



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

MCPB Date: 11/18/2021
Agenda Item #3

MEMORANDUM

DATE: November 11, 2021

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director of Parks
Miti Figueredo, Deputy Director of Administration *M.F. Riley*
John Nissel, Deputy Director of Operations
Shuchi Vera, Chief, Management Services Division *S.V.*

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

SUBJECT: Department of Parks FY23 Proposed Operating Budget

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks FY23 Proposed Budgets for 1) Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and the 4) Special Revenue Fund. Additionally, approve the FY23 Estimated Revenue collected by the Department excluding the property tax collected by the County.

Background

At the September 9th Planning Board meeting, the Board provided general guidance for developing the FY23 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 21st, 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 over \$1.2M.

At the time of the October 21st meeting, several of the Departmental costs in the Park Fund were estimates. These numbers and other adjustments have now been updated and are included in this

memo. The primary change is for the updated pension cost based on actuarial results. Pension cost is now \$124k less than the FY22 budgeted amount. This total represents a \$2.1M decrease from the estimate provided at the October 21st Planning Board session. Other minor changes include updated totals for health benefit costs, risk management, compensation markers and contractual increases.

Based on these various updates, the revised total request for the Park Fund is just over \$5.8M or 5.2% above the FY22 adopted budget. Adding in costs for the compensation markers and OPEB results in an overall total proposed Park Fund budget increase of 7.9%.

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 8	Park Fund Expenditure by Division (including OPEB)	Largely Tax Supported	\$126,069,567
See detail on page 12	Park Fund Revenue	Non-Tax Revenue	\$7,631,518
See detail on page 15	Enterprise Fund	Self Sufficient	\$10,611,963
See detail on page 18	Property Management Fund	Self Sufficient	\$1,737,800
See detail on page 22	Special Revenue Fund	Largely Self Sufficient	\$3,177,489

Summary

Staff is requesting the Board’s approval of the expenditure funding levels for the Department of Parks FY23 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 FY23 budget process are:

Full Commission approves the FY22 Proposed Budget Resolution	December 15, 2021
M-NCPPC submits Budget in Brief per statutory mandate to County Executive and County Council	January 15, 2022
County Executive makes recommendations	March 15, 2022
County Council holds Public Meetings on budget	April 2022
County Council Reviews M-NCPPC Budget	April & May 2022
Montgomery and Prince George's County Councils meet to review Bi-County requests	May 2022
County Councils adopt budget	May 2022

Park Fund Expenditure Summary

Background

For the FY23 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 #1

FY23 Park Fund Base Budget Known Operating Commitments	Personnel	Positions/ Workyears	Funding	% Increase from FY22 Adopted Operating
Operating Budget Impact (OBI) (Excluding WQPF)	Career/ Seasonal	1 position/ 1 wkyr	\$102,849	0.1%
Contractual Increases	N/A	N/A	\$467,803	0.4%
Utilities/Telecommunications	N/A	N/A	(\$15,723)	0.0%
Inflationary Increases for Supplies and Materials, Services and Capital Outlay	N/A	N/A	\$273,939	0.2%
Removal of One-time funding from Prior Fiscal Years	N/A	N/A	(\$54,600)	0.0%
Debt Service for Internal Service Fund Capital Equipment	N/A	N/A	\$685,300	0.6%
Risk Management	N/A	N/A	(\$216,900)	-0.2%
CAS Charges (Chargebacks, Unemployment, LTD, CIO/CWIT Base)	N/A	N/A	\$561,557	0.5%
Parks Chargebacks (CIP/Enterprise/Special Revenue Funds and Wheaton HQ)	Career	1 position/ 0 wkyr	(\$386,019)	-0.3%
Water Quality Protection Fund (reimbursed by County)	Career/ Seasonal	2 positions/ 2.6 wkyr	\$231,941	0.2%
	TOTAL		\$1,650,147	1.5%

The October 21st memo to the Planning Board provided details on the known operating commitments, and as such, they are not repeated in this memo.

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

The October 21st memo to the Planning Board provided details on the program enhancements, and as such, they are not repeated in this memo.

Table #2

Summary - Program Enhancements					
Item & Description	Career Positions	Career Wkyrs	Term Contract Wkyrs	Seasonal Wkyrs	Funding
Improving Our Trails and Creating Equitable Experiences	-	-	-	2.0	\$169,000
Improving Quality and Playability of Ballfields	-	-	-	-	\$100,000
Enhancing Technology	-	-	-	-	\$112,500
Maintaining and Improving What We Have	2.0	1.5	-	-	\$189,888
Expanding Innovative Cultural and Historic Programming	1.0	1.0	-	-	\$110,332
Improving Public Safety	4.0	4.0	-	-	\$450,613
Commission-wide IT (CWIT) Program Enhancements - Department Share	-	-	-	-	\$71,890
Total	7.0	6.5	-	2.0	\$1,204,223

Park Fund Expenditures Budget Summary and Summary by Division

The overall FY23 Park Fund budget request is summarized in the Table #3 below.

Table #3

DEPARTMENT of PARKS SUMMARY OF FY23 BUDGET REQUEST		
FY22 Adopted Budget (excluding OPEB)	\$110,961,117	
CHANGES TO BASE BUDGET		% Increase from FY22 Adopted Operating Budget
Salary/Benefit/Pension increases (excluding salary markers) *	\$2,086,280	1.9%
Known Operating Commitments (from Chart #1)	\$1,650,147	1.5%
Program Enhancements (from Chart #2)	\$1,204,223	1.1%
Debt Service on General Obligation Bonds	871,950	0.8%
Total Operating Increase FY23 Proposed Budget Request	5,812,600	5.2%
FY23 Park Fund Budget Request (includes Non-Departmental total with the compensation markers and OPEB)	9,190,512	7.9%

* 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 FY23 **divisional** personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY23 budget amounts for compensation adjustments are included in the Non-Departmental account.

Other Post-Employment Benefits (OPEB) – The total funding for OPEB for FY23 is \$6,714,404. This amount is an increase of \$796,466 above the FY22 approved budget total.

Position and Workyear Adjustments – Each year, divisions make personnel moves or adjustments to address specific needs. Changes for positions and non-personnel cost moved between divisions for the Parks Activation team were referenced in the October 21st memo. In addition, the Northern Parks Division is reallocating \$17,000 of non-personnel funding to seasonal funding to support program needs for stormwater management. The department is also proposing an athletic field inspector position to monitor the contracted work supporting the MCPS ballfield program. This position will be funded by the Special Revenue Fund. In the Park Fund, the net cost will be zero as the position cost will be reflected in the salary total with an offsetting credit in the chargeback total.

Adjustments to Address Needs – Each year, divisions move funding from Supplies & Materials (S&M) to Other Services and Charges (OS&C) and vice versa to address specific needs, or funds may be moved between divisions. This year, the following additional adjustments are requested:

- Northern Parks – transferring \$13,130 from S&M to OS&C to increase funding for maintenance and repair services.
- Park Planning & Stewardship – transferring \$4,300 for custodial services funding to Horticulture, Forestry and Environmental Education.
- Park Police – transferring \$20,000 from security and fire alarm supplies to services funding alarm inspections.

The table on the next page shows the FY22 Adopted Budget and the FY23 Proposed Budget by division for the Park Fund. The Park Fund budget is appropriated by the County Council at the division level.

FY23 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY22 Adopted Budget	FY23 Proposed Budget	Increase/ (Decrease) From FY22
Director's Office			
Personnel Services	\$1,459,187	\$1,478,787	\$19,600
Supplies & Materials	\$2,498	\$2,548	\$50
Other Services & Charges	\$58,918	\$59,150	\$232
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$1,520,603	\$1,540,485	\$19,882
Public Affairs & Community Partnerships			
Personnel Services	\$2,827,721	\$2,486,966	(\$340,755)
Supplies & Materials	\$198,292	\$61,783	(\$136,509)
Other Services & Charges	\$632,823	\$658,713	\$25,890
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$87,000)	(\$87,000)	\$0
Total	\$3,571,836	\$3,120,462	(\$451,374)
Management Services			
Personnel Services	\$2,793,152	\$2,897,937	\$104,785
Supplies & Materials	\$22,032	\$26,873	\$4,841
Other Services & Charges	\$201,472	\$229,582	\$28,110
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$3,016,656	\$3,154,392	\$137,736
Information Technology & Innovation			
Personnel Services	\$1,473,886	\$1,500,264	\$26,378
Supplies & Materials	\$281,475	\$287,105	\$5,630
Other Services & Charges	\$1,051,314	\$1,285,491	\$234,177
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$65,500)	(\$68,100)	(\$2,600)
Total	\$2,741,175	\$3,004,760	\$263,585

Expenditure by Major Object	FY22 Adopted Budget	FY23 Proposed Budget	Increase/ (Decrease) From FY22
Park Planning & Stewardship			
Personnel Services	\$6,055,298	\$6,457,973	\$402,675
Supplies & Materials	\$214,763	\$279,058	\$64,295
Other Services & Charges	\$680,210	\$649,850	(\$30,360)
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$268,000)	(\$382,923)	(\$114,923)
Total	\$6,682,271	\$7,003,958	\$321,687
Park Development			
Personnel Services	\$6,210,534	\$6,637,805	\$427,271
Supplies & Materials	\$20,000	\$21,000	\$1,000
Other Services & Charges	\$84,778	\$84,103	(\$675)
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$2,407,269)	(\$2,579,837)	(\$172,568)
Total	\$3,908,043	\$4,163,071	\$255,028
Park Police			
Personnel Services	\$14,949,626	\$15,779,006	\$829,380
Supplies & Materials	\$780,833	\$885,450	\$104,617
Other Services & Charges	\$448,263	\$520,753	\$72,490
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$192,000)	(\$205,000)	(\$13,000)
Total	\$15,986,722	\$16,980,209	\$993,487
Horticulture, Forestry & Environmental Education			
Personnel Services	\$9,264,259	\$10,252,688	\$988,429
Supplies & Materials	\$657,135	\$806,080	\$148,945
Other Services & Charges	\$1,097,910	\$1,169,999	\$72,089
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$124,500)	(\$124,500)	\$0
Total	\$10,894,804	\$12,104,267	\$1,209,463
Facilities Management			
Personnel Services	\$11,262,844	\$11,592,177	\$329,333
Supplies & Materials	\$1,928,661	\$2,017,235	\$88,574
Other Services & Charges	\$1,342,151	\$1,517,184	\$175,033
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$1,010,500)	(\$1,009,300)	\$1,200
Total	\$13,523,156	\$14,117,296	\$594,140

Expenditure by Major Object	FY22 Adopted Budget	FY23 Proposed Budget	Increase/ (Decrease) from FY22
Northern Parks			
Personnel Services	\$9,494,434	\$9,988,316	\$493,882
Supplies & Materials	\$948,090	\$997,735	\$49,645
Other Services & Charges	\$537,500	\$546,443	\$8,943
Capital Outlay	\$231,624	\$225,573	(\$6,051)
Chargebacks	(\$34,800)	(\$34,800)	\$0
Total	\$11,176,848	\$11,723,267	\$546,419
Southern Parks			
Personnel Services	\$13,272,590	\$14,047,325	\$774,735
Supplies & Materials	\$1,677,922	\$1,855,352	\$177,430
Other Services & Charges	\$537,427	\$562,155	\$24,728
Capital Outlay	\$260,287	\$278,096	\$17,809
Chargebacks	(\$329,465)	(\$437,227)	(\$107,762)
Total	\$15,418,761	\$16,305,701	\$886,940
Support Services			
Personnel Services	\$424,600	\$407,648	(\$16,952)
Supplies & Materials	\$1,622,052	\$1,564,687	(\$57,365)
Other Services & Charges	\$10,407,741	\$11,594,314	\$1,186,573
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$890,928	\$963,359	\$72,431
Total	\$13,345,321	\$14,530,008	\$1,184,687

Park Fund Total				
Personnel Services	\$79,488,131	\$83,526,892	\$4,038,761	5.1%
Supplies & Materials	\$8,353,753	\$8,804,906	\$451,153	5.4%
Other Services & Charges	\$17,080,507	\$18,877,737	\$1,797,230	10.5%
Capital Outlay	\$491,911	\$503,669	\$11,758	2.4%
Chargebacks	(\$3,628,106)	(\$3,965,328)	(\$337,222)	9.3%
Debt Service	\$6,330,058	\$7,202,008	\$871,950	13.8%
Grants	\$400,000	\$400,000	\$0	0.0%
Capital Projects Funds	\$450,000	\$450,000	\$0	0.0%
Total	\$108,966,254	\$115,799,884	\$6,833,630	6.3%
Total Park Fund Operating Request	\$115,296,312	\$123,001,892	\$7,705,580	6.7%
Non-Departmental *	\$7,912,801	\$10,269,683	\$2,356,882	29.8%
Total	\$116,879,055	\$126,069,567	\$9,190,512	7.9%

*Total includes compensation markers and OPEB.

Park Fund Revenue Summary

Park Fund Operating Revenue FY23 Proposed Budget

The FY23 Park Fund Operating Revenue is projected to be \$7,631,518. This is \$25,557 higher than the FY22 Adopted Budget. The change is mainly due to the projected increase in the Intergovernmental Revenue for the Water Quality Protection Fund.

Sales are projected to increase by \$6,496 based on increased revenue from plant sales. Facilities user fees are projected to be \$83,380 lower than the FY22 Budget total based on decreased facility rentals as the frequency and capacity of attendees at rentals is still being limited due to the COVID-19 pandemic. Miscellaneous revenue is decreasing by \$19,500 mainly due to reductions based on trend for Park Police for fines and for permit fees for the Park Development Division.

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 FY23 is \$231,941. The October 21st memo to the Planning Board provided details on this change, and as such, they are not repeated in this memo.

The Intergovernmental Transfer from the Cable Fund was added in FY18 to fund a pilot program to add Wi-Fi in the Parks. Phase 1 of the pilot program was successfully completed in FY18 with public Wi-Fi added at Kemp Mill Urban Park and at Western Grove Urban Park. Upon completion of the pilot, the program was re-named "ConnectParks" to reflect the incorporation of additional capabilities such as security technology. In FY19, the Information Technology and Innovation Division with the support of the Facilities Management Division completed the design, installation, and deployment of Wi-Fi and security cameras in a portion of Wheaton Regional Park. Additional funding for FY20 was used to complete the Wi-Fi installation in Wheaton Regional Park and to also add Wi-Fi at Long Branch Local Park. In FY21, the revenue for the cable fund was not included in the final approved budget, therefore no projects were completed. The transfer for the cable funding was restored in FY22, and the plans to increase Wi-Fi access at South Germantown Recreational Park are in development. The FY23 proposed budget includes the funding for the \$100k from the Cable Fund to continue this public Wi-Fi expansion in selected parks.

The chart on the next page shows the FY23 proposed operating revenues for the Park Fund.

Proposed Park Fund Revenue

Table #5

Category	Budget FY22	Proposed FY23	% Change
<u>REVENUES</u>			
Sales	\$6,754	\$13,250	96.2%
Facilities User Fees	\$3,233,793	\$3,150,413	-2.6%
Grants	\$400,000	\$400,000	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$3,665,414	\$3,897,355	6.3%
Intergovernmental Transfer (Cable Fund)	\$100,000	\$100,000	0.0%
Miscellaneous Revenue	\$75,000	\$55,500	-26.0%
Interest (including CIP Interest Transfer)	<u>\$125,000</u>	<u>\$15,000</u>	<u>-88.0%</u>
Total Revenue *	7,605,961	7,631,518	0.3%

* Total excludes property taxes.

Enterprise Fund Summary

Enterprise Fund Overall FY23 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 FY23 budget reflects \$12,543,686 in revenues and \$10,613,081 in expenditures for a net profit of \$1,930,605.

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, needed improvements for each facility, and to construct any new facilities.

The chart on page 15 shows the FY23 proposed revenues and expenditures for the Enterprise Fund.

Revenues

The FY23 Enterprise Fund proposed revenues of \$12,543,686 is \$44,369 less than the FY22 approved budget. The FY23 revenue for golf is increasing by \$25k. The FY23 budget reflects an increase based on the actual revenue received for golf in FY21 and estimated for FY22. This increase mirrors other increases experienced during the pandemic for outdoor amenities. The overall reduction for the proposed revenue is primarily due to reduced interest revenue estimates.

Closures and program cancellations from the COVID-19 pandemic severely impacted revenue for the last few months of FY20 and still partially continuing into FY21 and FY22. The FY23 budget assumes that facilities, camps, and other programs will be fully operational.

Expenditures

The FY23 Enterprise Fund proposed expenditures of \$10,613,081 is \$47,143 higher than the FY22 adopted budget. Compensation costs reflect an increase of \$365k primarily due to the addition of the salary marker for merit/COLA, and because of the impact of changes to the wage structure for seasonal staff. The Commission elected to implement the \$15.00 minimum wage rate effective January 1, 2022 rather than following the State of Maryland's incremental approach to increases.

Supplies are proposed to decrease by \$62k as one-time purchases for fire alarm upgrades, minor equipment, flooring, and furniture were completed in FY22.

Other services and charges are decreasing by \$173k due to estimated savings in utility and telecommunications cost based on efficiencies created from facility upgrades and from removal of telephone circuits no longer needed as we continue to transition to TEAMS. Also, printing costs continue to decrease as more marketing and programmatic publications convert to digital formats. Transaction

fees for credit card receipts are also expected to be lower due to the acquisition of Recreation Management Software and subsequent change in processor.

FY23 Changes

The Enterprise Division is looking forward to utilizing new recreation management software for program registrations with the software implementation occurring in FY22.

The FY23 proposed revenue budget incorporates some minor fee changes in the total. The department will be presenting these requested fee changes to the Planning Board for approval within the next 1-2 months.

The FY23 proposed budget includes the addition of one new systems analyst position providing support for the ActiveMONTGOMERY registration system. This position will supervise the support staff and report to the System Administrator, providing back-up for system analysis, upgrades, documentation of processes, project management, and development of solutions to numerous spontaneous requests for support as Montgomery Parks' initiatives evolve. The cost of this position is shared with the Park Fund (25% of the cost) with the cost being reflected in the Park Fund as part of the Enterprise chargeback.

Capital Improvements

Capital Improvement Projects for the Enterprise facilities are approved in the CIP budget. The funding source is the Enterprise Reserves. There are no new projects proposed for FY23 as planned projects have been deferred due to the revenue reductions for the last couple of years because of the pandemic.

MONTGOMERY COUNTY ENTERPRISE FUND - SUMMARY
Summary of Revenues and Expenses
Proposed Budget Fiscal Year 2023

	FY22	FY22	FY23	%
	<u>Adopted</u>	<u>Estimated</u>	<u>Proposed</u>	Change
Operating Revenues:				
Intergovernmental -	-	-	-	-
Sales	885,700	672,400	870,750	-1.7%
Charges for Services	7,016,880	6,451,931	7,165,394	2.1%
Rentals and Concessions	3,612,014	3,403,065	3,692,046	2.2%
Miscellaneous	773,461	800,569	800,496	3.5%
Interest	300,000	14,000	15,000	-95.0%
Other	-	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	12,588,055.00	11,341,965.28	12,543,686.00	-0.4%
Operating Expenses:				
Personnel Services	6,741,251	6,174,536.00	7,106,292.00	5.4%
Goods for Resale	469,600	322,420.00	434,760.00	-7.4%
Supplies and Materials	494,275	377,226.09	432,581.00	-12.5%
Other Services and Charges	2,402,249	2,143,813.21	2,229,199.00	-7.2%
Depreciation & Amortization Expense	-	-	-	-
Debt Service	-	-	-	-
Debt Service Principal	-	-	-	-
Debt Service Interest	-	-	-	-
Debt Service Fees	-	-	-	-
Other Financing Uses	-	-	-	-
Loss on Sale/Disposal Assets	-	-	-	-
Capital Assets	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	458,563	458,565.00	410,249.00	-10.5%
Total Operating Exp and Other Uses	10,565,938	9,476,560.30	10,613,081.00	0.4%
Gain (Loss)	2,022,117	1,865,404.98	1,930,605.00	-4.5%
Transfers Out (CIP)	400,000	-	-	-100.0%
Gain (Loss) Incl CIP Transfer	1,622,117	1,865,405	1,930,605	

MONTGOMERY COUNTY ENTERPRISE FUND - SUMMARY
Summary of Revenues and Expenses
Proposed Budget Fiscal Year 2023

	FY22	FY22	FY23
	<u>Adopted</u>	<u>Estimated</u>	<u>Proposed</u>
WORKYEARS			
FT Career Positions	37.0	37.0	38.0
FT Workyears	37.0	37.0	38.0
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	80.5	77.5	79.3
Chargebacks	2.8	2.8	2.8
Less Lapse	0.0	0.0	0.0
TOTAL POSITIONS	38.0	38.0	39.0
TOTAL WORKYEARS	121.3	118.3	121.1

Property Management Fund Summary

Property Management Fund Overall FY23 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. Currently, this program administers 150 legal agreements including: residential and commercial property leases for use of Park property including houses, office space, agriculture, daycare, parking lots, equestrian, telecommunications, athletic fields, and special use permits.

The FY23 budget includes revenue and expenditure totals of \$1,737,800 each, a 4.8% increase over last year's budget. With the increase in requests for use of park property (leases and special use permits), expenses for construction and maintenance services and supplies are also increasing due to many factors including aged infrastructure, construction, permitting plus current inflationary and supply chain constraints resulting from the COVID-19 Pandemic.

The table on the next page shows the FY23 proposed revenues and expenditures for the Property Management Fund.

Property Management Fund Overview

The Property Management Unit provides the oversight of leased property, which often involves keeping pace with market activity such as an increased demand for rental housing and land for parking. The Property Management Unit also oversees a range of other agreements such as leases for M-NCPPC newly acquired commercial buildings, athletic fields, and inter-agency operations agreements.

The Property Management program establishes rental rates; advertises vacancies; negotiates, prepares, and administers legal agreements for use of Park property; and serves as the landlord representative to the public and tenants.

Looking forward to FY23, Property Management projects an increase in lease revenue due to traditional annual rent increases for existing tenants, an increase in the number of larger homes plus a new commercial tenant from the second Wisconsin Avenue building acquisition. Employee rentals for park houses are projected to decrease, but this change will be offset by an increase in non-employee house rentals.

MONTGOMERY COUNTY PROPERTY MANAGEMENT SUBFUND
Summary of Revenues, Expenditures, and Changes in Fund Balance
PROPOSED BUDGET FISCAL YEAR 2023

	FY22 Adopted	FY22 Estimated	FY23 Proposed	% Change
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Sales	-	-	-	-
Charges for Services	-	-	-	-
Rentals and Concessions	1,647,600	1,647,600	1,736,800	5.4%
Interest	10,000	1,000	1,000	-90.0%
Miscellaneous	-	-	-	-
Total Revenues	<u>1,657,600</u>	<u>1,648,600</u>	<u>1,737,800</u>	<u>4.8%</u>
Expenditures by Major Object:				
Personnel Services	511,171	511,171	520,579	1.8%
Supplies and Materials	191,183	182,183	191,183	0.0%
Other Services and Charges	797,646	797,646	871,238	9.2%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	157,600	157,600	154,800	-1.8%
Total Expenditures	<u>1,657,600</u>	<u>1,648,600</u>	<u>1,737,800</u>	<u>4.8%</u>
 Excess of Revenues over Expenditures	 -	 -	 -	 -

	Adopted		Estimated		Proposed	
	FY22		FY22		FY23	
Positions/Workyears Full Time Career	4.00	4.00	4.00	4.00	4.00	4.00
Positions/Workyears Part-Time Career	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
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		1.80		1.80		1.80
Less Normal Lapse		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>
Workyears Total		5.80		5.80		5.80

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

Special Revenue Fund Summary

Special Revenue Fund Overall FY23 Proposed Budget

The Special Revenue Fund has a projected beginning balance of \$808,115. The proposed FY23 budget reflects revenues of \$2,863,656 and expenditures of \$3,177,489. This level of expenditures will leave an ending balance of \$494,282.

Revenue is increasing as nature centers and cultural resource programs are projected to return to full operation after programming was still partially scaled back in FY22 due to the impact of the COVID-19 pandemic. Plant sales were popular with the public during the pandemic, so sales are projecting to increase as nature centers are planning to increase the number of plant sales featuring native plants grown by the Pope Farm staff.

Both revenue and expense are increasing for the maintenance of the Montgomery County Public School ballfields based on an increase in the number of school fields being maintained by our department. Although the cost for current contracted services and for chargebacks is projected to increase slightly, unspent funds from the previous contract year will be used to offset that cost increase. The chargeback cost is based on cost for the actual staff positions dedicated to the MCPS project. Included in the total is the cost for the addition of one new position for an athletic field inspector monitoring and doing quality checks for the contracted ballfield services. This position will be added in the Park Fund with the position cost then transferred to the Special Revenue Fund via a chargeback.

Several accounts are projecting to use fund balance in FY23. The Interagency Agreements for tree mitigation and for external sales of trees and plants is proposing to use \$56k of fund balance as these projects often cross into the next fiscal year. Also, the Interagency Agreement for MCPS Ballfields includes the use of \$154k of fund balance to offset the increased cost of contracted services and chargebacks. The Historic Renovations Property Management account is proposing to use \$70k for renovation projects. The Park Police Federally Forfeited Property account is projecting to use \$50k of fund balance for security camera additions and upgrades. The van pool account is projecting to use \$14k of fund balance for a replacement van purchase deferred from FY22. In addition, the Community Gardens account is projecting to use \$30k of fund balance for program supplies and upgrades.

The table on page 22 shows the FY23 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 FY23 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 and Recreation Department ballfield 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.

	Adopted	Estimated	Proposed
SUMMARY - SPECIAL REVENUE FUND	FY22	FY22	FY23
BEGINNING FUND BALANCE	\$1,159,975	\$1,159,975	\$808,115
REVENUE			
Intergovernmental Revenues			
	\$1,942,373	\$2,040,523	\$2,033,260
Sales	\$42,460	\$140,789	\$115,773
Charges for Services	\$0	\$0	\$0
Recreation/User Fees	\$473,461	\$175,550	\$495,313
Rentals/Concessions	\$144,999	\$89,000	\$133,903
Interest	\$10,000	\$1,007	\$1,000
Miscellaneous Revenues	\$73,500	\$60,678	\$84,407
Interfund Transfer	\$0	\$0	\$0
TOTAL REVENUE	\$2,686,793	\$2,507,547	\$2,863,656
EXPENDITURE			
Personnel Services	\$664,500	\$447,380	\$669,077
Supplies and Materials	\$287,836	\$207,500	\$344,795
Other Services and Charges	\$1,886,665	\$1,926,241	\$1,791,886
Capital Outlay	\$29,300	\$48,050	\$31,500
Chargebacks	\$230,235	\$230,235	\$340,231
Other Classifications	\$0	\$0	\$0
TOTAL EXPENDITURE	\$3,098,536	\$2,859,406	\$3,177,489
Total Revenue Less Expenditure	(\$411,743)	(\$351,859)	(\$313,833)
ENDING FUND BALANCE	\$748,232	\$808,115	\$494,282
Workyears	14.80	14.80	15.80