



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

MCPB Date: 11/15/2018
Agenda Item #7

MEMORANDUM

DATE: November 8, 2018

TO: Montgomery County Planning Board

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

FROM: Nancy Steen, Budget Manager, Management Services Division *NCS*

SUBJECT: Department of Parks FY20 Proposed Operating Budget

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks FY20 Proposed Budgets for 1) Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY20 Estimated Revenue collected by the Department excluding the property tax collected by the County.

Background

At the September 13th Planning Board meeting, the Board provided general guidance for developing the FY20 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 18th, 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 \$1.2M and four new positions. Adding the program enhancements to

the base budget and major known commitments produced a total increase of \$6.6M (excluding the salary and reclassification marker in Non-Departmental) above the FY19 adopted budget.

At the time of the October 18th meeting, several of the Departmental costs in the Park Fund were estimates. These numbers and other adjustments to known commitment totals have now been updated and are included in this memo. One significant change from our October 18th memo is the updated pension cost which previously was a small increase but now reflects a decrease of \$1.6M from the FY19 approved budget. Also, based on additional recommendations from the November 1st Planning Board session and on further internal reviews, the Department has adjusted the OBI cost for the Wheaton Headquarters and has amended the funding for the Program Enhancements request for EAM positions and for the CIO/CWIT chargebacks. **Based on these various updates, the revised total request for the Park Fund is \$4.7M or 4.9% above the FY19 adopted budget. Adding in costs for the salary and reclassification markers and for the OPEB increase results in an overall total proposed Park Fund budget increase of 6.2%.**

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 and the County’s Cable Fund. The proposed revenue budget is also presented in this memo.

Proposed Budget Information

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

FUND SUMMARIES			
See detail on page 7	Park Fund Expenditure by Division (including OPEB)	Largely Tax Supported	\$110,261,482
See detail on page 11	Park Fund Revenue	Non-Tax Revenue	\$7,379,487
See detail on page 13	Enterprise Fund	Self Sufficient	\$9,756,564
See detail on page 15	Property Management Fund	Self Sufficient	\$1,566,600
See detail on page 18	Special Revenue Fund	Largely Self Sufficient	\$2,861,133

Summary

Staff is requesting the Board’s approval of the expenditure funding levels for the Department of Parks FY20 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 FY20 budget process are:

Full Commission approves the FY20 Proposed Budget Resolution	December 19, 2018
M-NCPPC submits Budget in Brief per statutory mandate to County Executive and County Council	January 15, 2019
County Executive makes recommendations	March 15, 2019
County Council holds Public Meetings on budget	April 2019
County Council Reviews M-NCPPC Budget	April & May 2019
Montgomery and Prince George's County Councils meet	May 2019
County Councils adopt budget	May 2019

Park Fund Expenditure Summary

Background

For the FY20 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 18th memo to the Planning Board provided details on the known operating commitments, and as such, they are not repeated in this memo.

Table #1

FY20 Park Fund Base Budget				
Known Operating Commitments	Personnel	Positions/W orkyears	Funding	% Increase from FY19 Adopted Operating
Operating Budget Impact (OBI) (Excluding Wheaton HQ)		3 Positions 4.9 wkyrs	\$465,049	0.5%
Contractual Increases	N/A	N/A	\$180,469	0.2%
Utilities/Telecommunications	N/A	N/A	\$15,434	0.0%
Inflationary Increases for Supplies and Materials, Services and Capital Outlay	N/A	N/A	\$300,900	0.3%
Debt Service for Internal Service Fund Capital Equipment	N/A	N/A	\$635,000	0.7%
Removal of one-time funding from FY19	N/A	N/A	(\$56,000)	-0.1%
CAS Charges (Risk Mgmt/CIO/CWIT/Chargebacks, etc.)	N/A	N/A	\$600,057	0.6%
Chargebacks (CIP/Ent/SRA)	N/A	N/A	(\$50,400)	-0.1%
Water Quality Protection Fund (reimbursed by County)	Career/Seasonal	1 position 1.3 wkyrs	\$77,564	0.1%
Position Changes (Fund Transfers)	Career/Seasonal	3 Positions 3.8 Workyear	\$138,372	0.1%
		7.0 Positions		
	SUB-TOTAL	10.0 Wkyrs	\$2,306,445	2.4%
Operating Budget Impact (OBI) - Wheaton HQ	Career	2 Positions 2.0 wkyrs	\$500,526	0.5%
	TOTAL	9.0 Positions 12.0 Wkyrs	\$2,806,971	2.9%

Table #2

Summary - Program Enhancements						
Item & Description	Career Positions	Career Wkyrs	Term Contract Wkyrs	Seasonal Wkyrs	Funding	% Increase from FY19 Adopted Operating Budget
Improving Quality and Playability of Ballfields	2.0	2.0		1.0	\$301,968	0.3%
Maintaining and Improving What We Have Office of the Chief Information Officer and the Commission-wide IT (CWIT) Program Enhancements	4.0	5.0	(1.0)	-	\$639,940	0.7%
	-	-		-	\$299,886	0.3%
Total	6.0	7.0	(1.0)	1.0	\$1,241,794	1.3%

The October 18th and November 1st memos 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 FY20 Park Fund budget request is summarized in the Table #3 below.

Table #3

DEPARTMENT of PARKS SUMMARY OF FY20 BUDGET REQUEST		
FY19 Adopted Budget (excluding OPEB)	\$97,649,840	
CHANGES TO BASE BUDGET		% Increase from FY19 Adopted Operating Budget
Salary/Benefit/Pension increases (excluding salary markers) *	21,634	0.0%
Known Operating Commitments (from Chart #1)	\$2,806,971	2.9%
Program Enhancements (from Chart #2)	\$1,241,794	1.3%
Debt Service on General Obligation Bonds	663,125	0.7%
Total Operating Increase FY20 Proposed Budget Request	\$4,733,524	4.8%
FY20 Park Fund Budget Request (includes Non-Departmental total with the compensation markers and OPEB)	\$6,401,271	6.2%

* This total excludes 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 FY20 divisional personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY20 budget amounts for compensation adjustments are included in the Non-Departmental account.

Other Post-Employment Benefits (OPEB) – The total funding for OPEB for FY20 is \$6,436,364. This is an increase of \$225,993 over the FY19 approved budget total. In the Divisional Summary, the OPEB balance is included in the Non-Departmental funding.

Position and Workyear Adjustments – Each year, divisions make personnel moves or adjustments to address specific needs. Detail on the position adjustments and transfers impacting workyears was included in the Planning Board memo presented on October 18th and as such, is not repeated here.

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. The October 18th Planning Board memo identified costs being transferred due to

reorganizations, and as such, are not repeated here. This year, the following additional adjustments are requested:

- Office of the Director – transferring \$1,100 from S&M to OS&C to increase existing funding for training and conferences.
- Facilities Management – transferring \$100,000 from OS&C for repair services to S&M for vehicle parts and supplies.
- Northern Parks – transferring \$20,206 from S&M to OS&C to increase funding for repairs and maintenance services.
- Southern Parks – transferring \$23,000 from S&M to OS&C to for repairs, maintenance services, and training.
- Park, Planning & Stewardship – transferring \$18,000 in OS&C funding to seasonal funding for work previously contracted out that is now being performed by seasonal staff.

Table #4 on the next page shows the FY19 Adopted Budget and the FY20 Proposed Budget by division for the Park Fund. The Park Fund budget is appropriated by the County Council at the division level.

FY20 Proposed Park Fund Expenditure Budget

Table #4

Expenditure by Major Object	FY19 Adopted Budget	FY20 Proposed Budget	Increase/ (Decrease) from FY19
Director's Office			
Personnel Services	\$1,792,308	\$1,535,723	(\$256,585)
Supplies & Materials	\$3,503	\$2,473	(\$1,030)
Other Services & Charges	\$58,140	\$59,240	\$1,100
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$1,853,951	\$1,597,436	(\$256,515)
Public Affairs & Community Partnerships			
Personnel Services	\$2,431,603	\$2,660,288	\$228,685
Supplies & Materials	\$59,384	\$131,972	\$72,588
Other Services & Charges	\$566,512	\$575,083	\$8,571
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$3,057,499	\$3,367,343	\$309,844
Management Services			
Personnel Services	\$1,843,484	\$2,257,352	\$413,868
Supplies & Materials	\$8,860	\$20,737	\$11,877
Other Services & Charges	\$192,219	\$197,819	\$5,600
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$2,044,563	\$2,475,908	\$431,345
Information Technology & Innovation			
Personnel Services	\$1,369,279	\$1,439,535	\$70,256
Supplies & Materials	\$256,794	\$296,688	\$39,894
Other Services & Charges	\$957,579	\$965,974	\$8,395
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$61,900)	(\$63,900)	(\$2,000)
Total	\$2,521,752	\$2,638,297	\$116,545
Park Planning & Stewardship			
Personnel Services	\$5,137,244	\$5,365,043	\$227,799
Supplies & Materials	\$119,241	\$140,793	\$21,552
Other Services & Charges	\$530,285	\$568,736	\$38,451
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$350,638)	(\$338,638)	\$12,000
Total	\$5,436,132	\$5,735,934	\$299,802

Expenditure by Major Object	FY19 Adopted Budget	FY20 Proposed Budget	Increase/ (Decrease) from FY19
Park Development			
Personnel Services	\$5,871,254	\$6,124,868	\$253,614
Supplies & Materials	\$48,371	\$49,338	\$967
Other Services & Charges	\$116,181	\$155,115	\$38,934
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$2,407,949)	(\$2,382,949)	\$25,000
Total	\$3,627,857	\$3,946,372	\$318,515
Park Police			
Personnel Services	\$13,361,290	\$13,321,437	(\$39,853)
Supplies & Materials	\$523,099	\$603,602	\$80,503
Other Services & Charges	\$373,534	\$386,626	\$13,092
Capital Outlay	\$0	\$107,120	\$107,120
Chargebacks	\$0	(\$193,193)	(\$193,193)
Total	\$14,257,923	\$14,225,592	(\$32,331)
Horticulture, Forestry & Environmental Education			
Personnel Services	\$9,016,534	\$8,627,766	(\$388,768)
Supplies & Materials	\$670,340	\$637,347	(\$32,993)
Other Services & Charges	\$1,001,848	\$1,028,763	\$26,915
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$124,500)	(\$124,500)	\$0
Total	\$10,564,222	\$10,169,376	(\$394,846)
Facilities Management			
Personnel Services	\$10,469,869	\$10,650,877	\$181,008
Supplies & Materials	\$1,818,352	\$1,983,054	\$164,702
Other Services & Charges	\$1,028,036	\$1,158,578	\$130,542
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$1,006,200)	(\$1,008,600)	(\$2,400)
Total	\$12,310,057	\$12,783,909	\$473,852
Northern Parks			
Personnel Services	\$8,857,793	\$8,824,849	(\$32,944)
Supplies & Materials	\$905,168	\$914,265	\$9,097
Other Services & Charges	\$466,532	\$516,423	\$49,891
Capital Outlay	\$250,600	\$216,459	(\$34,141)
Chargebacks	(\$33,700)	(\$34,800)	(\$1,100)
Total	\$10,446,393	\$10,437,196	(\$9,197)

Expenditure by Major Object	FY19 Adopted Budget	FY20 Proposed Budget	Increase/ (Decrease) from FY19	
Southern Parks				
Personnel Services	\$12,044,819	\$12,694,201	\$649,382	
Supplies & Materials	\$1,463,056	\$1,632,987	\$169,931	
Other Services & Charges	\$394,635	\$446,946	\$52,311	
Capital Outlay	\$254,950	\$357,809	\$102,859	
Chargebacks	(\$78,100)	(\$168,100)	(\$90,000)	
Total	\$14,079,360	\$14,963,843	\$884,483	
Support Services				
Personnel Services	\$224,500	\$171,900	(\$52,600)	
Supplies & Materials	\$1,563,705	\$1,611,464	\$47,759	
Other Services & Charges	\$6,978,661	\$9,095,983	\$2,117,322	
Capital Outlay	\$0	\$0	\$0	
Chargebacks	\$1,115,004	\$931,425	(\$183,579)	
Total	\$9,881,870	\$11,810,772	\$1,928,902	
Park Fund Total				
Personnel Services	\$72,419,977	\$73,673,839	\$1,253,862	1.7%
Supplies & Materials	\$7,439,873	\$8,024,720	\$584,847	7.9%
Other Services & Charges	\$12,664,162	\$15,155,286	\$2,491,124	19.7%
Capital Outlay	\$505,550	\$681,388	\$175,838	34.8%
Chargebacks	(\$2,947,983)	(\$3,383,255)	(\$435,272)	14.8%
Debt Service	6,461,285	7,124,410	\$663,125	10.3%
Non-Departmental *	6,567,347	8,235,094	\$1,667,747	25.4%
Grants	400,000	400,000	\$0	0.0%
Capital Projects Funds	350,000	350,000	\$0	0.0%
Total	103,860,211	110,261,482	\$6,401,271	6.2%

Park Fund Revenue Summary

Park Fund Operating Revenue FY20 Proposed Budget

The FY20 Park Fund Operating Revenue is projected to be \$7,379,487. This is \$405,378 higher than the FY19 Adopted Budget mainly due to a projected increase in user fees and interest.

Facilities user fees are projected to be \$269,114 higher than FY19 Budget total primarily due to an increase in ballfield revenue and building rentals attributable to planned fee increases and to the addition of permitted fields 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 FY20 is \$77,564. The October 18th 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 and continued in FY19 to fund a pilot program to add Wi-Fi in the Parks. Phase 1 of the pilot program was successfully completed in FY18 with WiFi added at Kemp Mill Urban Park and at Western Grove Urban Park. A proposal was also submitted to the County Council with recommended sites for the continued expansion of this program. The FY20 proposed budget includes the base amount of \$100,000 to continue expanding free Wi-Fi public access to selected locations within the park system.

The FY20 Interest revenue is increasing by \$60,000 over the FY19 amount.

The chart on the next page shows the FY20 proposed operating revenues for the Park Fund.

Proposed Park Fund Revenue

Table #5

Category	Budget FY19	Proposed FY20	% Change
<u>REVENUES</u>			
Facilities User Fees	\$2,947,100	\$3,216,214	9.1%
Grants	\$400,000	\$400,000	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$3,344,909	\$3,422,473	2.3%
Intergovernmental Transfer (Cable Fund)	\$100,000	\$100,000	0.0%
Miscellaneous Revenue	\$117,100	\$115,800	-1.1%
Interest (including CIP Interest Transfer)	<u>\$65,000</u>	<u>\$125,000</u>	<u>92.3%</u>
Total Revenue	6,974,109	7,379,487	5.8%

Enterprise Fund Summary

Enterprise Fund Overall FY20 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 FY20 budget reflects \$11,597,042 in revenues and \$9,756,564 in expenditures for a net profit of \$1,840,478.

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 13 shows the FY20 proposed revenues and expenditures for the Enterprise Fund.

FY20 Changes

Revenues

The FY20 Enterprise Fund proposed revenues of \$11,597,042 is \$371,080 more than the FY19 approved budget attributable to increases in gift shop sales at Brookside Gardens, projected increases in event

center rentals, and increased RV bookings at the camp ground. Revenue is also increasing at the ice rinks and tennis facilities mainly due to increased revenue from group lessons and camps.

Expenditures

The FY20 Enterprise Fund proposed expenditures of \$9,756,564 is \$9,605 higher than the FY19 adopted budget. This is primarily due to increased costs for resale items for the Brookside Gardens gift shop.

The personnel budget reflects an overall decrease due to savings in pension cost and from the transfer of two positions to the Park Fund. These savings are partially offset by increases due to the higher seasonal staff funding at Wheaton Ice Arena and Brookside Gardens, the addition of a one career work year at Wheaton Ice Arena, and the merit increases proposed for career and seasonal staff.

Chargebacks increased due to the elimination of the transfer from the Park Fund to Enterprise for the personnel costs of the Program Access unit. That increase is offset by a reduction in personnel cost and the associated workyears for two FT positions.

FY20 Changes

The FY20 proposed budget includes the transfer of the Program Access unit from the Enterprise Division to the Management Services Division. This move better positions the Program Access team to provide accessible and inclusive services for our park patrons who engage in various programs offered by multiple divisions. This transfer has minimal cost impact since funding for this staff was previously included in a chargeback between the Park Fund and the Enterprise Fund which has now been reduced to reflect this change. In addition, the Enterprise Fund is adding one position and associated workyear for a Skating Director position at Wheaton Ice Arena.

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 for FY20 are:

- \$400,000 for improved ADA storefront access and interior building alterations for a more efficient operational flow at the Wheaton Ice Arena.
- \$100,000 for design of a water park at Little Bennett Campground.

Table #7

MONTGOMERY COUNTY ENTERPRISE FUND - ENTERPRISE SUMMARY
Summary of Revenues and Expenses
Proposed Budget FISCAL YEAR 2020

	FY19 Adopted	FY19 Estimated	FY20 Proposed	% Change
Operating Revenues:				
Intergovernmental -	-	-	-	-
Sales	755,600	797,250	854,350	13.1%
Charges for Services	6,337,960	6,380,575	6,470,275	2.1%
Rentals and Concessions	3,311,177	3,203,884	3,294,795	-0.5%
Miscellaneous	711,225	795,371	777,622	9.3%
Interest	110,000	176,700	200,000	81.8%
Other	-	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	11,225,962	11,353,780	11,597,042	3.3%
Operating Expenses:				
Personnel Services	6,296,062	6,106,427	6,251,064	-0.7%
Goods for Resale	333,500	389,550	394,800	18.4%
Supplies and Materials	479,570	521,716	449,505	-6.3%
Other Services and Charges	2,474,327	2,451,239	2,309,125	-6.7%
Depreciation & Amortization Expense	-	-	-	-
Debt Service	-	-	-	-
Debt Service Principal	-	-	-	-
Debt Service Interest	-	-	-	-
Debt Service Fees	-	-	-	-
Other Financing Uses	-	-	-	-
Loss on Sale/Disposal Assets	-	-	-	-
Capital Assets	29,000	-	-	-100.0%
Other Classifications	-	-	-	-
Chargebacks	134,500	133,246	352,070	161.8%
Total Operating Exp and Other Uses	9,746,959	9,602,178	9,756,564	0.1%
Gain (Loss)	1,479,003	1,751,602	1,840,478	24.4%
Transfers Out (CIP)	4,125,000	-	500,000	-87.9%
Gain (Loss) Incl CIP Transfer	(2,645,997)	1,751,602	1,340,478	
<i>Validation - Formula check</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-100.0%</i>

	FY19 Adopted	FY19 Estimated	FY20 Proposed
WORKYEARS			
FT Career Positions	37.0	37.0	36.0
FT Workyears	37.0	37.0	36.0
PT Career Positions	0.0	0.0	0.0
PT Workyears	0.0	0.0	0.0
Term Contract Positions	1.0	1.0	1.0
Term Contract Workyears	1.0	1.0	1.0
Seasonal Workyears	88.0	88.6	81.8
Chargebacks	-0.6	-0.6	1.9
Less Lapse	0.0	0.0	0.0
TOTAL POSITIONS	38.0	38.0	37.0
TOTAL WORKYEARS	125.4	126.0	120.7

Property Management Fund Summary

Property Management Fund Overall FY20 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 FY20 budget includes revenue of \$1,466,600, a 2.4% increase, and an expenditure request of \$1,566,600, or 2.5% higher than last year's budget (includes the one-time funding of \$100,000). With the increase in requests for use of park property (rentals and leases), expenses for construction and maintenance services and supplies are also increasing due to many factors including aged infrastructure and construction permitting. This request also includes the use of one-time funding of \$100,000 for historic property needs.

The table on the next page shows the FY20 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 implementation of lease standards such as annual increases and common area maintenance fees. Demands for use of park property are increasing, especially in areas of parking lot use and other non-traditional uses. Contributing to the increased revenue projections are the larger rental houses recently added to the portfolio which generate higher market rental rates. Property Management also issues requests for proposals (RFP) for various vacant Park activity buildings (PAB) and is anticipating a new tenant in the Colesville building.

The Property Management unit is concluding a seven-year endeavor to lease closed PAB's to private third-party tenants and recently completed the fourth RFP offering during that time frame to seek private tenants to occupy the PAB's. Upon the conclusion of FY19, six of the original eleven closed PAB's are privately leased. The remaining five units have already been reallocated for departmental use or may be candidates for demolition (e.g. Nolte).

FY20 Changes

FY20 rental income is projected to be \$31,800 higher than the FY19 budget. The Department continues to deploy lease standards and 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 various minor fluctuations in the type and use of Park inventory.

Table #8

MONTGOMERY COUNTY PROPERTY MANAGEMENT SUBFUND
Summary of Revenues, Expenditures, and Changes in Fund Balance
PROPOSED BUDGET FISCAL YEAR 2020

	FY 19 Adopted	FY 19 Estimated	FY 20 Proposed	%Change
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Sales	-	-	-	-
Charges for Services	-	-	-	-
Rentals and Concessions	1,424,800	1,354,984	1,456,600	2.2%
Interest	8,000	8,000	10,000	25.0%
Miscellaneous	-	-	-	-
Total Revenues	<u>1,432,800</u>	<u>1,362,984</u>	<u>1,466,600</u>	<u>2.4%</u>
Expenditures by Major Object:				
Personnel Services	478,805	478,805	493,367	3.0%
Supplies and Materials	187,434	187,434	191,183	2.0%
Other Services and Charges	693,201	623,385	722,750	4.3%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	168,800	168,800	159,300	-5.6%
Total Expenditures	<u>1,528,240</u>	<u>1,458,424</u>	<u>1,566,600</u>	<u>2.5%</u>
Excess of Revenues over Expenditures	<u>(95,440)</u>	<u>(95,440)</u>	<u>(100,000)</u>	<u>4.8%</u>

Table #9

Workyear Summary	Adopted		Estimated		Proposed	
	FY19	FY19	FY19	FY19	FY20	FY20
Positions/Workyears Full Time Career	4.00	4.00	4.00	4.00	4.00	4.00
Positions/Workyears Part-Time Career	0.00	0.00	0.00	0.00	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		1.80
Less Normal Lapse		0.00		0.00		0.00
Workyears Total		7.00		7.00		5.80

Chargebacks: Net of 1.8 from (0.7) Wkys to Enterprise Fund and 2.5 WYs from Park Fund.

Special Revenue Fund Summary

Special Revenue Fund Overall FY20 Proposed Budget

The Special Revenue Fund has a beginning balance of \$939,793. The proposed FY20 budget reflects revenues of \$2,458,073 and expenditures of \$2,861,133. This level of expenditures will leave an ending balance of \$536,433. The increased level of revenue is primarily due to intergovernmental revenue associated with the ballfield maintenance of Montgomery County Public School ballfields. This increase in both revenue and expense is due to the increase in the number of school fields being maintained by our department and to an increase in the contractual services cost associated with this maintenance. Also, the Nature Centers are projecting to use \$125k of fund balance reserves for exhibit upgrades for the various centers. This planned expenditure of \$125k was included in the FY19 budget but is now being projected for the FY20 budget.

The table on page 18 shows the FY20 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 do not get 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 FY20 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 #10

Special Revenue Fund FY20			
	Adopted	Estimated	Proposed
Special Revenue Fund Summary	FY19	FY19	FY20
BEGINNING FUND BALANCE	\$830,235	\$957,821	\$939,493
<u>REVENUE</u>			
Intergovernmental Revenues	\$1,276,700	\$1,336,565	\$1,688,430
Sales	\$6,500	\$4,976	\$15,500
Charges for Services	\$0	\$0	\$500
Recreation/User Fees	\$520,730	\$488,348	\$525,863
Rentals/Concessions	\$133,200	\$126,757	\$128,380
Interest	\$3,000	\$6,480	\$5,000
Miscellaneous Revenues	\$99,900	\$56,550	\$94,400
<u>Interfund Transfer</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$2,040,030	\$2,019,676	\$2,458,073
<u>EXPENDITURE</u>			
Personnel Services	\$787,000	\$759,190	\$799,190
Supplies and Materials	\$297,297	\$189,262	\$284,980
Other Services and Charges	\$1,339,876	\$1,010,152	\$1,645,806
Capital Outlay	\$28,960	\$35,000	\$32,000
Chargebacks	\$44,400	\$44,400	\$99,157
Other Classifications	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURE	\$2,497,533	\$2,038,004	\$2,861,133
<u>Total Revenue Less Expenditure</u>	<u>(\$457,503)</u>	<u>(\$18,328)</u>	<u>(\$403,060)</u>
ENDING FUND BALANCE	\$372,732	\$939,493	\$536,433
Workyears	10.60	10.60	11.10