



The Maryland-National Capital Park & Planning Commission

PCB 05-21
May 5, 2005

TO: Montgomery County Planning Board

FROM: Patricia Colihan Barney, Secretary-Treasurer *PCB*

SUBJECT: Operating Funds FY 2005 Nine Months Financial Report
Including Projections to June 30, 2005 – Montgomery County

The nine months financial report for the period ending March 31, 2005 and projections to June 30, 2005 are attached. The reasons for the variances are highlighted below.

OVERALL COMMENTS

Through March 31, 2005, we have collected 98.54% of the tax revenues budgeted. This percentage is much higher than last year, which was 95.50%. Lower year-to-date collections in FY 2004 were the result of the filing of Chapter 11 bankruptcy protection by Mirant Chalk Point LLC, the fourth largest taxpayer in Montgomery County. FY 2004 taxes of \$365,000 in the Operating Funds remain uncollected; however, FY 2005 taxes have been paid by Mirant. Based on the collections-to-date, I expect that tax revenues will be higher than budgeted. The County has not yet provided an explanation for the higher collections, so projections have been held to 100% of budget at this time.

As reported in the previous seven-month projection, preliminary projections for the Enterprise Fund indicate a net positive cash flow in FY 2005 estimated at \$622,000, which is \$418,000 higher than budgeted. Enterprise management indicates that although revenues are lower, due to expense savings, they are still on target with this projection. This information is not included in the operating fund projections.

The actuarial valuation report prepared as of July 1, 2004 for the Employees' Retirement System for FY 2005, which was received in September 2004, indicated that an increased employer contribution was required. This increase of \$574,500 for the operating funds has been recorded.

The Legal Department is projecting an over-expenditure of \$16,000 primarily due to higher pension and group insurance costs as explained in the details that follow. Article 28 Section 2-118 provides that an operating department may exceed the approved budget by 10%; however, the Commission may not exceed the total approved budget for each of its funds. Council staff have indicated that the Commission is permitted to approve budget transfers between operating departments within the same fund in an amount up to that permitted by State law. Attached is a

budget transfer of \$8,000 from the Merit Board and \$8,000 from the Planning Department to cover the over-expenditure in the Legal Department.

Departments will present to the Planning Board any requests to spend projected savings.

ADMINISTRATION FUND

Revenues –

1. Property taxes are projected at budget.
2. Fees and Charges are projected to be \$72,000 below budget. The negative variance is attributed to the decrease in revenues from preliminary plans, project and site plans, and plat fees. Although the number of applications have been consistent, projects are smaller resulting in lesser fees.
3. Interest Revenue is projected to be \$30,000 above budget due to higher interest rates.
4. Grants are projected to have a revenue shortfall of \$115,000 based on projected expenditures. Planning has included \$150,000 in their budget for potential grants and expects to get \$35,000 in this fiscal year. This is offset by savings in grant expenditures.

Expenditures –

1. The Commissioners' & Administrative Support Office is projected to be at budget.
2. Planning Services is projecting a \$320,900 net favorable variance or 2.10% savings after absorbing the additional retirement cost of \$173,400. A large portion of the savings is due to salary lapse from vacancies of \$221,800 in Community-Based Planning and County-wide Planning. Savings in Supplies and Materials of \$72,900 are due to the MRO savings in the custodial contract. Additional savings in Other Services and Charges of \$33,800 are mainly from pre-paying equipment rent to the Internal Service Fund and other Commission-wide initiatives with savings in FY2004. These savings are offset by the increase in overspending in Capital Outlay of \$7,600.
3. The CAS Departments of Human Resources and Management and Finance are projected to be at budget after absorbing the increased retirement costs of \$26,900 and \$32,200.
4. The Legal Department is projecting to be overspent by \$16,000 due primarily to under budgeting for retirement employer contributions by \$12,000, additional employer retirement contributions of \$8,000 and increased group insurance costs of approximately \$10,000. These costs have been partially offset by Legal Department savings in Other

Services and Charges of \$14,000 and savings in the Merit Board and the Planning Department of \$8,000 each.

5. Support Services is projected to be at budget.
6. The Merit Board is projecting to save \$8,000.
7. Grants expenditures are projected to be under spent by \$115,000. Planning has included \$150,000 in their budget for potential grants. They expect to get \$35,000 in this fiscal year. This is offset in the revenue section above.

Transfers –

1. The transfers are projected to be \$27,400 below budget as the retiree medical transfer in from the 115 Trust is less than budgeted.

Fund Balance -

If these projections are realized, the Fund Balance in the Administration Fund will total \$1,520,484 consisting of \$986,200 Designated for Contingencies, and Undesignated Fund Balance of \$534,284.

PARK FUND

Revenues -

1. Property taxes are projected at budget.
2. Fees and Charges are projected at budget.
3. Concessions and Rentals are projected to have a revenue surplus of \$16,000. This favorable variance will be generated by Property Management due to unbudgeted revenue received for parking lot rental, rent for Red Door Store and rent increases and late fee collections. In addition, a park house that was previously taken out of rental is now being rented.
4. Interest revenue from Park Fund operations is projected to have a shortfall of \$80,000, as Montgomery County Government used an interest figure that was higher than our proposed figure. CIP interest is projected to be \$75,000 above budget, as investment balances are projected to be greater than anticipated.
5. The Park Fund is projecting a grant revenue shortfall of \$395,000. The Park Fund has budgeted \$425,000 for potential grants received during the fiscal year. They expect to receive \$30,000 this year. This shortfall is offset by savings on the expenditure side.

6. Miscellaneous revenues in the Park Fund are projected to be \$215,000 over budget due primarily to unbudgeted revenues primarily on the use of park lands such as: Povich field - \$50,000, Ovid Hazen Wells - \$34,500 and Brookville Park - \$80,000.

Expenditures -

1. The Operating Divisions are projecting a net savings of \$981,900 or 2.0% of their total budget after absorbing the additional retirement cost of \$319,100. Savings of \$1,714,300 in Personal Services are due to salary lapse from vacancies in Countywide Planning, Park Development, Park Police, Natural Resources, Central Maintenance and Northern and Southern Regions. In addition, savings of \$19,800 are projected in Other Services and Charges. These savings will be offset by overspending in Supplies and Materials of \$201,800 primarily for Park Police radios, in Capital Outlay of \$281,000 and CIP chargebacks of \$269,400. The overspending in Capital Outlay is due to unbudgeted equipment purchases for mowers, a utility truck and equipment trailer in the Northern Region, a trail building machine in Countywide Planning and a truck in Natural Resources. The shortfall in chargebacks, mostly on CIP projects, will be reduced after the analysis of the labor distribution data generated from the new personnel/payroll system has been completed.

Support Services currently is projecting a positive variance of \$4,100. This is primarily due to savings from pre-paying rent in the Internal Service Fund and lower costs in utilities due to a mild winter and energy management. The savings are offset by overspending in Supplies and Materials caused by overages in gas, diesel and propane costs.

Overall, the Parks Department is projecting a net savings of \$999,800, excluding grants, or 1.8% in operating expenditures.

2. Debt Service is projected to be at budget.

Transfers -

1. The transfers are projected to be \$210,600 below budget as the retiree medical transfer in from the 115 Trust is less than budgeted.

Fund Balance -

If these projections are realized, the Park Fund Balance will total \$3,928,120 consisting of \$1,918,000 Designated for Contingencies and Undesignated Fund Balance of \$2,010,120.

MEMO

THE MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION
 Department of Finance, Office of Secretary-Treasurer

11-Apr-05

TO: Commissioners

FROM: Patricia Colihan Barney, Secretary-Treasurer *PCB*

SUBJECT: Montgomery County Property Tax Revenue Report - March 31, 2005

The following is the latest data with respect to collections of property taxes for Fiscal Year 2005. The tabulations compare actual collections for the past three years, and the current year through March 31, 2005.

FUND ALLOCATION FOR FY 2005

FUND	TAX RATE (CENTS)		ADOPTED BUDGET	ACTUAL		ESTIMATE - FY2005			FAVORABLE VARIANCE
	PERSONAL	REAL	AMOUNT	AMOUNT (a)	% OF BUDGET	REMAINING MONTHS	FOR YEAR	% OF BUDGET	
Administration	5.00	2.00	18,559,400	18,283,500	98.51	275,900	18,559,400	100.00	-
Park General	14.80	5.90	54,765,200	53,971,477	98.55	793,723	54,765,200	100.00	-
Total-Operating	19.80	7.90	73,324,600	72,254,977	98.54	1,069,623	73,324,600	100.00	-
Advance Land	0.30	0.10	1,093,400	1,079,816	98.76	13,584	1,093,400	100.00	-
TOTAL	20.10	8.00	74,418,000	73,334,793	98.54	1,083,207	74,418,000	100.00	-

HISTORICAL INFORMATION

FISCAL YEAR		COUNTY-WIDE ASSESSABLE BASE (BILLIONS)		TAX RATE (CENTS)	ADOPTED BUDGET	ACTUAL THRU 03/05		TOTAL FOR YEAR			
		BUDGET	ACTUAL			AMOUNT	% OF BUDGET	% OF ACTUAL	REMAINING MONTHS	AMOUNT	% OF BUDGET
2002	Personal	3.99	4.21	22.60							
2002	Real	77.25	77.58	9.10	68,603,700	65,073,074	94.85	94.02	4,139,772	69,212,846	100.89
2003	Personal	4.07	4.23	21.90							
2003	Real	81.67	82.40	8.70	69,207,820	68,471,862	98.94	97.54	1,728,666	70,200,528	101.43
2004	Personal	4.20	3.96	20.40							
2004	Real	88.50	89.26	8.10	69,220,000	66,105,976	95.50	95.81	2,888,536	68,994,512	99.67
2005	Personal	3.92		20.10							
2005	Real	98.48		8.00	74,418,000	73,334,793 (a)	98.54	N/A	1,083,207	74,418,000	100.00

(a) Includes collections for March 402,922.75 received April 11, 2005.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDING MARCH 31, 2005 AND
AND ESTIMATIONS TO JUNE 30, 2005
MONTGOMERY COUNTY
ADMINISTRATION FUND

REVENUES	BUDGET FY2005	ACTUAL 03/31/05	PROJECTION FY2005	VARIANCE FAVORABLE (UNFAVORABLE)
Property Taxes	\$ 18,559,400	\$ 18,283,500	\$ 18,559,400	\$ -
Fees & Charges	1,483,800	958,084	1,411,800	(72,000)
Interest	70,000	84,574	100,000	30,000
Grants	150,000	30,405	35,000	(115,000)
Miscellaneous Revenue	-	3,474	3,500	3,500
TOTAL REVENUES (A)	20,263,200	\$ 19,360,037	\$ 20,109,700	\$ (153,500)
Fund Balance - Designated for Contingencies	532,800			
Fund Balance - Designated for Current Year	1,218,800			
TOTAL	\$ 22,014,800			
Real Property Tax Rates - (cents)	2.0			
Personal Property Tax Rates (cents)	5.0			
Real Assessable Base (Billions)	85.626			
Personal Property Assess. Base (billions)	3.130			
EXPENDITURES				
Commissioners' & Admin. Support Office	\$ 1,104,900	\$ 723,237	\$ 1,104,900	\$ -
Planning Services:				
Programs and Management	14,095,800	10,259,841	13,898,200	197,600
Support Services	1,232,800	846,104	1,109,500	123,300
Grants	150,000	30,405	35,000	115,000
Total Planning Services	15,478,600	11,136,350	15,042,700	435,900
Subtotal	16,583,500	11,859,587	16,147,600	435,900
Central Administrative Services (CAS):				
Dept. of Hum. Res. & Mgmt.	1,858,000	1,422,081	1,858,000	-
Department of Finance	2,324,800	1,596,266	2,324,800	-
Legal Department	770,600	578,238	786,600	(16,000)
Support Services	500,300	377,822	500,300	-
Merit System Board	42,800	24,880	34,800	8,000
	5,496,500	3,999,287	5,504,500	(8,000)
Non-Departmental	-	(3,000)	(3,000)	3,000
TOTAL OPERATING EXPENDITURES	22,080,000	15,855,874	21,649,100	430,900
Transfers, Net	(598,000)	(570,576)	(570,600)	(27,400)
TOTAL EXPENDITURES AND TRANSFERS (B)	21,482,000	15,285,298	21,078,500	403,500
Reserve	532,800			
TOTAL FUNDS REQUIRED	\$ 22,014,800			
Revenues over (under) Expenditures (A-B)	\$ (1,218,800)	\$ 4,074,739	\$ (968,800)	\$ 250,000
Beginning Fund Balance	2,489,284		2,489,284	
Ending Fund Balance	\$ 1,270,484		\$ 1,520,484	
ELEMENTS OF FUND BALANCE:				
Designated for Contingencies	\$ 532,800		\$ 986,200	
Designated for Subsequent Years	-		-	
Undesignated	737,684		534,284	
Total Fund Balance	\$ 1,270,484		\$ 1,520,484	

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Schedule of Expenditures and Encumbrances
 For the Nine Months Ending March 31, 2005
 And Estimations to June 30, 2005
MONTGOMERY COUNTY
ADMINISTRATION FUND

EXPENDITURES	BUDGET FY2005	ACTUAL 01/31/05	PROJECTION FY2005	VARIANCE FAVORABLE (UNFAVORABLE)
Planning				
Director of Park & Planning	\$ 276,900	\$ 213,779	\$ 289,400	\$ (12,500)
Management Services	977,200	703,386	986,400	(9,200)
Strategic Planning	482,000	344,013	482,000	-
Community Based Planning	3,539,800	2,487,065	3,345,400	194,400
Countywide Planning	3,351,400	2,552,799	3,305,400	46,000
Development Review	2,237,700	1,633,218	2,258,700	(21,000)
Research and Technology	3,230,800	2,325,581	3,230,900	(100)
Total Planning Programs and Management	\$ 14,095,800	\$ 10,259,841	\$ 13,898,200	\$ 197,600

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE NINE MONTHS ENDING MARCH 31, 2005
And Estimations to June 30, 2005
MONTGOMERY COUNTY
PARK FUND SUMMARY

REVENUES	BUDGET FY2005	ACTUAL 03/31/05	PROJECTION FY2005	VARIANCE FAVORABLE (UNFAVORABLE)
Property Taxes	\$ 54,765,200	\$ 53,971,477	\$ 54,765,200	\$ -
Fees & Charges	747,200	390,954	747,200	-
Concessions & Rentals	1,421,300	1,054,203	1,437,300	16,000
Interest - Operations	255,000	137,402	175,000	(80,000)
Interest - CIP	45,000	96,201	120,000	75,000
Grants	425,000	25,483	30,000	(395,000)
Intergovernmental	-	-	-	-
Miscellaneous Revenue	85,000	284,765	300,000	215,000
TOTAL REVENUES (A)	57,743,700	55,960,485	57,574,700	(169,000)
Fund Balance - Designated for Contingencies	1,808,900			
Fund Balance - Designated for Current Year	1,376,200			
TOTAL	\$ 60,928,800			
Real Property Tax Rates - (cents)	5.9			
Personal Property Tax Rates (cents)	14.8			
Real Assessable Base (billions)	85.626			
Personal Property Assess. Base (billions)	3.130			
EXPENDITURES				
Operating Divisions	\$ 49,335,600	\$ 35,142,712	\$ 48,353,700	\$ 981,900
Support Services	7,091,700	6,276,237	7,087,600	4,100
Grants	425,000	25,483	30,000	395,000
Non-Departmental	-	(13,824)	(13,800)	13,800
TOTAL OPERATING EXPENDITURES	56,852,300	41,430,608	55,457,500	1,394,800
Debt Service	3,516,600	2,997,390	3,516,600	-
Transfers, Net	(1,249,000)	(1,038,435)	(1,038,400)	(210,600)
TOTAL EXPENDITURES (B)	59,119,900	43,389,563	57,935,700	1,184,200
Reserve	1,808,900			
TOTAL FUNDS REQUIRED	60,928,800			
Revenues over (under)				
Expenditures (A-B)	\$ (1,376,200)	\$ 12,570,922	\$ (361,000)	\$ 1,015,200
Beginning Fund Balance	4,289,120		4,289,120	
Ending Fund Balance	<u>\$ 2,912,920</u>		<u>\$ 3,928,120</u>	
Elements of Fund Balance:				
Designated for Contingencies	\$ 1,808,900		\$ 1,918,000	
Designated for Subsequent Years	-		-	
Undesignated	<u>1,104,020</u>		<u>2,010,120</u>	
Total Fund Balance	\$ 2,912,920		\$ 3,928,120	

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Schedule of Expenditures and Encumbrances
For the Nine Months Ending March 31, 2005
And Estimations to June 30, 2005
MONTGOMERY COUNTY
PARK FUND SUMMARY

	BUDGET FY2005	ACTUAL 03/31/05	PROJECTION FY2005	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES:				
Director of Parks	\$ 464,100	\$ 328,168	\$ 481,300	\$ (17,200)
Superintendent of Parks	2,615,600	2,171,806	2,673,500	(57,900)
Research and Technology	1,360,500	1,104,628	1,386,600	(26,100)
Park Development	2,388,000	1,949,962	2,507,900	(119,900)
County-wide Planning - Parks	1,528,100	1,057,467	1,511,700	16,400
Park Police	9,804,800	6,383,658	9,315,300	489,500
Natural Resources	4,540,500	3,284,890	4,440,800	99,700
Central Maintenance	8,377,200	6,125,719	8,183,800	193,400
Northern Region (Region I)	7,269,800	4,909,180	7,047,400	222,400
Southern Region (Region II)	10,109,000	7,084,135	9,927,400	181,600
Property Management	878,000	743,099	878,000	-
Total Operating Divisions	\$ 49,335,600	\$ 35,142,712	\$ 48,353,700	\$ 981,900

RECONCILIATION OF BUDGETED TRANSFERS:

Transfer to Enterprise	\$ 86,000	\$ 86,000	\$ 86,000	\$ -
Transfer in from Internal Service Fund	(1,540,000)	(1,329,435)	(1,329,400)	(210,600)
Transfer to CIP	205,000	205,000	205,000	-
Total Transfers	\$ (1,249,000)	\$ (1,038,435)	\$ (1,038,400)	\$ (210,600)