



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

MCPB Date: 10/23/2014
Agenda Item # 8

MEMORANDUM

DATE: October 16, 2014

TO: Montgomery County Planning Board

VIA: Gwen Wright, Director, Montgomery County Planning Department *GW*
Rose Krasnow, Deputy Director, Montgomery County Planning Department

FROM: Mark Wulff, Acting Division Chief, Management Services *MW*
Anjali Sood, Budget Manager, Management Services

SUBJECT: Planning Department FY16 Operating Budget Planning Discussion

Staff Recommendation

Approval to prepare the FY16 Planning Department's operating budget at the Base Budget plus Essential Needs/New Initiatives level.

Background

At its September 18 meeting, the Planning Board received a presentation from the Commission's Department of Human Resources and Management (DHRM) on the FY16 budget process including key trends and the budget outlook, strategy, and timeline.

DHRM reported that the assessable base for Montgomery County grew a modest 2% in FY15 after falling for several years, and that, in February, 2014; the Montgomery County Office of Management and Budget (OMB) estimated that the assessable base will grow by 4.25% in FY16. This growth would provide an approximate increase of \$1,049,700 in property tax revenue for the Administration Fund without an increase in the tax rate. The County Council reduced the tax rate last year in favor of using more of the fund balance to balance the expenditure budget. The tax Rate was reduced from 1.8 cents to 1.7 cents, and \$1.1M of fund balance was transferred to the Park Fund with most of the remainder utilized to balance expenditures for the Administration Fund in FY15.

The Planning Board provided general guidance for developing the FY16 Budget with the recognition that we have both mandated requirements and essential needs/new initiatives to meet our expanding and evolving work program. The Board asked that we include any critical essential needs/new initiatives in our budget request, that we prioritize these initiatives, and that we place the individual requests into tiers.

Budget Preparation

To prepare for the October 23 Planning Board meeting, Planning staff worked diligently over the past several months identifying new master plans and projects to be started in FY16 and elements of our

current work program that are inadequately funded. We looked at emerging trends to determine the needs of the future.

Master Plans

In terms of master plans, our recommended FY16 work program follows closely with the work program that was approved for FY15. Several of the plans that we are working on in this fiscal year will carry over into FY16 – these include:

- Bethesda Downtown,
- Greater Lyttonsville,
- Westbard,
- Montgomery Village, and
- Master Plan of Highways Technical Corrections/Update.

We also continue to propose a number of master plans for FY16 that were contemplated in last year's budget discussion – these include:

- White Flint II,
- Aspen Hill and Vicinity,
- Gaithersburg East, and
- Rock Spring.

New master plans that are being proposed for the first time in this budget discussion include:

- A Shady Grove Minor Master Plan (MMP) Amendment for the area near the Shady Grove Metro that is being proposed for an event center. This amendment is necessary in order to assess the proposal for an event center and how this fulfills the vision for a mixed-use development near transit and in order to reconsider some of the detailed staging limits in the current master plan.
- A MARC Rail Stations Plan, which will focus on the Germantown and Boyds stations where some level of change is contemplated. The use of MARC trains for commuting is becoming a more and more essential part of our transit system. The two stations referenced in this proposal are seeing more use as there is more residential development in the areas near them. It is important to stay ahead of the curve on any potential changes contemplated for these stations – both of which are located in designated historic districts.
- A Master Plan of Bikeways Update. Biking is another form of transportation that is becoming more and more important to the county's overall transportation system – it is becoming a very real mode for commuting and can significantly increase Non-Auto Driver Mode Share (NADMS) numbers. The Master Plan of Bikeways has not been updated for a number of years and deserves an updated review.
- A combined Montgomery Hills/Forest Glen Metro Station Area Master Plan. There have been ongoing discussions about ways to enhance the walkability and pedestrian improvements in the Montgomery Hills area and ways to deal with vehicular congestion in the area. There is also an ongoing State Study of MD 97 from Forest Glen Road to 16th street in Montgomery Hills. In addition, there may be opportunities to consider new development options around the Forest Glen Metro Station, which is one of the most underdeveloped transit station locations in the county. It is time to look at these two areas comprehensively as part of the Department's effort to do finer-grained planning.

A draft of the FY16 Proposed Master Plan and Major Projects Schedule is included as Attachment #1.

Essential Needs/New Initiatives

Again, our recommended FY16 work program carries forward a number of projects that are being initiated in the current fiscal year and that will continue into FY16. These include:

- Zoning Ordinance Refinements,
- Subdivision Staging 2016,
- Recreation Guidelines Update,

- Rental Housing Study,
- Colocation of Public Facilities Study, and
- Assessment of Transportation Modeling Tools.

Two new projects are being recommended for FY16:

- A study of Evolving Retail Trends. With the focus on mixed-use development as a desirable way of addressing place-making objectives, it is imperative that we understand the retail trends influencing Montgomery County – including e-commerce, demographic changes, and economic changes – and position commercial areas, through the master planning process, for the future.
- A Master Plan Reality Check. As we plan for the future, it is essential that we understand how our previous planning activities have played out. This will include looking at new development and transportation levels that were projected in older master plans to see if what was contemplated has actually happened in reality. It will provide a quantitative analysis and a qualitative analysis that will help to inform future countywide planning and decision-making.

Budget Items in Support of Work Program and Essential Needs/New Initiatives

The Director and Deputy Director reviewed each division’s potential new initiatives and narrowed them down to those which addressed the top priorities of the Department. The Department is presenting two tiers for the Planning Board’s consideration. Tier 1 includes the Department’s top priorities in rank order by priority and includes a funding request for one currently unfunded position. Tier 2 includes projects that the Department strongly supports, but that fall into a slightly lower priority group.

The combined total of Tier 1, Tier 2, and the known increases equals \$1,291,600, including funding for one (1) unfunded position. This amount is \$679,734 or 3.6% above the FY15 budget. As demonstrated in the chart below, this proposed increase is actually a bit less than the increase received last year.

The chart below gives a historical perspective on the Planning Department’s appropriation and career positions for the past seven (7) years. FY11 was a particularly difficult year when the budget was reduced almost 14%, 31 career positions were eliminated and seven (7) additional positions were defunded. Since that time, two (2) of the unfunded positions have been re-funded and none of the 31 abolished positions have been restored. For FY16, we are requesting funding for one of the five (5) remaining unfunded positions. Even with this funding, the Planning Department’s complement is still 31 positions and 30.80 work years below the FY10 level.

History of the Planning Department’s Budget changes FY10-FY16

	Adopted FY10	Adopted FY11**	Adopted FY12	Adopted FY13	Adopted FY14	Adopted FY15	Proposed FY16	Change FY16 over FY10
Budget	\$18,681,800	\$16,055,880	\$17,196,150	\$16,572,100	\$18,033,605	\$18,721,599	\$19,401,333	
\$ Change		(\$2,625,920)	\$1,140,270	(\$624,050)	\$1,461,505	\$687,994	\$679,734	\$719,533
% Change		(14.06%)	7.10%	(3.63%)	8.8%	3.8%	3.63%	3.85%
Career Positions	182	151	151	151	151	151	151	
# change		(31.00)	0.00	0.00	0.00	0.00	0.00	(31.00)
% Change		(17.03%)	0.00%	0.00%	0.00%	0.00%	0.00%	(17.03%)
Funded Workyear	170.65	136.85	137.85	137.85	137.85	138.85	139.85	
# change		(33.80)	1.00	0.00	0.00	1.00	1.00	(30.80)
% Change		(19.81%)	0.7%	0.0%	0.0%	0.7%	0.7%	(18.05%)

Note**: In FY11 31 positions were abolished and 7 additional positions were defunded

Base Budget

Known Operating Commitments

The preliminary known increases in the Planning Department for salaries, benefits, retirement, other post-employment benefits (OPEB), were reviewed by DHRM at the September 18 meeting.

Information regarding the known operating commitments, mandated, contractual, and inflationary increases for the operations of the Planning Department are provided in the chart below.

The information in this memo does not include adjustments in expenses such as risk management, long term disability payments, and unemployment nor Departmental chargebacks to the Planning Department for CAS services. The Department of Finance expects to provide this information by the end of the October or early November in the Schedule of Fees and Charges. As a result, the Planning Department has not yet included any increases for these expenses in the proposed FY16 budget.

Chargebacks

Chargeback costs are pending from the Commission's Central Administrative Services (CAS).

Transfers (Out)

The Department has traditionally requested a transfer from the Administration Fund into the Development Review (DR) Special Revenue Fund in recognition of the fact that revenues may not cover the costs of our review efforts. The fund performed well in FY12 and FY13, primarily due to the fees collected for various large projects in CR zones. This performance built a significant fund balance. Due to this large balance, the Council did not approve a transfer in FY14 and we also did not request a transfer in FY15. As stated in our FY15 budget proposal memorandum, we are requesting \$500,000 in FY16 to build up the DR fund in stages.

FY16 Proposed Base plus Essential Needs/New Initiatives (before compensation marker and Transfer to Development Review Special Revenue Fund)	\$19,401,333
Transfers (out) to Development Review Special Revenue Fund	\$500,000
<i>FY16 Proposed Base plus Essential Needs/New Initiatives and Transfer to Development Review Special Revenue Fund (before compensation marker)</i>	<u>\$19,901,333</u>
<u>% change with transfer out</u>	<u>6.3%</u>

Summary

The chart below outlines the increases for known operating commitments and gives a snapshot of the base budget and the two Tiers of **proposed essential needs/new initiatives**. The chart is followed by specific descriptions for each initiative.

	FY15 Adopted Budget	\$18,721,599
FY16 BASE BUDGET		
Major Known Commitment Changes		
	Salaries and health benefits	(\$87,581)
	Retirement	(\$202,485)
	Chargebacks	TBD
	Other operating budget changes	\$223,200
Reduction of one time budget items from FY15 Budget		
	Information Technology (IT) Upgrades	(\$70,000)
	Consulting funding for Colocation Of Public Facilities	(\$100,000)
	Consulting Funding for Functional Plan for Housing	(\$250,000)
	Consulting Funding For TPAR 16 And Travel Demand Forecasting	(\$125,000)
	<u>Subtotal onetime FY15 budget reductions</u>	<u>(\$545,000)</u>
	Subtotal changes to the FY16 Proposed Base Budget	<u>(\$611,866)</u>
	<u>Subtotal Base Budget FY16</u>	<u>\$18,109,733</u>
	<u>Estimated Percent Change in FY16 Base budget vs. FY15 Adopted budget</u>	<u>(3.27%)</u>

Onetime Essential Needs/New Initiatives

<i>Funding Request to Support Proposed Work Program</i>		<u>\$500,000</u>
Funding for University Of Maryland (UMD) Contract for Master Plan Reality Check	\$300,000	
Funding request for Implementation of new Dynamic Transportation Modeling	\$100,000	
Funding request for Consulting assistance with bikeways master plan	\$50,000	
Funding request for White Flint II (transportation and feasibility analysis)	\$50,000	
<i>Funding request for Website Upgrade</i>		\$75,000
<i>Funding request for outside professional services for Community Outreach</i>		\$50,000
<i>Consulting funding for Evolving Retail Trends Study</i>		\$150,000
<i>Initiation of Desktop Virtualization</i>		\$60,000
	<u>Subtotal Onetime Essential Needs/New Initiatives</u>	<u>\$835,000</u>
<u>Ongoing Essential Needs/New Initiatives</u>		
<i>Outreach Initiative Budget Request</i>		\$77,800
<i>Funding for one existing, but currently unfunded position in FY16 for Web Team</i>		\$83,000
<i>Funding request for SAN Server replacement to be financed and paid over six</i>		\$80,000
<i>Funding request for Project Docx for Maintenance and Support</i>		\$40,000
<i>Facility Repairs restoration (including general contracting work, furniture, painting , electric, mechanical, IT & telecom and Carpet replacement)</i>		\$175,800
	<u>Subtotal Ongoing Essential Needs/New Initiatives</u>	<u>\$456,600</u>
	<u>Total all Essential Needs/New Initiatives</u>	<u>\$1,291,600</u>
Net Change in FY16 Base Budget Plus Essential Needs/New Initiatives		<u>\$679,734</u>
<i>FY16 Proposed Base plus Essential Needs/New Initiatives (before compensation marker and Transfer to Development Review Special Revenue</i>		<u>\$19,401,333</u>
		<u>3.6%</u>

Essential Needs/New Initiatives

There are a number of new initiatives that are being proposed which focus on ways to both reimagine and reinvigorate our master planning activities, as well as ways to address significant planning issues and concerns that face Montgomery County.

The essential needs/new initiatives fall into six categories:

- Contractual support for plans and projects in the proposed work program,
- Major improvements to communications through the Departmental website,
- Enhanced community outreach,
- Important IT upgrades,
- Initiation of a study of Evolving Retail Trends, and
- Facility repairs to the Montgomery Regional Office (MRO) Building.

The Department has separated our essential needs/new initiatives into two tiers for the Planning Board's consideration.

TIER 1 – Contractual support for plans and projects in the proposed FY16 work program	Total: \$500,000
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Partnership with University of Maryland for Master Plan Reality Check: \$300,000 (one time)

In 2008, we initiated a partnership with the University of Maryland that was designed to be a win-win for both parties. Through a contract with the University's National Center for Smart Growth, the Planning Department was able to hire a number of planning students or recent graduates to help us on a variety of projects as assigned. In addition, the Department and the University agreed to collaborate on a biennial planning conference that would highlight innovative planning practices and trends and generate innovative thinking on topics of mutual interest. As it turned out, the individuals hired through this effort ended up doing a substantial amount of the work on the Zoning Code rewrite and comprehensive mapping effort. More recently, they have been training others on the use of the new Code, and in FY15 they will be our subject matter experts as we begin implementing the new Code. Although the Zoning Code effort is about to wind down, we believe that a continued partnership with the University is in everyone's interest. The primary project that would be assigned in FY16 would be helping with the proposed Master Plan Reality Check. In addition, they may provide assistance on the Bikeways Plan Update. Although, for the past several years, we have been able to continue contracting for these valuable services by encumbering available end-of-the-year funds, we recognize that these funds cannot be counted on. Therefore, in order to ensure that this partnership will continue moving forward, we are requesting \$300,000 which will cover the costs of three contractual staff from the University of Maryland. In addition, this funding will enable us to continue offering a valuable planning conference – the next of which would be in spring 2016.

Implementation of new dynamic transportation modeling approach: \$100,000 (one time)

During FY15, Functional Planning & Policy (FPP) is investigating the feasibility of incorporating various dynamic modeling approaches and/or other advanced modeling tools for eventual incorporation into the Department's transportation modeling work. This one-time request is for consultant assistance during FY16 with the technical aspects of establishing a new dynamic modeling tool for use by FPP in support of master plan analysis and subdivision staging. Travel forecasting models incorporating dynamic traffic assignment are evolving from the research realm to actual application in some states and metropolitan areas and are thought to offer potential for more detailed evaluation of small area networks.

Consulting assistance for the Bikeways Plan Update: \$50,000 (one time)

FPP will be updating the Countywide Bikeways Master Plan during FY16. New bicycle planning guidance has been developed with assistance from a Council of Governments Transportation/Land Use Connections (COG TLC) grant. This guidance or methodology emphasizes the development of connections that would attract those who do not ride bicycles now, but would likely ride in certain conditions, with facilities that offered more separation from vehicular traffic. This one-time request would assist FPP in using the planning guidance tool to develop an updated Countywide Bikeways Master Plan.

Consultant support for White Flint II Master Plan: \$50,000 (one time)

The requested technical assistance for White Flint II would likely support the evaluation of local intersection modeling analysis, which could be done using a more traditional analysis tool or a more advanced approach (e.g., a micro-simulation tool). In collaboration with the consultant, a specific analysis approach will be determined. Further, the consultant will assist the project team in analyzing three transportation studies (STV, Stantec and Sabra Wang), either completed or currently underway, for the White Flint area and the City of Rockville. The funds may also be utilized to provide feasibility analyses for the redevelopment of industrial and aging commercial properties in the master plan area.

TIER 1 – Improvements to the Department Website	Total: \$158,000
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Website Redesign for Montgomery Planning, Parks, and Board: \$75,000 (one time)

The Montgomery County Planning and Parks Departments are proposing a website redesign for FY16 which will involve a new content management system, migration of content, training, and support. This upgrade will allow for more information transparency, website management efficiency and more current technology for visitors, staff and users of the Parks, Planning and Board sites. Through a recent focus group facilitated as part of the Commission's rebranding initiative, the feedback for the Montgomery County Parks as well as Planning Department websites was unfavorable. Upgrades to the website were consistently mentioned when asked which recommendations they would make to improve the organization. This request is in support of the Planning and Board portions of this initiative.

Request for a New Web Team Position - IT Support Specialist I: \$83,000, 1.0 WY (ongoing)

Starting in FY10, the Web Team lost three positions during a restructuring, narrowing the Web Team staff to only two positions to handle the websites for Montgomery's Planning Department, Parks Department and Planning Board. Since that time, the Web Team has become a part of the Communications Section within the Management Services Division of the Planning Department. Recently, more emphasis and expectations have been placed on the quality and quantity of product coming from the Web Team. This is a direct reflection of the expanding degree to which the community depends on web-based communications and information searching and the growing number of tools and sources being made available to (and expected by) the rapidly expanding on-line, web-focused community. There is an urgent need to add one (1) more full-time, career position to the Web Team to allow for quality control of content, regular web maintenance, service to the planning teams, and growth and implementation of new outreach tools such as social media, interactive maps, and video tools. The addition of this position to the Web Team (accomplished by funding a currently unfunded position within the Planning Department) would support the current Web Team staff and would help to better serve the organization by providing information and access to staff and the public on the Department's on-line offerings. As the Department

continues to grow and expand its community outreach efforts, additional resources for the Web Team are critical to the maintenance of our expanding and valuable public interface.

TIER 1 – Enhanced Community Outreach	Total: \$127,800
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Community Outreach expansion initiative: \$77,800 (ongoing)

In an effort to be more transparent and to present all elements of the new community outreach initiative as a whole, all proposed cost increases across the entire Department have been aggregated into a single cost item for your consideration. Division chiefs have examined the proposed work program and projected expenditures for each project and master plan that would benefit from expanded engagement with the community. The Department has been introducing new outreach methods in an attempt to reach all segments of the population. The outreach budget includes, but is not limited to, costs for mailings, online social media outreach, special meeting exhibits and banners, as well as videography. This focused budgeting will allow for a more strategic approach when assessing return on investment and the appropriate mix of outreach tools that a planning team can use to reach their intended audience. The communication outreach budget reflects the work coming out of the Communications Team (publications, web and media) working in collaboration with the rest of the Montgomery Planning divisions.

General consulting funding request: \$50,000 (onetime)

Funding request for outside professional services for Community Outreach that will be used to facilitate the Aspen Hill and Vicinity Plan or other applicable planning projects.

TIER 1 – Information Technology Upgrades	Total: \$120,000
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SAN Server Upgrade: \$80,000 (ongoing - annual cost for six years)

Total cost to upgrade the SAN server is \$400,000 for the Planning Department. This initiative would be funded through the Internal Service Fund (ISF) for six (6) years at an annual cost of approximately \$80,000 per year.

Funding will be used to replace existing SAN (Storage Area Network) servers, located in the MRO and Saddle Brook data centers, which have exceeded their expected lifecycle. These SAN servers provide the data storage foundation for M-NCPPC's projects including Hansen, ProjectDox, EAM, Data Server and Virtualization, among others.

Professional services support for Project Docx: \$40,000 (ongoing)

Regulatory Application Review Software. Several years ago, the Planning Department embarked on an ambitious new effort that would allow us to accept and review regulatory applications and amendments online. Our contract with the vendor called for them to do the programming for three plan types, and we have now gone live with electronic review for preliminary plans, site plans and record plats. However, we still have several other plan types that we want to review electronically, such as Forest Conservation Plans, Water Quality Plans and others. Although the vendor has worked with us to train our IT staff so that they can continue the programming effort for these other plan types, we still rely on the vendor to

help us with debugging the errors, to test the final product before it goes live, and to provide other types of support on an as needed basis. We are requesting \$40,000 annually to cover these costs.

TIER 1 – Evolving Retail Trends Study	Total: \$150,000
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Evolving Retail Trends Study: \$150,000 (onetime)

With the focus on mixed-use development as a desirable way of addressing place-making objectives, it is imperative that we understand the retail trends influencing Montgomery County and position commercial areas, through the master planning process, for the future. E-commerce is among the trends shaping the retail environment. Other trends - including changing economic conditions, a drop in real earning power, changing demographics, and an aging population - already influence the way people shop. These trends will further influence land use change and the long term viability of many commercial areas in Montgomery County. It is essential to future planning activities to reflect these trends and incorporate changes into the vision for communities.

TIER 2 – Desktop Virtualization	Total: \$60,000
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Desktop Virtualization: \$60,000 (one time)

End users are demanding more productivity from anywhere ... on any device ... at any time. and desktop virtualization is emerging as the solution. In this fiscal year, we are assessing which desktop virtualization technology is best for our Departments. In FY16, we expect to begin desktop virtualization by replacing aging PCs with inexpensive thin clients, or zero clients, as they are called. A thin client, essentially, is a remote console that provides a user interface to the virtual desktop. The entire computing takes place in the virtual environment in our data center, where virtual desktops reside, and provides these benefits:

- a consistent enduser experience, regardless of device,
- a secure and reliable backup and data recovery capability, and
- reduced support and hardware costs compared to maintaining individual desktops.

We are excited to strategically implement desktop virtualization over the next several years to meet our end user computing needs.

TIER 2 – Facility Repairs to MRO Building	Total: \$175,800
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Facility Repairs Budget Requirements: \$175,800 (ongoing)

The FY15 Adopted budget reflects a significant reduction in funding (\$194,800) for the maintenance of and critical repairs to the MRO Building. This reduction was in response to the Executive’s requirement that we reduce the M-NCPPC proposed FY15 budget by \$344,800.

The MRO Building is an aging facility and, although we hope to be moving to the new Wheaton Headquarters by early 2019, we must maintain a functional, comfortable and safe work environment for our employees. We anticipate a number of small expenses in terms of general contracting for painting, electrical repairs, and maintenance.

Conclusion

The Planning Department has put great thought into preparing the FY16 Proposed Budget. Staff is mindful of the cost pressures facing the Planning Department from benefits, retirement, and mandated obligations, as well as the concerns of the residents in terms of excellent planning, communication and outreach. The FY16 budget request shows our commitment to continue to provide the best services possible to County residents with a 3.6% increase over the FY15 budget.

Staff is requesting approval from the Planning Board to proceed to finalize the FY16 Planning Department’s operating budget at the Base Budget plus Essential Needs/New Initiatives level.

The Planning Department is currently scheduled to return on October 30 for a second worksession to clean up any unresolved issues and on November 20 to seek final approval of specific funding levels for the FY16 Proposed Budgets for the Planning Department and Special Revenue Funds.

FY16 Proposed Master Plan and Major Projects Schedule

