

MEMORANDUM

April 2, 2009

TO: Planning, Housing, and Economic Development Committee

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

SUBJECT: **Follow-up on OLO Report 2009-7: *Organization of Recreation Programs across the Department of Parks and Department of Recreation***

Today, the PHED Committee will continue its discussion on the management and structure of recreation programs within County Government and the Montgomery County portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC).

As indicated at Monday's worksession, Councilmember Elrich has developed a recommended plan of action on restructuring the management of recreation programming. His memo that sets forth recommendations for Committee consideration is at ©1-3.

Elements of Councilmember Elrich's proposed two-step approach include:

- A first step that provides the Department of Recreation and Department of Parks with the opportunity, by June 1, 2009, to jointly develop a Restructuring Plan. The Restructuring Plan would identify which recreation programs and facilities should be shifted between departments (or to the Revenue Authority) to achieve programmatic and/or economic efficiencies. This first step does not presume an outcome, but relies on the departments to propose a jointly-agreed upon structure that achieves efficiencies and cost savings.
- Once a Restructuring Plan has been approved by the Council, the second step is to ask the departments to develop an Implementation Plan that details how the restructuring will be implemented. The Implementation Plan should be submitted to the Council by October 1, 2009, to allow the changes to be reflected in FY11 operating budget submissions.

Councilmember Elrich's memorandum also suggests that:

- The Committee consider whether the process of developing the Restructuring Plan would benefit from a neutral facilitator; and
- The Council should hold a public hearing at an appropriate point after receipt of the Restructuring Plan.

MEMORANDUM

April 1, 2009

TO: PHED Committee

FROM: Marc Elrich, Councilmember

SUBJECT: Recommendation for Plan of Action on Restructuring the Management of Recreation Programming

Throughout the Committee's recent discussions on the organization of recreation programs across the M-NCPPC Department of Parks and the County Government Department of Recreation, both agencies have expressed a desire to improve and streamline the structure of County-funded recreation programs.

I recommend the PHED Committee endorse a plan of action to explore an improved structure for managing recreation programs. The Committee's discussions on this issue suggest that consolidation of some or all recreation programming will deliver tangible benefits to the community, including:

- A streamlined and user-friendly system of recreation programs;
- Consistent pricing and cost recovery practices; and
- Administrative and staffing efficiencies that result in cost savings.

Recommendation for PHED Committee Consideration

In order to achieve these benefits, I recommend the Committee endorse a two-step approach. The first step is the development of a Restructuring Plan (i.e. what programs/facilities should be transferred from one department to another), and the second step is an Implementation Plan (i.e. the details of how programs/facilities will be moved). The types of recreation programs and facilities under consideration should include:

- Summer camps;
- Classes and activities;
- Recreational trips and excursions;
- Recreational amenities;
- Event centers and park activity buildings;
- Sports programs and facilities;
- Special events; and
- Athletic field permitting and maintenance.

My suggested plan of action for the PHED Committee to endorse is outlined below.

Step 1. Develop a Restructuring Plan

The first step is to direct the Department of Parks and Department of Recreation to recommend a Restructuring Plan that identifies which recreation programs and facilities should be shifted between the departments. This Restructuring Plan should:

- Recommend consolidating specific programs and/or facilities into the Department of Recreation or into the Department of Parks if it would achieve programmatic and/or economic benefits;
- Explore the role, if any, for the Revenue Authority in providing management assistance for any Enterprise Facilities; and
- Recommend a consolidated permitting structure that could be operational by FY11.

The Restructuring Plan should be submitted to the Committee by **June 1, 2009**.

The Committee should indicate its expectation that the Restructuring Plan be designed to achieve the optimal efficiencies and cost savings through elimination of duplicative programs, overlapping staff, and duplicative administrative structures.

The Department of Parks has indicated to the Committee that a bi-agency team is “already being assembled to review existing programs and reallocate as appropriate.” The Committee should consider whether this process would benefit from a neutral facilitator to ensure that progress is sustained on the objectives and resolve any areas of conflict.

Default Restructuring Recommendation. If the departments are unable to come up with a restructuring plan that achieves the identified objectives and delivers the tangible benefits to the community as listed above, the Committee should endorse a Restructuring Plan that transfers the responsibility for managing the following recreation programs and related facilities from the Department of Parks to the Department of Recreation:

- **Summer camps** (excluding pure nature interpretive programs);
- **Classes and activities** (excluding pure nature interpretive programs);
- **Recreational trips and excursions;**
- **Recreational amenities**, including managing and operating the Mini-Golf park, Splash Park, boating facilities, and trains/carousel;
- **Event centers and park activity buildings;** and
- **Sports programs**, including the facility management and activities at the ice arenas and tennis facilities.

Under this scenario, the Committee would undertake further review of athletic field permitting and maintenance (including Community-Use of Public Facilities and Montgomery County Public Schools) with a final decision on the optimal consolidation structure to be determined in the coming months.

Review and Approval of Restructuring Plan. I recommend that after review and endorsement by the PHED Committee, the Restructuring Plan should be forwarded to the full Council for final approval.

Step 2. Develop an Implementation Plan

Once a Restructuring Plan has been endorsed by the Council, the second step is for the departments to report back to the Council by **October 1, 2009** with a specific plan for implementing the transition of recreation programming. Specifically, the Implementation Plan would:

- Identify the expenditures, related funding (including fee-related programs), and related workforce for each program and/or facility that will transfer between departments;
- Identify any changes required to State or County law to facilitate or authorize the transfer;
- Recommend changes to benefit plans as necessary to facilitate the transfer of employees;
- Complete an analysis of the of the cost savings from the Restructuring Plan;
- Identify needed modifications to existing Information Technology Systems; and
- Recommend other specific programmatic, fiscal, human resources, administrative, or operational changes needed to effectuate the transfer.

The Council should request adherence to the following guiding principles in developing the Implementation Plan:

- The net cost of the transition should be cost neutral across the two agencies in FY10, with savings from administrative efficiencies to begin in FY11; and
- The Implementation Plan should place priority on not adversely affecting the pay and benefits of any employees affected by the restructuring of responsibilities between the two agencies.

Public Hearing

I recommend that, at an appropriate point after receipt of the Restructuring Plan, the Council hold a public hearing on this issue.