



MONTGOMERY PARKS

The Maryland-National Capital Park and Planning Commission
2425 Reedie Drive | Wheaton, MD 20902
MontgomeryParks.org

MCPB Date: 11/16/2023
Agenda Item #5

MEMORANDUM

DATE: November 9, 2023

TO: Montgomery County Planning Board

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

FROM: Nancy Steen, Budget Manager, Management Services Division *NS*
Kate Bentley, Assistant Budget Manager, Management Services Division *KB*

SUBJECT: Department of Parks FY25 Proposed Operating Budget

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks FY25 Proposed Budgets for 1) Park Fund, 2) Enterprise Fund, 3) Property Management Fund, and 4) Special Revenue Fund. Additionally, approve the FY24 Estimated Revenue collected by the Department, excluding the property tax collected by the County.

Background

At the September 21st Planning Board meeting, the Board provided general guidance for developing the FY25 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 19th, the Department of Parks presented the Park Fund base budget plus program enhancements level that addressed the top priorities of the department. The budget request included program enhancements totaling just under \$1.6M.

Most totals included in the Park Fund detail presented in the October 19th session were final; however, there have been a few minor changes to personnel and chargeback totals that were finalized after the previous memo was submitted. In addition, there has been a significant increase to the pension total. The previous amount provided in the October memo as a placeholder was a decrease of \$35k. Based on the updated actuarial report, the pension increase for FY25 is now just over \$2.1M.

Based on these updates, the revised total for the Park Fund is just over \$7M or 5.6% above the FY24 adopted budget. Adding in costs for the compensation markers and OPEB results in an overall total proposed Park Fund budget increase of 9.4%.

In addition to the tax supported Park Fund, the Department of Parks also manages the budgets for the Enterprise Fund, Property Management Fund, and 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	\$143,719,800
See detail on page 12	Park Fund Revenue	Non-Tax Revenue	\$8,636,392
See detail on page 14	Property Management Fund	Self Sufficient	\$1,688,700
See detail on page 16	Enterprise Fund	Self Sufficient	\$11,283,150
See detail on page 21	Special Revenue Fund	Largely Self Sufficient	\$4,090,093

Summary

Staff is requesting the Board’s approval of the expenditure funding levels for the Department of Parks FY25 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 FY25 budget process are:

Full Commission approves the FY25 Proposed Budget Resolution	December 20, 2023
M-NCPPC submits Budget in Brief per statutory mandate to County Executive and County Council	January 15, 2024
County Executive makes recommendations	March 15, 2024
County Council holds Public Meetings on budget	April 2024
County Council Reviews M-NCPPC Budget	April & May 2024
Montgomery and Prince George's County Councils meet to review Bi-County requests	May 2024
County Councils adopt budget	May 2024

Park Fund Expenditure Summary

Background

For the FY25 Proposed Budget, the Department of Parks has included increases in the Base Budget for known commitments including Operating Budget Impact (OBI); contractually obligated increases; utilities and telecommunications cost increases, chargeback increases, and an inflationary increase for supplies and materials.

In addition, the Department 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 for general obligation bonds. The October 19th memo to the Planning Board provided details on the known operating commitments, and as such, they are not repeated in this memo.

Table #1

FY25 Park Fund Base Budget Known Operating Commitments	Personnel	Positions/ Workyears	Funding	% Increase from FY24 Adopted Operating
Operating Budget Impact (OBI) (Excluding WQPF)	Career/ Seasonal	2 positions/ 5.1 wkys	329,557	0.3%
Contractual Increases	N/A	N/A	767,741	0.6%
Inflationary Increases for Supplies and Materials, Services and Capital Outlay	N/A	N/A	711,696	0.6%
Utilities/Telecommunications Costs	N/A	N/A	85,730	0.1%
Risk Management	N/A	N/A	603,800	0.5%
CAS Charges (Chargebacks, Unemployment, LTD, CIO/CWIT Base)	N/A	N/A	248,791	0.2%
Parks Chargebacks (CIP/Enterprise/Special Revenue Funds and Wheaton HQ)	N/A	N/A	85,907	0.1%
Water Quality Protection Fund (WQPF cost -is reimbursed by County)*	Seasonal	0.9 wkys	151,103	0.1%
	TOTAL		\$2,984,325	2.4%

*WQPF total includes OBI associated with stormwater management projects.

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

The October 19th 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 Wkys	Seasonal Wkys	Funding
Park Activation	1.0	1.0	-	\$164,385
Improving Customer Service	2.0	2.0	-	\$99,048
Data Analytics	2.0	2.0	-	\$418,922
Enhancing Public Safety	1.0	1.0	(0.7)	\$49,306
Promoting Social Equity	3.0	3.0	2.0	\$394,669
Supporting CIP Implementation	4.0	1.0	-	\$116,524
Maintaining and Improving What We Have	2.0	2.0	(4.1)	\$313,618
Total	15.0	12.0	(2.8)	\$1,556,472

Park Fund Expenditures Budget Summary and Summary by Division

The overall FY25 Park Fund budget request is summarized in the Table #3 below.

DEPARTMENT of PARKS SUMMARY OF FY25 BUDGET REQUEST		
FY24 Adopted Budget (excluding OPEB)	\$124,842,255	
CHANGES TO BASE BUDGET		% Increase from FY25 Adopted Operating Budget
Salary/Benefit/Pension increases (excluding salary markers) *	\$1,741,761	1.4%
Known Operating Commitments (from Chart #1)	\$2,984,325	2.4%
Program Enhancements (from Chart #2)	\$1,556,472	1.2%
Debt Service on General Obligation Bonds	\$756,628	0.6%
Total Operating Increase FY25 Proposed Budget Request	\$7,039,186	5.6%
FY25 Park Fund Budget Request (includes Non-Departmental total with the compensation markers and OPEB)	\$12,338,432	9.4%

There are some noteworthy changes not addressed above:

Salary Adjustment – The FY25 **divisional** personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY25 budget amounts for compensation adjustments are included in the Non-Departmental account.

Other Post-Employment Benefits (OPEB) – The total funding for OPEB for FY25 is \$7,199,549. This amount is an increase of \$660,436 from the FY24 approved budget total.

Position and Workyear Adjustments – Each year, divisions make personnel moves or adjustments to address specific needs. The October 19th memo provided detail on the conversion of two term contract positions to full-time career. That memo also provided detail on the transfer of positions from Southern Parks to other divisions, and the elimination of four positions that were previously approved for the Athletic Field team.

Adjustments to Address Needs – Each year, divisions move funding from Supplies & Materials (S&M) to Other Services and Charges (OS&C) or to Capital Outlay and vice versa to address specific needs, or funds may be moved between divisions. Reallocating funding allows the department to shift funding to meet current needs enabling the department to remove some requests for new funding. This year, the primary adjustment requests are:

- Facilities Management Division – transferring \$25,400 from building services to supplies to cover signage fabrication costs for the exhibit shop.
- Management Services Division (MSD) – adding \$4,000 in funding transferring from Support Services for awards associated with the innovation program. Transferring \$3,000 of professional services funding to personnel for seasonal staffing support. Adding \$16,500 transferring from Support Services for recruitment advertising and software cost.
- Park Development Division (PDD) – adding \$8,187 of supplies funding and \$4,740 of services funding transferring from Southern Parks (SP) to support the needs of staff that support the MCPS ballfield program that are transferring from SP to PDD.
- Park Planning & Stewardship (PPSD) – transferring \$7,532 from supplies to services to meet divisional needs. Adding \$944 of supplies funding and \$1,161 of services funding transferring from SP to support the needs of the staff position transferring from SP to PPSD.
- Park Police – transferring \$10,000 of supplies funding previously used to purchase tasers to services to offset the contracted cost whereby the department now leases tasers for police officers.
- Public Affairs and Community Partnerships – transferring \$2,400 of professional services funding to office supplies. Transferring \$26,000 of services funding from professional services and credit card fees to fund divisional seasonal staffing needs.

- Southern Parks (SP) – transferring supplies and services funding to PDD and PPSD for staff transfers as noted above. Adding \$19,400 transferring from Support Services for the organic weed control program. Transferring \$75,000 from minor equipment to capital outlay as many equipment purchases now exceed the \$10k threshold associated with capital outlay.
- Support Services – transferring funding to MSD and SP as referenced above.

The table on the next page shows the FY24 Adopted Adjusted Budget and the FY25 Proposed Budget by division for the Park Fund. The Park Fund budget is appropriated by the County Council at the division level.

FY25 Proposed Park Fund Expenditure Budget

Expenditure by Major Object	FY24 Adopted Adjusted Budget	FY25 Proposed Budget	Increase/(Decrease) from FY24
Director's Office			
Personnel Services	\$1,598,309	\$1,656,643	\$58,334
Supplies & Materials	\$2,048	\$3,438	\$1,390
Other Services & Charges	\$59,650	\$56,600	(\$3,050)
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$1,660,007	\$1,716,681	\$56,674
Public Affairs & Community Partnerships			
Personnel Services	\$2,815,015	\$3,469,909	\$654,894
Supplies & Materials	\$61,783	\$65,273	\$3,490
Other Services & Charges	\$668,713	\$682,313	\$13,600
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$87,000)	(\$87,000)	\$0
Total	\$3,458,511	\$4,130,495	\$671,984
Management Services			
Personnel Services	\$3,210,458	\$3,461,739	\$251,281
Supplies & Materials	\$31,093	\$31,093	\$0
Other Services & Charges	\$258,550	\$400,623	\$142,073
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$0	\$0	\$0
Total	\$3,500,101	\$3,893,455	\$393,354
Information Technology & Innovation			
Personnel Services	\$2,100,375	\$2,212,522	\$112,147
Supplies & Materials	\$287,105	\$353,529	\$66,424
Other Services & Charges	\$1,502,310	\$1,415,508	(\$86,802)
Capital Outlay	\$0	\$75,000	\$75,000
Chargebacks	(\$69,500)	(\$316,906)	(\$247,406)
Total	\$3,820,290	\$3,739,653	(\$80,637)

Expenditure by Major Object	FY24 Adopted Adjusted Budget	FY25 Proposed Budget	Increase/(Decrease) from FY24
Park Planning & Stewardship			
Personnel Services	\$7,206,408	\$7,854,057	\$647,649
Supplies & Materials	\$234,298	\$247,713	\$13,415
Other Services & Charges	\$662,723	\$859,419	\$196,696
Capital Outlay	\$35,000	\$40,000	\$5,000
Chargebacks	(\$377,923)	(\$372,923)	\$5,000
Total	\$7,760,506	\$8,628,266	\$867,760
Park Development			
Personnel Services	\$6,861,920	\$8,382,729	\$1,520,809
Supplies & Materials	\$21,000	\$30,687	\$9,687
Other Services & Charges	\$84,703	\$93,243	\$8,540
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$2,679,583)	(\$3,542,948)	(\$863,365)
Total	\$4,288,040	\$4,963,711	\$675,671
Park Police			
Personnel Services	\$17,669,063	\$18,898,481	\$1,229,418
Supplies & Materials	\$885,450	\$898,750	\$13,300
Other Services & Charges	\$633,966	\$966,099	\$332,133
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$217,100)	(\$227,900)	(\$10,800)
Total	\$18,971,379	\$20,535,430	\$1,564,051
Horticulture, Forestry & Environmental Education			
Personnel Services	\$11,673,579	\$12,489,875	\$816,296
Supplies & Materials	\$851,611	\$842,711	(\$8,900)
Other Services & Charges	\$1,201,439	\$1,468,439	\$267,000
Capital Outlay	\$0	\$0	\$0
Chargebacks	(\$124,500)	(\$107,162)	\$17,338
Total	\$13,602,129	\$14,693,863	\$1,091,734
Facilities Management			
Personnel Services	\$11,852,949	\$12,919,865	\$1,066,916
Supplies & Materials	\$2,020,435	\$2,149,158	\$128,723
Other Services & Charges	\$1,589,908	\$1,706,528	\$116,620
Capital Outlay	\$0	\$12,000	\$12,000
Chargebacks	(\$1,010,800)	(\$1,013,200)	(\$2,400)
Total	\$14,452,492	\$15,774,351	\$1,321,859

Expenditure by Major Object	FY24 Adopted Adjusted Budget	FY25 Proposed Budget	Increase/(Decrease) from FY24
Northern Parks			
Personnel Services	\$10,590,664	\$10,423,391	(\$167,273)
Supplies & Materials	\$1,093,107	\$1,153,706	\$60,599
Other Services & Charges	\$670,534	\$747,152	\$76,618
Capital Outlay	\$239,012	\$409,402	\$170,390
Chargebacks	(\$34,800)	(\$34,800)	\$0
Total	\$12,558,517	\$12,698,851	\$140,334
Southern Parks			
Personnel Services	\$15,003,785	\$14,210,333	(\$793,452)
Supplies & Materials	\$1,858,662	\$1,883,102	\$24,440
Other Services & Charges	\$663,041	\$872,802	\$209,761
Capital Outlay	\$278,096	\$390,001	\$111,905
Chargebacks	(\$636,355)	(\$38,900)	\$597,455
Total	\$17,167,229	\$17,317,338	\$150,109
Support Services			
Personnel Services	\$492,168	\$485,251	(\$6,917)
Supplies & Materials	\$1,560,687	\$1,653,687	\$93,000
Other Services & Charges	\$10,749,328	\$11,757,985	\$1,008,657
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$578,645	\$825,869	\$247,224
Total	\$13,380,828	\$14,722,792	\$1,341,964

Park Fund Total				
Personnel Services	\$91,074,693	\$96,464,795	\$5,390,102	5.9%
Supplies & Materials	\$8,907,279	\$9,312,847	\$405,568	4.6%
Other Services & Charges	\$18,744,865	\$21,026,711	\$2,281,846	12.2%
Capital Outlay	\$552,108	\$926,403	\$374,295	67.8%
Chargebacks	(\$4,658,916)	(\$4,915,870)	(\$256,954)	5.5%
Debt Service	\$7,165,062	\$7,921,690	\$756,628	10.6%
Grants	\$400,000	\$400,000	\$0	0.0%
Capital Projects Funds	\$450,000	\$450,000	\$0	0.0%
Total	\$122,635,091	\$131,586,576	\$8,951,485	7.3%
Total Park Fund Operating Request	\$129,800,153	\$139,508,266	\$9,708,113	7.5%
Non-Departmental *	\$8,746,277	\$12,133,224	\$3,386,947	38.7%
Total	131,381,368	143,719,800	\$12,338,432	9.4%

*Total includes compensation markers and OPEB.

Park Fund Revenue Summary

Park Fund Operating Revenue FY25 Proposed Budget

The FY25 Park Fund Operating Revenue is budgeted at \$8,525,392. This is \$312,253 higher than the FY24 Adopted Budget. The change is mainly due to the projected increase in revenue from nature programs as attendance continues to slowly increase and to return to pre-pandemic levels. The increase also reflects \$7k of revenue added for the recently acquired pontoon boat (replacing an older one that was not operated last season as it was in poor condition and in dry dock pending replacement). The revenue associated with the program enhancement to expand senior programs is also adding \$41k to the total. Interest revenue is also projected to increase by \$105k based on current market returns.

Sales are projected to decrease by \$4k due to an administrative change to move the revenue from sales of recycled lumber into the Special Revenue Fund. Facilities user fees are projected to be \$68k higher than the FY24 budget based on the increased nature center revenues.

The Grants budget accounts for small grants that may be received throughout the year. The FY25 budget remains at the same level as the FY24 budget.

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 FY25 is \$151,103. The October 19th 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 one 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. The funding level has varied each year. However, since FY19, our staff have used the funding provided from the Cable Fund transfer to add public Wi-Fi and additional security cameras at various locations, including Wheaton Regional Park, Long Branch Local Park, Gene Lynch Urban Park, and at South Germantown Recreation Park in the park areas near the Driving Range, Splash Park, Adventure Playground, and Miracle Field. The department is still finalizing which sites will be upgraded utilizing the FY24 funding. Three potential locations have been recommended by departmental staff, and site surveys and pricing estimates are being generated to assist in making the final determination and prioritization. For FY25, our department is proposing that the Cable Fund revenue remain at the FY24 base amount of \$50,000.

Miscellaneous revenue is decreasing by \$8k. This reduction is based on the trend for Park Police revenue received from fines and infractions.

The chart below shows the FY25 proposed operating revenues for the Park Fund.

Proposed Park Fund Revenue

Category	Adopted FY24	Proposed FY25	% Change
<u>REVENUES</u>			
Sales	\$45,648	\$41,500	-9.1%
Facilities User Fees	\$3,503,453	\$3,571,751	1.9%
Grants	\$400,000	\$400,000	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$4,138,538	\$4,289,641	3.7%
Intergovernmental Transfer (Cable Fund)	\$50,000	\$50,000	0.0%
Miscellaneous Revenue	\$55,500	\$47,500	-14.4%
Interest (including CIP Interest Transfer)	<u>\$20,000</u>	<u>\$125,000</u>	<u>525.0%</u>
Total Revenue *	8,213,139	8,525,392	3.8%

* Total excludes property taxes.

Property Management Fund Summary

Property Management Fund Overall FY25 Proposed Budget

The Property Management Fund is a self-sustaining program financed by the revenue derived from the rentals of park houses and a variety of other leases. Currently, this program administers approximately 145 legal agreements: residential and commercial property leases, office space, agriculture, daycare, parking lots, equestrian, telecommunications, athletic fields, and special use permits.

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 space: rental housing, commercial use, and land for parking. The Property Management Unit also oversees a range of other agreements such as leases for 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.

The FY25 budget includes a lease revenue total of \$1,488,700, a 4.4% decrease over last year's budget. This decrease is due to the projected loss of rental revenue from tenants at two park activity buildings. In addition, the rental revenue and management of the lease agreement with Gunpowder Golf Course (about \$20k) has been shifted to Prince George's Parks and Recreation. In the past, this lease agreement was shared by the two departments. Also, some of the older houses in poor condition are being removed from the rental portfolio as the houses will be demolished rather than undergoing the cost of extensive repairs.

The expenditure budget for FY25 is \$1,688,700. This total includes a compensation decreases of 1.8% based on the current staff complement, plus the reduction of supplies cost based on having fewer rentals. Services are increasing by 1.3% due to increased costs of utilities. Available fund balance of \$200,000 is being utilized to fund costs of repairs and/or demolitions of older properties.

The table on the next page shows the FY25 proposed revenues and expenditures for the Property Management Fund.

MONTGOMERY COUNTY PROPERTY MANAGEMENT SUBFUND
Summary of Revenues, Expenditures, and Changes in Fund Balance
PROPOSED BUDGET FISCAL YEAR 2025

	FY24 Adopted	FY24 Estimated	FY25 Proposed	%
				Change
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Sales	-	-	-	-
Charges for Services	-	-	-	-
Rentals and Concessions	1,556,600	1,738,831	1,478,700	-5.0%
Interest	1,000	25,000	10,000	900.0%
Miscellaneous	-	-	-	-
Total Revenues	<u>1,557,600</u>	<u>1,763,831</u>	<u>1,488,700</u>	<u>-4.4%</u>
Expenditures by Major Object:				
Personnel Services	545,322	450,000	535,629	-1.8%
Supplies and Materials	191,183	125,324	120,618	-36.9%
Other Services and Charges	867,795	1,028,976	879,153	1.3%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	153,300	153,300	153,300	0.0%
Total Expenditures	<u>1,757,600</u>	<u>1,757,600</u>	<u>1,688,700</u>	<u>-3.9%</u>
Excess of Revenues over Expenditures	<u>(200,000)</u>	<u>6,231</u>	<u>(200,000)</u>	<u>0.0%</u>

Summary of Annual Comparisons by Major Object	Adopted		Estimated		Proposed	
	FY24		FY24		FY25	
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.

Enterprise Fund Summary

Enterprise Fund Overall FY25 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 FY25 budget reflects \$12,918,910 in revenues and \$11,283,150 in expenditures for a net profit of \$1,635,760.

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 16 shows the FY25 proposed revenues and expenditures for the Enterprise Fund.

Revenues

The FY25 Enterprise Fund proposed revenues of \$12,918,910 is \$359,758 more than the FY24 approved budget. The overall increase for the proposed revenue includes increases in all program and rental revenues as well as the ice rinks admissions. In addition, interest revenue is projected to increase by \$133k based on current market conditions.

Expenditures

The FY25 Enterprise Fund proposed expenditures of \$11,283,150 are \$449,945 higher than the FY24 adopted budget. Compensation costs reflect an increase of \$397k primarily due to the addition of the salary marker for merit/COLA, increased pension and OPEB costs, plus the addition of two new positions in the proposed budget.

Expenditures for resale of goods are decreasing by \$3k as the need for stock replenishment has declined as the ice rink pro shop and snack bar sales have not returned to pre-COVID levels.

Supplies are proposed to increase by \$35k to fund one-time purchases for tables and chairs at the ice rinks and tennis facilities, refrigeration/coolant supplies for ice rinks, and for LED lighting upgrades.

Other services and charges are increasing by \$5k due to higher janitorial service contract fees and group lesson instructor costs.

FY25 Changes

The FY25 proposed budget includes the addition of a horticulturist position to the Administrative Fund to assist with the division's landscaping needs. The budget also includes funding for an administrative assistant position at Brookside Gardens. This position will assist with their administrative needs to

include budget and purchasing. A portion of the cost of this new position will be shared with the Park Fund as a chargeback.

Capital Improvements

Capital Improvement Projects for the Enterprise facilities are approved in the CIP budget. The funding source is the Enterprise Reserves.

MONTGOMERY COUNTY ENTERPRISE FUND - SUMMARY
Summary of Revenues and Expenses
Proposed Budget Fiscal Year 2025

	FY24	FY24	FY25	%
	<u>Adopted</u>	<u>Estimated</u>	<u>Proposed</u>	<u>Change</u>
Operating Revenues:				
Intergovernmental -	-	-	-	-
Sales	776,150	698,300	794,200	2.3%
Charges for Services	7,154,258	7,038,980	7,235,680	1.1%
Rentals and Concessions	3,784,128	3,990,891	3,904,283	3.2%
Miscellaneous	829,616	830,242	836,747	0.9%
Interest	15,000	292,300	148,000	886.7%
Other	-	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	<u>12,559,152</u>	<u>12,850,713</u>	<u>12,918,910</u>	2.9%
Operating Expenses:				
Personnel Services	7,107,561	6,651,391	7,504,181	5.6%
Goods for Resale	355,560	321,285	352,035	-1.0%
Supplies and Materials	405,120	469,715	440,350	8.7%
Other Services and Charges	2,148,345	2,310,885	2,153,806	0.3%
Capital Assets	-	-	-	-
Chargebacks	816,619	816,621	832,778	2.0%
Total Operating Exp	<u>10,833,205</u>	<u>10,569,897</u>	<u>11,283,150</u>	4.2%
 Gain (Loss)	 <u>1,725,947</u>	 <u>2,280,816</u>	 <u>1,635,760</u>	 -5.2%

MONTGOMERY COUNTY ENTERPRISE FUND - SUMMARY
Summary of Revenues and Expenses
Proposed Budget Fiscal Year 2025

	FY24	FY24	FY25
	<u>Adopted</u>	<u>Estimated</u>	<u>Proposed</u>
WORKYEARS			
FT Career Positions	35.0	35.0	37.0
FT Workyears	35.0	35.0	37.0
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	82.9	76.2	72.1
Chargebacks	2.8	2.8	5.7
Less Lapse	0.0	0.0	0.0
TOTAL POSITIONS	36.0	36.0	38.0
TOTAL WORKYEARS	121.7	115.0	115.8

Special Revenue Fund Summary

Special Revenue Fund Overall FY25 Proposed Budget

The Special Revenue Fund (SRF) proposed FY25 budget reflects revenues of \$3,450,313 and expenditures of \$4,090,093. Fund balance is being used to support this request for the increased expenditures. Using fund balance enables the department to defer increasing program and rental fees. Much of this fund balance is being used to phase in contracted cost increases for the MCPS Ballfield account. The savings are generated from prior years services that were unable to be delivered due to weather conditions or other factors.

Revenue is increasing by \$274,050. This includes slight increases in revenue from plant sales to both the public and to other agencies plus \$60k from sales of recycled lumber. The department acquired a sawmill several years ago and generates wood products from hazardous or dead trees removed in parks. Much of this recycled wood is repurposed for departmental use, but the department now hosts an annual wood sale to the public generating revenue from these wood slabs. Effective FY25, that wood sale revenue is being shifted from the Park Fund to the Special Revenue Fund with proceeds being used to provide support for costs associated with the Green Waste Recycling Program. Revenue is also increasing slightly at nature centers as attendance continues to increase to pre-pandemic levels. Interest revenue is also increasing by \$14k based on current market conditions.

Both revenue and expenses are increasing for the maintenance of the Montgomery County Public School ballfields based on an increase in the number of school fields being maintained (additional four sites) by our department and due to the cost increase associated with the inflationary increase for the contract renewal. The chargeback cost is based on budgeted cost for the actual staff positions dedicated to the MCPS project. In FY24, the department added four new positions with the intention of moving a portion of the contracted MCPS ballfield maintenance services in-house. However, based on the inflated cost of supplies and equipment to support the program, the department deferred that decision and will continue to contract these services for the near future. Those four positions and their associated chargeback cost are also being eliminated in the FY25 budget.

Several accounts are projecting to use \$640k of fund balance in FY25. With a projected starting fund balance of just under \$1.4M for FY25, funding is available to support these increased expenditure requests. The Interagency Agreements for tree mitigation and for external sales of trees and plants are proposing to use \$43k of fund balance as these projects often cross into the next fiscal year. Also, the Interagency Agreement for Ballfields includes the use of \$511k of fund balance to offset the increased cost of contracted services. The contracted cost for the ballfield increased significantly over the past several years; however, we have been able to phase in the cost increase to the County based on use of unspent funds from prior contract years. The Nature Centers account is using fund balance of \$68k to upgrade exhibits and for consulting costs associated with strategic planning. The Cultural Resources account is using \$37k of fund balance for increased program instructor and seasonal staff support.

The table on page 21 shows the FY25 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 FY24 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 parks or park facilities.

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	FY24	FY24	FY25
BEGINNING FUND BALANCE	\$982,419	\$1,399,605	\$1,391,588
<u>REVENUE</u>			
Intergovernmental Revenues	\$2,390,463	\$2,326,115	\$2,523,980
Sales	\$103,300	\$145,554	\$176,323
Charges for Services	\$0	\$0	\$0
Recreation/User Fees	\$494,000	\$414,742	\$509,000
Rentals/Concessions	\$129,900	\$119,240	\$150,800
Interest	\$1,000	\$24,506	\$14,610
Miscellaneous Revenues	\$57,600	\$89,506	\$75,600
<u>Interfund Transfer</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$3,176,263	\$3,119,663	\$3,450,313
<u>EXPENDITURE</u>			
Personnel Services	\$897,469	\$702,480	\$892,354
Supplies and Materials	\$637,212	\$232,061	\$297,250
Other Services and Charges	\$1,571,372	\$1,855,203	\$2,499,358
Capital Outlay	\$0	\$0	\$0
Chargebacks	\$492,537	\$337,936	\$401,131
Other Classifications	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURE	\$3,598,590	\$3,127,680	\$4,090,093
Total Revenue Less Expenditure	<u>(\$422,327)</u>	<u>(\$8,017)</u>	<u>(\$639,780)</u>
ENDING FUND BALANCE	\$560,092	\$1,391,588	\$751,808
Workyears	21.40	15.80	17.40












MCPB 11-16-23

Final Audit Report

2023-11-09

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