

MEMORANDUM

September 24, 2009

TO: Montgomery County Planning Board

VIA: Rollin Stanley, Planning Director

FROM: Alison B. Davis, Management Services Chief

SUBJECT: FY 11 Operating Budget Work Program Priorities

The Planning Department is seeking the Board's guidance in its preparation of the FY11 Operating Budget particularly in regard to the direction to achieve a zero growth budget. While we have scaled back, the work program below cannot be accomplished without funding increases.

Background

The Department's FY11 proposed operating budget will continue the program budget format that reflects the matrix structure of the Department's work program. The Planning Department's funding sources are primarily the tax-supported Administration Fund and the Development Review Special Revenue Fund. The Planning Department's adopted FY10 budget is \$18,531,800 after chargebacks. The Department has a workforce complement of 179.15 workyears before chargebacks and lapse.

In FY09, the Department abolished four career positions and workyears and received an overall budget increase of .8%. In FY10, our workforce grew due to the transfer of four positions from the Commissioners' Office. The budget increase from FY09 to FY10 was 2.1% due primarily to the transfer of funding for the positions from the Commissioners' Office. (There was a proportionate reduction as an offset in the Commissioners' Office.)

The tax rate for the Administration Funds has been cut over the past several fiscal years. The Department has addressed the reduced funding source through a retirement incentive, freezing vacancies, abolishing positions, reorganizing to produce efficiencies, alternative hiring methods, and careful scrutinizing of spending. We now are operating with a 16% vacancy rate.

FY11 Outlook

The Planning Department is preparing a zero growth budget. To achieve zero growth, we must plan for a decrease in the service level to accommodate mandatory increases. Proposed increases to personnel services and other operating expenses for FY11 are \$1,960,800. Currently, we have a special appropriation before the Council on MRO and SilverPlace. Depending upon the outcome of discussions, the mandatory increases could grow to \$2,760,800. With a zero growth budget, any increases must be

absorbed. Since 85% of the Department’s expenditure authority is personnel-related, the mandatory increases will have to be accommodated predominately in personnel services.

The chart below itemizes the mandatory increases:

FY10 Budget	FY11 proposed	Amount of new Funding	Reason for Change
Zero Dollar Growth			
\$18,531,800	\$18,531,800	\$229,700	COLA (1.69%)
		\$292,800	Merit Increases
		\$231,800	Annualization of Positions
		\$723,900	OPEB (GASB 45)
		\$353,400	Increases to Retirement Benefits
		\$217,400	Group Insurance and other benefits
		\$86,800	Increases to other operating expenses
		(\$175,000)	Reduction in one tme cost (Zoning and Growth Policy Transportation Study)
Total		\$1,960,800	
Pursuant to the discussion with the Council, this total excludes any OBI due to MRO renovations.			

In addition to the mandatory increase identified above, funding for consulting services is needed. For Clarksburg Stage IV, \$350,000 is needed in FY11 and \$50,000 in FY12. Funding is needed for implementation of the Growth Policy -- \$300,000 for the Highway Mobility report data collection/analysis and \$250,000 for study of options to Local Area Transportation Review (LATR). For on-call consulting services for engineering services to support master plans, such as Rt. 29 Mobility Study and Master Plan of Highways, \$200,000 is needed.

The Development Review Special Revenue Fund continues to be an area of concern. The fund, established in 2006 in response to the violations uncovered in Clarksburg, supported an increase in regulatory review staff. The intent was to define the costs of development reviews using staff hours and other relevant costs, including time spent by others in support of application reviews (e.g. research, technology, administrative and technical support, and legal) as well as a portion of the overhead. At that time the data was estimated and costs projected. The fund was established at what turned out to be the end of the building boom. There were no seed funds appropriated at its inception.

Because of the volatility of the fund, the Planning Board requested that the fund be merged back into the Administration Fund in 2008. The Council did not approve this recommendation. In FY09, the Board recommended a transfer of \$1,773,000 from the Administration Fund to the Development Review Special Revenue Fund, which was approved. In FY10, the Council reduced the amount of the transfer by \$250,000. The Department had to freeze additional vacancies to meet this reduction. The chart below shows the Development Review Special Revenue fees for the last three fiscal years.

	FY07	FY08	FY09
Fee Revenue	\$3,131,921	\$1,690,271	\$1,600,994

In the current fiscal year, July had the lowest collection since the fund was started, August picked up, but the fees for September are running very low. The Department has reduced the number of workyears it charges back to the Development Review Fund, but this puts pressure back on the Administration Fund.

For FY11, the Department again is requesting a transfer from the Administration Fund to the Development Review Special Revenue. The Department is concerned that there will be pressure once again to decrease the amount of the transfer. This and the decreasing fee revenue are areas of extreme concern.

Work Program

The chart below reflects the first cut at the master plan schedule for FY11 and the next two out years.

Plan	Action	Start Date	Planning Board Draft – Transmit to County Council
FY10			
Germantown Plan	Close Out by end of FY10		
FY11			
Gaithersburg West			Approval of SMA and publishing final document
White Flint I			Approval of SMA and publishing final document
Kensington			Approval of SMA and publishing final document
Purple Line Station # 1 -Takoma Langley	Effort is maintained at/near FY10 level		August 2010
Wheaton	Effort is maintained at/near FY10 level		November 2010
Purple Line Station #2 - Long Branch	Effort is maintained at/near FY10 level	January 2010	April 2011
Battery Lane	Start	January 2011	July 2011
Westbard	Defer		
Clarksburg Stage IV	Start	July 2010	December 2011*
White Flint II	Start	September 2010	April 2012
Glenmont	Start	January 2011	November 2012

Plan	Action	Start Date	Planning Board Draft – Transmit to County Council
Neighborhood Planning <ul style="list-style-type: none"> ◦ Washington Adventist Hosp./Columbia Union College ◦ Two nominated by the public 			
FY12			
Rt. 29 Corridor Mobility and Land Use	Start	October 2011	November 2013
Purple Line Station #3 – TBD	Start	April 2012	April 2013
Burtonsville circulation amendment	Start	January 2012	July 2012
Gaithersburg East	Start	January 2012	July 2013
Neighborhood Planning <ul style="list-style-type: none"> ◦ Westbard ◦ Two nominated by the public 			
FY13			
Germantown East	Start	July 2012	April 2014
Purple Line Station #4	Start	January 2013	July 2014
Aspen Hill	Start	January 2014	November 2014

*Assumes funding for consulting services

The following chart reflects the Functional Master Plan Schedule and the biennial Growth Policy

Plan	Action	Start Date	Planning Board Draft – Transmit to County Council
FY10			
Green Infrastructure	Close Out by end of FY10		February/March 2010
Water Resources	Close Out by end of FY10		February/March 2010
Purple Line	Close out by end of FY10		February/March 2010
FY11			
Master Plan of Highways	Close out by mid 2012	Fall 2009	March 2011
Growth Policy			
	Staff Draft by end of FY11	Winter 2010	August 2011

Regulatory

The Department will continue the Zoning Revision. In FY11, we will produce the project approach report and annotated outline. These documents will serve as guidelines for drafting the new zoning code. Staff will work with the consultant team as all sections of the new Code are drafted. This is an iterative process of a series of comments and revisions, while the product is being finalized to prepare a draft for public review. We will continue to manage the Zoning Advisory Panel and use their input to react to the consultant's work products. The project to convert paper maps to GIS with an interactive Hansen component will be completed in preparation for 1) a County-wide corrective map amendment and 2) taking legal steps to make GIS the official zoning map. Staff will continue to keep community groups and other stakeholders updated on the progress of the project through the interactive webpage devoted to the rewrite, as well as workshops and outreach meetings.

A FY11 priority for the Department is the melding of Site Plan and Preliminary Plan processes by designing an entirely new development review process. Instead of needing to go before the Board twice (preliminary and site plan) or three times (project, preliminary and site), applicants will only go to the Board once. Staff will meet with applicants prior to plan submittal to identify areas of concern so they can be resolved early. Following Board approval, applicants will be able to proceed to record plat. Final site plan details, including lighting, landscaping, and recreation, will be done in coordination with staff. This effort will look at the impact on the Development Review Special Revenue Fund.

The above items will have to be dramatically modified to accommodate a zero growth budget.

Performance Measures

The Department will continue its development of performance measures. This includes adding data at the program element level and improving measures as identified. In addition, the Department will undertake more strategic approaches to department-wide systems such as communication, outreach and technology services.