

**Worksession**

**MEMORANDUM**

January 21, 2011

TO: County Council

FROM: Marlene Michaelson, Senior Legislative Analyst *MM*  
Vivian Yao, Legislative Analyst *VY*

SUBJECT: **Worksession:** Organizational Reform Commission - Recommendations on Parks and Recreation (ORC Recommendation #11)

**ORGANIZATIONAL REFORM COMMISSION RECOMMENDATIONS AND AGENCY RESPONSES**

In its report to the Council dated January 31, 2011, the Organizational Reform Commission (ORC), in Recommendation #11, recommended the County transfer all parks user services to County government and retain in M-NCPPC park planning and environmental stewardship and ownership of park property. The full text of the recommendation is below.

**Statement of the Issue**

Given that the residents of Montgomery County need to relate separately to two agencies for parks and recreation matters – when many other jurisdictions around the country are served by a single agency that combines both functions – the merger of parks and recreation was an area of focus for the ORC that could not be ignored. We appreciated the insights of key staff members involved in the direction of the County's parks and recreation facilities.

**Discussion of the Issue and Recommendations**

Since the County Recreation Department is part of the Executive Branch and the Parks Department is part of the Maryland-National Capital Park and Planning Commission, a bi-county agency, implementing a merger would require coordination from multiple stakeholders, many of them not under the purview of County government.

In recent years, a number of alternatives have been discussed, including (1) consolidation of most recreation services into the Recreation Department, a process begun through the Council's direction in the FY11 operating budget; (2) moving Recreation into the Parks Department; (3) moving additional park functions into the Executive Branch; and 4) dismantling the M-NCPPC.<sup>1</sup>

The ORC believes that in order to make the parks and recreation system more streamlined and coherent for users, yet another approach should be adopted.

- ***Our recommendation is to transfer all "park user services" to the Executive Branch of County government by folding them into the Recreation Department and retaining the park planning functions within M-NCPPC, along with the environmental stewardship of natural, historic and cultural resources on park property. M-NCPPC would also maintain ownership of all park land.***

County government would assume responsibility for all: (1) recreation programming, including classes, camps, trips; (2) programming and upkeep of sports facilities, including athletic fields, tennis courts, and ice rinks; (3) programming and upkeep of park activity buildings and amenities, including event centers, picnic shelters, boating facilities, and trains/carousels; (4) facility permitting and class registration; and (5) park law enforcement functions (see following section). These responsibilities could be shared by the Recreation, Police, Community Use of Public Facilities, and General Services departments, all of which are Executive Branch units.

The benefits of this option are that it:

- (1) Creates a management structure that is more streamlined, user-friendly, and consistent in programs, services, policies and procedures;
- (2) Achieves cost-savings and efficiencies from the elimination of redundant administrative functions in both departments and M-NCPPC Central Administrative Services, and also in program offerings, registration, and evaluation, marketing and outreach;
- (3) Facilitates the delivery of services designed for target populations (e.g., seniors, teens, persons with disabilities) with those offered by other County departments;
- (4) Sends a message to the public that the top priority placed on preservation and of land stewardship will remain unchanged.<sup>2</sup>

<sup>1</sup> After reviewing these options, the Council began the process of transferring permitting, registration, programming functions in Parks to County Government in its FY11 budget resolutions for County Government and M-NCPPC.

<sup>2</sup> **Reservation of Commissioner Scott Fosler:** The proposed merger of the County's park and recreation programs, and its park Police and County Police functions, involves potentially significant costs, as well as comparatively modest cost-savings. The potential costs include: The financial expense of merger; the management and institutional complexities involved in the transition, as well as in the proposed new organizational arrangements; the impact on the quality of the County's parks and environmental systems (and the broader implications regarding core public services); the consequences for the structure and operation of the Maryland-National Capital Park and Planning Commission (M-NCPPC), a major bi-

## **Executive's Response**

In a memorandum to the Council President dated February 21, 2011, the Executive responded to each of the 28 recommendations in the ORC report (©1-4). The Executive **supported this recommendation with conditions**, believing that it will lead to greater efficiencies, improved customer service and eventual savings. The Executive makes the following points:

- Normally, both Recreation and Parks function under a single administrator and are responsible to the same mission and policy direction. The ORC recommendation would clearly delineate the role of Parks and Recreation and eliminate any confusion, duplication, or conflict in the current structure.
- Efforts to consolidate functions have moved forward in the context of permitting ballfields through CUPF. Currently, two M-NCPPC Park staff persons are working in the CUPF office. CUPF will be adding other Park facilities and County Recreation centers to its inventory of space for use by the public, creating a one-stop permitting service under one entity. The Executive anticipates some savings when the majority of Parks facilities are under CUPF.
- The Executive recommends that a joint committee of County and Parks staff be formed for a 6-12 month period to develop a transition plan that assumes the consolidation is phased in beginning in FY12 and carried through to FY13, with a full integration to be completed by FY14. The Executive also recommends that the committee be led by a neutral party and have active participation of Council staff.

## **Park and Planning Response**

The February 28 memorandum from Planning Board Chair Francoise Carrier attached at ©5-12 responds to both the recommendations of the ORC and the County Executive. The Planning Board does not support the transfer of "park user services" to the County government, as explained at ©7-8. In taking this position, the Planning Board makes the following arguments:

- The recommendation lacks a clear definition of what "park user services" include.
- Cost savings in the short or long term are not likely. No data or analysis has been provided to support the claims of efficiencies, improved customer service, and savings. The Planning Board views the recommendation as an effort to take over the Parks Enterprise Division, "which would produce no cost savings at all since this division covers its operating, capital and debt service costs fully and requires no taxpayer funding."

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county agency, and one of the principal agencies of County government; the implications for relations with our regional partners in Prince George's County; and the consequences for the County's overall planning process. I do not believe the case has been made that the potential costs savings of the merger would outweigh these other costs and considerations, and I don't believe a decision of this consequence for the County should be driven solely by the interest in financial cost savings in program operations, especially since it could have a potentially negative impact on the County's long-term fiscal health, as well as on its quality of government. The appropriate venue for such a decision is one that takes full account of all of these factors.

- County employees are more expensive than the employees of M-NCPPC. If the transfer includes maintenance and facility management staff, making them County government staff would result in cost increases immediately and over the long term. It would obligate the County to make large contributions to the M-NCPPC pension fund to make it whole for the loss of contributing participants.
- M-NCPPC has a better track record for managing programs and facilities and the work program is fully integrated. There are ongoing efforts to integrate programmatic and operational functions that would be derailed if the ORC and Executive recommendations were implemented.
- Park programs and services are highly valued by the public, and appear to be more cost effective than those offered by the Department of Recreation. The recommendation is focused on the transfer of the Enterprise Division services, which are self-sustaining and efficient.
- A single-entry registration and permitting system, administered by the Parks Department, CUPF and the Recreation Department, is already in development, will improve customer service, and is a quicker and less costly solution.
- The existing connection between parks and planning has enabled this County to build one of the greatest park systems in the nation.
- Because the Parks Department is governed by a bipartisan, quasi-independent Board, park management is not subject to the disruptions common in the leadership of executive agencies.
- A relationship whereby one entity owns and manages the land while another, separate agency controls the use of the land is untenable and unrealistic.

**The Executive sent a memorandum responding to the Chair's comments on March 17 (see ©13-21). Due to the late arrival of this memorandum, there are only limited references to its contents in this Staff memorandum.**

### **Council Staff Analysis**

Staff believes there are numerous potential benefits to combining Park services with related County Government services, but also believes that further work needs to be undertaken to confirm long term savings and assess transition costs. A detailed staffing plan, analysis of the costs and benefits, and assessment of legal issues must be undertaken before a merger can occur. Staff supports the Executive recommendation to develop a transition plan and believes that a final decision should be deferred until the transition plan demonstrates that the merger is 1) legally feasible, 2) will produce long-term savings, and 3) can be done in a way that does not significantly increase short-term costs or jeopardize benefits provided by the current structure.

Staff fully concurs with the ORC recommendation to maintain Park Planning and Stewardship of Natural and Cultural Resources at M-NCPPC. This ensures an ongoing link between land use planning and park planning, a role for the Planning Board in the acquisition and management of park land, and M-NCPPC management of all sensitive environmental resources in the park system. This also

addresses many of the concerns that were raised when the Council explored the idea of merging the entire Department of Parks into the County Government.

Staff has addressed some of the issues raised regarding the ORC recommendations below.

**Park User Services**

The Planning Board Chair raised a concern that there is uncertainty regarding the definition of “park user services.” Council staff understands that ORC used the categorizations in the FY11 M-NCPPC budget to indicate that those programs in the park services program should move to County Government, while those services in the Stewardship of Natural and Cultural Resources Program should stay at M-NCPPC. They did not specifically address the third program – Administration – other than the Park Planning functions that they recommend stay with M-NCPPC.<sup>3</sup> The subprograms of the main categories in the Department of Parks FY11 budget are as follows:

<b>PARK SERVICES PROGRAM</b>	<b>STEWARDSHIP OF NATURAL AND CULTURAL RESOURCES</b>	<b>ADMINISTRATION</b>
<p><b>Organized Sports</b> Athletic Fields Multi-Use Courts Tennis</p> <p><b>Regional Attractions</b> Boating, camping, trains/ carousels, etc.</p> <p><b>Meeting and Gathering Places</b> Community Open Space Permitted Picnic Facilities Playgrounds Dog Exercise Areas Park Activity Buildings Event Centers</p> <p><b>Trails and Parkways</b> Scenic Parkway Experiences Trails Paved</p>	<p><b>Land and Resource Management</b> Arboriculture Horticulture Natural Resource Management Cultural Resources Streams Natural Surface Trails</p> <p><b>Education and Interpretation</b> Agriculture Support Nature Centers Public Gardens</p>	<p><b>Administration</b> Management and Administration Partnerships Property Management Third-party support (inc. golf) Park Planning</p> <p><b>Capital Investment (CIP)</b></p>

Although it has been asserted that ORC was focusing on moving primarily Enterprise Fund programs, Staff believes that their intent was much broader as indicated in the list above.

Should the Council decide to move forward with the ORC recommendation, one of the first steps would be to conduct a detailed analysis of the specific programs and functions that would be transferred. ORC examined this at a broad-strokes policy level and there may be the need to adjust the

<sup>3</sup> In the FY12 Operating Budget there are **four** program areas: Park Services, Stewardship of Natural and Cultural Resources, Planning and Community Partnerships, and Administration of Parks.

recommendation so that some Park Services programs stay at M-NCPPC or some Stewardship or some Administration programs move to County Government.

### **Anticipated Savings and Efficiencies**

Council staff believes that long term savings may result from the ORC recommendation. Council staff notes that when the Council first entertained the possibility of merging the Departments of Parks and Recreation, both agencies indicated that merger was desirable if the other department was transferred to them. Both agencies identified the potential to save in the area of \$1 million through a reduction of senior level staff. The Executive also provides examples of other savings that are likely at ©16-17. Further analysis of the costs and benefits of the transaction should be completed before a final decision on merger is made.

The more significant benefit likely to result from implementation of the ORC recommendation would be better service to the citizens and the ability to have a single entity managing park and recreation functions. The structure would allow all registration and programming, i.e., classes, camps, and trips, to fall under the purview of a single agency, obviating the need to develop a merged database to be administered and shared by the Departments of Parks and Recreation. The structure would also allow for consistent pricing and cost recovery practices. While the departments have been trying to move to a single database and consistent pricing and cost recovery practices and, hopefully, will succeed in this effort, there is an ongoing need to reevaluate pricing policies, and it may be more efficient to have a single department address these issues into the future.

The ORC proposal would also result in a more transparent and rational distribution of public resources by ensuring all recreational and park user services compete for resources against the complete array of other programs and services delivered by County Government. For example, during the last round of budget savings, the Council reduced programming for youth and seniors without considering whether there were park programs that could be reduced or eliminated instead. As the Planning, Housing, and Economic Development (PHED) Committee worked on the latest amendments to the Capital Improvements Program, it reluctantly recommended delaying the construction of Germantown Town Center Urban Park, but was not able to consider whether there were Recreation projects that should be delayed instead. While cross-agency analysis of budget priorities is, in theory, possible, the reality is that it is difficult to do with the numerous issues the Council addresses during budget.

The proposal would enhance some natural connections between park operations and other functions while diminishing others. As Planning Board Chair Carrier points out, the new structure would come at the expense of existing connections between the Prince George's and Montgomery County Departments of Parks and land-use planning functions and park operations (although ORC recommended that Park Planning stay within M-NCPPC and this unit has the most critical connection to the land use planning function). On the other hand, there are untapped opportunities for new connections with existing County departments and functions. For example, it makes far more sense to have a single agency be responsible for the care and maintenance of County roads and Park roads than to have two separate agencies responsible for paving and other road maintenance issues. Similarly, it would make more sense to have one agency be responsible for tree maintenance, instead of having DOT care for street trees and M-NCPPC for park trees.

## **Potential Costs**

Potential costs of consolidation have not been quantified, and developing this information is critical before the Council can make a final decision. While Staff believes that long-term savings are possible, this should be verified with a staffing plan that identifies changes in the number of staff and in the cost of staff. The more immediate concern is the short-term transition costs. Among the many questions that need to be addressed are the following:

- Will staff associated with park service functions continue to be park employees under contract to the County Government, or will they become County employees?
- If they become County employees, what arrangement will be made to deal with pensions? How will salaries and benefits be impacted?
- If the functions transfer to the County, what will be done with maintenance equipment to perform these tasks?
- How will the per-employee and total cost of compensation change? M-NCPPC has asserted that their employees are less expensive, but the Executive disagrees (see ©14) and believes the total cost of salary and benefits is less in County Government. Staff has not yet seen any cost analysis that would enable an independent judgment.
- If office-based employees are to be relocated, what arrangements need to be made for office space, furniture, and equipment?
- How will the County ensure that net revenues associated with Enterprise facilities are not diminished as a result of the transfer?

Many of the answers to these questions can only be addressed by first determining the specific functions that will be transferred and then developing a staffing plan to indicate the number, type, and level of staff needed under a merged option. This will be a labor-intensive exercise, but one that is necessary.

Even if the analysis shows the potential for long-term savings, it may be necessary to use a phased-in approach to minimize transition costs with the goal of staying cost neutral across the two agencies in the short term and achieving savings in the long term. This approach would delay expectations for savings until implementation is achieved. If additional resources to support consolidation are not available, the approach would also require the agencies to divert necessary resources to achieve the consolidation. Council Staff notes, however, that this approach would place an additional burden on departments whose operating budgets have been shrinking for consecutive years and whose staff resources are stretched thin.

## **Cost Effective Programming**

M-NCPPC argues that park programs and services appear to be more cost effective than those offered by the Department of Recreation. Staff has not seen any data to support this conclusion and the Executive disagrees with this assertion (see ©14-16).

Staff further notes that cost recovery is not the only factor to consider in determining cost effectiveness. The Department of Recreation provides programming to vulnerable populations, including at-risk youth, seniors, and disabled populations. These programs have great social value but

rely on a greater percentage of taxpayer funding instead of user fees because of limitations on customer ability to pay.

### **Different Owners and Operators of Property**

The Planning Board Chair expressed concern about having one agency maintain the property of another agency, but there are several existing examples in the County right now where that is being done successfully (e.g., the Department of Parks maintains school fields and operates Olney Skate Park). Moreover, the Planning Board would still be the primary entity responsible for long-term planning and land acquisition (and disposal if necessary).

### **Agreement of the M-NCPPC or State Law Changes**

According to Council Attorney Robert Drummer, under State law, the Commission retains control over the maintenance, operation and policing of parkland in Montgomery County. M-NCPPC could contract out maintenance and operation of parkland with County Government; however, any agreement transferring operation of parkland would need to be approved by the full Commission, with at least one vote from the Prince George's County members. Alternatively, changes in State law could facilitate a transfer of responsibility. More analysis is needed to determine the scope of the legal issues and what changes in law, if any, are needed.

### **Council Staff Recommendation**

Council Staff believes there is considerable merit in continuing to explore the ORC recommendation, but that significant additional analysis of legal and staffing issues and cost and benefits must occur before a final decision is made. The analysis should include the following:

- First, and perhaps most critically, County legal staff should determine what changes in law, if any, are needed to allow this transfer and assess the viability of any legal changes. If legislation is necessary, they should begin the process of drafting the legislation.
- The Executive, with M-NCPPC input, should develop a detailed list of **specific** park services that would be transferred to County Government and explain where they will be assigned in County Government. While some would go to Recreation, others may more appropriately be located in the Department of Transportation (e.g., park road maintenance) or Department of General Services (activity building maintenance and repair).
- The Executive should develop a staffing plan to indicate the number and cost of staff to undertake these services. (Staff notes that this will be a useful analysis, even if the Council ultimately decides not to move park services to County Government, because it may identify specific functions that County Government can undertake more efficiently, via a limited contract, or opportunities for M-NCPPC to improve operations.)
- The Executive should estimate the costs for County Government (and savings for M-NCPPC) related to office space and office and field equipment.
- The Executive should estimate any other transition costs.



- Using the information above, the Executive should estimate the short- and long-term cost impact of the transfer and identify ways to minimize transition costs (e.g., phasing in and change over time).
- The Executive should indicate how he will ensure that net revenues associated with Enterprise facilities will not diminish.
- Both agencies should be asked to once again identify the benefits of the alternative structures.

The County Executive recommended 6 to 12 months for the development of a transition plan, and Staff agrees that this amount of time would be necessary to address all of the questions. To ensure that the Executive Branch does not spend significant time on this analysis and then find the Council does not support it, Staff recommends that the Council indicate it will move forward with the transfer if 1) there are no legal obstacles, 2) there are long-term savings, 3) transition costs can be minimized, and 4) there is no significant loss of benefits associated with the existing structure.

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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

## MEMORANDUM

February 21, 2011

TO: Valerie Ervin, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Organizational Reform Commission Recommendations

This memorandum provides the County Council with my recommendations regarding the final report of the Organizational Reform Commission (ORC) which was released on January 31, 2011. I am deeply grateful to all of the ORC members, who were very generous in volunteering their time and expertise and spent hundreds of hours in developing the report. As the attached materials indicate, I am supportive of most of the ORC recommendations and urge the Council to approve the recommendations as outlined in my attached response.

The Commission has acknowledged that implementing its recommendations will be difficult, time consuming and complex. However, this is not a sufficient justification for failing to undertake the implementation effort. In addition, the controversy and opposition that some of these recommendations have engendered are also not alone a basis for rejecting the recommendations. Challenging the status quo will always provoke opposition from entrenched interests and those not willing to undertake necessary changes. At a time when we have requested that our residents shoulder increases in taxes (i.e. the energy, telephone and property taxes) and we have reduced several important public safety and safety net services, and reduced funding for education, we owe it to the taxpayers of this County to undertake the arduous task of further restructuring our government in order to achieve every possible efficiency and savings. Furthermore, my Fiscal Year 2012 Recommended Operating Budget is very likely to include additional reductions to many vital programs and services. To ignore possible long-term savings at this critical time would be a disservice to our taxpayers.

I realize that a majority of the County Council has already indicated that at this time they do not support State legislation that would enable the Council to merge Park Police and County Police if it later chose to do so. This legislation is a necessary first step in implementing one of the most prominent recommendations of the ORC -- i.e.,

Valerie Ervin, President, County Council

Page 2

February 21, 2011

a merger of the Maryland-National Capital Park and Planning Commission (M-NCPPC) Park Police with the County Police Department.<sup>1</sup> The Council's recent action was not taken in the context of the broader ORC report, this recommendation and the upcoming March 15<sup>th</sup> budget recommendations. Unfortunately, the Council will have to make extremely difficult decisions in the FY12 budget deliberations, including reductions to services and programs, cuts in staffing levels, and possibly significant changes to pay and benefits for County employees. As I stated at the time that the Council discussed the proposed State legislation, I do not believe it was prudent for the Council to reject that potential merger, and the savings and efficiencies that would arise from that merger, before it fully evaluates all of the implications of that decision in the context of all of the issues that relate to the FY12 operating budget.

I respectfully urge you to comprehensively evaluate the ORC recommendations along with my recommendations and the implications for the FY 12 budget and beyond. My staff and I stand ready to work with you to ensure that the efficiency and effectiveness of County Government is maximized.

#### Attachments

#### copies:

Organizational Reform Commission Members  
Stephen B. Farber, County Council Staff Director  
Christopher S. Barclay, President, Board of Education  
Dr. Jerry D. Weast, Superintendent, Montgomery County Public School  
Jerry Robinson, Acting Executive Director, Housing Opportunities Commission  
Francoise Carrier, Chair, Montgomery County Planning Board  
DeRionne P. Pollard, Ph.D., President, Montgomery College  
Jerry N. Johnson, General Manager/CEO, Washington Suburban Sanitary Commission  
Executive Branch Department and Office Directors  
Fariba Kassiri, Assistant Chief Administrative Officer  
Jennifer Hughes, Special Assistant to the County Executive

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<sup>1</sup> MC/PG 112-11 - Maryland-National Capital Park and Planning Commission-County Police Authority, Metropolitan District Tax, and Transfer of Property

**11. Transfer all parks user services to County government and retain at MNCPPC park planning and environmental stewardship and ownership of park property.**

**County Executive's Position: Support with Conditions**

I fully support this recommendation and believe that it will lead to greater efficiencies, improved customer service and eventual savings. The largest share of savings would likely come from the consolidation of parks maintenance functions. I am also in full agreement with the commission that the environmental stewardship and ownership of Park property must remain with MNCPPC. The issue of consolidation of Parks and Recreation functions has been discussed actively since the release of a report by the Office of Legislative Oversight two years ago.

Every county and larger city in Maryland has some form of Parks and Recreation entity; most often a single department with two bureaus or divisions. In each case the Parks and Recreation functions are further broken down into sub-groups of Recreation and Parks as two partnered, integrally linked units.

In the organization of departments throughout the State, and the nation, parks departments have typically held the physical environment that is the land and other physical assets including improvements. Their responsibilities include the care and maintenance as well as operations of assets. Typically this includes the functional tasks necessary for the agency to offer the facility to the public for use in a safe and useable condition.

Conversely, Recreation has traditionally provided the user with programs, activities, and services for utilization in their leisure time. Recreation activities enable the customer to enjoy the fullest use of the physical asset by the provision of functions that go beyond simple access.

Normally, both Recreation and Parks function under a single administrator and are responsible to the same mission and policy direction. In Montgomery County that is not the case. It would seem even more important to have these very clear and concise roles described in detail to eliminate any confusion, duplication, or conflict.

It is important to note that all Park fields are now being scheduled by CUPF. In fact, there are currently two MNCPPC Park staff members working in the CUPF office on field permitting of County and Park fields. This has been a very favorable arrangement for both the Parks Department and CUPF. As directed by the County Council, CUPF will be adding other Park facilities and the County's Recreation centers to its inventory of space for use by the public, creating a one-stop permitting service under one entity. There should be some savings in that once all, or most, of Park facilities are under CUPF.

I recommend that a joint committee of County and Parks staff be formed for a 6-12 month period to develop a transition plan that assumes the consolidation is phased in beginning in FY12 and carry through to FY13, with a full integration to

be completed by FY14. This committee would need to be led by a neutral party and have active participation by Council staff.

## **12. Incorporate the Park Police into the Montgomery County Police Department.**

County Executive's Position: **Support**

Despite the Council's majority position on the State enabling legislation, I continue to believe that merging the Park Police into the Montgomery County Police Department would provide our residents and visitors with a more effective and efficient police system. The parks would see an improvement in police service, as would the rest of the County. While it is unfortunate that the enabling legislation was not possible this year, I will continue to work with the Council to bring this important recommendation from the ORC to fruition.

Integration of the Park Police with the Montgomery County Police (MCP) Department will provide the following benefits:

- Enhance and Improve Communications
  - Increased efficiency and safety due to units operating on common radio dispatch channels and a common Computer Aided Dispatch (CAD) system.
    - Anyone requesting public safety calls for service would be handled within the Emergency Communications Center with no need to transfer to another communications center.
    - A single dispatcher would be responsible for all county and municipal police units operating within a geographic area (The six MCP districts and Takoma Park).
    - All officers assigned to patrol functions and their supervisors would be operating on the same radio channel. These officers would be tasked with responding to calls for service in all non-regional parks as part of their overall patrol responsibilities.
    - Officers assigned to a newly created Parks Division would be responsible for the patrol of and calls for service within the six Regional Parks.
- Improve Response Time in County Parks
  - The majority of parks in Montgomery County are local or neighborhood parks. These parks are small in size and are often located a block or two off of major roadways. With over 500 MCP officers assigned to patrol duties, adding county parks to their patrol area will reduce response time for emergency calls to these parks.
  - On average, for FY10, MCP officers responded within four minutes of being dispatched to an emergency call. The time for an



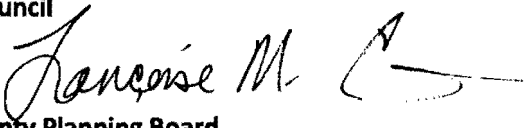
**MONTGOMERY COUNTY PLANNING BOARD**  
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

**OFFICE OF THE CHAIRMAN**

MEMORANDUM

February 28, 2011

**TO:** Montgomery County Council

**FROM:** Françoise M. Carrier   
Chair, Montgomery County Planning Board  
Vice Chair, Maryland-National Capital Park & Planning Commission

**SUBJECT:** Response to the County Executive's Organizational Reform Commission Recommendations

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This memorandum provides our response to the County Executive's February 21 proposal based on the Organizational Reform Commission (ORC)'s final report and recommendations. We recognize the difficulty of the decisions facing the County government as it finalizes the budget for fiscal year 2012, and are aware some tough decisions will have to be made. The ORC's task was a challenging one, and we applaud their efforts to find opportunities for cost-savings, efficiencies, and improved customer service. We remain in favor of streamlining functions and pursuing savings and efficiencies, and welcome continued dialogue with the Council on all possible opportunities. We support several of the recommendations contained with the ORC report and the County Executive's February 21 memo, and would like to share our concerns about a few others. Our thoughts on these are outlined below.

**Preserving the Office of Community Use of Public Facilities**

We wholeheartedly agree with the County Executive's recommendation to preserve the Office of Community Use of Public Facilities (CUPF) as an independent entity. We have enjoyed a highly collaborative relationship with this office over the years, and have recently transferred the permitting of our athletic fields to them in order to streamline the field permitting process for all users. Like our Enterprise Fund, CUPF is self-supporting and requires no tax dollars to operate. It makes little sense to transfer a successful, self-sustaining business operation when the impact of the management transfer is unknown and could have detrimental impacts on its operations and fiscal integrity.

### Consolidating the Montgomery County Law Office

We do not support the goal of developing a "blueprint for creation of a consolidated Montgomery County Law Office" for several reasons.

As you are aware, the M-NCPPC Office of the General Counsel was recently studied as part of the broader CAS review launched jointly by the Montgomery and Prince George's County Councils. Among other observations made in this context, Council staff reported as follows:

- [M-NCPPC] User departments in both counties were extremely satisfied with the embedded staff model utilized by the [M-NCPPC] Legal Department. Under this model, legal staff is designated to work within the user departments on issues specific to each County.
- Legal staff is very strong and generally provides superior quality services and products.
- The legal division is timely in providing legal advice and is always available.

We have grave reservations that consolidating or centralizing a legal department would disrupt our corporate culture of preventing legal problems by providing managers with seamless access to legal support.

On a more technical level, we echo the concern voiced by ORC that a consolidated legal organization will face "periodic conflicting interests." The ethical standards that sometimes preclude lawyers from representing multiple clients with conflicting interests are not optional and, notwithstanding laudable intentions, they carry serious consequences for attorneys who fail to comply. Our General Counsel worries that consolidation may actually escalate expenses for hiring outside counsel to resolve foreseeable conflicts in a consolidated legal organization. As you have experienced, it is very difficult for one legal office to represent two clients whose interests may be divergent from time to time.

It is also important to recognize that, notwithstanding the "embedded" model described above, the Commission's Legal Department already is largely consolidated across both counties served by M-NCPPC. For this reason, we cannot consider the prospect of joining a consolidated Montgomery County legal department without taking into account the potential service impact for our work in Prince George's County.

Finally, from a fiscal perspective, we should mention that M-NCPPC actually saved approximately \$80,000 during FY 2011 by withdrawing its risk management litigation from the County Attorney's office and bringing that work program into the M-NCPPC Legal Department. Based on this observation, we cannot agree that bigger always means more cost effective.

On the other hand, our General Counsel would welcome the opportunity to participate in a task force of chief legal officers charged with exploring opportunities for joint procurement; for example, to procure subscriptions for legal publications and online research databases. We also think it would be advantageous to include the County Attorney for Prince George's County in this sort of effort, and to consider utilizing the Council of Governments as a partner in this initiative.

### The Transfer of "Park User Services" to County Government

We do not support the transfer of "park user services" to the County government. There is no plan, no cost analysis, and no legitimate basis for such a significant departure from current practice. The recommendation is ill-defined and challenging to interpret, and raises more questions than it answers. This is clearly an effort to take over our highly successful Enterprise Division, which would produce no cost savings at all since this division covers its operating, capital and debt service costs fully and requires no taxpayer funding. The ORC and the Executive both refer to efficiencies, improved customer service, and eventual savings as outcomes of this transfer. They have not provided data or analysis to support these claims, however, and the larger implications for the rest of the park system are unclear. There is no clear definition of what "park user services" may include. No cost-savings are likely to be achieved in FY12 and there are no proven cost savings in the long-term. It makes little sense to assign our already overburdened staff to spend the better part of one year developing a transition plan based on a recommendation that is questionable, not founded on any data, and unlikely to produce any true savings in the short- or long-term. There are also several important issues that appear to have been overlooked:

- **County employees are more expensive than employees of the Maryland-National Park and Planning Commission (M-NCPPC).** If "park user services" includes maintenance and facility management staff in addition to the employees of our Enterprise Division, this could represent hundreds of employees. Making these M-NCPPC employees County government employees would result in significant cost increases immediately and over the long-term, as well as obligating the County to make large contributions to the M-NCPPC pension fund to make it whole for the loss of the contributing participants.
- **M-NCPPC has a better track record for managing programs and facilities and our work program is fully integrated.** Our ability to monitor costs by individual facility has led to greatly increased efficiencies through work program realignment and targeted energy management efforts. The connection between our stewardship and operational functions (including Park Police) has led to improved management and maintenance of environmentally sensitive areas by our operational and maintenance staff. And our cultural, natural and historic resources managers work closely with our programming and operations divisions to make needed improvements and plan programs and events to generate awareness of our county's rich history and open spaces. Splintering the park system as proposed would effectively end or derail many of these ongoing efforts.
- **Park programs and services are highly valued by the public, and appear to be more cost effective than those offered by the Department of Recreation.** Under one potential definition, most "park user services" appear to fall under the management of the Montgomery Parks Enterprise Division, which is entirely self-sufficient and requires no tax dollars to operate. In fact, our Enterprise Fund has ended the last two fiscal years with a profit, while still providing affordable classes and programs. We recently took over the operation of the Olney Skate Park from the Recreation Department. After making facility improvements and restructuring the



admission fees to satisfy customer demand, we expect to cover our costs fully in the first year and generate revenue in excess of costs thereafter. As the County Executive pointed out in his CUPF recommendation, it makes little sense to make changes to an operation that is already self-sustaining and efficient.

- **A single-entry registration and permitting system is already in development and will improve customer service.** The Department of Parks, CUPF, and the Recreation Department are currently in the process of creating a single database which will provide the public with a streamlined, single-entry system to register for classes or reserve space from all three agencies. This system would be administered by the County, supported by all three agencies, and accessible to all. Two positions have already been eliminated as a result of this effort, and additional cost savings and efficiencies may be attainable. This is a much quicker and less costly solution – and it does not risk effectively dismantling our County’s incredibly popular park system.
- **The existing connection between parks and planning has enabled this County to build one of the greatest park systems in the nation.** This relationship and its resulting direction have created this county’s development and growth culture that so successfully retains residents and businesses. One result is that the M-NCPPC is the only agency in the entire nation to have won the Gold Medal for Excellence in Parks and Recreation five times. We should all be taking credit for this amazing park system, and leveraging its reputation to boost the County’s economic development effort, rather than dismantling this community asset.
- **Because the Department of Parks is governed by a bipartisan, quasi-independent Board, park management is not subject to the disruptions common in the leadership of executive agencies.** This permits long-range planning and programming, consistency in program delivery, development of a strategic, non-political approach to public service, and a stronger, direct relationship with the County Council. Such independent boards or commissions are common to successful parks operations nationwide.
- **A relationship whereby one entity owns and manages the land while another, separate agency controls the use of the land is untenable and unrealistic.** Which entity would have control over land-use decisions? Who would secure the bonds for new development of recreational facilities?

The M-NCPPC was created more than 80 years ago to manage, protect and program parkland for the residents of the bi-county area. Our agency has been recognized nationally for its high quality services and programs. More than 90% of the county’s population visits our parks each year and most more than once. We consistently receive top marks from residents and users in the County Executive’s surveys and our own customer satisfaction surveys. While our acreage and responsibilities have continued to grow over the past decade, our agency has reduced overall work years by 10%. Our county park system is operating efficiently and effectively and is highly valued. There is no just cause to break apart an agency that continues to control costs and successfully deliver critical services to our residents.

### Merging Park Police and County Police

A merger of Park Police into County Police will create significant upfront costs rather than savings in FY12 with no tangible benefits to taxpayers and park users. We continue to recommend against such a merger for the following reasons:

- **This merger will not produce short- or long-term savings.** The Montgomery County Executive has declared that consolidating the Park Police Division within the County Police Department will save at least \$1.9 million in FY12 by eliminating 19 Park Police positions. In reality, a consolidation could cost \$2 million in FY12 once one-time and recurring costs are factored in. The county's proposed merger would trigger a reduction-in-force (RIF) of the entire Park Police Division in Montgomery County. A RIF of this magnitude has significant associated costs that have been disregarded in purported cost savings. Additionally, there are a number of retired and terminated but vested Park Police Officers from the Montgomery County division that are members of the Commission's Employees' Retirement System and receive pension and health benefits and/or have accrued those benefits. The actuarial accrued value of pension benefits is approximately \$44.3 million, with funding in the amount of \$35.3 million currently available in the plan. Accordingly, the County would be responsible for funding the \$9.0 million difference. The unfunded accrued liability for health benefits is valued at \$15.2 million. In addition, risk associated with future losses to the plans would remain as outstanding funding obligations of the County. These estimates assume that the County pension and health plans absorb the value of pension and health benefits earned by those officers who are hired by the MCP.

In future years, recurring costs will likely offset any savings from police personnel reductions. If the proposed merger takes place, Montgomery Parks will need to spend approximately \$1 million per year to replace safety and enforcement functions currently carried out by the Park Police which the County Police will not provide. These functions must remain integrated with park operations to ensure the safety and quality of the park system. These functions include encroachment enforcement, natural resource protection, wildlife management, user permit enforcement, park alerts, and maintenance service call center functions. In addition, County Police salary and benefits cost over \$8,000 more per officer than those of the Park Police, not including various contract differences like the County's disability retirement and other benefits that could make the cost differential even higher. The salary differential alone could result in an increased cost of \$700,000 annually if Park Police officers become County Police officers. The County's police force is simply more expensive overall.

- **Park Police functions are different than those of County Police.** Response to emergency calls and investigation of crimes are the priorities for the County Police. In contrast, Park Police emphasize proactive patrols of more than 35,000 acres of parkland, many of which are isolated, and are a regular presence in the parks (over 10% of the county landmass is managed by M-NCPPC). Park Police serve as a hub for almost everything relating to park safety, not just 911 calls. In addition to traditional policing, Park Police officers also handle or forward hundreds of service and repair requests for over 400 parks, via a central communications system; protect natural and historic resources; monitor dozens of surveillance cameras and alarm systems;

advise on park designs to improve safety on playgrounds and park property; patrol vast uninhabited areas for illegal occupancy and use; keep drug and criminal activity out of parklands; manage user conflicts on park fields; uncover and enforce many substantial park encroachments; protect, patrol, and investigate property crimes inside County recreation centers and pools; and act as front-line stream protectors – functions not provided by other county forces.

- **Merging Park Police into County Police would have a significant impact on service delivery.** County Police response time to an emergency call is estimated at four minutes. However, since the majority of citizen-generated calls for service to the Park Police are not of the highest priority to County Police, these calls will likely wait for service while higher priority calls are dispatched. Limiting Park Police coverage under County management to only the larger, regional parks – one alternative that has been discussed in connection with a merger -- leaves more than 400 neighborhood and local parks, plus a vast network of trails, without proactive Park Police patrols and protection. For the merger to truly save money, Park Police officer and staff positions will likely be eliminated, reducing the proactive patrols and integrated supporting services that are currently so successful in keeping our parks safe and accessible. The merger would also remove the Department of Park's direct oversight and ability to send patrols to problem areas immediately.
  
- **The Park Police are efficient and effective and already cooperate regularly with County Police.** For many years, the Park Police have participated in a mutual aid arrangement with the County police and several municipal forces in both Montgomery and Prince George's counties. In 2007, the two forces signed a comprehensive MOU which has worked well to delineate duties, responsibilities, and expectations and coordinate the provision of services. Both forces use the same communications system, which enables 911 calls in a park to be referred immediately to Park Police or picked up directly by Park Police officers. Both forces are on the same radio system and can back each other up, as needed. Efficiencies have been gained without costly personnel moves or detrimental service level impacts.

If a merger were to take place, we are concerned the County will end up paying more for fewer officers to protect our parks. If we remove the current practice of proactive patrolling of all of our parks, crime and illegal activity in our parks is certain to increase. This in turn places our park users at greater risk and makes our parks less attractive to residents and businesses, weakening the value of one of the County's greatest assets.

**Consolidate County Information Technology Leadership into a single, Independent CIO**

We believe this recommendation requires additional consideration and support the County Executive's recommendation that the CARS Information Technology Subcommittee conduct a full assessment. We look forward to continued dialogue with our colleagues on this matter.

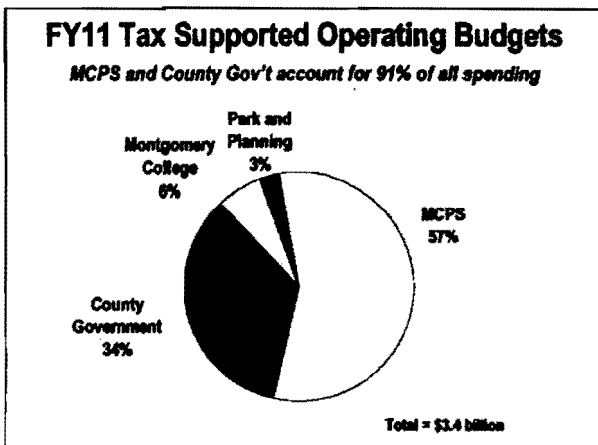
**In Conclusion**

We absolutely understand the need to search for savings and efficiencies at this critical time. We continue to identify and act upon these opportunities whenever possible. We have controlled our costs and reduced our work years by 10% over the past decade in spite of the addition of significant park acreage and management responsibilities, and in stark contrast to Montgomery College, MCPS, and County government (see the inset chart from the recent OLO report 2011-2). As our recent semi-annual report has shown, the Department of Parks has increased volunteerism to over 82,000 hours per year, maintained our Enterprise Fund's profitability (while keeping fees affordable), and is securing fair market rates for our leases and agreements. In addition, we are developing a corporate sponsorship program, revamping the Montgomery Parks Foundation to help support our operations, and coordinating with county agencies to streamline services and reduce costs where appropriate.

	FY02	FY11	Percent Change
<b>All Agencies</b>	<b>26,702</b>	<b>29,400</b>	<b>+10%</b>
<b>MCPS</b>	<b>17,085</b>	<b>19,439</b>	<b>+14%</b>
<b>County Government</b>	<b>7,347</b>	<b>7,374</b>	<b>+0.4%</b>
<b>Montgomery College</b>	<b>1,363</b>	<b>1,773</b>	<b>+30%</b>
<b>Park &amp; Planning</b>	<b>907</b>	<b>814</b>	<b>-10%</b>

In his memo, the Executive points out that the Department of Liquor Control was "...created under Maryland State Law in 1934 and pre-dates "Charter" government" and that "The authority and oversight, organizational structure, financial management, and revenue disposition of DLC and its operations are all mandated under Article 2B of the Maryland Code." As a result, the Executive advises its "...unique status..." be acknowledged and recommends "...granting [the Department of Liquor Control] some degree of management flexibility in pursuit of its operational goals..." We, too, were

created under Maryland State Law, in 1927. Our structure, financial management and revenue disposition, and our operations are all mandated under Article 28 of the Maryland Code. As many of you have acknowledged when Parks management has appeared before the full County Council, the Department of Parks is a well-run, well-managed agency, and we continue to make improvements. It is also important to note that our budget represents only a very small fraction of overall County government spending (see inset chart from OLO report 2011-2).



We want to make sure any decisions made are in the best interest of the public and the county budget. However, it is distressing to see recommendations with such significant impacts for our agency made without suitable consideration of our current practices, structure, successes, and achievements and without any evident analysis, clear plan, or tangible cost savings. We urge the Council to keep the County's valuable park system intact so we can continue to fulfill our mission to protect and interpret



our valuable natural and cultural resources; balance the demand for recreation with the need for conservation; offer a variety of enjoyable recreational activities that encourage healthy lifestyles; and provide clean, safe and accessible places for leisure-time activities, as pledged to our county residents and faithfully delivered for more than 80 years.



OFFICE OF THE COUNTY EXECUTIVE

Isiah Leggett  
County Executive

Timothy L. Firestine  
Chief Administrative Officer

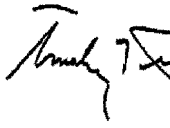
MEMORANDUM

March 17, 2011

TO: Nancy Floreen, Chair, PHED Committee  
Marc Elrich, PHED Committee  
George Leventhal, PHED Committee

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: Proposed Transfer of All Parks User Services to County Government



This memorandum is in reference to Chair Carrier's February 28, 2011 memo regarding the County Executive's position on the ORC recommendation to merge park user services into the County operation.

As has been well documented, the unprecedented fiscal challenges have precipitated the need to find any and all efficiencies in County government to address this challenge. Any and all efficiencies regardless of how large or small are significant. We believe that it is irresponsible to dismiss ORC or any other entities efficiency recommendations based on incomplete and misleading information. The County Executive does believe that this recommendation will lead to greater efficiencies, better customer service, and cost savings in a variety of operational areas

I hope the following information can help clarify some of the concerns/points raised in M-NCPPC February 28th memorandum:

- The memorandum states: **"Park programs are highly valued by the public and appear to be more cost effective than those offered by the Department of Recreation."**

This memorandum refers to the Montgomery Parks Enterprise division as being "entirely self sufficient" and requiring "no tax dollars" to operate. We believe this statement is simply not justified. Only a few short years ago this fund was not self sufficient and in fact for many years prior required tax dollars to operate. After years of being subsidized by the general fund and then being relieved of its debt obligations for its golf courses through merger with the Montgomery County Revenue Authority (MCRA), the Parks' enterprise fund is currently self sufficient. It is a fact that until the MCRA

took over the golf courses and assumed Parks responsibility for the golf course debts, the fund was not self sufficient. The relevant history is that the Parks courses did not have positive cash flow for 12 of the last 13 years of Parks operation of the courses:

Net revenue for P&P courses has not been positive for 12 of the last 13 years:

FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
-523	-608	-539	-1,790	-432	-497	-1432	-1371

The courses had approximately \$17 million in required improvements that needed to be made to the courses. The MCRA has made \$400,000 of improvements already and is scheduled to invest over \$2.5 million over the next seven years.

- **The memorandum states that M-NCPPC has a better track record for managing programs and facilities and its work is fully integrated.**

In support of this statement, M-NCPPC writes of its stewardship of County Parks claiming: "The connection between our stewardship and operational functions (including Park Police) has led to improved management and maintenance of environmentally sensitive areas by our operational and maintenance staff...Splintering the park system as proposed would effectively end or derail many of these ongoing efforts." This statement is inaccurate. In fact when the Parks golf courses were merged into MCRA's system of public golf, each course transferred by Parks had serious environmental issues associated with it which were discovered through MCRA due diligence inspections of the courses and required to be remedied by Parks.

- **The memorandum states that County Employees Cost Less than M-NCPPC Employees**

The Planning Board asserts that Montgomery County employees are more expensive than employees of M-NCPPC. A recent independent report conducted by The PFM Group found the opposite to be true. There are some classifications of positions within Parks whose salaries are comparably slightly less than similar positions held in the County. However, the cost share for M-NCPPC for group insurance is 85%. This compares to 80/20% for most county government employees. After the proposed benefit changes take place this ratio will be 70/30. In addition, the MNCCPC share of group insurance for retirees is the same as for active employees 85/15. For most County retirees it is 70/30. Not only does this keep the County costs lower, it reduces our OPEB liability. Lastly All M-NCPPC employees are in costly defined benefit pension plans. All County government employees, except sworn public safety employees, have been in much more cost effective defined contribution retirement plans since 1994.

- **The memorandum also comments on Program Efficiency and Cost Recovery**

M-NCPPC claims to have more cost effective programming. Enterprise division programming within the Parks Department is required by County policy to be

financially self sufficient and cover all direct costs through fees generated. Thus, program and facilities such as the skating rinks and tennis facilities cover their direct expenses. This policy was set after numerous years of this programming being subsidized by general fund dollars. Conversely, the Department of Recreation is required by budget approval to cover half of its entire budget through fees garnered. As a matter of County policy, several categories of programs within the Recreation Department, but not all programs, are required by policy to cover their direct costs. The programs that are required to cover their costs such as aquatics, adult sports, classes, etc, do in fact cover their direct costs. Examples of programs that are not required to cover all of their direct costs within the Recreation Department are after school programs for at-risk youth, programming at Senior Centers, and programming for the disabled.

When enterprise functions are transferred to Recreation, they will operate within the section of programming that is required to cover its costs and merge into a larger enterprise division. The programs that currently cover their costs, including debt service, within Parks will continue to operate under the same policy within Recreation. In addition, the fiscal challenge has precipitated the need for the Recreation Department to reevaluate its cost recovery methodology for all programming. Thus, the Department as a whole is moving to a cost recovery model that will require all programming to be more self sufficient.

The following is some additional information about our approach and suggested next steps for the Parks/Recreation merger:

The County Executive instructed all County agencies to look at mission driven functions to determine if there were programming or operational elements that are within their mission but provided elsewhere. Recreation related programming is a core function of the Recreation Department. In Montgomery County it is not a core function of the Parks Department. It is not efficient to have two agencies responsible for Recreation programming and it is in the best interests of the County to merge the Parks recreation programs into the Recreation Department.

The transition will take time and must be done carefully and thoughtfully to ensure continuity of service. The legal structure of the two agencies recognizes that the Recreation Department has the core responsibility for recreation activities. The County already operates many facilities and programming elements under agreements with M-NCPPC and implementation of this merger of programs can be accomplished and will achieve greater delivery of services efficiencies. The transition of facility assets and their operation has a great deal of precedence and is already extensively done. One example is the operation of the Wisconsin Place Community Center in Friendship Heights. This facility is owned by M-NCPPC, but under an agreement with the County, it is operated and maintained by the Department of Recreation. Furthermore, much of the analysis involved in such a merger has been conducted over the last two years in response to the report issued by the Office of Legislative Oversight and through a County Council



Resolution to merger permitting under the Community Use for Public Facilities and registration through the County and a single entry portal.

**Definition of "Park User Services"**

The ORC report defines park user services to include 1) recreation programming, including classes, camps, and trips; 2) programming and upkeep of sports facilities, including athletic fields, tennis courts, and ice rinks; 3) programming and upkeep for park and facilities, and trains/carousels; 4) facility permitting and class registration; and 5) park law enforcement functions.

The County Executive agrees with most of this definition. However, programs and activities directly associated with interpretive and educational programs and resources under the care of Parks should remain within Parks. Under this definition, nature center facilities and related programming are important to Parks' vision and mission and should remain within Parks. However, programming and facility elements such as the ice skating rinks, tennis facilities, event centers, vehicle and equipment, and possibly general park maintenance would transfer their operation to the County.

**Transition Plan and Timeline**

To ensure continuity of service and minimize any potential disruption to operations, we propose the formation of a committee made up of all relevant County and M-NCPPC staff to establish and implement a 6 to 12 month transition plan, which would begin in FY12 and carry through FY13, with a full integration to be completed by FY14. To ensure that all benchmarks are met, we recommend that this group be led by a neutral party and have significant involvement by Council staff.

The scope of work would include the following:

- Human Resources Sub-Committee  
Analyze job functions of all associated staff to determine if there is any redundancy within County positions. Evaluate all benefits, tenure, and related human resource applications to ensure consistency with the County personnel system and regulations and minimize disruption to transferring staff. Labor should be actively engaged in this process.
- Budget and Finance Sub-Committee  
Review the financing of all facilities both operationally and from a capital perspective.
- Legal Sub-Committee  
Review all legal aspects of the merger to ensure compliance with all County and State laws and policies.
- Operations & Information Technology Sub-Committee  
Review all programming elements to ensure continuity and that customer service remains at high levels through the transition. Begin implementation of the single

portal registration system that was recommended by the multi-agency response to the Council Resolution regarding the consolidation of registration, permitting, and programming.

- Marketing and Public Relations Sub-Committee  
Develop communications plan to minimize customer service impact during the transition.
- Facility and Equipment Maintenance Sub-Committee  
Review all maintenance functions and propose a plan to merge those elements.

### **Merger of Maintenance Related Functions**

The ORC recommendation includes not only the programming but also the “upkeep” of related facilities. “Facilities,” in this case, applies not only to buildings and major structures but also fields, aquatics facilities, rinks, trains and carousels, and other related appurtenances. It is assumed this transfer will include trucks, cars, trailers, heavy and light equipment employed in the maintenance of these “facilities,” as well as the facilities at which this motorized equipment is stored, fueled and maintained.

Based on research performed by Executive staff thus far it is very difficult to ascertain from MNCPPC budget publications how this is distributed among the various Parks functions, or whether it is isolated to Montgomery County parks or shared/distributed between Montgomery and Prince Georges parks maintenance operations. Further analysis of the Parks budget would provide clarification on what exactly is included in the various elements of its budget presentation. For example, Executive staff would like to know what portion of the FY12 Parks Fund - Operating budget, shown in the budget request<sup>1</sup> is attributable to maintenance and up keep of facilities. Drilling down on the details is complicated by the segmentation of categories labeled: Facilities Management, Northern Parks, Southern Parks, Support Services, Public affairs and Community Partnerships, and Management Services. In addition to the Parks budget are the costs associated with the Enterprise Fund (\$9.6 million, 32 Full Time, 1 Term, and 82.4 work years of seasonal employees) used to support Ice Rinks, Indoor tennis, Social-Conference Centers, Park Facilities, and Administration through revenue generating user fees.

We are optimistic that savings are likely through; (1) consolidation of operations and distribution of the workforce in the planning and design, facilities, and equipment maintenance functions, (2) elimination of some mid-level positions as well as some front line positions if certain work currently performed in-house by Parks staff can be added to existing or future outsourced contracts, (3) contracting out for more services and better sharing of contracts such as landscape and building services and the

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<sup>1</sup> The Request was \$83 million tax-supported (an increase of 11.9%) with a personnel complement of 662 full time employees, 13 part time employees, 4 term positions and 32.7 work years of seasonal employees an increase of 38.6 work years.

elimination of duplicative services. However, this requires a more detailed examination of the Park budget than has been or can be performed at this time.

- Step One: Budget clarity required - Determine the level of savings or the technical potential for more savings than what ORC cites. The joint committee referenced earlier should include in its analysis:
  - A determination of which services are currently performed as “maintenance” by Parks staff and contractors.
    - An unbundling of the budgetary entries in parks budget noted above particularly those labeled Southern Parks, Northern Parks, Facilities Management, and Support Services.
    - An identification of the vehicles which would be conveyed and the associated mechanical staff that would service them, as well as the facilities at which this work is performed, including vehicle and equipment types, age of the equipment and vehicles, and current maintenance schedules.
    - An assessment of gaps of efforts not being performed that must be completed, including Americans with Disabilities Act (ADA) compliance. This also includes additional ADA requirements for recreational facilities included in the 2010 Title 2 Revisions, effective March 15, 2012.
  - A determination of which services could be contracted out in lieu of in-house maintenance
    - An assessment of whether these “savings” provide enhanced services or less expensive services
    - A clarification of whether County contracting rules would apply
    - Further study of the legal challenges that may apply to converting current Parks contracts to the County

#### Parks maintenance

Further clarity is required regarding the division of responsibility between recreation programming and upkeep and parks maintenance. The ORC is careful to state that MNCPPC retains “park planning functions” as well as “environmental stewardship of natural, historic and cultural resources on park property.”

It is unclear from the recommendation which entity, County or Parks, is responsible for the construction and maintenance/repair of shelters, bridges, signs and the like within parks. We understand that Parks staff currently performs this work in conjunction with its other recreation maintenance services. DGS believes it would be best to continue this approach as it affords better opportunity for efficiencies and cost control. However, if Parks is to continue performing parks-only work there may be challenges and additional costs involved in dividing staff, materiel, and facilities.

Parks planning

If Parks is to retain "park planning functions" this could unintentionally result in Parks planning facilities that County Recreation and General Services will then be obligated to program and maintain. This model invites coordination challenges resulting in budget and resource gaps. To achieve maximum efficiency and realize the intended outcome of savings through a "more streamlined, user-friendly" operation, a well coordinated process should be developed through which advanced planning takes place. This can best be achieved if the design and construction of these facilities resides in the Executive Branch. Currently, General Services, with OMB participation, conducts short and long term capital facility planning sessions with County departments to coordinate their strategic plans and help project future demands with DGS resources and CIP capacity. The result is an informed long range CIP that avoids duplication and conflicts.

Parks equipment

Common to all recreation "upkeep" is the need to maintain motorized equipment. Thus far we have been unable to determine the inventory, age, condition, and maintenance record for vehicles and equipment. Knowing this will better enable DGS to determine what savings may be realized through this transfer. Assuming similarities in some, if not most items, it is likely that savings can be achieved through the greater purchasing power held by the County. It may also be possible that savings through some outsourced services could be achieved if County contracts cover equipment maintenance currently performed by Parks staff.

It will also be necessary to assess the condition of Parks maintenance facilities to determine the condition of those facilities. There may be opportunity for savings should County Fleet Maintenance Services be able to reallocate maintenance among County and Parks maintenance facilities, possibly even with the result of avoiding future capital construction to expand facilities. However, this needs further analysis.

As referenced earlier, it is unclear whether equipment (or materials, or staff) are allocated across the entire Parks operation, including Prince Georges County. In other words, is the work, equipment, supplies, etc. being subsidized in one county by funding or other some other support of the other county. Records available thus far do not clearly indicate whether or not costs and equipment (and possibly staff) are segregated by county or are distributed by program without reference to political jurisdiction.

- Step Two: Implementation strategy  
Once the issues addressed in Step One are resolved, a concise estimate of potential savings can be completed.
  - Personnel Cost reductions/comparisons
    - The Office of Legislative Oversight (OLO) report published during the fall of calendar year 2010 notes that County employees in comparable jobs, both skilled and unskilled crafts and trades, are

paid slightly more than M-NCPPC employees; however, for Fiscal Year 2012 and beyond, that may not be true. County employee requests for personnel do not include a general wage adjustment or a continuation of merit "step" increase, both of which are included in Parks' requested budget. In addition, County facilities maintenance staff has been reduced in numbers since the 1990's as the County pursued a policy of contracting for services (see discussion in next section on contracting). This policy actually resulted in County maintenance employees functioning as contract oversight or service delivery supervisors rather than task performing workers. As such, County employees are being compensated for this higher level of responsibility and this has allowed the County to reduce cost of services by more than 30% over the past decade.

- The current Parks budget request utilizes only \$784,700 of contractual services, choosing to perform nearly all function internally or "in-house." The implementation committee should carefully review the opportunity to use contractors for skilled and unskilled tasks for trades and crafts. To illustrate this concept of the difference in "production" employment compared to annual employment assume an employee works 40 hours a week for 52 weeks a year, or a total of 2080 hours of annual work. In the case of "in-house" employees they receive 2-3 weeks of annual leave, and equal number of days of sick leave, and 11-14 days of holidays or personal time off which reduces the production time for in-house employees by about 300 hours (or 7.5 weeks) annually when they are not available to do work. A normal operational solution to this is to have extra staff positions to deploy in order to accomplish the work required, or to fill "swing seats" to keep crews working effectively. Alternatively, contractors get paid only for the work they perform, and generally at a lower rate than in-house employees (Current Montgomery County Living wage requirement is for a minimum of about \$13.50 which would typically apply to unskilled labor). This assessment should also include estimates of increased cost as some Parks staff would be elevated to roles for contract oversight or service delivery supervisors similar to those being used in the County.
- The change over to contracting services could potentially be made without a significant layoff of Parks' staff by selectively applying the attrition /turnover rate (shown in current M-NCPPC personnel publications as 33.1% annually) and training for the new role assignments. Implementation should consider a phased transfer of responsibilities to minimize the impact on occupied positions.
- As implementation moves forward, areas where realistic improvements in service levels or performance should be noted by category. For example,

after the implementers have available the number and age of vehicles and equipment plus the maintenance schedule for each type, then the expectation for enhanced service deliver should be incorporated into the performance standards. In this instance, it would be appropriate to acknowledge that the County's Fleet operation had a 98% availability of equipment for the past two winters' storm events, a statistic that lead the metropolitan area by a significant percentage.

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We feel that the merger of Recreation programming under the Recreation Department makes a great deal of sense and will result in savings. We acknowledge that there still needs to be some analysis done, especially related to maintenance functions, before defining all of the specific elements of a transfer. This work can and would be accomplished through a 6 to 12 month process with the goal of minimizing any disruption to service or customer impact.

TLF:ja

cc: Francoise M. Carrier, Chair, Montgomery County Planning Board