

MCPB
Item #2A
3/9/06



The Maryland-National Capital Park & Planning Commission

PCB 06-11

March 2, 2006

TO: Montgomery County Planning Board

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

SUBJECT: Operating Funds FY 2006 Seven Months Financial Report
Including Projections to June 30, 2006 – Montgomery County

The seven months financial report for the period ending January 31, 2006 and projections to June 30, 2006 are attached. The reasons for the variances are highlighted below.

OVERALL COMMENTS

Through January 31, 2006, we have collected \$80,251,533 or 94.10% of the tax revenues budget of \$85,279,200. This percentage is slightly higher than last year, which was 93.56%. The increase is due to the payment by Mirant Chalk Point of their FY 2004 taxes which with interest totals \$365,000. Based on collection trends to date, we are projecting taxes to exceed the budget by a net of \$150,000.

Interest revenues are projected to be in excess of amounts budgeted as interest rates (currently 4.1%) are in excess of those used in the budget (2.6%).

On February 7, 2006, the Montgomery County Council unanimously approved a \$902,080 supplemental budget amendment. Of this amount, \$543,280 was appropriated in the Administration Fund with prior year fund balance (reserve) as the source of funding and \$358,800 was appropriated in the Special Revenue Fund with fee revenue as the source of funding.

A plan to increase fees is being presented to the Board on March 2nd. As a result, we have taken a conservative approach and assumed that only \$150,000 of the development review expenditures will be absorbed by the Special Revenue Fund, leaving approximately \$200,000 of contractual expenditures in the Administration Fund. After fee changes are adopted, we will monitor the income generated and determine if revenues are sufficient to support transferring all or a portion of those expenditures to the Special Revenue Fund freeing up appropriation capacity in the Administration Fund.

At the County's request, the Commission provided a list of critical information technology and capital improvement needs that could be considered for funding with the \$23 million the County has identified as available. The Commission submitted a \$4 million list of needs. None of these expenditures are reflected in the projections at this time.

The actuarial valuation report prepared as of July 1, 2005 for the Employees' Retirement System for FY 2006, received in September 2005, indicated that the required Commission-wide employer contribution is \$955,000 more than anticipated in the budget. The majority of the increase relates to the park police plans, as that actuarial recommended rate of 11.6% is significantly higher than the budgeted rate of 5.7%. The contribution rate for park police plans in the July 1, 2004 valuation was 4.1%. The additional contribution for Montgomery County Park Police totaling \$290,000 has been recorded in the Park Fund. The balance of the increase relating to non-police plans was covered by FY 2005 contributions from the departments that exceeded the contribution required to be made.

ADMINISTRATION FUND

Revenues – Favorable variance of \$174,800.

1. Property taxes are projected above budget by \$39,800.
2. Fees and Charges are projected to be \$75,000 above budget. The positive variance is attributed to the increase in fees and collections from preliminary plans, project and site plans, and plat fees.
3. Interest is projected to be \$50,000 over budget.
4. Grants are projected to be at budget at this time. This is offset by grant expenditures.
5. Miscellaneous revenues were not budgeted, but are projected to generate \$10,000, primarily in fines collected by Development Review.

Expenditures – Favorable variance of \$32,200

1. The Commissioners' & Administrative Support Office projects a positive variance of \$26,400 from Personal Services due to salary lapse.
2. Planning Services is projecting a \$5,300 net favorable variance. Savings of \$191,900 from Programs and Management is offset by projected shortfalls totaling \$186,600 in Support Services. The savings are due to salary lapse from vacancies in all the divisions except for Development Review. To the extent fees are collected in the newly created Special Revenue Fund, up to \$206,720 of professional services contracts will be transferred to the Special Revenue Fund.

The shortfall in Support Services is primarily due to over spending in professional services for Development Review.

3. The CAS Departments of Human Resources and Management including Support Services, and Legal are projected to be at budget. Finance is projecting savings of \$500. In a separate memo the Finance Department is requesting Board authorization to spend \$133,250 of salary lapse on critical information technology initiatives and to replace some old equipment.
4. The Merit Board is projecting to be at budget.
5. Grants expenditures are projected to be at budget. This is offset in the revenue section above.

Fund Balance -

If these projections are realized, the Fund Balance in the Administration Fund will total \$1,902,284 consisting of \$981,200 Designated for Contingencies, \$83,800 Designated for Subsequent Year's Budget and Undesignated Fund Balance of \$837,284.

PARK FUND

Revenues - Favorable variance of \$153,900.

1. Property taxes are projected above budget by \$110,200.
2. Fees and Charges are projected to be short by \$35,100. This is due to lower attendance in Nature Centers and Visitor Centers.
3. Concessions and Rentals are projected to have a negative variance of \$3,600.
4. Interest in the operating fund is projected at \$105,000 higher than budgeted. Despite higher than budgeted rates, CIP interest is projected to have a shortfall of \$45,000 as the adopted budget estimated revenues higher than the Commission proposed.
5. The Park Fund is projecting to realize the grant revenue budget, which is offset by the expenditures.
6. Miscellaneous revenues in the Park Fund are projected to show a positive variance of \$22,400, which include expected revenues of \$9,000 from deer management fees that were not budgeted.

Expenditures - Favorable variance of \$13,600

1. We are currently projecting that the Park Fund will spend the entire budgeted amount, except for savings to offset the Support Services variance. Although the Department is projecting significant salary lapse, it is anticipated that the funds will be necessary to cover needs identified for the parks, information technology, and departmental restructuring. The Parks Director will be reviewing and prioritizing proposed divisional spending requests. Subsequently the Director will be preparing a memo detailing the needs to obtain input from the Board and requesting authority to spend the lapse.

Support Services is projecting a negative variance of \$82,100. The savings of \$350,900 in Other Services and Charges that was primarily from prepaying capital equipment rental in FY 2005 was offset due to increased costs of \$433,000 for gasoline and diesel fuel.

2. Debt Service is projected to have savings of \$13,600 due to the refunding done in July. The majority of the refunding savings will occur in FY2007 (\$190,000).

Transfers - Favorable variance of \$116,000.

1. The \$116,000 positive variance in transfers is the result of a change in the proposed CIP budget that was not reflected in the operating budget.

Fund Balance -

If these projections are realized, the Park Fund Balance will total \$3,107,016 consisting of \$2,631,500 Designated for Contingencies and Undesignated Fund Balance of \$475,516.



MEMO

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

10-Feb-06

TO: Commissioners

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

SUBJECT: Montgomery County Property Tax Revenue Report - January 31, 2006

The following is the latest data with respect to collections of property taxes for Fiscal Year 2006. The tabulations compare actual collections for the past three years, and the current year through January 31, 2006.

FUND ALLOCATION FOR FY 2006

FUND	ADOPTED BUDGET			ACTUAL		ESTIMATE - FY2006			FAVORABLE VARIANCE
	TAX RATE (CENTS)			AMOUNT (a)	% OF BUDGET	REMAINING MONTHS	FOR YEAR	% OF BUDGET	
	PERSONAL	REAL	AMOUNT						
Administration	5.50	2.20	22,600,100	21,257,488	94.06	1,382,412	22,639,900	100.18	39,800
Park General	15.30	6.10	62,679,100	58,994,045	94.12	3,795,255	62,789,300	100.18	110,200
Total-Operating	20.80	8.30	85,279,200	80,251,533	94.10	5,177,667	85,429,200	100.18	150,000
Advance Land	0.30	0.10	1,208,300	1,133,701	93.83	74,599	1,208,300	100.00	-
TOTAL	21.10	8.40	86,487,500	81,385,234	94.10	5,252,266	86,637,500	100.17	150,000

HISTORICAL INFORMATION

FISCAL YEAR	COUNTY-WIDE ASSESSABLE BASE (BILLIONS)			TAX RATE (CENTS)	ACTUAL THRU 01/06				TOTAL FOR YEAR	
	BUDGET	ACTUAL	ADOPTED BUDGET		AMOUNT	% OF BUDGET	% OF ACTUAL	REMAINING MONTHS	AMOUNT	% OF BUDGET
2003	Personal 4.07	4.23	21.90							
	Real 81.67	82.40	8.70	69,207,820	65,028,779	93.96	92.63	5,171,749	70,200,528	101.43
2004	Personal 4.20	3.96	20.40							
	Real 88.50	89.26	8.10	69,220,000	64,579,145	93.30	93.60	4,415,367	68,994,512	99.67
2005	Personal 3.92	3.90	20.10							
	Real 98.48	98.28	8.00	74,418,000	69,624,423	93.56	93.63	4,738,955	74,363,378	99.93
2006	Personal 3.90		21.10							
	Real 110.47		8.40	86,487,500	81,385,234 (a)	94.10	N/A	5,252,266	86,637,500	100.17

(a) Includes collections for January of \$2,167,999.15 received February 10, 2006.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE SEVEN MONTHS ENDING JANUARY 31, 2006 AND
AND ESTIMATIONS TO JUNE 30, 2006
MONTGOMERY COUNTY
ADMINISTRATION FUND

REVENUES	BUDGET FY2006	ACTUAL 01/31/06	PROJECTION FY2006	VARIANCE FAVORABLE (UNFAVORABLE)
Property Taxes	\$ 22,600,100	\$ 21,257,488	\$ 22,639,900	\$ 39,800
Fees & Charges	1,592,000	1,023,451	1,667,000	75,000
Interest	150,000	108,471	200,000	50,000
Grants	150,000	-	150,000	-
Miscellaneous Revenue	-	9,483	10,000	10,000
TOTAL REVENUES (A)	24,492,100	\$ 22,398,893	\$ 24,666,900	\$ 174,800
Fund Balance - Designated for Contingencies	-			
Fund Balance - Designated for Current Year	-			
TOTAL	\$ 24,492,100			
Real Property Tax Rates - (cents)	2.2			
Personal Property Tax Rates (cents)	5.5			
Real Assessable Base (Billions)	96.059			
Personal Property Assess. Base (billions)	3.114			
EXPENDITURES				
Commissioners' & Admin. Support Office	\$ 1,322,200	\$ 831,346	\$ 1,295,800	\$ 26,400
Planning Services:				
Programs and Management	15,447,880	7,859,877	15,255,980	191,900
Support Services	1,200,200	1,179,995	1,386,800	(186,600)
Grants	150,000	-	150,000	-
Total Planning Services	16,798,080	9,039,872	16,792,780	5,300
Subtotal	18,120,280	9,871,218	18,088,580	31,700
Central Administrative Services (CAS):				
Dept. of Hum. Res. & Mgmt.	2,048,800	1,119,560	2,048,800	-
Department of Finance	2,564,200	1,303,248	2,563,700	500
Legal Department	926,100	452,240	926,100	-
Support Services	500,300	144,976	500,300	-
Merit System Board	44,000	17,129	44,000	-
	6,083,400	3,037,153	6,082,900	500
Non-Departmental	-	-	-	-
TOTAL OPERATING EXPENDITURES	24,203,680	12,908,371	24,171,480	32,200
Transfers, Net	-	-	-	-
TOTAL EXPENDITURES AND TRANSFERS (B)	24,203,680	12,908,371	24,171,480	32,200
Reserve	831,700			
TOTAL FUNDS REQUIRED	\$ 25,035,380			
Revenues over (under)				
Expenditures (A-B)	\$ 288,420	\$ 9,490,522	\$ 495,420	\$ 207,000
Beginning Fund Balance	1,406,864		1,406,864	
Ending Fund Balance	<u>\$ 1,695,284</u>		<u>\$ 1,902,284</u>	
ELEMENTS OF FUND BALANCE:				
Designated for Contingencies	\$ 831,700		\$ 981,200	
Designated for Subsequent Years	\$ -		83,800	
Undesignated	863,584		837,284	
Total Fund Balance	\$ 1,695,284		\$ 1,902,284	

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Schedule of Expenditures and Encumbrances
For the Seven Months Ending January 31, 2006
And Estimations to June 30, 2006
MONTGOMERY COUNTY
ADMINISTRATION FUND

EXPENDITURES	BUDGET FY2006	ACTUAL 01/31/06	PROJECTION FY2006	VARIANCE FAVORABLE (UNFAVORABLE)
Planning				
Director of Park & Planning	\$ 296,600	\$ 269,868	\$ 359,700	\$ (63,100)
Management Services	1,033,000	541,130	991,100	41,900
Strategic Planning	492,400	269,845	476,300	16,100
Community Based Planning	3,650,100	1,851,679	3,413,100	237,000
Countywide Planning	3,604,600	2,158,957	3,598,300	6,300
Development Review	3,015,880	928,239	3,107,080	(91,200)
Research and Technology	3,355,300	1,840,159	3,310,400	44,900
Total Planning Programs and Management	\$ 15,447,880	\$ 7,859,877	\$ 15,255,980	\$ 191,900

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Seven Months Ending January 31, 2006

And Estimations to June 30, 2006

MONTGOMERY COUNTY

PARK FUND SUMMARY

REVENUES	BUDGET FY2006	ACTUAL 10/31/05	PROJECTION FY2006	VARIANCE FAVORABLE (UNFAVORABLE)
Property Taxes	\$ 62,679,100	\$ 58,994,045	\$ 62,789,300	\$ 110,200
Fees & Charges	783,900	451,969	748,800	(35,100)
Concessions & Rentals	1,580,400	909,831	1,576,800	(3,600)
Interest - Operations	260,000	200,100	365,000	105,000
Interest - CIP	220,000	115,905	175,000	(45,000)
Grants	425,000	142,672	425,000	-
Miscellaneous Revenue	70,000	89,870	92,400	22,400
TOTAL REVENUES (A)	66,018,400	60,904,392	66,172,300	153,900
Fund Balance - Designated for Contingencies	1,837,100			
Fund Balance - Designated for Current Year	596,000			
TOTAL	\$ 68,451,500			
Real Property Tax Rates - (cents)	6.1			
Personal Property Tax Rates (cents)	15.3			
Real Assessable Base (billions)	96.059			
Personal Property Assess. Base (billions)	3.114			
 EXPENDITURES				
Operating Divisions	\$ 53,720,700	\$ 28,981,874	\$ 53,638,600	\$ 82,100
Support Services	8,000,600	6,166,687	8,082,700	(82,100)
Grants	425,000	142,672	425,000	-
Non-Departmental	-	-	-	-
TOTAL OPERATING EXPENDITURES	62,146,300	35,291,233	62,146,300	-
Debt Service	3,627,100	3,076,362	3,613,500	13,600
Transfers, Net	841,000	795,000	725,000	116,000
TOTAL EXPENDITURES (B)	66,614,400	39,162,595	66,484,800	129,600
Reserve	1,837,100			
TOTAL FUNDS REQUIRED	68,451,500			
Revenues over (under)				
Expenditures (A-B)	\$ (596,000)	\$ 21,741,797	\$ (312,500)	\$ 283,500
Beginning Fund Balance	3,419,516		3,419,516	
Ending Fund Balance	<u>\$ 2,823,516</u>		<u>\$ 3,107,016</u>	
Elements of Fund Balance:				
Designated for Contingencies	\$ 1,837,100		\$ 2,631,500	
Designated for Subsequent Years	-		-	
Undesignated	986,416		475,516	
Total Fund Balance	\$ 2,823,516		\$ 3,107,016	