



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

MCPB Date: 11/21/2013  
Agenda Item # 2

MEMORANDUM

DATE: November 14, 2013

TO: Montgomery County Park Commission

VIA: Mary R. Bradford, Director of Parks *W Bradford*  
Michael F. Riley, Deputy Director of Parks *MR*  
Kennedi Anderson, Division Chief, Management Services *Kennedi Anderson*

FROM: Karen Warnick, Budget Manager, Management Services *K Warnick*

SUBJECT: FY15 Parks Budget Approval

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**Staff Recommendation**

Approve the expenditure funding levels for the Department of Parks Proposed Budgets for 1) the Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY15 Estimated Revenue collected by the Department excluding the property tax collected by the County and interest earned by the Fund.

**Background**

At the September 19<sup>th</sup> Planning Board meeting, the Board provided general guidance for developing the FY15 Budget recognizing that, in addition to our base budget, we have mandated requirements and other essential needs to operate our park system. The Planning Board asked that we include the Department's highest priority requests in the budget packet presented to the Board on October 3<sup>rd</sup> knowing that the County Council has the authority to increase our tax rate to meet our expenditure level.

On October 3<sup>rd</sup>, the Department of Parks presented the base budget plus essential needs that addressed safety and security; maintenance; historic preservation; community and public outreach; and programming. The base budget plus essential needs totaled \$11M, which was a 13.9% increase over FY14 Adopted, and included 46 new positions. The Board asked the Department of Parks to prioritize the essential needs and to place the individual requests into percentage tier levels.

On November 7<sup>th</sup>, the Department of Parks presented a base budget of \$6.8M, which was an 8.55% increase over FY14 adopted. In addition, the Department presented an essential needs tier level of 2.11% containing the highest priority restorations and new initiatives. A 2<sup>nd</sup> tier level of 2.32% was also presented in an attachment. The Planning Board selected 7 items from these tier levels to be included as essential needs in the Park Fund budget, which equates to an additional 1.25% increase over the FY14 Adopted Budget.

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.

In addition, the Department of Parks generates revenue 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 attachments to this memo.

Attachment 1	Park Fund Expenditure	Largely Tax Supported	\$87,550,476	7.73% above FY14
Attachment 2	Park Fund Revenue:	Non-Tax Revenue	\$5,197,962	13.0% above FY14
Attachment 3	Enterprise Fund	Self Sufficient	\$8,656,531	8.4% below FY14
Attachment 4	Property Management Fund	Self Sufficient	\$1,026,320	13.2% above FY14
Attachment 5	Special Revenue Fund	Largely Self Sufficient	\$1,817,345	3.68% above FY14

### **Summary**

Staff is requesting the Board's approval of the expenditure funding levels for the Department of Parks FY15 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 FY15 budget process are:

Full Commission approves the FY15 Proposed Budget Resolution	December 18, 2013
M-NCPPC submits Budget in Brief according to statutory mandate to County Executive and County Council	January 15, 2014
County Executive makes recommendations	March 15, 2014
County Council hold Public Hearings on budget	April 2014
County Council Reviews M-NCPPC Budget	April & May 2014
Montgomery and Prince George's County Councils Meet	May 2014
County Councils Adopt Budget	May 2014

## Park Fund Expenditure Summary

### Background

For the FY15 Proposed Budget, the Department of Parks has included increases in the Base Budget for known commitments including operating budget impacts; contractually obligated increases plus increases in utilities and gasoline; National Pollutant Discharge Elimination System (NPDES), Americans with Disabilities Act (ADA), and Consolidated Registration System mandates; and information technology upgrades.

In addition, the Department has also included a request for essential needs that were selected by the Planning Board from a long list of needs provided by the Department that are not being met through the current budget.

The chart below list the Department's known operating commitments not including changes in salaries, debt service, risk management, and internal service fund (ISF) payments. The Planning Board has seen the details on these items at both the October 3<sup>rd</sup> and November 7<sup>th</sup> budget work sessions, and as such, the details are not repeated in this memo.

<b>Chart #1 - FY15 Park Fund Base Budget Known Operating Commitments</b>	<b>Personnel</b>	<b>Positions</b>	<b>Funding</b>	<b>% Change</b>
Operating Budget Impact (OBI)	FT Career PT Career Seasonal	3 1	\$448,038	0.56%
Contractual Increases/Utilities/Gasoline			\$288,600	0.36%
NPDES Mandate*	FT Career	5	\$0	
Americans with Disabilities Act (ADA) Mandate	FT Career	2	\$128,576	0.16%
Consolidated Registration System			\$165,000	0.21%
Property Management**	FT Career	1	\$0	
Information Technology Upgrades			\$150,000	0.19%
<b>TOTAL</b>		<b>12</b>	<b>\$1,180,214</b>	<b>1.48%</b>

\*\*The budget includes \$276,900 for increases for National Pollution Discharge Elimination System (NPDES) functions which will be funded by the County's Water Quality Protection Fund and will not increase the Park fund.

\*\*\*Requesting 1 career position and 1.0wy in the Park Fund to work on facilities in the Property Management Fund. All expenses and the 1.0wy will be charged back to the Property Management Fund resulting in a zero dollar expense for the Park Fund.

Chart #2 - FY15 Park Fund Essential Needs		Personnel	Positions	Funding	% Change
1. Tree Contract	Reduce tree maintenance backlog	Term	3	\$153,393	0.19%
2. Public Safety	Additional Park Police for midnight shift for urban areas	FT Career	1	\$68,475	0.09%
3. Maintenance Staff Restoration	To meet performance measures and maintenance standards and provide more effective oversight	FT Career	2	\$202,082	0.25%
4. Safe & Functional Equipment	Restoration of mechanic	FT Career	1	\$58,109	0.07%
5. Outdoor Court Improvements	Staff and contract help to extend life span of outdoor courts	FT Career Term Seasonal	1 1	\$195,700	0.24%
6. 1.5% Increase in Non-Personnel Supplies and Services	FY12 Non-Personnel budget reduced \$1.9M from FY11 Adopted; Consumer Price Index increased 6.2% total from 2011-2013 or 2.1% average per year			\$254,450	0.32%
7. Natural Surface Trails	Construction and renovation of natural surface trails	FT Career	1	\$60,800	0.08%
		<b>TOTAL</b>	<b>10</b>	<b>\$993,009</b>	<b>1.24%</b>

**DEPARTMENT of PARKS  
SUMMARY OF FY15 BUDGET REQUEST**

	FY14 Adopted Budget	\$80,101,467	% Change
<b>BASE BUDGET</b>			
<b>Major Known Commitment Increases</b>			
Changes in Salaries including Adjustments and Lapse	\$1,254,847		
Benefits	\$740,173		
Retirement	\$886,018		
Unemployment; Group Long Term Disability (LTD)	(85,950)		
Risk Management	\$942,400		
Capital Equipment (ISF, Commission wide IT)	\$473,600		
FY14 One Time Capital Outlay Expenses	(\$197,000)		
Chargebacks	\$6,060		
Known Operating Commitments (from Chart #1)	\$1,180,214		
<b>Subtotal Increase Base Budget Request</b>	<b>\$5,200,326</b>		<b>6.49%</b>
<b>BASE PLUS</b>			
<b>Essential Needs Request</b>	Essential Needs Shown in Chart #2	<b>\$ 993,009</b>	<b>1.24%</b>
<b>Total Operating Increase FY15 Proposed Budget Request</b>		<b>\$6,193,371</b>	
<b>FY15 Park Fund Budget Request</b>		<b>\$87,550,476*</b>	<b>7.73%</b>
Debt Service on General Obligation Bonds	\$1,255,638		<b>1.14%</b>
<b>Total Increase FY15 Proposed Budget Request</b>	<b>\$7,449,009</b>		<b>8.87%</b>

\*Does not include NPDES funding of \$276,900.

**Park Fund Expenditures Budget by Division**

The charts below show the FY14 Adopted Budget and the FY15 Proposed Budget by division for the Park Fund.

There are some noteworthy changes that were not addressed above are:

Salary Adjustment - The FY15 personnel costs do not include any assumption for a salary adjustment in the divisional personnel numbers. FY15 budget amounts for salary adjustments and OPEB costs are included in the Non-Departmental account.

New Information Technology and Innovation Division – In FY14, the Management Services Division included the Information Technology staffing and funding. In FY15, these budgets are separated and the budgets are shown for each division.

**FY15 Proposed Park Fund Expenditure Budget**

<b>Expenditure by Major Object</b>	<b>FY14 Adopted Budget</b>	<b>FY15 Proposed Budget</b>	<b>Increase/ (Decrease) from FY14</b>
<b>Director's Office</b>			
Personnel Services	1,072,526	1,094,638	22,112
Supplies & Materials	21,950	27,400	5,450
Other Services & Charges	18,950	20,850	1,900
Capital Outlay	-	-	-
Chargebacks	-	-	-
<b>Total</b>	<b>1,113,426</b>	<b>1,142,888</b>	<b>29,462</b>
<b>Public Affairs &amp; Community Partnerships</b>			
Personnel Services	1,922,479	1,961,197	38,718
Supplies & Materials	79,000	126,200	47,200
Other Services & Charges	145,420	225,770	80,350
Capital Outlay	-	-	-
Chargebacks	(45,600)	(45,600)	-
<b>Total</b>	<b>2,101,299</b>	<b>2,267,567</b>	<b>166,268</b>
<b>Management Services</b>			
Personnel Services	2,580,332	1,537,679	(1,042,653)
Supplies & Materials	220,600	10,600	(210,000)
Other Services & Charges	775,672	166,892	(608,780)
Capital Outlay	-	-	-
Chargebacks	(50,000)	-	50,000
<b>Total</b>	<b>3,526,604</b>	<b>1,715,171</b>	<b>(1,811,433)</b>

## FY15 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY14 Adopted Budget	FY15 Proposed Budget	Increase/ (Decrease) from FY14
<b>Information Technology &amp; Innovation</b>			
Personnel Services	-	955,626	955,626
Supplies & Materials	-	220,000	220,000
Other Services & Charges	-	838,180	838,180
Capital Outlay	-	-	-
Chargebacks	-	(53,000)	(53,000)
<b>Total</b>	-	1,960,806	1,960,806
<b>Park Planning &amp; Stewardship</b>			
Personnel Services	3,260,277	3,568,681	308,404
Supplies & Materials	64,700	67,700	4,000
Other Services & Charges	286,700	300,900	14,200
Capital Outlay	-	-	-
Chargebacks	(362,806)	(365,400)	(2,594)
<b>Total</b>	3,035,200	3,572,881	324,010
<b>Park Development</b>			
Personnel Services	5,060,584	5,132,662	72,078
Supplies & Materials	37,600	42,100	4,500
Other Services & Charges	82,400	100,200	17,800
Capital Outlay	-	-	-
Chargebacks	(2,180,600)	(2,240,146)	(59,546)
<b>Total</b>	2,999,984	3,034,816	34,832
<b>Park Police</b>			
Personnel Services	12,668,960	13,508,713	839,753
Supplies & Materials	370,400	498,640	128,240
Other Services & Charges	334,100	334,100	-
Capital Outlay	-	24,339	24,339
Chargebacks	-	-	-
<b>Total</b>	13,373,460	14,365,792	992,332
<b>Horticulture, Forestry &amp; Environmental Education</b>			
Personnel Services	7,021,639	7,272,732	251,093
Supplies & Materials	447,600	452,638	5,038
Other Services & Charges	338,728	371,650	32,922
Capital Outlay	-	-	-
Chargebacks	(324,100)	(325,300)	(1,200)
<b>Total</b>	7,118,300	7,771,720	287,853

## FY15 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY14 Adopted Budget	FY15 Proposed Budget	Increase/ (Decrease) from FY14	
<b>Facilities Management</b>				
Personnel Services	9,042,372	9,489,747	447,375	
Supplies & Materials	1,593,050	1,594,825	1,775	
Other Services & Charges	825,700	830,700	5,000	
Capital Outlay	15,000	-	(15,000)	
Chargebacks	(810,000)	(923,845)	(113,845)	
<b>Total</b>	<b>10,666,122</b>	<b>10,991,427</b>	<b>325,305</b>	
<b>Northern Parks</b>				
Personnel Services	7,537,289	7,947,767	410,387	
Supplies & Materials	663,970	712,270	48,300	
Other Services & Charges	247,400	254,331	6,931	
Capital Outlay	417,000	332,000	(85,000)	
Chargebacks	(77,000)	(28,900)	48,100	
<b>Total</b>	<b>8,788,659</b>	<b>9,217,377</b>	<b>428,718</b>	
<b>Southern Parks</b>				
Personnel Services	10,776,697	11,165,917	389,220	
Supplies & Materials	998,400	1,000,800	2,400	
Other Services & Charges	315,100	375,300	60,200	
Capital Outlay	335,000	373,000	38,000	
Chargebacks	(63,700)	(67,500)	(3,800)	
<b>Total</b>	<b>12,361,497</b>	<b>12,847,517</b>	<b>486,020</b>	
<b>Support Services</b>				
Personnel Services	251,000	182,050	(68,950)	
Supplies & Materials	1,727,000	1,889,000	162,000	
Other Services & Charges	6,790,580	8,284,780	1,494,200	
Capital Outlay	-	-	-	
Chargebacks	658,400	752,140	93,740	
<b>Total</b>	<b>9,426,980</b>	<b>11,107,970</b>	<b>1,680,990</b>	
<b>Park Fund Total</b>				
Personnel Services	61,194,155	63,817,319	2,623,164	4.29%
Supplies & Materials	6,224,270	6,643,173	418,903	6.73%
Other Services & Charges	10,160,750	12,103,653	1,942,903	19.12%
Capital Outlay	767,000	729,339	(37,661)	(4.91%)
Chargebacks	(3,255,406)	(3,297,551)	(42,145)	(1.29%)
<b>Total</b>	<b>75,090,769</b>	<b>79,995,933</b>	<b>4,905,164</b>	<b>6.53%</b>
Non-Departmental	5,010,698	6,575,805	1,565,107	31.24%
<b>Total</b>	<b>80,101,467</b>	<b>86,571,738</b>	<b>6,470,271</b>	<b>8.08%*</b>
Grants	400,000	400,000	-	
Debt Service/Capital Projects Funds	4,237,100	5,492,738	1,255,638	
<b>Total</b>	<b>84,738,567</b>	<b>92,464,476</b>	<b>6,470,271</b>	

\*Includes NPDES funding of \$276,900, or 0.35% increase. Without NPDES, the increase is \$6,193,371 or 7.73%.

## Park Fund Operating Revenue Summary

### **Park Fund Operating Revenue Fund FY15 Proposed Budget**

The FY15 Park Fund Operating Revenue is projected to be \$5,197,962. This is \$599,661 higher than the FY14 Adopted Budget.

Facilities User Fees are projected to be \$347,461 higher than FY14 Budget largely due to an increase in the ballfield revenue derived from an increase in fees coupled with the opening of the Northwest Branch Recreational Park. The expenses of opening this park are included in the operating budget impact. The ballfields in this park are projected to bring in offsetting revenue of \$138,500 in FY15.

Rentals and concessions revenue is projected to be \$886,000, which is \$49,000 lower than FY14 Budget. This is due to a combination of a decrease in revenue projected for the park activity buildings (PAB) resulting from the moving a few PABs out of the inventory because of closures or single-tenant leases where the revenue goes to the Property Management Fund. This decrease is offset by an increase in revenue from picnic shelter rentals.

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. In FY13, the slight increase is to cover the increased personnel costs for health care and retirement. In FY14, the increase is for NPDES activities including the additional personnel plus additional funding for equipment, cleaning of oil/grit separators, and interpretive signage/website improvements. In FY15, the increase is to address deficiencies in post construction storm water management.

Miscellaneous revenue is projected to be \$122,000, which is \$15,500 higher than FY14 Budget due to an increase in permit fees collected by the Park Development Division.

The chart below shows the FY15 proposed operating revenues for the Park Fund.

### **FY15 Proposed Park Fund Revenue**

	Actual FY11	Actual FY13	Budget FY14	Proposed FY15
<b><u>REVENUES</u></b>				
<b>Facilities User Fees</b>	\$1,709,300	\$1,955,682	\$2,048,939	\$2,356,200
<b>Grants</b>	\$62,844	\$640,959	\$400,000	\$400,000
<b>Intergovernmental Transfer (Water Quality Protection Fund)</b>	\$1,509,300	\$1,558,600	\$2,037,862	\$2,314,762
<b>Miscellaneous Revenue</b>	\$142,214	\$220,288	\$106,500	\$122,000
<b>Interest</b>	(\$11,063)	(\$68,776)	\$5,000	\$5,000
<b>Total Revenue</b>	\$3,412,595	\$4,306,753	\$4,598,301	\$5,197,962



## Enterprise Fund Summary

### **Enterprise Fund Overall FY15 Proposed Budget**

The Enterprise Fund oversees the operation of the revenue producing facilities. The funds are primarily generated through user fees, rentals and other non-tax supported sources. The Enterprise Fund proposed FY15 budget reflects \$9,727,505 in revenues and \$9,446,581 in expenditures including \$785,000 in capital improvement projects for a net profit of \$280,925.

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 11 shows the FY15 proposed revenues and expenditures for the Enterprise Fund.

### **FY15 Changes**

#### **Revenues**

The FY15 Enterprise Fund proposed revenues of \$9,727,505.00 is \$304,803 less than the FY14 approved budget due primarily to Brookside Gardens HVAC system being replaced in the Visitor's Center and extensive parking lot renovations limiting the programs offered.

#### **Expenditures**

The FY15 Enterprise Fund proposed expenditures, including capital improvement projects, are \$9,446,581, which is \$596,516 lower than the FY14 adopted budget. These decreases are mainly from the commensurate decrease in expenditures at Brookside Gardens to offset the lower projected revenue, the reduction in capital outlay for the one-time expense at the Wheaton Train and Carousel in FY14, and the retirement of debt service payments for the ice rinks in FY15.

In FY 14, the final debt service payment of \$228,000 was made for the Cabin John Ice Rink. This marks the end of the debt service payments for the Little Bennett Golf Course (opened in 1994), the Cabin John Ice Rink (opened in 1999), and the Wheaton Ice Arena (opened in 2000). This will allow for an increased capacity for much needed improvements at the Enterprise facilities.

These expenditure decreases are offset by increases in the Administrative charges due to hiring two new full-time career staff to address American's with Disabilities Act (ADA) requirements. These two positions will begin the process to implement the Department of Justice's (DOJ) Settlement Agreement requirement to assess all "programs" for compliance and to develop and monitor a transition plan for access to recreational facilities and programs in collaboration with Department of Recreation and Community Use of Public Facilities (CUPF). These positions will work to implement ADA Grievance Policy (required by law) and take the lead in reporting and

monitoring Project Civic Access for the department. In addition, these positions will develop and implement the Department's Inclusion Services program for program access to classes, camps and special events. They will develop and train staff on a self-evaluation tool, assess results, and complete a report on findings and remediation steps to DOJ. These two positions will be funded 50% by the Park Fund and 50% by the Enterprise Fund.

Funding is also included for seasonal staff to perform data entry and oversee the new registration system, Active Net, to meet the County Council's mandated to provide a more streamlined and user friendly registration system through a single database between Montgomery Parks, Department of Recreation, and CUPF. Some additional equipment must also be purchased that is compatible with this new system.

Capital improvement projects are projected to increase from \$600,000 in FY14 Adopted to \$785,000 in FY15 Proposed. The proposed capital improvement projects include \$185,000 for a new locomotive for the miniature train at Cabin John Regional Park, \$100,000 to add ADA accessible bathrooms in the basement at the Seneca Lodge, \$200,000 to replace the dehumidification system at Wheaton Ice Arena, \$200,000 to replace one of the dehumidification systems at the Cabin John Ice Rink and \$100,000 to design a new entrance for both main parking lots at Rockwood Manor.

## FY15 Enterprise Fund Summary

Summary of Annual Comparisons by Major Object	Actual FY12		Actual FY13		Budget FY14		Proposed FY15	
<b>REVENUE (MAJOR SOURCE)</b>								
Fees and Charges		\$6,358,599		\$6,245,538		\$6,303,675		\$6,055,910
Rentals		\$3,130,238		\$3,350,719		\$2,953,733		\$3,008,445
Merchandise Sales		\$732,128		\$640,201		\$722,100		\$627,350
Concessions		\$31,750		\$26,922		\$30,600		\$27,800
Interest		\$22,192		\$7,982		\$22,200		\$8,000
<b>Total Revenue</b>		<b>\$10,274,907</b>		<b>\$10,271,362</b>		<b>\$10,032,308</b>		<b>\$9,727,505</b>
<b>EXPENDITURE</b>								
Personnel Services		\$3,226,360		\$2,985,293		\$3,421,653		\$3,116,058
Administration		\$1,217,872		\$1,424,875		\$1,625,316		\$1,827,051
Chargebacks		\$415,982		\$306,286		\$362,000		\$377,700
Cost of Goods Sold		\$413,562		\$437,788		\$401,100		\$331,500
Supplies & Materials		\$525,649		\$579,941		\$507,400		\$451,372
Other Services & Charges		\$2,499,686		\$2,309,802		\$2,556,900		\$2,340,850
Capital Outlay (Not Financed)		\$41,545		\$62,556		\$346,500		\$212,000
Debt Service on Revenue Bonds		\$107,025		\$29,082		\$5,729		\$0
Principal on Equipment Financed		\$1,176,450		\$828,474		\$222,228		\$0
Interest on Equipment Financed		\$0		\$0		\$0		\$0
<b>Total Expenditure</b>		<b>\$9,624,132</b>		<b>\$8,964,097</b>		<b>\$9,448,826</b>		<b>\$8,656,531</b>
Revenue Over(Under) Expenditure		<b>\$650,775</b>		<b>\$1,307,265</b>		<b>\$583,482</b>		<b>\$1,070,974</b>
<b>CASH FLOW ELEMENTS</b>								
CIP Transfers, Per Appropriation		<u>\$208,922</u>		<u>\$121,278</u>		<u>\$600,000</u>		<u>\$785,000</u>
<b>Net Increase/(Decrease) in Cash</b>		<b>\$441,853</b>		<b>\$1,185,987</b>		<b>(\$16,518)</b>		<b>\$285,974</b>
Positions/Workyears Full Time Career	32.00	32.00	32.00	31.50	32.00	32.00	34.00	34.00
Positions/Workyears Part-Time Career	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Positions/Workyears Total Career</b>	<b>32.00</b>	<b>32.00</b>	<b>32.00</b>	<b>31.50</b>	<b>32.00</b>	<b>32.00</b>	<b>34.00</b>	<b>34.00</b>
Positions/Workyears Term Contract	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Seasonal/Intermittent		75.20		85.70		83.5		74.40
Chargebacks		3.40		3.90		2.40		0.9
Less Normal Lapse		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>
<b>Workyears Total</b>		<b>111.60</b>		<b>122.60</b>		<b>118.90</b>		<b>110.30</b>

## Property Management Fund Summary

### **Property Management Fund Overall FY15 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 FY15 budget request is \$1,026,500 or 13.2% higher than last year's budget largely due to the projected increase in revenue, and the subsequent increased need for maintenance personnel.

The chart on the next page shows the FY15 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 continues to reflect a steady growth in revenue, which is attributed to the rental of park activity buildings, land for parking use, and a standardization of annual increases to an annual fixed rate.

The Property Management unit continues to expand efforts on the oversight of leased property. In 2012, eight of the closed park activity buildings were offered for private third party use through Requests for Proposals. Three of the buildings were leased in FY13, and renovations of additional buildings are underway in FY14.

Re-purposing the closed park activity buildings requires technical drawings, permits, construction, utilities, leases, and maintenance support. The Property Management Unit, along with the skilled-trades staff of the Facilities Management Division, assisted the new tenants in reviewing technical drawings, making improvements, and obtaining permits. The leasing of park activity buildings has become a successful model for transitioning older, under-utilized buildings into a second (or sometimes third) generation use.

### **FY15 Changes**

FY15 rental income is projected to be \$120,000 higher than the FY14 budget due to the standardization and implementation of annual rental increases, additional tenants, and a higher percentage of tenants paying fair market rental rates for building and land rentals. The increase in rental activity requires additional maintenance response and care.

To continue to meet today's standards and leasing demands for making repairs, performing renovations and achieving occupancy requirements, the FY15 budget includes one workyear in chargebacks from the Park Fund skilled trades staff. The chargeback funding is increased by \$74,300 for a chargeback from the Facilities Management Division for one additional workyear.

### FY15 Property Management Fund Summary

Summary of Annual Comparisons by Major Object	Actual FY12		Actual FY13		Adopted FY14		Proposed FY15	
<b><u>REVENUE</u></b>								
Rentals	\$813,707		\$934,265		900,000		1,024,500	
Interest	\$5,607		\$1,820		5,600		1,820	
Fund Balance from Prior Years	<u>\$0</u>		<u>\$0</u>		<u>\$858</u>		<u>\$0</u>	
<b>Total Revenue</b>	<b>\$819,314</b>		<b>\$936,085</b>		<b>\$906,458</b>		<b>\$1,026,320</b>	
<b><u>EXPENDITURE</u></b>								
Personnel Services	\$228,046		\$215,848		367,774		413,188	
Supplies & Materials	\$61,797		\$76,975		161,584		161,820	
Other Services & Charges	<u>\$381,600</u>		<u>\$428,214</u>		<u>277,100</u>		<u>277,012</u>	
Sub Total	\$671,443		\$721,037		805,600		852,020	
Chargebacks	<u>\$100,000</u>		<u>\$100,000</u>		<u>100,000</u>		<u>174,300</u>	
<b>Total Expenditure</b>	<b>\$771,443</b>		<b>\$821,037</b>		<b>906,458</b>		<b>1,026,320</b>	
<b>Revenue Over(Under) Expenditure</b>	<b>\$47,871</b>		<b>\$115,048</b>		<b>\$0</b>		<b>\$0</b>	
Positions/Workyears Full Time Career	3.00	3.00	3.00	3.00	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>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Positions/Workyears Total Career</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</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	0.00	0.00
Seasonal/Intermittent		0.00		0.00		0.00		0.00
Chargebacks <sup>1</sup>		0.50		2.00		2.00		3.00
Less Normal Lapse		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>
<b>Workyears Total</b>		<b>3.50</b>		<b>5.00</b>		<b>6.00</b>		<b>7.00</b>

1-Chargebacks: Chargebacks: FY13, and FY14: 0.5 WYs to Enterprise Fund and 2.5 WYs from Park Fund:  
FY15: 0.5 WYs to Enterprise Fund and 3.5 WYs from Park Fund.

## Special Revenue Fund Summary

### **Special Revenue Fund Overall FY15 Proposed Budget**

The Special Revenue Fund has a beginning balance of \$359,573. The proposed FY15 budget reflects revenues of \$1,616,000 and expenditures of \$1,820,845. This level of expenditures will leave an ending balance of \$154,728.

The chart on page 16 shows the FY15 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 material. 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 FY15 proposed budget.

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

This fund was established pursuant to Maryland law. The law provides the authority to seize property as a result of 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.

### FY15 Special Revenue Fund Summary

Special Revenue Fund Summary	Actual FY13	Budget FY14	Estimated FY14	Proposed FY15
<b>BEGINNING FUND BALANCE</b>	<b>\$305,934</b>	<b>\$191,065</b>	<b>\$451,836</b>	<b>\$352,073</b>
<b><u>REVENUE</u></b>				
Intergovernmental Revenues	\$897,591	\$934,484	\$934,484	\$921,800
Sales	\$376	\$2,000	\$600	\$600
Charges for Services	\$0	\$0	\$0	\$0
Recreation/User Fees	\$169,730	\$219,925	\$211,100	\$217,600
Rentals/Concessions	\$61,886	\$63,900	\$65,400	\$71,500
Interest	\$543	\$1,600	\$500	\$500
Miscellaneous Revenues	<u>\$343,745</u>	<u>\$488,651</u>	<u>\$420,000</u>	<u>\$410,000</u>
<b>TOTAL REVENUE</b>	<b>\$1,473,871</b>	<b>\$1,710,560</b>	<b>\$1,632,084</b>	<b>\$1,622,000</b>
<b><u>EXPENDITURE</u></b>				
Personnel Services	\$213,915	\$434,500	\$459,300	\$444,000
Supplies and Materials	\$126,182	\$224,000	\$242,171	\$272,300
Other Services and Charges	\$942,072	\$1,015,172	\$958,376	\$996,845
Capital Outlay	\$0	\$0	\$0	\$30,000
Other Classifications	<u>\$45,800</u>	<u>\$79,200</u>	<u>\$72,000</u>	<u>\$74,200</u>
<b>TOTAL EXPENDITURE</b>	<b>\$1,327,969</b>	<b>\$1,752,872</b>	<b>\$1,755,847</b>	<b>\$1,817,345</b>
<b>Total Revenue Less Expenditure</b>	<u>\$145,902</u>	<u>(\$42,312)</u>	<u>(\$123,763)</u>	<u>(\$195,345)</u>
<b>ENDING FUND BALANCE</b>	<b>\$451,836</b>	<b>\$148,753</b>	<b>\$328,073</b>	<b>\$132,728</b>
Workyears	0.00	1.30	1.30	1.30