



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

MCPB Date: 11/29/2012
 Agenda Item # 9

MEMORANDUM

DATE: November 21, 2012
 TO: Montgomery County Park Commission
 VIA: Mary R. Bradford, Director of Parks *Mary R. Bradford*
 Michael F. Riley, Deputy Director of Parks *MFR*
 Mary Ellen Venzke, Division Chief, Management Services *Mary Ellen Venzke*
 FROM: Karen Warnick, Budget Manager, Management Services *Karen Warnick*
 SUBJECT: FY14 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 FY14 Estimated Revenue collected by the Department excluding the property tax collected by the County and interest earned by the Fund.

Background

On October 11th, the Board approved the Department of Parks' request to prepare the FY14 Proposed Park Fund budget at the base budget plus essential needs budget level. The Planning Board recognized that, although major known commitments may be growing faster than revenue, the Parks cannot continue to defer requesting the funds for essential needs.

The Department of Parks also manages the budgets for the Enterprise Fund, Property Management Fund, and the Special Revenue Fund. These fund summaries are presented in this memo.

In addition, the Department of Parks generates revenue from user fees, grants, and other sources including revenue from the County's Water Quality Protection Fund. The proposed revenue budget is also presented in this memo.

Proposed Budget Information

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

Attachment 1	Park Fund Expenditure	Largely Tax Supported	\$83,684,430	2.7% above FY13
Attachment 2	Enterprise Fund	Self Sufficient	\$9,971,767	0.2% above FY13
Attachment 3	Property Management Fund	Self Sufficient	\$905,600	4.5% above FY13
Attachment 4	Special Revenue Fund	Self Sufficient	\$1,671,872	0.9% above FY13
Attachment 5	Park Fund Revenue:	Non-Tax Revenue	\$4,598,301	14.4% above FY13

Summary

Staff is requesting the Board's approval of the expenditure funding levels for the Department of Parks FY14 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.

Next Steps

The next steps in the FY14 budget process are:

Full Commission approves the FY14 Proposed Budget Resolution	December 19, 2012
M-NCPPC submits Budget in Brief according to statutory mandate to County Executive and County Council	January 15, 2013
County Executive makes recommendations	March 15, 2013
County Council hold Public Hearings on budget	April 2013
County Council Reviews M-NCPPC Budget	April & May 2013
Montgomery and Prince George's County Councils Meet	May 2013
County Councils Adopt Budget	May 2013

Park Fund Expenditure Summary

Background

The Park Fund operating budget for the past several years has been diminishing. The FY12 budget was \$7.5M less than FY09, a 9.5% decrease. Although the FY13 adopted budget was 6.8% higher than the FY12 budget, it was still \$2.4M or 3.1% less than FY09 and included increases only for known commitments, operating budget impacts, and a one-time salary adjustment. It did not address the growing backlog of deferred maintenance.

Despite the erosion of funding over the past few years, Montgomery Parks continues to maintain new acreage and amenities. The park land has grown by approximately 1,260 acres or 3.7% since FY09 and 8 new parks including 3 stream valley parks, 2 conservation parks, 2 local parks, and 1 urban park. In addition, new facilities have been added to the inventory.

During this time, the number of career staff have decreased by 52 positions, or 7.2% from FY09 adopted to FY14 proposed. There are currently 418 parks to maintain. Staff is spread thin. Current maintenance efforts are below optimum levels and Park staff is stressed to deliver quality services to a community with high expectations.

For FY14, the Department of Parks again included increases for known commitments, operating budget impacts, and a salary adjustment. For the first time in many years, the Department also included an essential needs request. A long list was developed of the needs not being met through the current budget including additional administrative support or archaeological staff. Despite these and other worthy items, Parks limited the submission to only those items that addressed maintenance and safety.

Park Fund Overall FY14 Proposed Budget

The proposed FY14 Park Fund budget is \$83,684,430. This is a 2.7% increase over the FY13 adopted budget but only \$500,000 or 0.7% higher than the FY09 budget. This funding level is still less than required to address the growing backlog of deferred maintenance and projects.

The budget includes \$497,262 for increases for National Pollution Discharge Elimination System (NPDES) functions which will be funded by the County's Water Quality Protection Fund and will not increase the Park fund. Without the NPDES increases, the FY14 Park Fund increase is \$1,707,012 or a 2.1% over the FY13 adopted budget.

The changes from the FY13 Proposed Budget are:

	FY13 Adopted Budget	\$81,503,755
BASE BUDGET		
Major Known Commitment Increases		
	Salaries	\$110,000
	Health Insurance	\$131,757
	Retirement	\$771,367
	Salary Adjustment	\$141,329
	Other Post-Employment Benefits (OPEB)	\$238,599
	Unemployment; Group Long Term Disability (LTD); Lapse	(\$152,022)
	Risk Management	(\$460,400)
	Capital Equipment(ISF, Commission wide IT)	\$301,800
	Operating Budget Impact (OBI)*	\$276,916
	NPDES*√	\$497,262
	Utilities; Gasoline; Other Petroleum Based Products*	\$234,900
	Contractual Changes*	\$255,581
	Contractual Savings	(\$64,009)
	Chargebacks	\$1,794
	Debt Service on General Obligation Bonds	(\$780,600)
	Subtotal Increase Base Budget Request	\$1,486,274
	Preliminary Percent Change in Base from FY13 Adopted	1.8%
BASE PLUS		
Essential Needs Request		
	Capital Outlay*	\$500,000
	Preventive Tree Maintenance Program*	\$200,000
	Subtotal Increase Essential Needs Request	\$700,000
	Total Increase FY14 Proposed Budget Request	\$2,186,274
FY14 Park Fund Budget Request		\$83,690,029
	Preliminary Percent Change in Total Request from FY13 Adopted	2.7%

* These increases are described in the narrative below.

√ The NPDES increase is intended to be funded by the Water Quality Protection Fund and not the Park Fund. The overall increase without the NPDES increase is \$1,707,012 or 2.1%

BASE BUDGET

Operating Budget Impact

Operating Budget Impacts (OBI) are the costs associated with the operating, maintaining and policing of new and expanded parks. This increase is recognized and approved as part of the Capital Improvements Program (CIP) when the project is submitted through the CIP budget process.

In FY14, Montgomery Parks is requesting \$276,916 in additional funding for operating budget impacts for added resources necessary to implement completed CIP work programs associated with new or expanded park infrastructure.

This includes 1 full-time career maintenance position/work year and seasonal staff funding for 0.3 work years for arboriculture services.

The funding is for the following parks/projects:

Northwest Branch	\$235,904	(of this, \$182K is one time capital outlay equipment)
Darnestown	\$ 5,000	
Woodstock	<u>\$ 32,986</u>	
	\$273,890	
Legacy Open Space (LOS)	<u>\$ 3,026</u>	
	\$276,916	(or \$94,916 without one time capital outlay equipment)

The OBI funding requested by personnel and non-personnel is:

Personnel	\$ 57,468
Non-Personnel (on-going)	\$ 37,448
Non-Personnel (one-time)	<u>\$182,000</u>
	\$276,916

The acquisitions through LOS are:

- 0.46 acres in Upper Paint Branch Stream Valley Park (Steadman property)
- 2.07 acres in Sligo Creek Stream Valley Park, Unit 4 (Smith-Edwards property)

Projected Cost Recovery for Woodstock

The OBI funding the Woodstock Park is for the maintenance of an equestrian facility. Unlike the other equestrian facilities in the Department, which are rented through the Property Management Office, this facility will be open to the public to use during day-light hours when the facility is not permitted by the public for equestrian functions.

The projected FY14 revenue from the permits issued for this facility is \$16,000. Only direct costs are considered when calculating cost recovery goals. At this time, the known direct costs for FY14 are the OBI costs of \$32,986. This would make the cost recovery 49% for the combined usages - - Level 1 – Open Facility/Area Usage (0% minimum goal) for the walk on use and Level 5 – Permitted Services (125% minimum goal) for the exclusive rental use.

Known Operating Commitments

Known operating commitments include contractual or mandated increases for Park operations.

The chart below outlines the increases for known operating commitments. Detailed information about each line item is provided below.

NPDES - increase appropriation request from the Water Quality Protection Fund Includes 8.9 wys – (2.0 term, 0.4 career, 4.5 seasonal) *Funded by Water Quality Protection Fund. Does not affect Park Fund tax rate.	\$479,262*
Utilities	\$55,100
Gasoline/Diesel Fuel	\$150,000
Petroleum Based Supplies	\$29,800
Contractual Increases	\$255,581
Total	\$969,743
Total (without NPDES)	\$490,481

NPDES (National Pollution Discharge Elimination System) - \$479,262

The Department of Parks received its first National Pollution Discharge Elimination System Small Separate Storm Sewer System (NPDES MS4) permit from the Maryland Department of the Environment in the spring of 2010.

In FY12, the Department was appropriated \$1,509,300 from the Montgomery County Water Quality Protection Fund to offset costs associated with ongoing water quality related work across M-NCPPC's 35,000 acre park system and implementation of the Department's new NPDES MS4 permit.

In FY13, the amount was raised to \$1,558,600 based on the increases in health insurance, retirement and other post-employment benefit costs.

For FY14, the Department is requesting an increase of \$479,262, bringing the total to \$2,037,862, for NPDES activities including the additional personnel plus additional funding for equipment, cleaning of oil/grit separators, and interpretive signage/website improvements. A breakdown of the funds is shown in the chart below.

New FY14 NPDES Funding Request	Personnel	Supplies	Services/Contracts	Capital Outlay	Total
Northern & Southern	\$122,000	\$20,000	\$40,000	\$70,000	\$252,000
	4.5 Seasonal WYs				
Park Planning & Stewardship	\$70,881	\$3,000	\$30,000		\$103,881
	1.0 Term WY				
Public Affairs & Community Partnerships	\$27,500		\$25,000		\$52,500
	0.4 WY (Convert PT Term to FT Career)				
Horticultural, Forestry and Environmental Education	\$70,881				\$70,881
	1.0 Term WY				
TOTAL	\$291,262	\$23,000	\$95,000	\$70,000	\$479,262

The Department of Park staff from the Park Planning and Stewardship Division will give the Planning Board a presentation on the status of the NPDES permits following this budget presentation at the round table discussion.

Utilities - \$55,100

The FY14 budget for utilities is \$2,379,800, which is \$55,100 (2.3%) higher than the FY13 budget of \$2,324,700. This is due to a 3% increase in electricity and natural gas rates. Our budget is only increasing by 2.3% due to further expected consumption efficiency savings. The good news is that the FY14 budget is still \$40,600 less than FY12 budget.

Gasoline/Diesel Fuel - \$150,000

The FY14 budget for gasoline/diesel fuel is increasing \$150,000 (10%) from 1,305,000 to \$1,455,000. This increase is due to a combination of higher fuel prices (fuel has increased 107% over last 4 years) and the current trend to use the higher priced but "greener" diesel fuel.

Petroleum Based Supplies- \$29,800

The Department of Parks uses many petroleum based supplies such as asphalt, roof shingles, fertilizers, oil, grease, paint thinners, tires and more. The FY14 budget request for petroleum based supplies is increasing by \$29,800.

Contractual Increases - \$255,581

The Department has contractual obligations for known increases based on the Consumer Price Index (CPI), as well as contractual requirements to replace outdated technology and to provide help desk and computer inventory services. The details on these requirements are provided below.

Contractual Obligations for CPI Increases - \$18,581

The Department has a variety of contracts with known escalation clauses built in such as port-johns, copiers, energy consultant, and rental leases. These increases total \$18,581.

Enterprise Asset Management (EAM) - \$100,000

In conjunction with the Prince George's Department of Parks and Recreation, we are currently working with the Commission's Enterprise Resources Planning (ERP) vendor to include the replacement of our current SmartParks work order, asset, inventory and project management systems. The current Facility Focus software is outdated and no longer supported. The proposed new system will be web-based with many added features including integration with the ERP, GIS (Geographical Information Systems) and Kronos timekeeping systems. This new system will allow us to continue tracking maintenance costs by parks and specific amenities. The Department's portion of the maintenance of the new system will be \$60,000 and \$40,000 for web-hosting services annually.

Help Desk and Inventory Contract -\$137,000

The Department currently shares a contract with the Planning Department for help desk and computer inventory services. This project was a pilot model we began two years ago riding Montgomery County's contract with L3. The pilot was funded from year-end savings from vacancies in the Technology Unit. The funding was added to the base budget for Planning. Parks was able to continue to fund this service without requesting a base budget modification in the second year. Since that time, the demand for expanded technology services has increased and the Technology Team has not been able to keep up with the growing technology demands without filling critical vacancies. The contract with L3 includes telephone help desk services, periodic sweep scanning of computers, and the maintenance of the IT inventory database and dashboards. This service has proven to be a successful model and a cost savings over hiring career staff to perform these functions. The Department requests the \$137,000 contract for services be added to the base budget for FY14 to continue to meet critical needs for the Department.

BASE BUDGET PLUS ESSENTIAL NEEDS

In addition to the list above, the Department of Parks budget includes an increase for capital equipment and a preventive tree maintenance program. Specific descriptions are provided below.

Capital Outlay	\$500,000
Preventive Tree Maintenance Program	<u>\$200,000</u>
	\$700,000

Capital Outlay - \$500,000

Capital outlay funds are used for equipment that costs more than \$5,000 and has a life expectancy of less than 6 years. This equipment must be purchased through the operating fund. In FY09, Parks spent \$1 million on capital equipment. Funding for capital outlay was eliminated in FY10, FY11, FY12, and FY13.

The other way the Department purchases equipment is through the internal service fund (ISF) which finances equipment costing more than \$5,000 that has a life expectancy of greater than 6 years (the length of the financing term). This funding source was not eliminated during the lean years. The Department has been able to purchase \$1.75 million each year in larger pieces of equipment including work trucks, construction equipment, large mowers, and computer and information technology system upgrades.

Since FY09, the Department has used the equipment available to them or done without. Some of the equipment is old, outdated, not the correct type or size for the task, and not efficient. The continued use of older equipment increases repair costs, increases downtime which results in lost productivity, decreases reliability and may compromise operator and public safety. Also, as equipment ages, models change, parts become difficult or impossible to find. Newer equipment is often greener and more efficient.

The capital outlay funds will be divided between the Northern Parks (\$200,000) and the Southern Parks (\$300,000) divisions. The larger portions is going to the Southern Parks division because the parks in the south are more urban, more numerous, more heavily used, and have more ball fields to maintain.

Preventive Tree Maintenance Program for Parkways and Paved Hiker/Bike Trails - \$200,000

The Department of Parks proposes to restore a county-wide program which was cut in FY10 to inspect and provide much needed preventive maintenance on trees along our major parkways and associated trails. This preventive maintenance program will help ensure the long-term health and protection of our trees while providing a safe environment for our parkway and trail users by removing hazard trees and limbs that may fall onto our parkways and bike trails. Additionally, this program will provide tree and branch trimming to provide minimum clearances for site distances and safe use of our facilities.

Trees growing along our parkways are subject to conditions that lead to their decline, including:

- Insect and disease problems
- Air pollution
- Root and soil compaction due to mower and maintenance vehicles
- Flooding
- Mechanical damage due to mowing
- Soil contamination from de-icing salt

The decline and eventual death of these trees leads to many hazard trees and limbs hanging over our trails and parkways. At current staffing levels, staff cannot perform many of the preventive maintenance and care responsibilities for our trees. By outsourcing the tree maintenance along our major parkways and trails will enable staff to focus on preventive maintenance and care responsibilities for our trees in other areas.

The program benefits of this contract will be to: 1) conduct inspections of parkway trees for health and safety, 2) ensure long –term health and protection for parkway trees, 3) provide a safe environment for park patrons, and 4) reduce the Commission’s exposure to liability.

Chart

The charts below show the FY13 Adopted Budget and the FY14 Proposed Budget by division for the Park Fund.

There are some noteworthy changes that were not addressed above are:

Salary Adjustment - The FY14 personnel costs do not include any assumption for a salary adjustment that is included the FY13 budget number. FY14 budget amounts for salary adjustments and OPEB costs are included in the Non-Departmental account.

Foundation - The personnel and supply budgets for the MC Park Foundation have been moved from the Support Services budget to the Director’s Office budget. The Foundation staff are included in the Director’s Office organization chart in FY14.

FY14 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY13 Adopted Budget	FY14 Proposed Budget	Increase/ (Decrease) from FY13
Director's Office			
Personnel Services	875,400	1,039,161	163,761
Supplies & Materials	2,000	21,950	19,950
Other Services & Charges	18,900	18,950	50
Capital Outlay	-	-	-
Chargebacks	-	-	-
Total	896,300	1,080,061	183,761
Public Affairs & Community Partnerships			
Personnel Services	1,864,900	1,857,399	(7,501)
Supplies & Materials	76,500	79,000	2,500
Other Services & Charges	118,500	145,420	26,920
Capital Outlay	-	-	-
Chargebacks	(101,100)	(45,600)	55,500
Total	1,958,800	2,036,219	77,419
Management Services			
Personnel Services	2,471,100	2,492,882	21,782
Supplies & Materials	220,400	220,600	200
Other Services & Charges	600,700	775,672	174,972
Capital Outlay	-	-	-
Chargebacks	(50,000)	(50,000)	-
Total	3,242,200	3,439,154	196,954
Park Planning & Stewardship			
Personnel Services	3,080,800	3,126,850	46,050
Supplies & Materials	69,200	64,700	(4,500)
Other Services & Charges	242,200	279,700	37,500
Capital Outlay	-	-	-
Chargebacks	(357,000)	(362,806)	(5,806)
Total	3,035,200	3,108,444	73,244
Park Development			
Personnel Services	4,920,300	4,890,840	(29,460)
Supplies & Materials	55,400	37,600	(17,800)
Other Services & Charges	64,600	82,400	17,800
Capital Outlay	-	-	-
Chargebacks	(2,130,600)	(2,180,600)	(50,000)
Total	2,909,700	2,830,240	(79,460)

FY14 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY13 Adopted Budget	FY14 Proposed Budget	Increase/ (Decrease) from FY13
Park Police			
Personnel Services	12,169,255	12,309,818	140,563
Supplies & Materials	408,500	370,400	(38,100)
Other Services & Charges	296,000	334,100	38,100
Capital Outlay	-	-	-
Chargebacks	-	-	-
Total	12,873,755	13,014,318	140,563
Horticulture, Forestry & Environmental Education			
Personnel Services	6,790,100	6,780,058	(10,042)
Supplies & Materials	456,500	447,600	(8,900)
Other Services & Charges	195,800	338,728	142,928
Capital Outlay	-	-	-
Chargebacks	(324,100)	(324,100)	-
Total	7,118,300	7,242,286	123,986
Facilities Management			
Personnel Services	8,743,400	8,723,295	(20,105)
Supplies & Materials	1,410,500	1,593,050	182,550
Other Services & Charges	975,900	825,700	(150,200)
Capital Outlay	-	-	-
Chargebacks	(810,000)	(810,000)	-
Total	10,319,800	10,332,045	(12,245)
Northern Parks			
Personnel Services	7,265,300	7,285,978	20,678
Supplies & Materials	675,200	663,970	(11,230)
Other Services & Charges	104,900	247,400	142,500
Capital Outlay	-	417,000	417,000
Chargebacks	(77,000)	(77,000)	-
Total	7,968,400	8,537,348	568,948
Southern Parks			
Personnel Services	10,562,000	10,425,007	(136,993)
Supplies & Materials	1,017,700	998,400	(19,300)
Other Services & Charges	265,800	315,100	49,300
Capital Outlay	-	335,000	335,000
Chargebacks	(63,700)	(63,700)	-
Total	11,781,800	12,009,807	228,007

FY14 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY13 Adopted Budget	FY14 Proposed Budget	Increase/ (Decrease) from FY13
Support Services			
Personnel Services	554,600	251,000	(303,600)
Supplies & Materials	1,594,600	1,727,000	132,600
Other Services & Charges	6,885,100	6,790,580	(94,520)
Capital Outlay	-	-	-
Chargebacks	656,300	658,400	2,100
Total	9,690,400	9,426,980	(263,420)

Expenditure by Major Object	TOTAL FY13 Adopted Budget	TOTAL FY14 Proposed Budget	Increase/ (Decrease) from FY13	% Change from FY13 Adopted
Park Fund Total				
Personnel Services	59,297,155	59,182,288	(186,867)	(0.3%)
Supplies & Materials	5,986,300	6,224,270	237,970	4.0%
Other Services & Charges	9,768,400	10,153,750	385,350	4.0%
Capital Outlay	-	752,000	752,000	-
Chargebacks	(3,257,200)	(3,255,406)	1,794	(0.1%)
Total	71,794,655	73,056,902	1,262,247	1.8%
Non-Departmental	4,866,400	6,571,027	1,704,627	35.0%
Total	76,661,055	79,627,929	2,966,874	3.9%
Grants	400,000	400,000	-	-
Debt Service	4,442,700	3,662,100	(780,600)	(17.6%)
Total	81,503,755	83,690,029	2,186,274	2.7%

Enterprise Fund Summary

Enterprise Fund Overall FY14 Proposed Budget

The Enterprise Fund oversees the operation of the revenue producing facilities. The funds are primarily generated through user fees, rentals and other non-tax supported sources. The Enterprise Fund proposed FY14 budget reflects \$10,030,808 in revenues and \$9,971,767 in expenditures including debt service and capital improvement projects for a net profit of \$59,041.

The Enterprise Fund is required to be self-sustaining. This includes operating costs, capital improvements, administrative costs and debt service payments. Any net income at the end of each fiscal year is used to meet the fund balance policy required reserve amount and to make on-going investments in life cycle replacements and improvements for each facility.

The chart on page 15 shows the FY14 proposed revenues and expenditures for the Enterprise Fund.

FY14 Changes

Golf Courses - The Golf Course sub-fund is projected to have no revenue or expenditures in FY14. This is due to no revenue being projected from the rental of the golf courses to the Montgomery County Revenue Authority (MCRA) and moving the South Germantown Driving Range activities to the Park Activities sub-fund.

According to the contract, the MCRA is to pay a percentage of net profits over \$5.6 million for Little Bennett, Northwest and Needwood golf courses. These courses have not reached that minimum threshold in the past 5 years and are not expected to reach it in the near future. There is no revenue payment stipulation in the lease agreement for Sligo Golf Course.

The revenue and expenditures from the South Germantown Driving Range have been moved from the Golf Course sub-fund to the Park Activities sub-fund. This move will put the driving range revenues and expenditures with other like-facilities in regional and recreational parks.

Picnic Shelters - The revenue and expenses from the regional/recreational park picnic shelters has been accounted for in the Enterprise Fund while the revenue from the local park picnic shelters has been accounted for in the Park Fund. For FY14, we are proposing to move the revenue from the regional/ recreational park picnic shelters from the Enterprise Fund to the Park Fund to better align the revenue from these two similar types of facilities. The expenses for the regional/ recreational park picnic shelters will be absorbed by the Park Fund.

Revenues

The FY14 Enterprise Fund projected revenues are \$24,508 more than the FY13 approved budget. This is a combination of increases in revenue in the ice rinks, tennis centers and event centers totaling \$307,000 due to increased attendance, fees, and programming. This increase is offset by decreases in revenue in the golf courses and park activities totaling \$282,000, largely due to moving the revenue from the regional/recreational park picnic shelters from the Enterprise Fund to the Park Fund.

Expenditures

The FY14 Enterprise Fund proposed expenditures, including debt service and capital improvement projects, are projected to be \$18,000 higher than the FY13 adopted budget.

Significant expenditure changes include decreases in debt service payments which are offset by increases in capital improvement projects and capital outlay equipment purchases. Other expenditures for additional personnel and benefit costs are offset by decreases in maintenance expenses.

Debt service payments are projected to be \$650,000 less than FY13, which included the last payment for Little Bennett Golf Course and a full payment for Cabin John Ice Rink. In FY14, the final payment of \$228,000 for the Cabin John Ice Rink is just one half of the payments in previous years. This marks the end of the debt service payments for the Little Bennett Golf Course (opened in 1994), the Cabin John Ice Rink (opened in 1999), and the Wheaton Ice Arena (opened in 2000).

Capital Improvement projects are projected to increase by \$400,000, from \$200,000 in the FY13 Adopted budget to \$600,000 in the FY14 proposed budget. The \$600,000 is for the continued expansion of the South Germantown Splash Park and for Capital Improvements to the Agricultural History Farm Park's Barn.

Capital outlay is projected to be \$346,500, which is \$290,000 higher than the FY13 Adopted budget, to purchase a generator, LED sign and new flooring for the Olympic rink for Cabin John Ice Rink and entrance/exit deck replacement at the Wheaton Train.

FY14 Enterprise Fund Summary

Summary of Annual Comparisons by Major Object	Actual FY11	Actual FY12	Budget FY13	Proposed FY14				
REVENUE (MAJOR SOURCE)								
Fees and Charges	\$6,137,493	\$6,527,554	\$6,467,300	\$6,323,008				
Rentals	\$2,859,949	\$3,138,755	\$2,791,500	\$2,932,900				
Merchandise Sales	\$704,191	\$732,128	\$690,000	\$722,100				
Concessions	\$33,239	\$31,750	\$32,500	\$30,600				
Interest	\$6,869	\$22,192	\$25,000	\$22,200				
Total Revenue	\$9,741,741	\$10,452,379	\$10,006,300	\$10,030,808				
EXPENDITURE								
Personnel Services	\$2,931,274	\$3,227,193	\$3,306,430	\$3,377,347				
Administration	\$1,210,071	\$1,167,184	\$1,494,200	\$1,603,163				
Chargebacks	\$0	\$400,302	\$397,500	\$362,000				
Cost of Goods Sold	\$343,996	\$413,562	\$343,600	\$394,100				
Supplies & Materials	\$525,547	\$525,650	\$524,500	\$503,900				
Other Services & Charges	\$2,485,385	\$2,458,122	\$2,752,300	\$2,556,800				
Capital Outlay (Not Financed)	\$0	\$18,340	\$58,000	\$346,500				
Debt Service on Revenue Bonds	\$167,634	\$107,025	\$35,400	\$5,729				
Principal on Equipment Financed	\$1,152,647	\$1,176,450	\$841,800	\$222,228				
Interest on Equipment Financed	\$0	\$0	\$0	\$0				
Total Expenditure	\$8,816,554	\$9,493,828	\$9,753,730	\$9,371,767				
Revenue Over(Under) Expenditure	\$925,186	\$958,552	\$252,570	\$659,042				
CIP Transfers, Per Appropriation	\$0	\$98,799	\$200,000	\$600,000				
Net Increase/(Decrease) in Cash	\$925,186	\$859,753	\$52,570	\$59,042				
Positions/Workyears Full Time Career	32.00	32.00	32.00	32.00	32.00	31.50	32.00	32.00
Positions/Workyears Part-Time Career	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Positions/Workyears Total Career	32.00	32.00	32.00	32.00	32.00	31.50	32.00	32.00
Positions/Workyears Term Contract	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Seasonal/Intermittent		75.00	80.30			82.50		80.10
Chargebacks		2.90	3.90			3.90		2.90
Less Normal Lapse		0.00	0.00			0.00		0.00
Workyears Total		110.90	117.20			118.90		116.00

Property Management Fund Summary

Property Management Fund Overall FY14 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.

Tighter oversight and increased leases continue to grow revenue. The number of new leases (15 in recent history) requires additional personnel efforts on the lease administration side. To meet the additional demand and to renegotiate the backlog of outdated leases, the FY14 Property Management Fund request additional full-time career position and work year.

The FY14 budget request is \$905,600 or 4.5% higher than last year's budget largely due to the proposed increase in personnel costs.

The chart on the next page shows the FY14 proposed revenues and expenditures for the Property Management Fund.

Property Management Fund Overview

The Property Management program provides lease administration and property management services for a diverse portfolio of rental property, which includes buildings, residences, equestrian facilities, agriculture use, telecommunications, and recreation. The Property Management program promotes use of properties as sources of revenue for public benefit and as a means of land stewardship.

The Property Management program establishes rental rates, advertises vacancies, negotiates drafts and administers legal agreements for use of Park property, and serves as the landlord representative to the public and tenants.

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

FY14 Changes

FY14 rental income is projected to be \$106,000 higher than the FY13 budget due to the addition of new tenants in addition to more tenants paying fair market value on our building and land rentals. In FY12, we transitioned the oversight of park rental houses from outside contractual services to in-house staff, and began the leasing of some of the closed park activity buildings to private use through a request for proposals.

The Personnel budget is projected to increase almost \$58,000 for benefit increases and for the new full-time career position.

The Supplies and Materials budget is proposed to decrease by \$69,000 to more closely reflect the actual needs established over the past two years. The Other Services and Charges budget is projected to increase by \$50,000 for specialized services such as lead abatement.

FY14 Property Management Fund Summary

Summary of Annual Comparisons by Major Object	Actual FY11	Actual FY12	Adopted FY13	Proposed FY14				
REVENUE								
Rentals	\$783,753	\$813,707	\$794,000	900,000				
Interest	\$5,435	\$5,607	\$8,000	5,600				
Fund Balance from Prior Years	<u>\$131,729</u>	<u>\$0</u>	<u>\$65,000</u>	<u>\$0</u>				
Total Revenue	\$920,917	\$819,314	\$867,000	\$905,600				
EXPENDITURE								
Personnel Services	\$296,589	\$228,046	\$309,100	366,916				
Supplies & Materials	\$3,176	\$61,797	\$230,800	161,584				
Other Services & Charges	\$621,153	\$381,600	\$227,100	277,100				
Sub Total	\$920,917	\$671,443	\$767,000	805,600				
Chargebacks	<u>\$0</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>100,000</u>				
Total Expenditure	\$920,917	\$771,443	\$867,000	905,600				
Revenue Over(Under) Expenditure	\$0	\$47,871	\$0	905,600				
Positions/Workyears Full Time Career	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
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>
Positions/Workyears Total Career	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Positions/Workyears Term Contract	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 ¹		0.50	2.00		2.00		2.00	2.00
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	5.00	5.00	5.00	5.00	5.00	6.00	6.00

1-Chargebacks: FY11 Budget: 0.5 WYs from Special Programs Division. Chargeback discontinued in late FY10 and funding not included in FY11 Actuals. Chargebacks: FY12, FY13, and FY14: 0.5 WYs to Enterprise Fund and 2.5 WYs from Park Fund

Special Revenue Fund Summary

Special Revenue Fund Overall FY14 Proposed Budget

The Special Revenue Fund has a beginning balance of \$239,712. The proposed FY14 budget reflects revenues of \$1,628,760 and expenditures of \$1,671,872. This level of expenditures will leave an ending balance of \$196,600.

The chart on page 20 shows the FY14 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 FY14 proposed budget.

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 public school ball field maintenance, and with other agencies for special policing and field maintenance requests.

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.

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.

FY14 Special Revenue Fund Summary

Special Revenue Fund Summary	Actual FY12	Budget FY13	Estimated FY13	Proposed FY14
BEGINNING FUND BALANCE	\$359,289	\$150,615	\$305,933	\$239,712
REVENUE				
Intergovernmental Revenues	\$798,339	\$904,000	\$904,000	\$934,484
Sales	\$66	\$0	\$2,000	\$2,000
Charges for Services	\$0	\$33,000	\$0	\$0
Recreation/User Fees	\$168,583	\$168,500	\$178,655	\$219,925
Rentals/Concessions	\$69,227	\$60,800	\$66,500	\$63,900
Interest	\$1,681	\$2,200	\$800	\$700
Miscellaneous Revenues	<u>\$17,379</u>	<u>\$402,700</u>	<u>\$443,200</u>	<u>\$407,651</u>
TOTAL REVENUE	\$1,055,274	\$1,571,200	\$1,595,155	\$1,628,760
EXPENDITURE				
Personnel Services	\$159,357	\$318,600	\$300,189	\$353,500
Supplies and Materials	\$58,584	\$230,000	\$228,752	\$224,000
Other Services and Charges	\$807,863	\$1,032,500	\$1,053,436	\$1,015,172
Capital Outlay	\$47,340	\$0	\$0	\$0
Other Classifications	<u>\$35,486</u>	<u>\$76,400</u>	<u>\$79,001</u>	<u>\$79,200</u>
TOTAL EXPENDITURE	\$1,108,630	\$1,657,500	\$1,661,378	\$1,671,872
Total Revenue Less Expenditure	<u>(\$53,356)</u>	<u>(\$86,300)</u>	<u>(\$66,224)</u>	<u>(\$43,112)</u>
ENDING FUND BALANCE	\$305,933	\$64,315	\$239,710	\$196,600
Workyears	0.00	1.30	1.30	1.30

Park Fund Operating Revenue Summary

Park Fund Operating Revenue Fund FY14 Proposed Budget

The FY14 Park Fund Operating Revenue is projected to be \$4,598,301. This is \$578,933 higher than the FY13 Adopted Budget.

Facilities User Fees are projected to \$240,731 higher than FY13 Budget largely due to the movement of the regional/recreational picnic shelter from the Enterprise Fund. The revenue and expenses from the regional/recreational park picnic shelters have been accounted for in the Enterprise Fund while the revenue from the local park picnic shelters has been accounted for in the Park Fund. For FY14, we are proposing to move the revenue from the regional/ recreational park picnic shelters from the Enterprise Fund to the Park Fund to better align the revenue from these two similar types of facilities. The expenses for the regional/ recreational park picnic shelters will be absorbed by the Park Fund.

The Grants budget accounts for small grants that may be received throughout the year.

The Intergovernmental Transfer from the Water Quality Protection Fund began in FY12 to cover the costs of personnel, contracts, supplies, and materials in support of water quality related park programs such as storm water management and federally mandated National Pollutant Discharge Elimination System (NPDES) requirements. In FY13, the slight increase is to cover the increased personnel costs for health care and retirement. In FY14, the increase is for NPDES activities including the additional personnel plus additional funding for equipment, cleaning of oil/grit separators, and interpretive signage/website improvements.

Miscellaneous revenue is projected to be \$106,500, which is \$141,000 lower than FY13 Budget. In FY11, in response to severe budget cuts, Parks creatively began a program to sell the trees produced at the Pope Farm. This venture proved to be labor intensive to market the trees and the effort was hindered by a glut of trees in the mid-Atlantic market. In response, the revenue from the sale of trees in FY14 was decreased from \$160,000 to \$20,000.

The chart below shows the FY14 proposed operating revenues for the Park Fund.

FY14 Proposed Park Fund Revenue

	Actual FY11	Actual FY12	Budget FY13	Proposed FY14
<u>REVENUES</u>				
Facilities User Fees	\$1,667,286	\$1,709,300	\$1,808,208	\$2,048,939
Grants	\$114,364	\$62,844	\$400,000	\$400,000
Intergovernmental Transfer (Water Quality Protection Fund)	\$0	\$1,509,300	\$1,558,600	\$2,037,862
Miscellaneous Revenue	\$172,419	\$142,214	\$247,500	\$106,500
Interest	<u>(\$9,540)</u>	<u>(\$11,063)</u>	<u>\$5,000</u>	<u>\$5,000</u>
Total Revenue	\$1,944,529	\$3,412,595	\$4,019,308	\$4,598,301