
Bethesda	91	83	-8	-8.79%
Silver Spring	121	115	-6	-4.96%
Wheaton	112	101	-11	-9.82%
Germantown	72	78	+ 6	8.33%
Gaithersburg/MV	94	81	-13	-13.83%

Current MCP Staffing	580	536	-44	92.41%
MCP District	Authorized	Actual	Difference	

Current MCP Staffing 580 536 -44 92.41%

If staffed at level of 92.41%

Rockville	90	83	-7
Bethesda	91	84	-7
Silver Spring	121	112	-9
Wheaton	112	103	-9
Germantown	72	67	-5
Gaithersburg/MV	94	87	-7
	580	536	



Data Explanation / Assumptions

1. "All Calls with Onsite Responses" - records from table "MIS_RPT_EVH" with "ENTRYDATE" between 7/1/06-6/30/07 inclusive excluding any call that did not have at least one unit record in table "MIS_RPT_EVH_UNA_STL" with an value of "ONS" in field "STATUSNAME"
2. "Unknown District" - these calls were not geocoded and, as such, have no geo-locational information to determine actual district
3. Sherriiff/No Dispatch records were filtered out by excluding values "NO DIS" and "S" from field "FINDISPOSITION" in table "MIS_RPT_EVH"
4. "Minutes Spent On-Call" - # Events multiplied by the average minutes spent (total time spent from 7/1/06-6/30/07)
- 5 * = number of positions dividing total number of hours by 557 hours as target for CFS activity.

Appendix 30: County Analysis of Gaithersburg Police Services Proposal

Montgomery County Police Patrol Staffing (June 2008)					
		Actual	Authorized	% Staffed 6/20/08	% Staffed 4/23/08 (GPD)**
1D	Current	81	90	90	87
	w/Rookies*	85		94	
2D	Current	77	91	85	91
	w/Rookies*	83		91	
3D	Current	111	121	92	95
	w/Rookies*	116		96	
4D	Current	102	112	91	90
	w/Rookies*	107		96	
5D	Current	77	72	107	108
	w/Rookies*	77		107	
6D	Current	85	94	90	86
	w/Rookies*	87		93	

*The rookies from Session 52 graduate on July 10, 2008 and will be entering the field training phase of their entry level instruction. After 14 weeks in field training (mid October), they will be permanently assigned to district stations and will be full-performance first responders. The numbers in the table labeled “w/Rookies” represent first responder staffing levels for each station when the rookies are released from the field training program.

**The staffing percentages shown in the right-most column are taken from the document generated by the Gaithersburg Police Department and provided to the attendees at the Municipal Tax Duplication Task Force meeting on April 23, 2008. Chief King and Captain Bonvillain of GPD provided that document and explained it. That document concluded (or at least strongly implied) that, since the 1st and 6th districts had relatively fewer first responders as compared to the other four districts, MCPD was deliberately understaffing 1D and 6D due to the presence of the Rockville and Gaithersburg police departments.

Staffing at the district level is a dynamic thing that changes almost daily. The data provided by GPD in their document was merely a “snapshot” of our staffing, and the staffing shortages experienced by the districts are effected by a variety of factors including promotions, transfers, resignations, retirements, rookie training, etc.

Illustrative of the dynamic nature of the staffing levels is the comparison of the current staffing percentage as of June 20, 2008 to the staffing percentage of April 23, 2008.

	% Staffed 4/23/08 (GPD)**	% Staffed 6/20/08	Difference
1D	87	90	+3%
2D	91	85	-6%
3D	95	92	-3%
4D	90	91	+1%
5D	108	107	-1%
6D	86	90	+4%

Simply put, the 1st and 6th Districts are staffed based upon workload demands, and the existence of the Gaithersburg Police Department and the Rockville Police Department is not taken into consideration whatsoever. Additionally, staffing variability is the result of the various factors that impact daily staffing. Most importantly, there is absolutely no deliberate or intentional effort of any kind to short-staff the 1st and 6th Districts. Period.

Appendix 31: Takoma Park's Housing and Community Development Budget

Housing and Community Development

Division – Affordable Housing

Division Purpose:

Promotes affordable housing home ownership opportunities. Provides technical assistance to tenant associations and condominium boards. Monitors real estate activity in accordance with the Tenant Opportunity to Purchase ordinance.

Adopted to Estimated Actual FY08:

- Division expenditures are expected to be \$6,478 less than budget.
- The variance is attributable in part to lower than anticipated activity in the Tenant Opportunity to Purchase Revolving Loan fund.

FY09 Budget Highlights:

- Division expenditures are \$107,021 higher—an increase of 78 percent—compared to budgeted expenditures for FY08.
- The budgetary increase is primarily attributable to increased funding for implementation of the affordable housing plan.
- Division FTEs remain unchanged.
- Approximately 27 percent of division expenditures are personnel related.
- Services and charges represent about 21 percent of division expenditures. This category includes the contractual costs associated with the Capacity Building Initiative (\$35,000).
- Approximately 52 percent of division expenditures are categorized as miscellaneous. This cost center includes the Revolving Loan Fund (\$25,000) and the implementation of the affordable housing plan (\$100,000).

Management Objectives:

- Explore and implement programs to produce and/or retain affordable housing options in the City.
- Expand educational programming to include post-purchase and foreclosure workshops.
- Provide oversight of ongoing Capacity Building Initiative.

Performance/Workload Measures:

Measurement	Calendar Year		Projected 2008
	2006	2007	
Number of informational and educational seminars	5	5	6
Number of housing fairs	1	1	1
Number of Tenant Capacity Building projects	11	11	5
Number of Revolving Loan Fund applications	2	1	1
Number of Payment in Lieu of Taxes (PILOT) agreements executed	6	1	1
Number of applications for exemption from rent stabilization processed	8	18	20
Number of properties monitored under Tenant Opportunity to Purchase Law	20	19	20
Number of properties monitored undergoing condominium conversion	4	5	2
Number of City Newsletter articles and announcements	8	8	10

Housing and Community Development

Division Summary – Affordable Housing

Division Expenditures	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
Affordable Housing	92,001	137,808	131,330	244,829
Division Total	92,001	137,808	131,330	244,829

Division Expenditures by Type	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
Wages	44,097	45,662	48,538	48,671
Fringe Benefits	8,654	12,146	12,192	13,058
Overtime	0	300	0	0
Contractual Labor	0	0	2,700	3,200
Personnel Subtotal	52,751	58,108	63,430	64,929
Supplies	34,814	0	0	0
Services and Charges	2,659	46,050	45,500	51,800
Miscellaneous	1,777	33,650	22,400	128,100
Division Total	92,001	137,808	131,330	244,829

Staffing Summary by Position Type (FTEs)	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
FTEs with benefits	0.60	0.60	0.60	0.60
FTEs without benefits	0.00	0.00	0.00	0.00
Division Total	0.60	0.60	0.60	0.60

Position Title	Adopted FY08	Adopted FY09
Affordable Housing Manager	0.25	0.25
Landlord/Tenant Mediation Specialist	0.00	0.00
Housing Specialist	0.35	0.35
Division Total FTEs	0.60	0.60

Housing and Community Development

Division Summary – Landlord-Tenant

Division Expenditures	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
Landlord-Tenant	123,378	125,404	126,402	138,874
Division Total	123,378	125,404	126,402	138,874

Division Expenditures by Type	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
Wages	83,731	90,405	91,138	95,148
Fringe Benefits	36,355	30,349	30,614	32,131
Overtime	587	800	1,300	1,400
Personnel Subtotal	120,673	121,554	123,052	128,679
Supplies	0	0	0	0
Services and Charges	1,339	550	550	2,050
Miscellaneous	1,366	3,300	2,800	8,145
Division Total	123,378	125,404	126,402	138,874

Staffing Summary by Position Type (FTEs)	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
FTEs with benefits	1.60	1.60	1.60	1.60
FTEs without benefits	0.00	0.00	0.00	0.00
Division Total	1.60	1.60	1.60	1.60

Position Title	Adopted FY08	Adopted FY09
Affordable Housing Manager	0.25	0.25
Landlord/Tenant Mediation Specialist	0.65	0.65
Housing Specialist	0.70	0.70
Division Total FTEs	1.60	1.60

Housing and Community Development

Division – Landlord-Tenant Office

Division Purpose:

Investigates and resolves disputes between landlords and tenants, as well as complaints filed with the Commission on Landlord-Tenant Affairs. Administers the rent stabilization program.

Adopted to Estimated Actual FY08:

- Division expenditures are expected to be \$998 over budget.

FY09 Budget Highlights:

- Division expenditures are \$13,470 higher—an increase of 10.7 percent—compared to budgeted expenditures for FY08.
- The budgetary increase is primarily attributable to personnel costs and the tenant education and outreach programs.
- Division FTEs remain unchanged.
- Approximately 93 percent of division expenditures are personnel related.

Management Objectives:

- Institute planned tenant education and outreach program.
- Mediate landlord and tenant disputes in an unbiased and professional manner.
- Complete review and revision of landlord tenant ordinance.
- Finalize landlord tenant and rent stabilization regulations.

Performance/Workload Measures:

Measurement	Calendar Year		Projected 2008
	2006	2007	
Number of client contacts	2,237	2,491	2,500
Number of landlord certification seminars	9	12	12
Number of City Newsletter columns, articles, and announcements	11	11	11

Housing and Community Development

Division Summary – Commission on Landlord and Tenant Affairs

Division Expenditures	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
COLTA	104,314	122,818	120,897	133,718
Division Total	104,314	122,818	120,897	133,718

Division Expenditures by Type	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
Wages	43,618	45,669	46,330	48,048
Fringe Benefits	9,628	14,899	13,917	15,545
Overtime	0	0	0	0
Personnel Subtotal	53,246	60,568	60,247	63,593
Supplies	0	0	0	0
Services and Charges	49,918	61,200	59,950	69,200
Miscellaneous	1,150	1,050	700	925
Division Total	104,314	122,818	120,897	133,718

Staffing Summary by Position Type (FTEs)	Actual FY07	Adopted FY08	Estimated FY08	Adopted FY09
FTEs with benefits	0.80	0.80	0.80	0.80
FTEs without benefits	0.00	0.00	0.00	0.00
Division Total	0.80	0.80	0.80	0.80

Position Title	Adopted FY08	Adopted FY09
Affordable Housing Manager	0.15	0.15
Landlord/Tenant Mediation Specialist	0.35	0.35
Housing Specialist	0.30	0.30
Division Total FTEs	0.80	0.80

Housing and Community Development

Division – Commission on Landlord and Tenant Affairs

Division Purpose:

Conducts hearings related to complaints between tenants and landlords. Reviews requests from landlords petitioning to increase rents above the annual rent stabilization ordinance. Provides general oversight of the City's rent stabilization law.

Adopted to Estimated Actual FY08:

- Division expenditures are expected to be \$1,921 under budget.
- The variance is attributable to lower than anticipated contract costs.

FY09 Budget Highlights:

- Division expenditures are \$10,900 higher—an increase of 8.2 percent—compared to budgeted expenditures for FY08.
- The budgetary increase is primarily attributable to personnel costs and to the purchase of web based rent stabilization reporting program.
- Division FTEs remain unchanged.
- Approximately 48 percent of division expenditures are personnel related.
- Services and charges represent about 51 percent of division expenditures. This category includes the contractual costs associated with review of requested rent increases (\$56,200).

Management Objectives:

- Coordinate and conduct COLTA hearings in accordance with established regulations.

- Process rent increase petitions in a timely and accurate manner.
- Finalize revision of rent stabilization regulations.
- Update rent stabilization regulations.

Performance/Workload Measures:

Measurement	Calendar Year		Projected 2008
	2006	2007	
Number of COLTA business meetings	1	1	1
Number of COLTA cases filed	18	21	20
Number of COLTA cases mediated and closed	17	12	15
Number of COLTA cases hearings conducted	2	5	5
Number of rent increase petitions filed	48	47	12
Number of rent increase petition hearings conducted	0	0	1
Number of annual rent reports monitored – single family units	14	7	0
Number of annual rent reports monitored – multi-family rental facilities	246	244	250
Number of City Newsletter columns, articles, and announcements	11	11	11

Appendix

Takoma Park Landlord-Tenant Affairs Statistics

Landlord-Tenant Affairs

Customer Service Contacts

	Jan.	Feb	Mar.	Apr	May	June	July	Aug.	Sept	Oct	Nov	Dec	Total
2005	131	134	87	251	260	238	232	327	281	197	273	191	2602
2006	200	156	224	142	166	200	193	189	225	205	188	149	2237
2007	187	136	182	189	214	209	272	233	229	251	209	180	2491
2008	209	179	178	226	209								

COLTA

	2005	2006	2007	Through May 31, 2008
COLTA Complaints Filed	45	18	20	8
Complaints Mediated/Closed	35	18	13	2
Hearings Held (complaints)	10	0	4	4
Rent Increase Petitions Filed	54	47	48	3
Hearings Held (petitions)	1	0	1	0

Contracts Managed Affordable Housing Activities 2008

Contracts	Date Established
Tenant Capacity Building Contract (Rozanne Look and Mario Cristaldo)	October 2003
LEDC Contract - 4 First Time Homebuyer Seminars	March 2007
LEDC Contract (Fore Closure Prevention)	March 2007
K and S Development Consultants (inspections)	November 2004

Comilang & Associates, CPA (rent analyst)	Approximately 1999
Tenant Emergency Assistance Contract	2004
Randy Beers - (Technical Assistance)	October 2005

Activity	Number of Activities
First Time Home Buyer Seminars	4
Foreclosure Prevention Seminars	2
Housing Fairs	1
Tenant Capacity Building Program	12
Applications by Tenant Associations for Revolving Loan Funds	0
PILOTS	0
Tenant Summit	1

Rental Properties Sold (Tenant Occupied Only)

Year	Rental Properties Sold	Properties Purchased by Tenant/Association	Properties Purchased by Housing Non-Profit
2005	26	5	0
2006	20	2	3
2007	15	1	3
2008	10	0	0

Rental Properties Converted to Condominiums

	Rental Properties Converted or Being Converted	# of rental units
2005	2	34
2006	4	115
2007	5	260
2008	1	20
Total	11	429

Number of Properties Sent Rent Reports

	# of Rent Reports Sent	Multi-family	Single Family
2004	307	281	26
2005	272	256	16
2006	260	246	14
2008	To Be Sent 8/08	--	

Appendix 32: Municipal Proposal - Fuel-Energy Tax

Energy Tax Inequity/Discrimination

The County imposes a tax on all energy use and has the utility companies invoice and collect that tax from residents and businesses. From the County's General Fund (resident tax-based), the County pays its own energy tax to the utilities. On receipt of the tax payments from the utilities, the County returns those proceeds to the General Fund. Following the money flow and from a practical standpoint, there is no tax on county government facilities and street lights. The dollar amount in tax revenue exactly equals the tax charge and the effect on the General Fund is zero.

This is not the case with municipal residents. There is no retrieval by or reimbursement to the municipal governments. Municipal residents pay a tax that non-municipal residents do not. This tax is levied on both facilities and street lights. Treatment of the tax should be assessed within the broader framework of the Task Force's mission as tasked by the County Executive. That mission was to address not just tax duplication but the mechanics and equity of revenue sharing as well.

As the municipal representatives have stated on numerous occasions, there is inequity in the current system. In the execution of their local governance obligations, municipalities pay the tax on both their municipal offices and street lights while the County does not (see above). Should our Task Force meetings occur in a County facility there is no cost to the County, but should that same meeting be held in a municipal facility, the municipal residents pay to hold that meeting. By the nature of on-going and systemic municipal/county interaction and coordination, there are many cross-jurisdictional meetings, governmental activities and functions hosted by or conducted in both municipal and county facilities. When there is a County connection to municipal activity - independent of the location where some or all of the "work" takes place - the argument for municipalities paying the tax is further in doubt. Our own Task Force activity is evidence of that - we are working to reconcile municipal delivery of services which would otherwise be provided by the County. Taxing the municipalities on energy for either facilities or the municipal component of the county-wide street light network runs counter to the Tax Duplication Task Force's charge. FY 2007 summary of amounts attached.

Excluding the Federal and State governments from exemption can be largely justified by the less than 100% benefit to Montgomery County residents. Federal and State functioning's associated with their respective facilities serve state-wide and nation-wide population bases and are paid for by the larger population bases. Municipal facilities in Montgomery County only serve Montgomery County residents, and the energy tax charged for municipal operations is funded entirely by County tax payers. Accordingly, we are requesting that the County rebate 100% of the energy tax paid by the various municipalities.

Municipality	Total
Barnesville	\$140
Brookeville	140
Chevy Chase Section 3	369
Town of Chevy Chase	6,514
Chevy Chase Section 5	238
Chevy Chase View	658
Chevy Chase Village	4,959
Friendship Heights	5,262
Gaithersburg	178,292
Garrett Park	788
Glen Echo	253
Kensington	4,603
Laytonsville	352
Martins Additions	361
North Chevy Chase	317
Poolesville	33,380
Rockville	217,412
Somerset	2,041
Takoma Park	53,719
Washington Grove	1,029

Total	\$510,826