


MEMORANDUM

April 22, 2019

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

FROM: Pamela Dunn, Legislative Analyst 

SUBJECT: **FY20 Operating Budget: Maryland-National Capital Park and Planning Commission (M-NCPPC)**

PURPOSE: Review and vote on recommendations for Council consideration

Those expected for this worksession:

Montgomery County Planning Board:
Casey Anderson, Chair

Planning Department:
Gwen Wright, Director
Robert Kronenberg, Deputy Director
Tanya Stern, Deputy Director
Karen Warnick, Chief, Management Services

Parks Department:
Mike Riley, Director
Shuchi Vera, Chief, Management Services
Nancy Steen, Budget Manager

Central Administrative Services (CAS):
John Kroll, Corporate Budget Manager

Budget Summary

The Executive recommends \$129,265,933 for the M-NCPPC. This is 0.8 percent higher than the appropriation approved in the FY19 Operating Budget, and 4.0 percent less than the FY20 M-NCPPC budget request.

Council Staff Recommendation

Approve \$131,612,992, an increase of \$2,347,059 over the Executive's recommended FY20 Operating Budget, and \$3,638,804 less than the FY20 M-NCPPC budget request. (An increase to the Park Fund of \$1,696,584 and an increase to the Administration Fund of \$650,475.)

This memorandum provides an overview of the Maryland-National Capital Park and Planning Commission (M-NCPPC) FY20 operating budget and addresses all aspects of the M-NCPPC budget. Any issues unresolved from this meeting will be the subject of a second worksession on May 3. Park Police will be considered separately at a joint PHED/Public Safety Committee meeting on April 26.

All page references are to the M-NCPPC Fiscal Year 2020 Proposed Annual Budget. Committee Members may wish to bring a copy to the meeting. The Planning Board Chair's transmittal letter is on ©1-10. Relevant pages from the County Executive's Recommended FY20 Operating Budget are attached on ©11-17. M-NCPPC responses to Council Staff questions on the budget are attached on ©18-41, and the Master Plan Schedule presented in the Semi-Annual Report is attached on ©42.

OVERVIEW OF M-NCPPC BUDGET

The budget for the Maryland-National Capital Park and Planning Commission includes tax supported funds, self-supporting funds, debt service, and reserves. The tax-supported funds-the Administration Fund and the Park Fund-represent the lion's share of the operating budgets and of this packet. The Commission's total FY20 budget request is \$169.3 million, including Enterprise operations, Property Management, Debt Service, and Special Revenue Funds. **The appropriation required to support the operating budget is \$169.3 million.** This represents an increase of 3.1 percent over the FY19 adopted budget.

In FY20, the proposed tax-supported operating budget, including debt service, is \$141.9 million. This represents an increase of almost \$7 million (5.2%) over the adopted FY19 tax supported budget. The Executive has recommended a smaller increase for FY20. For the Administration Fund, his recommended budget is \$975,151 below the Commission's request. For the Park Fund, his recommended budget is \$4,360,712 below the Commission's request. Non-tax supported operating budget items total \$18.9 million, up \$590,710 (3.2%) over FY19.

The table below summarizes the Commission's operating budget appropriation request (by fund or fund type) compared to the adopted FY19 budget.

M-NCPPC BUDGET REQUEST

	FY19	FY20 Request	Change
I. <u>Administration Fund</u>	\$31,617,007	\$32,774,912	\$1,157,905
Commissioner's Office	\$1,247,346	\$1,273,938	\$26,592
Planning Department	\$20,030,266	\$20,360,503	\$330,237
Central Administrative Services	\$8,217,502	\$8,627,506	\$410,004
Non-Departmental	\$2,121,893	\$2,512,965	\$391,072
II. <u>Park Fund</u>	\$103,110,211	\$108,951,294	\$5,841,083
Park Operations	\$90,081,579	\$94,040,953	\$3,959,374
Non-Departmental	\$6,567,347	\$7,785,931	\$1,218,584
Debt Service	\$6,461,285	\$7,124,410	\$663,125
III. <u>Grants</u>	\$550,000	\$550,000	\$0
Admin Fund Future Grants	\$150,000	\$150,000	\$0
Park Fund Future grants	\$400,000	\$400,000	\$0
IV. <u>Self-Supporting Funds</u>	\$11,275,199	\$11,301,002	\$25,803
Enterprise Fund	\$9,746,959	\$9,734,402	(\$12,557)
Property Management	\$1,528,240	\$1,566,600	\$38,360
V. <u>Advance Land Acquisition Fund</u>	\$152,850	\$145,200	(\$7,650)
Debt Service	\$152,850	\$145,200	(\$7,650)
VI. <u>Internal Service Funds</u>	\$6,797,715	\$8,538,719	\$1,741,004
Risk Management Fund	\$2,933,215	\$3,000,335	\$67,120
Capital Equipment Fund	\$3,864,500	\$4,610,355	\$745,855
Wheaton Headquarters Building	-	\$928,029	\$928,029
VII. <u>Special Revenue Funds</u>	\$6,519,833	\$7,084,740	\$564,907
Pack Activities	\$2,497,533	\$2,861,133	\$363,600
Planning Activities	\$4,022,300	\$4,223,607	\$201,307
<i>Total Operating Budget Request</i>	\$160,022,815	\$169,345,867	\$9,323,052

SPENDING AFFORDABILITY GUIDELINES

The County's Charter and Code establish a Spending Affordability process that is tied to the approval of the Aggregate Operating Budget. The Aggregate Operating Budget (AOB) excludes enterprise funds, the Washington Suburban Sanitary Commission, tuition and tuition-related charges, and specific grants. For the purposes of the AOB resolution and the related Spending Affordability process, debt service and retiree health pre-funding are accounted for separately from the agency budgets. This can create confusion when comparing the Commission's budget, the Executive's recommended budget, and the Council's Spending Affordability Guidelines and annual AOB resolution of approval.

For the upcoming budget year, **the Council approved FY20 Spending Affordability Guidelines (SAG) for M-NCPPC of \$125.2 million**, up from \$124.7 million (excluding debt service and retiree health care prefunding) in the approved FY19 Aggregate Operating Budget. **The Commission request is \$131.8 million for SAG/AOB purposes, or about \$6.5 million more than the SAG target amount.** The Executive's recommended AOB for the agency is \$126.5 million (i.e., the recommended tax-supported budget of \$129.3 million, less \$2.8 million for Other Post-Employment Benefits (OPEB)). The Spending Affordability Guidelines that the Council adopts in February does not place a limit on the amount that the Council can approve in May, but rather creates procedural requirements for agencies that submit budgets exceeding the approved SAG amount.

M-NCPPC SUMMARY OF TAX SUPPORTED FUNDS COUNTED FOR SAG			
(\$ in millions)			
	FY19 Adopted	FY20 Request	CE Recommended
Admin Fund	31,617,007	32,774,912	31,799,761
Park Fund	103,110,211	108,951,294	104,590,582
Debt Service	(6,461,285)	(7,124,410)	(7,124,410)
OPEB Pre-funding -Admin	(680,152)	(621,761)	(621,761)
OPEB Pre-funding -Park	(2,349,712)	(2,190,495)	(2,190,495)
Total	125,236,069	131,789,540	126,453,677

COMPENSATION

Compensation for all agencies will be considered by the full Council on April 23, which occurs after the posting date for this memorandum; therefore, this issue is touched upon only briefly below.

The “compensation marker” represents the largest personnel cost increase, followed by the increased cost for health insurance. The FY20 budget as submitted by M-NCPPC **includes an increase for its compensation marker of \$2.1 million**; the specific amount and form will be determined after union negotiations are completed.

Other major personnel costs also include a decrease (-\$320,755) in OPEB Pay-as-you-go and prefunding, a decrease in pension costs (-\$2,248,149), an increase in health insurance costs (+\$1,844,843), and a decrease in the reclassification marker (-\$102,429). **Total compensation changes in the FY20**

M-NCPPC proposed budget equal \$1,279,202. For additional details, see ©4.

INFORMATION TECHNOLOGY

In FY18, Corporate IT was created as a separate department from Finance under the Commission's Central Administrative Services (CAS). Corporate IT consists of two divisions: Enterprise IT (EIT) and Executive Office Building IT (EOB-IT). The EIT team delivers IT infrastructure, Systems, Applications, and Security. EOB-IT delivers Applications and end user services to EOB staff. For FY20, the Montgomery County portion of the Corporate IT budget shows a decrease of 5.3 percent from the adopted FY19 level, primarily due to shifting additional chargebacks from Finance to Corporate IT.

Unlike all other Divisions in the Parks and Planning Departments, the Information Technology and Innovation (ITI) Division is an inter-departmental division serving both Parks and Planning. The ITI Division provides IT infrastructure and services, Information Systems (IS) and Geographic Information Systems (GIS), and support. The portion of the ITI budget funded by the Administration Fund shows a minor 0.2 percent requested increase in FY20. The portion funded by the Park Fund shows a requested increase of a little more than \$116,000 (4.6%) over FY19, primarily due to a staffing cost update and modest expenditure on supplies and materials.

Cloud Migration

During last year's budget review, Staff expressed concern that while Parks and Planning appear to be embracing cloud-based migration, the Corporate IT plan suggested increasing resources for on-premises equipment. In response, this year's Corporate IT budget plan shows a completely different picture with physical servers falling from 50 to 20 in FY19, and virtual servers increasing from 70 to 151 over the same timeframe.

Sharing resources across other agencies

The ITI Division continues to work toward moving the data center to Montgomery College, an initiative under the umbrella of the Interagency Technology Policy and Coordination Committee (ITPCC) to improve services and reduce costs of backup.

MAJOR CHANGES IN FY20 BUDGET

Significant FY20 changes to the M-NCPPC budget are described in the Chair's cover letter (©1-10). Changes in compensation are summarized above. Non-compensation cost changes include an increase to debt service (+\$663,125), an increase to Parks-National Pollution Discharge Elimination System (+\$77,564), assorted operating budget impacts (OBI) of capital projects (+\$1,466,101), new initiatives under the subtitle "investment in critical needs" (+\$2,364,981), and operating budget major known commitments (+\$1,629,015). Total non-compensation changes as compared to the FY19 budget are \$6.2 million or 4.6 percent.

M-NCPPC PARK FUND

The Montgomery County Parks system includes 421 parks with almost 37,000 acres of land. M-NCPPC has requested FY20 **tax-supported** funding of **\$101,826,884**, excluding grants, debt service, and reserves. This represents a \$5.2 million or 5.4 percent increase over the FY19 approved budget. The Executive recommends \$97,466,172, a reduction of \$4,360,712 from the M-NCPPC request.

PARK FUND BUDGET HIGHLIGHTS (Millions)	
FY19 Approved Budget	\$96.6
FY20 Budget Request	\$101.8
FY20 Executive Recommendation	\$97.4
Difference between FY19 Approved and FY20 Request	\$5.2
Difference between FY20 Request and FY20 CE Recommendation	\$4.3

CHANGES FROM FY19 TO FY20

Page 195 of the budget summarizes the increases proposed for FY20. Since this page includes debt service (unlike the previous chart), it shows a larger difference between the FY20 proposed budget and the FY19 approved budget because debt service increases. Major increases in the FY20 budget include the following:

Compensation Adjustments (salary, benefits)	\$1,601,265
Known Operating Commitments	\$2,590,805
Program Enhancements	\$1,130,994
NPDES (Water Quality Protection Fund)	\$77,564
Debt Service on General Obligation Bonds	\$663,125
Other Post-Employment Benefits (PAYGO and Pre-funding)	(\$222,670)
TOTAL INCREASES	\$5,841,083

Compensation Adjustments

Compensation for all agencies will be considered by the full Council on April 23, which occurs after the posting date for this memorandum. Net compensation adjustments for the Park Fund total \$1,378,595 (1.4%) above the FY19 approved budget.

Operating Budget Impact of New Parks

Operating Budget Impacts (OBI) are the costs associated with operating, maintaining, and policing new and expanded parks. This expense is recognized and approved as part of the Capital Improvements Program (CIP) when projects are submitted through the CIP budget process. In FY20, the Department of Parks is requesting **\$965,575** in additional funding for OBI. This total includes **\$500,526** for the new Wheaton Headquarters, **5** career positions, and **1.9** WYs for seasonal staff.

NPDES Mandate

For FY20, the Department of Parks is requesting an increase of **\$77,564** to its funding for National Pollution Discharge Elimination System (NPDES), bringing the total funding to \$3,422,473 for NPDES activities. This funding request includes \$59,312 in personnel cost for merit and COLA increases for

current staff funded through the NPDES program. In addition, the total includes funding of \$2,562 for contractual increases for stormwater and pond maintenance services, and OBI costs of \$15,690 for the new bioretention facility at Good Hope Local Park. **The County Executive supports this request.**

Known Operating Commitments

Known Operating Commitments include cost increases such as contractual obligations, information technology software maintenance agreements, utility and telecommunications increases, and inflationary increases. For FY20, the requested increase includes \$180,469 in contractual obligations for known increases based on the Consumer Price Index (CPI), \$15,434 for increases in telecommunication costs and utilities, as well as \$300,900 for inflationary increases for supplies and materials. The Department is reducing costs associated with FY19 one-time purchases of supplies and capital outlays. The two largest increases in Known Operating Commitments are for debt service, equaling \$635,000 for the Capital Equipment Internal Service Fund, and cost for CAS and all chargebacks of \$549,657.

Program Enhancements Addressing Deficiencies and Emerging Trends

The FY20 proposed budget includes \$1,130,994 to address what the Department has identified as deficiencies in the work program, as well as emerging trends aimed at meeting the needs of the future. Included in the funding are the following positions: two full-time career positions and WYs, and one seasonal WY for the ballfield consistency initiative; one full-time career position converting from a term contract position for a sustainability program analyst to coordinate energy audits, advance the use of solar, and review utility invoices; one full-time career position and WY for a lead mechanic; three full-time career staff WYs for Enterprise Asset Management (EAM), and GIS data analysis and support. Program Enhancements Addressing Deficiencies also includes increased funding for Commission-wide information technology initiatives.

COSTS BY DIVISION

The Parks Department presents its budget by division. Several years ago, the budget was provided in a program-based format. The Department indicated they would consider returning to a program-based budget once the Enterprise Resource Planning (ERP) system is operational and can provide a full year of data under the new system. Implementation of the ERP system is underway.

Once complete and producing reliable information, moving to a program-based budget format should be revisited, as changes to the current budget presented by division are difficult to evaluate in terms of impact to program delivery.

IMPROVING OPERATIONS

Each year, Staff asks the Department to describe their efforts to increase operational efficiency over the prior year. Attached on ©23-27 is their response. The Department is committed to responsibly managing taxpayer-supported funds by continuously seeking more efficient, innovative and effective processes within their maintenance operations. During FY19, the Department made efforts to improve efficiency in several broad areas, including tree and wood preservation and maintenance, field improvements, equipment purchases and usage, trash and recycling, logistics and enterprise asset management, storm

water management, soil and ground management, arboriculture, and administration and operations. The efficiencies, and improved processes allow the Department to do more with each taxpayer dollar.

In response to Staff’s comment last year regarding the need for more informative performance metrics, the FY20 Budget includes eight new metrics measuring performance in providing improved athletic field quality, improved trail safety, enhanced park safety due to tree hazard inspections and mitigation, improved staff responsiveness to park maintenance concerns, increased volunteer participation, increased number of facilities with ADA-accessibility, increased deer management efforts, and increased sustainability through expansion of the natural surface trail system. For more information on metric targets and goals, see pages 191-195 in the FY20 Budget.

REDUCTIONS TO MEET THE EXECUTIVE-RECOMMENDED FUNDING LEVEL

To meet the Executive-recommended funding level, the Department of Parks would have to reduce their proposed budget by a little more than \$4.3 million. This would mean cutting existing services to support the move to the new Wheaton Headquarters and would negatively impact staff and funding to operate new parks and amenities coming online. The Department would also have to forego requested resources to enhance existing park programs and to fix aging and failing park infrastructure. Last, given the magnitude of the proposed reduction in funding, the Department would have to reduce service delivery across several park programs that would impact the delivery of core park services such as park maintenance, public safety, tree care, non-native invasive plant control, and stormwater management.

Before reviewing the non-recommended reductions proposed by the Department, it should be noted that the Commission prorates the total budget reduction recommended by the County Executive across Central Administrative Services, Parks and the Planning Department as follows:

Share of Commission Reductions to meet the FY20 County Executive Recommendation	
Central Administrative Service	\$350,201
Planning Department	\$883,744
Parks Department	\$4,101,917
Total	\$5,335,862

Thus, to meet the Executive’s Recommended Budget, the Parks Fund must be reduced by \$4,101,917. Staff asked the Department to indicate the reductions they would make to reach the Executive-recommended funding level. They have identified reductions grouped in two tiers. Tier 1 items they believe are essential needs that are the highest priority for funding. Tier 2 items are important program items; however, they are not as high a priority as the items in Tier 1. Details on the items listed below can be found on ©19.

In addition, the Department conducted a thorough review of their proposed budget and have identified certain items that can be deferred or removed from their FY20 budget request. They have also identified savings in FY19 that can be used to cover costs originally planned for FY20 (recall that the Department

prepared their FY20 budget request late in the Fall of 2018; thus, certain costs and savings were not known at that time).

Budget Reductions Proposed to Meet the FY20 County Executive-Recommendation	Funding	Positions	Work Years
Reclassification Marker – adjusted timing of study completion	\$81,410		
Debt Service for CIP – deferred timing of bond sale	\$500,000		
OPEB Reduction – based on updated actuarial projections	\$614,186		
Debt Service on Capital Equipment ISF – prepay using FY19 funds	\$684,000		
OBI – Capital Outlay – fund using the Capital Equipment ISF	\$110,000		
Increase Salary Lapse – defer hiring new positions and selective hiring freeze	\$209,007		
Reduce Wheaton Headquarters OBI based on change in substantial completion date	\$106,730	2.0	2.0
Sub-Total Offered Reductions (not considered for reconciliation)	\$2,305,333	2.0	2.0

After taking into account the reductions proposed by the Department to meet the Executive’s Recommended Budget, the Parks Fund must be reduced by **\$1,796,584**. Tiers 1 and 2 below consist of prioritized non-recommended reductions to meet the Executive’s Recommended Budget.

Tier 1 Essential Needs – Parks Departmental Priority for Restoration		Funding	Positions	Work Years
1-a	Operating Budget Impacts (OBI) – Wheaton Headquarters	\$393,796		
1-b	OBI - New and expanded parks, ballfield irrigation	\$335,049	3.0	4.9
1-c	Improving quality and playability of ballfields: Senior Equipment Operator position, supplies, and seasonal staff	\$164,704	1.0	2.0
1-d	Improving the quality and playability of ballfields: Inspector position and supplies	\$137,264	1.0	1.0
	Sub-Total Tier 1 Departmental Priority for Reconciliation List	\$1,050,813	5.0	7.9

Tier 2 Parks Departmental Priority for Restoration		Funding	Positions	Work Years
2-a	Infrastructure Backlog – regular maintenance of basic infrastructure for 90+ year old system	\$250,000		
2-b	GIS/Asset Specialist – basis for optimizing maintenance efforts to improve level of service to park patrons	\$96,168	1.0	1.0
2-c	Inflationary Increases – sustain current level of service at existing parks	\$130,000		
2-d	Contractual Increases – meeting Department contractual obligations	\$76,391		
2-e	CIO Office and Commission-wide IT Initiatives – Intranet upgrades, Active Directory projects	\$93,212		
Sub-Total Tier 2 Departmental Priority for Reconciliation List		\$645,771	1.0	1.0
External Fund Sources				
Ex-a	Expanding Wi-Fi technology in public spaces (Cable Fund)	\$100,000		
Sub-Total Tier 2 plus External Fund for Reconciliation List		\$745,771	1.0	1.0
Total All Tiers		\$1,796,584	8.0	10.9

Staff supports retaining all of Tier 1 and Tier 2 priorities for restoration. As noted above, the Parks Department reevaluated their budget request and identified a considerable number of items that can be deferred or removed from their FY20 request, in addition to applying identified savings in FY19 to cover costs originally planned for FY20. The work program items in Tier 1 and Tier 2 contribute significantly to the ability of the Department to provide existing services to park patrons. In particular, to support the move to the new Wheaton Headquarters without additional funding means the Department will be required to use funds designated for existing park programs and services. If the Committee supports the restoration of Tiers 1 and 2, **\$1,696,584 would be added to the reconciliation list for the Park Fund.** Funding for Wi-Fi in public spaces is a transfer from the Cable Fund and will be discussed during the review of the Cable Television Plan budget on April 22. If the requested transfer from the Cable Fund is approved, another \$100,000 would be added to the reconciliation list.

FUNDS: PROPERTY MANAGEMENT, ENTERPRISE, AND ALARF

Property Management Fund

The Property Management Fund provides for the oversight, management, maintenance, administration, and leasing of parkland and facilities located on parkland (fiscal summary on page 42, discussion on pages 256-257). In FY20, rental revenue is proposed to increase by \$33,800 due to increases in annual rent and the reopening of one park activity building. Personnel costs will increase by \$12,198 due to compensation increases. Supplies and materials are proposed to increase by \$3,749 for construction and maintenance supplies, and Other Charges and Services are expected to increase by \$31,913 due to utility costs, and building maintenance and repairs. **Staff supports this request.**

The funding request is as follows:

FY19 and FY20 PROPERTY MANAGEMENT FUND			
FY19 Budgeted	FY20 Request	Change from FY19 to FY20	% Change from FY19 to FY20
\$1,528,240	\$1,566,600	\$38,360	2.5%
7.0 WY	5.80 WY	(1.2) WY	(17.1%)
(Workyears include chargebacks)			

Enterprise Fund

The Enterprise fund accounts for various park facilities and services that are entirely or predominantly supported by user fees (fiscal summary on page 48, discussion on pages 265-284). These facilities include ice rinks, indoor tennis facilities, several event centers, a synthetic turf pavilion, and other park facilities such as miniature trains, boat facilities, campgrounds, mini golf, a driving range and a carousel. Operating profits are reinvested in new and existing enterprise facilities through the Capital Improvements Program. **The FY20 Budget projects overall Fund revenue over expenditures of more than \$1.3 million, allowing it to allocate \$500,000 for transfers to capital improvements and place the remaining revenue in fund reserves.**

The proposed expenditures for the Enterprise Fund for FY20 are as follows:

FY19 and FY20 ENTERPRISE FUND			
FY19 Budgeted	FY20 Request	Change from FY19 to FY20	% Change from FY19 to FY20
\$13,871,959	\$10,234,402	(\$3,637,557)	(26.2%)
125.4 WY	120.70 WY	(4.7) WY	(3.7%)

Revenues and Losses by Activity

The following chart indicates whether each of the Enterprise Fund activities has generated or is expected to generate a positive return. The net revenues for ice rinks, event centers, and park facilities are calculated based on information on page 267. **In FY20, all Enterprise Fund activities except the Event Centers are expected to operate with positive net revenues prior to transfers to the CIP.**

NET RETURN			
	Actual FY18	Budgeted FY19	Proposed FY20
Ice Rinks	\$173,887	(\$2,184,697)	\$330,139
Indoor Tennis	\$369,189	\$367,412	\$497,938
Event Centers	(\$34,360)	(\$137,864)	(\$25,817)
Park Facilities	\$758,296	(\$690,848)	\$520,380
Total	\$1,267,012	-\$2,645,997	\$1,322,640

Golf Courses - Golf courses are operated by the Montgomery County Revenue Authority (MCRA). Under the terms of the lease, the MRCA is required to make a percentage rent payment to M-NCPPC when rent revenues generated by the golf courses exceed the lease-stated threshold of \$5.1 million for

the three courses (Little Bennett, Northwest, and Needwood). **In FY19, the courses exceeded the minimum threshold for the sixth time in ten years and will be paying approximately \$38,432 to the Commission's Enterprise Fund.**

Ice Rinks - In FY20, decreases in transfers to capital expenditures and Other Services and Charges and modest increases in revenue from camps and group lessons, result in positive net revenues for the ice rinks of approximately \$330,000. The Department is proposing a transfer to capital projects of \$400,000 for improved ADA storefront access and interior building alterations at the Wheaton Ice Rink.

Indoor Tennis - Contracts, rentals and bookings are projected to result in a \$67,943 increase in revenue in FY20, primarily due to the rent increase to Jack Shore's Tennis Facility at the South Germantown Recreational Park.

Event Centers - Revenues for the event centers are expected to increase due to increases in the rental of both Rockwood Manor and the Lodge at Little Seneca Creek. While net revenue is still negative, it improves by more than 80 percent compared to FY19.

Park Facilities - Park facilities are anticipated to generate more than \$500,000 in net revenue, after \$100,000 in capital expenditures to design a waterpark for the Little Bennett Campground.

Administration - The administration of Enterprise operations is funded via chargebacks to the other Enterprise activities. In FY20, administration costs are projected to decrease primarily due to transfers in staffing. The Program Asset Unit will move from the Enterprise Division to the Management Services Division which includes two full-time and two seasonal positions. And, one career position will transfer to Little Bennett Campground to assist with the management of its expanded amenities and operations.

Advance Land Acquisition Revolving Fund (ALARF)

The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land needed for public purposes, including parks, roads, school sites, and other public uses (see pages 306-308 for a discussion of ALARF). There is an ALARF project description form (PDF) in the CIP, but ALARF is also shown in the operating budget because it is a revolving fund, and repayments to the fund need to be held as an operating budget account.

The intent is for the agency or department that ultimately builds the project to repay ALARF; repayment has not consistently occurred in the past. Although the fund is revolving, there is frequently a lengthy lapse in time before it is refunded, and, in some cases, repayment does not occur. M-NCPPC held on to many millions of dollars in real estate for many years for the Inter-County Connector (ICC) and was ultimately repaid by the state. To provide the appropriation authority, the budget assumes that the entire fund balance will be spent in FY20. **Council approval is still required for each ALARF purchase.**

Whenever the fund balance drops inappropriately low, M-NCPPC issues new bonds to restore the balance. For FY20 they recommend total **expenditures of \$2,088,800 in the debt service fund**, an increase of \$58,703 or 3.2 percent, and recommend **total expenditures in the Revolving Fund of \$6,946,965** or 38.5 percent more than in FY19.

ADMINISTRATION FUND

The Administration Fund of M-NCPPC includes the bi-county Central Administrative Services (CAS), the Commissioner’s Office, and the Planning Department. M-NCPPC’s total budget request for the Administration Fund for FY20 is \$33,424,912, representing a \$1,657,905 increase of 5.2% over the FY19 adopted budget.

The tax supported budget request for the Administration Fund, which excludes grants (\$150,000) and the general fund transfer to the Development Review Special Fund (\$500,000) is \$32,774,912. The Executive recommends \$31,799,761 – a reduction of \$975,151 from the Commission’s request.

Administration Fund			
	FY19 Approved	FY20 Request	Change
Commissioner’s Office	\$1,247,346	\$1,273,938	\$26,592
Planning Department	\$20,030,266	\$20,360,503	\$330,237
CAS	\$8,217,502	\$8,627,506	\$410,004
Non-Departmental	\$2,121,893	\$2,512,965	\$391,072
Total	\$31,617,007	\$32,774,912	\$1,157,905

COMMISSIONER’S OFFICE

The Montgomery County Commissioner’s Office includes the Chair’s Office and the technical writers’ unit. The description of this Office and the requested budget appear on pages 58-60 of the M-NCPPC Budget. The Office includes 11.0 funded career positions, 1.0 funded term contract position, and 9.50 funded workyears. The requested budget for FY20 is \$1,273,938. This is a \$26,592 increase over the FY19 budget and includes activation of a frozen full-time career position, and an increase in Other Services and Charges for Board Member trainings, conferences, and increased participation in diversity events and activities.

To meet the Executive’s FY20 Recommended Budget, the Commissioner’s Office must reduce its proposed FY20 budget by \$50,743. The Planning Department has generously offered to cover the reduction.

PLANNING DEPARTMENT

OVERVIEW

The Planning Department is staffed and managed through eight divisions. A summary of the FY19 adopted and FY20 requested budgets for those divisions is below.

Planning Department			
	FY19 Adopted	FY20 Request	% Change
Director's Office	\$1,111,440	\$1,642,899	47.8%
Management Services	\$2,447,034	\$2,336,285	-4.5%
IT and Innovation	\$3,571,541	\$3,565,029	-0.2%
Research/Special Projects	\$1,168,005	\$1,175,178	0.6%
Functional Planning and Policy	\$2,970,709	\$2,773,891	-6.6%
Area 1 Team	\$1,842,473	\$1,564,061	-15.1%
Area 2 Team	\$1,899,490	\$2,009,901	5.8%
Area 3 Team	\$1,796,390	\$1,661,596	-7.5%
Development Applications Regulatory Coordination- DARC	\$1,020,584	\$760,899	-25.4%
Support Services	\$2,202,600	\$2,870,764	30.3%
Grants	\$150,000	\$150,000	0.0%
Total	\$20,180,266	\$20,510,503	1.6%

WORKYEARS (WYs)

M-NCPPC has proposed 151.0 positions and 146.85 workyears (before lapse and chargebacks) for FY20, representing a decrease of one position and one WY from the FY19 adopted budget. The decrease in one position is a transfer of the Montgomery Regional Office (MRO) Building Supervisor position, workyear and salary to the Department of Parks in anticipation of the move to the Wheaton Headquarters. (HQ). The responsibility for oversight of the maintenance and operation of the new Wheaton HQ will rest with the Parks Department. After chargebacks of -23.55 WYs and lapse of -6.61, the grand total for the Planning Department is 116.69 WYs.

The Planning Department's work program is organized into four programs: (1) Master Plans; (2) Plan Implementation/Regulatory Planning; (3) Information Technology; and (4) Management and Administration. The table below shows the number of workyears associated with each component of the work program.

Workyears (by program area, net of lapse)		
	FY19 Adopted	FY20 Request
Master Plans – (plans, public policy coordination, and special projects)	40.42	40.82
Regulatory Planning – (land use regulations, policies and amendments)	36.72	35.16
Information Technology and Resources	17.06	17.03
Management and Administration – (governance/agency support)	23.49	23.68
Total	117.69	116.69

Changes proposed for FY20 are minimal with only one position transferring out of Management and Administration to the Parks Department.

WORK PROGRAM

Pages 136-137 in the Commission’s budget provide summary information about the FY20 personnel compliment as well as personnel and operating costs on a program basis. The recommended schedule for master plans, presented to the Council during the Semi-Annual presentation on April 2nd is attached on ©42.

Staff’s analysis of the work program and associated budget issues is structured around the master plan schedule, new initiatives, and the professional services budget.

MASTER PLAN SCHEDULE

The Council began discussing potential changes/additions to the work program during the Semi-Annual presentation by the Planning Board to the Council on April 2nd, but did not make any decisions and agreed that the PHED Committee should continue the discussion.

As was mentioned at the Semi-Annual, it is not uncommon for the Council as it approaches an election year to refrain from adding too much to the work program so that the new Council can do so. Below is the Planning Board’s proposed work program by Area Team, Functional Planning, Research, and the Director’s Office.

Proposed Master Plan Schedule

FY20	FY21												FY22										
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		
Area 1	Mont Hill/Forest Glen Plan																						
Area 2	Aspen Hill VZ			Shady Grove Minor Amendment																			
Area 3	Evaluation of White Flint Sector Plan Implementation																						
	Germantown Plan TS Zone			Ashton Minor MP Amendment																			
FPP	Roadway Classific. System												Rustic Roads Master Plan										
	Subdvn Staging Policy												Pedestrian Master Plan										
Research	Affordable Housing Preservation and Redevelopment Feasibility																						
	Preserving Community Value of Ethnically Diverse Retail Centers																						
DO	General Plan																						

With respect to the proposed schedule, the Council raised a concern with the timing of the delivery of the General Plan Update. In addition, Council Staff would note that the delivery of the Rustic Roads Master Plan Update and the Pedestrian Master Plan coincide and precede the General Plan by only a couple months. Council Staff reached out to the Planning Director, Ms. Wright, who suggested that the General Plan delivery could be moved from July 2021 to March 2021. If this is agreeable to the Committee, Council Staff suggests receiving the Rustic Roads Plan earlier (if possible) and receiving the Pedestrian Master Plan a couple months later to help spread the review process.

In addition, while the General Plan Update is an important project requiring staff from across the Department and significant professional consulting services, during the work program discussion the Committee Chair raised the idea of adding a plan or two to the work program. Below is a revised schedule based on the shifts suggested above and placeholders for additional items (the exact starting and delivery dates to be determine).

3. General Plan Update (\$300,000 one-time): In FY19, a consultant team was tasked with developing a strategic framework for the plan update, and a comprehensive communication and community outreach strategy to gather input at the local, county and regional level. In FY20, consultant assistance will aid in developing and implementing a wide variety of outreach materials (\$75,000) and will gather data and conduct policy research to support the update of critical elements of the General Plan (\$225,000).
4. Ten-Year Check-Up on the White Flint Sector Plan's Metrorail Station Area (\$50,000 one-time): This study will evaluate the White Flint Metrorail Station Area to inform any adjustments to the urban design guidelines. This study will provide urban design concepts, including transportation safety improvements for people that walk and bike.
5. Architectural Field Surveys (\$25,000 one-time): Comprehensive survey efforts for historic preservation research to support master plans and other planning studies have not been routinely completed, and areas with older sector or master plans have not been comprehensively resurveyed. These funds will support consultant assistance with updating and supporting renewed historic preservation survey work for area master plans and will establish a process that can be used for future planning efforts.
6. Archival Assistance (\$30,000 one-time): The move to Wheaton necessitates reviewing preservation storage needs to determine what can and cannot be moved. This funding will support scanning the remaining 25,000 slides housed at MRO. This work will provide the basis for a digital research library that will be available for the public and M-NCPPC use.
7. Data for Vision Zero (\$50,000 one-time): Adopted unanimously by the Council in early 2016, the Vision Zero policy established a commitment to eliminate all severe traffic injuries and fatalities involving motorist, bicyclists, and pedestrians. Vision Zero represents a fundamental change in thinking about roadway planning and design. Master plans can support Vision Zero with comprehensive land use, urban design and transportation recommendations. Data collection and analysis is a key component of Vision Zero. This funding will support data collection designed to supplement state data and provide a more thorough picture of County roadways and crossings.
8. Affordable Housing Preservation and Redevelopment Feasibility (\$75,000 one-time): Building upon the preservation recommendations of the Rental Housing Study, this study will look to identify challenges, best practices and strategies for the preservation of affordable housing. A deeper understanding of the factors affecting the feasibility of preservation will help determine potential strategies, incentives and interventions to help encourage preservation through redevelopment and/or rehabilitation.
9. Preserving Community Value of Ethnically Diverse Retail Centers (\$60,000 one-time): Montgomery County's growing ethnic diversity has meant changes to the retail market, as different consumer groups have different preferences for goods and services. The 2017 Retail Trends Study found that ethnic-oriented retail serves as more than just a marketplace, but also serves as a community anchor – providing social support and networks for foreign-born residents. The goal of this study is to identify how to preserve and enhance the value of these centers and support equitable access to retail services for different consumer groups.
10. ProjectDox Upgrade (\$68,000 ISF Financed over 6 years (\$360,000 total amount financed)): ProjectDox is the regulatory system software that manages the workflow tasks required to process 13 main regulatory projects for Planning, including preliminary plans and site plans. It allows for electronic submittal, review and correction of required plans and documents by staff,

other county agencies, and applicants. The current ProjectDox software in use by Planning staff will not be supported by the distributor after December 31, 2019.

11. Comprehensive Park and Planning Placemaking Initiative (\$25,000 – ongoing): The Planning Department began its Placemaking Initiative in late FY15 at the request of the Council. This funding will support expanding the Departments’ recent placemaking efforts in Silver Spring, Bethesda and White Flint to more communities such as Germantown, Long Branch and Burtonsville.
12. Wheaton Headquarters Operating Budget Impacts (\$500,526 one-time): The Wheaton Headquarter will consolidate the Montgomery Parks and Planning Departments from three facilities into one new joint headquarters, as well as house several County departments and agencies. The building is currently under construction and is scheduled to be completed near the end of FY20. Since M-NCPPC will be the owner of the building, this funding request is for one-time costs related to building completion and occupancy, as well as for day-to-day maintenance and operation of the building at the end of FY20. (The amount of this one-time cost has been revised and is discussed below in the section addressing reductions to meet the Executive’s Budget.)

Pages 133-135 of the Budget lists the Professional Services, which are proposed to increase by \$272,140 (26.6%) from \$1,023,780 in FY19.

REDUCTIONS TO MEET THE EXECUTIVE-RECOMMENDED FUNDING LEVEL

The Planning Department must reduce its proposed FY20 Budget by \$883,744 (the prorated share of Commission required reductions) to meet the Executive’s FY20 Recommended Budget. Below are the Planning Department’s non-recommended reductions listed in priority order in two tiers, with the highest priority for restoration being Tier 1.

Like the Parks Department, the Planning Department conducted a thorough review of their proposed budget and have identified certain items that can be deferred or removed from their FY20 budget request. They have also identified savings in FY19 that can be used to cover costs originally planned for FY20.

Proposed Budget Reductions to Meet the FY20 County Executive Recommendation		Funding
Debt Service on Capital Equipment – prepay using FY19 funds		\$45,600
Reduce Wheaton Headquarters Maintenance OBI based on updated completion date		\$106,730
Reclassification Marker and OPEB – adjusted timing of study completion, and updated OPEB projections		\$173,036
Sub-Total – Reductions		\$325,366
Tier 1 - Departmental Top Priority for Restoration		Funding
1-a	Wheaton Headquarters Operating Budget Impact (OBI)	\$393,796
Sub-Total Tier 1 - Departmental Priority for Reconciliation List		\$393,796

Tier 2 - Departmental Priority for Restoration		Funding
2-a	Reduce Intern Program by 70% (from \$65,000 to \$19,195)	\$45,805
2-b	Eliminate FY20 Placemaking Initiatives Increase	\$25,000
2-c	Preserving Community Value of Ethnically Diverse Retail Centers	\$60,000
2-d	M-NCPPC Chief Information Officer and County-wide IT Initiatives	\$33,777
Sub-Total Tier 2 - Departmental Priority for Reconciliation List		\$164,582
Total All Tiers and Reductions		\$883,744

Staff supports retaining all of Tier 1 and Tier 2 priorities for restoration. As noted above, the Planning Department reevaluated their budget request and identified items that can be deferred or removed from their FY20 request, in addition to applying identified savings in FY19 to cover debt service costs for FY20. There are only 5 items in Tier 1 and Tier 2, with support for the new Wheaton Headquarters listed as the top priority. The funds needed to support the new Wheaton HQ move represent approximately 70 percent of the funds requested for restoration. For the Department to support the move without additional funding will require the Department to use funds designated to support important new and on-going work programs. If the Committee supports the restoration of Tiers 1 and 2, **\$558,378 would be added to the reconciliation list.**

CENTRAL ADMINISTRATIVE SERVICES

Central Administrative Services (CAS) provides the administrative functions for both the Montgomery and Prince George's portions of this bi-county agency through three departments: Human Resources and Management (DHRM), Finance, and Legal. Within CAS are the following offices/functions: Office of the Inspector General, Office of the Chief Information Officer, the Merit System Board, Corporate IT (split from Finance) and general support services. The FY20 Montgomery County portion of the proposed CAS budget before chargebacks is \$10,566,269, an increase of \$549,433 or 5.5 percent over the FY19 adopted budget.

Each year CAS recalculates the allocation of costs between the two counties based on cost drivers and labor distribution. For FY20, the allocation of costs between the two counties is 44.7 percent Montgomery County and 55.3 percent Prince George's County (except for the Merit System Board which is split evenly each year).

The total Montgomery County portion of CAS workyears is proposed to be 59.57 workyears (see page 111 in the Budget), up 1.01 workyears from FY19. Prince George's County workyears are proposed to increase by 0.49 workyears.

The allocation of Montgomery County costs by Department within CAS after chargebacks is as follows:

Central Administrative Services Budget (after chargebacks)			
	FY19	FY20	Change
DHRM	\$2,313,987	\$2,349,179	\$35,192
Finance	\$1,946,530	\$2,308,443	\$361,913
Legal	\$1,425,142	\$1,495,134	\$69,992
Merit System Board	\$81,853	\$82,065	\$212
Inspector General	\$271,736	\$280,088	\$8,352
Corporate IT	\$1,551,290	\$1,468,921	(\$82,369)
Support Services	\$626,964	\$643,676	\$16,712
Total	\$8,217,502	\$8,627,506	\$410,004

The Montgomery County and Prince George’s County Councils must agree on any change to the CAS budget, or the Commission’s budget will stand as submitted. Typically, compensation is a significant part of the discussion, and it is not yet clear whether the counties will agree on the proposed funding for compensation adjustments. The bi-county meeting will occur on May 9th, before the Council has completed its review of other departments and agency budgets; consequently, it is not possible to consider any reductions or additions to the CAS portion of the M-NCPPC budget after May 9th.

CAS must reduce its proposed FY20 Budget by \$350,201 (the prorated share of Commission required reductions) to meet the Executive’s FY20 Recommended Budget. Like Parks and Planning, CAS conducted a thorough review of their proposed budget and identified certain items that can be deferred or removed from their FY20 budget request equaling \$104,666. To meet the Executive’s Recommended Budget, CAS proposed non-recommended reductions in two tiers in the amount of \$245,535 (see © 32-35). CAS would allocate reductions to DHRM (-\$64,949), Finance (-\$78,916), Merit Board (-2,914), Corporate IT (-\$50,625), CIO Initiatives (-\$23,897), and Support Services (-\$24,234).

Staff recommends restoring funding for items 1-a through 1-e under Tier 1 of their non-recommended reductions (see © 35). This supports CAS’ top priority which is funding for the implementation of the agency-wide Classification and Compensation Study, as well as support for agency-wide compliance training, necessary updates to the agency-wide public records program, and legal support for the Merit System Board. If the Committee supports this recommendation, **\$92,097 would be added to the reconciliation list.**

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 290-306 in the Budget). Programs that appear in the Special Revenue Fund 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 (fees).

Some Special Revenue Funds use revenues only to the extent they are obtained – for example, the Park Police Federally Forfeited Property Fund does not expend funds in the absence of resources. Other Special Revenue Funds support programs or activities for which there is an ongoing need – for example, the Development Review Special Revenue Fund supports development review activities, and transfers from tax supported funds are sometimes necessary to support ongoing development review activities. The Development review Special Revenue Fund represents more than half or both revenue and expenditure in the Special Revenue Funds.

The Special Revenue Fund in the FY20 Budget includes the following funds:

- **Traffic Mitigation Program:** This fund supports the regulatory process to ensure compliance with traffic mitigation agreements. Revenues are received from developers on an annual basis.
- **Historic Preservation – County Non-Departmental Account:** This fund is for grants received related to historic preservation and the sale of historic preservation publications.
- **Map Sales:** This fund was formerly known as the GIS Data Sales Special Revenue Fund. This fund was created to accumulate the revenue needed to contract for countywide GIS data updates. The Planning Department no longer sells data due to state law making data available to the public, but some revenues are still generated by the sale of maps.
- **Environmental/Forest Conservation Penalties:** Monies collected from fines imposed for violation of the County Forest Conservation Law may be spent on authorized forest-related projects and enforcement and administration of the Forest Conservation Program.
- **Development Review Special Review Fund:** Fees associated with the development review process are spent on staff who administer the process. (This fund has been self-sufficient in some years, while requiring significant County subsidies from the Administration Fund in other years.)
- **Forest Conservation:** Fees paid by developers in lieu of planting forests are used by M-NCPPC for forest planting, protection and maintenance.
- **Historic Renovations – Property Management:** Any excess revenues from property management of Commission rental properties are used for work associated with historic park properties.
- **Park Police – Drug Enforcement:** Revenues from the sale of property seized as a result of drug-related crime convictions may be used for the purchase of equipment and other resources to combat drug-related crimes in the parks (state law authorization).
- **Park Police – Federally Forfeited Property:** Revenues from the sale of property seized as a result of drug-related crime convictions may be used for the purchase of equipment and other resources to combat drug-related crimes in the parks (federal law authorization).
- **Interagency Agreements:** Revenues transferred from other agencies, used primarily to fund ballfield maintenance and seasonal policing and to assist with snow removal.
- **Park Cultural Resources:** Revenues and expenditures associated with historical and archeological programs and camps.
- **Special Events:** This fund provides for work done by the Commission on a reimbursement basis for special events in the parks sponsored by outside entities (e.g. the Avon Breast Cancer Walk).
- **Nature Programs and Facilities:** For nature and environmental education programs, projects and camps at nature facilities.
- **Special Donations and Programs:** This account allows for the expenditure of donations and contributions for specific purposes or projects that are not part of the normal tax-supported programs in the Park Fund (e.g. funds donated to the Parks Foundation).

The total **FY20 Special Revenue Fund** expects revenues of **\$5,680,873**, an increase of **\$1,058,843** (22.9%) over the FY19 adopted budget. Total **FY20 proposed expenditures** equal **\$7,084,740**, an increase of **\$564,907** (8.7%) over FY19. **Projected expenditures exceed revenues by \$1,403,867**. This shortfall would result in significant reduction to the fund balance, bringing it to \$3.7 million.

FY20 projected revenues, expenditures, and fund balances are shown below:

Special Revenue Funds						
	Projected Beginning Fund Balance	Proposed FY20 Revenue	Proposed FY20 Expenditures	Net FY20 Revenue	FY20 General Fund Transfer	Projected Year End Fund Balance
Traffic Mitigation	614	20,000	20,000	0	-	614
Historic Preservation	896	1,500	2,000	(500)	-	396
Map Sales	144,397	1,600	130,000	(128,400)	-	(15,997)
Environmental/Forest Conservation Penalties	96,440	26,200	34,000	(7,800)	-	88,640
Development Review	3,114,188	2,563,400	3,567,607	(504,207)	500,000	2,609,981
Forest Conservation	841,851	110,100	470,000	(359,900)	-	481,951
Historic Renovation - Property Management	547	10	0	10	-	557
Park Police – Drug Enforcement Fund	28,093	250	10,000	(9,750)	-	18,343
Park Police – Federally Forfeited Property	35,773	250	20,000	(19,750)	-	16,023
Interagency Agreements	246,551	1,738,430	1,936,689	(198,259)	-	48,292
Park Cultural Resources	39,228	118,850	134,342	(15,492)	-	23,736
Special Events	92,090	171,000	171,640	(640)	-	91,450
Nature Programs and Facilities	421,508	325,693	439,126	(113,433)	-	308,075
Special Donations and Programs	75,699	103,590	149,336	(45,746)	-	29,953

In some cases, the funds show a large expenditure that will use a significant portion of the fund balance to achieve the objectives of the fund. For example, in FY20 the Map Sales Fund is budgeted to spend far more than it anticipates in revenues. State and local policy changes with respect to data sharing have limited the revenue-generating potential of the program. In future years, the cost of GIA data upgrades may need to be funded elsewhere in the budget.

In FY20, M-NCPPC has asked for a \$500,000 transfer from the Administration Fund to support the Development Review Special Review Fund. The Executive did not support this request. This will affect the appropriation amount approved by the Council but does not impact the operating budget.



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

January 15, 2019

The Honorable Marc Elrich
Montgomery County Executive
Executive Office Building
101 Monroe Street
Rockville, MD 20850

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

Dear Mr. Elrich and Ms. Navarro:

Pursuant to §18-104 of the Land Use Article of the Annotated Code of Maryland, the Montgomery County Planning Board is pleased to transmit the FY20 Proposed Budget for the operations of the Maryland-National Capital Park and Planning Commission in Montgomery County. This comprehensive document is presented at the budget appropriate departmental and divisional levels, including lists of the programs and services provided by each division.

We have been made aware of the County's fiscal challenges, both in the current year and in FY20. Consequently, we have adopted a savings plan for FY19. However, our budget development and submission calendar did not allow for adequate and timely consideration of the direction provided to the County's internal departments and agencies, and therefore this document is submitted as proposed.

Although we have proposed increases where needed to address critical needs, we fully understand the ongoing economic challenges and will work with the Council and Executive to incorporate adjustments as needed.

On-going Service Provision

The Commission's primary mission remains unchanged: providing clean and safe parks, and delivering a timely, comprehensive development review program, key master plans, and other critical planning programs which drive economic development. It is our goal to continue to give our customers/residents excellent service. We are proud to have been awarded the National Gold Medal Award for excellence in Parks and Recreation Management in 2015. This is the sixth time we have been so recognized by the American Academy for Park and Recreation Administration in partnership with the National Recreation and Park Association. In addition, our Planning efforts were recognized in 2018 with awards from the National Capital Area Chapter of the American Planning Association for the Bethesda Downtown Plan and for our outreach efforts on the Veirs Mill Corridor Plan.

Cognizant of the limited resources available, we will continue to work with the County to reach an appropriate balance with service delivery demands. The FY20 Proposed Budget focuses on maintaining service levels, responding to federal/state/local mandates, and addressing a limited number of critical needs. The FY20 Proposed Budget includes increases related to necessary planning studies, legislative mandates, and operating costs of new parks.

The FY20 proposed tax-supported operating budget is \$145.2 million. This is \$7.6 million more than the FY19 adopted budget, a 5.5 percent change, reflecting both critical needs requests and the additional costs of the new Wheaton Headquarters building. The total proposed budget, including Enterprise operations, Property Management, Park Debt Service and Special Revenue funds, is \$171.2 million, an increase of \$5.2 million or 3.1 percent from the FY19 adopted budget.

**Summary of FY20 Proposed Operating Budget Expenditures
 (net reserves, ALARF, Internal Service Funds, and Capital Projects Funds)**

	FY19 Adopted	FY20 Proposed	\$ Change	% Change
Montgomery Funds				
Administration (1)	\$ 31,767,007	\$ 33,424,912	\$ 1,657,905	5.2%
Park (2)	103,860,211	109,701,294	5,841,083	5.6%
ALA Debt	2,024,928	2,088,800	63,872	3.2%
Subtotal Tax Supported	137,652,146	145,215,006	7,562,860	5.5%
Enterprise (3)	13,871,959	10,234,402	(3,637,557)	-26.2%
Property Management	1,528,240	1,566,600	38,360	2.5%
Special Revenue	6,519,833	7,084,740	564,907	8.7%
Park Debt	6,461,285	7,124,410	663,125	10.3%
Total Montgomery	\$166,033,463	\$ 171,225,158	\$ 5,191,695	3.1%

- (1) Includes transfer to Special Revenue Fund in FY20
- (2) Includes transfer to Park Debt Service and Capital Projects
- (3) Includes transfer to Capital Projects

Fiscal challenges remain at all levels of government, including the Commission. Although for FY20 there are several positive indicators - assessable base is projected to grow at a rate of about 4.29 percent; the Economic and Revenue Update from the Montgomery County Department of Finance released in December 2018 shows a drop in unemployment from 3.3 percent in October 2017 to 3.1 percent in October 2018, an increase in resident employment, and an estimated 4.4 percent increase in wage and salary income for 2018 - the County experienced a shortfall in anticipated reserves in FY18 that is necessitating a retrenchment of expenditures in FY19, and which will also impact the FY20 budget process.

Costs, however, continue to grow at higher rates than the revenues that support them. National Pollutant Discharge Elimination System (NPDES) and American with Disabilities Act (ADA) mandates and Operating Budget Impacts (OBI) from previously approved CIP projects impact the base budget. Maintenance needs are more expensive to address the longer they are deferred. With property tax revenue making up more than 94 percent of operating revenues, growth, although modest, means the Commission must manage its resources carefully to sustain a stable financial position.

The following table begins with our FY19 adopted budget total and adds each of the elements that make up the proposed General Fund increase, totaling 5.5 percent.

M-NCPPC		
Summary of FY20 Proposed Budget Major Changes		
Montgomery County General Fund Accounts		
Administration and Park Funds (excludes property management and reserves)		
	<u>Budget Amount</u>	<u>% Change</u>
FY19 Adopted Budget	\$ 135,627,218	
<i>FY20 Major Changes- Increase (decrease)</i>		
<u>Major Personnel Cost Changes</u>		
OPEB Paygo and prefunding	(320,755)	
Health Insurance	1,844,843	
Pension (ERS)	(2,248,149)	
Employee Compensation Marker	2,105,692	
Reclassification Marker	(102,429)	
Subtotal Major Personnel Changes	1,279,202	0.9%
<u>Major Non-Personnel Cost Changes</u>		
Debt Service	663,125	
Transfer to Development Review	500,000	
One Time Reductions	(481,000)	
Park- NPDES	77,564	
OBI	1,466,101	
Investment in Critical Needs	2,364,981	
Operating Major Known Commitments	1,629,015	
Subtotal FY20 Major NonPersonnel Changes	6,219,786	4.6%
Total Dollar Change for Major Changes	7,498,988	5.5%
TOTAL FY20 Proposed Budget	\$ 143,126,206	5.5%

OVERVIEW OF BUDGET DEVELOPMENT AND ASSUMPTIONS

The Commission is putting forth a budget for FY20 that includes increases for major known commitments and investments in critical needs, and seeks to continue to rebuild service levels.

The Proposed Budget includes the following major known commitments for personnel costs in FY20:

- Medical insurance and benefit costs;
- Full funding of OPEB PayGo and Pre-Funding as determined by the actuarial study;
- Full funding of pension contribution as determined by the actuarial study; and
- Dollar markers to adjust employee compensation, and possible position reclassification due to a multi-year classification study of the workforce.

In recent years, the Commission has taken a number of pro-active steps to reduce or slow the growth of benefit costs. These have included instituting a new pension plan and adopting a credited service model for retiree medical benefits for new hires; new health related initiatives such as incentives for annual exams and offering a lower cost health plan, while continuing to ask our employees to share more of the cost. These actions continue to free up resources to support our delivery of services.

As shown in the following table, personnel expenses reflect an increase of \$1.28 million.

FY20 Proposed Budget				
Summary of Changes in Major Personnel Costs				
Montgomery County Administration Fund and Park Fund				
	FY19 Adopted	FY20 Proposed	\$ Change	% Change
OPEB				
OPEB Paygo & Prefunding	\$ 8,008,035	\$ 7,687,280	\$ (320,755)	-4.0%
Pension (ERS)				
Pension (ERS)	10,177,683	7,929,534	(2,248,149)	-22.1%
Health and Benefits(1)				
Employee Health Benefits	12,398,210	14,243,053	1,844,843	14.9%
Subtotal Personnel Costs	\$ 30,583,928	\$ 29,859,867	\$ (724,061)	-2.4%
Employee Compensation				
Marker for Changes to Employee Comp.		2,105,692	2,105,692	-
Marker for Possible Reclassifications	603,553	501,124	(102,429)	-17.0%
Total Major Personnel Costs			\$ 1,279,202	

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

The compensation marker represents the largest cost increase, followed by the increased cost for health insurance. Health costs are increasing due to increased utilization and cost trends.

The net change for total OPEB costs is a decrease of \$321,000, or 4.0 percent. Total OPEB funding is \$7.93 million. OPEB is shown in the Non-Departmental accounts in individual funds rather than being allocated to each department.

As determined by the actuary, pension costs will decrease by 22.1 percent in FY20, representing a savings of \$2.25 million from the FY19 budget. Health benefit costs are projected to increase by 14.9 percent, resulting in additional cost of \$1.84 million over the FY19 Budget.

As for employee compensation, the budget includes a dollar marker of \$2.1 million in the General Fund. The Commission will be in the second year of our contract with MCGEO, with a wage and health benefit re-opener scheduled this year, and in full contract negotiations with the FOP for FY20, the results of which will be presented for approval at the Joint County Council Meeting in May 2019. Also included is \$500,000 for possible reclassification adjustments based on the multi-year classification study that is under way.

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

Included in the funding levels of the Administration Fund and Park Fund is a funding request of approximately \$2.4 million to address critical maintenance, equipment, and essential service needs. Each department's budget sections provide detailed information on how this increased investment is proposed to be used. The following is a summary of the requests by department.

Fund	Department	Essential Needs	
			Investment Amount
Administration	Planning	\$	808,400
Administration	Commissioners' Office		24,000
Administration	DHRM		-
Administration	Legal		49,628
Administration	Finance		101,391
Administration	Inspector General		-
Administration	Corporate IT		19,401
Administration	Share of CIO/CWIT Initiatives		120,367
Park	Parks		1,241,794
Total		\$	2,364,981

Summary of FY20 Proposed Budgets for General Fund

The following table provides a comparative summary of the FY20 proposed budget to the FY19 adopted budget for the General Fund. Specific changes in each of the departments are explained in full detail in the Department sections of the Budget Book.

**Summary of FY20 Proposed Budget General Fund Accounts
 By Fund by Department (excludes reserves)**

	FY19 Adopted	FY20 Proposed	\$ Change	% Change
Administration Fund				
Commissioners' Office	\$ 1,247,346	\$ 1,273,938	\$ 26,592	2.1%
Planning Department Operating	20,030,266	20,360,503	330,237	1.6%
CAS	8,217,502	8,627,506	410,004	5.0%
Transfer to Development Review	-	500,000	500,000	-
Grants	150,000	150,000	-	0.0%
Non-Departmental (1)	2,121,893	2,512,965	391,072	18.4%
Subtotal Admin Fund	31,767,007	33,424,912	1,657,905	5.2%
Park Fund				
Park Department Operating	90,081,579	94,040,953	3,959,374	4.4%
Transfer to Debt Service	6,461,285	7,124,410	663,125	10.3%
Transfer to Capital Projects	350,000	350,000	-	0.0%
Grants	400,000	400,000	-	0.0%
Non-Departmental (1)	6,567,347	7,785,931	1,218,584	18.6%
Subtotal Park Operating	103,860,211	109,701,294	5,841,083	5.6%
Montgomery Operating Subtotal	135,627,218	143,126,206	7,498,988	5.5%
Property Management	1,528,240	1,566,600	38,360	2.5%
Montgomery General Fund Total	\$ 137,155,458	\$ 144,692,806	\$ 7,537,348	5.5%

(1) Non-Departmental for both years include OPEB prefunding and OPEB paygo, and a budget marker for compensation adjustments.

PROGRAM HIGHLIGHTS

We are committed to a FY20 work program that helps achieve our goal of maintaining Montgomery County as one of the nation's best places to live. Below are some highlights of the program budget focus in each of the departments. A more detailed discussion of department budgets is provided in each Department's section of the Budget Book.

Parks Department

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

The Commission continues to develop and maintain one of the largest and most diverse park systems in the nation with over 36,800 acres in 421 parks. Montgomery Parks has balanced the dual roles of providing developed parkland for active and passive recreational opportunities that promote healthy, active life styles, and serving as stewards and interpreters of Montgomery County's natural and cultural resources by conserving parkland. From playgrounds and sports fields to park benches and trails, parks offer opportunities for people of all ages to communicate, compete, interact, learn and grow. Proximity to parks has been shown to increase property values.

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

The Department's FY20 budget includes increases for:

- Compensation adjustments;
- Unfunded Operating Budget Obligations, including Operating Budget Impacts from Capital Improvement Projects;
- Known operating commitments;
- Debt service on general obligation park bonds, capital equipment, and Commission-wide information technology initiatives;
- National Pollutant Discharge Elimination System (NPDES) mandates; and
- Wheaton Headquarters operating budget impact.

In addition, the FY20 budget includes funding to address identified deficiencies in our work program as well as emerging trends aimed at meeting the future needs of the department such as:

- Improving the quality and playability of ballfields;
- Improving fleet management;
- Improving data management and enterprise systems; and
- Addressing a maintenance backlog to reduce costly system replacements.

Together, we have created a highly popular, valued, and nationally-recognized park system. Our entire team remains committed to honoring our core vision to provide "...an enjoyable, accessible, safe, and green park system that promotes a strong sense of community through shared spaces and experiences and is treasured by the people it serves." We will continue to aggressively seek new funding opportunities and to improve work program efficiencies. We remain committed to forming viable partnerships and strong relationships with our stakeholders and within our communities.

The FY20 budget request will enable us to continue to provide safe, clean parks, keep our programs and facilities accessible and affordable, and maintain the quality of life for which Montgomery County is renowned.

Planning Department

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

In addition to the FY20 work plan that is detailed in the Department's budget section, the following critical needs are proposed:

One-Time projects:

- Pedestrian Master Plan Support
- Rustic Roads Functional Master Plan Update
- General Plan Update Support
- Ten-Year Check-up on the White Flint Sector Plan's Metrorail Station Area
- Architectural Field Surveys
- Archival Assistance
- Data for Vision Zero
- Affordable Housing Preservation and Redevelopment Feasibility
- Preserving Community Value of Ethnically Diverse Retail Centers

On-going projects:

- Project Dox Upgrade
- Comprehensive Park and Planning Placemaking Initiative

Other Initiatives:

- Wheaton Headquarters operating budget impact
- Operating Transfer to the Development Review Special Revenue Fund

Central Administrative Services (CAS)

For FY20, CAS Departments' work priorities will center on continuing to meet the needs of the operating departments. Critical needs are proposed as follows:

- Finance Department:
 - One career position to provide additional accounting resources to the CIP.
 - One career position to augment payroll processing.
- Legal Department: Restoring the previous year's budget for professional services.
- Corporate IT Division: Funding to expand a regular computer replacement schedule.
- Chief Information Officer:
 - One career position to provide IT project management, currently provided by contractors.

- Funding for the following IT initiatives
 - Budget software replacement
 - Intranet upgrade
 - Remediation of security assessment findings
 - Next phase of the Microsoft Active Directory project, which manages permissions and access to email, network storage, and other network resources
 - Feasibility study for Enterprise Content Management, which would allow for access to and the management of the Commission's information, wherever stored.

Commissioners' Office

The role of the Commissioners' Office staff is to support the Chair and Planning Board in the performance of their official duties, serve as the point of contact for meeting related issues, and coordinate prompt responses to issues and inquiries from agencies and the general public. This also includes preparing and web posting the Board's meeting agenda; producing and preserving records of official Board proceedings; and managing correspondence between the Board and other agencies and the public.

In addition to known operating commitments, the FY20 Proposed Budget for the Commissioners' Office includes increased training funds for the Commissioners, and freezes a part-time position in order to fund a full-time administrative position.

Capital Budget

This transmittal also includes the Capital Budget (the second year of the six year Capital Improvements Program (CIP), since the County adopts the CIP every other year). Highlights of this budget can be found within the Department of Parks detail pages.

TAX RATES AND LONG-TERM FISCAL SUSTAINABILITY

Beyond meeting the immediate FY20 challenges, the Commission continues to strive for long-term fiscal sustainability. Property taxes comprise more than 94 percent of operating revenue in the tax-supported funds. The Commission, in proposing this budget, is requesting a change in the property tax rates for both the Administration Fund and the Park Fund. The requested increase in the real property tax rate is 0.19 cent for the Administration Fund and 0.38 cent for the Park Fund. At this level, the total tax rate is still below what it was in FY08.

The FY20 Proposed Budget reflects a total tax rate for property tax supported funds of 7.53 cents real property and 18.83 cents personal property. The breakdown by fund is:

- Administration Fund: 1.75 cents real and 4.38 cents personal, an increase of .19 and .48, respectively;

- Park Fund: 5.68 cents real and 14.20 cents personal, an increase of .38 and .95, respectively; and
- Advanced Land Acquisition Fund: 0.10 cents real and 0.25 cents personal, unchanged.

At these tax rates, the Commission will have sufficient property tax revenues to meet the proposed expenditures and reserve requirements for the Administration Fund and the Park Fund although both funds will continue to utilize fund balance in FY20.

MONTGOMERY COUNTY PROPERTY TAX RATES (Cents per \$100 of assessed value)

FUNDS	ACTUAL FY08	ACTUAL FY09	ACTUAL FY10	ACTUAL FY11	ACTUAL FY12	ACTUAL FY13	ACTUAL FY14	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	ADOPTED FY19	PROPOSED FY20
Administration Fund													
Real	1.90	1.90	1.80	1.50	1.70	1.80	1.80	1.70	1.80	1.70	1.72	1.56	1.75
Personal	4.70	4.70	4.50	3.80	4.30	4.50	4.50	4.25	4.50	4.25	4.30	3.90	4.38
Park Fund													
Real	5.80	5.30	5.00	4.50	4.80	5.40	5.30	5.60	5.52	5.48	5.54	5.30	5.68
Personal	14.50	13.20	12.50	11.20	12.00	13.50	13.25	14.00	13.80	13.70	13.85	13.25	14.20
Advance Land Acquisition Fund													
Real	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Personal	0.30	0.30	0.30	0.30	0.30	0.30	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Tax Rates (Cents)													
Real	7.80	7.30	6.90	6.18	6.80	7.30	7.20	7.40	7.42	7.28	7.36	6.96	7.53
Personal	19.50	18.20	17.30	15.30	16.60	18.30	18.00	18.50	18.55	18.20	18.40	17.40	18.83

CONCLUSION

The Proposed 2020 Budget is respectfully submitted for your consideration. In this document, we are proposing a budget that not only moves us forward incrementally, but allows us to address several critical needs and planning and parks initiatives. We continue to explore potential collaborative efforts across departments and counties in our effort to provide efficient, effective quality service, while maintaining our fiscal responsibility and commitment to the community we serve.

We continue to strive to find new ways to save taxpayer dollars while providing quality service and achieving progress in our many areas of focus. We look forward to working with you and your staffs on this budget. Working together, we will do everything in our power to ensure that taxpayer dollars are invested wisely in our collective future.

Respectfully Submitted,


 Casey Anderson
 Chair



Maryland-National Capital Park and Planning Commission

RECOMMENDED FY20 BUDGET

\$155,471,285

FULL TIME EQUIVALENTS

1,102.41

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 the State of Maryland. The Commission operates in each county through a Planning Board and, in Montgomery County, a Park Commission. Five board members, appointed by the County Council, serve as the Montgomery County members of the Commission. The Planning Board exercises policy oversight to the Commissioners' Office, the Department of Parks, the Planning Department, and Central Administrative Services.

On January 15 each year, M-NCPPC submits to the County Council and the County Executive the M-NCPPC proposed budget for the upcoming fiscal year. That document is a statement of mission and goals, justification of resources requested, description of work items accomplished in the prior fiscal year, and a source of important statistical and historical data. The M-NCPPC proposed budget can be obtained by contacting the M-NCPPC Budget Office at 301.454.1731 or visiting the Commission's website at www.mncppc.org. Summary data only are included in this presentation.

Tax Supported Funds

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

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

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

Non-Tax Supported Funds

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

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

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

Commissioners' Office

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

Planning Department

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

Central Administrative Services

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

Department of Parks

The Department of Parks provides recommendations, information, analysis, and services to the Montgomery County Planning Board (which also serve as the Park Commission), the County Council, the County Executive, other government agencies, and the general public. The Department also oversees the acquisition, development, and management of a nationally recognized, award winning park system providing County residents with open space for recreational opportunities and natural resources stewardship. The Department oversees a comprehensive park system of over 36,000 acres in 421 parks of different sizes, types, and functions that feature Stream Valley and Conservation Parks, Regional and Special Parks, Recreational Parks, and Local and Community Parks. The Department serves County residents as the primary provider of open space for recreational opportunities and security and maintenance of the park system.

Debt Service - Park Fund

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

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

The Advance Land Acquisition Debt Service Fund pays principal and interest on the Commission's Advance Land Acquisition bonds. The proceeds of the Advance Land Acquisition bonds support the Advanced Land Acquisition Revolving Fund (ALARF). ALARF activities include the acquisition of land needed for State highways, streets, roads, school sites, and other public uses. The Commission may only purchase land through the ALARF at the request of another government agency, with the approval of the Montgomery County Council.

Enterprise Fund

The Enterprise Fund accounts for various park facilities and services which are entirely supported by user fees. Recreational activities include: ice rinks, indoor tennis, event centers, boating, camping, trains, carousel, mini-golf, driving range, and sports pavilion. Operating profits are reinvested in new or existing public revenue-producing facilities through the operating budget and Capital Improvements Program.

Property Management Fund

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

Spending Affordability Guidelines

In February 2019, the Council approved FY20 Spending Affordability Guidelines (SAG) of \$125,200,000 for the tax supported Administration and Park funds of the M-NCPPC, which is a \$500,000 or 0.40 percent increase from the FY19 SAG of \$124,700,000. SAG excludes debt service and retiree health insurance prefunding. The Commission proposed a FY20 tax supported budget, excluding debt service or retiree health insurance, \$6,589,510 above the FY20 SAG.

County Executive Recommendations

The County Executive recommends a FY20 tax supported appropriation, excluding debt service, of \$129,265,933 for M-NCPPC. This represents an increase of \$1.0 million, or 0.8 percent, over FY19 Approved.

The County Executive recommends \$75,000 in the County's Leases Non-Departmental Account (NDA) to cover limited operating costs for the new Wheaton Headquarters in FY20 prior to the County's FY21 move in date. County operating costs will be significantly larger in FY21.

Park Fund

The County Executive recommends funding of \$97,466,172, excluding debt service. This represents an increase of \$817,246, or 0.8 percent, over FY19 Approved. The Executive recommends \$7,124,410 for the Park Fund Debt Service budget, an increase of \$663,125 or 10.3 percent from the FY19 Approved Budget.

The Executive does not recommend the M-NCPPC requested transfer of \$100,000 from the Cable Fund to support the M-NCPPC Connected Parks initiative in FY20 due to declining cable revenues and fund balance policy.

The Executive recommends \$3,422,473 in intergovernmental revenues from the Water Quality Protection Fund to support the National Pollutant Discharge Elimination Systems (NPDES) Municipal Separate Storm Sewer Systems (MS4) Phase II Permit mandates and water quality activities. This represents an increase of \$77,564 or 2.3 percent over the FY19 Approved Budget.

Administration Fund

The County Executive recommends funding of \$31,799,761. This represents an increase of \$182,754, or 0.6 percent, over FY19 Approved.

The Executive does not recommend the M-NCPPC requested transfer of \$500,000 from the tax-supported Administration Fund to the non-tax supported Special Revenue Fund. This recommendation represents a \$0 change over the FY19 Approved budget.

The Executive concurs with the M-NCPPC request for \$403,500 in intergovernmental revenues from the Water Quality Protection Fund to support NPDES MS4 permit and water quality activities. This represents an increase of \$11,800 or 3.0 percent over the FY19 Approved Budget.

ALA Debt Service Fund

The County Executive concurs with the M-NCPPC request for funding of \$145,200. This represents a \$7,650 or 5.0 percent decrease from the FY19 Approved Budget.

Enterprise Fund

The County Executive concurs with the M-NCPPC request for funding of \$9,734,402. This represents an \$12,557 or 0.1 percent decrease from the FY19 Approved Budget.

Property Management Fund

The County Executive concurs with the M-NCPPC request for funding of \$1,566,600. This represents a \$38,360 or 2.5 percent increase from the FY19 Approved Budget.

Special Revenue Fund

The County Executive concurs with the M-NCPPC request for funding of \$7,084,740. This represents an \$564,907 or 8.7 percent increase from the FY19 Approved Budget.

The County Executive concurs with the M-NCPPC request to transfer \$1,391,700 from the General Fund to cover costs associated with the maintenance of Montgomery County Public Schools' ballfields. This represents an increase of \$475,000 or 51.8 percent from the FY19 Approved Budget to reflect a the price of a new contract and additional ballfields being maintained.

The County Executive does not recommend the M-NCPPC requested use of \$250,000 in Community Use of Public Facilities (CUPF) funds to support the FY20 Capital Improvements Program (CIP) Ballfields Initiative (P008720). The County Executive prefers to postpone a decision until the replacement of the activeMONTGOMERY system is further along and it is better understood if the FY20 CUPF fund balance can cover ballfield renovation costs.

Grant Fund

The County Executive concurs with the M-NCPPC request for funding of \$550,000. This maintains the level of support in the FY19 Approved Budget.

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

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ❖ **A More Affordable and Welcoming Community**
- ❖ **Thriving Youth and Families**
- ❖ **Easier Commutes**
- ❖ **A Greener County**
- ❖ **Effective, Sustainable Government**
- ❖ **Safe Neighborhoods**
- ❖ **A Growing Economy**

PROGRAM CONTACTS

Contact John Kroll of the Maryland-National Capital Park and Planning Commission at 301.454.1731 or Jennifer Nordin of the Office of Management and Budget at 240.777.2779 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%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	28,929,197	31,617,007	31,169,717	31,799,761	0.6 %
Administration Fund Expenditures	28,929,197	31,617,007	31,169,717	31,799,761	0.6 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	183.59	186.11	186.11	185.76	-0.2 %
REVENUES					
Intergovernmental	404,630	391,700	391,700	403,500	3.0 %
Investment Income	218,044	100,000	100,000	100,000	—
Miscellaneous	6,948	0	0	0	—
Property Tax	28,695,052	27,343,775	27,046,895	30,157,293	10.3 %
User Fees	283,777	204,200	204,200	198,400	-2.8 %
Administration Fund Revenues	29,608,451	28,039,675	27,742,795	30,859,193	10.1 %
PARK FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Park Fund Personnel Costs	0	0	0	0	—

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
Operating Expenses	93,411,248	96,648,926	95,377,184	97,466,172	0.9 %
Debt Service Other	5,428,913	6,461,285	6,461,285	7,124,410	10.3 %
Park Fund Expenditures	98,840,161	103,110,211	101,838,469	104,590,582	1.4 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	731.30	737.00	737.00	756.00	2.6 %
REVENUES					
Facility User Fees	2,914,730	2,947,100	2,947,100	3,216,214	9.1 %
Intergovernmental	3,184,641	3,344,909	3,344,909	3,422,473	2.3 %
Investment Income	162,228	40,000	40,000	60,000	50.0 %
Investment Income: CIP	29,269	25,000	25,000	40,000	60.0 %
Miscellaneous	126,282	117,100	117,100	115,800	-1.1 %
Property Tax	92,415,781	92,898,722	91,890,091	98,370,220	5.9 %
Park Fund Revenues	98,832,931	99,372,831	98,364,200	105,224,707	5.9 %

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	—
Debt Service Other	154,050	152,850	152,850	145,200	-5.0 %
ALA Debt Service Fund Expenditures	154,050	152,850	152,850	145,200	-5.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Property Tax	1,929,019	2,024,928	2,004,420	2,075,264	2.5 %
ALA Debt Service Fund Revenues	1,929,019	2,024,928	2,004,420	2,075,264	2.5 %

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	—
Operating Expenses	28,849	550,000	550,000	550,000	—
Grant Fund MNCPPC Expenditures	28,849	550,000	550,000	550,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Administration Fund Grants	0	150,000	150,000	150,000	—
Park Fund Grants	28,849	400,000	400,000	400,000	—
Grant Fund MNCPPC Revenues	28,849	550,000	550,000	550,000	—

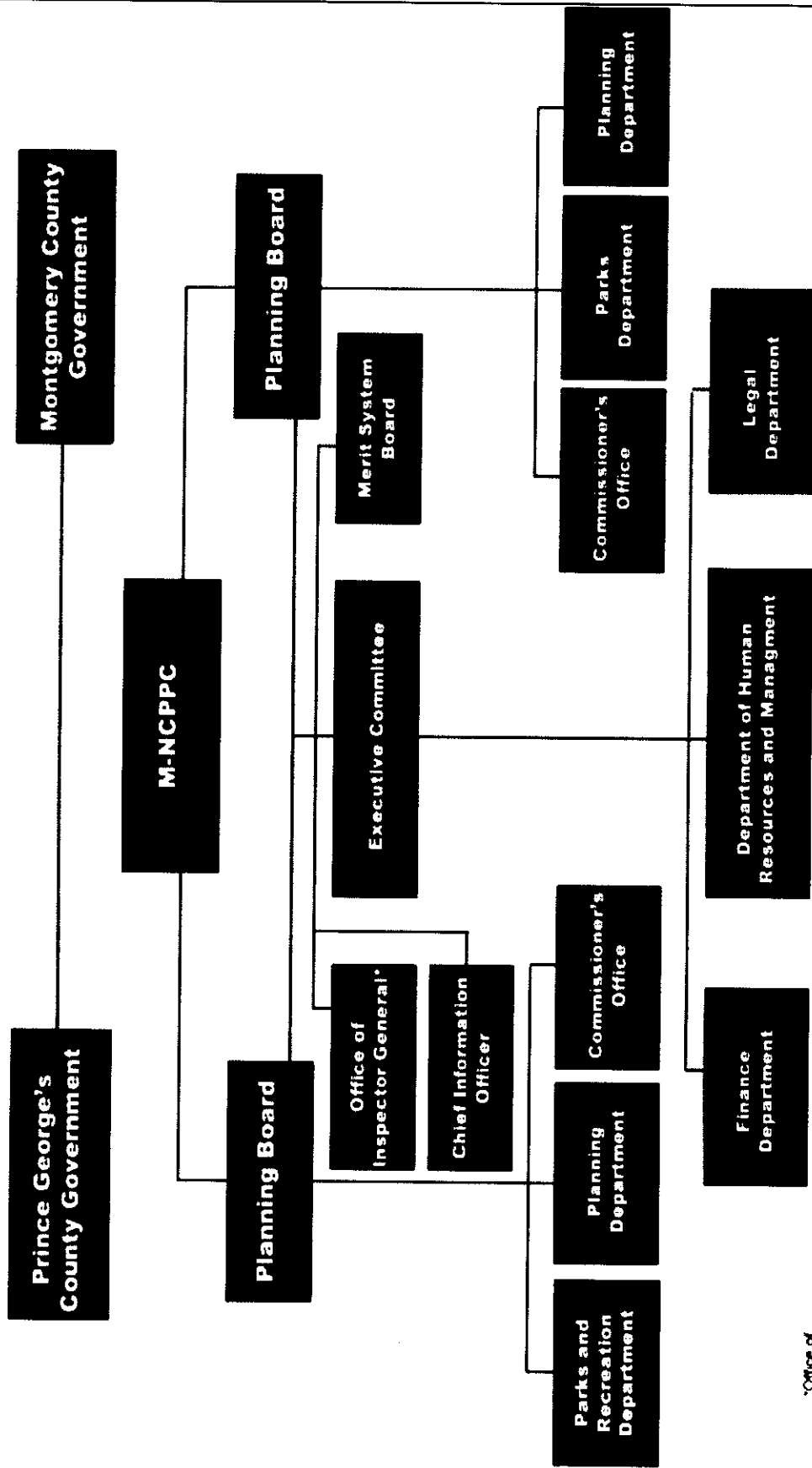
ENTERPRISE FUND

EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Enterprise Fund Personnel Costs	0	0	0	0	—
Operating Expenses	9,438,986	9,746,959	9,602,028	9,734,402	-0.1 %
Enterprise Fund Expenditures	9,438,986	9,746,959	9,602,028	9,734,402	-0.1 %
PERSONNEL					

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	% Chg Bud/Rec
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	126.70	125.40	125.40	120.70	-3.8 %
REVENUES					
Fees and Charges	6,629,294	6,337,960	6,380,575	6,470,275	2.1 %
Merchandise Sales	812,503	755,600	797,250	854,350	13.1 %
Miscellaneous	774,314	711,225	795,371	777,622	9.3 %
Non-Operating Revenues/Interest	251,568	110,000	176,700	200,000	81.8 %
Rentals	3,257,273	3,311,177	3,203,884	3,294,795	-0.5 %
Enterprise Fund Revenues	11,724,952	11,225,962	11,353,780	11,597,042	3.3 %
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	1,264,471	1,528,240	1,458,424	1,566,600	2.5 %
Prop Mgmt MNCPPC Expenditures	1,264,471	1,528,240	1,458,424	1,566,600	2.5 %
PERSONNEL					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	7.00	7.00	7.00	5.80	-17.1 %
REVENUES					
Investment Income	14,717	8,000	8,000	10,000	25.0 %
Miscellaneous	7,010	0	0	0	---
Rental Income	1,240,159	1,424,800	1,354,984	1,456,600	2.2 %
Prop Mgmt MNCPPC Revenues	1,261,886	1,432,800	1,362,984	1,466,600	2.4 %
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	5,379,406	6,519,833	5,932,304	7,084,740	8.7 %
Special Revenue Funds Expenditures	5,379,406	6,519,833	5,932,304	7,084,740	8.7 %
PERSONNEL					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	32.05	34.15	34.15	34.15	---
REVENUES					
Intergovernmental	251,089	360,000	419,865	296,730	-17.6 %
Investment Income	62,814	28,000	35,980	55,000	96.4 %
Miscellaneous	343,960	149,900	201,550	239,400	59.7 %
Service Charges	4,806,733	3,167,430	3,126,881	3,198,043	1.0 %
Special Revenue Funds Revenues	5,464,596	3,705,330	3,784,276	3,789,173	2.3 %
DEPARTMENT TOTALS					
Total Expenditures	144,035,120	153,225,100	150,703,792	155,471,285	1.5 %
Total Full-Time Positions	0	0	0	0	---
Total Part-Time Positions	0	0	0	0	---
Total FTEs	1,080.64	1,089.66	1,089.66	1,102.41	1.2 %
Total Revenues	148,850,684	146,351,526	145,162,455	155,561,979	6.3 %

Maryland-National Capital Park and Planning Commission



*Office of Inspector General reports to the Audit Committee

Park Questions

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

The chart below shows the Department of Parks FY20 Proposed Budget in comparison to the County Executive's recommendation, and the overall amount of reductions required to achieve the County Executive's (CE) recommendation.

M-NCPPC

Montgomery County FY 20 Park Fund Budget

	<u>\$\$</u>	<u>% Change</u>
FY 19 Adopted Budget (excluding grants, CIP debt service transfer, and CIP transfer)	96,648,926	
Compensation Adjustments (salary, retirement, benefits, merit/COLA marker, reclassification marker, OPEB)	1,378,595	1.4%
Known Operating Commitments Excl Compensation	2,590,805	2.7%
WQPF Mandate	77,564	0.1%
Program Enhancements	1,130,994	1.2%
FY 20 Requested Budget (excluding grants, CIP debt service transfer, and CIP transfer)	101,826,884	5.4%
 County Executive's Recommended Budget	 97,466,172	
 Difference between Adopted FY 19 and Recommended FY 20	 817,246	 0.8%
Pro rata adjustment between Administration and Park fund	258,795	
Difference between Requested FY 20 and Recommended FY 20	4,101,917	

In preparing the FY20 proposed budget, the Department of Parks included major known commitments and program enhancements that addressed the top priorities of the department and focused on meeting future needs including:

- continuing improvements to athletic fields and operations to sustain safe, playable fields;
- addressing the backlog of failing plumbing, electrical and other essential systems in aging facilities; and
- supporting data-driven solutions that help streamline park maintenance operations to improve level of service for park patrons.

To meet the Executive's recommended budget, the Department of Parks will have to cut existing services to support the move to the new Wheaton Headquarters and will not have staff and funding to operate new parks and amenities coming online. The Department will have to forego requested resources to enhance existing park programs and to fix an aging and failing park infrastructure. These cuts will also result in reduced service delivery across several park programs and impact our delivery of core services including general park maintenance, public safety, tree care, non-native invasive plant control, and stormwater management.

The Department of Parks has compiled a set of reductions to reach the County Executive's target and divided the requested restoration into tiers. Items included in Tier 1 are the Department's highest priority for restoration followed by the items listed in Tier 2.

Our Department has also conducted a thorough review of our FY20 proposed budget and identified certain items that can be deferred or removed from our budget request. In addition, we have identified savings in FY19 that can be used to cover costs originally planned for FY20.

The detail for these tiers and reductions can be found below:

Tier 1 - Departmental Priority for Restoration (Non-Recommended Reductions)		Funding	Positions	Workyears
1-a	Operating budget impacts for <u>Wheaton Headquarters</u>	\$393,796		
1-b	Operating budget impacts for new and expanded parks including <u>Josiah Henson Historic Park, Wheaton Library, Ballfield Irrigation at North Four Corners Local Park, Pinecrest Local Park, and Wheaton Regional Park</u>	\$355,049	3.0	4.9
1-c	<u>Improving the Quality and Playability of Ballfields</u> . With over 300 park ballfields on 500 acres throughout the county, additional resources are needed to provide safe and playable ballfields. (Senior Equipment Operator position, \$60k supplies, \$28k seasonal)	\$164,704	1.0	2.0
1-d	<u>Improving the Quality and Playability of Ballfields</u> (Inspector position, \$52,500 supplies)	\$137,264	1.0	1.0
SUB-TOTAL TIER 1 - Departmental Priority for Restoration		1,050,813	5.0	7.9

Tier 2 - Departmental Priority for Restoration (Non-Recommended Reductions)		Funding	Positions	Workyears
2-a	<u>Infrastructure Backlog</u> . Our growing park system is 90+ years old and requires regular maintenance of basic infrastructure including comfort facilities such as restrooms and drinking fountains and lighting for the safety of our patrons. Investing now in the repairs of these systems will avoid expensive replacements and extended downtimes in the future.	\$250,000		
2-b	<u>GIS/Asset Specialist</u> . This position will manage park locations and attributes of more than 20,000 assets in the Department's EAM and GIS systems. This information serves as the basis for optimizing maintenance efforts to increase the level of service that we provide to our park patrons.	\$96,168	1.0	1.0
2-c	<u>Inflationary increases</u> - sustaining the current level of service at existing parks and facilities	\$130,000		
2-d	<u>Contractual increases</u> - meeting the Department's contractual obligations	\$76,391		
2-e	<u>CIO Office and the Commission-Wide IT initiatives</u> - delay ECM, Intranet upgrade, Active Directory projects	\$93,212		
SUB-TOTAL TIER 2 - Departmental Priority for Restoration		645,771	1.0	1.0

CABLE FUND - Departmental Priority for Restoration (Non-Recommended Reduction)		Funding	Positions	Workyears
Cable 1-a	Expanding <u>Wi-Fi</u> technology in public spaces (<u>Cable Fund</u>)	\$100,000		
Budget Reductions to Meet the FY20 County Executive Recommendation		Funding	Positions	Workyears
Reclassification marker - reduction based on current projected timing of completion of the study		\$81,410		
Debt Service for CIP - reduction based on deferring the timing of the bond sale		\$500,000		
OPEB Reduction based on updated projections		\$614,186		
Debt Service on Capital Equipment ISF - prepay a portion of cost using FY19 funding		\$684,000		
OBI - Capital Outlay - fund purchases using the Capital Equipment Internal Service Fund		\$110,000		
Increase salary lapse - defer hiring new positions and selective hiring freeze		\$209,007		
Reduce Wheaton HQ OBI based on updated substantial completion date		\$106,730	2.0	2.0
SUB-TOTAL - Budget Reductions		2,305,333	2.0	2.0

TOTAL OF ALL TIERS AND REDUCTIONS		4,101,917	8.0	10.9
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2. What are your priorities for restoration of funding?

The Tier 1 items, in the order listed above, represent our department's top priorities for restoration of funding followed by the items in Tier 2. In addition, we have listed one item for the Cable Fund separately since that request is for a different fund source.

3. Provide greater detail, if available, for new initiatives focusing on those that can be funded within the Executive-recommended funding level (if any) and your highest priorities if available.

Additional detail for the program enhancements (new initiatives) is provided in the Planning Board memos from our budget overview on 10/18/18 and follow-up on 11/01/18:

<https://montgomeryplanningboard.org/wp-content/uploads/2018/10/MCPB-10-18-18-Parks-Dept-FY20-Budget.pdf>

<https://montgomeryplanningboard.org/wp-content/uploads/2018/10/EAM-Position-Memo.pdf>

The requests that are **not funded** within the County Executive recommended funding level and that are included on the non-recommended reduction list are:

- Improving the Quality and Playability of Ballfields (Tiers 1-c and 1-d on the non-recommended reductions)
- Infrastructure Backlog funding (Tier 2-a on the non-recommended reductions)
- GIS/Asset Specialist (Tier 2-b on the non-recommended reductions)
- Commission-Wide IT projects – partial funding (Tier 2-e on the non-recommended reductions)

The program enhancements that can be funded within the County Executive recommended funding level are:

- Sustainability Program Analyst (net zero cost request)
- Lead Mechanic
- Data Analyst Position for EAM
- Data Specialist for EAM
- Commission-Wide IT projects – partially funded

4. Does this budget include any changes in fees/revenues or any strategies to achieve the Vision 2030 cost recovery goals? Which fees if any, were increased in FY19?

The revenue programs for all funds continue to use the cost recovery analysis tool to calculate cost recovery for select fee-based activities at least annually to analyze our program costs and to bring our programs into alignment with the cost recovery pyramid. This information is presented to senior management and helps the department determine whether a program is achieving its cost recovery goals, and, if not, generates discussion on whether the subsidy is acceptable or if we need to increase the cost recovery by restructuring the program, raising fees, reducing expenses, increasing the use of volunteers, or eliminating the program.

Each year our Department reviews fees based on cost recovery targets and conducts market surveys of similar programs and facilities fees to determine if adjustments are needed. In March 2018, the Enterprise Division received approval for fee rate adjustments that went into effect in late FY18 or in FY19 (dates vary by category) for the Boats, Ice Rinks, Little Bennett Campground, South Germantown Splash Park & Mini Golf, and Trains. Here is the link for the Planning Board memo as further reference:

https://montgomeryplanningboard.org/wp-content/uploads/2018/02/parksitem_march1.pdf

No additional fee adjustments are planned that will go into effect in FY19.

5. Provide the vacancies by quarter for the last 2 years.

**DEPARTMENT OF PARKS QUARTERLY VACANCY REPORT - FY17, FY18, FY19
PARK FUND**

FY17				FY18				FY19			
Authorized Positions		725		Authorized Positions		739		Authorized Positions		739	
1 st Qtr	As of 9/1/16	Vacancies	Vacancy Rate	1 st Qtr	As of 9/1/17	Vacancies	Vacancy Rate	1 st Qtr	As of 9/1/18	Vacancies	Vacancy Rate
	Frozen	0			Frozen	0			Frozen	0	
	On LTD, Workers' Comp, etc.	10			On LTD, Workers' Comp, etc.	9			On LTD, Workers' Comp, etc.	6	
	Total Vacant	89			Total Vacant	81			Total Vacant	78	
	Budgeted Lapse	56			Budgeted Lapse	55.8			Budgeted Lapse	57.2	
	Filled on Temp Basis	5			Filled on Temp Basis	5			Filled on Temp Basis	3	
	Net Vacant	28	3.9%		Net Vacant	20.2	2.7%		Net Vacant	17.8	2.4%
2 nd Qtr	As of 12/1/16	Vacancies	Vacancy Rate	2 nd Qtr	As of 12/1/17	Vacancies	Vacancy Rate	2 nd Qtr	As of 12/1/18	Vacancies	Vacancy Rate
	Frozen	0			Frozen	0			Frozen	0	
	On LTD, Workers' Comp, etc.	10			On LTD, Workers' Comp, etc.	9			On LTD, Workers' Comp, etc.	7	
	Total Vacant	82			Total Vacant	81			Total Vacant	79	
	Budgeted Lapse	56			Budgeted Lapse	55.8			Budgeted Lapse	57.2	
	Filled on Temp Basis	5			Filled on Temp Basis	6			Filled on Temp Basis	1	
	Net Vacant	21	2.9%		Net Vacant	19.2	2.6%		Net Vacant	20.8	2.8%
3 rd Qtr	As of 3/1/17	Vacancies	Vacancy Rate	3 rd Qtr	As of 3/1/18	Vacancies	Vacancy Rate	3 rd Qtr	As of 3/1/19	Vacancies	Vacancy Rate
	Frozen	0			Frozen	0			Frozen	0	
	On LTD, Workers' Comp, etc.	9			On LTD, Workers' Comp, etc.	9			On LTD, Workers' Comp, etc.	5	
	Total Vacant	69			Total Vacant	68			Total Vacant	79	
	Budgeted Lapse	56			Budgeted Lapse	55.8			Budgeted Lapse	57.2	
	Filled on Temp Basis	5			Filled on Temp Basis	6			Filled on Temp Basis	1	
	Net Vacant	8	1.1%		Net Vacant	6.2	0.8%		Net Vacant	20.8	2.8%
4th Qtr	As of 6/1/17	Vacancies	Vacancy Rate	4th Qtr	As of 6/1/18	Vacancies	Vacancy Rate	4th Qtr	As of 6/1/19	Vacancies	Vacancy Rate
	Frozen	0			Frozen	0			Frozen	0	
	On LTD, Workers' Comp, etc.	10			On LTD, Workers' Comp, etc.	3			On LTD, Workers' Comp, etc.	3	
	Total Vacant	74			Total Vacant	70			Total Vacant	70	
	Budgeted Lapse	56			Budgeted Lapse	55.8			Budgeted Lapse	55.8	
	Filled on Temp Basis	7			Filled on Temp Basis	5			Filled on Temp Basis	5	
	Net Vacant	11	1.5%		Net Vacant	9.2	1.2%		Net Vacant	9.2	1.2%

6. Parks is requesting an additional \$500,526 in operating budget impacts for the Wheaton Headquarters, as well as 5 career positions. Please provide more detailed information regarding the \$500,526 cost, and the 5 additional career positions.

The proposed budget request of \$500,526 and two additional career positions for Parks is comprised of the following:

- Two months operating costs for the Parks portion of the overall building cost including:
 - \$5,038 for preventative maintenance;
 - \$20,242 for custodial service and pest control;
 - \$28,604 for utility cost and trash/recycling cost;
 - \$29,204 for contracted management services to handle project management, material procurement, planning and engineering for the building as well as concierge (reception) services;

7. Please provide an updated summary on efforts to improve the efficiency of maintenance operations during FY19.

The following is a summary of the many programs and processes implemented to improve and enhance efficiency:

Tree/Wood Preservation and Maintenance

- A portable bandsaw mill was added last year to the Green Waste Recycling Program to help produce wood products from hazard trees removed from the parks. We experienced a net cost savings of approximately \$27,000 and have sawn over 20,000 board feet of wood. The return on investment of the saw mill will be more than 100% in less than 2 years.
- Products produced from wood sawn by the mill include trailer boards and stakes for tree planting which would normally need to be bought from an outside source. Also, wood products are being collected, seasoned and then used to create lumber for trailer decking, fence boards, stakes, and posts. Removed trees are also being used by Friends of the Farm to demonstrate the antique saw mill at the Agricultural History Farm Park. Resulting lumber and the boards are stored on site and used to do repairs and restoration of many of the parks historic structures.
- Northern and Southern Parks Divisions are using wood products produced at Pope Farm from timber removed from park property. Resulting products include snow and tree stakes, wood chips for dog parks, landscape mulch, replacement trailer deck boards, and firewood.
- The Department's Green Waste Recycling Program uses landscape debris, logs, invasive plants, dead and hazard trees, and other green waste to produce compost and wood chips that are used for maintenance efforts, preservation work, and renovation projects.
- The Department implemented a preventative tree pruning program to promote healthy tree growth in young trees and to reduce a larger scale of work later in the tree's lifetime. Examples of types of work include removal of dead wood, structural pruning to promote good tree form, and clearance pruning to keep park amenities such as pathways and parking areas free from low hanging limbs.

Field Improvements

- We are introducing improved varieties and species of turf grasses to our athletic fields. These types of grasses have a greater tolerance to disease, drought, and foot traffic, and are based on the University of Maryland and National Turfgrass Evaluation Program recommendations. Using the improved types of turf grass will result in less turf loss, thus will require less extensive renovations and costs down the road.
- Southern Parks Division has made improvements at Povich Field located in Cabin John Regional Park by converting the turf to warm season Bermuda grass which has a greater tolerance to disease, drought, and foot traffic. This conversion will result in less turf loss, reduced renovations and more playable use. Southern Parks Division is growing Bermuda grass sod at Cabin John Regional Park, rather than purchasing it from an outside vendor. This will reduce costs and speed up renovations.
- Northern and Southern Parks Divisions improved the health and playability of our fields by shifting play areas throughout the year to reduce the amount of wear and traffic within one playing field. This

results in healthier turf, reduced soil compaction, safer playing conditions for users, and reduces the need to re-sod high traffic areas.

Equipment Purchases and Usage

- Southern Parks Division purchased Ventrac snow removal equipment specifically designed for sidewalks. This equipment can plow snow and treat walkways with one pass which greatly reduces the amount of labor hours needed to clear sidewalks within Parks.
- Northern Parks Division purchased a FINN mulch blower that allows mulch to be delivered directly onsite and helps improve mulching efficiency and the installation of wood carpet in playgrounds. The use of the FINN mulch blower has saved approximately 32 hours of staff time in its first year of use throughout Northern Parks during the mulching season.
- The Department purchased ATVs, so we can more efficiently inspect our trails after storms and quickly respond to safety issues such as downed trees.
- Trucks and equipment are increasingly being shared between divisions and maintenance yards to reduce capital and maintenance costs, reducing spending that would otherwise be made on multiple purchases of the same or similar items. Retrofitting existing equipment and purchasing more efficient equipment has reduced equipment and labor costs.
- Sharing of equipment and staff has improved our efficiency in performing specialized athletic field maintenance, including aerating, fertilizing, and over-seeding for high quality athletic field surfaces in all types of parks.
- Southern Division is implementing an industrial vending solution for Personal Protective Equipment and other common consumable items. This system combines point-of-use access with inventory tracking to assist with inventory management. Expected efficiencies:
 - Reduce consumption – typically 25–35% as a result of the machines’ controls and reporting;
 - Increase productivity – by making product immediately available, 24/7, near the workers who need it;
 - Automate ordering – company representative monitors and refills the machines through a hands-free, paper-free process and;
 - Budgetary monitoring – actual usage drives the projected expenditures.
- A major upgrade to the FASTER Fleet Asset Management system is nearly complete, including new virtual servers, revamped data storage and application programs providing fleet supervisors with the ability to monitor key performance indicators on demand. The next level web-based interface roll-out will allow managers to view equipment and vehicle information. The fuel dispensing and tracking program upgrade will allow us to directly import data on Commission vehicles that fuel at County sites.

Trash and Recycling

- South Germantown has expanded the inground trash can program by installing inground cans in two of our local parks and scheduling an install at the archery range. The new cricket field has installed both inground trash and recycling cans. Installing these cans in our local parks reduces the amount of time our staff spend traveling to each park to collect and dump trash and has saved us approximately 24

hours per month. These cans also reduce the operating costs by reducing the number of bags we need to purchase by 30 percent, or approximately \$600. We receive less complaints about bees at our playground areas as less children are exposed to bees and potential bee stings.

- Black Hill is installing the same type of inground trash cans at the picnic shelters within Black Hill Regional Park, and we anticipate benefitting from similar efficiencies.
- The Department continues to recycle our natural waste by taking it to the Pope Farm and to use the mulch provided by them for landscaping needs.

Logistics and Enterprise Asset Management System

- Southern Parks custodial operations updated routing parameters to include a comprehensive approach to all facilities, saving approximately 15 labor hours per week. The labor hour savings are redirected to other custodial program requirements.
- Gates were installed in key locations to mitigate physically setting up barricades to close sections of Park-owned roads due to weather emergencies.
- The Department has implemented a more efficient routing system for the watering trucks when watering newly planted trees. We are using a mobile rain gauge application to determine how much rain an area has received in the past 24 hours, allowing us to conserve water and save staff time when there has been enough rain fall.

Storm Water Management

- Stormwater maintenance teams from the Northern and Southern Parks Divisions are working closely with the staff at Pope Farm Nursery to develop customized plant material for bioretention areas. This is preferable to purchasing less suitable plant materials from outside sources. Advantages of the program, beyond the constant improvement of the nursery stock, include:
 - Availability of plant supply;
 - High quality of the plant supply; and
 - Ability for the stormwater team to specify these highly suitable, specialized and drought resistant native plant materials with the Park Design staff for future M-NCPPC bioretention areas.

Soil/Ground Management

- The Department has re-established meadows (sown wild flower seeds) along stream valleys. This reduces the necessary size and frequency of mowing areas along these valleys and improves landscape aesthetics.
- The Agricultural History Farm Park saves the Department between \$2,000 – \$4,000 per year based on average market cost of \$4 per bale of hay through its hay harvesting program. Pope Farm staff consistently harvests between 500-1,000 bales of hay per year from our onsite meadows. The hay is used as bedding and as feed for our farm animals. The hay is also used by other maintenance crews (North and South Divisions) for soil project stabilization.

Pope Farm Nursery

- With the use of newer equipment and of using cover crops, we are better able to manage and improve the quality of our soils so that future tree liners are planted into an ideal media without the use of synthetic fertilizers.
- After spending the past two years culling larger trees out of the nursery, we can provide a more detailed inventory and are using graphed maps to locate all existing plant material. This newly organized method will help with efficiencies in integrated pest management scouting and tagging plant orders.
- Staff re-built and upsized the bulk soil station creating a framed, covered structure to keep the soil. In past years, we were covering it with tarps which did not keep it as dry and created potential hazards when trying to cover and uncover on a regular basis. We also built a potting bench that fits within the structure.
- Staff installed a dual-purpose storage shed that serves as storage for production supplies and as a small work station. The shed is centrally located so staff do not waste time traveling to the main office building to get supplies.
- The in-house pesticide registration class series provided to staff was redesigned to align course topics with pesticide certification categories. The material has been approved by the Maryland Department of Agriculture to qualify attendees for pesticide recertification credits, reducing the need to pay fees to outside certification providers.

Arboriculture

- Davey TreeKeeper software was put into operation this year. This web-based GIS work management software is designed to manage tree maintenance work orders. This software allows us to create a tree inventory using GPS functions and assign features such as tree size, species, and maintenance needs to each tree. An inventory of over 20,000 trees in over 200 developed parks was completed. TreeKeeper has allowed us to efficiently track work on an individual tree basis and effectively manage and schedule work.

Brookside Gardens

- We are reducing the amount of rock salt used for snow removal by implementing the following measures:
 - Using less environmentally damaging magnesium chloride on paths and walkways;
 - Using mechanical equipment to remove snow rather than using salt; and
 - Leaving snow on un-used parking areas to reduce level of effort, emissions, and salt.
- Increasing the use of biologicals in the Conservatory and production greenhouse has saved staff time because the beneficial insects can be released during the work day when visitors are present, reducing need for staff to come in after regular operating hours to spray and eliminating re-entry time (necessary after spraying conventional chemicals). Biologicals pose no human health risk.
- We are collecting water from the roof of the production greenhouse into a 25,000-gallon cistern for greenhouse crop irrigation. This reduces the purchase of potable water from WSSC and increases the health of plants through better water quality, resulting in less use of fertilizer.

- We have identified a new print vendor for Cultivate magazine that uses holistic green management practices in terms of employment benefits, energy consumption, and recycled papers and inks.

Nature Centers

- We share seasonal staff among nature centers to reduce time and resources needed for hiring, orientation, and training. We are developing an automated process within our timekeeping system to more efficiently track seasonal time across different program. This will significantly reduce staff time required with manual processing. In addition, we are sharing vans and a short bus among nature centers to reduce the number of vehicles needed at each site.
- One nature center staff person has been recertified as a trainer with the National Association of Interpretation Certified Interpretive Guide and Certified Interpretive Host. This staff member is now able to train remaining staff, resulting in cost savings.

Administrative Efficiencies

- The Department's Chief Performance Officer (CPO) implemented digital signatures for paper-intensive processes throughout the Department to create cost-savings from reduced processing time and reduced hard costs. The cloud-based digital signature platform helps to reduce our consumption of paper and ink, need for electronic and onsite storage costs, carbon footprint through a reduction in hard-copy document delivery, while at the same time provides an audit trail and verification system. The digital signature platform, which has a mobile component to it, has helped to reduce the signature time for these documents from several weeks and even months to just a few days, and allows individuals to review and authorize documents when they are away from their desk.

Operational Efficiencies

- As a means of reducing costs and creating efficiencies, the Department has an initiative to ensure the right vehicles, at the right time, in the right locations. The CPO reviewed the usage of all vehicles with low mileage over a one-year period to develop a baseline for when and how these vehicles are being used. The CPO sought input from division chiefs not only regarding vehicle usage, but also regarding alternative transportation options such as reserving and sharing Commission vehicles, ride sharing (Uber and Lyft), and staff reimbursement for use of personal vehicles when Commission vehicles are not available. The CPO will compile this information and make recommendations to the Director's Office for right-sizing its fleet, with a focus on its pool vehicles.
- In a move towards lean government, the CPO is developing a proposal to create an innovation program within the Department. The CPO is in the early stages of meeting with individuals to learn more about what staff would want from an innovation program now and in the future. The goal of the innovation program is to find more efficient and effective ways to get things done. In order to do this, we need to empower employees to make changes in their tasks and work programs. An innovation program will help us do this by cultivating employee engagement, developing and encouraging cohesive teams, recognizing and rewarding good ideas, and ultimately, finding a better way to do something.

- 8. Provide a rationale for any new proposed positions/workyears. Please indicate whether each new position is needed due to growth in the park system, new legislative/regulatory mandates, or improved service delivery.**

Additional detail for the program enhancements (new initiatives) is provided in the Planning Board memos from our budget overview on 10/18/18 and 11/01/18:

<https://montgomeryplanningboard.org/wp-content/uploads/2018/10/MCPB-10-18-18-Parks-Dept-FY20-Budget.pdf>

<https://montgomeryplanningboard.org/wp-content/uploads/2018/10/EAM-Position-Memo.pdf>

Here is a chart with the position changes included in the FY20 proposed budget:

MONTGOMERY PARKS - FY20 PROPOSED BUDGET - POSITION CHANGES

PARK FUND

Tier for Restoration	Item & Description	Need Category	Amount	Career Positions	Career Wkys	Term Wkys	Comments
1-b	Operating Budget Impact - Ballfield Irrigation for North Four Corners LP, Pinecrest LP, and Wheaton RP -position to support irrigation monitoring, maintenance, and increased seeding and mowing for fields converting to bermuda grass	Improved Service Delivery	\$64,676	1.0	1.0		
1-b	Operating Budget Impact - Josiah Henson Historic Park - adding a Senior History Specialist and History Specialist to manage the Visitors Center	Growth in the Park System	\$82,295	2.0	2.0		Proposed budget has pro-rated personnel cost (start date at the end of February) based on a projected opening date for the Museum of late FY19.
1-c and 1-d	Improving the Quality and Playability of Ballfields. With over 300 park ballfields on 500 acres throughout the county, additional resources are needed to provide safe and playable ballfields - Senior Equipment Operator position and Inspector Position	Improved Service Delivery	\$161,468	2.0	2.0	0.0	
2-b	GIS/Asset Specialist. This position will manage park locations and attributes of more than 20,000 assets in the Department's EAM and GIS systems. This information serves as the basis for optimizing maintenance efforts to increase the level of service that we provide to our park patrons.	Improved Service Delivery	\$96,168	1.0	1.0		
N/A	Convert part-time Park Naturalist II position to full-time for the Horticulture, Forestry & Environmental Education Division	Improved Service Delivery	\$9,801	0.0	0.3		The cost for converting this part-time position to full-time is offset by increased revenue resulting in a net zero impact.
N/A	Convert part-time Visual and Media Imaging Specialist position to full-time for the Public Affairs & Community Partnerships Division	Improved Service Delivery	\$0	0.0	0.5		The cost for converting this part-time position to full-time is offset by savings in services cost resulting in a net zero cost impact.
N/A	Data Analyst Position for EAM - responsible for: providing department-wide data analysis for high level park plans and studies using a variety of analytic methods and statistical models; succinctly summarizing key trends and results from analysis for both in house and public consumption; developing data tracking, collection and management procedures; working across the Department on high level projects, and relating to top Department priorities of Trails, Urban Parks and Athletic Fields; and recommending data driven approaches to projects and problems.	Improved Service Delivery	\$104,504	1.0	1.0		
N/A	Data Specialist position will be a complement to the existing Data Specialist position in the Southern Parks Division. This position will help streamline every day operations and routine maintenance processes for park assets such as stormwater management facilities, trails and playgrounds.	Improved Service Delivery	\$104,504	1.0	1.0		
N/A	Lead Mechanic - position for fleet and equipment maintenance and repair. This position will provide back-up support for the regional garages and will also be a mobile position providing response to field breakdowns and to assist the regional garages with repair backlogs.	Improved Service Delivery	\$84,764	1.0	1.0		
N/A	WQPF - Stormwater Management Position - The maintenance demands continue to increase for specialized stormwater management structures, especially with new stormwater areas being added each year based on updated permit requirements. This maintenance requires specialized skills and knowledge and requires career staff levels of consistency and expertise.	Improved Service Delivery	\$0	1.0	1.0		The cost of this career position is offset by savings in seasonal cost resulting in a net zero cost impact.
N/A	Sustainability Program Analyst - Convert term position to full time career. Primary responsibilities include coordinating energy audits on major facilities, advancing the use of solar and alternative energy resources throughout the Department, providing field verification of recycling efforts, staff education, and reviewing utility invoices.	Improved Service Delivery	\$0	0.0	1.0	(1.0)	The cost for converting this term position is offset by savings in services cost resulting in a net zero cost impact.

N/A	Transferring of the MRO Building Maintenance Supervisor position, workyear, and salary to the Department of Parks in anticipation of the move to the new Wheaton Headquarters in FY20 when the MRO building will be vacated. The Building Maintenance Supervisor will continue to oversee maintenance operations at MRO as it winds down and to assume responsibility for the Wheaton HQ during the final phases of construction to gain a thorough understanding of the new building's systems. The responsibility for the oversight of the maintenance and operation of the new Wheaton HQ rests with the Department of Parks.	Improved Service Delivery	\$130,533	1.0	1.0	This cost in the Park Fund is offset by comparable savings in the Administration Fund.
N/A	Transferring the Program Access team from the Enterprise Division to the Management Services Division. This move includes transferring two FT positions and seasonal cost from the Enterprise Fund to the Park Fund. This move better positions the Program Access team to provide accessible and inclusive services for our park patrons who engage in various programs offered by multiple divisions.	Improved Service Delivery	\$0	2.0	2.0	Personnel cost increase is offset by savings in the chargeback cost.
On Reduction List - Defer Until FY21	Operating Budget Impact - Wheaton HQ - two park police positions providing building security	Growth in the Park System	\$11,947	2.0	2.0	Proposed budget has pro-rated personnel cost (May start date) of \$55,566 that is split between Parks, Planning, and the County.
Park Fund			\$850,660	15.0	16.8	(1.0)

ENTERPRISE FUND

N/A	Transfer two positions to the Park Fund for the transfer of the Program Access team - see above under the Park Fund for detail.	Improved Service Delivery	\$0	(2.0)	(2.0)	
N/A	Rec/Enter Facility Mgr I - for Skating Director position at Wheaton Ice Arena	Improved Service Delivery	\$84,764	1.0	1.0	
Enterprise Fund Total			\$84,764	(1.0)	(1.0)	0.0

Planning Questions

1. What reductions do you propose to meet the County Executive's recommended reductions?

In order to meet the County Executive's FY20 recommended budget, the Planning Department's FY20 proposed budget must be reduced by \$833,011. The Planning Department will also cover \$50,743 of the Chairman's Office proposed reduction. This is a total of a \$883,744 reduction for the Planning Department.

In preparing the FY20 proposed budget, the Planning Department included funding for new initiatives that focus on ways to both reimagine and reinvigorate many significant communities as well as ways to address significant planning issues and concerns that face Montgomery County. Funding was included for the update to the 1964 General Plan, a county-wide policy document that addresses multiple topics with a reach of multiple decades. In addition, the FY20 budget included an operating budget impact (OBI) for the new Wheaton Headquarters building scheduled to be completed in May of 2020.

The County Executive's recommendation did not fund the requested transfer of \$500,000 from the Administration Fund to the Development Review Special Revenue Fund. If the Department determines during the course of FY20 that the Special Revenue Fund does not have sufficient revenue to meet the expenditures, we will come back to the County Council with a supplemental request.

To meet the County Executive's recommended budget, the Planning Department has looked carefully at a series of reductions and adjustments to our FY20 budget. The charts below show the Planning Department's reductions to reach the County Executive's target. The list is divided into tiers for restoration purposes. The item in Tier 1 is the department's highest priority for restoration followed by the items listed in Tier 2.

The Planning Department has conducted a thorough review of our FY20 proposed budget and identified certain items that can be deferred or removed from our budget request. In addition, we have identified savings in FY19 that can be used to cover costs originally planned for FY20. These reductions are shown in the 3rd section of the chart below.

We are particularly concerned about restoration of the operating budget impact (OBI) for the new Wheaton Headquarters building, as these costs are essential to move into the new building. We are also concerned about the other cuts which will severely reduce our internship program, eliminate funding for placemaking and require us to rethink a retail study for ethnically diverse centers, thereby hampering our ability to accomplish our work program.

Tier 1 - Departmental Top Priority for Restoration (Non-Recommended Reductions)		Funding
1-a	Wheaton Headquarters Operating Budget Impact (OBI) <i>Impact – eliminate funding for Wi-Fi, Data Center Move, Network Engineering, Auditorium Audio/Visual, and some operating funding. Will impact our ability to obtain a U&O permit for the building and to move in on schedule</i>	\$393,796
SUB-TOTAL TIER 1 - Departmental Priority for Restoration		\$393,796

Tier 2 - Departmental Priority for Restoration (Non-Recommended Reductions)		Funding
2-a	Reduce Intern Program by 70% (from \$65,000 to \$19,195) <i>Impact – will reduce 1) a low cost means to accomplish the department’s work program, 2) a valuable recruitment tool and 3) our department’s presence on university campuses.</i>	\$45,805
2-b	Eliminate FY20 Placemaking Initiatives Increase <i>Impact – the Planning Department will not be able to expand this successful initiative to other parts of the county.</i>	\$25,000
2-c	Preserving Community Value of Ethnically Diverse Retail Centers <i>Impact – the Planning Department will explore other methods to accomplish the study’s objectives within the current budget.</i>	\$60,000
2-d	M-NCPPC Chief Information Officer and County-wide IT Initiatives <i>Impact – Delay the implementation of ECM, intranet upgrade and Active Directory projects.</i>	\$33,777
SUB-TOTAL TIER 2 - Departmental Priority to go on Reconciliation List		\$164,582

Budget Reductions to Meet the FY20 County Executive Recommendation		Funding
	Debt Service on Capital Equipment – prepay using FY19 funding	\$45,600
	Wheaton Headquarters Maintenance OBI based on updated completion date	\$106,730
	Reclassification Marker and OPEB – reduction based on current projected timing of completion of Reclassification Study and updated OPEB projections	\$173,036
SUB-TOTAL - Reductions		\$325,366

TOTAL OF ALL TIERS	\$883,744
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2. What are your priorities for restoration of funding?

Tier 1 represent our department’s top priority for restoration of funding followed by the items in Tier 2 in the order listed above.

3. What are your priorities for the new initiatives (Page 122- 129)

All the Planning Department’s new initiatives are important to completing our work program. The chart in question #1 above shows our priority of initiatives that would be reduced or eliminated, if need be, to meet the County Executive’s recommendation.

4. Is there a cost implication of delivering the General Plan Update to the Council before the start of the budget in FY21?

The General Plan is a county-wide policy document that addresses multiple topics with a reach of multiple decades and it will take time to do outreach to our diverse population, fully assess all the options, build a

shared understanding, and develop a strategic plan that will guide us for the next 30 years. The earliest date the Planning Department can transmit the General Plan to the County Council is March 2021. This will allow the County Council to complete its review of the plan by the end of calendar year 2021, which is six months before the primary elections. To meet this timeline, the Planning Department will require the requested funding in FY20 as well as, in all likelihood, additional funding in FY21.

5. The operating budget impact of the Wheaton Headquarters is approximately 38% of the cost of New Initiatives, please provide more detailed information regarding the \$500,526 cost. Does any of the \$75,000 funding from the County's Leases Non-departmental Account recommended by the Executive offset the \$500,526?

The proposed budget request of \$500,526 is comprised of the following:

- Two months operating costs for Planning's portion of the overall building cost including:
 - \$5,038 for preventative maintenance;
 - \$20,242 for custodial service and pest control;
 - \$28,604 for utility cost and trash/recycling cost;
 - \$29,204 for contracted management services to handle project management, material procurement, planning and engineering for the building as well as concierge (reception) services;
 - \$10,402 for telecommunications (voice and data) services, card access, and security camera operations;
 - \$41,536 for security – cost includes two Park Police officers with a May start date plus one-time costs for uniforms, vehicles, and equipment to outfit the officers.
- One-time costs for the following:
 - \$64,500 for Planning's portion of the Wi-Fi installation cost including Wi-Fi access points for the floors occupied by Parks and Planning and to all public areas within the building;
 - \$100,000 for Planning's portion for the cost of the data center move from MRO - this includes relocating the network components, servers, storage hardware, cables and racks;
 - \$125,000 for Planning's portion for the cost of a network and engineering IT consultant to ensure the network is designed and implemented correctly in both the Takoma Park Data Center and at the Wheaton HQ.
- Audio-visual (A/V) system – cost for installation of a state-of-the-art integrated and user-friendly system to support the larger, 200-seat auditorium which will serve the M-NCPPC Planning Board, building tenants, and the community. The estimated cost for this system is \$800,000. That cost is being financed through the Capital Equipment ISF. The **operating budget cost of \$76,000** is Planning's portion of the FY20 debt service payment associated with the A/V system cost.

Note that the requested amount for FY20 has now been revised based on the updated substantial completion date for the Wheaton HQ. The total requested funding needed for the Wheaton HQ has been reduced by \$106,730 each for Planning and Parks. The amount included on the non-recommended reductions for the Wheaton HQ is now \$393,796.

The \$75,000 included in the County's leases Non-departmental account covers the County agencies portion of the operating budget impact for FY20 and does not offset Planning's funding request.

The chart below shows the revised FY20 totals for Planning, Parks, and the County.

FY20 Wheaton HQ Internal Service Fund (ISF)			
Budget Items	Proposed	Revised	Difference
Maintenance/Custodial Services/Pest Control	\$ 117,581	\$ 11,716	\$ (105,865)
Utilities/Refuse	\$ 133,042	\$ 66,521	\$ (66,521)
Telecommunications/Building Card			
Access/Security Cameras	\$ 48,382	\$ 15,722	\$ (32,660)
Management	\$ 135,831	\$ 37,633	\$ (98,198)
Security	\$ 193,193	\$ -	\$ (193,193)
Wi-Fi Installation	\$ 300,000	\$ 129,000	\$ (171,000)
M-NCPPC Internal Service Fund Charge	\$ 928,029	\$ 260,592	\$ (667,437)

FY20 Other Items (Not Included in Wheaton HQ ISF)			
Budget Items	Proposed	Revised	Difference
Data Center Move	\$ 200,000	\$ 200,000	\$ -
Network Engineer	\$ 250,000	\$ 250,000	\$ -
Auditorium A/V Debt Service Pymt	\$ 152,000	\$ 152,000	\$ -
M-NCPPC Internal Service Fund Charge	\$ 602,000	\$ 602,000	

Grand Total 1,530,029 862,592

Split by Group	Proposed	Revised	Difference
Parks	\$ 500,526	\$ 393,796	\$ (106,730)
Planning	\$ 500,526	\$ 393,796	\$ (106,730)
Intergovernmental - County	\$ 528,977	\$ 75,000	\$ (453,977)
Total	\$ 1,530,029	\$ 862,592	\$ (667,437)

6. On pages 129 and 131 Placemaking Initiatives are listed as \$25,000, in the chart on page 133 Placemaking Initiatives are list as \$100,000, please explain the difference?

Planning’s FY19 budget included on-going funding of \$75,000 for Placemaking Initiatives. In the FY20 proposed budget, the Planning Department requested an additional \$25,000 to bring the total up to \$100,000.

Pages 129 and 131 show the Planning Department’s FY20 request of \$25,000. The chart on page 133 shows both the FY19 amount of \$75,000 and the FY20 proposed total of \$100,000, which includes the on-going \$75,000 from FY19 and the \$25,000 from new FY20 funding request.

7. What is the impact of the Executive not recommending the M-NCPPC requested transfer of \$500,000 from the Administration Fund to the Special Revenue Fund?

Through March 2018, the Planning Department has collected fees to nearly meet our FY19 budgeted expenditures. There is no guarantee on how much we will collect in the remaining 3 months of this fiscal year. If development slows in FY19 and FY20 and we do not meet our budgeted revenue goals, we will use fund balance to meet our expenses. While we might make it through FY20 without the \$500K subsidy, we may need a subsidy of an equal or greater amount in FY21 if the fund balance becomes depleted. If the Department determines during the course of FY20 that the Special Revenue Fund does not have sufficient revenue to meet the expenditures, we will come back to the County Council with a supplemental request.

CAS Questions

1. What reductions do you propose to meet the County Executive's recommended reductions?

In order to meet the County Executive's FY20 recommended budget, the budgets of the departments, collectively known as Central Administrative Services (CAS) must be reduced by \$350,201 in Montgomery County funding. However, because most services are provided on a bi-county basis, reductions must also be taken in the amount of \$300,224 from Prince George's County funding.

Department	Tier 1 - Departmental Top Priority for Restoration (Non-Recommended)		
DHRM	1-a	<p>Reduce funding for agency-wide implementation of findings from Classification & Compensation Study</p> <p><i>Impact - An independent review of the agency's position classification and compensation system revealed that critical updates are needed to ensure positions are better aligned with the delivery of operational needs and relevant compensation factors. The reduction of \$29,739 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$60,000. This reduction will reduce needed funding for specialized consultants to complete a review of positions in planning, parks and other departments.</i></p>	\$29,739
DHRM	1-b/1-c	<p>Delay full implementation of agency-wide training program for employees and supervisors</p> <p><i>Impact - <u>Delay hiring of training manager by 3 months</u>: This position was approved by the Commission and joint councils to address much needed compliance training on employment regulations (EEO and other federal/state regs), workforce policy compliance with employment, and internal controls. The need for consistent training was also identified by the Inspector General. This position could not be filled due to earlier budget reductions from the County in FY19, and additional budget reductions for FY20 will result in further hiring delays. The reduction of \$20,341 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$30,000.</i></p> <p><i>Impact - <u>Defer implementation of online training platform by 6 months</u>: In conjunction with the 1-b reduction, this reduction will reduce resources needed to support funding for needed platform to ensure training requirements are identified by position responsibilities, training is accessible, and completion of requirements is managed. The reduction of \$24,234 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$40,000.</i></p>	<p>\$14,869</p> <p>\$20,341</p>

CAS Support Services	1-d	<p>Reduce funding for necessary updates of agency-wide public records program</p> <p><i>Impact - The public records program is currently undergoing a comprehensive review with the State of Maryland to maintain compliance with public recordkeeping requirements. The State has made recommendations including improved protection of records and recordkeeping modernization. This reduction will impact the timing of implementation of these recommendations. The reduction of \$28,719 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$54,146.</i></p>	\$24,234
Merit Board	1-e	<p>Reduce funding for Merit System Board legal counsel</p> <p><i>Impact - The Merit System Board is our separate civil service system required by law. The Board's budget is very small and primarily funds three public members, one part-time employee, legal counsel, and nominal supplies. The Merit Board has seen an increase of 200% in appeals over the past two years. The Board utilizes independent legal counsel to assist with complex appeal matters. Any reduction to the budget may slow down the ability to address appeals in a timely manner. The reduction of \$2,914 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$5,360.</i></p>	\$2,914
Finance	1-f	<p>Delay hiring of requested Accountant III position by 6 months</p> <p><i>Impact - delayed service improvement to the MC Parks and PGC Parks & Recreation departments related to CIP project accounting. The reduction of \$28,719 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$63,119.</i></p>	\$28,719
Finance	1-g	<p>Delay hiring of requested Payroll Tech position by 6 months</p> <p><i>Impact - Delay in service improvement efforts. Increased risk of error due to overburdened staff. Delay in transition from contractor funded from prior year lapse to full time dedicated staff. The reduction of \$23,115 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$50,802.</i></p>	\$23,115
Corporate IT	1-h	<p>Reduce training/workshops</p> <p><i>Impact - Reduction will result in delay of certain trainings until budget can be restored in FY21, unless we can find alternatives if the demand for training becomes critical, especially for technologies that focus on cloud computing and cyber security. The reduction of \$17,435 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$31,414.</i></p>	\$17,435
Subtotal Tier 1 - Departmental Priority for Restoration			\$161,366

		Tier 2 - Departmental Top Priority for Restoration (Non-Recommended Reductions)	
CAS - all depts	2-a	Reduce CIO/CWIT Initiatives <i>Impact - Delayed hiring of new project manager; elimination of three Commission-wide IT projects: ECM Feasibility Study/Requirements, Active Directory Phase V, and Intranet Upgrade. The reduction of \$23,897 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$47,099.</i>	\$23,897
Finance	2-b	Increase salary lapse by 1% <i>Impact - Should turnover not occur at the budgeted level, it will be necessary to curtail training and other support to departments to make up this reduction. The reduction of \$27,082 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$35,194.</i>	\$27,082
Corporate IT	2-c	Reduce PC & peripheral refresh <i>Impact - This will be the second year of reductions, so our PC replacements are further behind, resulting in older hardware with some diminished computing capacity. Some desktop computers, laptops and other peripherals will soon be below our minimum acceptable performance level. Additionally, the reduction will hamper our ability to proactively replace aging equipment prior to breaking down. The ERP Cloud migration enabled many features that require more computing power. Also upgraded applications and the addition of functionality such as document imaging management is processor and memory intensive. This is not true for all users, but has a wide impact mostly in procurement, HR, and Recruitment. The reduction of \$22,344 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$41,061.</i>	\$22,344
Corporate IT	2-d	Reduce professional services <i>Impact - Specialized experts are needed for short term needs to achieving security and application related activities such as: firewalls, networking issues, application matters and others. Reductions may make it a little challenging towards the end of the year. The reduction of \$10,846 only reflects the Montgomery portion. Reductions to agency-wide programs also necessitate a reduction to Prince George's funding, bringing the total reduction to \$19,542.</i>	\$10,846
Subtotal Tier 2 - Departmental Priorities for Restoration			\$84,169

Budget Reductions to Meet the FY20 County Executive Recommendation		
Legal	Increase salary lapse by deferred hiring (maintain vacancy at MRO)	\$50,941
	<i>Impact - The reduction will test the existing legal staff at MRO to manage the workload and may impede the team's ability to respond either to any major new planning initiatives or an uptick in development review projects.</i>	
Non-Dept	Savings - reclass marker	\$5,673
	<i>Impact - None. Reduced due to delayed timing of completion.</i>	
Non-Dept	Savings - OPEB Pay-Go	\$48,052
	<i>Impact - None.</i>	
Subtotal - Reductions		\$104,666
Total of all Tiers		\$350,201

2. What are your priorities for restoration of funding?

The Tier 1 items, in the order listed above, represent CAS departments' top priorities for restoration of funding followed by the items in Tier 2.

3. Provide greater detail, if available, for new initiatives focusing on those that can be funded within the Executive-recommended funding level (if any) and your highest priorities if available.

Additional detail for the program enhancements (new initiatives) is provided in the Planning Board memo from our budget overview on 11/15/18:

<https://montgomeryplanningboard.org/wp-content/uploads/2018/11/CAS-Final-MC-PB-Packet.pdf>

By proposing other non-recommended reductions in the current operating budget, the following CAS Departments' new initiatives remain within the County Executive's budget limits:

- Finance – Accountant III (6 months) – original request was for full year
- Finance – Payroll Technician (6 months) – original request was for full year
- Legal – Restoring FY19 reduction to professional services budget
- CIO – Project Manager / Systems Analyst (9 months) – original request was for full year
- CWIT – Remediation of Security Assessment Findings
- CWIT – ECM Budget Software Replacement

M-NCPPC Questions

Provide a chart that shows all program enhancements (including "Investment in Critical Needs", "Essential Needs Investment", "Investing in an Essential Needs Budget", "Essential Needs/New Initiatives", "Program Enhancements", and "New Initiatives Addressing Deficiencies and Emerging Trends"), by department (Parks, Planning, CAS), brief description, the dollar amount and fund, the changes to the personnel work complement and workyears.

New Initiatives

		Amount	Career Positions	Career Workyears	Term Workyears	Seasonal Workyears
Fund						
Administration Fund						
	Commissioners' Office					
	Planning Board trainings, conferences and retreat	6,500				
	Activation of a Frozen Administrative Specialist position	15,000		1.00		
	Support for events and activities that support diversity	2,500				
	Total Commissioners' Office	24,000	-	1.00	-	-
	Planning					
	Pedestrian Master Plan Support	100,000				
	Rustic Roads Functional Master Plan Update	25,000				
	General Plan Update Support	300,000				
	Ten-Year Check-up on the White Flint Sector Plan's Metrorail Station Area	50,000				
	Architectural Field Surveys	25,000				
	Archival Assistance	30,000				
	Data for Vision Zero	50,000				
	Affordable Housing Preservation and Redevelopment	75,000				
	Preserving Community Value of Ethnically Diverse Retail Centers	60,000				
	Comprehensive Park and Planning Placemaking Initiative	25,000				
	NET Studies	740,000				
	Project Dox Upgrade (Financed over 6 years)	68,400				
	ISF charges for CIO/CWIT initiatives	73,571				
	Transfer to Development Review Special Revenue Fund	500,000				
	Total Planning	1,381,971	-	-	-	-
	CAS - All Departments					
	Departmental ISF charges for CIO/CWIT initiatives (see note below for detail)	46,796				
	Finance					
	Accounting Position	56,177	0.45	0.45		
	Payroll Position	45,214	0.45	0.45		
	Total Finance	101,391	0.89	0.89	-	-
	Legal					
	Restoration of FY19 professional services reduction	49,628				

New Initiatives

		Amount	Career Positions	Career Workyears	Term Workyears	Seasonal Workyears
	Chief Information Officer					
	Computer refresh cycle for CAS departments	19,401				
	Total Administration Fund	1,623,187	0.89	1.89	-	-
	Park Fund					
	Category					
Improving Quality and Playability of Ballfields	Improving the Quality and Playability of Ballfields - request adds two (2) additional positions to this ballfield team to continue to manage and improve our large inventory of ballfields. Total also includes Supplies & Materials of \$112,500	\$ 301,968	2.0	2.0		1.0
Maintaining and Improving What We Have	Sustainability Program Analyst (Administrative Specialist) - Convert term position to full time career. Primary responsibilities include coordinating energy audits on major facilities, advancing the use of solar and alternative energy resources throughout the Department, providing field verification of recycling efforts, staff education, and reviewing utility invoices. The cost for converting this term contract position to a career position nets to zero as it will be offset by savings in services cost.	\$ -	0.0	1.0	(1.0)	
	Lead Mechanic - position for fleet and equipment maintenance and repair. This position will provide back-up support for the regional garages and will also be a mobile position providing response to field breakdowns and to assist the regional garages with repair backlogs.	\$ 84,764	1.0	1.0		
	Infrastructure - Proactive maintenance as opposed to emergency repairs (break & fix). Will save funds by eliminating structures that generate expenses by remaining vacant and unused.	\$ 250,000				
	Data Analyst Position for EAM - responsible for: providing department-wide data analysis for high level park plans and studies using a variety of analytic methods and statistical models; succinctly summarizing key trends and results from analysis for both in house and public consumption; developing data tracking, collection and management procedures; working across the Department on high level projects, and relating to top Department priorities of Trails, Urban Parks and Athletic Fields; and recommending data driven approaches to projects and problems.	\$ 104,504	1.0	1.0		

New Initiatives

		Amount	Career Positions	Career Workyears	Term Workyears	Seasonal Workyears
	Data Specialist position will be a complement to the existing Data Specialist position in the Southern Parks Division. This position will help streamline every day operations and routine maintenance processes for park assets such as stormwater management facilities, trails and playgrounds.	\$ 104,504	1.0	1.0		
	GIS/Asset Specialist - position will enter and manage park asset locations in our EAM and GIS systems. This position will be responsible for creating a workflow with other Divisions to ensure the information is being updated on a regular cycle.	\$ 96,168	1.0	1.0		
Commission-Wide IT	New projects for the CIO Office and the Commission-Wide IT	\$189,086	N/A	N/A		
Total Parks Department		\$ 1,130,994	6.0	7.0	(1.0)	1.0
Total Administration and Park Funds		2,754,181	6.9	8.9	(1.0)	1.0
<p>Note: You will see references to these noted in Planning, Parks and CAS. Shown below are the Commission-wide costs for the new initiatives for the CIO.</p>						
CIO / CWIT Initiatives		Commission-wide				
	Project Manager / Systems Analyst	146,636	1.00	1.00		
	Active Directory Phase V	100,000				
	Remediation of Security Assessment Findings	150,000				
	Budget Software Replacement	75,000				
	ECM Feasibility & Requirements Study	100,000				
	Intranet Upgrade	100,000				

