



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

MCPB Date: 11/18/2010
Agenda Item # 10

MEMORANDUM

DATE: November 9, 2010

TO: Montgomery County Park Commission

VIA: Mary R. Bradford, Director of Parks *W Bradford*
Michael F. Riley, Deputy Director of Parks *MFR*
Mary Ellen Venzke, Division Chief, Management Services *Kaw for M&E*

FROM: Karen Warnick, Budget Manager, Management Services *Kaw*

SUBJECT: FY12 Parks Budget Approval

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks Proposed Budgets for 1) the Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY12 Estimated Revenue collected by the Department excluding the property tax collected by the County and interest earned by the Fund.

Background

The Department of Parks has presented the Park Fund budget to the Board in a series of work sessions. On November 1st, the Board approved requesting the proposed Park Fund budget at the FY11 major known commitment level including compensation increases, reinstatement of seasonal staff, operating budget impacts (OBI), non-personnel inflation costs, and a 5% salary lapse. This continues the decreased service levels of the last three budget cycles, in acknowledgement of the current fiscal constraints.

Proposed Budget Information

The Proposed Budget information is included in attachments to this memo.

Attachment 1 - Park Fund Expenditure Summary: \$74,713,100 (excluding debt service, reserves and grants), 8.2% above FY11

Attachment 2 - Enterprise Fund Summary: \$9,619,500 (excluding CIP transfer), 4% above FY11

Attachment 3 - Property Management Fund Summary: \$938,000, 12% below FY11

Attachment 4 - Special Revenue Fund Summary: \$1,764,400, 4% increase over FY11

Attachment 5 – Proposed Park Fund Revenue Budget: \$2,143,300, 8% below FY11

Summary

Staff is requesting the Board's approval of the expenditure funding levels for the Department of Parks FY12 Proposed Budgets for the Park Fund, Enterprise Fund, Property Management Fund, Special Revenue Fund, as well as the Park Fund Revenue shown in this memo.

The next steps in the FY12 budget process are:

Full Commission approves the FY12 Proposed Budget Resolution	December 15, 2010
M-NCPPC submits Budget in Brief according to statutory mandate to County Executive and County Council	January 15, 2011
M-NCPPC Program Budget submitted to County Council	February 15, 2011
County Executive makes recommendations	March 15, 2011
County Council hold Public Hearings on budget	April 2011
County Council Reviews M-NCPPC Budget	April & May 2011
Montgomery and Prince George's County Councils Meet	May 2011
County Councils Adopt Budget	June 2011

Park Fund Expenditure Summary

Historical Background

For the past three fiscal years, the Department of Parks has sustained budget cuts. In FY09 and FY10, Montgomery Parks sustained cuts in technology, staff training, professional contracts, support to outside organizations for events, many horticulture annual plantings as well as select services for managed open space, which included maintenance functions such as routine repairs, litter control and patrols in urban and neighborhood parks. The Department of Parks was also asked to staff several legislatively mandated task groups as well as provide oversight on ICC and other mitigation projects. At the same time, Montgomery Parks received no funding or staffing for the new parks and amenities that came on line through the capital improvements program or from developer built parks.

For FY11, the budget was very sobering and the Department of Parks adopted budget was decreased 12.6% from the FY10 budget. Many divisional budgets were slashed to bare bones. The Department offered a retirement incentive program and 40 Park Fund employees left taking with them considerable historical knowledge and talents. In the restructuring process following the retirements, 63 Park Fund positions were abolished. It has been very challenging to continue to maintain the vast inventory of park facilities while absorbing new parks and new regulatory requirements.

Through a variety of efficiencies, creative sponsorships and fees, the Department has been able to continue to maintain the park system, though maintenance efforts are well below optimum levels. The current level of care can be best described as "Fair or Managed Care". The optimum level of care for a quality park system should be at "Good or Comprehensive Stewardship to Showpiece". If the park system is forced to sustain deeper cuts, the care will be reduced to "Poor or Reactive Management/Crisis Response".

Currently, SmartParks data shows a backlog of 897 work orders for preventive and major maintenance. Montgomery Parks continues to receive comments and complaints from the public about the effects of these changes. If the pattern continues and maintenance deteriorates to reactive management, regular maintenance will no longer be sufficient to sustain some of the parks and amenities.

Restructuring in FY11

Due to the significant Park Fund operating budget reduction in FY11 and subsequent abolishment of 63 positions, the Department of Parks restructured the organization to best accommodate the work program with the positions that remained. This included downsizing from 12 divisions to 10 divisions.

The substantive changes of the restructuring process are as follows:

1. Two division chief positions were abolished: Special Programs and Central Maintenance.
2. Facilities Management division merged functions with the former Central Maintenance division.
3. The SmartParks unit within Facilities Management moved to the Management Services Division to be aligned with the technology operation.
4. The Technology Unit was combined with the Management Services Division as it appears in the Planning Department.

5. Public Affairs and Community Partnerships (formerly Park Information and Customer Service Division) absorbed the duties of the Special Programs Division, including partnerships and volunteers.
6. The four Nature Centers, which were managed within the Northern and Southern Regions, merged with the Horticultural Services Division, renamed as the Horticulture, Forestry and Environmental Education Division.
7. The Northern and Southern Regions were renamed the Northern Parks Division and Southern Parks Division, respectively.
8. The Exhibit Shop moved from the former Central Maintenance Division to Public Affairs and Community Partnerships Division and was tasked more broadly with supporting park information services.

Due to the extent of changes from the restructuring process, there are some dramatic changes in the funding levels by division which, taken out of context, can be very misleading. The Park Fund totals shown on page 10 show the real story and can be used to compare the overall funding levels changes from FY11 Adopted Budget to the FY12 Proposed Budget.

Lapse

Budgeted personnel costs are reduced by a normal lapse factor each year to account for the "savings" arising from the natural phenomenon of staff turnover and the time it takes to fill a vacated position. In recent budget years, the lapse factor has developed into a way to artificially adjust the budget and obtain savings on staff costs. This has imposed artificial limitations on recruitment through hiring freezes to the detriment of providing Park services.

In FY09, the County Council increased the mandatory lapse to 7.5% as a means of reducing the Parks budget without specifying a particular reduction in service. Additionally in FY09, the Department had a retirement incentive program in which 14 employees participated. These positions were also frozen that year in effect increasing the imposed lapse to 9%.

In FY10 budget submission, the Department requested lowering the lapse rate to 6%. The County Council again raised the lapse to 7.5% as a budget savings measure as well as continuing the freezing of the 14 retirement incentive positions.

In light of the economic climate last year, the Department's FY11 budget submission did not request a change to the 7.5% lapse rate nor the unfreezing of the 14 retirement incentive positions. This meant that, in order to meet the effective 9% lapse rate, the Department had to keep 66 positions out of 735 positions vacant.

For the FY12 proposed budget, the Department is proposing a 5% lapse rate. After the abolishment of 63 positions, the 5% lapse rate would equate to keeping 33.5 positions vacant out of 673 positions. This is a reduction of \$2,862,500 from the personnel budget.

Park Fund Overall FY12 Proposed Budget

The proposed FY12 Park Fund Base Expenditure Budget is \$73,559,100, excluding debt service, reserves and grants. This is a 6.6% increase over the FY11 adopted budget, but less than required to address the growing backlog of deferred maintenance and projects.

The increases included in the FY12 Proposed Base Budget are:

Retirement Increases	\$2,160,000
Employee Health Cost Increases	\$90,000
Furlough Elimination	\$1,425,000
Reinstatement of Seasonal Employees	\$699,100
Non-personnel Costs for Known Inflationary Increases	\$175,000

The FY12 Park Fund Base Expenditure Budget Plus Adjustments is \$74,713,100, excluding debt service, reserves and grants. This is an 8.2% increase over the FY11 adopted budget.

In addition to the increases shown above, the Base Budget Plus Adjustments also includes:

Compensation Adjustments	\$1,105,000
Unbudgeted Park Obligations (OBI)	\$799,000
Efficiencies in Utilities and Rent Elimination Through Consolidation	(\$790,000)

The Park Fund Base Budget Plus Adjustments funds all the personnel increases shown above and increases the non-personnel costs (supplies & materials, other services and charges) by only \$175, 000 for known inflationary increases including technology maintenance agreements and credit card fee increases. Other specific line item increases for non-personnel costs are absorbed in the FY11 dollar level. The Department has participated in an energy management program for several years and expects significant cost savings in FY12. In addition, by ending space rental arrangements and consolidating staff into existing office space, Parks projects rental savings in FY12. These proactive efficiencies will be highlighted in the budget submission.

The total funding increase for the major known commitments level is \$5,663,020 higher than the FY11 adopted budget. This does not include funding for Other Post Employment Benefits (OPEB) of \$2,318,300, which is a 3.4% increase over the FY11 Budget.

Unfunded Park Obligations

Montgomery Parks has acquired approximately 3,500 acres in the last 10 years. This is a 11% increase. There are currently 414 parks in the park system. In addition to adding acreage through the Acquisition program, the Department continues to expand existing parks with new amenities as the county grows, and provides new developed parks through the Capital Improvement Program (CIP), Developer Built Projects, Partnerships and projects resulting from the Inter-County Connector.

The last time the Department received any new work years for Park expansion was in FY09. An imposed lapse, which was increased to 7.5%, forced Parks to freeze all of the new positions. Parks did not request any new work years in FY10 due to budget constraints and the FY11 requested work years and funding was cut from the budget.

The staffing and non-personnel impacts of the projects completed in FY11 and projects expected to be completed in FY12 total \$799,000. Examples of projects that have come or are coming on-line with significant impacts on the work programs include the following:

- Woodstock Riding Rings (unless Council accepts the Planning Board recommendation to defer opening)
- Dowden's Ordinary Special Park
- Arora Hills Local Park

In addition, a significant unfunded obligation is the requirement to comply with the Clean Water Act, National Pollutant Discharge Elimination System (NPDES) permit program. This will have a new major staffing impact.

Chart

The charts on the next 4 pages show the FY11 Adopted Budget and the FY12 Proposed Budget by division for the Park Fund.

FY12 Proposed Park Fund Expenditure Budget

11/5/2010

Expenditure by Major Object	FY11 Adopted Budget	FY12 Proposed Budget	Increase/ (Decrease) from FY11
Director's Office			
Personnel Services	755,100	883,600	128,500
Supplies & Materials	2,500	2,500	-
Other Services & Charges	22,900	22,900	-
Capital Outlay	-	-	-
Sub Total	780,500	909,000	128,500
Chargebacks	-	-	-
Total	780,500	909,000	128,500
Public Affairs & Community Partnerships			
Personnel Services	871,500	1,838,500	967,000
Supplies & Materials	25,500	102,600	77,100
Other Services & Charges	95,800	149,800	54,000
Capital Outlay	-	-	-
Sub Total	992,800	2,090,900	1,098,100
Chargebacks	(53,700)	(55,500)	(1,800)
Total	939,100	2,035,400	1,096,300
Special Programs			
Personnel Services	571,900	-	(571,900)
Supplies & Materials	22,500	-	(22,500)
Other Services & Charges	45,600	-	(45,600)
Capital Outlay	-	-	-
Sub Total	640,000	-	(640,000)
Chargebacks	-	-	-
Total	640,000	-	(640,000)
Management Services			
Personnel Services	816,500	2,485,700	1,669,200
Supplies & Materials	500	251,600	251,100
Other Services & Charges	5,000	688,200	683,200
Capital Outlay	-	-	-
Sub Total	822,000	3,425,500	2,603,500
Chargebacks	-	(50,000)	(50,000)
Total	822,000	3,375,500	2,553,500
Facilities Management (old)			
Personnel Services	638,000	-	(638,000)
Supplies & Materials	2,100	-	(2,100)
Other Services & Charges	232,900	-	(232,900)
Capital Outlay	-	-	-
Sub Total	873,000	-	(873,000)
Chargebacks	-	-	-
Total	873,000	-	(873,000)

FY12 Proposed Park Fund Expenditure Budget

11/5/2010

Expenditure by Major Object	FY11 Adopted Budget	FY12 Proposed Budget	Increase/ (Decrease) from FY11
Technology Center			
Personnel Services	904,800	-	(904,800)
Supplies & Materials	277,000	-	(277,000)
Other Services & Charges	527,100	-	(527,100)
Capital Outlay	-	-	-
Sub Total	1,708,900	-	(1,708,900)
Chargebacks	(50,000)	-	50,000
Total	1,658,900	-	(1,658,900)
Park Planning & Stewardship			
Personnel Services	2,888,300	3,203,800	315,500
Supplies & Materials	70,700	70,700	-
Other Services & Charges	310,800	344,800	34,000
Capital Outlay	-	-	-
Sub Total	3,269,800	3,619,300	349,500
Chargebacks	(309,300)	(384,300)	(75,000)
Total	2,960,500	3,235,000	274,500
Park Development			
Personnel Services	4,289,700	5,107,300	817,600
Supplies & Materials	74,800	52,800	(22,000)
Other Services & Charges	52,700	74,700	22,000
Capital Outlay	-	-	-
Sub Total	4,417,200	5,234,800	817,600
Chargebacks	(2,031,600)	(1,950,300)	81,300
Total	2,385,600	3,284,500	898,900
Park Police			
Personnel Services	10,397,100	11,546,200	1,149,100
Supplies & Materials	604,800	604,800	-
Other Services & Charges	286,600	286,600	-
Capital Outlay	-	-	-
Sub Total	11,288,500	12,437,600	1,149,100
Chargebacks	-	-	-
Total	11,288,500	12,437,600	1,149,100
Horticulture, Forestry & Environmental Education			
Personnel Services	4,895,100	7,059,800	2,164,700
Supplies & Materials	334,200	488,400	154,200
Other Services & Charges	163,700	190,200	26,500
Capital Outlay	-	-	-
Sub Total	5,393,000	7,738,400	2,345,400
Chargebacks	(120,100)	(120,100)	-
Total	5,272,900	7,618,300	2,345,400

FY12 Proposed Park Fund Expenditure Budget

11/5/2010

Expenditure by Major Object	FY11 Adopted Budget	FY12 Proposed Budget	Increase/ (Decrease) from FY11
Facilities Management (Previously Central Maintenance)			
Personnel Services	8,738,300	8,906,300	168,000
Supplies & Materials	1,733,300	1,677,400	(55,900)
Other Services & Charges	948,300	1,186,200	237,900
Capital Outlay	-	-	-
Sub Total	11,419,900	11,769,900	350,000
Chargebacks	(660,000)	(660,000)	-
Total	10,759,900	11,109,900	350,000
Northern Parks			
Personnel Services	7,324,900	7,333,700	8,800
Supplies & Materials	570,900	524,000	(46,900)
Other Services & Charges	131,100	96,100	(35,000)
Capital Outlay	-	-	-
Sub Total	8,026,900	7,953,800	(73,100)
Chargebacks	(77,000)	(77,000)	-
Total	7,949,900	7,876,800	(73,100)
Southern Parks			
Personnel Services	10,205,300	10,482,900	277,600
Supplies & Materials	1,031,300	967,800	(63,500)
Other Services & Charges	326,100	290,800	(35,300)
Capital Outlay	-	-	-
Sub Total	11,562,700	11,741,500	178,800
Chargebacks	(63,700)	(63,700)	-
Total	11,499,000	11,677,800	178,800
Support Services			
Personnel Services	1,562,690	256,400	(1,306,290)
Supplies & Materials	1,460,400	1,666,000	205,600
Other Services & Charges	7,605,890	7,474,700	(131,190)
Capital Outlay	-	-	-
Sub Total	10,628,980	9,397,100	(1,231,880)
Chargebacks	591,300	642,200	50,900
Total	11,220,280	10,039,300	(1,180,980)

FY12 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY11	FY12	Increase/ (Decrease) from FY11	11/5/2010 % Change from FY11 Adopted
	Adopted Budget	Proposed Budget		
Park Fund Total				
Personnel Services	54,859,190	59,104,200	4,245,010	7.7%
Supplies & Materials	6,210,500	6,408,600	198,100	3.2%
Other Services & Charges	10,754,490	10,805,000	50,510	0.5%
Capital Outlay	-	-	-	-
Sub Total	71,824,180	76,317,800	4,493,620	6.3%
Chargebacks	(2,774,100)	(2,718,700)	55,400	-2.0%
Base Budget Total	69,050,080	73,599,100	4,549,020	6.6%
Base Budget Plus Adjustments				
Base Budget Total	69,050,080	73,599,100	4,549,020	6.6%
Compensation Adjustments	-	1,105,000	1,105,000	-
Operating Budget Impacts (OBI)	-	799,000	799,000	-
Efficiencies in Utilities and Rent	-	(790,000)	(790,000)	-
Total Base Budget + Adjustments	69,050,080	74,713,100	5,663,020	8.2%
Grants	400,000	400,000	-	0.0%
Debt Service	4,307,800	4,867,900	560,100	13.0%
Total Budget (before OPEB)	73,757,880	79,981,000	6,223,120	8.4%
Other Post Employment Benefits (OPEB)				
OPEB	-	2,318,300	2,318,300	-
Total Budget Request with OPEB	73,757,880	82,299,300	8,541,420	11.6%

Enterprise Fund Summary

Enterprise Fund Overall FY12 Proposed Budget

The Enterprise Fund oversees the operation of the revenue producing facilities. Revenues are generated primarily through user fees and other non-tax supported sources. The Enterprise Fund proposed FY12 budget reflects \$9.77 million in revenues and \$9.62 million in expenditures including debt service and capital improvement projects for a net profit of \$151,800. This is a \$409,700 reduction from the FY11 budget primarily due to personnel services which includes hiring three key positions, increased medical and retirement costs, and funding other post employment benefits (OPEB). An additional \$50,000 is added to Chargebacks for support for lease and contract administration from the Property Management Office.

The Enterprise Fund is required to be self sustaining. In FY12 the Enterprise Fund again will not require funding from the Park Fund for debt service, therapeutic recreation programming or the event centers usage. The Enterprise Fund has a debt service payment of \$1.26 million in FY12, which includes \$404,300 for Little Bennett Golf Course, \$359,300 for Wheaton Ice Arena and \$496,000 for Cabin John Ice.

The chart on the next page shows the FY12 proposed revenues and expenditures for the Enterprise Fund.

Revenues

The FY12 Enterprise Fund proposed revenues are lower by \$64,000, or less than 1%, from the FY11 approved budget. This revenue reduction is primarily due to a slightly aggressive FY11 forecast for several facilities as well as a reflection of the current economic climate. Wheaton Tennis is still new and building a client base. The revenue projections were adjusted for FY12 based on FY10 actuals. The Wheaton Outdoor Rink is a covered facility used to house the successful Week in the Park summer camp and other dry floor activities during the spring and fall seasons. In FY11, improvements at the outdoor rink will allow soccer, lacrosse and futsal leagues to be added. Overall, revenues for all enterprise rental programs are expected to increase \$432,100 or 17%. Revenues from fiber optics are projected to decrease \$109,000 or 32%.

Expenditures

The FY12 Enterprise Fund proposed expenditures are increased by \$345,700, or 4%, from the FY11 approved budget. The expenditure increases are primarily due to personnel services, facility improvements (including repairs and maintenance) and the addition of \$50,000 increase in chargebacks to Property Management (0.5 work year) for assistance with administration of leases and contracts. In addition there were increases in the mandatory obligations including OPEB, retirement and fringe benefit costs.

In Park Facilities, Other Services & Charges are projected to increase \$64,800 or 13.5% with the addition of the Olney Manor Skate Park, train track maintenance, and reinvesting in the park facilities. The Tennis Facilities are projected to decrease \$98,100 or 18% for FY12 based on FY10 actual utility expenditures, a decrease in instructors' contracts and overall better efficiencies at the facilities.

Enterprise Fund

Summary of Annual Comparisons by Major Object	Actual FY09	Actual FY10	Budget FY11	Estimate FY11	Proposed FY12
REVENUE (MAJOR SOURCE)					
Fees and Charges	\$5,456,653	\$5,908,744	\$6,372,000	\$5,957,900	\$6,065,100
Rentals	\$2,419,036	\$2,647,483	\$2,586,400	\$2,754,500	\$3,018,500
Merchandise Sales	\$651,471	\$637,367	\$761,200	\$645,900	\$649,300
Concessions	\$88,899	\$55,850	\$88,500	\$28,700	\$29,200
Interest	\$49,735	\$11,918	\$30,000	\$12,000	\$12,000
Intergovernmental Revenue (POS)	\$82,249	\$150,000	\$0	\$0	\$0
Subsidies ¹	<u>\$619,000</u>	<u>\$35,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Revenue	\$9,367,043	\$9,446,362	\$9,838,100	\$9,399,000	\$9,774,100
EXPENDITURE					
Personnel Services	\$2,999,495	\$3,002,271	\$3,061,400	\$2,872,600	\$3,156,500
Administration ²	\$849,390	\$937,253	\$905,100	\$890,300	\$1,200,800
Chargebacks ²	\$398,000	\$378,551	\$396,500	\$396,500	\$446,500
Cost of Goods Sold	\$356,967	\$345,027	\$406,300	\$323,400	\$325,200
Supplies & Materials	\$503,561	\$431,349	\$472,900	\$512,100	\$497,200
Other Services & Charges (includes utilities)	\$2,574,006	\$2,542,369	\$2,659,300	\$2,635,300	\$2,636,400
Capital Outlay (Not Financed)	\$54,988	\$0	\$0	\$20,000	\$0
Debt Service on Revenue Bonds	\$214,344	\$168,753	\$133,500	\$133,500	\$83,200
Principal on Equipment Financed	\$1,107,223	\$1,129,558	\$1,141,600	\$1,141,600	\$1,176,500
Interest on Equipment Financed	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditure	\$9,057,974	\$8,935,131	\$9,176,600	\$8,925,300	\$9,522,300
Revenue Over(Under) Expenditure	\$309,069	\$511,231	\$661,500	\$473,700	\$251,800
CASH FLOW ELEMENTS					
CIP Transfers, Per Appropriation	<u>\$225,724</u>	<u>\$0</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
Net Increase/(Decrease) in Cash	\$83,345	\$511,231	\$561,500	\$373,700	\$151,800
Positions/Workyears Full Time Career	32.00	32.00	32.00	32.00	32.00
Positions/Workyears Part-Time Career	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Positions/Workyears Total Career	32.00	32.00	32.00	32.00	32.00
Positions/Workyears Term Contract	1.00	1.00	1.00	1.00	1.00
Seasonal/Intermittent	68.70	83.00	75.00	80.80	82.40
Chargebacks	2.90	2.90	2.90	2.90	3.40
Less Normal Lapse	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Workyears Total	104.60	118.90	110.90	116.70	118.80

1- FY11 - Eliminate Park Fund Funding for therapeutic ice skating program and public service events at event centers.

2-Administrative and chargeback costs are allocated to the various facilities in the fund on a percentage basis.

Property Management Fund Summary

Property Management Fund Overall FY12 Proposed Budget

The Property Management Fund is a self-sustaining program financed by the revenue derived from the rentals of park houses and other leases. The FY12 budget request is \$938,000 or 12% lower than last year's budget due to the reduction in the park house inventory.

The chart on the next page shows the FY12 proposed revenues and expenditures for the Property Management Fund.

Property Management Fund Overview

The Property Management program provides lease administration and property management for a diverse portfolio of agricultural agreements including: crop leases, day care centers, grazing leases, hay permits, ancillary buildings, radio towers, commercial buildings, equestrian facilities, life estate properties, parking lots, historic properties, public private partnerships and a number of unique facilities and programs which serve the public.

The Property Management Office provides oversight and administration of a contractual property management firm who manages the leases, upkeep and maintenance of the Department's residential housing. Rent for these residential properties is set at fair market value of the properties based on real estate comparables.

The Property Management Office also coordinates the demolition of houses and other structures to remove them from the inventory for safety factors, poor overall condition, and/or conflict with pending park development.

Changes in FY12

Rental income is projected to be \$74,000 lower than the FY11 budget as a reflection of fewer leased facilities and properties.

The Other Services and Charges expense category is decreasing \$49,400 from the FY11 approved budget but is \$200,000 higher than FY10 actual expenses. This is a continuation of the program started in FY11 to fund additional contractors to address the significant backlog of deferred maintenance. Reducing the backlog will decrease liability, provide safer facilities and improve stewardship levels.

At the time of preparing the FY11 budget, the Property Management Fund included a chargeback of \$52,500 for 0.5 work year to the Special Programs Division. This chargeback was discontinued in late FY10 and was removed from the FY11 Estimated budget. The FY12 proposed budget includes a \$50,000 and 0.5 work year from the Enterprise Fund for assistance with lease administration provided for leases/contracts in the Enterprise Fund.

FY12 Property Management Fund Summary

Summary of Annual Comparisons by Major Object	Actual FY09		Actual FY10		Budget FY11		Estimate FY11		Proposed FY12	
REVENUE (MAJOR SOURCE)										
Rentals	\$876,219		\$786,393		\$807,000		\$807,000		\$733,000	
Interest	\$29,818		\$5,488		\$10,000		\$10,000		\$5,000	
Fund Balance from Prior Years	\$0		\$0		\$250,000		\$250,000		\$200,000	
Total Revenue	\$906,037		\$791,881		\$1,067,000		\$1,067,000		\$938,000	
EXPENDITURE										
Personnel Services	\$297,669		\$313,326		\$310,100		\$310,100		\$335,500	
Supplies & Materials	\$948		\$931		\$2,800		\$2,800		\$0	
Other Services & Charges	\$575,040		\$452,951		\$701,900		\$754,100		\$652,500	
Sub Total	\$873,657		\$767,208		\$1,014,800		\$1,067,000		\$988,000	
Chargebacks	\$32,380		\$24,700		\$52,200		\$0		(\$50,000)	
Total Expenditure	\$906,037		\$791,908		\$1,067,000		\$1,067,000		\$938,000	
Revenue Over(Under) Expenditure	\$0		(\$27)		\$0		\$0		\$0	
Positions/Workyears Full Time Career	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Positions/Workyears Part-Time Career	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Positions/Workyears Total Career	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Positions/Workyears Term Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Seasonal/Intermittent		0.00		0.00		0.00		0.00		0.00
Chargebacks		0.50		0.50		0.50		0.00		(0.50)
Less Normal Lapse		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>
Workyears Total		3.50		3.50		3.50		3.00		2.50

1-Chargebacks: FY10 Budget: 0.5 WYs from Special Programs Division

2-Chargebacks: FY11 Budget: 0.5 WYs from Special Programs Division. Chargeback discontinued in late FY10 and not included in FY11 Estimated budget.

3-Chargebacks: FY12 Budget 0.5 WYs to Enterprise Fund

Special Revenue Fund Summary

Special Revenue Fund Overall FY12 Proposed Budget

The Special Revenue Fund has a projected beginning balance of \$219,896. The proposed FY12 budget reflects revenues of \$1,613,200 and expenditures of \$1,764,400. This level of expenditures will leave an ending balance of \$68,697.

The chart on page 17 shows the FY12 proposed revenues and expenditures for the Special Revenue Fund.

Special Revenue Funds - Background

Special Revenue Funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue funds are used when the expenditure of resources is restricted by the Commission or where there is a need to separate the accounting and budgeting for the expenditure of resources.

The Special Revenue budget is comprised of several separate funds. Special Revenue programs are shown separately if the annual appropriation is material. Smaller programs are combined, e.g. various interagency agreements.

Special Revenue Fund budgets are prepared as a proposal for revenues, expenditures, and associated workyears as well as fund balances. Special Revenue fund balances will not be shown consolidated with the tax supported funds to avoid confusing the resources of one fund type with another.

Special Revenue Funds Synopsis

The following is a synopsis of the special revenue accounts included in the FY12 proposed budget.

Historic Renovations

The fund contains property management revenues and other fees that are committed to the preservation of historic properties owned by Montgomery County Parks. The funds are earmarked for capital improvements to historic park properties.

Park Police – Drug Enforcement Fund

This fund was established pursuant to Maryland law. The law provides the authority to seize property as a result of drug-related crime conviction. This is an on-going activity for drug enforcement within the Montgomery County Park system.

Park Police – Federally Forfeited Property

The Federal Forfeited Property Fund was established pursuant to Federal law. This fund allows for certain drug-crime related assets to be seized and forfeited to the agency. When a forfeiture is approved by the court, the seized funds may then be used to purchase equipment and other resources to combat drug-related crimes in the park system.

Interagency Agreements

The special revenue fund for interagency agreements includes revenues from other agencies and governments for work the Commission performs on a "reimbursement for service" basis. The Commission maintains agreements with Montgomery County to assist with ball field maintenance, and with other agents for seasonal policing and field maintenance. The large increase in FY11, including 0.3 work years, was attributed to moving the funding and expenses for maintaining the Montgomery County Public School ball fields to this special revenue account from the Park Fund.

Park Cultural Resources

This program provides supplemental funding for expanding and enhancing historic interpretation and archaeology educational camps and programs. Revenues are generated through seasonal employee-led archaeological programs, archaeological camps, special events at public historic sites, guided historical tours, and school programs. Expenditures are used for seasonal salaries as well as other non-budgeted expenses such as supplies and materials, performers, scholars, interpretive displays, and volunteer docent materials related to historic and archaeological programs.

Special Events

This fund provides for work the Commission performs on a "reimbursement for service" basis for special events and tournaments in the parks. In FY09, greater emphasis was placed on determining appropriate fees and is reflected in the increased revenues and expenditures shown beginning in FY10. This fund also provides for reimbursements for field restorations for operating camps in various parks.

Nature Programs and Facilities

This fund provides supplemental funding through budgeted proceeds for expanding and enhancing nature and environmental educational programs and projects at the nature facilities. Revenues are generated through seasonal employee-led nature center camps and special event admissions. Expenditures are used for seasonal salaries as well as other non-budgeted expenses such as supplies and materials, performers, scholars, interpretive displays, and animal supplies/services related to the camps and special events. Revenues and expenses for camps or programs offered by career staff are accounted for in the Park Fund.

Special Donations and Programs

Special Donations and Programs include donations and contributions designated for specific purposes or projects that are not part of the normal tax-supported programs in the Park Fund.

Changes for FY11

There are two new Special Revenue Funds included in the FY12 budget, one for donations from the reformed Montgomery County Park Foundation and the other for the new Parks Corporate Sponsorships initiative. Both are included in the Special Donations and Programs account.

The Foundation Special Revenue Account will allow the Department of Parks to utilize the money collected by the Foundation for purposes appropriate to the donation. Through the Sponsorship Special Revenue Account, the Department is proposing to include one work year to support the new sponsorship program for the Parks.

FY12 Special Revenue Fund Summary

Special Revenue Fund Summary	Actual FY10	Budget FY11	Estimated FY11	Proposed FY12
<u>BEGINNING FUND BALANCE REVENUE</u>	\$439,899	\$251,946	\$251,946	\$219,896
Intergovernmental Revenues	\$191,685	\$1,015,000	\$1,015,000	\$965,000
Sales	\$0	\$0	\$0	\$0
Charges for Services	\$0	\$30,000	\$30,000	\$33,000
Recreation/User Fees	\$94,398	\$95,800	\$98,000	\$139,800
Rentals/Concessions	\$38,484	\$20,100	\$53,600	\$65,600
Interest	\$2,755	\$2,000	\$2,000	\$2,800
Miscellaneous Revenues	<u>\$52,870</u>	<u>\$371,500</u>	<u>\$117,000</u>	<u>\$407,000</u>
TOTAL REVENUE	\$380,191	\$1,534,400	\$1,315,600	\$1,613,200
EXPENDITURE				
Personnel Services	\$258,647	\$345,000	\$317,700	\$458,600
Supplies and Materials	\$103,249	\$418,800	\$246,858	\$248,900
Other Services and Charges	\$23,101	\$865,200	\$803,950	\$933,500
Capital Outlay	\$47,918	\$32,000	\$27,000	\$67,000
Other Classifications	<u>\$50,970</u>	<u>\$36,400</u>	<u>\$36,400</u>	<u>\$56,400</u>
TOTAL EXPENDITURE	\$483,886	\$1,697,400	\$1,431,908	\$1,764,400
Total Revenue Less Expenditure	<u>(\$103,695)</u>	<u>(\$163,000)</u>	<u>(\$116,308)</u>	<u>(\$151,200)</u>
ENDING FUND BALANCE	\$336,204	\$88,945	\$219,896	\$68,697
Workyears	0.00	0.00	0.00	1.30

Park Fund Operating Revenue Summary

Park Fund Operating Revenue Fund FY12 Proposed Budget

The FY12 Park Fund Operating Revenue is projected to be \$2,143,300. This is a decrease of \$187,300 or 8% from the FY11 Adopted Budget and is \$48,262 or 2% lower than FY10 Actuals.

Facilities User Fees are projected to be \$145,700 lower than FY11 Budget but \$266,099 higher than FY10 Actuals. The FY10 actuals were low in part due to the unusually large number of rainouts requiring field permit refunds and the closing of 11 park activity buildings. The FY12 proposed budget is higher than FY10 actuals based on normal weather patterns and projected fee increases but lower than FY11 budget due to fewer staff available for revenue producing activities.

The Grants budget accounts for small grants that may be received throughout the year. In FY10, the Department received over \$300,000 from the Federal Emergency Management Agency (FEMA) for reimbursement for snow removal for the two large snow storms last year.

Miscellaneous revenue is projected to be \$74,000. This is \$11,600 lower than FY11 Budget due to lower staffing levels in revenue generating areas. The FY10 actual was significantly higher due to unexpected fines and permit fees received.

The chart below shows the FY12 proposed operating revenues for the Park Fund.

FY12 Proposed Park Fund Revenue

	Actual FY09	Actual FY10	Budget FY11	Proposed FY12
REVENUES				
Facilities User Fees	\$1,446,153	\$1,433,201	\$1,845,000	\$1,699,300
Grants	\$295,466	\$589,371	\$400,000	\$400,000
Miscellaneous Revenue	\$145,549	\$168,990	\$85,600	\$74,000
Total Revenue	\$1,887,168	\$2,191,562	\$2,330,600	\$2,143,300