



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

MCPB Date: 11/16/2017
Agenda Item #7

MEMORANDUM

DATE: November 9, 2017

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
Shuchi Vera, Chief, Management Services Division *S.V.*

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

SUBJECT: Department of Parks FY19 Proposed Operating Budget

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks FY19 Proposed Budgets for 1) Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY19 Estimated Revenue collected by the Department excluding the property tax collected by the County.

Background

At the September 14th Planning Board meeting, the Board provided general guidance for developing the FY19 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 19th, the Department of Parks presented the base budget plus program enhancements level that addressed the top priorities of the department. The budget request included program enhancements totaling just under \$2M and 14 new positions. Adding the program enhancements to the base budget and

major known commitments, produced a total request of \$5.7M, or a 6.0% increase above the FY18 adopted budget.

At the time of the October 19th meeting, several of the Departmental costs in the Park Fund related to CAS services and to the Commission-wide IT initiatives were estimates. These numbers and other minor adjustments to known commitment totals have now been updated and are included in this memo. Based on recent guidance from the County Council, the Department has increased the funding request for continued implementation of the “Wi-Fi in the Parks” program. The FY19 proposed budget total is \$800,000, a \$700,000 increase over the FY18 funding level. The County Council has expressed support for this project, and if funding is available, these costs will be reimbursed through the County’s Cable Fund.

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 Protection Fund. The proposed revenue budget is also presented in this memo.

Proposed Budget Information

The Proposed Budget information is included in tables within this this memo.

FUND SUMMARIES			
See detail on page 8	Park Fund Expenditure Increase by Division	Largely Tax Supported	\$6,834,141
See detail on Page 11	Park Fund Revenue	Non-Tax Revenue	\$7,940,675
See detail on Page 14	Enterprise Fund	Self Sufficient	\$9,777,775
See detail on page 16	Property Management Fund	Self Sufficient	\$1,532,800
See detail on page 19	Special Revenue Fund	Largely Self Sufficient	\$2,497,533

Summary

Staff is requesting the Board’s approval of the expenditure funding levels for the Department of Parks FY19 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 FY19 budget process are:

Full Commission approves the FY19 Proposed Budget Resolution	December 19, 2017
M-NCPPC submits Budget in Brief per statutory mandate to County Executive and County Council	January 15, 2018
County Executive makes recommendations	March 15, 2018
County Council holds Public Meetings on budget	April 2018
County Council Reviews M-NCPPC Budget	April & May 2018
Montgomery and Prince George's County Councils meet	May 2018
County Councils adopt budget	May 2018

Park Fund Expenditure Summary

Background

For the FY19 Proposed Budget, the Department of Parks has included increases in the Base Budget for known commitments including Operating Budget Impact (OBI); 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 program enhancements to help meet essential needs that are not being met through the current budget.

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

Table #2 below lists the Department's funding request for program enhancements.

The October 19th memo to the Planning Board provided details on the known operating commitments, and as such, they are not repeated in this memo.

Table #1

FY19 Park Fund Base Budget Known Operating Commitments	Personnel	Positions/ Workyears	Funding *	% Increase from FY18 Adopted Operating Budget
Operating Budget Impact (OBI)	Career/Seasonal	1 position 3.6 wkys	\$343,995	0.4%
Contractual Increases	N/A		\$441,761	0.5%
Utilities/Telecommunications	N/A		\$25,766	0.0%
Inflationary Increases for Supplies and Materials, Services and Capital Outlay	N/A		\$226,135	0.2%
Debt Service for Internal Service Fund Capital Equipment	N/A		\$506,246	0.5%
Removal of one-time funding from FY18	N/A		(\$100,000)	-0.1%
CAS Charges (Risk Mgmt/CIO/CWIT/Chargebacks, etc.)	N/A		(\$198,433)	-0.2%
Chargebacks (CIP/Ent/SRA)	N/A		\$6,914	0.0%
Water Quality Protection Fund (reimbursed by County)	Career/Term	4.0 Positions/ Wkys	\$526,834	0.5%
Position Changes	Career/Seasonal	1.0 Workyear	\$0	0.0%
TOTAL		5.0 Positions/ 8.6 Wkys	\$1,779,218	1.8%

* Previous total was \$1,566,423. The total was amended based on further review and updated cost estimates.

Table #2

Summary - Program Enhancements					
Item & Description	Career Positions	Career Wkys	Seasonal Wkys	Funding *	% Increase from FY18 Adopted Operating Budget
Delivering Urban Parks Through Placemaking	3.0	3.0	(2.0)	\$200,050	0.2%
Maintaining and Improving What We Have	6.0	6.0	(2.0)	\$498,853	0.5%
Enhancing Social Equity	1.0	1.0	-	\$160,036	0.2%
Commission-wide IT (CWIT) Program Enhancements	-	-	-	\$293,104	0.3%
Sub-Total	10.0	10.0	(4.0)	\$1,152,043	1.2%
Wi-Fi in the Parks (reimbursed by County via Cable Fund)	-	-	-	\$700,000	0.7%
Total	10.0	10.0	(4.0)	\$1,852,043	1.9%

* Previous total was \$1,989,087. The total was amended to add the funding for the Wi-Fi in the Parks program, to decrease the CWIT funding, and to move the WQPF \$ to Known Commitments.

The October 19th memo to the Planning Board provided details on the program enhancements, and as such, they are not repeated in this memo.

Park Fund Expenditures Budget Summary and Summary by Division

The overall FY19 Park Fund budget request is summarized in the Table #3 below.

Table #3

DEPARTMENT of PARKS SUMMARY OF FY19 BUDGET REQUEST		
FY18 Adopted Budget (excl OPEB)	\$96,425,478	
CHANGES TO BASE BUDGET		% Increase from FY18 Adopted Operating Budget
Changes in Salaries including Benefits, Overtime, Seasonal, Lapse, Marker for Merit/COLA, and marker for Reclassification Study *	\$734,678	0.8%
Known Operating Commitments (from Chart #1)	\$1,779,218	1.8%
Program Enhancements (from Chart #2)	\$1,152,043	1.2%
Debt Service on General Obligation Bonds	\$1,010,075	1.0%
Total Operating Increase FY19 Proposed Budget Request	\$4,676,014	4.8%
Cable Fund (Wi-Fi in the Parks)	\$700,000	0.7%
FY19 Park Fund Budget Request (excl OPEB)	\$5,376,014	5.6%

* This total includes the compensation marker for merit/COLA and reclassification costs. In the divisional summary starting on page 8, the compensation markers are included in the Non-Departmental total.

There are some noteworthy changes not addressed above:

Salary Adjustment – The FY19 divisional personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY19 budget amounts for compensation adjustments are included in the Non-Departmental account.

Other Post-Employment Benefits (OPEB) – The total funding for OPEB for FY19 is \$6,395,429. This is an increase of \$1,458,127 over the FY18 approved budget total. In the Divisional Summary, the OPEB balance is included in the Non-Departmental funding.

Position Adjustments – Each year, divisions make personnel moves or adjustments to address specific needs. Detail on the position adjustments impacting workyears was included in the Planning Board memo presented on October 19th. 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 within the Park, Planning & Stewardship Division. The incremental cost increase for this position is being offset by an increase in the CIP chargeback for Legacy Open Space (LOS), thereby resulting in a net zero impact to the operating budget.
- Adding 0.5 workyear and converting a part time (PT) career position to a full time (FT) career position in the Northern Parks Division. The cost for converting this position is being offset by a reduction in seasonal cost, so the net effect is a zero-cost impact to the operating budget.
- Transferring a vacant term contract position from Facilities Management to the Office of the Director to provide departmental administrative support.
- Transferring a vacant position from the Facilities Management Division to the Public Affairs and Community Partnerships Division to provide visual media support.
- Transferring a position providing departmental GIS administration and support from the Park, Planning & Stewardship Division to the Management Services Division.
- Transferring a Public Affairs and Community Partnerships position to the Horticulture, Forestry & Environmental Education Division to provide administrative support at Brookside Gardens.

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:

- Northern Parks – Transferring \$3,529 from OS&C to S&M for minor equipment and construction supplies.
- Northern Parks – Transferring \$11,284 to Southern Parks for OS&C for funding that was previously used for a shared stormwater maintenance contract by both divisions. The follow-on contractual services are now being funded separately based on current divisional needs.
- Northern Parks – Transferring \$30,000 from seasonal and OS&C funding to Facilities Management to consolidate funding for custodial and maintenance support for co-located space at Green Farm.
- Southern Parks – Transferring \$16,100 from S&M to OS&C to fund equipment repairs and ballfield turf testing and maintenance.

- Park, Planning & Stewardship – transferring \$550 in Capital Outlay funding to Southern Parks for equipment purchases.

Table #4 on the next page shows the FY18 Adopted Budget and the FY19 Proposed Budget by division for the Park Fund. The Park Fund budget is appropriated by the County Council at the division level.

FY19 Proposed Park Fund Expenditure Budget

Table #4

Expenditure by Major Object	FY18 Adopted Budget	FY19 Proposed Budget	Increase/ (Decrease) from FY18
Director's Office			
Personnel Services	\$1,672,332	\$1,767,073	\$94,741
Supplies & Materials	\$3,503	\$3,738	\$235
Other Services & Charges	\$56,250	\$58,140	\$1,890
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$1,732,085	\$1,828,951	\$96,866
Public Affairs & Community Partnerships			
Personnel Services	\$2,322,429	\$2,571,482	\$249,053
Supplies & Materials	\$59,384	\$72,478	\$13,094
Other Services & Charges	\$494,612	\$685,688	\$191,076
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$2,876,425	\$3,329,648	\$453,223
Management Services			
Personnel Services	\$1,834,233	\$1,816,245	(\$17,988)
Supplies & Materials	\$8,860	\$8,949	\$89
Other Services & Charges	\$188,600	\$192,219	\$3,619
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$2,031,693	\$2,017,413	(\$14,280)
Information Technology & Innovation			
Personnel Services	\$1,135,211	\$1,354,544	\$219,333
Supplies & Materials	\$256,794	\$829,362	\$572,568
Other Services & Charges	\$1,105,711	\$1,163,790	\$58,079
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$60,100)	(\$61,900)	(\$1,800)
Total	\$2,437,616	\$3,285,796	\$848,180
Park Planning & Stewardship			
Personnel Services	\$4,858,383	\$5,079,877	\$221,494
Supplies & Materials	\$119,241	\$120,433	\$1,192
Other Services & Charges	\$540,917	\$631,785	\$90,868
Capital Outlay	\$550	\$0	(\$550)
Chargebacks	(\$346,640)	(\$350,638)	(\$3,998)
Total	\$5,172,451	\$5,481,457	\$309,006

Park Development			
Personnel Services	\$5,626,188	\$5,812,194	\$186,006
Supplies & Materials	\$48,371	\$48,855	\$484
Other Services & Charges	\$110,314	\$171,181	\$60,867
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$2,373,555)	(\$2,373,555)	\$0
Total	\$3,411,318	\$3,658,675	\$247,357
Park Police			
Personnel Services	\$14,036,968	\$13,205,642	(\$831,326)
Supplies & Materials	\$523,099	\$608,580	\$85,481
Other Services & Charges	\$368,924	\$381,534	\$12,610
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$14,928,991	\$14,195,756	(\$733,235)
Horticulture, Forestry & Environmental Education			
Personnel Services	\$8,540,927	\$8,910,722	\$369,795
Supplies & Materials	\$670,260	\$729,243	\$58,983
Other Services & Charges	\$933,128	\$1,035,676	\$102,548
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$124,100)	(\$124,500)	(\$400)
Total	\$10,020,215	\$10,551,141	\$530,926
Facilities Management			
Personnel Services	\$10,674,275	\$10,458,687	(\$215,588)
Supplies & Materials	\$1,816,452	\$1,911,517	\$95,065
Other Services & Charges	\$974,796	\$1,174,036	\$199,240
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$999,200)	(\$1,006,200)	(\$7,000)
Total	\$12,466,323	\$12,538,040	\$71,717
Northern Parks			
Personnel Services	\$8,870,643	\$8,923,207	\$52,564
Supplies & Materials	\$860,884	\$923,777	\$62,893
Other Services & Charges	\$480,658	\$472,908	(\$7,750)
Capital Outlay	\$311,600	\$252,716	(\$58,884)
Chargebacks	(\$32,700)	(\$33,700)	(\$1,000)
Total	\$10,491,085	\$10,538,908	\$47,823

Southern Parks				
Personnel Services	\$11,891,967	\$11,939,359	\$47,392	
Supplies & Materials	\$1,451,506	\$1,502,571	\$51,065	
Other Services & Charges	\$353,331	\$419,635	\$66,304	
Capital Outlay	\$242,400	\$257,374	\$14,974	
Chargebacks	(\$75,100)	(\$78,100)	(\$3,000)	
Total	\$13,864,104	\$14,040,839	\$176,735	
Support Services				
Personnel Services	\$234,980	\$224,500	(\$10,480)	
Supplies & Materials	\$1,563,705	\$1,569,465	\$5,760	
Other Services & Charges	\$7,637,797	\$8,324,096	\$686,299	
Capital Outlay	\$0	\$0	\$0	
Chargebacks	\$1,066,646	\$1,115,004	\$48,358	
Total	\$10,503,128	\$11,233,065	\$729,937	

Park Fund Total				
Personnel Services	\$71,698,536	\$72,063,532	\$364,996	0.5%
Supplies & Materials	\$7,382,059	\$8,328,968	\$946,909	12.8%
Other Services & Charges	\$13,245,038	\$14,710,688	\$1,465,650	11.1%
Capital Outlay	\$554,550	\$510,090	(\$44,460)	-8.0%
Chargebacks	(\$2,944,749)	(\$2,913,589)	\$31,160	-1.1%
Total	\$89,935,434	\$92,699,689	\$2,764,255	3.1%
Debt Service	5,511,210	6,521,285	\$1,010,075	18.3%
Total Park Fund Operating Request	95,446,644	99,220,974	3,774,330	4.0%
Non-Departmental *	5,166,136	8,225,947	\$3,059,811	59.2%
Grants	400,000	400,000	\$0	0.0%
Capital Projects Funds	350,000	350,000	\$0	0.0%
Total	101,362,780	108,196,921	\$6,834,141	6.7%

*Total includes OPEB and compensation markers.

Park Fund Revenue Summary

Park Fund Operating Revenue FY19 Proposed Budget

The FY19 Park Fund Operating Revenue is projected to be \$7,940,675. This is \$1,414,491 higher than the FY18 Adopted Budget mainly due to a projected increase in user fees and an increase in the intergovernmental transfer from the Water Quality Protection Fund and from the Cable Fund.

Facilities user fees are projected to be \$146,457 higher than FY18 Budget total primarily due to an increase in ballfield revenue and building rentals attributable to approved fee increases and to the addition of a permitted field at Laytonia Regional Park.

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 FY19 is \$526,834. The October 19th memo to the Planning Board provided details on this change, and as such, they are not repeated in this memo.

The Intergovernmental Transfer from the Cable Fund was added in FY18 to fund a pilot program to add Wi-Fi in the Parks. The pilot program has been successfully completed, and the FY19 proposed budget includes an increase of \$700,000 to continue expanding free Wi-Fi public access to selected locations within the park system.

The chart below shows the FY19 proposed operating revenues for the Park Fund.

Proposed Park Fund Revenue

Table #5

Category	Budget FY18	Proposed FY19	% Change
<u>REVENUES</u>			
Facilities User Fees	\$2,800,643	\$2,947,100	5.2%
Grants	\$400,000	\$400,000	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$3,084,641	\$3,611,475	17.1%
Intergovernmental Transfer (Cable Fund)	\$100,000	\$800,000	700.0%
Miscellaneous Revenue	\$120,900	\$117,100	-3.1%
Interest (including CIP Interest Transfer)	<u>\$20,000</u>	<u>\$65,000</u>	<u>225.0%</u>
Total Revenue	6,526,184	7,940,675	21.7%

Enterprise Fund Summary

Enterprise Fund Overall FY19 Proposed Budget

The Enterprise Fund oversees the operation of the revenue producing facilities such as ice rinks, indoor tennis centers, conference centers, and park amenities. The funds are primarily generated through user fees, rentals and other non-tax supported sources. The Enterprise Fund proposed FY19 budget reflects \$11,225,962 in revenues and \$9,777,775 in expenditures for a net profit of \$1,448,187.

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

The chart on page 14 shows the FY19 proposed revenues and expenditures for the Enterprise Fund.

FY19 Changes

Revenues

The FY19 Enterprise Fund proposed revenues of \$11,225,962 is \$509,981 more than the FY18 approved budget attributable to a projected increase of sales revenue at Brookside Gardens from restructuring the gift shop operations and increased bookings for weddings and photo permits. Revenue is also increasing at the ice rinks mainly due to increased revenue from group lessons.

Expenditures

The FY19 Enterprise Fund proposed expenditures of \$9,777,775 is \$479,978 higher than the FY18 adopted budget. This is due to a combination of increases in personnel cost, ActiveMONTGOMERY transaction fees and increased costs at Brookside Gardens for custodial and other services.

Personnel costs continue to increase due to the rising costs of seasonal funding due to minimum wage increases as well as an increase in compensation costs for merit staff and due to the addition of one new career position and one new term contract position in the proposed budget.

FY19 Changes

The FY19 proposed budget also includes one new career position and one new term contract position to assist with various work programs. A new career position is being added to provide help desk support for ActiveMONTGOMERY. This cost is being partially offset by a reduction in seasonal staffing. Brookside Gardens is proposing to add one term contract position to support the rental program based on increased demand for private and corporate bookings, photography sessions and birthday parties. This cost is partially offset by savings in seasonal cost.

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:

- \$2,500,000 for Cabin John Ice Rink for installation of a new refrigeration system, rink floors for the NHL rink and the Studio rink, and a new dehumidification and energy recovery system;
- \$1,000,000 for a water feature and continuing facility upgrades at the Little Bennett Campground;
- \$50,000 for new office space at the Seneca Lodge House;
- \$300,000 for ADA and building improvements at the Wheaton Ice Arena; and
- \$275,000 for replacing coach cars for Wheaton Train.

Table #6

MONTGOMERY COUNTY ENTERPRISE FUND - ENTERPRISE SUMMARY
Summary of Revenues and Expenses
Proposed Budget FISCAL YEAR 2019

	FY18 Adopted Budget	FY18 Estimated	FY19 Proposed	% Change
Operating Revenues:				
Intergovernmental -	-	-	-	-
Sales	689,400	747,100	755,600	9.6%
Charges for Services	5,953,875	6,228,985	6,337,960	6.5%
Rentals and Concessions	3,314,020	3,273,527	3,311,177	-0.1%
Miscellaneous	698,686	697,686	711,225	1.8%
Interest	60,000	69,600	110,000	83.3%
Other	-	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	10,715,981	11,016,898	11,225,962	-
Operating Expenses:				
Personnel Services	6,068,975	5,950,103	6,326,878	4.2%
Goods for Resale	302,600	330,450	333,500	10.2%
Supplies and Materials	516,250	562,382	479,570	-7.1%
Other Services and Charges	2,265,495	2,531,275	2,474,327	9.2%
Depreciation & Amortization Expense	-	-	-	-
Debt Service	-	-	-	-
Debt Service Principal	-	-	-	-
Debt Service Interest	-	-	-	-
Debt Service Fees	-	-	-	-
Other Financing Uses	-	-	-	-
Loss on Sale/Disposal Assets	-	-	-	-
Capital Assets	-	46,466	29,000	-
Other Classifications	-	-	-	-
Chargebacks	144,477	193,570	134,500	-6.9%
Total Operating Exp and Other Uses	9,297,797	9,614,246	9,777,775	5.2%
Gain (Loss)	1,418,184	1,402,652	1,448,187	2.1%
Transfers Out (CIP)	1,050,000	-	4,125,000	292.9%
Gain (Loss) Incl CIP Transfer	368,184	1,402,652	(2,676,813)	
	FY18 Budget	FY18 Estimated	FY19 Proposed	
WORKYEARS				
FT Career Positions	36.0	36.0	37.0	
FT Workyears	36.0	36.0	37.0	
PT Career Positions	0.0	0.0	0.0	
PT Workyears	0.0	0.0	0.0	
Term Contract Positions	0.0	0.0	1.0	
Term Contract Workyears	0.0	0.0	1.0	
Seasonal Workyears	91.3	90.0	88.0	
Chargebacks	-0.6	-0.6	-0.6	
Less Lapse	0.0	0.0	0.0	
TOTAL POSITIONS	36.0	36.0	38.0	
TOTAL WORKYEARS	126.7	125.4	125.4	

Property Management Fund Summary

Property Management Fund Overall FY19 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 FY19 budget request is \$1,532,800, or 16.9% higher than last year's budget. With the increased number of rentals and leases, projected expenses for construction and maintenance supplies and services are also increasing. In addition, this cost includes one-time funding of \$100,000 for consulting services.

The table on the next page shows the FY19 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 increased revenue attributed to annual rent increases for tenants 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 FY18, five of the original 11 closed PAB's will remain privately leased, indicating the transitioned operations are fluctuating, but stable.

FY19 Changes

FY19 rental income is projected to be \$118,200 higher than the FY18 budget. 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 increasing slightly due to these increased rental rates and more non-employee leased vs. employee use.

The FY19 proposed budget also includes the use of a portion of the fund balance in the amount of \$100,000 to fund consulting services for an Owner's representative/Development Project Manager to assist the Department in marketing the property at Warner Circle Special Park to identify a tenant or partner to utilize the historic buildings on this property.

Table #7

MONTGOMERY COUNTY PROPERTY MANAGEMENT SUBFUND
Summary of Revenues, Expenditures, and Changes in Fund Balance
PROPOSED BUDGET FISCAL YEAR 2019

	FY 18 Adopted	FY 18 Estimated	FY 19 Proposed	%
				Change
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Sales	-	-	-	-
Charges for Services	-	-	-	-
Rentals and Concessions	1,306,600	1,282,831	1,424,800	9.0%
Interest	4,500	4,500	8,000	77.8%
Miscellaneous	-	-	-	-
Total Revenues	1,311,100	1,287,331	1,432,800	9.3%
Expenditures by Major Object:				
Personnel Services	476,570	463,170	483,365	1.4%
Supplies and Materials	194,090	183,721	187,434	-3.4%
Other Services and Charges	471,140	471,140	693,201	47.1%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	169,300	169,300	168,800	-0.3%
Total Expenditures	1,311,100	1,287,331	1,532,800	16.9%
Excess of Revenues over Expenditures	-	-	(100,000)	-

	Adopted FY18		Estimated FY18		Proposed FY19	
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	4.00	4.00	4.00	4.00	4.00	4.00
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
Workyears Total		7.00		7.00		7.00

Chargebacks: Net of 3.0 from (0.5) Wkyrs to Enterprise Fund and 3.5 WYs from Park Fund.

Special Revenue Fund Summary

Special Revenue Fund Overall FY19 Proposed Budget

The Special Revenue Fund has a beginning balance of \$827,344. The proposed FY19 budget reflects revenues of \$2,040,030 and expenditures of \$2,497,533. This level of expenditures will leave an ending balance of \$369,841. The increased level of expenditures for FY19 is due to timing differences in receipts of revenue versus planned spending that crossed the fiscal years (e.g. tree mitigation funds) as well as planned one-time spending for special projects.

The chart on page 19 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 FY19 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 some Recreation Department playgrounds, 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 program 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 program expenses such as supplies, 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.

Table #8

Special Revenue Fund Summary	Adopted FY18	Estimated FY18	Proposed FY19
BEGINNING FUND BALANCE	\$360,727	\$916,817	\$827,344
<u>REVENUE</u>			
Intergovernmental Revenues	\$1,035,700	\$1,118,700	\$1,276,700
Sales	\$5,500	\$4,000	\$6,500
Charges for Services	\$0	\$0	\$0
Recreation/User Fees	\$414,470	\$395,750	\$520,730
Rentals/Concessions	\$114,500	\$123,000	\$133,200
Interest	\$1,500	\$2,360	\$3,000
Miscellaneous Revenues	\$105,800	\$116,000	\$99,900
<u>Interfund Transfer</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$1,677,470	\$1,759,810	\$2,040,030
<u>EXPENDITURE</u>			
Personnel Services	\$560,300	\$582,000	\$787,000
Supplies and Materials	\$203,000	\$96,334	\$297,297
Other Services and Charges	\$1,011,125	\$1,095,659	\$1,339,876
Capital Outlay	\$29,600	\$30,000	\$28,960
Other Classifications	<u>\$42,400</u>	<u>\$42,400</u>	<u>\$44,400</u>
TOTAL EXPENDITURE	\$1,846,425	\$1,846,393	\$2,497,533
Total Revenue Less Expenditure	<u>(\$168,955)</u>	<u>(\$89,473)</u>	<u>(\$457,503)</u>
ENDING FUND BALANCE	\$191,772	\$827,344	\$369,841
Workyears	8.50	9.00	10.60