



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
Planning Department, Montgomery County, Maryland  
2425 Reedie Drive Wheaton, Maryland 20902

MCPB Date: 10/15/2020  
Agenda Item #3

**MEMORANDUM**

DATE: October 8, 2020

TO: Montgomery County Planning Board

VIA: Gwen Wright, Planning Director *GW*  
Tanya Stern, Deputy Planning Director  
Robert Kronenberg, Deputy Planning Director

FROM: Karen Warnick, Division Chief, Management Services *Karen Warnick*  
Anjali Sood, Budget Manager, Management Services

SUBJECT: Planning Department FY22 Operating Budget Planning Discussion

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**Staff Recommendation**

Approval to prepare the FY22 Planning Department's operating budget at the Base Budget plus New Initiatives level.

**Background**

At its September 10<sup>th</sup> meeting, the Planning Board received a presentation from the Commission's Department of Human Resources and Management (DHRM) on the FY22 budget process including key trends and the budget outlook, strategy, and timeline.

The effects of the COVID pandemic on the County's fiscal situation resulted in a "same service" level budget for FY21 which, for Planning, included \$360,100 for one-time and on-going new initiatives and consulting funds. This was a \$750,000 reduction from the initial \$1,110,100 FY21 request. However, it should be noted that the Council did approve a FY20 supplemental budget request for \$300,000 to support the Corridor Forward project. Thus, the reduction was actually \$450,000 from the initial FY21 request. The County balanced the Administration Fund budget in FY21 by using fund balance and increasing the tax rate by 0.06 cents to 1.76 cents.

DHRM reported that the Montgomery County Office of Management and Budget estimates that the assessable base will grow by a modest 2.49% in FY22. The preliminary projections provided by DHRM require a tax rate increase again in FY22 of 0.02 cents for the Administration Fund prior to the inclusion of new initiatives/critical needs. The leading drivers for the increase in projections are estimated increases in Other Post-Employment Benefits (OPEB) of 3.97% and in health benefits of 5.21%. These increases are offset by a decrease in retirement expenses of 13.85%.

The Planning Board provided general guidance for developing the FY22 Budget with the recognition that the Planning Department has an expanding and evolving work program. We have prepared our budget request including essential needs/new initiatives we believe are critical to planning for the future of Montgomery County.

## **Budget Preparation**

To prepare for the October 15<sup>th</sup> Planning Board meeting, Planning staff worked diligently over the past several months identifying new master plans and projects to be started in FY22 and elements of our current work program that are inadequately funded. We looked at emerging trends in the County to determine the needs of the future in order to prepare strategic and forward-thinking planning and development guidance.

## **Master Plans**

In terms of master plans, our recommended FY22 work program follows closely with the work program that was approved for FY21. Several of the plans that we are working on in this fiscal year will **carry over** into FY22 – these include:

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|---|--|
| • Shady Grove Sector Plan – Minor Master Plan Amendment       | Commission Adoption                                |
| • Ashton Village Center Sector Plan                           | Commission Adoption                                |
| • Thrive Montgomery 2050 General Plan Update                  | Council Review/Action                              |
| • Great Seneca Science Corridor Plan Amendment Phase 1        | Council Review/Action                              |
| • Rustic Roads Functional Master Plan Update                  | Council Review/Action                              |
| • Corridor Forward: The I-270 Transit Plan                    | Planning Board Review and<br>Council Review/Action |
| • Silver Spring Downtown and Adjacent Communities Sector Plan | Planning Board Review                              |
| • Pedestrian Master Plan                                      | Planning Board Review                              |
| • Takoma Park Minor Master Plan Amendment                     | Planning Board Review                              |
| • Fairland/Briggs Chaney Minor Master Plan Amendment          | Planning Board Review                              |

**New master plans** that are being proposed to begin at the very end of FY22 and that are being identified for the first time in this budget discussion include:

- University Boulevard Corridor Plan
- Great Seneca Science Corridor Plan Amendment Phase 2
- Silver Spring Communities Master Plan
- Clarksburg Master Plan Amendment

## **Major Projects**

The Planning Department's recommended FY22 work program **carries forward** three projects that are being initiated in the current fiscal year and that will continue into FY22. These include:

- Predictive Safety Analysis – Council Review
- Mixed Use Development: Current Status and Future Trends - Planning Board and Council Review
- Equity Opportunity Index - Planning Board and Council Review

**New major projects** that are being proposed for the first time in this budget discussion include:

- Commercial Space Adaptability Study
- E-Commerce and Logistics Industry Trends and Needs Assessment
- Wheaton Downtown Study
- Access Management Study
- Innovative Housing Tool Kit
- Redlining/Segregation Mapping Tool.

Detailed information on these new master plan and major project efforts is included in Attachment 1.

A draft of the FY22 Proposed Master Plan and Major Projects Schedule is included as Attachment 2.

## **New Initiatives**

The Planning Director and Deputy Planning Directors reviewed each division's potential new initiatives and narrowed them down to those which addressed the top priorities of the Department. Many of these initiatives are in direct support of the proposed work program, including current and new master plans, and are essential to complete the work program. Three initiatives are studies that would further the efforts of the work program and would keep Montgomery Planning on the cutting edge.

Each year, the Planning Department uses consultant contracts to assist staff in accomplishing the work program. Contracts are used for short term technical assistance or training, or for bringing on consultants who have a breadth of knowledge regarding subject areas in ever more complex planning areas.

The Planning Department works closely with the CAS Purchasing Division in hiring consultants by making the most efficient and effective use of our on-call contracts, the continuation of contracts already in place, or contracts for studies similar to ones already completed such that we only need to modify the scope work for the request for proposals.

Of the Planning Department's \$21M annual operating budget, historically we have allocated about \$800,000 per year for one-time initiatives, the majority of which are for consultant studies. As noted at the beginning of this memo, in FY21, the one-time and ongoing new initiatives approved amount was \$360,100 due to the difficult budget constraints of the pandemic plus the \$300,000 for the Corridor Forward project in FY20.

For FY22, the new one-time and on-going requests totals \$798,854. The new one-time initiatives request is \$560,000. The new on-going initiatives request is \$238,854 and includes funding to convert a part time position to full time and to fund two currently unfunded positions.

FY22 proposed plans, projects and positions that require new funding include:

### **FY22 New Initiatives**

1. Takoma Park Minor Master Plan Amendment Support - (\$50,000) – one-time
2. Fairland/Briggs Chaney Master Plan Support – (\$75,000) – one-time
3. Bikeways Branding Plan - (\$25,000) – one-time
4. Commercial Space Adaptability Study– (\$60,000) – one-time
5. E-Commerce and Logistics Industry Trends and Needs Assessment – (\$75,000) – one-time
6. Wheaton Downtown Study - (\$75,000) – one-time
7. Access Management Study - (\$50,000) – one-time
8. Innovative Housing Tool Kit - (\$50,000) – one-time
9. Redlining/Segregation Mapping Tool – (\$100,000) – one-time
10. Master Plan Support for Historic Preservation Designations - (\$20,000) – on-going
11. Convert Part Time Position to Full Time Position – Historic Preservation (\$23,654) – on-going
12. Workyear and Funding for Full Time Position – Forest Conservation - Intake and Regulatory Coordination (IRC) – (\$97,600) – on-going
13. Workyear and Funding for Full Time Position – Research & Strategic Projects – (\$97,600) – on-going

## **Base Budget**

### **Known Operating Commitments**

Information regarding the known operating commitments, mandated, contractual, and inflationary increases, and chargeback adjustments for the operations of the Planning Department are shown below.

Detailed information on each of these known operating commitments is included in Attachment 3.

Salaries and Benefits *	(\$136,882)
CPI increase for Contracts and Supplies (1.0%)	\$41,961
Adjustment - Risk Management, Long-Term Disability and Legal Chargeback	\$6,105
Major Known Commitments	\$44,000
Capital Equipment Internal Service Fund	(\$144,400)
Chargeback to Development Review – Special Revenue Account	\$240,233
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT (CWIT)	<u>\$26,208</u>
<b>Total of Major Known Operating Commitments</b>	<b>\$77,225</b>

- \* Salary and Benefits does not include compensation marker, OPEB PayGo and OPEB prefunding. They are budgeted in the Administration Fund's non-departmental account.

**Office of the Chief Information Officer (CIO) New Initiative Request - \$59,500**

The CIO is requesting an increase in the chargeback from the Planning Department of \$59,500 for the Commission-wide IT (CWIT) Internal Service Fund (ISF) for their new initiative to upgrade the ERP. This increase will be discussed with the Planning Board at the October 15th meeting during the CIO's budget presentation.

**Summary**

The Planning Department is seeking approval to prepare the FY22 Planning Department's operating budget at the Base Budget plus New Initiatives level.

The Preliminary FY22 Operating Budget Request chart showing the dollar and percent increase is shown on the next page.

The following attachments provide additional information on the increases to the base budget including known operating commitments and give a snapshot of the proposed new plans and initiatives.

Attachment 1	p. 6	FY22 Proposed - New Plans and New Initiatives
Attachment 2	p. 11	FY22 Proposed - Master Plan and Major Projects Schedule
Attachment 3	p. 12	FY22 Proposed - Changes to the Base Budget plus Major Known Commitments

**MONTGOMERY COUNTY PLANNING DEPARTMENT  
PRELIMINARY FY22 OPERATING BUDGET REQUEST**

	<b>FY21 Adopted Budget</b>	<b>\$20,648,771</b>	<b>% Change</b>
<b><i>FY22 BASE BUDGET CHANGES</i></b>			
Salaries and Benefits *	(\$136,882)		
CPI Increase for Contracts and Supplies (1%)	\$41,961		
Adjustment - Risk Management, Long - Term Disability, and Legal Chargeback	\$6,105		
Major Known Commitments	\$44,000		
Capital Equipment Internal Service Fund	(\$144,400)		
Chargebacks to Development Review - Special Revenue Account	\$240,233		
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT	\$26,208		
<b>Subtotal - Base Budget Changes</b>	<b><u>\$77,225</u></b>		<b><u>0.4%</u></b>
<b><i>Less: FY21 One Time Expenses</i></b>	<b><u>(\$245,000)</u></b>		<b><u>(1.2%)</u></b>
<b><i>Enhancements / New Funding Request for FY22 (One Time)</i></b>			
Takoma Park Minor Master Plan Amendment Support	\$50,000		
Fairland/Briggs Chaney Master Plan Support	\$75,000		
Bikeways Branding Plan	\$25,000		
Commercial Space Adaptability Study	\$60,000		
E-Commerce and Logistics Industry Trends and Needs Assessment	\$75,000		
Wheaton Downtown Study	\$75,000		
Access Management Study	\$50,000		
Innovative Housing Tool Kit	\$50,000		
Redlining/Segregation Mapping Tool	\$100,000		
<b>Subtotal - Proposed One Time Changes</b>	<b><u>\$560,000</u></b>		<b><u>2.7%</u></b>
<b><i>Enhancements / New Funding Request for FY22 (On Going)</i></b>			
Master Plan Support for Historic Preservation Designations	\$20,000		
Convert Part Time Position to Full Time Position - Historic Preservation	\$23,654		
Workyear and Funding for Full Time Position – Forest Conservation	\$97,600		
Workyear and Funding for Full Time Position – Research	\$97,600		
<b>Subtotal - Proposed - On Going Changes</b>	<b><u>\$238,854</u></b>		<b><u>1.2%</u></b>
<b>Transfer to Development Review Special Revenue Fund</b>	<b><u>\$500,000</u></b>		<b><u>2.4%</u></b>
<b>Planning Department's share of CIO/CWIT New Initiatives</b>	<b><u>\$59,500</u></b>		<b><u>0.3%</u></b>
<b>Net Change from FY21 Adopted to FY22 Proposed Budget</b>	<b><u>\$1,190,579</u></b>		<b><u>5.8%</u></b>
<b>*FY22 Proposed Budget</b>	<b><u>\$21,839,350</u></b>		<b><u>5.8%</u></b>

**Notes:**

\* Total does not include compensation marker, OPEB PayGo and OPEB prefunding. They are budgeted in the Administration Fund's non- departmental account.

## FY22 Proposed New Plans and New Initiatives

### NEW PLANS TO BEGIN IN FY22

The following new plans are proposed to begin in the 2<sup>nd</sup> half of FY22 with initial staff planning and coordination. New funding for these plans is not requested in FY22 but will be needed in FY23.

#### 1. Life Sciences Plan / Great Seneca Science Corridor Plan Amendment Phase 2

This will be a comprehensive amendment to the 2010 Great Seneca Science Corridor Master Plan to analyze progress toward fulfillment of the plan's vision as well as integrate advancements in policy and practice, based on recommendations from Thrive Montgomery 2050, Corridor Forward, the County Growth Policy, and the Climate Action Plan as well as racial equity, social justice and Vision Zero. The 2010 Plan acknowledged that fulfillment of the plan's vision would occur incrementally over time, and periodic reviews of the plan's recommendations were necessary. Based on this guidance, as well as the anticipated recommendations of Corridor Forward, a comprehensive review of the plan's vision and recommendations is desired.

#### 2. Silver Spring Communities Master Plan

The Silver Spring Communities Master Plan will update and replace portions of both the 2000 North and West Silver Spring Master Plan and the 2000 East Silver Spring Master Plan. Over the last 20 years, sector plans for Forest Glen-Montgomery Hills, Long Branch, Lyttonsville, Takoma-Langley, and now the Silver Spring Downtown and Adjacent Communities have together significantly reshaped the larger Silver Spring community addressed by these original plans. This update will revisit this larger community.

#### 3. University Boulevard Corridor Plan

The plan seeks to reimagine busy University Boulevard as an integral component of the surrounding neighborhoods by improving safety, connectivity and livability between Langley and Wheaton. The plan builds upon the major themes of Thrive Montgomery 2050 by analyzing the potential for attainable and affordable housing, neighborhood-serving uses and placemaking opportunities along the corridor. It also advances Vision Zero through short-term and long-term strategies to improve safety for everyone, whether they travel by foot, bicycle, transit or car.

#### 4. Clarksburg Master Plan Amendment

This amendment would look at predominantly undeveloped portions of the Clarksburg employment area on the east side of I-270, from the bottom of the study area north to just north of Shawnee Ln. This area has largely remained unchanged since the original plan was published in 1994 because of a lack of employment demand and inadequate transportation options. The Amendment would evaluate land use, zoning, transportation and environmental recommendations for the study area to determine if a new mix of land uses and zoning would be more appropriate for this area. This Amendment may require adjustments to other portions of the existing Master Plan including Interchange design and recommendations, staging on retail development and environmental recommendations.

## **NEW INITIATIVES IN FY22**

There are a number of new initiatives that are being proposed which focus on ways to both reimagine and reinvigorate our master planning activities, as well as ways to address significant planning issues and concerns that face Montgomery County.

### **New Initiatives in FY22 – One-Time**

#### **1. Takoma Park Minor Master Plan Amendment Support - \$50,000 – One-Time**

The Takoma Park Minor Master Plan Amendment is an ongoing project that began in FY21. The requested supplemental funds in FY22 will cover additional costs unanticipated before the COVID-19 pandemic for transportation analysis and community engagement. For transportation analysis, the funds will address expanded consultancy scopes of work and deliverables necessitated both by the disruptions from the pandemic regarding traffic counts, modeling, and Vision Zero, as well as new recommended procedures outlined in the updated Subdivision Staging Plan/County Growth Policy. Additionally, in response to the pandemic, the Planning Department has significantly modified our community engagement strategies to overcome our inability to physically meet residents where they are, beyond virtual engagement, to include additional advertising, expanded translations services, and purchasing engagement platforms that work on smart phones in an effort to reach those without internet and/or home computers.

#### **2. Fairland/Briggs Chaney Master Plan Support - \$75,000 – One-Time**

The Fairland/Minor Master Plan Amendment is an ongoing project. In FY21, \$50,000 was approved for initial consulting services to support design, circulation, and environmental studies in the vicinity of the existing center and help integrate new development in the area. For FY22, additional funding is needed to provide translation services, community engagement assistance, and transportation analysis.

#### **3. Bikeway Branding Plan Support - \$25,000 – One-Time**

The Bicycle Master Plan introduced two new types of bikeways – neighborhood greenways and breezeways – that incorporate branding as a unifying element. This project is a placemaking effort to develop a branding plan for neighborhood greenways and breezeways, including logos and signs, as well as an approach for incorporating public art into these types of bicycle facilities. It will also pilot this approach to incorporating public art into one neighborhood greenway project.

This is a design effort. Montgomery County Department of Transportation (MCDOT) would be responsible for implementing the major branding elements along neighborhood greenways and breezeways as they are constructed. MCDOT has requested a scope of work before making a final commitment, and Montgomery Planning is in the process of drafting the scope. There are two active neighborhood greenway projects where MCDOT can incorporate the branding upon completion of the branding plan – the Aspen Hill Neighborhood Greenway and the Silver Spring Neighborhood Greenway.

MCDOT has promised to send a letter confirming their desire to partner with Montgomery Planning on these efforts. It will be provided at the Planning Board meeting.

#### **4. Commercial Space Adaptability Study - \$60,000 – One-Time**

This study will build on the 2016 Adaptive Reuse Study and the Mixed-Use Development Study currently underway to provide more guidance on how different types of commercial spaces could be adaptively reused. COVID-19 has accelerated disruptions to the retail and office markets, increased demand for last mile logistics space, and demonstrated the continuing need for affordable housing. As the county recovers from the pandemic, we will continue to need to look for creative ways to support real estate repositions to reduce vacancy and support economic growth.

**5. E-Commerce and Logistics Industry Trends and Needs Assessment - \$75,000 – One-Time**

Given the growth and expected continued growth in e-commerce, it is important for the Planning Department to have a better understanding of current and expected volumes of goods coming into the county, space needs locally/regionally for distribution centers, transportation demands, etc. This study will provide an overview of how the industry works, trends in demand for space, current supply, and estimates of future supply needs. The study will also look at trends in the mode of distribution and impacts on local traffic.

**6. Wheaton Downtown Study - \$75,000 – One-Time**

A decade following the approval of the Wheaton Central Business District and Vicinity Sector Plan, the Wheaton Downtown Study seeks to explore tools to encourage revitalization and redevelopment consistent with the sector plan's vision, while maintaining Wheaton's unique character. The Study includes an update to the Wheaton Streetscape Standards, originally developed by the Department of Housing and Community Affairs, to meet current zoning development requirements and to improve infrastructure for those walking, biking and using micromobility options, consistent with the county's Vision Zero policy. The Study will focus on Downtown Wheaton, but it can provide a model for other Metro station areas, such as Glenmont.

**7. Access Management Study - \$50,000 – One-Time**

Countywide Planning and Policy has an intern from the University of Maryland who is undertaking an initial Access Management State of Practice Study during FY21. This FY22 funding request would take the effort to the next level, to bring in a consultant that would work with Montgomery Planning and other county agencies (MCDOT, DPS and others) to dig deeper into our existing policies and make recommendations on how to improvement them.

- Montgomery County Road Code – Chapter 49, Article 3, Road Design and Construction Code
- Montgomery County Zoning Ordinance – Chapter 59-6, Section 6.1.4 – Driveway Access
- Montgomery County Code, Chapter 50, Subdivision of Land
- Montgomery County Department of Transportation, Private Access Design and Location Guidelines for Commercial, Industrial, Multifamily and Cluster Development (Including Private Driveways)
- Department of Permitting Services, Maryland Driveway Construction Policy

This study has the potential to significantly improve the consistency of access-related decisions through the site plan review/DRC process and to more effectively obtain access consolidation from developers during redevelopment. The development of this Access Management Study is supportive of the county's Vision Zero Action Plan, in that the management and reduction of conflicts and decisions points is directly related to crash causation.

**8. Innovative Housing Toolkit - \$50,000 – One-Time**

In an effort to enhance the production of housing, the Mid-County Planning and Countywide Planning & Policy divisions will work with the Department of Permitting Services (DPS), Department of Housing and Community Affairs (DHCA) and the Housing Opportunities Commission (HOC) to develop guidelines focused on best practices for building housing. The Innovative Housing Toolkit for Montgomery County will operate under the growing recognition that the design of housing projects can help developers respond to site challenges, control development costs, and improve resident outcomes.

Staff will work with consultants to research national best practices and emerging construction technologies to create clear, comprehensive policy and design guidance for building housing projects



in the county. The Innovative Housing Toolkit will provide research, analysis, and guidance on the limitations and cost ranges for various existing and emerging construction types, with the overall goal to illustrate principles that deliver excellent design while keeping costs down and ensuring quality and compatibility.

Staff will also collaborate with DPS to create “Pre-Approved” permit sets that could help expedite the approval process and reduce costs for building housing in the county. A countywide design competition for select sites could also be included as a part of the scope for this project.

**9. Redlining/Segregation Mapping Tool - \$100,000 – One-Time**

To advance the county’s commitment to Racial Equity, the Historic Preservation Office, Research and Strategic Projects division, and the GIS Team will work with a consultant to conduct parcel/deed analysis and build a mapping tool showing the historical and cultural effects of redlining and segregation in Montgomery County.

This is the first phase of a multi-phase project that would ultimately result in a “deep map/complete cultural landscape” of the county. Phase 1 to be funded in FY22 would dedicate funds to hire a consultant to research all neighborhoods and subdivisions constructed in the Downcounty area prior to 1970. The consultant would research neighborhood and property deeds and covenants and conduct title searches, using primary source materials from the Federal Housing Administration (FHA), Maryland Archives, and Montgomery Planning, among others, to determine which neighborhoods were historically ‘redlined’ and which additional neighborhoods were either constructed with or later adopted racially restrictive covenants. This research will then be used to create new GIS maps and layers showing the covenants and restrictions at the property level. Further analysis will track the racial and demographic profiles of these areas into the 21st Century.

**New Initiatives in FY22 – On-Going**

**10. Master Plan Support for Historic Preservation Designations - \$20,000 – On-Going**

Recurring request for funds for consultant services to research new properties for historic designation for new sector and master plans. Having funds available on a continuous basis would also allow for annual leveraging with grant support from the State for additional survey work.

**11. Convert Part-Time Career Position to Full-Time Career Position for Historic Preservation - \$23,654 and 0.5wy – On-Going**

The Historic Preservation Program currently has one (1) full-time historian and one (1) part-time historian. The part-time historian has been filled at the Senior Planner level and has been budgeted for 20 hours per week since the position was created in 2007. Since that time, both the regulatory and master planning workload for the historic preservation team has significantly increased. Recently adopted legislation requiring racial equity considerations be addressed in Master Planning, plus the continuous addition of new sector plans and functional master plans in the Department’s work program require staff to undertake new research on historical and cultural trends from the recent past. This is in addition to the work to identify new properties for potential listing in the Master Plan for Historic Preservation, listing in the National Register of Historic Places, as well as providing historical narratives and trends data for each new master planning effort. Other research-intensive projects, such as the County Council’s recent request to study all street and public facility names associated with the Confederacy and others who do not share the county’s values, are examples of special projects that the Historic Preservation Office has the expertise to fulfill but requires additional staff resources currently unbudgeted. Historic Preservation staff have also added several new initiatives since 2007 including new historical research and mapping to support an historical markers program on African American history, as well as outreach and educational activities to promote the Modern Montgomery book. Additionally, new federal- and state-funded projects such as the I-495 and I-270 Managed Lanes Projects, , the numerous Bus Rapid Transit projects, and the Purple Line have routinely required

significant staff resources as part of mandatory federal compliance involving cultural resources (Section 106/NEPA/4F). It is anticipated that this workload, particularly regarding federal compliance, should be considered the new normal as multiple transportation projects are initiated.

This request to convert the part-time Senior Planner to a full-time Senior Planner would enable the program to undertake the required historical research for each master planning effort, maintain our high level of customer service for permit review, and keep pace with mandatory federal compliance for cultural resources without having to routinely rely on contractual architectural historians.

## **12. and 13. – Workyear and Funding for Two Unbudgeted Positions**

FY11 was a particularly difficult year when the budget was reduced almost 14%, 31 career positions were eliminated, and seven (7) additional positions were defunded. Since that time, four (4) of the unfunded positions have been re-funded and none of the 31 abolished positions have been restored. For FY22, we are requesting funding for two of the three (3) remaining unfunded positions. Even with this funding, the Planning Department's complement is still 31 positions and 30.80 work years below the FY10 level.

### **12. Workyear and Funding – Forest Conservation - Sr. Planner Position – IRC - \$97,600/1.0wy – On-Going**

The new inspector position in the Intake and Regulatory Coordination (IRC) Division would allow for a timelier evaluation of existing conservation easements to document compliance with the terms of the easements granted to the Commission. Currently inspectors are required to visit each easement within their area once every three years. Because of the ever-increasing number of easements inspectors are on average inspecting and documenting the condition of the easements once every 5 years and sometimes even less frequently. Another inspector would allow for the geographic areas served by each inspector to be smaller, giving them more time to evaluate and document the easements within their areas. Smaller geographic areas for each inspector would make them more responsive to requests for pre-construction meetings, planting meetings, final inspections and complaints. Second, site plans are enforced in perpetuity. As a result of the creation of the CR family of zones and the comprehensive re-zoning in 2014, more properties require site plan approval. The Department of Permitting Services is the inspection agency, but enforcement of the site plans is a responsibility of the Planning Department. The additional inspector would assist the Inspection Supervisor in: (1) enforcement activities when a site plan is not in compliance with the certified site plan; (2) reviewing and approving site plan surety and maintenance agreements; (3) reviewing site plan cost estimates and processing site plan financial securities; (4) conducting inspections once a new project is complete to ensure compliance with the certified plan; and (5) timely release of site plan financial securities.

The additional salary and benefits for this position total \$97,600 and 1.0wy.

### **13. Workyear and Funding – Research - Sr. Planner Position – Research & Strategic Projects (R&SP) - \$97,600/1.0wy – On-Going**

Over the past few years, the Planning Department has received increasing numbers of requests for research and data analysis related to housing and affordable housing, given the growing concerns about sluggish housing production and a lack of affordable housing near jobs in the county. Currently there is only one staff member in the department who is focused on housing work; this position is within the Countywide Planning and Policy division with a focus on housing policy and zoning. The addition of this senior planner position to the R&SP Division would increase the department's capacity to provide data and other analysis related to housing issues to inform master plans, public policy initiatives and research studies and provide thought leadership.

The additional salary and benefits for this position total \$97,600 and 1.0wy.



## FY22 Changes to the Base Budget plus Major Known Commitments

### Base Budget

#### Known Operating Commitments

The preliminary known increases/decreases in the Planning Department for salaries, benefits, retirement, and other post-employment benefits (OPEB) were reviewed by DHRM at the September 10 meeting.

Information regarding the known operating commitments, mandated, contractual, and inflationary increases, and chargeback adjustments for the operations of the Planning Department are shown below.

Salaries and Benefits *	(\$136,882)
CPI increase for Contracts and Supplies (1.0%)	\$41,961
Adjustment - Risk Management, Long-Term Disability and Legal Chargeback	\$6,105
Major Known Commitments	\$44,000
Capital Equipment Internal Service Fund	(\$144,400)
Chargeback to Development Review – Special Revenue Account	\$240,233
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT (CWIT)	<u>\$26,208</u>
<b>Total of Major Known Operating Commitments</b>	<b>\$77,225</b>

#### Salary and Benefits – (\$136,882)

Adjustment to personnel costs based on changes in current staffing including the preliminary retirement estimate and benefit cost increases. This number does not include compensation marker, OPEB PayGo and OPEB prefunding as they are included in the Administration Fund's non-departmental account.

#### CPI Increase for Contracts and Supplies - \$41,961

The Planning Department is requesting to increase the contracts and supplies budget by \$41,961 or 1.0% over the FY21 Adopted Budget to keep up with inflation.

#### Adjustment - Risk Management, Long-Term Disability and Legal Chargeback – \$6,105

Risk Management, Long-Term Disability, and Legal Department Chargebacks are adjusted based on actual expenses on behalf of the Planning Department.

#### Major Known Commitments – \$44,000

- *Microsoft Licenses - \$19,000 - On-going*  
This funding will cover the cost of the telephone feature and integration to Microsoft Teams licenses for all Montgomery Parks and Planning staff and common areas. This is Montgomery Planning's portion.
- *Biennial Transportation Monitoring – \$25,000 - One-time expense every other year.*
- One-time funding in FY22 for tools and analyses for increased biennial transportation system performance monitoring. As staging recommendations are implemented, development proceeds, and public facilities and amenities are provided, the Planning Board, County Council, and County Executive will use this information to make decisions about public expenditures and future development. Monitoring conducted every two years.

#### Capital Equipment Internal Service Fund – (\$144,400)

The Planning Department prepaid the FY22 debt service payment using FY20 year end funds.

### Development Review Special Revenue Account (DR-SRA)

Special Revenue Funds account for the proceeds from specific revenue sources restricted for a designated purpose. The Development Review Special Revenue Account (DR-SRA) was created to collect fees generated from the submission of development applications.

#### Major Known Commitment - DR-SRA Chargebacks – \$240,233

Staff time spent on reviewing development applications is charged back from the Administration Fund to the special revenue fund. Currently, the Planning Department charges 23.55 workyears (wy) to the DR-SRA. This wy number was established in 2006 and has not been updated since then. In FY20, the Planning Department tracked the actual number of staff hours charged to the DR-SRA and determined it was 21.95 wy.

For FY22, the Planning Department is requesting to reduce the chargebacks to 22.0 wy based on the FY20 actuals. This would **reduce the chargeback amount by \$240,233**.

Each year, the Planning Department historically requests to increase the chargeback to the DR-SRA by 3% to cover the previous year's compensation increases. However, the compensation increases were not approved in FY21 and so we are not requesting this increase this year.

#### Transfer – From Administration Fund to DR-SRA– \$500,000

The Department has traditionally requested a transfer from the Administration Fund into the DR-SRA in recognition of the fact that revenues may not cover the costs of our review efforts. This transfer has typically been in the range of \$500K-\$1M each year.

The fund has performed well in the past few years primarily due to the fees collected for various large projects in CR zones and development in Bethesda. This performance had built a fund balance. Due to this large balance, no transfer was approved in the FY20 budget and the Planning Department did not request a transfer for FY21.

The Planning Department has been budgeting \$2.5M in revenue each year. As noted above, actual revenues have been between \$3-4M for the past several years fueled by the change in the zoning ordinance. Expenditures are typically in the \$3.5M range, primarily to cover the staff chargebacks. FY20 actual revenues were about \$2.2M. This netted a shortfall of about \$1.3M for the year which was covered by the reserves.

The DR-SRA fund balance at the end of FY20 was \$3.5M, well above the reserve limit for the DR-SRA, which is \$1.2M. However, we can only sustain two more years of \$1M+ shortfalls before requiring a \$1M+ transfer from the tax-supported Administration Fund.

For FY22, the Planning Department is proposing to budget \$2.5M in revenues. This may be optimistic based on the pandemic and the County's economy in general.

To stabilize the DR-SRA fund for the next few years and to smooth the transfer amount so that it builds up to the \$1M range, the Planning Department is **requesting a \$500K transfer from the Administration Fund to the DR-SRA for FY22**.

With the \$500K transfer and the reduction in the Planning Department chargebacks requested above, and assuming \$2.5M in revenues are achieved, the net loss to the fund will be \$410K in FY22, FY23 and FY24. This will be sufficient to maintain the minimum \$1.2M in fund balance until FY25 when the transfer will need to be increased to \$900K and eventually to \$1M per year by FY26 to remain solvent.

The Planning Department will monitor the special revenue fund closely throughout the year. If revenues collected do not meet our projected amounts, the Planning Department will go to the Planning Board and County Council with a supplemental appropriation request.

DR-SRA Chargeback from Legal Department, Finance Department and Corporate IT (CIO)

Although this memo addresses the Planning Department's operating budget (we will present the special revenue fund request at the November 12 Planning Board meeting), we did want to mention additional chargebacks to the Development Review Special Revenue Account from the Legal Department, Finance Department and Corporate IT (CIO).

<b>Chargebacks to the Development Review Special Revenue Account</b>				
<b>Department</b>	<b>FY21 Budget</b>	<b>FY22 Proposed</b>	<b>\$ Increase</b>	<b>% Increase</b>
Legal	\$162,186	\$167,051	\$4,865	3.0%
Finance	\$44,300	\$47,272	\$2,972	6.7%
Corporate IT (CIO)	\$27,015	\$29,993	\$2,978	11.0%
Combined Total	\$233,501	\$244,316	\$10,815	4.6%

The Legal Department, Finance Department and CIO will discuss the changes in chargebacks/allocations in their budget presentations.

**Office of the Chief Information Officer (CIO) Base Budget Request**

The Office of the Chief Information Officer proposed changes to Montgomery Planning's base budget as shown in the chart below. These changes will be discussed at the Planning Board meeting on October 15<sup>th</sup> during the CIO's budget presentation.

The budget for the Office of the Chief Information Officer is divided into three areas:

1. **Corporate IT** - which Planning contributes to via a chargeback from the DR-SRA. For FY22, the proposed chargeback is \$29,993. (This was discussed above in the DR-SRA section).
2. **CIO Internal Service Fund (ISF)** – which Planning contributes to via a chargeback from Planning's operating fund. For FY22, the total proposed chargeback is \$90,145.
3. **Commission-wide IT (CWIT) ISF** – which Planning contributes to via a chargeback from Planning's operating fund. For FY22, the total proposed chargeback is \$452,244.

For the CIO and CWIT, the Planning Department's operating budget (Admin Fund) contributes to both their new initiatives and their base budget via a chargeback. The breakdown is as follows:

<b>MC Planning's Operating Budget Chargeback to the CIO ISF and CWIT ISF Budget</b>						
	<b>FY21 Adopted</b>	<b>FY22 Proposed</b>	<b>FY22 Base Budget Variance</b>		<b>FY22 New Initiatives</b>	<b>FY21 Base Budget and New Initiatives Variance</b>
CIO ISF	\$105,051	\$90,145	<u>(\$14,906)</u>		\$0	<u>(\$14,906)</u>
CWIT ISF	<u>\$411,130</u>	<u>\$452,244</u>	<u>\$41,114</u>		<u>\$59,500</u>	<u>\$100,614</u>
Total	\$516,181	\$542,389	\$26,208		\$59,500	\$86,708