PHED COMMITTEE #1&2
April 20, 2009

MEMORANDUM

April 16, 2009

TO: Planning, Housing, and Economic Development Committee

MM

FROM: Marlene Michaelson, Senior Legislative Analyst

SUBJECT: FY10 Operating Budget: Maryland-National Capital Park and Planning Commission (M-NCPPC): Central Administrative Services, Special Revenue Funds and Department of Parks

Those expected for this worksession:

Royce Hanson, Chairman, Montgomery County Planning Board
Mary Bradford, Director, Department of Parks
Mike Riley, Deputy Director of Administration, Department of Parks
Gene Gibbons, Acting Deputy Director of Operations, Department of Parks
MaryEllen Venzke, Chief, Management Services Division/Parks
Karen Warnick, Budget Manager, Department of Parks
Alison Davis, Chief, Management Services Division/Planning

This meeting continues the Planning, Housing, and Economic Development (PHED) Committee's review of the Maryland-National Capital Park and Planning Commission (M-NCPPC) FY10 budget with one follow-up issue related to Central Administrative Services (CAS) and the review of the Special Revenue Funds and Department of Parks. On April 27, the Committee will consider Department of Parks' revenues and fees, M-NCPPC Capital Improvements Program (CIP) amendments, the Enterprise Fund, Advanced Land Acquisition Revolving Fund (ALARF), the Property Management Fund, and any follow-up issues. The Park Police budget will be reviewed by the Public Safety Committee on April 16, and Staff will report any recommendations verbally at the Committee meeting.

Relevant pages from the County Executive Recommended FY10 Operating Budget are attached on © 1 to 8. Responses to Council Staff questions on the budget are attached at © 9 to 23. **All**

page references are to the FY10 M-NCPPC recommended budget; Committee Members may wish to bring a copy to the meeting.

RECOMMENDED STUDY OF CENTRAL ADMINISTRATIVE SERVICES

At the last worksession on the Administration Fund, Staff presented the possibility of a study of Central Administrative Services, to be undertaken jointly by the two counties. Since the last meeting, Staff has reached agreement with the staff of the Prince George's County Council on a recommendation to be presented to the Planning Committees for the two County Councils.

Recommendation for a Study of Central Administrative Services

The current economic climate has forced many organizations to re-examine their operations and responsibilities and to identify opportunities for cost savings and other efficiencies. The Prince George's County Council's Planning, Zoning, and Economic Development (PZED) staff, in reviewing the operations of M-NCPPC, believes that there may be an opportunity for cost savings and efficiencies in that organization's Central Administrative Services (CAS), possibly through restructuring within the Commission or with other agencies of County Government.

The staff of the two County Councils recommend that a careful examination of the services provided by the CAS of M-NCPPC be undertaken to determine the feasibility of achieving efficiencies within CAS or through restructuring. The study should be prepared by a group consisting of staff from the Commission, the Councils, and the Executive Branch of each government. The study should be completed by October 1, 2009.

FLEET MANAGEMENT

The PHED Committee has not considered fleet management issues for the Commission, and Staff recommends that it ask for a report on this issue to be prepared by M-NCPPC staff in time for the Planning Board's consideration as part of its review of the FY11 budget. The Commission has close to 600 vehicles, most of which are used by Department of Parks employees. Issues to be addressed should include the number of vehicles, cycle for replacement of vehicles, types of vehicles being purchased, life cycle costs, maintenance frequency, vehicle sharing programs (such as Zip cars), and policies regarding take home cars. The information collected should be compared to County Government data/policies or those of other similar agencies to determine whether the existing standards and policies are appropriate. Staff understands that the Department of Parks has already begun to look at some of these issues and should be ready to report to the Planning Board before their fall review of the FY11 Operating Budget.

SPECIAL REVENUE FUNDS

"Special Revenue Funds" are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes (see pages 407 to 415 in the budget). All of the Special Revenue Fund programs in the FY10 budget are Park or Planning Department programs funded in part from fees or outside funding sources. Programs which appear in the Special Revenue Funds are funded in total or in part by non-tax sources, while Enterprise Fund activities have traditionally been funded entirely (with some limited exceptions) by non-tax sources (i.e., fees).

While some funds use revenues only to the extent they are obtained (e.g., the Park Police Federally Forfeited Property Fund), for other funds there is an ongoing need for the activity, and transfers from tax supported funds are sometimes used to support expenditures. The FY10 budget shows higher than typical negative net revenues and a lower than typical balance for the entire fund, and the Committee may want to consider the trends in some of the individual funds. FY10 projected expenditures, revenues, and fund balance are shown below.

SPECIAL REVENUE FUNDS				
	Proposed FY10 Expenditures	**Proposed FY10 Revenue**	**Net FY10 Revenue**	**Proposed Ending Fund Balance**
Traffic Mitigation	$20,000	$20,000	$0	$22,073
Historic Preservation (County non-departmental account)	$315,800	$315,800	$0	$1,500
GIS Data Sales	$203,000	$75,000	-$128,000	-$9,939
Environmental/Forest Conservation Penalities Fund	$107,000	$100,000	-$7,000	$1,474
Development Automation Process and Development Review Special Revenue Fund*	$3,657,800	$3,633,000	-$24,800	-$40,778
Forest Conservation Fund	$500,000	$100,000	-$400,000	$218,903
Historic Renovations (Property Management)	$39,133	$35,000	-$4,133	$0
Park Police - Drug Enforcement Fund	$42,089	$0	-$42,089	$0
Park Police - Federally Forfeited Property	$57,464	$0	-$57,464	$0
Interagency Agreements	$235,000	$230,200	-$4,800	$9,015
Archeological Programs	$30,000	$13,000	-$17,000	$5,587
Special Events	$140,300	$80,000	-$60,300	$2,601
Special Donations and Programs	$165,814	$115,000	-$50,814	$0
TOTAL ALL FUNDS	$5,513,400	$4,717,000	-$796,400	$210,436
* Note that revenues include a $1.8 million transfer from the Administration Fund.				

In some cases the funds show a large expenditure that will spend a significant portion of the fund balance to achieve the objectives of the fund. For example, in FY10 there is a proposal to increase spending from the Forest Conservation Fund from $50,000 to $500,000. This is appropriate as long as there is a fund balance.

Both special events and archeological programs are expected to spend more than the revenues they will generate in FY10. While existing fund balances from prior years will allow these efforts to continue without subsidy, continuation of the FY10 trend would mean that the County would have to subsidize these activities, which may not be advisable. (The issue of whether to subsidize archeological day camps may come up during the forthcoming review of recreational programs offered by the Department of Recreation and Department of Parks.) GIS data sales revenues will not cover expenditures in FY10, nor is there a sufficient fund balance to cover costs. Since this trend is not likely to change, the Committee should ask the Planning Board to reconsider how to handle this fund for the FY11 budget.

Development Review Special Revenue Fund

For the last 2 years and again in FY10, the Planning Department has recommended providing a transfer from the Administration Fund to the Development Review Special Revenue Fund, since projected revenues are less than expenditures. For FY10, the budget requests a transfer of $1,773,000, the same amount as FY09. The Council has discussed the need for this transfer in the past and has agreed with the Planning Board that, in years in which development activity is slow, there needs to be an Administration Fund contribution to the cost of the Development Review program. It is important to keep trained staff, rather than hiring and firing staff each year based on the level of development activity.

The Planning Department has provided an update on the Development Review Special Revenue Fund attached at © 24 to 28. As of March 2009, revenues for FY09 are approximately $27,000 **greater** than budgeted. Since revenues fluctuate from month to month, it is not possible to determine how they will finish the fiscal year. At this time they are still clearly dependent on a significant subsidy from the Administration Fund.

The Executive has recommended reducing the size of the transfer by $245,000 to $1,528,000, which he indicated is equivalent to his recommended budget reduction in the Department of Permitting Services. The Planning Department has indicated that the reduction is equivalent to 2.5 workyears. Since there are currently 4 vacancies in the staff assigned to the development review process, this reduction can be absorbed without the need to lose any trained employees, and Staff therefore supports the reduction. However, Staff believes the Department should retain the ability to shift frozen positions between divisions as the need arises.

M-NCPPC PARK FUND

Background and Summary

The Montgomery County Park System includes 410 parks with over 34,000 acres of land. M-NCPPC has requested FY10 funding of $82,714,500, excluding debt service, grants, and reserves. **The Executive recommends funding the Park Fund at $81 million. This is $1.7million or 2% less than the M-NCPPC request.**

There are 10 major divisions in the Parks Department, and this budget recommends the creation of two new divisions. In addition to the Office of Director of Parks, the existing divisions include Park Development, Facilities Management, Management Services, Park Police, Central Maintenance, Horticultural Services, Enterprise, Park Planning and Stewardship, the Northern Region, and the Southern Region. The FY10 budget also includes funding for Special Programs and Park Information and Customer Service divisions. Some positions in the Research and Technology Division and Countywide Planning are also charged to the Park Fund. Funding changes by Division are as follows:

FY09 AND FY10 PARK FUND BUDGET (before chargebacks and lapse)				
	Approved FY09	FY10 Request	Change from FY09 to FY10	% Change from FY09 to FY10
Director of Parks ($)	$ 2,678,800	$ 851,600	$ (1,827,200)	-68%
workyears	23.37	5.80	-17.57	-75%
Special Programs ($)	0	$ 829,700	$ 829,700	
workyears	0	7.00	7	
Park Information and Customer Service ($)	0	$ 1,191,600	$ 1,191,600	
workyears	0	10.8	10.8	
Management Services ($)	$ 886,700	$ 941,600	$ 54,900	6%
workyears	7.73	8.00	0.27	3%
Facilities Management ($)	$ 1,750,200	$ 2,129,100	$ 378,900	22%
workyears	7.43	7.50	0.07	1%
Research & Technology ($)	$ 1,995,000	$ 2,061,700	$ 66,700	3%
workyears	12.74	12.90	0.16	1%
Park Planning and Stewardship ($)	$ 3,759,200	$ 3,933,300	$ 174,100	5%
workyears	35.93	35.90	-0.03	0%
Park Development ($)	$ 5,648,200	$ 5,416,800	$ (231,400)	-4%
workyears	49.53	49.25	-0.28	-1%
Park Police ($)	$ 12,046,700	$ 12,979,700	$ 933,000	8%
workyears	123.82	124.61	0.79	1%
Horticultural Services ($)	$ 6,339,600	$ 6,603,900	$ 264,300	4%
workyears	71.84	69.70	-2.14	-3%
Central Maintenance ($)	$ 11,572,700	$ 12,529,000	$ 956,300	8%
workyears	120.46	120.25	-0.21	0%
Northern Region ($)	$ 9,046,300	$ 9,488,800	$ 442,500	5%
workyears	125.95	125.92	-0.03	0%
Southern Region ($)	$ 13,184,500	$ 13,852,900	$ 668,400	5%
workyears	193.81	194.04	0.23	0%

CHANGES FROM FY09 TO FY10

The FY10 Department of Parks budget provides a level of service substantially similar to FY09. Other than compensation and benefit increases, the only increases are $195,000 in non-personnel costs, and an $876,900 increase to allow for decreased lapse (from 7.5% to 6.0%) resulting in

10.5 additional workyears.[1] Lapse recommendations are addressed in more detail below. The only major change to the Department of Parks is the creation of two new divisions. This issue is also addressed in more detail below.

PRODUCTIVITY

For many years, the PHED Committee has grappled with the issue of trying to determine whether the Department of Parks is properly staffed and as efficient as possible. While it is still difficult to determine the answers to these questions, and Staff believes that far more work needs to be done, there is some encouraging information regarding efforts to increase efficiency (see © 10 to 11). In particular, the Department finally appears to be using data from Smart Parks to better manage the use of personnel.

Page 287 of the budget describes the work backlog in the Department of Parks, including 500 maintenance work requests, 300 preventative maintenance work orders, and 570 tree maintenance requests. Staff asked the Department how they were dealing with backlog and whether they could lessen it without an increase in resources (i.e., by increasing efficiency). Their answer appears on © 10 to 11. Examples of efforts to increase efficiency include the following:

- Using Smart Parks to determine that resources could be shifted from ballfields at Cabin John and custodial crews at Meadowbrook to playground crews.
- Using Smart Parks data with GIS data to study least-cost routes and scheduling for trash collections.
- Switching all thermostats to year-round programmable thermostats.

The Committee may want to schedule a more detailed status report on Smart Parks after budget.

LAPSE

The FY10 budget proposes to reduce lapse from 7.5% to 6%, resulting in 10.5 additional workyears over FY09. As of March 2009, there were 73 vacancies in the Department; 44 of those vacancies were frozen for budget savings. A 6% lapse equates to 43.5 workyears. Approving the lapse rate in the budget as submitted would allow the Department to hire staff equivalent to 30 workyears.

Staff questions the rationale for the decreased lapse, given that the Department has historically averaged a higher than 6% vacancy and has not been able to fill all the recruitable vacancies. As the chart on © 23 indicates, the vacancy rate reached a low of 6.11% in June 2007, but has otherwise generally been 8 or 9 percent. In the past year, the Department has held many positions vacant for fiscal reasons but has still failed to fill the positions described as recruitable.

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[1] The FY10 budget includes the same number of workyears as FY09 prior to lapse. The recommended reduction in lapse would increase net workyears from 688.2 to 698.7.

If the Department retained its 7.5% lapse, it would need to keep 54.5 workyears unfilled, still allowing it to fill 18 vacancies and improve the level of service.

Each one percent increase in lapse equates to $584,600. **Staff recommends keeping lapse for FY10 at 7.5% at a savings of $876,900.** Should the Committee believe that further reductions are needed to the Department of Parks budget, it would be possible to increase lapse further without decreasing the size of the existing workforce. Freezing **all** vacant positions would be the equivalent of a 10% lapse and would save $2,338,400.

NEW DIVISIONS

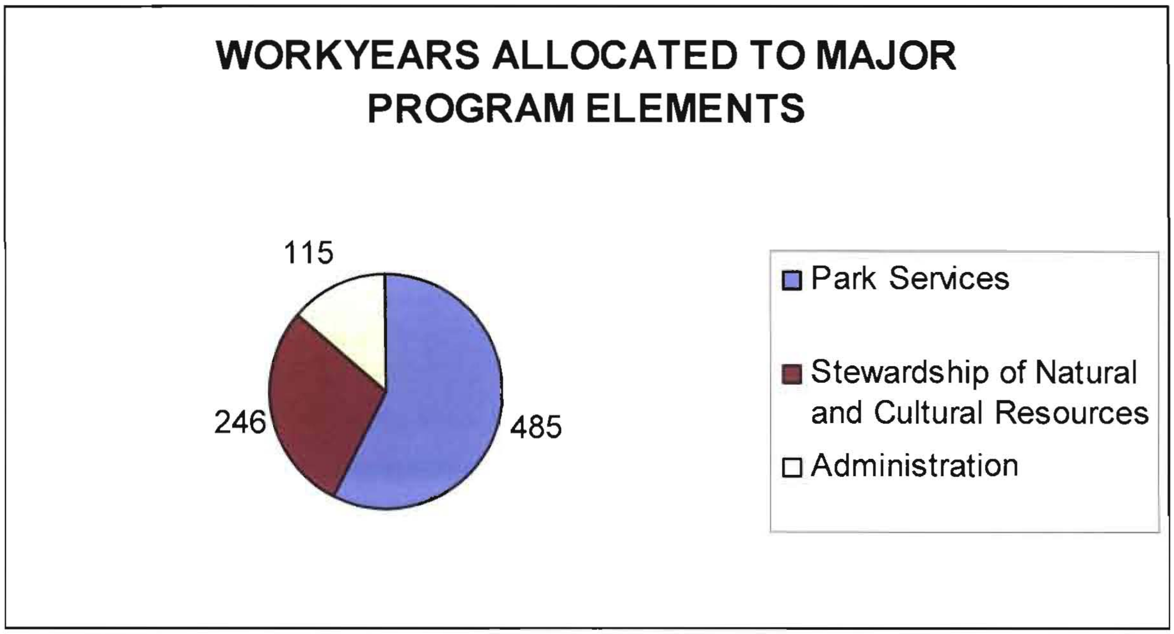
The FY10 Budget includes the creation of two new divisions in the Department of Parks: Special Programs, and Park Information and Customer Service. These additions increase the number of divisions over a two year period from 8 to 12. Since the budget did not provide a rationale for the creation of these new divisions, Staff asked Department of Parks staff to address this issue. Their response is attached at © 13. While Staff believes that the Council should provide great deference to department directors on organizational issues, Staff believes the unique nature of this recommendation is worth bringing to the Committee's attention. The new organization creates some distinct anomalies within County government.

- With 12 divisions, the Department of Parks would have more divisions than any other department in the County.
- Four of the divisions have less than a dozen people. It is unclear what critical mass of staff justifies the creation of a division and the employment of a division chief.
- Four other divisions have over 100 employees, creating a great disparity in the size of divisions and responsibilities of division chiefs.
- While the response to Staff's questions indicate that there is a very limited cost in FY10 for creating the new divisions (approximately $8,000), Staff cannot help but believe there are more significant longer term costs to having 12 division chiefs in the Department of Parks.

It is unclear at this time whether there will be any change in the structure or size of the Department of Parks (larger or smaller) as a result of the upcoming study of recreational programming, and it therefore may be premature to focus on organizational issues. The Committee may want to revisit this issue after the completion of the recreational programming study.

PARK PROGRAMS

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



The FY10 budget does not include any new programs or growth in programs, and eliminates all workyears associated with the Adventure Sports program. This new program was added last year, but the Department now believes the functions should be moved into the Park Planning program element. While the total number of workyears is unchanged other than for lapse, the Department has redistributed the workyears assigned to different programs as shown in the table that appears below.

DEPARTMENT OF PARKS WORKYEARS BY PROGRAM			
	FY09	**FY10**	% Change
PARK SERVICES			
ORGANIZED SPORTS			
Baseball and Softball	45.40	41.49	-8.61%
Field Sports	39.00	42.38	8.67%
Multi-Use Courts	7.60	9.72	27.89%
Tennis	25.30	29.44	16.36%
Adventure Sports	0.90	0.00	-100.00%
Subtotal Organized Sports	**118.20**	**123.03**	**4.09%**
REGIONAL ATTRACTIONS			
Boating	6.90	9.16	32.75%
Camping	12.00	10.83	-9.75%
Ice Skating	51.00	49.31	-3.31%
Mini Golf, Splash Playground, Driving Range	9.20	7.35	-20.11%
Trains, Carousel	9.10	10.31	13.30%
Subtotal Regional Attractions	**88.20**	**86.96**	**-1.41%**
MEETING AND GATHERING PLACES			
Community Open Space	87.49	81.59	-6.74%
Permitted Picnic Facilities	23.60	23.65	0.21%
Playgrounds	30.30	32.59	7.56%
Dog Exercise Areas	4.53	3.76	-17.00%
Park Activity Buildings	48.10	41.46	-13.80%
Event Centers	33.80	27.54	-18.52%
Subtotal Meeting and Gathering Places	**227.82**	**210.59**	**-7.56%**
TRAILS AND PARKWAYS			
Scenic Parkway Experiences	28.30	27.27	-3.64%
Trails-Paved Surface	37.80	37.64	-0.42%
Subtotal Trails and Parkways	**66.10**	**64.91**	**-1.80%**
SUBTOTAL PARK SERVICES	**500.32**	**485.49**	**-2.96%**

STEWARDSHIP OF NATURAL AND CULTURAL RESOURCES			
LAND AND RESOURCE MANAGEMENT			
Arboriculture	36.20	36.00	-0.55%
Horticulture	51.40	62.70	21.98%
Natural Resource Management	31.90	30.89	-3.17%
Cultural Resources	15.00	13.78	-8.13%
Streams	11.40	13.45	17.98%
Trails- Natural Surface	15.50	17.46	12.65%
Agriculture Support	6.20	5.44	-12.26%
Subtotal Land and Resource Management	**167.60**	**179.72**	**7.23%**
EDUCATION AND INTERPRETATION			
Nature Centers	39.50	35.24	-10.78%
Public Gardens	31.80	31.46	-1.07%
Subtotal Education and Interpretation	**71.30**	**66.70**	**-6.45%**
SUBTOTAL STEWARDSHIP OF NATURAL AND CULTURAL	**238.90**	**246.42**	**3.15%**
ADMINISTRATION			
ADMINISTRATION			
Management and Administration	44.60	59.03	32.35%
Partnerships	7.50	9.79	30.53%
Property Management (inc. equestrian)	10.30	11.37	10.39%
Third Party Support (inc. golf)	19.70	12.75	-35.28%
Park Planning	27.40	21.89	-20.11%
SUBTOTAL ADMINISTRATION	**109.50**	**114.83**	**4.87%**
TOTAL SERVICE DELIVERY	**848.72**	**846.74**	**-0.23%**
CIP	**37.60**	**38.13**	**1.41%**
PROGRAM TOTAL	**886.32**	**884.87**	**-0.16%**

The 7 most labor intensive programs are as follows:

Program	FY10 Workyears
Community Open Space	81.59
Horticulture	62.70
Management and Administration	59.03
Ice Skating	49.31
Field Sports	42.38
Baseball and Softball	41.49
Park Activity Buildings	41.46
Total Workyears	377.96

POTENTIAL REDUCTIONS

The Executive has recommended reducing the Department of Parks budget by **$1,686,600**. This is less than the M-NCPPC request but still provides the Department a 2.4% increase over the FY09 budget. (By contrast, the Executive has recommended a 5.1% **decrease** in the budget for the Department of Recreation.) As with the other parts of the Commission, the Department of Parks has indicated that it can decrease its budget to meet the Executive-recommended funding level by freezing all compensation increases (including cost of living increases and merit increases) and not increasing the funding for contributions to retiree health benefits. As indicated at the last worksession, they cannot commit to compensation adjustments at this time, and have therefore identified other reductions that could be taken instead of compensation adjustments. These reductions include the following:

POTENTIAL REDUCTIONS TO PARKS DEPARTMENT		
Recommended Reductions:		**M-NCPPC Description of Impact:**
Reduce annual contribution to Risk Management Fund	$288,700	Reduce the annual contribution to the Risk Management Fund which would reduce the available reserves for future claims. This is the equivalent to the FOP Merit and COLA.
Reduction in utility costs	$60,000	Reduce the utility budget in Support Services based on re-evaluation of utility costs for FY10.
Reduce rental costs for Northern Region	$10,000	The Northern Region Headquarters has moved to Park owned space. This rent payment is no longer needed.
Total Recommended Reductions	**$358,700**	
Non-recommended		
Eliminate contract to relocate mature Pope Farm Nursery trees	$87,000	Most of the current mature trees will be moved in FY09. This would eliminate the contract to move overgrown trees from Pope Farm to Parks. Deferring the contract one year could result in more expense in future years.
Reduce Deer Management Contract by 50%	$163,700	This reduction will require equipment which is nearing, or has already reached, the end of its useful life to remain in service. Because of the age and condition of the equipment, downtime will increase and maintenance frequency will suffer. Additionally, the cost of keeping these pieces in service will increase dramatically and replacement parts may no longer be available. Ultimately the equipment may deteriorate to the point of compromising operator safety and will need to be removed from service. Deferring the purchases now will only add to an already significant backlog of equipment replacement and upgrade.
Reduce contract to treat non-native invasive species by 50%	$60,000	The 50% cut of this contract would reduce the number of parkland acres treated each year from 400 acres 200 acres allowing the degradation of our natural resources. This setback will allow areas that received some treatment over the past two years to re-grow thus losing the progress made with FY08 and FY09 funding.
Reduce capital outlay for replacement equipment	$30,000	The impacts of cutting this contract by 50% include increased deer related accidents; increased losses to the county's agricultural community; reduced profitability of the Agricultural Reserve threatening its viability; increased degradation of natural areas; increased threat of Lyme Disease - which is already on the rise in the county. Due to the rapid reproductive rate of deer, the program would lose much of the momentum of the past 14 years of work.
Close four activity buildings	$180,000	Close buildings that are 25% or below utilization and in Poor Condition. This is a reduction in expenditures only. Revenues would also be reduced. Reduction in positions, contracts and utilities.
Total Non-recommended Reductions:	**$520,700**	
TOTAL	**$879,400**	

Regardless of whether the Department is able to make the adjustments to compensation and retiree health benefits assumed by the Executive, Staff recommends that the Committee assume the "recommended reductions" identified by the Department in the preceding table (totaling $358,700). In addition, Staff recommends the following reductions.

Park Activity Buildings

As the Committee is aware, the upcoming study of recreational programming will provide the Department of Parks and the Committee the opportunity to review several of their most labor intensive recreational activities. While Staff believes that any consideration of changes to most of these programs should be delayed until after the study is complete, the Committee may want to consider reductions to the Park Activity Building program at this time. As the Committee will recall, the Department of Parks conducted a study of these 29 buildings in 2007 and concluded that there are "too many buildings with too much unused time; we are losing money and have too large a future maintenance liability." In the Department of Parks, Staff Report they recommended continuing to operate 6 buildings, closing or transferring 5 buildings, and increasing marketing to determine if they could increase usage at the 18 remaining buildings. Given the County's fiscal situation, Staff believes that it is the appropriate time to reduce the number of park activity buildings operated by the government. **For FY10, the project cost of this program is $4,875,500 with an associated 41.5 workyears. Staff recommends immediately reducing funding for this program by 25% ($1.22 million) and asking the Department to continue to evaluate further reductions.** Staff believes that the Planning Board should be given the discretion to make the decisions as to how to achieve the reduction. Staff recognizes that many of the buildings are beloved by the communities in which they exist, but given the option of cutting essential programs with significant benefits, versus underutilized park facilities, Staff believes the choice is clear.

Professional Services

The FY10 Department of Parks budget includes an 85% increase in the cost of professional services, from $501,000 to $928,700. While none of the services listed below appear to be unwarranted, there are some that should be deferred in light of the fiscal issues the County is facing. The chart below highlights each service that is new for FY10 or has increased by more than 30% from FY09. Rather than have the Committee conduct a line by line review of each service, Staff recommends a $300,000 reduction to be taken as determined by the Planning Board.

DEPARTMENT OF PARKS PROFESSIONAL SERVICES			
	FY09	FY10	% Change
Depositions and Legal Services	0	1,000	100+%
Graphic Design Services	30,000	30,000	0%
Web Management	0	25,000	100+%
Photography Services	5,000	5,000	0%
Media Training	0	5,000	100+%
On Call Back Up Staff for Permit Office	0	5,000	100+%
Specialized Professional Services	60,000	60,000	0%
Web Based Training	5,000	14,000	180%
Fingerprint Screening	4,000	4,000	0%
Real Estate Budget Analyst	0	5,000	100+%
Infrastructure Condition Assessment	0	200,000	100+%
Lead detection system for tanks, Asbestos/Lead/Mold Remediation	5,000	5,200	4%
Energy/ Recycling Management Contract	100,000	109,700	10%
Contract for large tree removal/aftercare	52,000	89,500	72%
Tree Maintenance	78,000	104,300	34%
Stormwater management contract	105,900	111,900	6%
LOEBR/Hearing Boards	10,000	10,000	0%
Veterinary Services	2,000	3,100	55%
Licensing Agreements	1,600	800	-50%
Contract for maintenance-wireless data transmission for dams	2,500	2,600	4%
Professional Kayak Instruction certification	0	1,000	100+%
Misc. consulting for Region (turf, structural/environmental engineer)	3,000	3,100	3%
Architectural Services	0	100,000	100+%
Ground Water Monitoring	37,000	33,500	-9%
TOTAL PARK FUND	**501,000**	**928,700**	**85%**

SCHOOL BALLFIELDS

The M-NCPPC FY10 budget includes $755,000 for the maintenance of Montgomery County Public Schools (MCPS) ballfields. The responses to Council Staff questions reiterate the Department of Parks view that maintenance of school fields should not be funded by the Park Tax. The Committee and Council have discussed the problems with including this money in the MCPS budget (primarily because there is no guarantee that money allocated for field maintenance will be used for this purpose, and MCPS has in a history of failing to allocate appropriate funds for this purpose). The Council has consistently decided not to put funding for this purpose in the MCPS budget. Based on the concerns raised by Department of Parks Staff, particularly that Metropolitan District tax payers are subsidizing general county tax payers, Staff believes that the Committee may want to consider having these funds moved to the Department of Recreation.

SUMMARY OF STAFF RECOMMENDED REDUCTIONS

In summary, Staff has recommended the following reductions to the Department of Parks budget:

Return lapse to FY09 budget level (7.5%)	$876,900
Accept Department of Parks recommended reductions	$358,700
Reduce Funding for Activity Buildings	$1,220,000
Reduce Professional Services	$300,000
TOTAL	$2,755,600

If the Commission is able to make the reductions in the compensation and retiree health benefits suggested by the Executive, then these reductions would be **in addition** to the $1,686,600 in reductions recommended by the Executive. If they are unable to make the compensation and health benefit reductions, then the Staff recommended funding would still provide $1,069,000 in reductions beyond what was recommended by the Executive.

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Maryland-National Capital Park and Planning Commission

MISSION STATEMENT

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

BUDGET OVERVIEW

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

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

Tax Supported Funds

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

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

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

Non-Tax Supported Funds

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

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

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

Spending Affordability Guidelines

In February 2009, the Council approved FY10 Spending Affordability Guidelines (SAG) of $110,100,000 for the tax-supported funds of the M-NCPPC, which is a 3.5 percent increase from the $106,424,200 approved FY09 budget. For FY10, the Commission has requested $111,311,200 excluding debt service, $1,211,200 above the total SAG amount of $110,100,000. The County Executive ecommends approval of $108,969,900.

The total requested budgets for the Enterprise Fund, Property Management Fund, Special Revenue Funds, ALA Debt Service Fund, and Grant Fund, are $18,161,700, a 4.9 percent increase from the $17,307,500 total FY09 approved budget. The County Executive recommends approval of $17,871,500.

Commissioners' Office

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

Planning Department

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

Planning Activities

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

Central Administrative Services

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

Parks Department

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

Montgomery Parks

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

Debt Service - Park Fund

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

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

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

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

Enterprise Fund

The Enterprise Fund accounts for various park facilities and services which are entirely or predominantly supported by user fees. Recreational activities include: ice rinks, indoor tennis, conference and social centers, boating, camping, and nature center programs.

Operating profits are reinvested in new or existing public revenue-producing facilities through the Capital Improvements Program.

Property Management Fund

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

COUNTY EXECUTIVE RECOMMENDATIONS

The County Executive's recommended FY10 level of expenditure for M-NCPPC is $108,969,900, 2.4 percent over the FY09 approved budget for tax supported funds, exclusive of debt service. The Executive's recommended total is $1,130,100 or 1.0 percent under Council Spending Affordability Guidelines (SAG).

Park Fund

The County Executive recommends a Park Fund budget of $81,027,900, excluding debt service. This proposed funding represents a $1,918,200 or 2.4 percent increase over the FY09 approved budget. The Executive recommends a reduction of $401,200 from the Commission's request for the projected increase to prefund retiree health insurance and a reduction of $1.3 million for requested General Wage Adjustment increases and other operating expenditures to be determined by the Commission. The Executive does not recommend the Commission's requested transfer of $599,000 from the Park Fund to the Enterprise Fund. Park Fund debt service increased by $298,600 from $4,005,800 in FY09 to $4,304,400 in FY10.

Administration Fund

The County Executive recommends an Administration Fund budget of $27,942,000. This represents a $627,500 or 2.3 percent increase over the FY09 approved budget. The Executive recommends a reduction of $197,300 from the Commission's request for the projected increase to prefund retiree health insurance and a reduction of $457,400 for requested General Wage Adjustment increases and other operating expenditures to be determined by the Commission. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, a decrease of $245,000 from the Commission's request of $1,773,000.

ALA Debt Service

The County Executive recommends ALA debt service funding of $649,600 a decrease of $27,400 or 4.0 percent from the FY09 approved budget. The cost decrease is due to lower bond interest.

Enterprise Fund

The County Executive recommends an Enterprise fund budget of $10,351,800. This represents a $47,300 or 0.5 percent decrease from the FY09 approved budget of $10,399,100. The Executive recommends a reduction of $6,200 from the Commission's request for the projected increase to prefund retiree health insurance and a reduction of $39,000 for requested General Wage Adjustment increases and other operating expenditures to be determined by the Commission. The Executive does not recommend the Commission's requested transfer of $599,000 from the Park Fund to the Enterprise Fund. Without the requested transfer, the Enterprise Fund is projected to have a FY10 ending cash balance of $1.6 million or 13.0 percent of resources.

Property Management Fund

The County Executive concurs with the M-NCPPC request for funding of $1,026,700. This represents a $110,700 or 9.7 percent decrease from the FY09 approved budget of $1,137,400.

Special Revenue Fund

The County Executive recommends a Special Revenue Fund budget of $5,268,400. This represents a $749,400 or 16.6 percent increase from the FY09 approved budget. The Executive recommends a transfer from the Administration Fund to cover costs in the Special Revenue Fund in the amount of $1,528,000, a decrease of $245,000 from the Commission's request of $1,773,000. The Executive also recommends a decrease of $245,000 in expenditures in the development review Special Revenue Fund from the Commission's request, which is equivalent to the Executive's recommended budget reduction in the Department of Permitting Services.

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

Consolidation of Recreation Programs

The Montgomery County Department of Recreation and the Maryland-National Park and Planning Commission (M-NCPPC) Department of Parks offer recreation programming to the residents of Montgomery County. The recent Office of Legislat Oversight report, Organization of Recreation Programs across the Department of Parks and Department of Recreation, looked recreation programming across both departments and recommended that the County consider consolidation of recreation programming into one department.

The County Executive strongly supports consolidation of the Parks Department's recreation programs into the County Government Department of Recreation. There would be many benefits to this consolidation including:

- improved customer service;
- elimination of duplicative functions;
- improved utilization of capital and operating assets with fewer conflicts on space and time; and
- generation of savings based on the economies of scale realized through consolidation.

In addition, recreation programming is tied directly to four of the County's priority objectives: preparing children to live and learn, safe streets and secure neighborhoods, healthy and sustainable communities, and ensuring vital living for all. Consolidation in the direction of the Recreation Department would more effectively support attainment of these objectives, since the Recreation Department is one of the lead agencies within the County's social service network as a participant in the Positive Youth Development Initiative, Senior Services Initiative, the Cultural Diversity Center, the Sports Council, the Maryland Senior Olympics, and extended learning opportunities with Montgomery County Public Schools (MCPS).

Further, having these programs under the same County leadership allows the Department of Recreation to more easily collaborate and coordinate their efforts with other County departments, such as the Department of Health and Human Services, the Police Department, and Public Libraries. Accountability will also be improved because the County Council and the County Executive will be more directly responsible for the operations and management of the County's recreation activities and facilities. Also, short-term and long-term planning, budgeting, and resource allocation for recreation programming will be improved, as the focus will be on a single entity, the County Department of Recreation.

There are significant logistical issues to be worked through in the consolidation of recreation programming including human resources, financial, information technology, and budget and management issues. While all of these complex matters need to addressed in detail, this is the appropriate time to begin this process. As a first step, the County Council, the County Executive, a the Park Commission should jointly name a Work Group to identify, evaluate, and resolve transition issues with the goal of consolidating all recreation programming in the Department of Recreation during FY11. This work group should be charged with:

- identifying all action items required to complete the consolidation;
- determining the precise strategy and methodology to complete each action items;
- proposing a specific timeline for all action items; and
- completing assigned work within six months.

Because of the significant issues involved in implementing this consolidation, the FY10 budget does not include any budgetary or organizational changes in anticipation of this consolidation.

PROGRAM CONTACTS

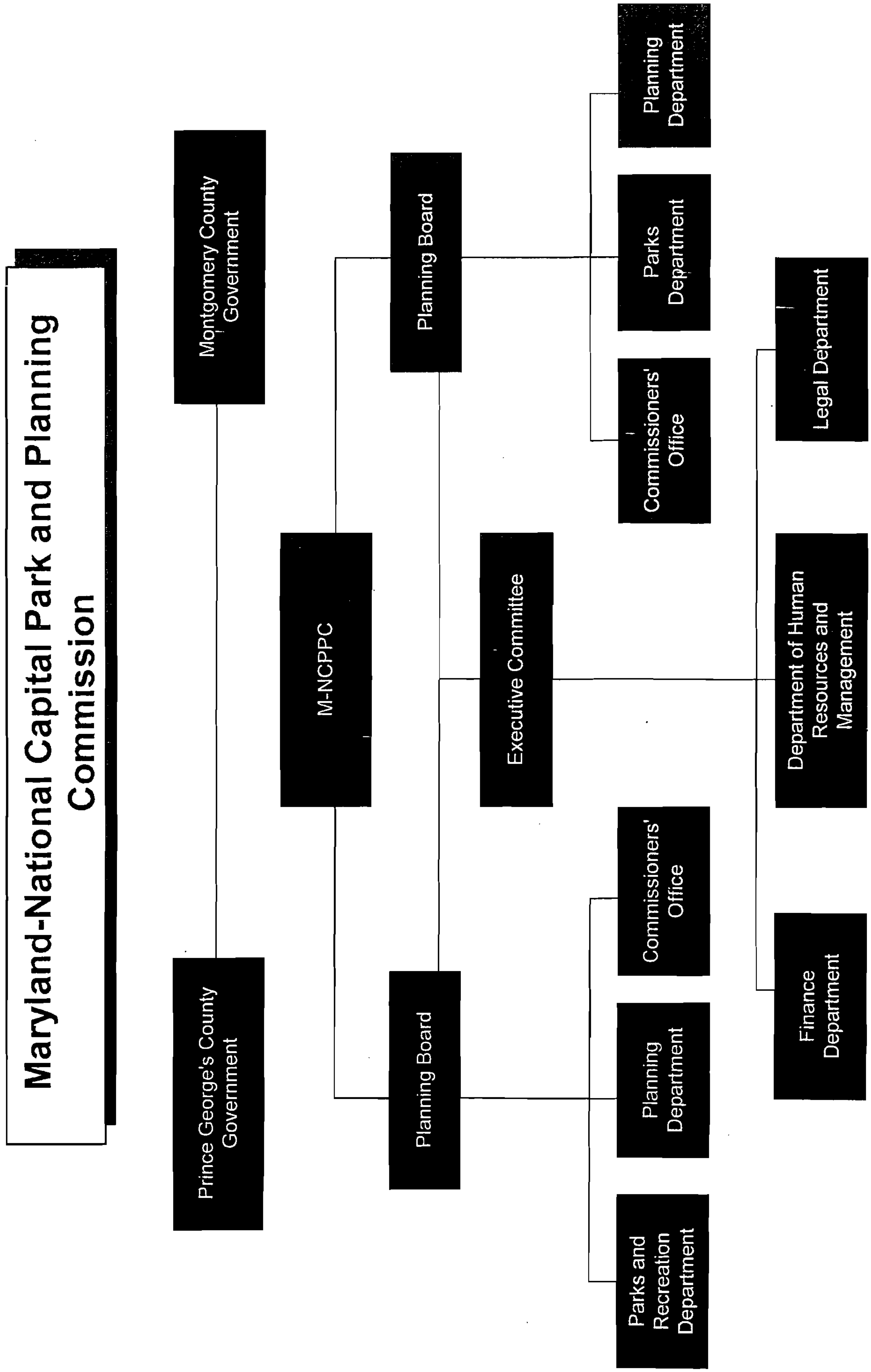
Contact Holly Sun of the M-NCPPC at 301.454.1741 or Christopher M. Mullin of the Office of Management and Budget at 240.777.2772 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
ADMINISTRATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Administration Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	26,234,794	27,314,500	26,664,340	27,942,000	2.3%
Capital Outlay	0	0	0	0	—
Administration Fund Expenditures	***26,234,794***	***27,314,500***	***26,664,340***	***27,942,000***	**2.3%**
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	207.2	211.4	211.4	215.7	2.0%
REVENUES					
Intergovernmental	458,385	818,500	737,500	0	—
Property Tax	25,057,657	27,460,120	27,404,000	27,709,310	0.9%
User Fees	367,161	400,000	422,500	287,500	-28.1%
Investment Income	373,624	250,000	100,000	90,000	-64.0%
Miscellaneous	6,471	0	0	0	—
Administration Fund Revenues	***26,263,298***	***28,928,620***	***28,664,000***	***28,086,810***	**-2.9%**
PARK FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Park Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	71,126,214	79,109,700	77,280,520	81,027,900	2.4%
Debt Service Other	3,817,466	4,005,800	4,005,800	4,304,400	7.5%
Capital Outlay	0	0	0	0	—
Park Fund Expenditures	***74,943,680***	***83,115,500***	***81,286,320***	***85,332,300***	**2.7%**
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	679.3	688.2	688.2	698.7	1.5%
REVENUES					
Property Tax	76,339,969	76,628,030	76,471,560	80,049,110	4.5%
Facility User Fees	1,586,581	1,701,800	1,701,800	1,879,800	10.5%
Investment Income	774,783	450,000	210,000	180,000	-60.0%
Investment Income: CIP	133,635	130,000	30,000	30,000	-76.9%
Intergovernmental	512,650	0	0	0	—
Miscellaneous	129,077	33,500	33,500	74,100	121.2%
Park Fund Revenues	***79,476,695***	***78,943,330***	***78,446,860***	***82,213,010***	**4.1%**
ALA DEBT SERVICE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
ALA Debt Service Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	1,048,030	0	0	0	—
Debt Service Other	545,000	677,000	677,000	649,600	-4.0%
Capital Outlay	0	0	0	0	—
ALA Debt Service Fund Expenditures	***1,593,030***	***677,000***	***677,000***	***649,600***	**-4.0%**
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	1,543,383	1,691,200	1,689,620	1,800,840	6.5%
Miscellaneous	52,022	0	0	0	—
ALA Debt Service Fund Revenues	***1,595,405***	***1,691,200***	***1,689,620***	***1,800,840***	**6.5%**
GRANT FUND MNCPPC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MNCPPC Personnel Costs	***0***	***0***	***0***	***0***	—

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
Operating Expenses	107,156	575,000	575,000	575,000	—
Capital Outlay	0	0	0	0	—
Grant Fund MNCPPC Expenditures	***107,156***	***575,000***	***575,000***	***575,000***	
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Administration Fund Grants	0	150,000	150,000	150,000	—
Park Fund Grants	107,156	425,000	425,000	425,000	—
Grant Fund MNCPPC Revenues	***107,156***	***575,000***	***575,000***	***575,000***	—
ENTERPRISE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Enterprise Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	8,088,137	9,070,000	8,182,000	9,045,820	-0.3%
Debt Service Other	1,372,287	1,329,100	1,329,100	1,305,980	-1.7%
Capital Outlay	0	0	0	0	—
Enterprise Fund Expenditures	***9,460,424***	***10,399,100***	***9,511,100***	***10,351,800***	***-0.5%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	110.3	104.6	104.6	113.1	8.1%
REVENUES					
Intergovernmental	102,906	0	0	0	—
Rentals	2,418,125	2,709,700	2,559,100	2,691,300	-0.7%
Fees and Charges	4,786,151	6,087,200	5,819,500	6,542,800	7.5%
Merchandise Sales	631,448	754,500	755,700	797,400	5.7%
Concessions	88,777	96,900	93,600	88,000	-9.2%
Non-Operating Revenues/Interest	101,154	90,000	30,000	50,000	-44.4%
Enterprise Fund Revenues	***8,128,561***	***9,738,300***	***9,257,900***	***10,169,500***	***4.4***
PROP MGMT MNCPPC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Prop Mgmt MNCPPC Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	1,178,399	1,137,400	992,040	1,026,700	-9.7%
Capital Outlay	0	0	0	0	—
Prop Mgmt MNCPPC Expenditures	***1,178,399***	***1,137,400***	***992,040***	***1,026,700***	***-9.7%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	3.5	3.5	3.5	3.5	—
REVENUES					
Investment Income	54,646	70,000	36,000	25,000	-64.3%
Miscellaneous	1,180	0	0	0	—
Rental Income	1,020,274	1,067,400	956,040	1,001,700	-6.2%
Prop Mgmt MNCPPC Revenues	***1,076,100***	***1,137,400***	***992,040***	***1,026,700***	***-9.7%***
SPECIAL REVENUE FUNDS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Special Revenue Funds Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	3,939,515	4,519,000	4,510,870	5,268,400	16.6%
Capital Outlay	0	0	0	0	—
Special Revenue Funds Expenditures	***3,939,515***	***4,519,000***	***4,510,870***	***5,268,400***	***16.6%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	36.6	38.5	38.5	29.5	-23.4%
REVENUES					
Intergovernmental	470,490	198,000	513,800	545,800	175.7%

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
Miscellaneous	276,157	0	0	0	—
Investment Income	82,088	60,000	10,000	10,000	-83.3%
Service Charges	1,881,903	2,032,400	1,947,800	2,398,000	18.0%
Special Revenue Funds Revenues	***2,710,638***	***2,290,400***	***2,471,600***	***2,953,800***	***29.0%***
DEPARTMENT TOTALS					
Total Expenditures	**117,456,998**	**127,737,500**	**124,216,670**	**131,145,800**	**2.7%**
Total Full-Time Positions	**0**	**0**	**0**	**0**	—
Total Part-Time Positions	***0***	***0***	***0***	***0***	—
Total Workyears	***1,036.9***	***1,046.2***	***1,046.2***	***1,060.5***	***1.4%***
Total Revenues	***119,357,853***	***123,304,250***	***122,097,020***	***126,825,660***	***2.9%***


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

Park Questions:

1. Several of the park programs show an increase or decrease in staffing with no explanation for the change. Please provide the rationale for work year changes for any program for which there has been a significant change?

   The majority of increases and decreases in staffing were small adjustments (1 WY or less) across multiple divisions which added up to significant changes. The work years and costs associated with a program element change each year as the Department continues to refine what is included in a specific element. One example is the oversight of the MCRA golf lease which was in a separate Golf program element under Regional Attractions/Park Services in FY09 and was moved to Third Party Support under Administration of Parks in FY10. Other changes occur as the Department makes adjustments to work schedules based on the analysis of SmartParks data and adjusts the work year allocation accordingly. In some cases, work year changes were housekeeping changes between program elements to correct entries from previous years such as horticultural staff at Brookside Gardens who were allocated to Public Gardens in FY09 when they should have been allocated to Horticulture. Another example of multiple changes occurred in the Park Police allocation of work years as they reevaluated their methodology for allocating work years to specific program elements and made some significant changes based on their new understanding of what was included in the program element.

2. Page 285 provides a chart on growth in parkland. Can you provide the data used to prepare this chart and indicate how many acres are undeveloped parkland and how many acres are developed parkland?

   By the end of FY00, the Department of Parks had 6,368 acres of developed parkland and 23,903 acres of undeveloped parkland for a total of 30,271 acres. At end of FY08, Parks had 7,194 acres of developed parkland and 26,771 acres of undeveloped parkland for a total of 33,965 acres. This represents an increase of 3,694 acres, of which 826 acres have been developed adding 5 local, 2 urban, 1 neighborhood, 1 special, and 1 conservation park. This represents multiple ballfields, courts, playgrounds, trails, and other park amenities to maintain. Also included in this developed acreage were 4 historic structures in need of stabilization and renovation. All these new parks and facilities require additional care and maintenance and significantly add to the Parks work load being performed by a shrinking staff complement.

   Attachment 1 is a land transaction report from the Park Inventory System listing all the land acquired by the Parks by year since 1999.

This growth in parkland, without the accompanying work years to maintain them, has produced a situation that cannot be properly managed with fewer resources, even with substantially increased efficiencies.

	Developed Acres Acquired	*Undeveloped Acres Acquired*	*New Park Acreage*	*Total Park Acreage*	*% Change*
FY00				*30,271*	
FY01	*47.0054*	*191.4950*	*238.5004*	*30,510*	**1%**
FY02	*126.2466*	*1,062.0587*	*1,188.3053*	*31,698*	**4%**
FY03	*32.9981*	*328.8528*	*361.8509*	*32,060*	**1%**
FY04	*138.7061*	*264.4600*	*403.1661*	*32,463*	**1%**
FY05	*113.8500*	*54.3102*	*168.1602*	*32,631*	**1%**
FY06	*296.1471*	*308.8487*	*604.9958*	*33,236*	**2%**
FY07	*38.3376*	*496.6866*	*535.0242*	*33,771*	**2%**
FY08	*33.1659*	*160.5811*	*193.7470*	*33,965*	**1%**
TOTAL	*826.6850*	*2,778.8990*	*3,693.7499*		*12%*

**** Note: Chart on page 342 shows total acres as 34,040 as opposed to 33,965 shown here. The difference is the number of acres acquired from the end of FY08 to December FY09.***

3. Am I correct in assuming that the Department will continue to freeze some positions in FY10? Does the 6% lapse recommended for FY10 include both positions likely to be frozen and recruitable vacancies?

   Yes, the Department will continue to freeze some positions in FY10. We continued the program cuts adopted in FY09 through FY10. The total unfunded positions in FY09, including normal lapse was 9.22% which equates to 67.6 WYs. A 6% lapse is above our normal attrition rate and will likely require holding a certain amount of positions open to achieve the required savings. A successful response to the retirement incentive and freezing certain positions allowed us to meet the lapse and savings target in FY09, although reductions in maintenance and police patrols were required.

4. What is your strategy for dealing with the backlog in maintenance requests given the current fiscal realities? Is there any way to lessen the backlog without increasing resources (i.e., how can you improve efficiencies)?

   We are currently addressing our backlog by reallocating staff to priority tasks based on tracking maintenance frequencies in SmartParks. Whenever possible, we utilize volunteers or seasonal staff for routine tasks and redeploy skilled employees to address

more complicated work requiring park maintenance expertise. Given the drastic reductions in funded positions in FY09, each division was required to develop efficiencies to meet the most mission-critical work program. Examples are: reduced frequency of mowing in low use areas, replace mowers to more nimble Z-turn mower to save time, contract out tree work, managed seven day a week operations by changing schedules, etc.

In the Southern Region, most of the backlog is related to two main areas, inspections (courts, bridges, culverts, etc.) and playground repairs. This spring, we are tasking our managers to redouble efforts in inspections. In previous years we had large backlogs in playground inspections and trail work. We used SmartParks data to identify these problems and to justify the staff efforts to address them. Both of these areas are significantly improved.

We have used SmartParks data to justify the reduction in ballfield crews at Cabin John and custodial crews at Meadowbrook. As a result of those savings, we were able to create a playground repair crew in those areas. We have two ongoing studies to look deeper at the custodial function as well as the trash truck routes. We are combining the use of SmartParks data, and GIS data to study least-cost routes and schedules to make these two functional areas more efficient.

In Central Maintenance there were a number of measures used to reallocated resources to address the back log of building maintenance. Examples are:

1. *Began installing waterless urinals which eliminate flush valves, eliminating the need for maintenance and service on the flush valves.*
2. *Switched all thermostats to year around programmable thermostats eliminating the need to send mechanics building by building to set temperature ranges for each season.*
3. *Re-engineered the preventive maintenance programs for all buildings based on the recommendation from Consultant (FEA). This has allows us to be proactive in making repairs as opposed to waiting for things to break before making the repairs and incurring more expenses related to the break.*

The Department is continuing to study the buildings in the park inventory which are not critical to our mission. This includes park activity buildings and leased buildings. Many of these buildings are in poor condition and do not serve a large segment of the population. We are hopeful that those buildings with interested constituencies can be transferred in some fashion to those with the means to support them.

These measures assist in managing our backlog, but do not bring the park system where it should be. The bottom line is that we have 410 parks and a large inventory of physical assets to maintain and manage. If the backlog continues to grow, we need to consider reducing the growth of developed parks to maintain the current parks at an acceptable level.

5. What improvements in web management are associated with the $25,000 professional contract (page 289) and are these specific to the Department of Parks or for all Departments?

   This professional contract would establish a web services support team for the Department of Parks. This team would be dedicated to the creation of new pages, services and functionality, the design of web banners, buttons and other promotional features, the development of new content and features, the editing and maintenance of existing pages, features and functions, and the timely posting and removal of dated information. There are literally thousands of pages of information within the Department of Parks website, and much of it is event- or date-specific. In addition, the Department is shifting away from print advertising and publications and focusing more on digital media and communications. Traditional advertising is expensive and growing less effective each year. Improved web services would aid the Department in making this shift and improve online access to information about programs, services, rentals and other Park offerings.

   Though valuable support is provided by the Planning Department's web team, no one person is devoted to developing and maintaining the information on the Parks website. This means some information may remain posted longer than it should and other information may never be posted at all. While there is demonstrated need for a dedicated staff position to control the content of our site, we do not have the money or work years to fund this position. This contract fills in that gap, and will allow for stricter monitoring of information and improved access to timely information for our customers.

6. What are the specialized professional services listed on page 289 ($60,000)?

   The $60,000 is budgeted in Support Services and includes $5,000 for legal services for special cases that require outside legal counsel and $55,000 for departmental education and training services for the Department such as diversity initiatives, Microsoft training, conflict resolution, and core competency training.

7. What facilities will be reviewed as part of the infrastructure condition assessment in FY10 ($200K listed on page 289)?

   The Infrastructure Condition Assessment project will move to cover the remainder of the park system geographically rather than by specific facility group. This year we will begin regional parks and any structures within those parks (remainder of buildings and components not previously covered) and continue in FY10. After regional parks, we would move to recreational parks.

8. What is the rationale for creating the 2 new divisions (Park Information and Customer Service and Special Programs? What are the cost implications (e.g., the cost of 2 new chiefs)?

   In order to streamline the number of units reporting directly to the Director of Parks, four units within the Director's Office were consolidated into the two new divisions. This consolidation provided improved oversight specifically for the Volunteer Services and Park Permit functions. This has resulted in more effective marketing, customer relations, and permitting and partnership processes, which will in turn improve the Department's ability to leverage its assets, generate more revenue, and increase efficiencies and services. No new positions were added as a result of these actions, and only one person was promoted at a total cost of $8,700. All other increases were normal increase in supplies and other services based on an inflation factor.

9. The cost of "other operating expenses" for each program rises significantly and I assume this is related to the decision to allocate support services by program. Were these costs shared among the programs on a prorated basis or was there an attempt to determine the specific costs associated with specific programs? (Since they all increase by very different percentages, it appears it was the latter.)

   In FY09, Support Services was included in Management and Administration. The Department felt it was more accurate to allocate these costs across all of the program elements based on the number of Park Fund work years associated with the particular element.

10. Are there any programs for which there is a greater than 10% increase in support services for reasons other than the reallocation?

    No. All support services were allocated based on work year percentages.

11. Several programs show a significant increase in professional services where it is not clear which professional service is associated with the program (e.g., the professional services associated with Baseball/Softball, Field Sports, Multi-use courts and Tennis programs are requested to increase significantly but it is unclear what new professional services are being provided). Please clarify what the additional professional services are for each program.

    Some of the increases are for the new web management contract addressed above in question#5 where the cost was distributed over multiple program elements that would benefit from the online access to information about programs, services, rentals and other Park offerings related to the various program elements. .

    The large increases in professional services in certain program elements pertain primarily to the infrastructure condition assessment contract. The Department of Parks has used a consultant to conduct infrastructure condition assessments for the past several years to evaluate the condition of specific Park facilities such as park activity buildings, various structural elements in parks, and Enterprise facilities. In FY10, the

assessments will shift from specific facilities to a holistic geographic approach evaluating multiple park amenities in one park. As such, the $200,000 projected in FY10 for these assessments has been spread across eleven program elements representing the park amenities that will be evaluated including baseball/softball, field sports, multi-use courts, tennis courts, permitted picnic facilities, playgrounds, etc.

12. Where are the costs of maintaining school fields reflected in this budget? Has there been any change in the cost?

    The costs were split equally between the multi-use fields and baseball/softball program elements. A 6% inflation factor was added to the FY09 costs based on increases in gas prices and supplies. We must continue to point out this item is really not appropriate in the Park Fund budget and part of the Park Tax because it causes the taxpayers in the smaller Metropolitan District to bear a cost benefiting taxpayers of the entire county. If the Department must continue to administer this contract, it should be moved to a Special Revenue fund and shown as a reimbursement for services to MCPS. The cost of maintaining all school fields should be included in and shown as an expenditure in the MCPS budget and as revenue in the Park Special Revenue fund—as are other services provided to outside entities.

13. Is the cost estimate for the Park Activity Buildings based on an assumed average cost per building or are there different costs associated with each building. (If the latter, please provide the cost estimates for each building used to prepare this total.)

    The personnel costs in the program budget are calculated based on estimated work years and the average cost of a work year. This does represent the exact cost to operate the buildings. There are some direct costs i.e. custodian costs and supplies which apply to all of the park activity buildings. There are also indirect costs e.g. police patrol, permitting and associated IT support, Central Maintenance, and facility management which are estimated each year. The utility costs are paid from Support Services and spread throughout the program elements.

14. The budget indicates that the Department of Parks has set cost recovery targets less than 100% for some Enterprise Fund activities such as camping, ice skating and trains/carousels. Did the Planning Board discuss and approve these new cost recovery targets?

    The Planning Board reviewed and approved the program elements and the Enterprise Fund budget, both of which included the numbers indicating that certain facilities were not covering all the day-to-day operating expenditures in addition to chargebacks, major repairs or renovations, or significant one-time costs. In the new program element forms, we established minimum cost recovery targets which will be refined before the FY11 budget.

    The Enterprise Fund facilities are, for the most part, traditional park services and amenities which happen to lend themselves to a business approach. They are special

attractions in a park which have a controlled entry. We are able to charge a fee to recover part or all of the operating cost to provide these amenities, whereas it would be more difficult to charge a fee for teeter-totters and swings, for example.

Three program elements - camping, ice skating, and event centers - have recovery targets less than 100% due to the specialty nature of the services provided and the policy to keep public costs reasonable.

For camping, the Little Bennett Campground, the only full service campground in the county, is an outdated facility that has difficulty accommodating today's RVs. Without major upgrades, this facility will continue to struggle to meet costs. Due to some efficiencies gained through the implementation of an on-line reservation system, Parks has proposed to reduce the career complement by 0.5 WY to meet the County Executive's recommendation of cutting the Park Fund transfer. With this reduction, the cost recovery will be at the 97% level.

For ice skating, Cabin John, a 2½ sheet facility in an affluent part of the county, has operating revenues budgeted to exceed expenditures by 6%. Wheaton, on the other hand, a single-sheet indoor facility plus an outdated outdoor facility in a economically diverse portion of the county, is budgeted to cover 75% of its operating costs. The cost of utilities to operate ice rinks has risen dramatically in recent years and based on experience and a reasonable expectation of marketing efforts, the Parks believes these cost recovery targets are realistic. These are operating recovery targets. These percentages do not include the budgeted Park Fund transfer as that transfer is slated to cover a portion of the debt service payments for these facilities.

The recovery cost target for the buildings included in event centers program element is 80%. This is consistent with the Department's goal of these facilities "to provide rentals of well maintained gathering spaces in the parks where our clients can meet, learn, socialize or just relax and to raise revenues to offset the cost to the Parks to provide these benefits to the public." Woodlawn Manor, a historic building, is included in this program element and, while it does not cover all the costs to operate this facility, it is an historic building that is maintained at a limited cost to the tax payers. Over 20 years ago, it was determined that these facilities could not cover their operating costs and a Park Fund transfer of $76,000 per year was included in the budget. These facilities were kept in the Enterprise Fund to provide business principles to their operations, and that has been effective in controlling costs to the taxpayer. This transfer amount has not increased in over 20 years yet the cost to provide these facilities has increased faster than the revenues. Without the Park Fund transfer, the cost recovery will drop to 70%.

As a point of clarification, the trains/carousel recovery target on page 309 indicates the "% of operating revenues over operating expenditures meets or exceeds target of 45%" meaning that the revenues will not only cover the expenditures but will exceed them by 45%.

15. For the public gardens, break down the costs associated with Brookside Gardens, McCrillis Gardens and other programs.

    The FY10 proposed operating budget for Brookside Gardens was $2,407,118. Of that amount, the cost associated with McCrillis Garden was approximately $95,000. This figure for McCrillis Garden includes career staff salaries (1WY), materials and supplies.

16. What is the annual number of visitors to McCrillis Gardens?

    The annual number of visitors to McCrillis Gardens is difficult to calculate, given that the garden is open daily from sunrise to sunset year-round, but only staffed 40 hours per week. We know anecdotally that many neighbors stroll the garden as part of their daily exercise routine; the garden is used by photographers and artists; that visitation is dependent on the vagaries of the weather; and that when the school across the street has activities, many of their students and families make a trip to see the gardens. McCrillis Gardens also houses the Brookside Gardens School of Botanical Art and Illustration, a comprehensive 2-year certificate program. Students enroll for a series of multi-session core classes and electives that are held throughout the week and throughout the year.

17. What data has Smart Parks produced about the amount of time to perform routine maintenance activities such as grass cutting or trash removal?

    SmartParks accumulates data including labor hours and labor costs on all routine park maintenance tasks. The information can be accumulated by park code (park name or facility) and work code (mowing, trash collection, inspections). We will provide a hard copy of all SmartParks work codes. The following are examples of typical activities tracked by the divisions in SmartParks:

    - ***Mowing***
        - ***Ball fields verse other areas***
    - ***Custodial***
    - ***Ball field maintenance***
    - ***Maintenance and repair of facilities and park components***
    - ***Playground inspections***
    - ***Snow removal***
    - ***Bridge inspections***
    - ***Preventative building maintenance***
    - ***Vehicle and equipment maintenance and inspections***

    Although each park is different in size, location, usage, and park amenities, we do compare average costs by park type i.e. regional, recreational, local, neighborhood and urban. We also compare costs for parks similar in size and amenities for differences.

The divisions use this information to research the differences and adjust practices if appropriate. If desired, we can provide details on our analyses at a later date.

18. Is the estimated 13% increase in utility and fuel costs still valid or has that number changed since the budget was produced?

    By re-evaluating the utilities costs for FY10, the utilities budget will be reduced by \$60,000. The fuel budget is still on target.

19. Program revenues associated with the Property Management Fund appear to cover all costs (see page 373), but page 335 shows the full costs of the program and indicates that the Park Fund covers more than 50% of the program costs. For the past two years the Committee has commented on this and asked that the full costs of property management activities shown in the program budget be reflected in the property management budget shown on page 373 but this change has still not been made. The same problem appears to occur with Park Facilities since the Enterprise Fund chart on page 389 shows no subsidy and indicates positive net revenues, but the program descriptions show Park Fund contributions for several of these programs that are not reflected on page 389.

    The program elements in the program budget are not synonymous with the fund budgets.

    The Property Management Fund accounts for the revenues and expenditures to manage and maintain residential park houses, radio towers, agricultural leases, and commercial leases. These leases are, for the most part, self-sufficient and cover their costs, including the personnel costs for the Property Management Office staff.

    The property management program element, as distinguished from the Property Management Fund, includes not only the work listed above under the Property Management Fund but also the administration of leases and licenses that generate little or no revenue for the Department. These leases include private partnerships, historic and/or culturally significant properties, equestrian centers, alternative uses for closed and/or under-utilized facilities, and therapeutic services. Many of these leases were previously administered by other Park divisions and have been consolidated under the Property Management Office to take advantage of that staff's expertise. The program budget also captures the maintenance, police patrols, marketing, and oversight of these properties by Park staff and these costs are reflected in the Park Fund budget.

    The same concept is true for Enterprise Fund budget versus the program elements in the program budget. The Enterprise Fund budget accounts for the revenues and expenditures for the facilities and includes a chargeback to the various divisions to offset the work they provide to the facilities. The program budget itself, however, does not include chargebacks. Also, other divisions or units, such as Park Police and Central Maintenance mechanics, spread their work program across the program elements to indicate they service all the amenities when they patrol a park or when they

repair a vehicle assigned to a facility. As a result, some work years and associated costs are allocated to program elements because they are part of the functions provided by the Parks Department and are not accounted for by the Enterprise Fund.

20.
21. On page 415, the expenditures associated with the Special Donations and Programs Special Revenue Fund exceeds revenues. Please explain. (I assume this special revenue fund was set up to allow the expenditures of donations and that the expenditures would not exceed the donations.)

    The Special Donations and Programs have grown over the past few years as revenues have exceeded expenditures. We expect this trend to continue. Some of the expenditures estimated in FY10 are the result of prior year donations. We are budgeting to spend down the balance in FY10 and have estimated to spend future collections.

CAS Question #2

How many vehicles are owned by the Commission? Are they assigned to specific departments or shared by all Commission employees?

The Department of Parks owns 561 vehicles. The vehicles are assigned across the 12 divisions based on need. For FY10, the Department is analyzing the usage of passenger vehicles and light trucks, and consolidating fleets where possible and practical. The following is a breakdown of the types of vehicles.

65 automobiles (12 hybrids)
108 police cruisers
276 light trucks/SUVs/vans (14 hybrids)
98 heavy trucks

Reductions to achieve County Executive recommended level of funding

Parks Department

2. *What reductions would be necessary to achieve the Executive-recommended level of funding? What is the impact of those reductions?*

The County Executive recommendation deletes the funding requests equal to $1,686,600 in the tax-supported Park Fund, $45,200 in the Enterprise Fund, and cutting the transfer of $599,000 from the Park Fund to the Enterprise Fund.

For the Park Fund, the County Executive has indicated that the amount of reduction is theoretically equivalent to the funding request for the COLA for Non-FOP employees ($406,000), the COLA for FOP employees ($212,600), the increase to OPEB ($401,200) and merit increments for Non-FOP career employees ($590,700) and FOP employees ($76,100).

For the Enterprise Fund, the County Executive's recommended reduction is theoretically equivalent to the funding request for the COLA ($16,000), the increase to OPEB ($6,200) and merit increments for career employees ($23,000).

If the County Executive's recommendations on wages can be achieved in collective bargaining and if his recommendation on OPEB increase is approved by both Planning Boards, then the funding recommendations can be achieved. If they cannot, then the Park Fund will need to look at other alternatives to close gaps in the Park Fund and Enterprise Fund through reductions in programs and services and/or facility closures.

The measure of cutting the $599,000 transfer from the Park Fund to the Enterprise Fund would result in keeping the Enterprise Fund balance well below the policy limit of 10% of operating expenditures plus one year of debt service, and, if revenue targets are not met, further reductions in programs and services as well as facility closures.

Park Fund Recommended Reductions Not Affecting Service Delivery

If the County Executive's recommendations on wages cannot be achieved in collective bargaining, the Department of Parks would take the following measures to reach the recommended reductions.

The annual contribution to the risk management fund may be reduced this year as some claims have not been as extensive as projected. This would reduce the available reserves for future claims. The FY10 utility budget in Support Services has been re-evaluated and may be reduced to offset the cuts recommended by the County Executive. Also, the Department's Northern Region headquarters has moved out of rented space into Park owned space, thus eliminating the rent payment.

Park Fund Non-Recommended Reductions Affecting Service Delivery

To further meet the County Executive's recommendations, the Parks would eliminate or severely reduce program services provided by three contracts, reduce the capital outlay request, and close four park activity buildings. All of these program reductions would set back progress that has been made and will cause a greater impact on future budgets.

The trees grown at the Pope Farm Nursery are nurtured until they are large enough to successfully move them to various parks around the county. The more mature trees must be moved with specialized equipment. By eliminating this contract, more trees will grow beyond the capacity of the Parks equipment to move them and will result in a forest growing in the nursery. This will result in greater expenses in future years.

The Department of Parks will reduce the capital outlay budget for replacement equipment. This reduction will require equipment which is nearing, or has already reached, the end of its useful life to remain in service. Because of the age and condition of the equipment, downtime will increase and maintenance frequency will suffer. Additionally, the cost of keeping these pieces in service will increase dramatically and replacement parts may no longer be available. Ultimately the equipment may deteriorate to the point of compromising operator safety and will need to be removed from service. Deferring the purchases now will only add to an already significant backlog of equipment replacement and upgrade.

Non-native invasive plants are degrading our natural resources. Reducing the contract to treat parkland for non-native invasives by 50% would reduce the number of acres treated each year from 400 to 200. This set back will allow areas that received some treatment over the past two years to re-grow thus losing the progress that has been made with FY08 and FY09 funding.

The deer management program controls the number of white tailed deer in Montgomery County. The impacts of reducing this contract by 50% include increased deer related accidents; increased losses to the county's agricultural community; reduced profitability of the Agricultural Reserve threatening its viability; increased degradation of natural areas; increased threat of Lyme disease - which is already on the rise in the county. Due to the rapid reproductive rate of deer, this program would lose much of the momentum of the past 14 years of work. We manage this program for the entire county, not just parks.

The Parks provides small park activity buildings for community use for small social gatherings, meetings, and for the Department of Recreation use. In FY07, the Department of Parks hired a consultant to perform a condition assessment of these buildings. Four of these buildings that deemed to be in poor condition also have utilization of less than 25%. The buildings in poor condition required an immediate and long term investment to keep this open. By closing these buildings, the Parks could reduce the FY10 budget through a reduction in positions, contracts, utilities and supplies. A closed building, however, must eventually be reopened (if the community or another supporter can be found to maintain it) or demolished rather than become an eyesore and susceptible to vandalism and vagrancy. By closing these buildings, the real savings would be in future cost avoidance as demolition would offset any savings during that year. This measure could also result in a reduction in revenue to the Park Fund, however, due to rental income losses.

Montgomery County Public School (MCPS) Ball Field Maintenance

The residents of Montgomery County pay a metropolitan tax which provides for the operation and maintenance of parks. Currently, the Department of Parks is maintaining the MCPS ball fields. By using funds from this tax to maintain those fields, the metropolitan tax payers are in effect subsidizing the general county tax payers. It would seem appropriate that all County tax payers contribute to the maintenance of MCPS ball fields.

The Department of Parks requests that this housekeeping item be corrected and that the maintenance of MCPS ball fields be included in the MCPS budget so that it is accounted for in the general county tax. The Department of Parks would still maintain the MCPS ballfields through a chargeback to MCPS as an interagency agreement. The revenue and expense would be accounted for in a Parks' special revenue fund.

Enterprise Reductions

If the County Executive's recommendations on wages cannot be achieved in collective bargaining, the Enterprise Fund would achieve the savings by deferring the replacement of the worn-out, 21-year old carpeting in the Agricultural History Farm Park Activity Center.

Regarding cutting the $599,000 transfer from the Park Fund to the Enterprise Fund, the Enterprise Fund balance will slide further below the fund's policy limit of 10% of operating expenditures plus one year of debt service.

The FY10 proposed budget included an amount to replenish the fund balance after the lost revenue incurred from the closure of the Wheaton Indoor Tennis facility. The fund balance policy ensures the Enterprise Fund is solvent enough to carry through times when revenue targets are not met or expenditures far exceed expectations due to unforeseen circumstances.

In addition, Parks would close the Wheaton Outdoor Rink. This facility is in need of major renovation and this measure would provide some cost avoidance in the future as well. Current users of the outdoor rink include high school hockey teams, freestyle skaters, and other renters. By closing the facility, the Parks would reduce career staff by 0.5 WYs and seasonal staff by 0.5 WYs and would reduce both revenue and expenditures in the Enterprise Fund.

Due to the efficiencies gained through the recent implementation of ParkPASS, the on-line reservation system, the Parks recommends reducing the career staff presence at the Little Bennett Campground during the winter off-season. There will be some reduction in customer service as patrons call for information throughout the winter. This measure would result in the reduction of 0.5 career WYs in FY10.

The Enterprise Administrative Office would freeze two career positions. Certain functions will be shifted to the Management Services Division and to the Enterprise facilities placing a greater burden on those staff members to monitor and maintain those functions.

Similar to the Park Fund, the Enterprise Fund's annual contribution to the risk management fund may be reduced in FY10 as some claims have not been as extensive as projected which would reduce the available reserves for future claims.

The above recommended reductions in the Enterprise Fund are all predicated on the revenue targets being met. If revenue falls below the budgeted projections or expenses rise due to unforeseen circumstances, further reductions will be needed that will result in limiting programs and services as well as facility closures.

23

Department of Parks

2007

Authorized Positions		687	
Quarters		Vacancies	Vacancy Rate
1	Sept.2006*	59	8.59%
Recruitable Vacancies		59	8.59%
Lapse			7.50%
2	Dec.2006*	61	8.88%
Recruitable Vacancies		61	8.88%
Lapse			7.50%
3	Mar.2007*	51	7.42%
Recruitable Vacancies		51	7.42%
Lapse			7.50%
4	Jun.2007*	42	6.11%
Recruitable Vacancies		42	6.11%
Lapse			7.50%

2008

Authorized Positions		722	
Quarters		Vacancies	Vacancy Rate
1	Sept.2007*	67	9.28%
Recruitable Vacancies		67	9.28%
Lapse			7.50%
2	Dec.2007*	67	9.28%
Recruitable Vacancies		67	9.28%
Lapse			7.50%
3	Mar.2008	59	8.17%
Recruitable Vacancies		24	3.32%
Frozen Vacancies		26	
Contract Working Against Vacancy		9	
Lapse			7.50%
4	Jun.2008	63	8.73%
Recruitable Vacancies		36	4.99%
Frozen Vacancies		21	
Contract Working Against Vacancy		6	
Lapse			7.50%

2009

Authorized Positions		727	
Quarters		Vacancies	Vacancy Rate
1	Sept.2008	72	9.90%
Recruitable Vacancies		23	3.16%
Frozen Vacancies		42	
Contract Working Against Vacancy		7	
Lapse			9.22%
2	Dec.2008**	94	12.93%
Recruitable Vacancies		51	7.02%
Frozen Vacancies		36	
Contract Working Against Vacancy		7	
Lapse			9.22%
3	Mar.2009	73	10.04%
Recruitable Vacancies		21	2.89%
Frozen Vacancies		44	
Contract Working Against Vacancy		8	
Lapse			9.22%
4	Jun.2009		0.00%
Recruitable Vacancies			
Frozen Vacancies			
Contract Working Against Vacancy			
Lapse			9.22%

*FY07 and first two quarters of FY08 the vacancy rate was not adjusted for contracts or frozen positions.
** Vacancy rate spiked in the second quarter of FY09 due to Retirement Incentive Program
Note: FY09 Normal lapse rate was 7.5%, additional lapse added for program element reductions.

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

April 20, 2009

TO: Marlene Michaelson, Senior Legislative Analyst

FROM: Alison B. Davis, Management Services Chief

SUBJECT: Development Application Activity and Fee Report as of March 31, 2009

Pursuant to the Planning, Housing and Economic Development Committee's discussion on the FY10 proposed budget, following is presented detailing the performance of the Development Review Special Revenue Fund through March 31, 2009.

Major Findings

- Revenue for the Development Review Special Revenue Fund consists of fees projected at $1.8 million and a transfer from the Administration Fund of $1,773,000.
- In the fall the Planning Board raised certain fees with the expectation of increasing revenue by approximately $200,000.
- As of March 30, 2009 projected revenues for FY09 are $1,836,850 which is $26,850 or approximately 1% above the budgeted revenues. The fee revenue is based on a straight line projection method.
- The fee revenues as of March 31, 2009 are $100,137 or 8% higher than in March of FY08.
- Without the transfer from the Administration Fund, there would be a revenue gap of $1,746,150.
- For the nine months of FY09, the number of applications is approximately 18% below the same period for the past fiscal year.
- Using a straight line projection, the number of applications for FY09 is estimated at 283. This is 25% below FY08.
- Comparing the fund's performance in FY08 and FY09, the correlation between the number of applications and amount of fee revenue does not track.
- As reported in the past, there is continued volatility from month to month.
- Reliability on projections is hampered by the unknowns of the current economic climate.
- Estimates are based on a straight line projection. A trend analysis is not valid at this time since the fund only has two viable fiscal years of experience.
- Comparing the March projection to those of last January, there is a decrease of nearly $200,000 or 9.6%.
- It is expected that the development community will be relying on projects that have been approved but not yet built until economic conditions show improvement. A review of two noteworthy indicators in the chart below shows this to be true:

Type	Inventory
Non-Residential	32,555,694 square feet
Residential	29,984 units

Source: *Pipeline of Approved Commercial Development and Residential Development*, Research & Development Center as of February, 2009

- A further indication is the 31% drop in record plat applications which indicates that builders are not proceeding with existing projects leading to the strengthening of the assumption that fee revenue may plummet at any time.
- These are reliable indicators that further drops in fee revenues for the Development Review Special Revenue Fund must be expected.

Recommendation
For FY10, the Department has proposed a transfer from the Administration Fund into the Development Review Special Revenue Fund based on the following:

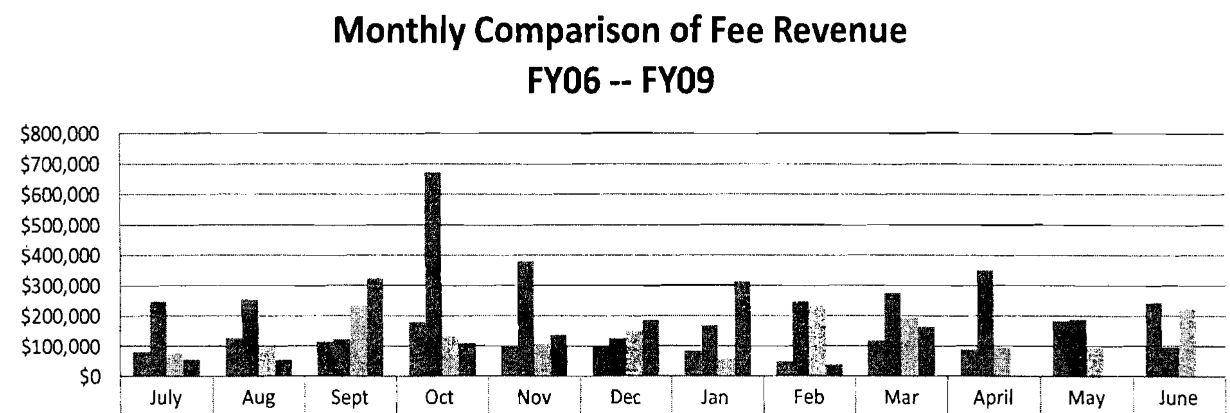
- Public policy requires a fair and equitable distribution of development review costs to both public and private sectors.
- These activities require a stable source of funds.
- Funding for review staff must not be so volatile as to require periodic reduction in staff to stay within funding levels.
- In recognition of the above points, the Department's approved FY09 budget includes a transfer of $1.77 million from the Administration Fund to the Special Revenue Fund.

The County Executive has recommended a decrease of $245,000 from the FY10 Proposed Budget. Should the PHED agree with the Executive, it is recommended that decrease be absorbed through frozen positions.

The Department continues to monitor and report on the fund's performance. Attached are detail comparative charts of fund's performance both in the current and past fiscal years.

Details of the Fund's Performance

The estimates for the performance of this fund continue to be based on a straight line projection method because there are not sufficient data points to calculate a trend analysis or regression analysis.

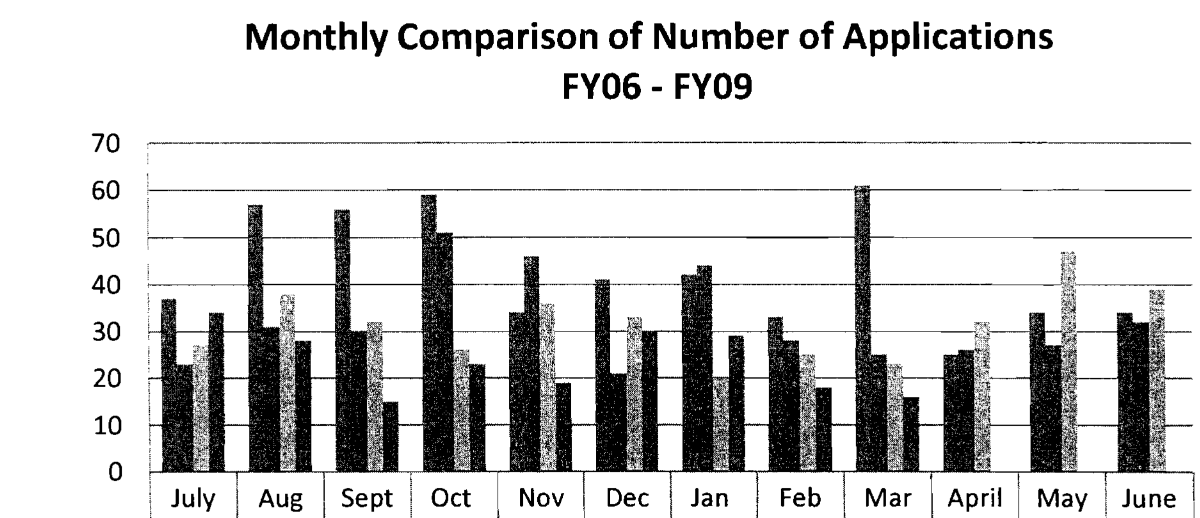


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
FY 06	$79,952	$127,238	$113,574	$179,091	$104,173	$100,420	$82,675	$48,282	$117,492	$87,047	$182,188	$243,466
FY 07	$247,753	$254,486	$123,368	$672,016	$380,448	$126,251	$169,123	$248,526	$274,870	$352,514	$186,880	$95,686
FY 08	$75,538	$98,290	$235,304	$131,840	$106,351	$149,395	$56,317	$231,917	$192,547	$93,263	$94,766	$224,742
FY09	$55,990	$53,455	$323,283	$108,466	$136,717	$184,409	$312,984	$38,388	$163,946			

DEVELOPMENT REVIEW SPECIAL REVENUE FUND
Fee Revenue
Four Year Comparison of Revenue by Plan Type
Through March 31, 2009

Application Type	FY06	FY07	FY08	FY09	FY09 to FY08 #	FY09 to FY08 %
Subdiv Reg Waivers	$2,775	$1,390	$4,170	**$2,390**	($1,780)	-43%
Project Plans	$69,452	$439,091	$34,149	**$124,119**	$89,970	263%
Preliminary Plans	$367,748	$1,140,571	$318,465	**$406,266**	$87,800	28%
Site Plans	$374,547	$691,919	$643,631	**$665,777**	$22,147	3%
Record Plats	$138,375	$223,870	$277,085	**$179,085**	($98,000)	-35%
Total Revenues	**$952,897**	**$2,496,841**	**$1,277,500**	**$1,377,637**	**$100,137**	**8%**

DEVELOPMENT REVIEW SPECIAL REVENUE FUND FY09 Budgeted to Projected Revenues				
	FY09	FY09	Budget to Projected	
	Budget	Projected	$	%
Total	$1,810,000	$1,836,850	$26,850	1%



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
FY 06	37	57	56	59	34	41	42	33	61	25	34	34
FY 07	23	31	30	51	46	21	44	28	25	26	27	32
FY 08	27	38	32	26	36	33	20	25	23	32	47	39
FY09	34	28	15	23	19	30	29	18	16	0	0	0

DEVELOPMENT REVIEW SPECIAL REVENUE FUND
Development Applications by Type
Four Year Comparison
For the period ending on March 31, 2009

					FY09 to FY08	
Application Type	**FY06**	**FY07**	**FY08**	**FY09**	**#**	**%**
Subdivision Reg. Waivers	3	2	4	**1**	-3	-75%
Project Plans	10	15	2	**3**	1	50%
Preliminary Plans	117	92	39	**53**	14	36%
Site Plans	84	63	61	**58**	-3	-5%
Record Plats	206	127	154	**97**	-57	-37%
Total	**420**	**299**	**260**	**212**	**-48**	**-18%**

DEVELOPMENT REVIEW SPECIAL REVENUE FUND Development Applicatons FY09 Projected to Prior Years' Actuals						
	FY06	FY07	FY08	FY09	FY09 to FY08	
	Actual	Actual	Actual	Projected	#	%
Total	513	384	378	283	-95	-25%

ADDENDUM
PHED Committee #2
April 20, 2009

MEMORANDUM

April 16, 2009

TO: Planning, Housing, and Economic Development Committee

FROM: Marlene Michaelson, Senior Legislative Analyst MMsm

SUBJECT: FY10 Operating Budget: Maryland-National Capital Park and Planning Commission (M-NCPPC): **Special Revenue Funds**

Subsequent to finalizing the packet for the PHED Committee meeting on April 20, 2009 Staff received the attached updates on the Planning Department Special Revenue Funds. The charts attached at © 2 to 7 provide updated estimates on revenues and expenditures for FY09 but do not change the request for FY10. Of note is the fact that GIS revenues are now expected to be $16,700 less than budgeted in FY09, which will further increase the deficit for the fund in FY10. Although the deficit is offset by a greater than expected fund balance at the beginning of FY09, Staff is still concerned about future trends for FY11 and beyond.

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April 20, 2009

MEMORANDUM

TO: Marlene Michaelson, Senior Legislative Analyst

FROM: Alison B. Davis, Management Services Chief

SUBECT: Special Revenue Fund

Attached are updates to the Special Revenue Fund materials. We have updated the "Estimated FY09" column to reflect the performance of the Special Revenue Fund. The updates are in the Special Revenue Funds in Planning; Parks kept their original projections. Also included are updated detail charts with an FY09 Estimated column that we added to show the changes.

The updates reflect an increase in expenditures by $82,300 and an increase in revenue by $256,500 which equates to a net increase of $174,200 in fund balance. This update is based on projections as of March 31, 2009 mainly because of the Development Review Special Revenue. The volatility of this fund is well documented.

Attachments

MONTGOMERY COUNTY SPECIAL REVENUE FUND					
Summary of Annual Comparisons by Major Object	**Actual FY07**	**Actual FY08**	**Budget FY09**	**Estimated FY09**	**Proposed FY10**
BEGINNING FUND BALANCE	**$992,680**	**$1,762,480**	**$632,761**	**$1,282,603**	**$1,181,036**
REVENUE					
Intergovernmental Revenues	$362,783	$470,490	$513,800	$513,800	$545,800
Sales	$0	$69,559	$60,000	$43,300	$155,000
Parks/ User Fees	$38,609	$34,451	$13,000	$13,000	$13,000
Rental / Concessions	$1,232	$27,022	$0	$10,000	$10,000
Planning / User Fees	$54,240	$0	$100,000	$155,800	$50,000
Interest Revenue	$60,841	$75,804	$500	$500	$200
Miscellaneous Revenues	$3,850,487	$2,782,312	$3,745,700	$3,755,200	$3,943,000
TOTAL REVENUE	**$4,368,192**	**$3,459,638**	**$4,433,000**	**$4,491,600**	**$4,717,000**
EXPENDITURE					
Personnel Services	$447,937	$470,325	$486,500	$467,800	$564,800
Supplies and Materials	$76,968	$26,836	$51,000	$42,800	$699,548
Other Services and Charges	$856,030	$322,680	$366,000	$467,067	$584,797
Capital Outlay	$0	$0	$32,700	$32,700	$81,455
Other Classifications	$2,234,048	$3,119,674	$3,582,800	$3,582,800	$3,582,800
TOTAL EXPENDITURE	**$3,614,983**	**$3,939,515**	**$4,519,000**	**$4,593,167**	**$5,513,400**
Total Revenue Less Expenditure	$753,209	($479,877)	($86,000)	($101,567)	($796,400)
ENDING FUND BALANCE	**$1,745,889**	**$1,282,603**	**$546,761**	**$1,181,036**	**$384,636**
Workyears	**36.6**	**36.6**	**38.5**	**38.5**	**29.5**

Summary By Major Object

DAP and DR SPECIAL REVENUE FUND	Actual FY08	Budget FY09	Estimated FY09	Proposed FY10
BEGINNING FUND BALANCE	$855,404	$131,900	$249,722	$225,022
REVENUE				
Intergovernmental Revenues	$0	$0		$0
Sales	$0	$0		$0
Charges for Services	$0	$0		$0
User Fees/DAP	$0	$60,000	$30,000	$50,000
Rentals/Concessions	$0	$0		$0
Interest	$32,105	$0		$0
Miscellaneous Revenues Development Review	$1,770,590	$1,810,000	$1,830,100	$1,810,000
Transfer from Admin Fund	$749,000	$1,773,000	$1,773,000	$1,773,000
TOTAL REVENUE	$2,551,695	$3,643,000	$3,633,100	$3,633,000
EXPENDITURE				
Personnel Services	$22,568	$33,700	$0	$0
Supplies and Materials	$0	$0		$0
Other Services and Charges	$711	$75,000	$75,000	$75,000
Capital Outlay	$0	$0		$0
Other Classifications	$3,134,098	$3,582,800	$3,582,800	$3,582,800
TOTAL EXPENDITURE	$3,157,377	$3,691,500	$3,657,800	$3,657,800
Total Revenue Less Expenditure	($605,682)	($48,500)	($24,700)	($24,800)
ENDING FUND BALANCE	$249,722	$83,400	$225,022	$200,222
Workyears	32.10	34.75	34.75	25.81

Summary By Major Object

FOREST CONSERVATION SPECIAL REVENUE FUND	Actual FY08	Budget FY09	Estimated FY09	Proposed FY10
BEGINNING FUND BALANCE	$360,636	$200,600	$538,903	$499,703
REVENUE				
Intergovernmental Revenues	$0	$0		$0
Sales	$0	$0		$0
Charges for Services	$0	$0		$0
Recreation/User Fees	$0	$0		$0
Rentals/Concessions	$0	$0		$0
Interest	$17,351	$0		$0
Miscellaneous Revenues	$194,363	$40,000	$110,800	$100,000
TOTAL REVENUE	$211,714	$40,000	$110,800	$100,000
EXPENDITURE				
Personnel Services	$0	$0		$0
Supplies and Materials*		$0		$400,000
Other Services and Charges**	$33,447	$150,000	$150,000	$100,000
Capital Outlay	$0	$0		$0
Other Classifications	$0	$0		$0
TOTAL EXPENDITURE	$33,447	$150,000	$150,000	$500,000
Total Revenue Less Expenditure	$178,267	($110,000)	($39,200)	($400,000)
ENDING FUND BALANCE	$538,903	$90,600	$499,703	$99,703
Workyears	0.00	0.00		0.00

Summary By Major Object

GIS DATA SALES SPECIAL REVENUE FUND	Actual FY08	Budget FY09	Estimated FY09	Proposed FY10
BEGINNING FUND BALANCE	**$194,245**	**$126,200**	**$175,161**	**$115,461**
REVENUE				
Intergovernmental Revenues	$0	**$0**		**$0**
Sales	$82,875	**$60,000**	$43,300	**$75,000**
Charges for Services	$0	**$0**		**$0**
Recreation/User Fees	$0	**$0**		**$0**
Rentals/Concessions	$0	**$0**		**$0**
Interest		**$0**		**$0**
Miscellaneous Revenues				**$0**
TOTAL REVENUE	**$82,875**	**$60,000**	**$43,300**	**$75,000**
EXPENDITURE				
Personnel Services	$0	**$0**		**$0**
Supplies and Materials	$1,644	**$3,000**	$3,000	**$3,000**
Other Services and Charges	$100,315	**$100,000**	$100,000	**$200,000**
Capital Outlay	$0	**$0**		**$0**
Other Classifications	$0	**$0**		**$0**
TOTAL EXPENDITURE	**$101,959**	**$103,000**	**$103,000**	**$203,000**
Total Revenue Less Expenditure	($19,084)	**($43,000)**	($59,700)	**($128,000)**
ENDING FUND BALANCE	**$175,161**	**$83,200**	**$115,461**	**($12,539)**
Workyears	0.00	**0.00**		**0.00**

Summary By Major Object

ENVIRONMENTAL PENALTY/ FOREST CONSERVATION SPECIAL REVENUE FUND	Actual FY08	Budget FY09	Estimated FY09	Proposed FY10
BEGINNING FUND BALANCE	**$87,140**	**$67,100**	**$48,474**	**$68,474**
REVENUE				
Intergovernmental Revenues	$0	**$0**		$0
Sales	$0	**$0**		$0
Charges for Services	$0	**$0**		$0
Recreation/User Fees	$0	**$0**		$0
Rentals/Concessions	$0	**$0**		$0
Interest	$2,624	**$0**		$0
Miscellaneous Revenues	$1,000	**$80,000**	$80,000	$100,000
TOTAL REVENUE	**$3,624**	**$80,000**	**$80,000**	**$100,000**
EXPENDITURE				
Personnel Services	$35,072	**$0**		$0
Supplies and Materials	$2,000	**$0**		$2,000
Other Services and Charges	$5,218	**$60,000**	$60,000	$105,000
Capital Outlay	$0	**$0**		$0
Other Classifications	$0	**$0**		$0
TOTAL EXPENDITURE	**$42,290**	**$60,000**	**$60,000**	**$107,000**
Total Revenue Less Expenditure	($38,666)	**$20,000**	$20,000	($7,000)
ENDING FUND BALANCE	**$48,474**	**$87,100**	**$68,474**	**$61,474**
Workyears	**0.00**	**0.00**		**0.00**

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Summary By Major Object

TRAFFIC MITIGATION SPECIAL REVENUE FUND	Actual FY08	Budget FY09	Estimated FY09	Proposed FY10
BEGINNING FUND BALANCE	**$17,541**	**($19,600)**	**$22,073**	**$17,073**
REVENUE				
Intergovernmental Revenues	$0	**$0**		$0
Sales	$0	**$0**		$0
Charges for Services	$0	**$0**		$0
Recreation/User Fees	$0	**$0**		$0
Rentals/Concessions	$0	**$0**		$0
Interest	$2,402	**$0**		$0
Miscellaneous Revenues	$2,130	**$20,000**	$15,000	$20,000
TOTAL REVENUE	**$4,532**	**$20,000**	**$15,000**	**$20,000**
EXPENDITURE				
Personnel Services	$0	**$0**		$0
Supplies and Materials	$0	**$0**		$0
Other Services and Charges	$0	**$20,000**	$20,000	$20,000
Capital Outlay	$0	**$0**		$0
Other Classifications	$0	**$0**		$0
TOTAL EXPENDITURE	**$0**	**$20,000**	**$20,000**	**$20,000**
Total Revenue Less Expenditure	$4,532	**$0**	($5,000)	$0
ENDING FUND BALANCE	**$22,073**	**($19,600)**	**$17,073**	**$17,073**
Workyears	0.00	0.00		0.00