






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


MCPB Agenda Item 9
February 1, 2018

MEMORANDUM

Date: January 30, 2018

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director, Department of Parks 
Mitra Pedoeem, Deputy Director, Department of Parks 
Michael Ma, Chief, Park Development Division (PDD) 

FROM: Carl Morgan, CIP Manager, PDD 

SUBJECT: Overview of the County Executive's Recommended FY19-24 Capital Improvements Program for the Department of Parks

Staff Recommendation

Approve the proposed recommendations responding to the County Executive's Recommended FY19-24 Capital Improvements Program for the Department of Parks.

Reduction of \$10.946 Million for projects funded by Park and Planning Bonds:

- Stand-alone Projects
 - Decrease budget for Woodside Urban Park (\$500k) and Hillandale Local Park (\$1.0m)
 - Delay Caroline Freeland (4 years from FY19 to FY23)
- Level of Effort Projects
 - Keep FY19 and FY20 fully funded as submitted by the Planning Board
 - Reduce proposed funding increases in FY21-24, but above previous levels

Reduction of \$15.515 Million for projects funded by GO Bonds:

- Advocate that the Council fund water quality capital projects with Water Quality Protection Funding (\$9.5m)
- Parks to provide the half of the remaining reductions in the Parks CIP (\$3m)
- Advocate that the Council find the remaining reductions elsewhere in the county-wide CIP (\$3m)

Background

On January 16, 2018, the County Executive released his recommended FY19 Capital Budget and six-year FY19-24 Capital Improvements Program (CIP) – his final Capital Budget as County Executive. The recommended CIP includes recommendations that if approved by the County Council would modify the Department of Parks CIP adopted on October 12, 2017 and transmitted to the County Executive on November 1, 2018. The Executive's version of the CIP includes the following:

- Project Description Forms (PDFs) for each capital project as submitted by the Commission on November 1, 2017, except that the funding source for the two water quality PDFs, Pollution Prevention and Repairs to Ponds & Lakes (P078701), and Stream Protection: SVP (P818571), were switched from the Water Quality Protection Bonds to GO Bonds.
- Addition of a M-NCPPC Affordability Reconciliation (P871471) PDF that recommends additional reductions. Please see page ©1. The PDF allows the Board to identify reductions anywhere in the Department's CIP that would lower the funding of three funding sources:
 - Current Revenue (cash) - applied in FY18 in the amount of \$1.18 million
 - M-NCPPC Bonds – applied in all six years totaling \$10.946 million
 - GO Bonds – applied in all six years totaling \$15.516 million

These changes reduce the Parks CIP submission from \$243,497,000 to \$217,035,000 or a 10.9% decrease.

There is also an inconsistency created by inclusion of a Current Revenue Adjustment Chart (page ©2) that does not agree with the affordability PDF mentioned above. This chart would require an additional reduction of Current Revenue in FY19 in the amount of \$1.18m. All of the project description forms and summary reports in his recommended CIP indicated a recommended funding level for current revenue at \$3.79m, while this one chart recommends only \$2.61m or a difference of \$1.18. Omitting this from the affordability PDF was apparently a mistake on the part of the Executive and also left the reduction out of all summary reports in the CIP. The Council uses the adjustment chart as a reference when approving Spending Affordability Guidelines (SAG). While the chart shows a breakdown of current revenue by agency, breakdown is only a recommendation. The only numbers that are adopted by Council as the guideline are the bottom line numbers only. Before the Council approves the CIP in May, they will revisit Current Revenue overall, county-wide, and make any necessary adjustments in their reconciliation process.

Addressing CIP Reductions

The County Council ultimately approves the CIP which is either as submitted by the Commission, recommended by the County Executive, or modified by the County Council. In their review of each department or agency CIP, the Council considers funding levels in the

- Current CIP, in this case the FY17-22 CIP
- Board's Submission for the FY19-22 CIP
- County Executive's Recommended FY19-24 CIP

In the review process, the Council often seeks feedback from the original submitting agency. This includes responding to the modifications recommended by the County Executive. Typical responses include

- Providing recommended reductions
- Providing non-recommended reductions
- Reconfirming the original submission

The agency may also recommend meeting the Executive's cuts either fully, partially, or not at all.

Current Revenue Reductions, \$1.18 million requests

The Executive's affordability PDF calls for a reduction of \$1.18 million in FY18 as part of the County's FY18 savings plan. On January 17, 2018, the Commission acted on the FY18 Cost savings plan which was incorporated in the County's overall cost savings plan. This plan included reductions in nine CIP projects. The reductions are summarized on page ©3.

The additional current revenue reduction for FY19 recommended in the adjustment chart, but not in the affordability PDF and budget reports, will be resolved in May during the Council's reconciliation process. The Commission already provided similar cuts in FY18 by deferring projects into FY 19, and this requested reduction was omitted in the main part of the CIP, **staff recommends that the Board advocate that the Council not require this cut by M-NCPPC, but to find it elsewhere in the County's CIP since it was an oversight by OMB.** The Council's Planning Housing and Economic Development (PHED) Committee will review the Department CIP on February 12, 2018.

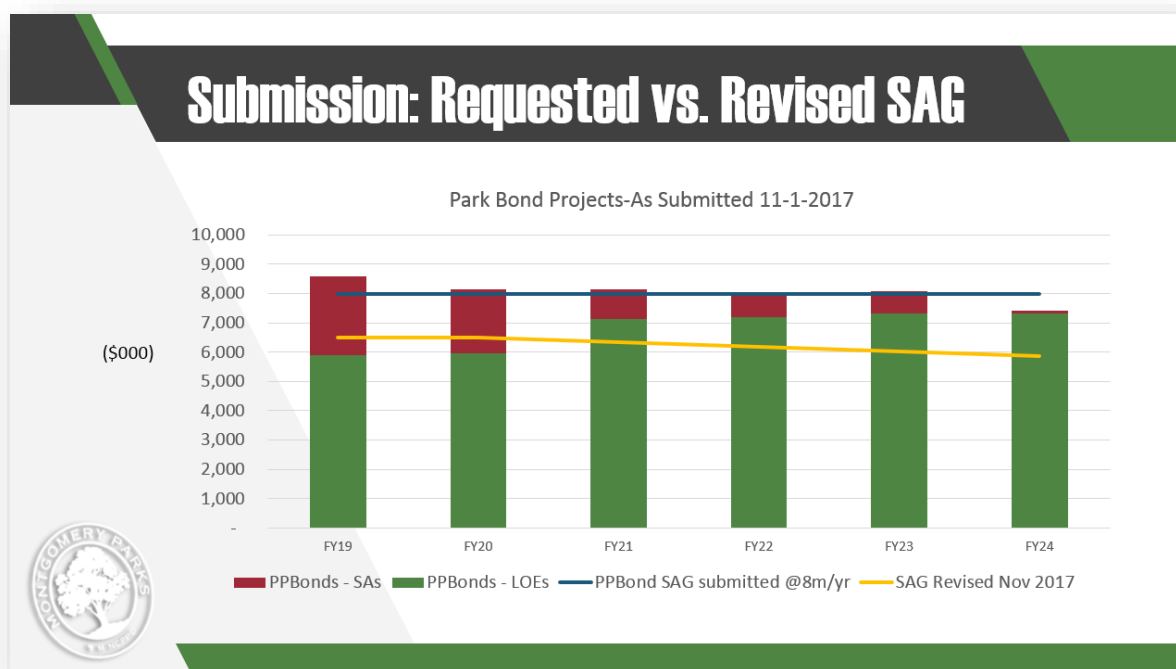
M-NCPPC Bond Reductions \$10.946 million request

M-NCPPC Bonds, or Park and Planning Bonds, are bonds issued by M-NCPPC and fund local park projects. Because the Commission is the only agency to spend these, the Parks CIP must fully meet Spending Affordability Guidelines set by the County Council each year.

Last fall, as the Board was close to approving the FY19-24 CIP, the Board made a request to raise the Spending Affordability Guideline from \$6.5 million per year to \$8.0 million per year. Despite indications from Commission staff discussions and analysis that this was still affordable for the Commission, The Council had a difficult time approving an increase while they were looking to make significant reductions in SAG for GO bonds. Ultimately, the Council rejected the request at the beginning of October and left the guideline set to \$6.5 million per year. This did not allow time for Department staff and the Board to revise the Local Park projects portion of the CIP to conform to this guideline before the November 1 submission deadline.

Strategy

In looking for further reductions, it was evident that reductions would not be limited to standalone projects, but to level-of-effort projects as well. The chart below illustrates this. The blue line represents the \$8 million per year target that the Department was aiming for. The yellow line represents the cap of \$6.5 million per year approved by the Council in October 2017, which tends downward in later years because of inflation. The green portion of the bars represent funding for level-of-effort projects and the red represent funding for standalone projects.



Reductions to level of effort projects would be applied only to projects that were increased in the Board's submission above the current CIP. In modifying the standalone projects, staff also considered

- How far along a project is in the development process and community expectations
- Condition of the infrastructure
- Maintenance costs of aging infrastructure
- Level of use
- Serviceability to equity areas

Recommended Scenario

Having employed the strategy outlined above, staff recommends the following modifications to the Board's November 1 submission and transmitting the scenario to Council staff prior to the Council's PHED Committee meeting on February 12:

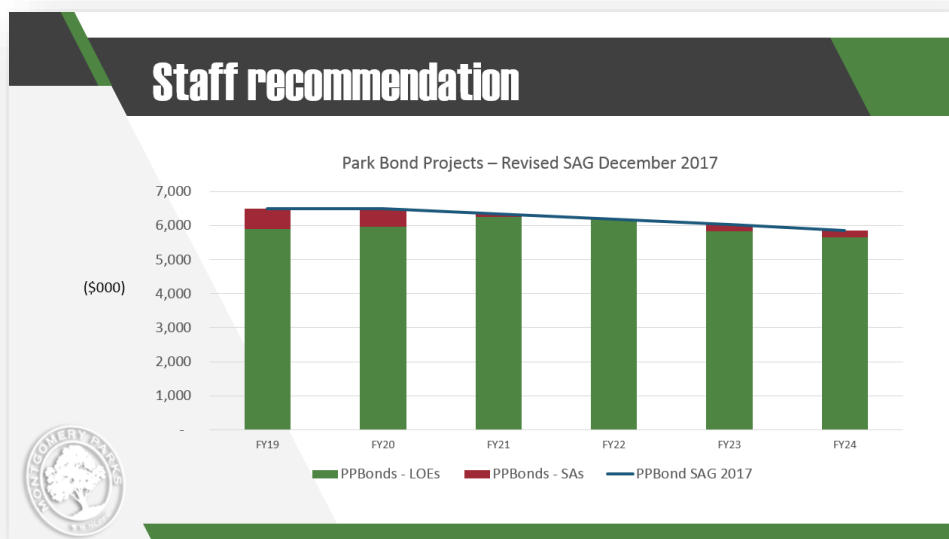
Level of Effort Projects:

- Keep FY19 and FY20 LOEs fully funded as submitted by the Planning Board
- Reduce increases in FY21-24, but program funding above FY17-22 CIP levels
 - Acquisition-Local Parks (\$2m, FY21-22) – Remove Park and Planning Bond increases in FY21-24 to fund the Energized Public Spaces Functional Master Plan. While this decreases the CIP project by \$2m, Program Open Space funding was also increased in the Board's submission by \$6m in this CIP project above funding in the current CIP.
 - ADA Compliance-Local Parks (\$550k, FY22-24)
 - Park Refreshers (\$315k, FY 23-24) – offset by increases in Program Open Space
 - PLAR-Local Parks (\$2.162m, FY21-24) - These will be increased in future CIPs to funding at or above FY19 and FY20 levels.

Standalone Projects

- Decrease budget for Woodside Urban Park (\$500k) and Hillandale Local Park (\$1.0m)
- Finish Woodside Urban Park with Program Open Space funding (\$2.6m)
- Delay Caroline Freeland (4 years from FY19 to FY23)

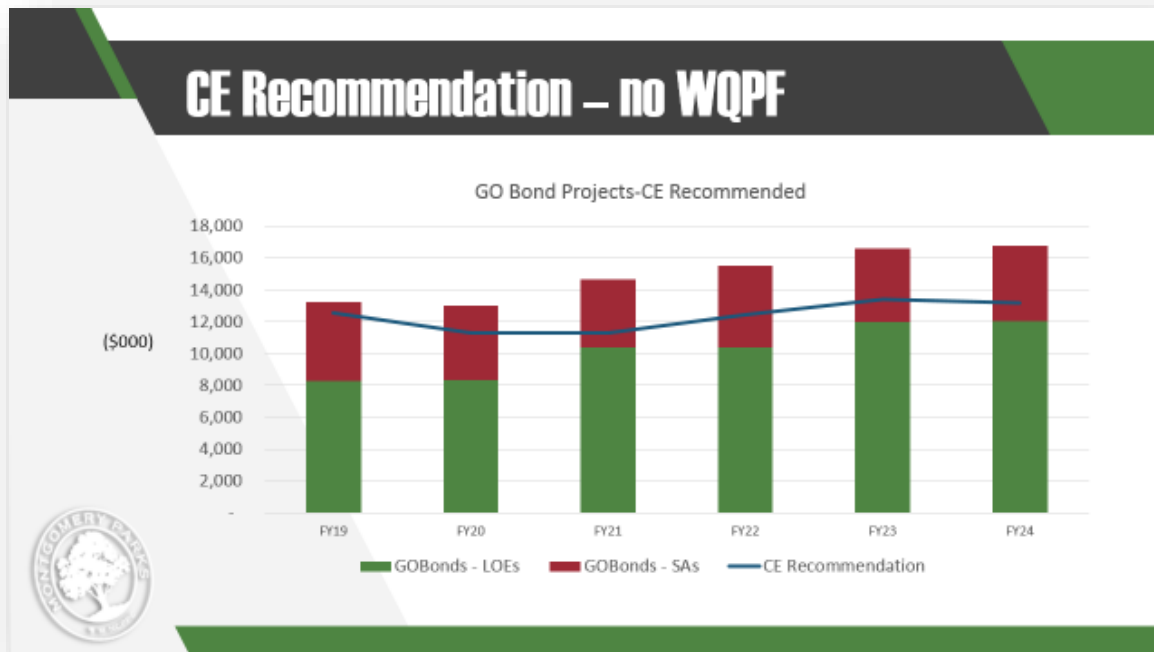
The chart below illustrates the results of the scenario above

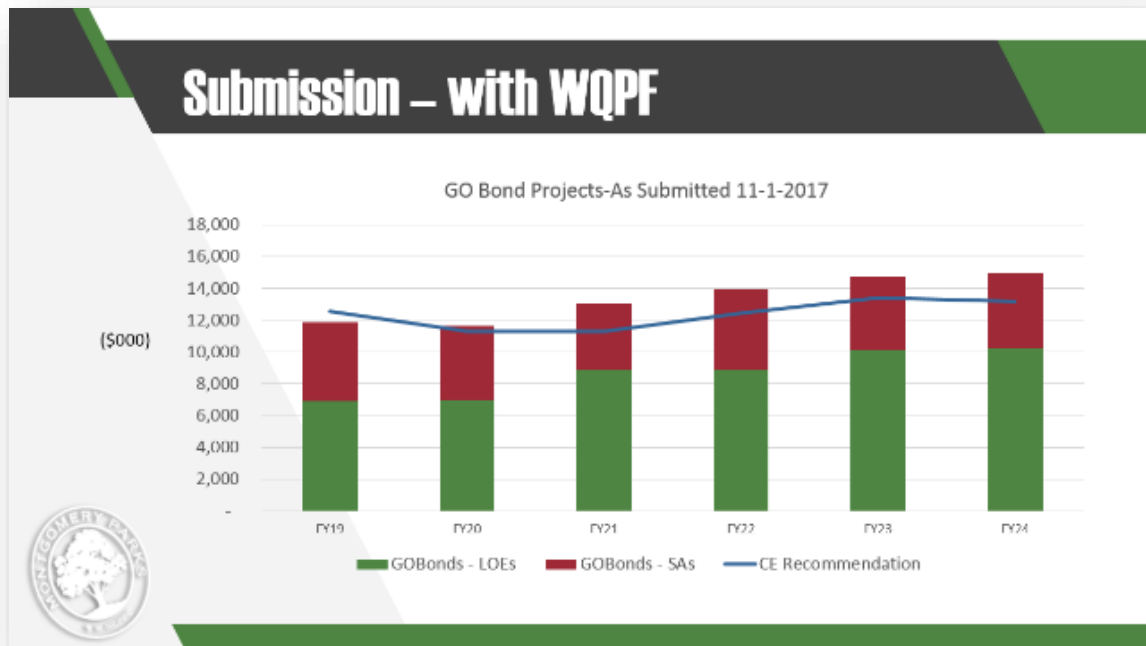


GO Bond Reductions \$15.516 million request

GO Bonds are issued by Montgomery County Government and fund county-wide park projects as well as capital projects in all of the county's departments and agencies. Because of this the Board may opt either to meet the reduction fully or partially and advocate the Council require the cuts elsewhere in the County-wide CIP. Because the Council has the flexibility to require cuts in other departments or agencies, any reductions identified in non-local parks should be identified as "non-recommended."

The Board's CIP submission included funding the two water quality level-of-effort projects with \$9.5 million in Water Quality Funding, but the County Executive recommended that the funding be switched back to GO bonds. As such, the Board's submission included \$80.168 million in GO bonds, while the Executive's recommended CIP (before affordability reductions are applied) includes \$89.668 million. With affordability reductions applied, the recommended GO Bond programming is \$74.152 million. The two charts below depict both scenarios with the blue line representing the targeted programming of \$74.152 million.





Strategy

Note in the charts above that the level-of-effort funding (green) never exceeds the Executive's recommended maximum funding levels for GO Bonds (blue line), the Board could potentially find a solution to the requested reduction without involving level-of-effort CIP projects. This is consistent with the Board's CIP strategy and evaluation criteria as well as early advocacy with the Council thus far.

One level-of-effort project, Acquisition-NL, is a project that is primarily funded by Program Open Space. Last Spring, Department staff requested that this CIP project receive \$6m in GO Bonds in the mid to latter part of the six years of the CIP. While reviewing the CIP with the Board last summer, we also increased Program Open Space assumptions because of State forecasts that anticipated a more productive and predictable revenue stream. Increased at \$1m per year, this POS increase is also \$6m. Where GO Bond reductions are necessary, it may be prudent to consider using these GO bonds toward requested reductions, either fully (\$6m) or partially (\$3m) since the acquisition project would still be funded either at or above the funding level initially requested by staff last spring.

Staff recommends that the Board not seek reductions in level of effort projects, except for Acquisition-NL due to increases in Program Open Space in this CIP cycle.

Similar to local park projects, while modifying the standalone projects, staff would also prioritize projects by

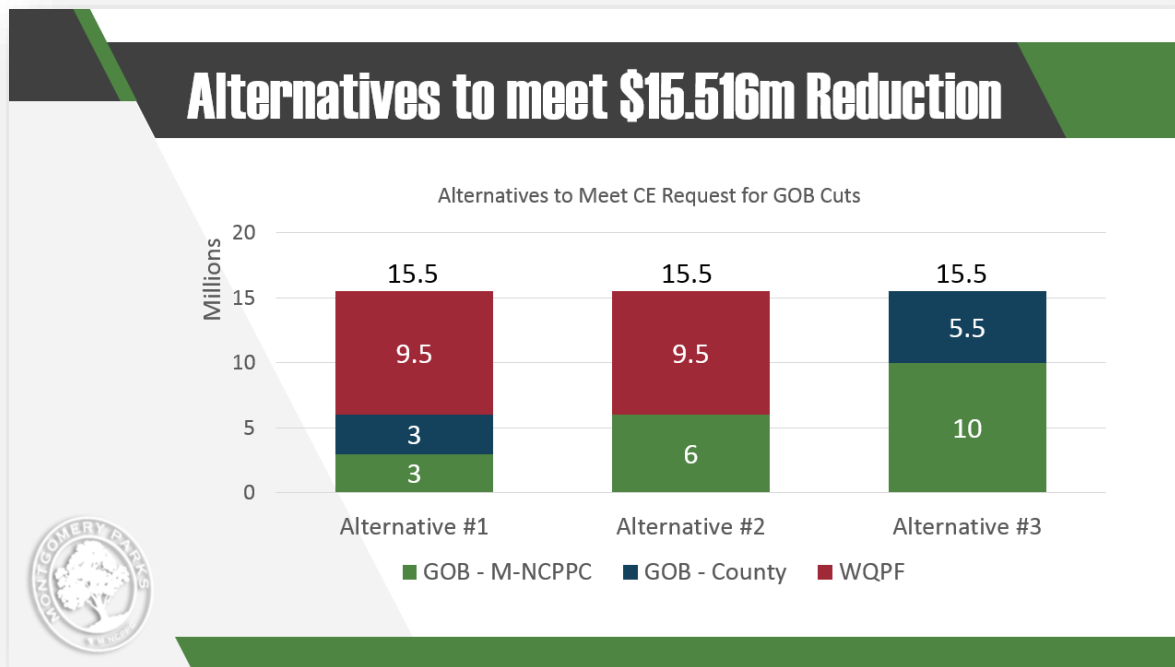
- How far along a project is in the development process and community expectations
- Condition of the infrastructure
- Maintenance costs of aging infrastructure
- Level of use
- Serviceability to equity areas

Staff recommends the following priority order for standalone projects:

1. **North Branch Trail**
2. **S. Germantown Recreational Park: Cricket Field**
3. **Josiah Henson Historic Park**
4. **Ovid Hazen Wells Recreational Park**
5. **Brookside Gardens Master Plan Implementation**
6. **Little Bennett Regional Park Day Use Area**
7. **Little Bennett Regional Park Trail Connector**
8. **Wheaton Regional Park Improvements**
9. **Northwest Branch Recreational Park-Athletic Area**
10. **Magruder Branch Trail Extension**
11. **Warner Circle Special Park**

Approaching a Recommended Scenario

There are at least three approaches to meet the \$15.516 million reduction recommended by the County Executive to meet the \$74.152 million recommended programming target for GO Bonds.



Alternative #1

- Advocate that the Council fund water quality capital projects with Water Quality Protection Funding (\$9.5m)
- Parks to provide the half of the remaining reductions in the Parks CIP (\$3m)
- Advocate that the Council find the remaining reductions elsewhere in the County-wide CIP (\$3m)

Alternative #2

- Advocate that the Council fund water quality capital projects with Water Quality Protection Funding (\$9.5m)
- Parks to provide the remaining reductions in the Parks CIP (\$6m)

Alternative #3

- Agree to fund water quality capital projects with GO bonds
- Parks to provide \$10 million in GO bond reductions in the Parks CIP
- Advocate that the Council find the remaining \$5.5 million reductions elsewhere in the County-wide CIP

Staff recommends the alternatives in priority order as listed above and recommends that staff, utilizing the strategy listed above, create a scenario to be approved by the Planning Board Chair and transmitted to Council staff prior to the Council's PHED Committee meeting on February 12.

Attachments

M-NCPPC Affordability PDF, CE Recommended CIP, page ©1

Current Revenue Adjustment Chart, page ©2

FY18 Cost Savings Plan for Current Revenue, page ©3

CIP Strategy and Evaluation Criteria FY19-24, page ©4

M-NCPPC Affordability PDF, CE Recommended CIP



M-NCPPC Affordability Reconciliation (P871747)

Category	M-NCPPC	Date Last Modified	01/05/18
SubCategory	Development	Administering Agency	M-NCPPC
Planning Area	Countywide	Status	Planning Stage

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Other	(26,034)	-	(1,180)	(26,462)	(2,767)	(3,296)	(5,161)	(4,850)	(5,212)	(5,176)	1,608
TOTAL EXPENDITURES	(26,034)	-	(1,180)	(26,462)	(2,767)	(3,296)	(5,161)	(4,850)	(5,212)	(5,176)	1,608

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	(15,516)	-	-	(15,516)	(661)	(1,661)	(3,361)	(3,061)	(3,161)	(3,611)	-
Current Revenue: General	(1,180)	-	(1,180)	-	-	-	-	-	-	-	-
M-NCPPC Bonds	(9,338)	-	-	(10,946)	(2,106)	(1,635)	(1,800)	(1,789)	(2,051)	(1,565)	1,608
TOTAL FUNDING SOURCES	(26,034)	-	(1,180)	(26,462)	(2,767)	(3,296)	(5,161)	(4,850)	(5,212)	(5,176)	1,608

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 19 Request	(3,947)	Year First Appropriation	FY16
Appropriation FY 20 Request	(3,296)	Last FY's Cost Estimate	-
Cumulative Appropriation	-		
Expenditure / Encumbrances	-		
Unencumbered Balance	-		

Project Description

This project reconciles M-NCPPC's request with the County Executive's recommendation based on affordability considerations. The Recommended FY19-24 CIP complies with Spending Affordability Guidelines (SAG) for General Obligation Bonds and M-NCPPC Bonds, which were approved by the County Council at a lower level than assumed in M-NCPPC's request. Following the approval of SAG, M-NCPPC staff developed an alternative scenario for M-NCPPC Bonds which also impacted Program Open Space. The Executive's recommended reductions to M-NCPPC Bonds reflect M-NCPPC staff efforts to develop a revised funding scenario in compliance with SAG. The Executive does not recommend reductions to Program Open Space and believes M-NCPPC can identify uses for these State funds. The Executive requests the approved appropriation remain in the early years of the CIP for site improvements and utilities in the following projects: S. Germantown Recreational Park: Cricket Field (P871746) and Josiah Henson Historical Park (P871552).

Fiscal Note

FY18 reductions are related to the FY18 Savings Plan.

Current Revenue Adjustment Chart



CE Recommended CIP

TAX SUPPORTED CURRENT REVENUES ADJUSTMENT CHART							
FY19-24 Full Capital Improvements Program COUNTY EXECUTIVE RECOMMENDED January 16, 2018							
(\$ MILLIONS)	6 YEARS	FY19 APPROP (1)	FY20 Exp	FY21 EXP	FY22 EXP	FY23 EXP	FY24 EXP
TAX SUPPORTED CURRENT REVENUES AVAILABLE	517.252	82.254	78.623	87.006	74.746	97.254	97.369
Adjust for Future Inflation *	(20.675)	-	-	(2.023)	(3.414)	(6.573)	(8.665)
SUBTOTAL CURRENT REVENUE FUNDS AVAILABLE FOR ELIGIBLE PROJECTS (after adjustments)	496.577	82.254	78.623	84.983	71.332	90.681	88.704
Less Set Aside: Future Projects	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	496.577	82.254	78.623	84.983	71.332	90.681	88.704
GENERAL FUND							
MCPS	(129.475)	(18.737)	(22.254)	(21.455)	(16.419)	(25.346)	(25.264)
MONTGOMERY COLLEGE	(88.241)	(12.821)	(15.084)	(15.084)	(15.084)	(15.084)	(15.084)
M-NCPPC	(25.400)	(2.610)	(3.790)	(4.750)	(4.750)	(4.750)	(4.750)
HOC	(8.100)	(1.250)	(1.850)	(1.250)	(1.250)	(1.250)	(1.250)
TRANSPORTATION	(49.715)	(3.758)	(8.354)	(10.108)	(9.618)	(8.961)	(8.916)
MC GOVERNMENT	(23.727)	(4.047)	(4.630)	(4.350)	(3.550)	(3.600)	(3.550)
SUBTOTAL - GENERAL FUND	(324.658)	(43.223)	(55.962)	(56.997)	(50.671)	(58.991)	(58.814)
MASS TRANSIT FUND	(130.371)	(36.312)	(16.695)	(17.020)	(9.695)	(26.224)	(24.425)
FIRE CONSOLIDATED FUND	(28.473)	(2.394)	(5.616)	(5.116)	(5.116)	(5.116)	(5.115)
PARK FUND	(2.100)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)
ECONOMIC DEVELOPMENT FUND	(11.000)	-	-	(5.500)	(5.500)	-	-
RECREATION	0.025	0.025	-	-	-	-	-
SUBTOTAL - OTHER TAX SUPPORTED	(171.919)	(39.031)	(22.661)	(27.986)	(20.661)	(31.690)	(29.890)
TOTAL PROGRAMMED EXPENDITURES	(496.577)	(82.254)	(78.623)	(84.983)	(71.332)	(90.681)	(88.704)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-
* Inflation: 1.74% 2.35% 2.38% 2.35% 2.35% 2.35%							
Note: (1) FY19 APPROP equals new appropriation authority. Additional current revenue funded appropriations will require drawing on operating fund balances.							

Note: All Project Description Forms and Summary Reports that the Executive included in his Recommended FY19-24 CIP report a recommended funding level in FY19 of \$3.790 million. At the same time, this chart was also included showing only \$2.610 million in FY19, or a difference of \$1.180 million.

FY18 Cost Savings Plan for Current Revenue



Capital Project	Impact	Savings
ADA COMPLIANCE NL	Delays the renovations of Ridge Road Recreational Park parking area, as well as the overall work program of this capital project.	\$49,000
FACILITY PLNG NL	Delays the Mathew Henson-Wheaton Trail Collector and the overall work program of this capital project.	\$170,000
LEGACY OPEN SPACE	Defers site cleanup, preparation and improvements for public access to Capital View Park which, in turn, delays the overall work program of this capital project	\$100,000
PLARNL MINOR RENOV	Delays renovation projects county-wide. This also delays bridge replacements at the Black Hill Causeway across Little Lake Seneca, bridges along the Sligo Creek Trail, Muddy Branch Stream Valley Park. It also removes funding for spring emergency repair projects.	\$530,000
POLLUTION PREVENTION	Will defer and diminish scope of water quality improvement projects such as those at Wheaton Stables, Sligo Creek Stream Valley Park, Brookside Nature Center, Little Falls and at Cabin John Stream Valley Parks. This will also delay the overall work program of this capital project.	\$55,000
RESTORATION HISTORIC STRUCTURES	Less oversight of rehabilitation consultants, which may result in further project delays, change orders, and cost overruns. Decreased ability to ensure desired historic preservation outcomes and adds to the backlog.	\$45,000
ROOFS NL	Will diminish the scope of the Waters House roof replacement project, and delay the Darby House Roof Replacement and Meadowbrook Stables Roof Assessment. It will allow less room for emergency repairs on existing facilities.	\$101,000
SMALL GRANTS AND DONOR ASSIST	If we receive additional grants requiring match funding, we will need to request supplemental appropriations	\$100,000
TRAILS NATURAL SURFACE	This will reduce the time and ability of staff to design, map, construct and build natural trail projects. Confirm miles.	\$30,000

Total \$1,180,000

CIP Strategy and Evaluation Criteria FY19-24



These criteria and areas of focus guide the evaluation and prioritization of projects for the Capital Improvements Program for FY19-24

Immediacy

- The project repairs or replaces facilities necessary to protect public health, safety, and welfare.
- The project preserves natural, cultural or historic resources that might otherwise be lost or degraded if prompt action is not taken.
- The project upgrades facilities to comply with current code requirements and laws.
- The timing of the project is dependent on coordination with related projects of other County agencies or interest groups.
- The project is included in the first phase of a master plan.

Need

- The project is already programmed in the CIP and is therefore already promised to a community.
- The project provides facilities to an under-served geographic area.
- The project provides facilities to an under-served population group.
- The geographic distribution of proposed projects is equitable.
- The project provides facilities to serve unmet needs countywide.
- The project serves a need identified by the surrounding community.

Efficiency

- The project increases revenue, results in cost savings, and/or improves operational efficiency.
- The project leverages an opportunity, such as a partnership, contribution, donation or grant.
- The project has a high cost/benefit ratio by serving a large number of people for a reasonable cost.
- The project prevents further degradation of existing facilities which could be costly to repair later.

Equity

- The project provides services or facilities to higher populations of lower income residents with low levels of access to parks
- Tools that may be used to determine Equity include Park Equity scores as per PROS 2017 and the methodologies in the Energized Public Spaces Functional Master Plan for Parks in Mixed Use & Higher Density Residential Areas (EPS FMP)

New vs. Renovation

- The predominate emphasis in the CIP should be on maintaining the current system and infrastructure

Public Access to Natural Areas

- Serves park users and protects natural resources
- Improves and expands trail networks
- Provides natural resource-based recreation opportunities

Trails

- Increasing trail construction and renovation efforts, both natural and hard surface

Ballfields

- Making ballfields available and convenient to a growing park constituency

Urban Parks

- Increasing focus on activations and improvements
- Focusing more on urban areas where infrastructure is often older and open space is limited.
- Addressing changing needs and interests of urban populations

Acquisitions

- Targeting urban parks and high density areas
- Seeking potential for natural resource-based recreation as well as enhancing the natural environment

Project Delivery

- Fewer large-scale renovations
- More targeted, phased renovations of park components by utilizing level-of-effort projects
- Using in-house staff resources where possible
- Taking advantage of interdepartmental partnerships
- Focusing on Level-of-efforts on maintaining what we have and Implementing improvements to parks quickly

Facility Planning

- Activating urban parks
- Focusing on smaller projects and studies