



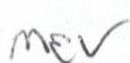
MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Roundtable Item
July 31, 2008

DATE: July 25, 2008

TO: Montgomery County Planning Board

VIA: Mike Riley, Deputy Director, Department of Parks 

FROM: Mary Ellen Venzke, Division Chief, Management Services 

SUBJECT: Briefing on the FY09 Adopted Parks Budget and Strategy for
Preparing the FY10 Proposed Budget

Purpose

Provide a summary of the FY09 Adopted Parks Budget highlighting impacts of reductions from the Requested Budget, and obtain feedback from the Planning Board on the FY10 Proposed Park Budget.

Background

The Department of Parks proposed budget is prepared annually. The budget traditionally was prepared based on the organizational structure of the Department (Traditional Budget), until FY 08 when it was determined beneficial to present the budget by program (Program Budget). The FY09 budget was also presented to the Board and Council by program, and the format was well received. Staff intends to prepare future budgets by program, but for various reasons must also maintain a crosswalk to a Traditional Budget as part of the budget document.

1. Program Budget – Prepared by programs and sub-programs cross-divisional including multiple fund types.
2. Traditional Budget – A separate budget for each fund. The Park Fund is prepared and adopted at the divisional level.

The annual Park's budget includes the following fund types:

- Operating Fund (tax supported)
- Enterprise Fund (revenue supported)
- Property Management Fund (revenue supported)
- Special Revenue Fund – (revenue supported)
- Advanced Land Acquisition Fund – (tax and land sale supported)

Staff will provide a brief PowerPoint presentation of the annual budget process and proposed budget calendar during the Board meeting.

Summary of the FY09 Adopted Budget and Impacts of Cuts

The following budgets were approved as proposed:

- Enterprise Fund (although revenue subsidies were reduced)
- Property Management
- Special Revenue
- Advanced Land Acquisition

Attachment one provides the details of reductions from the originally proposed FY09 budget. The FY09 Proposed Park Fund budget was \$93,684,700. The Park Fund budget was adopted at \$85,926,500, a reduction of \$7,758,200 or approximately 8% below proposed. The Adopted FY09 Park Fund budget was \$6,811,500 higher than the Adopted FY08 Park Fund budget, for a change of 8.6%. This increase resulted in a budget approximately \$1.6 million below a same services budget due to mandatory increases, thereby adopting a budget a reduced services level. The following chart describes the increases to maintain a same services budget:

GASB 45	\$475,000
Increase in Utilities	\$345,700
Increase in Risk Management	\$463,900
Annualization of FY08 Initiatives	\$814,000
Inflation in Non-Personnel Items	\$607,300
Operating Budget Impact of CIP	\$636,600
Employee Compensation Adjustments	\$1,674,200
Employee Benefit Increases	\$3,318,800
Total	\$8,381,300

The adopted budget approved 5 new positions. Although new positions were approved in the budget in response to the operating budget impact of implementing the Capital Improvements Program, the increase in salary lapse and programmatic reductions has required us to freeze many more positions than we gained. These new positions include maintenance and police patrol for new park facilities. This demonstrates our operating budget requirements do not keep pace with the growth in the park system, necessitating us to do more with less.

Items reduced by Council in the adopted budget include the following:

All New Initiatives	\$2,978,400
GASB 45 Change	\$340,000
Base Budget Improvements	\$634,300
Technology Support	\$230,000
Professional Services	\$350,000
Maintained Open Space	\$425,000
Horticulture	\$265,000
Third Party Support	\$75,000
Overtime	\$140,000
Employee Development and Training	\$40,000
Salary Lapse Increase	\$1,793,000
Retirement Incentive	\$350,000

A. New Initiatives

Attachment two is a summary of the proposed initiatives. The program committees, senior staff and the Board spent a considerable amount of time developing and evaluating new initiatives for the proposed budget. Most of these initiatives were necessary to adequately maintain a diverse and progressive park system. Many of the initiatives were developed to directly address gaps identified in the current system. The elimination of the initiatives, coupled with the other reductions has forced us to eliminate or reduce services in many areas in the park system. Staff will provide examples of impacts at the Board meeting.

B. Impacts of Major Reductions

In an effort to manage the major program reductions, each division and program element affected were assigned the task of developing both a divisional and programmatic budget management plan. Although Council did not specifically impose a hiring freeze, they did not fund 67.6 work years by increasing lapse, accepting savings through a retirement incentive program, and cuts to programs. It was necessary to freeze or delay the hiring of specific positions in order to operate within the approved budget limits. We have identified 37 positions to freeze or delay hiring for the fiscal year. Additionally, we have curtailed spending of non-personnel items like non-mandatory contracts and travel and training. We will continue to evaluate the budget management plans and adjust as necessary throughout the fiscal year.

Program Impacts

- 1) **Technology Support** – The proposed budget included items to conduct a park users survey which would assist in the development of the long range park and recreation plan; e-mail archiving enhancements; added

functionality for the park website; and added memory for the storage array network. The result of this reduction is the park users survey will be deferred another year. The e-mail archive and storage array network are critical network efficiency items. We have decided to purchase these items through the equipment internal service fund, which results in less funding available for other much needed park equipment.

- 2) **Professional Services** – The affect of this cut is cross-cutting among programs and divisions. Basically, every professional service that was not mandated was eliminated or greatly reduced. The most notable examples are funding for specialized training for safety precautions associated with hazardous materials, on-going efforts for diversity training, Brookside Garden Visitor’s Survey, non-native invasive contracts, and the park infrastructure condition assessment project. The Department will not entirely eliminate these initiatives, but will scale back or defer these efforts.
- 3) **Maintained Open Space** – This reduction directly affects the Department’s responsibility for the care and maintenance of areas within the parks that are used by the public but not permitted for organized activities. These are areas used for picnicking, throwing Frisbees, watching games or simply for the public to enjoy the natural surroundings. These areas include most of the neighborhood and urban parks.

In order to accommodate this reduction, the frequency of litter collection, weeding, and mowing will be reduced. Each region has identified specific parks where services will be curtailed.

The Park Police Division will no longer be actively patrolling a number of parks which have been absent of reported crime or police activity for the past twelve month period. Should we receive a citizen complaint in any of the locations, the need for proactive patrols will be re-assessed.

Central Maintenance will close 5 bathrooms and one non-drinking water fountain. We are doing our best to identify areas near alternative facilities to accommodate the public.

- 4) **Horticulture** – This program cut will eliminate the interior plant program in most buildings and will reduce the annual plant programs in the parks. Three greenhouses at Pope Farm were shut down effective July 1st. Landscaping crews will be reduced and the annual flower beds maintenance will be reduced and ultimately eliminated in some areas as the plants deteriorate. We will likely change the flower beds to perennials, mulch or turf in an effort to maintain the long-term appearance of the parks. The proposed composting program in parks has been deferred for one year.

- 5) **Third-party Support** – The Department has historically provided support to outside organizations for special events held in parks virtually free of cost.

Examples of events include:

- 4th of July Celebration at South Germantown Recreation Park
- Marathon in the Parks
- Octoberfest at Ridge Road Recreation Park
- Iranian Festival

We will continue to support these events to the best of our ability. However, we are limiting staff coverage or flexing schedules to reduce overtime costs. In some cases it will be necessary to charge the user for any additional costs incurred which cannot be accommodated through alternative scheduling of staff.

- 6) **Overtime** – Each division is reducing overtime costs by invoking a number of cost savings measures. Due to certain work conditions regarding assignments outlined in FOP and MCGEO agreements, managers must continue to comply accordingly. In many cases the division will offer alternative scheduling and compensatory time to cover traditional overtime expenses.

Park Police bears the largest reduction in overtime. The division will be using schedule changes where appropriate under the FOP contract to reduce overtime costs. Schedule changes could still adversely affect the regular time officers are available for regular investigations and patrols.

All of the cost saving measures can generate the required savings with the exception of severe weather related emergencies. Although the overtime budget still contains some capacity for weather related incidents, frequent weather emergencies will make it difficult to achieve the required savings.

- 7) **Employee Development and Training** – All non-mandatory training or required re-accreditation training has been curtailed in each division.
- 8) **Salary Lapse and Retirement Incentive** – These reductions have been combined and allocated across each division. The normal lapse was originally proposed at 4.5% of personnel costs. The Council imposed a lapse of 7.5% which is above the normal attrition rate. Additionally, Council added \$350,000 in anticipated savings for offering a retirement incentive. In an effort to manage this lapse, we have frozen or delayed the hiring of 35 current vacancies. The impact of this action is cross-cutting to all programs. Park positions normally are not attributed to one or two program elements, but serve several different program functions.

The cuts for additional salary lapse and savings from a retirement incentive are in addition to all of the programmatic reductions described above. The total unfunded work years are approximately **9% of total park personnel complement**. This results in the need to effectively manage the timing of filling vacancies.

Suggested Process for Preparing the FY10 Proposed Budget

It is expected the economic forecast will be as grim in FY10 as it was in FY09. As such, we will likely be required to prepare a lean budget with limited new funding, if any. Staff has started the process for preparing the FY10 Proposed Budget. We intend to work closely with the Planning Department to improve the format and presentation of the proposed budget document and provide more consistency between the two departments. The program budget committees are meeting this week to re-evaluate and refine the program elements. Additionally, the committees will develop new and improved performance measures.

We are in the process of evaluating reports from SmartParks that will be useful in justifying our budget request. We intend to closely analyze divisional budget requests by requiring more details of proposed expenditures and concrete examples of program efficiencies.

Conclusion

The FY09 budget process was extremely difficult and resulted in many program reductions that have affected services to our park patrons. We will likely receive complaints during this difficult time. Park staff is committed to continue to provide quality service. The Department has prepared a Frequently Asked Questions (FAQ) to distribute to the public to notify our patrons of some of the changes they can expect in the park system.

In effort to ensure fiscal compliance during this challenging economic period, the budget staff has developed a budget development and monitoring training. This session will provide managers and staff information to effectively monitor the divisional budgets.

Staff welcomes suggestions and feedback from the Planning Board on the process for preparing the FY10 Proposed Park Fund Budget.

FY09 New Initiative Summary Sheet

#	New Initiative	Description / Goal	Anticipated Outcome if Funded	Consequences if not Funded	Cost	WY	Page
1	Enhanced Property Maintenance	Improve the condition and usability of approximately 175 leased park facilities and associated parkland.	The park facilities leased to organizations such as Second Chance Wildlife, Red Wiggler, and Great & Small Therapeutic Riding, will be structurally sound and safe. Recent property acquisitions such as Circle Manor, the Hillmead addition, and Wolfarth will be put to good use and properly managed.	Many of these buildings are nearing or have reached the end of their life cycle, with danger of structural failure if repairs are not made. Most tenants lack the resources to make major repairs or improvements. This poses risk to tenants and park patrons and a liability risk for M-NCPPC. Inadequate resources will be available to manage a growing number of leases, resulting in lost revenue and degradation of associated parkland.	\$724,600	2.1	
2	Improving Athletic Field Quality and Playability	Improve overall field quality and playability of the park's 296 athletic fields.	Increased turf cover on park athletic fields, reduced injuries sustained by users, and development of a centralized system to manage field closures and renovations based on use.	Turf and field conditions continue to deteriorate due to overuse and insufficient maintenance, increasing the risk of injury to patrons and substantially limiting the quality and playability of park fields. Continued complaints regarding poor field quality.	\$500,000	0.5	
3	Maintenance, Repair and Upgrades to Park Activity Buildings	Increase the safety and usability of the 31 park activity buildings.	Structurally sound and well-maintained buildings in which community groups or members can safely host parties, meetings or other gatherings.	Most of these buildings are nearing or have reached the end of their life cycle. There is danger of structural failure if repairs are not made. This poses significant risk to users and their guests and a liability risk for M-NCPPC. Continued quality complaints.	\$553,000	1.4	
4	Transforming Historic Buildings from Artifacts to Attractions	Enable the preservation of the system's 110 valued historic buildings and open many sites for interpretation.	The preservation of many of our county's valuable historic sites and the development of a vibrant historical interpretation program that provides residents and visitors the opportunity to connect with the county's rich heritage.	The county will lose valuable and irreplaceable pieces of its history forever as these historic buildings submit to continued "demolition by neglect." Without the requisite manpower needed to run adaptive reuse projects, these buildings will remain vacant, destabilized, open to the elements, prone to vandalism, and inaccessible to the public. The entire gamut of the county's history is represented in the parks, but currently, most of this history is off-limits, the product of hazardous materials, code problems, unsafe structures, and buildings without a partner.	\$123,800	1.0	

ATTACHMENT TWO

Montgomery County Department of Parks

FY09 New Initiative Summary Sheet

#	New Initiative	Description / Goal	Anticipated Outcome if Funded	Consequences if not Funded	Cost	WY	Page
5	Employee Development & Training	Increase staff knowledge and proficiency, improving the operation and management of the park system.	A more effective and efficient management and operations team supported by a formal training program that includes core curricula in targeted competencies.	A parks department that is not a nationally recognized leader in park management and operations. Increased liability and exposure. Specialized professionals who do not remain current in their fields. Compromised performance and productivity. Continued failure to provide regular training.	\$100,000		
6	Performance Awards: Retaining and Rewarding Quality Staff	Improve overall staff productivity and increase retention of the department's top performers.	A more motivated and productive workforce.	A valuable tool to reward performance and results will diminish. Performance and results may decline.	\$50,000		
7	Ensuring Playground Safety	Ensure the department's 289 playgrounds are safe and well-maintained.	County children's playgrounds will be safe and up-to-code, clean and free of litter or graffiti. Unsafe materials will be removed or replaced.	Preventive maintenance program standards will not be met, and responses to service requests and repairs will be delayed. New playgrounds added through development of new parks may not receive attention in a timely manner.	\$121,100	1.4	
8	Addressing Public and Animal Safety in Equestrian Centers	Ensure the safety of the patrons and animals at five of our equestrian centers.	Actions will be identified to ensure the life safety of users and animals at Calithea Farm, Rickman Farm and Potomac Horse Center, and specifications and construction documents prepared.	These centers are not well-equipped to protect users or animals in the event of a fire or other catastrophe, and are particularly high risk given the combination of large animals, combustible materials, public users and observers (particularly children), and dated electrical and HVAC systems. The current life safety status of these centers poses significant risk to users and animals as well as a huge liability risk for M-NCPPC.	\$150,000		
9	Protecting Water Quality and Aquatic Biodiversity	Improve water quality and preserve aquatic biodiversity in the department's 457 miles of streams and more than 500 lakes, ponds, and stormwater management facilities.	Best practices will be developed to safeguard or improve the water quality and aquatic biodiversity along our stream valleys and improve recreational experiences for the public such as hiking, biking and fishing.	Continued degradation of streams, irreplaceable wetlands, and related biodiversity.	\$241,800	2.1	
10	Park Planning and Urban Parks	Ensure our parks, particularly urban parks, better meet the needs of our changing county and communities.	Better urban parks and a more informed and responsive CIP process. The department will catch up with current urban park needs and trends, especially for underserved populations.	Parks that do not adequately meet the needs of changing communities, particularly in urban areas. Continued backlog of park master plans that are needed to guide future development.	\$96,000	0.7	

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Montgomery County Department of Parks

FY09 New Initiative Summary Sheet

#	New Initiative	Description / Goal	Anticipated Outcome if Funded	Consequences if not Funded	Cost	WY	Page
11	Traffic Control on Park Roads	Improve patron safety along busy parkways and trails.	Improved pedestrian and traffic safety on heavily trafficked parkways and trails by addressing pedestrian crossings, speed bumps, pavement markings and other traffic control devices.	Increased pedestrian / vehicular incidents and the potential for increased injuries to patrons caused by insufficient safety precautions and traffic control devices on our system's most heavily utilized parkways and trails.	\$25,000		
12	Public/Private Partnership Audit and Analysis	Provide partnership criteria and financial analysis for 11 existing partnerships as well as the 1-2 partnership proposals received each month.	Quicker, more effective partnership process that will produce sustainable partnerships of great value or benefit to the community. Sound decision-making criteria and standards for operational partnership agreements.	Unique recreational or conservation services or activities with significant or extraordinary value to the public will either be inadequately supported if developed or never developed unless there are well-defined criteria based on current partnership experience and adequate support to capitalize on these opportunities in a timely manner.	\$50,000		
13	Green Management Practices	Ensure the department is in compliance with IPM practices as required by federal, state and county law and related M-NCPPC policies.	Enhanced safety of park patrons and staff through the use of least toxic applications, as well as the adoption of a green purchasing program for the entire department.	The department will be in violation of federal, state and county IPM practices as well as related M-NCPPC policy.	\$86,500	0.7	
14	Internships and Fellowships: Cultivating Quality Employees	Enhance and improve the work of the department, recruit quality candidates for employment, and provide meaningful workplace experiences for young adults.	Conservation of resources through the hiring of effective and highly motivated pre-professional staff that could be recruited to fill department positions.	A lost opportunity for a "win-win" situation in which the taxpayers benefit from productivity at low wages, while our young adults benefit from workplace experiences relevant to their career goals.	\$45,000		
15	Outreach Naturalist: Bringing Parks to the Public	Instill an appreciation of nature among residents, especially children, and encourage healthy, outdoor activities.	Introduction of parks to groups that have not traditionally seen parks as meeting their needs. In addition, this would result in more children who chose to spend their free time outdoors instead of in the mall or in front of a computer or television.	A growing number of children and adults in this county with no knowledge or appreciation of the natural world around them will result in a population that does not value the natural environment and is less likely to engage in healthful, outdoor activities.	\$95,600	0.7	

FY09 New Initiative Summary Sheet

#	New Initiative	Description / Goal	Anticipated Outcome if Funded	Consequences if not Funded	Cost	WY	Page
16	Restoring and Preserving Forest Habitat	Begin to restore natural areas that have been very heavily impacted by non-native invasive plants (NIs). Use this modest investment to garner volunteer support and leverage additional grant funding.	Restoration of functioning ecosystems in areas treated for NIs, resulting in healthy, green places for people and wildlife.	Failure to restore these healthy ecosystems will result in increased erosion, decreased habitat for wildlife, less flood control, and a less aesthetically-pleasing park system.	\$16,000		