



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

MCPB Date: 11/17/2016  
Agenda Item #3

MEMORANDUM

DATE: November 10, 2016

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director of Parks *MR*  
Mitra Pedoeem, Deputy Director of Administration *Mitra Pedoeem*  
John Nissel, Deputy Director of Operations *JN*  
Shuchi Vera, Chief, Management Services Division *S.V.*

FROM: Nancy Steen, Budget Manager, Management Services Division *Nancy C. Steen*

SUBJECT: Department of Parks FY18 Proposed Operating Budget

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**Staff Recommendation**

Approve the expenditure funding levels for the Department of Parks FY18 Proposed Budgets for 1) Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY18 Estimated Revenue collected by the Department excluding the property tax collected by the County.

**Background**

At the September 15<sup>th</sup> Planning Board meeting, the Board provided general guidance for developing the FY18 Budget with the recognition that the Department of Parks has mandated requirements and other essential needs to operate our park system. The Planning Board asked that we request what is needed to provide the services that the Planning Board and the County Council have requested of us, being cognizant of the County's fiscal challenges and the likely impact that these challenges will have on our eventual budget.

On October 13<sup>th</sup>, the Department of Parks presented the base budget plus new initiatives level that addressed the top priorities of the department. The budget request included new initiatives totaling \$1.95M and 14 new positions. Adding the new initiatives to the base budget and major known commitments, produced a total request of \$7.4M, or an 8.1% increase above the FY17 Adopted budget.

At the time of the October 13<sup>th</sup> meeting, adjustments for Departmental chargebacks to the Park Fund for CAS services were not included in the proposed budget request. These numbers and other minor adjustments to known commitment totals have now been updated and are included in this memo.

In addition to the tax supported Park Fund, 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.

The Department of Parks generates revenues from user fees, grants, and other sources including revenue from the County’s Water Quality 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.

<b>Attachment 1</b>	Park Fund Expenditure Increase	Largely Tax Supported	\$7,692,943	8.4% above FY17
<b>Attachment 2</b>	Park Fund Revenue	Non-Tax Revenue	\$6,745,179	13.4% above FY17
<b>Attachment 3</b>	Enterprise Fund	Self Sufficient	\$9,307,638	6.8% above FY17
<b>Attachment 4</b>	Property Management Fund	Self Sufficient	\$1,311,100	0.6% below FY17
<b>Attachment 5</b>	Special Revenue Fund	Largely Self Sufficient	\$1,846,425	0.2% above FY17

**Summary**

Staff is requesting the Board’s approval of the expenditure funding levels for the Department of Parks FY18 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 FY18 budget process are:

Full Commission approves the FY18 Proposed Budget Resolution	December 16, 2016
M-NCPPC submits Budget in Brief per statutory mandate to County Executive and County Council	January 15, 2017
County Executive makes recommendations	March 15, 2017
County Council holds Public Hearings on budget	April 2017
County Council reviews M-NCPPC Budget	April & May 2017
Montgomery and Prince George’s County Councils meet	May 2017
County Councils adopt budget	May 2017

## Park Fund Expenditure Summary

### Background

For the FY18 Proposed Budget, the Department of Parks has included increases in the Base Budget for known commitments including Operating Budget Impact (OBI); National Pollutant Discharge Elimination System (NPDES) mandate; contractually obligated increases; new debt service for additional capital equipment; and an inflationary increase for supplies and materials.

In addition, the Department also requested several new initiatives to help meet essential needs that are not being met through the current budget.

Chart #1 below lists the Department’s known operating commitments excluding changes in salaries and benefits and debt service.

Chart #2 below lists the Department’s funding request for new initiatives.

The October 13<sup>th</sup> memo to the Planning Board provided details on the known operating commitments, and as such, they are not repeated in this memo.

<b>Chart # 1 - FY18 Park Fund Base Budget Known Operating Commitments</b>	<b>Personnel</b>	<b>Positions/Workyears</b>	<b>Funding</b>	<b>% Change</b>
Operating Budget Impact (OBI)	Seasonal	1.9 Workyears	\$109,541	0.1%
Increases Associated with Legislative Mandates (Minimum Wage Increase)	Seasonal		\$32,794	0.0%
Contractual Increases *			\$235,150	0.3%
Utilities/Telecommunications			\$77,495	0.1%
Inflationary Increases for Supplies and Materials, Services, and Capital Outlay			\$159,204	0.2%
Debt Service for Internal Service Fund Capital Equipment			\$617,500	0.7%
Removal of One-Time Funding from FY17 (Body Worn Cameras for Park Police)			(\$132,000)	-0.1%
Chargebacks - CIP, Enterprise, and CAS **	Career	(0.1) Workyear	\$445,754	0.5%
Position Changes		0.5 Workyear	\$0	0.0%
<b>TOTAL</b>		<b>2.3 Workyears</b>	<b>\$1,545,438</b>	<b>1.7%</b>

\* Previous total was \$273,579. The total was amended based on further review and updated cost estimates.

\*\* Previous total was \$102,725. The total was amended based on further review and updated cost estimates for CAS chargebacks and CIP chargebacks.

Chart # 2 - Summary - New Initiatives						
Item & Description	Career Positions	Term Positions	Career Wkyrs	Term Wkyrs	Seasonal Wkyrs	Funding
Activating Urban Parks	-	-	-	-	3.0	\$125,000
Cultivating the Next Generation of Park Leaders and Workers	-	-	-	-	3.0	\$75,000
Enhancing and Expanding the Trail System	3.0	(1.0)	3.0	(1.0)	1.5	\$212,269
Improving Quality and Playability of Ballfields	4.0	-	4.0	-	-	\$625,463
Maximizing Operational Efficiency and Reliability	3.0	-	2.7	-	-	\$261,143
Meeting Legislative Mandates	1.0	-	1.2	-	-	\$105,741
Sub-Total	11.0	(1.0)	10.9	(1.0)	7.5	\$1,404,616
Water Quality Protection Fund	3.0	1.0	3.0	1.0	-	\$549,349
Total	14.0	0.0	13.9	0.0	7.5	\$1,953,965

The October 13<sup>th</sup> memo to the Planning Board provided details on the new initiatives, and as such, they are not repeated in this memo.

#### **Park Fund Expenditures Budget Summary and Summary by Division**

The overall FY18 Park Fund budget request is summarized in the chart below.

DEPARTMENT of PARKS SUMMARY OF FY18 BUDGET REQUEST		
FY17 Adopted Budget (excl OPEB)	91,393,404	% Change
<b>CHANGES TO BASE BUDGET</b>		
Changes in Salaries including Benefits, Overtime, Seasonal, Lapse, Marker for Merit/COLA, and marker for Reclassification Study	3,492,425	3.8%
Known Operating Commitments (from Chart #1)	1,545,438	1.7%
New Initiatives (from Chart #2)	\$1,404,616	1.5%
Water Quality Protection Fund *	\$586,223	0.6%
Debt Service on General Obligation Bonds	\$664,241	0.7%
<b>Total Operating Increase FY18 Proposed Budget Request **</b>		
<b>FY18 Park Fund Budget Request (excl OPEB)</b>	<b>99,086,347</b>	
OPEB (PAYGO and Pre-Funding)	\$359,596	
<b>Total FY18 Park Fund Budget Request</b>	<b>99,445,943</b>	

\*Total includes known commitments and new initiatives.

\*\* This total includes the compensation marker for merit/COLA and for reclassification costs. In the divisional summary on page 6, the compensation markers are included in the Non-Departmental total.

There are some noteworthy changes not addressed above:

Salary Adjustment – The FY18 divisional personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY18 budget amounts for compensation adjustments are included in the Non-Departmental account.

Position Adjustments – Each year, divisions make personnel moves or adjustments to address specific needs. Further detail on these position adjustments was already included in the Planning Board memo presented on October 13<sup>th</sup>. This year, the following adjustments are requested:

- Adding 0.5 workyear and converting a part time (PT) career position to a full time (FT) career position at Meadowside Nature Center within the Horticulture, Forestry and Environmental Education Division. The classification for this position is being revised from a Park Naturalist II to a Park Naturalist I. With the revision of the grade and to the scope of work, this position can be converted from PT career to a FT career position for no additional cost.
- Converting a term contract position in the Park Development Division to a full time (FT) career position. This position will be partially funded within the CIP, and the additional funding required to convert this position from term contract to career will be offset by an increase in the CIP chargeback so that there will be no impact to the operating budget for this conversion.

Adjustments to Address Needs – Each year, divisions move funding from Supplies & Materials (S&M) to Other Services and Charges (OS&C) and vice versa to address specific needs, or funds may be moved between divisions. This year, the following adjustments are requested:

- Public Affairs & Community Partnerships – Transferring \$28,300 from OS&C to seasonal cost for customer service support that can be handled more economically by seasonal staff.
- Northern Parks – Transferring \$8,000 from OS&C to S&M to address needs.
- Southern Parks – Transferring \$34,500 from OS&C to S&M to purchase minor equipment and maintenance supplies.

The charts below show the FY17 Adopted Budget and the FY18 Proposed Budget by division for the Park Fund. The Park Fund budget is appropriated by the County Council at the division level.

**FY18 Proposed Park Fund Expenditure Budget**

<b>Expenditure by Major Object</b>	<b>FY17 Adopted Budget</b>	<b>FY18 Proposed Budget</b>	<b>Increase/ (Decrease) from FY17</b>
<b>Director's Office</b>			
Personnel Services	\$1,492,679	\$1,631,282	\$138,603
Supplies & Materials	\$3,468	\$3,503	\$35
Other Services & Charges	\$44,850	\$56,250	\$11,400
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
<b>Total</b>	<b>\$1,540,997</b>	<b>\$1,691,035</b>	<b>\$150,038</b>

<b>Public Affairs &amp; Community Partnerships</b>			
Personnel Services	\$2,205,384	\$2,349,282	\$143,898
Supplies & Materials	\$54,836	\$59,384	\$4,548
Other Services & Charges	\$438,790	\$497,612	\$58,822
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
<b>Total</b>	<b>\$2,699,010</b>	<b>\$2,906,278</b>	<b>\$207,268</b>

<b>Management Services</b>			
Personnel Services	\$1,558,196	\$1,573,847	\$15,651
Supplies & Materials	\$8,772	\$8,860	\$88
Other Services & Charges	\$185,997	\$188,600	\$2,603
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
<b>Total</b>	<b>\$1,752,965</b>	<b>\$1,771,307</b>	<b>\$18,342</b>

<b>Information Technology &amp; Innovation</b>			
Personnel Services	\$1,081,609	\$1,112,031	\$30,422
Supplies & Materials	\$224,400	\$226,794	\$2,394
Other Services & Charges	\$1,097,280	\$1,040,711	(\$56,569)
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$58,200)	(\$60,100)	(\$1,900)
<b>Total</b>	<b>\$2,345,089</b>	<b>\$2,319,436</b>	<b>(\$25,653)</b>

<b>Park Planning &amp; Stewardship</b>			
Personnel Services	\$4,453,433	\$4,817,389	\$363,956
Supplies & Materials	\$93,308	\$119,241	\$25,933
Other Services & Charges	\$513,277	\$540,917	\$27,640
Capital Outlay	\$55,000	\$55,550	\$550
Chargebacks	(\$385,708)	(\$346,640)	\$39,068
<b>Total</b>	<b>\$4,729,310</b>	<b>\$5,186,457</b>	<b>\$457,147</b>

<b>Park Development</b>			
Personnel Services	\$5,280,092	\$5,534,300	\$254,208
Supplies & Materials	\$42,942	\$48,371	\$5,429
Other Services & Charges	\$99,825	\$111,314	\$11,489
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$2,180,600)	(\$2,298,851)	(\$118,251)
<b>Total</b>	<b>\$3,242,259</b>	<b>\$3,395,134</b>	<b>\$152,875</b>

<b>Park Police</b>			
Personnel Services	\$13,156,006	\$13,806,009	\$650,003
Supplies & Materials	\$648,613	\$523,099	(\$125,514)
Other Services & Charges	\$356,024	\$369,924	\$13,900
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
<b>Total</b>	<b>\$14,160,643</b>	<b>\$14,699,032</b>	<b>\$538,389</b>

<b>Horticulture, Forestry &amp; Environmental Education</b>			
Personnel Services	\$7,978,391	\$8,355,132	\$376,741
Supplies & Materials	\$525,698	\$670,260	\$144,562
Other Services & Charges	\$853,082	\$949,728	\$96,646
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$223,400)	(\$124,100)	\$99,300
<b>Total</b>	<b>\$9,133,771</b>	<b>\$9,851,020</b>	<b>\$717,249</b>

<b>Facilities Management</b>			
Personnel Services	\$10,198,050	\$10,454,312	\$256,262
Supplies & Materials	\$1,747,142	\$1,816,452	\$69,310
Other Services & Charges	\$888,720	\$999,306	\$110,586
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$989,545)	(\$999,200)	(\$9,655)
<b>Total</b>	<b>\$11,844,367</b>	<b>\$12,270,870</b>	<b>\$426,503</b>

<b>Northern Parks</b>			
Personnel Services	\$8,584,293	\$8,777,963	\$193,670
Supplies & Materials	\$802,113	\$885,884	\$83,771
Other Services & Charges	\$464,331	\$487,658	\$23,327
Capital Outlay	\$419,650	\$421,600	\$1,950
Chargebacks	(\$31,700)	(\$32,700)	(\$1,000)
<b>Total</b>	<b>\$10,238,687</b>	<b>\$10,540,405</b>	<b>\$301,718</b>

<b>Southern Parks</b>			
Personnel Services	\$11,548,755	\$12,023,046	\$474,291
Supplies & Materials	\$1,065,253	\$1,476,506	\$411,253
Other Services & Charges	\$356,331	\$363,331	\$7,000
Capital Outlay	\$240,000	\$292,400	\$52,400
Chargebacks	(\$72,900)	(\$75,100)	(\$2,200)
<b>Total</b>	<b>\$13,137,439</b>	<b>\$14,080,183</b>	<b>\$942,744</b>

<b>Support Services</b>			
Personnel Services	\$239,618	\$309,980	\$70,362
Supplies & Materials	\$1,609,205	\$1,593,705	(\$15,500)
Other Services & Charges	\$8,225,488	\$9,157,939	\$932,451
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$877,587	\$1,066,646	\$189,059
<b>Total</b>	<b>\$10,951,898</b>	<b>\$12,128,270</b>	<b>\$1,176,372</b>

<b>Park Fund Total</b>				
Personnel Services	\$67,776,506	\$70,744,573	\$2,968,067	4.4%
Supplies & Materials	\$6,825,750	\$7,432,059	\$606,309	8.9%
Other Services & Charges	\$13,523,995	\$14,763,290	\$1,239,295	9.2%
Capital Outlay	\$714,650	\$769,550	\$54,900	7.7%
Chargebacks	(\$3,064,466)	(\$2,870,045)	\$194,421	-6.3%
<b>Total</b>	<b>\$85,776,435</b>	<b>\$90,839,427</b>	<b>\$5,062,992</b>	<b>5.9%</b>
Debt Service	4,846,969	5,511,210	\$664,241	13.7%
<b>Total Park Fund Operating Request</b>	<b>90,623,404</b>	<b>96,350,637</b>	<b>5,727,233</b>	<b>6.3%</b>
Non-Departmental	4,994,090	7,319,396	\$2,325,306	
Grants	400,000	400,000	\$0	
Capital Projects Funds	350,000	350,000	\$0	
<b>Total</b>	<b>96,367,494</b>	<b>104,420,033</b>	<b>\$8,052,539</b>	



## Park Fund Revenue Summary

### Park Fund Operating Revenue FY18 Proposed Budget

The FY18 Park Fund Operating Revenue is projected to be \$6,745,179. This is \$796,023 higher than the FY17 Adopted Budget mainly due to a projected increase in user fees and an increase in the intergovernmental transfer from the Water Quality Protection Fund.

Facilities user fees are projected to be \$206,600 higher than FY18 Budget primarily due to an increase in ballfield revenue and building rentals attributable to an increase in fees.

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. Incremental funding has been added each year to fund cost increases associated with these programs. The increase in FY18 is \$586,223. The October 13<sup>th</sup> memo to the Planning Board provided details on this change, and as such, they are not repeated in this memo.

The chart below shows the FY18 proposed operating revenues for the Park Fund.

#### Proposed Park Fund Revenue

#### Attachment 2

	Budget FY17	Proposed FY18	% Change
<b><u>REVENUES</u></b>			
Facilities User Fees	\$2,594,043	\$2,800,643	8.0%
Grants	\$400,000	\$400,000	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$2,817,413	\$3,403,636	20.8%
Miscellaneous Revenue	\$107,700	\$120,900	12.3%
Interest (including CIP Interest Transfer)	\$30,000	\$20,000	-33.3%
<b>Total Revenue</b>	<b>5,949,156</b>	<b>6,745,179</b>	<b>13.4%</b>

## **Enterprise Fund Summary**

### **Enterprise Fund Overall FY18 Proposed Budget**

The Enterprise Fund oversees the operation of the revenue producing facilities such as ice rinks, indoor tennis centers, and conference centers. The funds are primarily generated through user fees, rentals and other non-tax supported sources. The Enterprise Fund proposed FY18 budget reflects \$10,715,981 in revenues and \$9,307,638 in expenditures for a net profit of \$1,408,343.

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 12 shows the FY18 proposed revenues and expenditures for the Enterprise Fund.

### **FY18 Changes**

#### **Revenues**

The FY18 Enterprise Fund proposed revenues of \$10,715,981 is \$34,799 more than the FY17 approved budget attributable to a projected increase of sales revenue at Brookside Gardens from restructuring the gift shop operations.

Revenue for the Cabin John Ice Rink is proposed to slightly decrease due to the closure of the NHL and Studio Rink for about 2.5 months of FY18 to remove and upgrade the refrigeration system and concrete floors. However, the increased revenue from the Tennis and Park facilities will offset that lost revenue.

#### **Expenditures**

The FY18 Enterprise Fund proposed expenditures of \$9,307,638 is \$595,491 higher than the FY17 adopted budget. This is due to a combination of increases in personnel cost and ActiveMONTGOMERY transaction fees.

Personnel costs increased due to the rising costs of seasonal funding due to minimum wage increases as well as an increase in compensation costs for merit staff. Also, one career position at Wheaton Ice Arena that was frozen and unfunded in FY17 is now being funded in FY18.

### **FY18 Changes**

The FY18 proposed budget also includes three new career positions to assist with various work programs. A new Recreation/Enterprise Facility Management Technician position is proposed for the Cabin John Ice Rink to assist the Skating Director with the large volume of programs and special events. A Program Access Outreach Specialist is being proposed within Enterprise Administration to support the Program Access

Office to lead efforts in training, awareness programs, and public outreach. Although this position is being funded within the Enterprise Division, a portion of the cost will be transferred as a chargeback to the Park Fund. Finally, an existing term contract administrative position is being eliminated and replaced with a career administrative position to provide divisional support.

### **Capital Improvements**

Capital Improvement Projects for the Enterprise facilities are approved in the CIP budget. The funding source is the Enterprise Reserves.

The proposed capital projects include the following:

- \$900,000 for Cabin John Ice Rink for installation of a new refrigeration system for the NHL rink and the studio rink and replacement of the rink floors;
- \$300,000 of additional funding for continuation of the reconfiguration and upgrades of the parking lots at Rockwood Manor;
- \$150,000 for Little Bennett Campground for ADA improvements, continuing to add amenities, and for replacing grinder pump stations, and;
- \$275,000 for replacing coach cars for Wheaton Train.

**MONTGOMERY COUNTY ENTERPRISE FUND - ENTERPRISE SUMMARY**  
**Summary of Revenues and Expenses**  
**Proposed Budget FISCAL YEAR 2018**

	FY 17 Budget	FY17 Estimated	FY18 Proposed Budget	% Change
<b>Operating Revenues:</b>				
Intergovernmental -	-	-	-	-
Sales	621,300	620,200	689,400	11.0%
Charges for Services	5,951,700	5,997,075	5,953,875	0.0%
Rentals and Concessions	3,370,624	3,330,024	3,314,020	-1.7%
Miscellaneous	687,558	685,558	698,686	1.6%
Interest	50,000	51,200	60,000	20.0%
Transfers In	-	-	-	-
<b>Total Operating Revenues</b>	<b>10,681,182</b>	<b>10,684,057</b>	<b>10,715,981</b>	<b>0.3%</b>
<b>Operating Expenses:</b>				
Personnel Services	5,347,038	5,403,171	6,086,470	13.8%
Goods for Resale	316,000	303,400	302,600	-4.2%
Supplies and Materials	495,500	571,950	512,750	3.5%
Other Services and Charges	2,230,166	2,431,613	2,261,341	1.4%
Capital Assets	118,000	140,376	-	-100.0%
Chargebacks	205,443	179,299	144,477	-29.7%
<b>Total Operating Exp and Other Use</b>	<b>8,712,147</b>	<b>9,029,809</b>	<b>9,307,638</b>	<b>6.8%</b>
<b>Gain (Loss)</b>	<b>1,969,035</b>	<b>1,654,248</b>	<b>1,408,343</b>	<b>-28.5%</b>
<b>Transfers Out (CIP)</b>	<b>1,300,000</b>	<b>-</b>	<b>1,625,000</b>	<b>25.0%</b>
<b>Gain (Loss) Incl CIP Transfer</b>	<b>669,035</b>	<b>1,654,248</b>	<b>(216,657)</b>	
	FY 17 Budget	FY17 Estimated	FY18 Proposed Budget	
<b>WORKYEARS</b>				
FT Career Positions	33.0	33.0	36.0	
FT Workyears	33.0	33.0	36.0	
PT Career Positions	0.0	0.0	0.0	
PT Workyears	0.0	0.0	0.0	
Term Contract Positions	1.0	0.0	0.0	
Term Contract Workyears	1.0	0.0	0.0	
Seasonal Workyears	84.4	89.1	91.3	
Chargebacks	0.9	0.9	-0.6	
Less Lapse	0.0	0.0	0.0	
<b>TOTAL POSITIONS</b>	<b>34.0</b>	<b>33.0</b>	<b>36.0</b>	
<b>TOTAL WORKYEARS</b>	<b>119.3</b>	<b>123.0</b>	<b>126.7</b>	

## **Property Management Fund Summary**

### **Property Management Fund Overall FY18 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 FY18 budget request is \$1,311,100, or 0.6% lower than last year's budget. While personnel costs are increasing slightly based on compensation increases, that increase is offset by a slight reduction in projected expenses for construction and maintenance supplies and services.

The chart on the next page shows the FY18 proposed revenues and expenditures for the Property Management Fund.

### **Property Management Fund Overview**

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 portfolio reflects approximately the same revenue as FY17 and again includes a continued demand for parking lot use and standardization of terms for annual increases to lease agreements.

The Property Management unit continues to expand efforts on the oversight of leased property. The efforts to lease closed PAB's to private third party tenants presents challenges for both our maintenance resources and for potential tenants to achieve success in their business plans for a variety of reasons. Upon the conclusion of FY16, six of the original 11 closed PAB's continue as privately leased, indicating the transitioned operations are now stabilized.

### **FY18 Changes**

FY18 rental income is projected to be \$8,400 lower than the FY17 budget. While the Department continues to standardize annual rental increases and to achieve a higher percentage of tenants paying fair market rental rates for building and land rentals, the revenue is decreasing slightly due to a slight increase in vacancies and a longer turnover time due to complexities arising from their historic status.

**MONTGOMERY COUNTY PROPERTY MANAGEMENT SUBFUND**  
**Summary of Revenues, Expenditures, and Changes in Fund Balance**  
**PROPOSED BUDGET FISCAL YEAR 2018**

	FY 17 Adopted	FY17 Estimated	FY 18 Proposed	%
				Change
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Sales	-	-	-	-
Charges for Services	-	-	-	-
Rentals and Concessions	1,315,000	1,267,435	1,306,600	-0.6%
Interest	4,000	4,000	4,500	12.5%
Miscellaneous	-	5,500	-	-
<b>Total Revenues</b>	<u>1,319,000</u>	<u>1,276,935</u>	<u>1,311,100</u>	<u>-0.6%</u>
Expenditures by Major Object:				
Personnel Services	466,792	466,792	478,757	2.6%
Supplies and Materials	201,820	183,637	194,090	-3.8%
Other Services and Charges	479,288	455,506	468,953	-2.2%
Capital Outlay	-	-	-	-
Chargebacks	171,100	171,000	169,300	-1.1%
<b>Total Expenditures</b>	<u>1,319,000</u>	<u>1,276,935</u>	<u>1,311,100</u>	<u>-0.6%</u>
Excess of Revenues over Expenditures	-	-	-	-

	FY17 Adopted		FY17 Estimated		FY18 Proposed	
Positions/Workyears Full Time Career	4.00	4.00	4.00	4.00	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>	0.00	0.00
Positions/Workyears Total Career	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
Positions/Workyears Term Contract	0.00	0.00	0.00	0.00	0.00	0.00
Seasonal/Intermittent		0.00		0.00		0.00
Chargebacks		3.00		3.00		3.00
Less Normal Lapse		<u>0.00</u>		<u>0.00</u>		0.00
<b>Workyears Total</b>		<b>7.00</b>		<b>7.00</b>		<b>7.00</b>

Chargebacks: 0.5 WYs to Enterprise Fund and 3.5 WYs from Park Fund.

## **Special Revenue Fund Summary**

### **Special Revenue Fund Overall FY18 Proposed Budget**

The Special Revenue Fund has a beginning balance of \$360,726. The proposed FY18 budget reflects revenues of \$1,677,470 and expenditures of \$1,846,425. This level of expenditures will leave an ending balance of \$191,771.

The chart on page 17 shows the FY18 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 substantial. 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 FY18 proposed budget.

#### **Park Police – Drug Enforcement Fund**

This fund was established pursuant to Maryland law. The law provides the authority to seize property resulting from a 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.



## Attachment 5

<b>Special Revenue Fund Summary</b>	<b>Budget FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$441,411</b>	<b>\$843,005</b>	<b>\$360,726</b>
<b>REVENUE</b>			
<b>Intergovernmental Revenues</b>	\$988,200	\$988,200	\$1,035,700
<b>Sales</b>	\$5,000	\$2,500	\$5,500
<b>Charges for Services</b>	\$0	\$0	\$0
<b>Recreation/User Fees</b>	\$309,000	\$389,470	\$414,470
<b>Rentals/Concessions</b>	\$89,645	\$106,500	\$114,500
<b>Interest</b>	\$0	\$1,500	\$1,500
<b>Miscellaneous Revenues</b>	\$267,000	\$50,885	\$105,800
<b>Interfund Transfer</b>	<u>0</u>	<u>\$0</u>	<u>0</u>
<b>TOTAL REVENUE</b>	<b>\$1,658,845</b>	<b>\$1,539,055</b>	<b>\$1,677,470</b>
<b>EXPENDITURE</b>			
<b>Personnel Services</b>	\$537,800	\$509,551	\$560,300
<b>Supplies and Materials</b>	\$189,500	\$165,303	\$203,000
<b>Other Services and Charges</b>	\$1,041,000	\$1,273,280	\$1,011,125
<b>Capital Outlay</b>	\$34,000	\$32,000	\$29,600
<b>Other Classifications</b>	<u>\$41,200</u>	<u>\$41,200</u>	<u>\$42,400</u>
<b>TOTAL EXPENDITURE</b>	<b>\$1,843,500</b>	<b>\$2,021,334</b>	<b>\$1,846,425</b>
<b>Total Revenue Less Expenditure</b>	<b><u>(\$184,655)</u></b>	<b><u>(\$482,279)</u></b>	<b><u>(\$168,955)</u></b>
<b>ENDING FUND BALANCE</b>	<b>\$256,756</b>	<b>\$360,726</b>	<b>\$191,771</b>
<b>Workyears</b>	6.00	6.00	8.50