



MONTGOMERY PARKS

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

MCPB Date: 11/13/2025
Agenda Item #5

MEMORANDUM

DATE: November 7, 2025

TO: Montgomery County Planning Board

VIA: Miti Figueredo, Director of Parks
Darren Flusche, Deputy Director of Administration
Gary Burnett, Deputy Director of Operations
Shuchi Vera, Chief, Management Services Division

FROM: Kate Bentley, Budget Manager, Management Services Division
John Hamman, Deputy Budget Manager, Management Services Division

SUBJECT: Department of Parks FY27 Proposed Operating Budget

Staff Recommendation

Approve the expenditure funding levels for the Department of Parks FY27 Proposed Budgets for Park Fund, Enterprise Fund, Property Management Fund, and Special Revenue Fund. Additionally, approve the FY27 Estimated Revenue collected by the Department, excluding the property tax collected by the County.

Background

On September 25, the Planning Board received a presentation from Central Administrative Services (CAS) staff outlining the FY27 budget process. This presentation included an overview of key trends affecting the Department of Parks, as well as the budget outlook, strategic approach, and projected timeline for budget preparation. CAS provided preliminary estimates for increases associated with the Park Fund for salaries, benefits, retirement, Other Post-Employment Benefits (OPEB), and debt service on general obligation bonds.

On October 23, the Department of Parks presented the Park Fund base budget that addressed the top priorities of the department. Most totals included in the Park Fund detail presented in the October 23 session were final; however, there have been a few minor changes that were finalized after the previous memo was submitted. These changes are broken down in the Park Fund section of this memo.

Overview of Department of Parks Fund Management

Within the Park Fund, the Department of Parks generates revenue through several channels. These include user fees collected from park patrons, grants awarded to support specific initiatives, and allocations from other sources such as the County's Water Quality Protection Fund and the County's

Cable Fund. These varied revenue streams help sustain and enhance park operations beyond what is provided through tax support.

In addition to overseeing the Park Fund, the Department of Parks is responsible for managing the budgets of three additional funds: Property Management Fund, Special Revenue Fund, and the Enterprise Fund, which houses the Wheaton Headquarters Building Operations Budget. Each of these funds serves a distinct purpose and is essential to the comprehensive financial operations of the department.

The final proposed budgets for the Enterprise Fund, Property Management Fund, Special Revenue Fund, and Park Fund—including detailed information on revenue sources—are presented in this memo for review and approval.

Fund	Page #	Expenditure Total	Revenue Total
Park Fund	3	\$151,087,357	\$9,783,459 (not incl tax rev)
Risk Management Overview	8		
Property Management Fund	11	\$2,113,169	\$1,886,800
Special Revenue Fund	12	\$5,042,361	\$4,702,162
Enterprise Fund (incl WHQ)	14	\$13,117,183	\$14,215,250
Wheaton HQ Budget Overview	15		

Summary

Staff is requesting the Board's approval of the funding levels for the Department of Parks FY27 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 FY27 budget process are:

Full Commission approves the FY27 Proposed Budget Resolution	December 17, 2025
M-NCPPC submits Budget in Brief to County Executive and County Council	January 15, 2026
County Executive makes recommendations	March 15, 2026
County Council holds Public Meetings on budget	April 2026
County Council Reviews M-NCPPC Budget	April & May 2026
MC and PGC Councils meet to review Bi-County requests	May 2026
County Councils adopt budget	May 2026

Park Fund

The Park Fund, or the General Fund, is the main operational fund of the Parks Department.

FY27 Park Fund Expenditures

On October 23, the Department of Parks presented the Park Fund expenditures. There have been changes to these numbers since that session. There has been a \$460k reduction to the pension cost for the Department. In addition, there is a further reduction of \$49,142 in the Parks contribution to the projected base cost for the Office of the CIO and Commission-Wide IT Initiatives (CWIT). The resulting contribution change from the FY26 Adopted budget is a decrease of \$147,858. The most significant change arises from a calculation error related to the compensation base budget. This error impacted the comparison between the FY26 Adopted Adjusted and the FY27 Proposed budgets. After the error was identified and corrected, the resulting compensation change decreased by approximately \$2.2 million. We have replicated the table from our first memo below and highlighted the adjusted figures in orange.

FY26 Adopted Budget (not including Reserves)		\$ 141,869,128	
FY27 BASE BUDGET INCREASES			% Change
Position Changes/Annualizations and Benefit Changes (excluding salary markers)	\$ 128,707		0.1%
Pension	\$ 359,482		0.3%
Lapse Reduction	\$ 1,409,239		1.0%
OBI	\$ 274,810		0.2%
Contractual Increases	\$ 502,999		0.4%
Inflationary Increases for Supplies and Materials, Services and Capital Outlay	\$ 388,151		0.3%
Utilities/Telecommunications Costs	\$ 108,442		0.1%
Debt Service for Internal Service Fund Capital Equipment	\$ 340,000		0.2%
Risk Management	\$ 812,100		0.6%
WHQ Parks Rent Increase	\$ 151,714		0.1%
CAS Charges (Chargebacks/CIO/CWIT, etc.)	\$ (16,938)		0.0%
Chargebacks (CIP/Enterprise/Special Revenue Funds/Wheaton HQ)	\$ 270,208		0.2%
Transfer to Debt Service (CIP)	\$ 27,378		0.0%
Water Quality Protection Fund	\$ 324,740		0.2%
Subtotal Increase - Base Budget Request	\$ 5,081,032		3.6%
PROGRAM ENHANCEMENTS			
Subtotal Program Enhancements	\$ -		0.0%
Total Increase FY26 Proposed Budget Request	\$ 5,081,032		3.6%
Non-Departmental - Salary (Merit/COLA) and Reclassification Markers	\$ 4,137,198		
Total Increase Excluding OPEB	\$ 9,218,230		6.5%
Total FY27 Proposed Budget Request excluding OPEB	\$ 151,087,357		
FY27 OPEB	\$ 6,364,798		

Salary Adjustment – The FY27 divisional personnel costs do not include any assumption for a salary adjustment in the personnel totals. Instead, the FY27 budget amounts for compensation adjustments are included in the Non-Departmental account.

Other Post-Employment Benefits (OPEB) – The total funding for OPEB for FY27 is \$6,364,798. This amount is a decrease of \$394,965 from the FY26 approved budget total.

Based on these updates, the FY27 Proposed increase for the Park Fund excluding compensation markers and OPEB is \$5,081,032 or 3.6% above the FY26 Adopted budget. Adding in costs for the compensation markers results in a proposed Park Fund budget increase of \$9,218,230 or 6.5%. The Park Fund budget is appropriated by the County Council at the division level. There is a schedule beginning on page 15 showing the divisional budget changes by category.

FY27 Park Fund Operating Revenue

This fund is largely tax supported through Montgomery County Property Tax revenue. In addition to this tax revenue, the Park Fund utilizes operational revenues, like sales revenue and facility user fee revenue, grants revenue, intergovernmental transfers, and interest revenue. The FY27 Park Fund Operating Revenue is budgeted at \$9,783,459, which represents an increase of \$171,043 over the FY26 Adopted Budget. This growth is primarily attributed to a projected rise in revenue from the Water Quality Protection Fund.

The chart below shows the FY27 proposed operating revenues for the Park Fund.

Category	Adopted FY26	Proposed FY27	Increase/ Decrease from FY26	% Change
Sales	\$18,500	\$11,941	(\$6,559)	-35.5%
Facilities User Fees	\$3,635,076	\$3,615,438	(\$19,638)	-0.5%
Grants	\$400,000	\$400,000	\$0	0.0%
Intergovernmental Transfer (Water Quality Protection Fund)	\$4,637,840	\$4,962,580	\$324,740	7.0%
Intergovernmental Transfer (Cable Fund)	\$50,000	\$50,000	\$0	0.0%
Miscellaneous Revenue	\$96,000	\$93,500	(\$2,500)	-2.6%
Interest (including CIP Interest Transfer)	\$775,000	\$650,000	(\$125,000)	-16.1%
Total Revenue *	\$9,612,416	\$9,783,459	\$171,043	1.8%

* Total excludes property taxes.

Operational Revenues

Operational revenues are collected from various Parks operations such as field and park activity building permitting, picnic area and shelter rentals, and fees for programs. Overall, revenue from recreation and user fees is expected to decrease by \$23,000. This change reflects a \$26,000 increase in fees for lit and synthetic turf fields, offset by an approximate \$50,000 reduction in fees collected from nature center programs. The decrease in nature center program fees is partially explained by the removal of \$31,000 in revenue that was added in conjunction with the FY26 Program Enhancement request related to

Nature and Outdoor Programming for the 55+ Community. Since this enhancement was not adopted in FY26 and the Council does not allow revenue adjustments post-adoption, the amount is being removed from the FY27 budget.

Grants Revenue

The Grants budget is designed to account for small grants received throughout the year. The \$400,000 budget allocation enables the Department to utilize grant revenue without needing supplemental appropriation requests. Revenue in this fund is directly tied to expenditures and is balanced at the end of each fiscal year. The FY27 budget for grants remains unchanged from FY26.

Intergovernmental Transfers

There are two sources for the Intergovernmental Transfer Revenue in the Park Fund. These are the Water Quality Protection Fund and the Cable Fund.

Since FY12, an intergovernmental transfer from the Water Quality Protection Fund has supported costs associated with personnel, contracts, supplies, and materials for water quality-related park programs, including storm water management and compliance with federally mandated National Pollutant Discharge Elimination System (NPDES) requirements. Funding has increased incrementally each year to address rising costs. For FY27, the transfer increases by \$324,740. Further details on the basis for this increase are available in the October 25 memo to the Planning Board.

The intergovernmental transfer from the Cable Fund began in FY18 to support a pilot program that introduced Wi-Fi in the Parks. The initial phase was successfully completed in FY18 with a \$100,000 funding level. Following the pilot, the program was renamed “ConnectParks” to reflect expanded capabilities such as security technology. Funding for this initiative was reduced to \$50,000 in FY24 and will remain at that level for the FY27 Proposed Budget. Sites are selected for this program using a prioritization matrix which considers equity, park and Park Activity Building (PAB) use levels, and the presence of other amenities near the PABs. In FY25, this funding supported the installation of public Wi-Fi in PABs at Capital View-Homewood Local Park, Indian Spring Terrace Local Park, Meadowbrook Local Park, and Wheaton Claridge Local Park. In FY26, Wi-Fi is planned to be added to PABs in Sligo Avenue Neighborhood Park, Argyle Local Park, Norbeck-Muncaster Mill Neighborhood Park, and Quince Orchard Valley Neighborhood Park.

Miscellaneous Revenue

Miscellaneous revenues are generated through a variety of departmental activities. These include fines and fees collected for permit reviews, and fees assessed for encroachments. For the FY27 budget, the allocation for miscellaneous revenue is decreasing by \$2,500 to account for a reduction in permit review revenue.

Interest Revenue

Interest revenues for the Park Fund are determined each fiscal year based on current market conditions and the balances held within departmental funds. For FY27, the interest revenue projections have been

reduced across all departmental funds. This adjustment is intended to prevent overestimating this revenue source, which remains unpredictable due to ongoing fluctuations in market performance.

MC Risk Management Internal Service Fund

The Park Fund's contribution to the MC Risk Management Fund has remained unchanged since the October 23 session. However, in response to the Planning Board's request for additional information, this section outlines the administration and key cost-drivers of the fund.

Fund Administration

The MC Risk Management account is managed by CAS. Its primary purpose is to provide coverage for two main categories: insurance claims below \$250,000 and Workers' Compensation claims. Within the MC Risk Management Fund, there are individual subfunds for Parks, Planning, CAS, MC Enterprise, Emergency Preparedness, and the Risk Management Division's operating fund. The Parks Department, being the largest operational entity, accounts for the majority of claims and funding responsibility within the fund.

Funding levels for the Risk Management Fund are determined using a five-year average of costs. Three main factors drive these costs:

External Administrative Costs

External Administrative Costs refer to the fee paid to Montgomery County by the Commission for participation in the Montgomery County Self-Insurance Pool (MCSIP). Both Montgomery and Prince George's sides of the Commission participate in MCSIP, with each side maintaining its own Risk Management Fund. The participation fee is split between the two sides and further divided by department based on rate of use, which is calculated from the number and administrative complexity of claims.

In exchange for the MCSIP fee, the Commission receives claims adjustment, actuarial, accounting, property loss surveys, private investigator, and certain medical and prescription services. The Commission has discretion over which services it pays for and receives an itemized estimate to help project costs.

Internal Administrative Costs

Internal Administrative Costs represent the operating budget for the Risk Management Division. These costs typically increase each year due to pay raises and general cost inflation. New positions within the Division are reviewed and approved by the Planning Board, similar to other departments. In FY23, a Department Program Administrator was added, and in FY24, a Corporate Safety Specialist joined the Division. These additions have contributed to a gradual escalation in internal administrative costs.

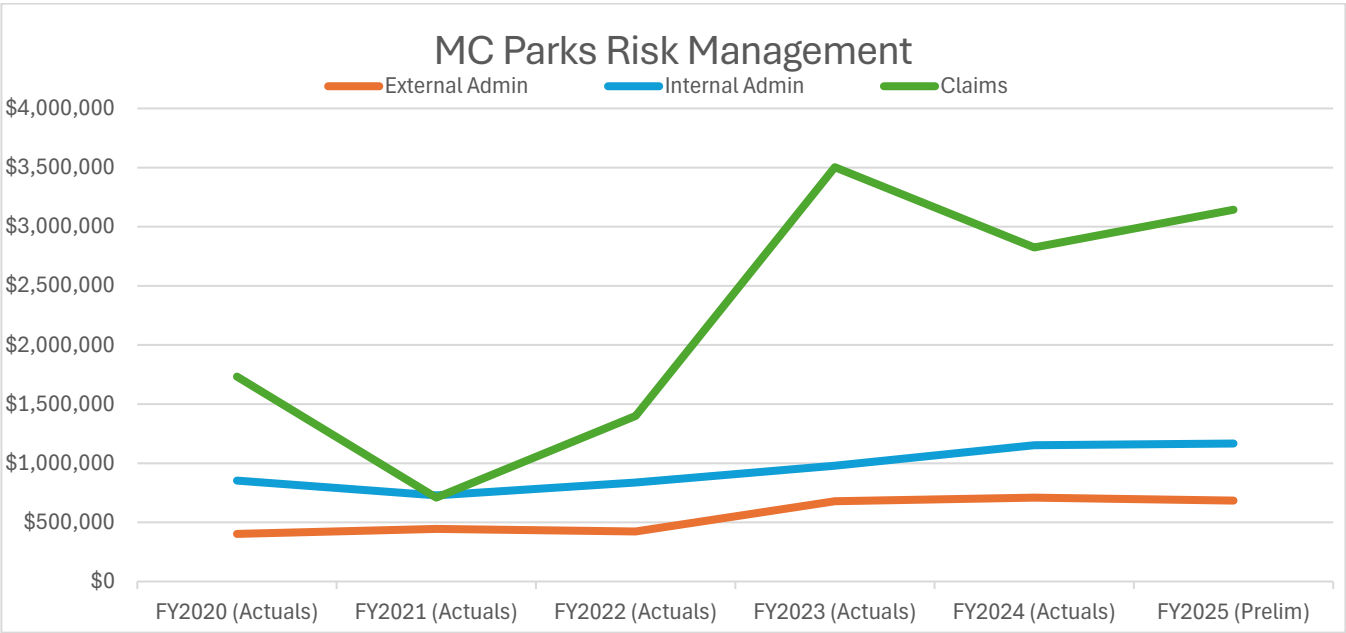
Claims Costs

Claims Costs, encompassing insurance and Workers' Compensation claims, are the largest and most variable cost driver. These expenses fluctuate significantly from year to year and are difficult to forecast.

In the past, large insurance claims, such as those resulting from incidents like the Greenbriar Local Park playground arson or tree damage at the Cabin John Maintenance Yard, have notably increased the need for funding. However, in FY25, while there was a reduction in overall Workers’ Compensation claims, indemnity claims rose from 37% to 47% of all claims. Indemnity claims incur higher costs due to wage replacement and increased medical expenses. Growth in wage levels and persistent medical cost inflation further contribute to rising claims costs.

Cost Trends and Reserve Policy

The chart below illustrates the overall trends in these three cost categories, highlighting that claims costs are the primary factor driving increased funding requirements.



Additionally, in accordance with the Commission’s adopted Reserve Policy, the Parks Risk Management Fund is required to maintain a reserve amount equivalent to 2% of both the Park Fund and the Property Management Fund. This reserve is designed to help mitigate the impact of cost fluctuations on the Park Fund, providing a buffer against unexpected expenses. If the reserve is utilized, it must be replenished through additional funding. This ensures that the Department remains financially prepared to cover any unexpected or significant incidents that may arise.

The FY27 contribution increase totals \$812,100, bringing the overall Proposed Park Fund contribution to \$3,146,200. Based on FY25 figures, it would be insufficient to cover costs. Given this scenario, the plan is to use a portion of the Fund Balance in FY27, while the Department undertakes a review of processes affecting the costs covered by the fund.

Property Management Fund

The Property Management Fund operates as a self-sustaining program, with its financial resources generated exclusively from the rental income of park houses and various other lease agreements. The program manages a diverse portfolio of properties and agreements and is currently responsible for administering approximately 140 distinct legal agreements. These agreements encompass a wide range of property types and uses, including residential and commercial property leases, agricultural leases, parking lot leases, and telecommunications site leases. This broad scope of property management ensures that the program remains viable and adaptable to the evolving needs of both the community and the department.

The Property Management Unit, which is funded through and administers the Property Management Fund, is responsible for comprehensive oversight of all leased property within the portfolio. This oversight includes monitoring and responding to shifts in market activity, such as heightened demand for rental space across several categories: rental housing, commercial properties, and land designated for parking purposes.

In addition to standard property leases, the Unit manages a variety of other agreements. These include leases for newly acquired commercial buildings, arrangements related to athletic fields, and inter-agency operations agreements that facilitate collaboration and shared use of facilities.

The Property Management program carries out several essential functions to support its diverse property portfolio. It establishes rental rates that reflect current market conditions, advertises vacant properties to attract tenants, and is responsible for the negotiation, preparation, and administration of all legal agreements for use of Park property. Furthermore, the program serves as the landlord representative, acting as the primary point of contact for both the public and tenants to address inquiries and ensure effective property management.

FY27 Property Management Revenue

The FY27 budget includes total revenue of \$1,886,800, a 3.1% increase over last year's budget. This increase is mainly attributable to revenue from the rental of Park Houses. The rental portfolio of the Unit fluctuates each year as the department chooses to demolish older houses, as leases expire, rather than taking on the cost of extensive repairs.

FY27 Property Management Expenditures

The expenditure budget for FY27 is \$2,113,169. This total includes a compensation increase based on the current staff complement and a marker for merit and COLA increases. The total also includes increases for supplies and services costs due to increased operational costs. Available fund balance of \$226,369 is also being utilized to fund costs of renovation or demolitions of older properties, including the renovation of the Zeigler house in FY27.

The schedule on page 18 shows the FY27 proposed revenues and expenditures for the Property Management Fund.

Special Revenue Fund

Special Revenue Funds (SRFs) are established to manage proceeds from specific revenue sources that are legally restricted to expenditures for designated purposes. SRFs ensure that resources are used only for approved activities, as determined by legal or regulatory requirements. These funds are utilized when it is necessary to separate accounting and budgeting processes for particular expenditures. This segregation helps maintain clarity and compliance with financial requirements by ensuring that funds are allocated and tracked according to their intended purpose.

The Special Revenue budget consists of multiple distinct funds. Programs with substantial annual appropriations are presented individually, while smaller programs—such as various interagency agreements—are consolidated for reporting purposes. Budgets for SRFs are prepared to project revenues, expenditures, associated workyears, and fund balances. Importantly, the balances of these funds are not merged with tax-supported funds. This separation prevents any confusion between different types of resources and ensures that each fund's resources are managed independently. It's important to note that fund balances are not transferable between funds.

Special Revenue Fund Overall FY27 Proposed Budget

The Special Revenue Fund (SRF) proposed FY27 budget reflects revenues of \$4,702,162 and expenditures of \$5,042,361. Fund balance is being used to support this request for increased expenditures. Using fund balance enables the department to defer increasing program and rental fees.

Overall SRF revenue is increasing by \$857,128, while expenses are increasing by \$540,842. Revenue and expenses are increasing (revenue by \$940k and expenses by \$483k) 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. The increase in required revenue rose partly because the use of over \$500k of fund balance was budgeted in this fund in FY26. Although this lowered County revenue needs for FY26, it increases the funding gap for FY27. However, the main cost driver behind the increase in expenditures is that the current services contract expires at the end of 2025 and costs are projected to increase on the new contract. The small increase in chargeback cost is based on budgeted cost for the actual staff positions dedicated to the MCPS project.

Several accounts are projecting to use a total of \$354k of fund balance in FY27. With a projected starting fund balance of just over \$1.2M for FY27, funding is available to support these increased expenditure requests. Fund balance of \$134,652 is being used to cover additional expenditures for the Locust Grove Nature Center account. The savings generated from prior year plant sales are being used to cover seasonal stipends for the Teens Engaged and Empowered in Nature Stewardship (TEENS) program and make needed site improvements. The TEENS program serves as a green careers pipeline with the intent of reaching diverse students and operates as a paid high school internship program to enhance equity and access. Aside from the Locust Grove account, the overall Nature Centers account is using a fund balance of \$34k to support programming staff costs.

The account for external sales of trees and plants is projected to use \$75k of fund balance. Costs for this account often cross fiscal years, since orders for plants and trees are typically placed in advance with

costs incurred over the growing time and revenue received at time of delivery. The Cultural Resources account is using \$23k of fund balance for increased program instruction and seasonal staff support.

Special Revenue Funds Synopsis

The following is a synopsis of the special revenue accounts included in the FY27 proposed budget.

Park Police – Drug Enforcement Fund

The Park Police – Drug Enforcement Fund was established in accordance with Maryland law, which authorizes the seizure of property resulting from convictions of drug-related crimes. This fund supports ongoing drug enforcement activities within the Montgomery County Park system, ensuring that resources obtained through legal forfeiture are reinvested in efforts to combat drug-related offenses in park areas.

Park Police – Federally Forfeited Property Fund

Created under Federal law, the Park Police – Federally Forfeited Property Fund permits the agency to seize and retain assets connected to drug-related crimes, pending court approval of forfeiture. Funds received through this process may be used to purchase equipment and other resources that strengthen the agency's ability to address drug-related crime within the park system.

Interagency Agreements

The Interagency Agreements special revenue fund accounts for revenues received from other agencies and governments based on services provided by the Commission under "reimbursement for service" arrangements. The Commission maintains agreements with Montgomery County to assist with the maintenance of public school and Recreation Department ballfields, as well as some Recreation Department playgrounds. Additional agreements are in place with other agencies for services such as special policing, snow removal, and field maintenance.

Park Cultural Resources

The Park Cultural Resources program provides supplemental funding aimed at expanding and enhancing historic interpretation and archaeology educational camps and programs. Revenues are generated through seasonal employee-led archaeological programs, camps, special events at public historic sites, guided historical tours, and school programs. Expenditures support seasonal staff salaries and cover costs for supplies, materials, performers, scholars, interpretive displays, and volunteer docent materials related to historic and archaeological programming.

Special Events

The Special Events fund supports Commission work performed on a "reimbursement for service" basis for special events and tournaments held in parks or park facilities. This fund allows for the dedicated management of resources associated with hosting and supporting events within the park system.

Nature Programs and Facilities

The Nature Programs and Facilities fund supplements funding for expanding and enhancing nature and environmental education programs at park-operated nature facilities. Revenues come from seasonal employee-led nature center camps and admissions from special events. These funds are expended on seasonal staff salaries and a range of program expenses, including supplies, materials, performers, scholars, interpretive displays, and animal-related supplies and services. Programs or camps offered by career staff are accounted for separately within the Park Fund.

Special Donations and Programs

Special Donations and Programs consist of contributions and donations designated for specific purposes or projects that are not part of the regular tax-supported initiatives in the Park Fund. This fund ensures that externally designated resources are applied directly to their intended uses.

The schedule on page 19 shows the FY27 proposed revenues and expenditures for the Special Revenue Fund as well as anticipated fund balances for each subfund.

Enterprise Fund

The Enterprise Fund encompasses various revenue-generating facilities, including ice rinks, indoor tennis centers, conference centers, and park amenities. Revenue for these operations primarily comes from user fees, rentals, and other non-tax-supported sources.

The proposed budget for FY27 includes revenues totaling \$14,215,250 and expenditures totaling \$13,117,183. This results in a net profit of \$1,098,067. The fund operates on a self-sustaining basis, covering all operating costs, capital improvements, and administrative expenses. Any net income remaining at the end of the fiscal year is allocated to meet the fund balance reserve requirement, invest in facility life cycle replacements and improvements, and fund the construction of new facilities. Capital Improvement Projects for Enterprise facilities are approved separately in the CIP budget and are funded from Enterprise Reserves.

FY27 Enterprise Revenue

The FY27 proposed revenues of \$14,215,250 represent a decrease of \$30,844 compared to the FY26 approved budget. The decrease in overall revenue is due to fewer leased ice rentals at Cabin John Ice Rink due to the planned renovation of the Olympic Rink refrigeration system in April 2027.

FY27 Enterprise Expenditures

The proposed expenditures for FY27 are \$13,117,183, which is \$518,828 higher than the FY26 adopted budget. Most of this increase is attributable to compensation costs which are increasing by over \$459,564 due to staffing levels, merit/COLA adjustments, increased pension and benefits, and higher seasonal costs. Seasonal staffing expenses are expected to rise by \$93,889, reflecting expanded programming and salary adjustments.

Costs for instructors for group lessons are increasing by \$48,000, due to increased offerings. The services expense category is projected to increase by \$57,742 due to increased utilities with a new HVAC system installed at Wheaton Sports Pavilion. Supplies costs are projected to decrease by \$31,877 due to a partial closure at Cabin John Ice Rink projected for April-June 2027. One new ActiveMONTGOMERY Training and Support Analyst staff position is proposed for the Enterprise Fund in FY27. The Parks ActiveMONTGOMERY Team supports both the Enterprise and Park Fund permitting and registration functions.

The schedule on page 20 shows the FY27 proposed revenues and expenditures for the Enterprise Fund.

Wheaton Headquarters Building Operations Budget

The Wheaton Headquarters (WHQ) Building Budget sits within the Enterprise Fund and is administered by Parks staff. Each year, the building's budget is determined by the operational costs required to maintain the facility. The three primary tenants—the Parks Department, the Planning Department, and Montgomery County—share these costs proportionally based on the amount of square footage each occupies within the building. These contributions are collected as additional rents. The allocation of these rents, as well as the guidelines for their use, are governed by the WHQ Lease Agreement (Contract No. 410297).

Since the opening of the WHQ Building, rent increases have been modest. There was a 4% increase in FY22 and a 2% increase in FY23. Outside of these adjustments, the rent levels have remained stable. Additionally, when operational costs have been lower than budgeted, annual credits have been awarded to the County, Parks, and Planning Departments. Although the current year's proposed rent increases are higher than previous years and may come as a surprise, the intent is to bring funding to a sustainable level for building operations and maintenance. With this adjustment, it is anticipated that future rent increases can be limited to a reasonable range of 3–5% per year, helping tenants plan predictable expenses in the years ahead.

As the building approaches its sixth year of operation, the necessity for significant lifecycle replacements has emerged. However, the absence of a reserve study during the building's commissioning has presented challenges for Parks staff, who must estimate the cost and suitability of these replacements without dependable data. Compounding these challenges, warranties on building components have expired, resulting in increased maintenance expenses. Furthermore, the lease agreement between the Commission and Montgomery County sets limits on the amount that can be allocated to building reserves each fiscal year. These restrictions have reduced opportunities to mitigate ongoing maintenance and repair costs, making it more difficult to manage the building's operational needs efficiently.

To address these operational challenges, the Building Operations Team is taking proactive measures. The first step involves procuring an engineering study focused on the facility's maintenance needs. This comprehensive assessment will evaluate all major building components, ensuring that appropriate

maintenance levels are established for each system. The goal is to develop a data-driven understanding of ongoing requirements, which will support more effective planning and resource allocation.

In addition to the engineering study, the Team also intends to commission a reserve study, contingent on available funding in FY27. The purpose of this reserve study is to develop a detailed lifecycle replacement schedule for the building's components. By identifying when each major element will require replacement, the Team can determine the appropriate reserve funding levels needed to adequately cover these capital costs in future years. This will help establish sustainable reserve contributions and ensure the long-term viability of the facility's operations and infrastructure.

FY27 WHQ Proposed Revenues

The FY27 WHQ Building Operations Fund proposed revenues of \$3,651,056 constitute an increase of \$713,953 more than the FY26 approved budget. The table below shows the breakdown of this total for each tenant along with the FY26 rents and individual increases.

Tenant	Parks	Planning	County Govt	Retail (paid by County)	Totals
Percent	21.25%	21.25%	53.5%	4%	
FY26 Rent	\$624,135	\$624,135	\$1,571,349	\$117,484	\$2,937,103
FY27 Increase	\$151,714	\$151,714	\$381,967	\$28,558	\$713,953
FY27 Rent	\$775,849	\$775,849	\$1,953,316	\$146,042	\$3,651,056

These revenues are collected via quarterly invoices.

FY27 WHQ Proposed Expenditures

The FY27 WHQ Building Operations Fund proposed expenditures are also increasing by \$713,953, to a total of \$3,651,056. The schedule on page 20 compares the FY26 budgeted spending and the FY27 proposed spending. Two major changes to note: First, the Department will shift more services from being performed, procured, and overseen by the Building Operations Team, to being contracted through the building management company. You can see this in the fact that costs for major maintenance and repair categories are being shifted to the Management Contract. Second, there will be a transition to contracted 24-hour security for the facility. As part of this transition, the chargeback for Park Police—who have previously supported the security of the Wheaton Headquarters building—will be phased out. We have provided additional information on both of these items below.

Building Operations Changes

The WHQ Lease Agreement expressly prohibits the allocation of rental income to cover the salaries, wages, and benefits of the Commission's fully funded positions. As a result, any time that the Building Management Team dedicates to operating the building is funded solely through the Park Fund. This restriction encompasses all personnel costs related to building management, with the only exception being a single seasonal work year.

Due to this restriction, overtime costs that result from early morning or late-night building issues, event coverage, or other personnel needs cannot be charged to the building's operating budget. This policy has created fiscal challenges for the Facilities Maintenance Division, where the Building Management Team resides, especially in managing overtime overages. Additionally, building tenants and visitors have increasingly expected the Building Management Team to be available at all hours, further straining resources. When the Lease Agreement was first drafted, the intent was for building operations to be managed primarily through the Building Management Contract. This strategy was designed to limit the involvement of Parks staff, particularly outside of standard operating hours.

To address these issues, operational changes are planned for FY27. More maintenance and upkeep responsibilities will be shifted back to the Building Management Contract. As these services typically include a markup, it is expected that related costs will appropriately escalate in FY27 and subsequent years.

Building Security Changes

The Wheaton Headquarters Building is designated a Class “A” government commercial office building. As such it is imperative to maintain the highest standards of safety and service. The County-operated garage currently provides 24/7 security, and tenant leases require continuous building access for County staff. Establishing 24/7 building security will align operations across all onsite facilities. Without a 24-hour security presence, the building faces increased liability exposure in the event of incidents during off-hours, including unauthorized access, theft, or personal injury. A continuous security presence helps mitigate these risks. This measure supports the long-term safety, reputation, and operational excellence of the Wheaton Headquarters facility.

As part of this transition, the chargeback for Park Police—who currently support the security of the Wheaton Headquarters building—will be phased out. The Park Police chargeback will be fully removed in a future fiscal year, contingent on successfully securing a contract with a qualified vendor.

The schedule on page 21 shows the FY27 proposed revenues and expenditures for the Wheaton Headquarters Building fund.



MONTGOMERY PARKS

The Maryland-National Capital Park and Planning Commission
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Park Fund – Expenditures by Division

	FY 26 Adjusted Adopted	FY 27 Proposed	Increase/ (Decrease) from FY26	% Change
Office of the Director				
Personnel Services	1,668,727	1,723,195	54,468	3.3%
Supplies and Materials	4,098	6,260	2,162	52.8%
Other Services and Charges	83,232	85,375	2,143	2.6%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	-	-	-	-
Total	1,756,057	1,814,830	58,773	3.3%
Management Services				
Personnel Services	3,755,415	3,869,954	114,539	3.0%
Supplies and Materials	27,793	29,793	2,000	7.2%
Other Services and Charges	343,048	351,849	8,801	2.6%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	-	-	-	-
Total	4,126,256	4,251,596	125,340	3.0%
Information Technology & Innovation				
Personnel Services	2,415,678	2,510,461	94,783	3.9%
Supplies and Materials	401,029	453,029	52,000	13.0%
Other Services and Charges	1,448,478	1,574,873	126,395	8.7%
Capital Outlay	77,625	81,000	3,375	4.3%
Other Classifications	-	-	-	-
Chargebacks	(365,673)	(282,519)	83,154	-22.7%
Total	3,977,137	4,336,844	359,707	9.0%
Park Development				
Personnel Services	8,572,606	8,792,556	219,950	2.6%
Supplies and Materials	30,387	30,387	-	0.0%
Other Services and Charges	91,301	92,301	1,000	1.1%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	(3,549,062)	(3,518,768)	30,294	-0.9%
Total	5,145,232	5,396,476	251,244	4.9%
Park Planning & Stewardship				
Personnel Services	9,156,450	9,698,876	542,426	5.9%
Supplies and Materials	253,373	267,403	14,030	5.5%
Other Services and Charges	804,454	829,524	25,070	3.1%
Capital Outlay	40,883	43,000	2,117	5.2%
Other Classifications	-	-	-	-
Chargebacks	(372,923)	(372,923)	-	0.0%
Total	9,882,237	10,465,880	583,643	5.9%

	FY 26 Adjusted Adopted	FY 27 Proposed	Increase/ (Decrease) from FY26	% Change
Public Affairs & Community Partnerships				
Personnel Services	3,859,889	4,017,517	157,628	4.1%
Supplies and Materials	69,073	85,623	16,550	24.0%
Other Services and Charges	677,413	691,413	14,000	2.1%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	(87,000)	(87,000)	-	0.0%
Total	4,519,375	4,707,553	188,178	4.2%
Park Police				
Personnel Services	20,363,120	21,019,908	656,788	3.2%
Supplies and Materials	921,437	956,437	35,000	3.8%
Other Services and Charges	866,304	1,092,590	226,286	26.1%
Capital Outlay	-	-	-	-
Other Classifications	-	-	-	-
Chargebacks	(245,500)	(134,200)	111,300	-45.3%
Total	21,905,361	22,934,735	1,029,374	4.7%
Horticulture, Forestry & Environmental Education				
Personnel Services	13,567,524	13,938,454	370,930	2.7%
Supplies and Materials	784,236	792,296	8,060	1.0%
Other Services and Charges	1,498,609	1,513,132	14,523	1.0%
Capital Outlay	12,000	24,000	12,000	100.0%
Other Classifications	-	-	-	-
Chargebacks	(90,402)	(46,942)	43,460	-48.1%
Total	15,771,967	16,220,940	448,973	2.8%
Facilities Management				
Personnel Services	13,920,986	14,540,362	619,376	4.4%
Supplies and Materials	2,169,421	2,249,667	80,246	3.7%
Other Services and Charges	1,724,755	1,737,916	13,161	0.8%
Capital Outlay	12,420	13,000	580	4.7%
Other Classifications	-	-	-	-
Chargebacks	(1,016,400)	(1,017,300)	(900)	0.1%
Total	16,811,182	17,523,645	712,463	4.2%
Northern Parks				
Personnel Services	11,710,988	12,392,344	681,356	5.8%
Supplies and Materials	1,221,004	1,264,895	43,891	3.6%
Other Services and Charges	733,410	888,104	154,694	21.1%
Capital Outlay	270,614	281,000	10,386	3.8%
Other Classifications	-	-	-	-
Chargebacks	(34,800)	(36,200)	(1,400)	4.0%
Total	13,901,216	14,790,143	888,927	6.4%

	FY 26 Adjusted Adopted	FY 27 Proposed	Increase/ (Decrease) from FY26	% Change
Southern Parks				
Personnel Services	15,167,446	15,988,995	821,549	5.4%
Supplies and Materials	1,979,627	1,994,326	14,699	0.7%
Other Services and Charges	815,292	945,010	129,718	15.9%
Capital Outlay	390,714	405,000	14,286	3.7%
Other Classifications	-	-	-	-
Chargebacks	(40,500)	(36,200)	4,300	-10.6%
Total	18,312,579	19,297,131	984,552	5.4%
Support Services				
Personnel Services	525,233	657,685	132,452	25.2%
Supplies and Materials	1,974,687	2,050,960	76,273	3.9%
Other Services and Charges	11,414,826	12,751,743	1,336,917	11.7%
Chargebacks	782,386	913,306	130,920	16.7%
Total	14,697,132	16,373,694	1,676,562	11.4%
Non-Departmental				
Personnel Services	2,274,040	4,157,155	1,883,115	82.8%
Other Services and Charges	3,300	3,300	-	0.0%
Total	2,277,340	4,160,455	1,883,115	82.7%
Grants				
Other Services and Charges	400,000	400,000	-	0.0%
Total	400,000	400,000	-	0.0%
Other Financing Uses/Transfers Out				
Capital Projects Funds	450,000	450,000	-	0.0%
Debt Service Fund	7,936,057	7,963,435	27,378	0.3%
Total	8,386,057	8,413,435	27,378	0.3%
Budgetary Reserve @ 3%	4,004,500	4,280,200	275,700	6.9%
Fund Total	145,873,628	155,367,557	9,493,929	6.5%
Total Park Fund				
Personnel Services	106,958,102	113,307,462	6,349,360	5.9%
Supplies and Materials	9,836,165	10,181,076	344,911	3.5%
Other Services and Charges	20,904,422	22,957,130	2,052,708	9.8%
Capital Outlay	804,256	847,000	42,744	5.3%
Chargebacks	(5,019,874)	(4,618,746)	401,128	-8.0%
Transfers Out	8,386,057	8,413,435	27,378	0.3%
Subtotal Park Fund	141,869,128	151,087,357	9,218,229	6.5%
OPEB PreFunding	2,190,213	1,554,178	(636,035)	-29.0%
OPEB Paygo	4,569,550	4,810,620	241,070	5.3%
Subtotal Park Fund with OPEB	148,628,891	157,452,155	8,823,264	6.5%
Budgetary Reserve	4,207,300	4,471,200	263,900	6.9%
Total Park Fund	152,836,191	161,923,355	9,087,164	6.5%

Property Management Fund – Revenue and Expenditures

	FY 26 Adjusted Adopted	FY 27 Proposed	% Change
Revenues:			
Intergovernmental	-	-	-
Sales	-	-	-
Charges for Services	-	-	-
Rentals and Concessions	\$ 1,799,600	\$ 1,846,800	2.6%
Interest	\$ 30,000	\$ 40,000	33.3%
Miscellaneous	\$ -	\$ -	-
Total Revenues	\$ 1,829,600	\$ 1,886,800	3.1%
Expenditures by Major Object			
Personnel Services	\$ 589,261	\$ 591,794	0.4%
Supplies and Materials	\$ 124,862	\$ 121,675	-2.6%
Other Services and Charges	\$ 1,095,177	\$ 1,372,400	25.3%
Capital Outlay	-	-	-
Other Classifications	-	-	-
Chargebacks	\$ 153,300	\$ 27,300	-82.2%
Total Expenditures	\$ 1,962,600	\$ 2,113,169	7.7%
Excess of Revenues over Expenditures	\$ (133,000)	\$ (226,369)	70.2%
Other Financing Sources (Uses):			
Transfers In			
Transfer to Special Revenue Fund	-	-	-
Use of Fund Balance	-	-	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (133,000)	\$ (226,369)	70.2%

Special Revenue Fund – Revenue and Expenditures

	FY 26 Adjusted Adopted	FY 27 Proposed	% Change
Revenues:			
Intergovernmental	\$ 2,716,002	\$ 3,613,380	33.0%
Sales	\$ 152,582	\$ 144,382	-5.4%
Charges for Services	\$ 559,000	\$ 563,300	0.8%
Rentals and Concessions	\$ 157,800	\$ 125,000	-20.8%
Interest	\$ 46,650	\$ 60,100	28.8%
Miscellaneous	\$ 213,000	\$ 196,000	-8.0%
Total Revenues	\$ 3,845,034	\$ 4,702,162	22.3%
Expenditures by Major Object:			
Personnel Services	\$ 997,033	\$ 1,093,338	9.7%
Supplies and Materials	\$ 322,969	\$ 322,100	-0.3%
Other Services and Charges	\$ 2,768,727	\$ 3,193,076	15.3%
Capital Outlay	\$ -	\$ -	-
Other Classifications	\$ -	\$ -	-
Chargebacks	\$ 412,790	\$ 433,847	5.1%
Total Expenditures	\$ 4,501,519	\$ 5,042,361	12.0%
Excess of Revenues over Expenditures	\$ (656,485)	\$ (340,199)	-48.2%
Financing Sources over (under) Expenditures and Other Financing Uses	\$ (656,485)	\$ (340,199)	-48.2%

Enterprise Fund (not incl Wheaton HQ) – Revenue and Expenditures

	FY 26 Adjusted Adopted	FY 27 Proposed	% Change
Operating Revenues:			
Intergovernmental	\$ -	\$ -	-
Sales	\$ 829,750	\$ 844,860	1.8%
Charges for Services	\$ 7,807,860	\$ 7,917,465	1.4%
Rentals and Concessions	\$ 4,321,294	\$ 4,061,211	-6.0%
Miscellaneous	\$ 905,390	\$ 1,026,214	13.3%
Total Operating Revenues	\$ 13,864,294	\$ 13,849,750	-0.1%
Operating Expenses:			
Personnel Services	\$ 8,316,640	\$ 8,776,204	5.5%
Goods for Resale	\$ 397,290	\$ 403,950	1.7%
Supplies and Materials	\$ 513,047	\$ 481,170	-6.2%
Other Services and Charges	\$ 2,486,237	\$ 2,541,754	2.2%
Chargebacks	\$ 370,373	\$ 284,239	-23.3%
Indirect Charges (Admin Chargeback)	\$ 514,768	\$ 629,866	22.4%
Total Operating Expenses	\$ 12,598,355	\$ 13,117,183	4.1%
Operating Income (Loss)	\$ 1,265,939	\$ 732,567	-42.1%
Nonoperating Revenue (Expenses):			
Interest Income	\$ 382,290	\$ 365,500	-4.4%
Total Nonoperating Revenues (Expenses)	\$ 382,290	\$ 365,500	-4.4%
Income (Loss) Before Operating Transfers	\$ 1,648,229	\$ 1,098,067	-33.4%
Transfer Out - Capital Projects Funds	\$ (1,250,000)	\$ -	-100.0%
Net Operating Transfer	\$ (1,250,000)	\$ -	-100.0%
Change in Net Position	\$ 398,229	\$ 1,098,067	175.7%

Enterprise Fund - Wheaton HQ – Revenue and Expenditures

	FY 26 Adjusted Adopted	FY 27 Proposed	% Change
Operating Revenues:			
Intergovernmental			
Montgomery County	\$ 1,688,833	\$ 2,099,358	24.3%
Charges for Services (Office Space Rental):			
MC Planning	\$ 624,135	\$ 775,849	24.3%
MC Parks	\$ 624,135	\$ 775,849	24.3%
Rental Revenues	-	-	-
Miscellaneous	-	-	-
Total Operating Revenues	\$ 2,937,103	\$ 3,651,056	24.3%
Operating Expenses:			
Personnel Services	\$ 45,000	\$ 40,000	-11.1%
Supplies and Materials	\$ 100,000	\$ 74,000	-26.0%
Other Services and Charges	\$ 2,567,103	\$ 3,455,756	34.6%
Depreciation & Amortization Expense	-	-	-
Capital Outlay	-	-	-
Chargebacks	\$ 240,000	\$ 111,300	-53.6%
Total Operating Expenses	\$ 2,952,103	\$ 3,681,056	24.7%
Nonoperating Revenue (Expenses):			
Interest Income	\$ 15,000	\$ 30,000	100.0%
Total Nonoperating Revenue (Expenses):	\$ 15,000	\$ 30,000	100.0%

All Funds – Position and Workyears

	FY 26 Adopted		FY 27 Proposed	
	POS	WYS	POS	WYS
PARK FUND				
Full-Time Career	836.00	836.00	836.00	836.00
Part-Time Career	-	-	-	-
Career Total	836.00	836.00	836.00	836.00
Term Contract	5.00	4.50	5.00	4.50
Seasonal/Intermittent		76.50		83.80
Chargebacks		(40.10)		(40.10)
Less Lapse		(85.80)		(69.60)
Grand Total Park Fund	841.00	791.10	841.00	814.60
ENTERPRISE FUND				
Full-Time Career	38.00	38.00	39.00	39.00
Part-Time Career	-	-	-	-
Career Total	38.00	38.00	39.00	39.00
Term Contract	-	-	-	-
Seasonal/Intermittent		72.00		75.00
Chargebacks		5.40		5.40
Less Lapse		-		-
Grand Total Enterprise Fund	38.00	115.40	39.00	119.40
PROPERTY MANAGEMENT FUND				
Full-Time Career	4.00	4.00	4.00	4.00
Part-Time Career	-	-	-	-
Career Total	4.00	4.00	4.00	4.00
Term Contract	-	-	-	-
Seasonal/Intermittent		-		-
Chargeback		1.80		0.30
Less Lapse		-		-
Total Property Management Fund	4.00	5.80	4.00	4.30
SPECIAL REVENUE FUND				
Seasonal/Intermittent (Parks)		18.60		20.70