



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 29, 2024

The Honorable Jolene Ivey
Prince George's County Council
Wayne K. Curry Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Ivey:

Enclosed for your consideration are comments and recommendations for the Proposed FY 2025 Annual Budget of the Maryland-National Capital Park and Planning Commission (M-NCPPC). The comments are based on the original budget proposal submitted by M-NCPPC on January 15, 2024.

The M-NCPPC's FY 2025 proposed budget totals in the amount of \$508.7 million net of designated reserves, including Enterprise, Special Revenue, and Park Debt. This represents an increase of \$93.9 million or 22.6% above the adopted amount for FY 2024. This increase is primarily due to the increase in funding needed to address critical needs and a one-time transfer from the Administrative Fund to the Largo HQ Building ISF.

The Park's debt increased by \$2.7 million, or 18.5%, over the FY 2024 adopted budget. The budget for the capital improvement program (CIP) is \$ 131.23 million, 3% less than the FY 2024 adjusted adopted budget.

The budget for the three major tax-supported funds – Administration, Park and Recreation Funds, excluding reserves – totals to the amount of \$466.5 million, an increase of \$88.2 million or 23.3%. Additionally, \$16.6 million has been budgeted for the Enterprise Funds, which is a \$3.1 million increase from FY 2024.

I commend the Commission for proposing an operating budget that remains within the Spending Affordability Committee (SAC) spending ceilings. I look forward to working with you and other members of the County Council to ensure that future spending plans do not necessitate future tax increases.

SIGNIFICANT ISSUES

•**Property Taxes** – Property tax revenues constitute 96% of the General Fund’s operating revenues. The tax rates for FY 2025 are unchanged from FY 2024 at 29.4 cents for real property and 73.5 cents for personal property. It should be noted that the Commission has been able to maintain services without an increase in the total tax rate in FY 2025. This has been possible through innovative fiscal management strategies and a collaborative working relationship between the Commission and the County Executive and County Council. The Commission’s estimated property tax revenue for FY 2025 is based on the assumptions of a 7.26% increase in its real property assessable base. The remaining 4% of the General Fund revenues are projected to increase by 15.9% in FY 2025.

•**Expenditures** – I continue to welcome the Commission’s efforts to address cost drivers and liabilities in the FY 2025 Proposed Budget. Property tax remains as the primary source of revenue at 96%. I recommend that the Commission continue to embrace new revenue and savings opportunities. I also urge the Commission to continue examining all wage enhancements and make the appropriate adjustments on a timely basis based on affordability. Simultaneously, I recommend the Commission continue to expand youth sports, recreation and other activities within our County and continue to work with PGCPs to improve reliable access to recreation facilities and fields.

•**Project Charges** – In past years, per agreement, the Commission has transferred payments (“project charges”) to the County, outside agencies, and other entities for certain services provided. These funds support continuing operations for both the County and outside agencies. From FY 2005 to FY 2012, project charge payments to the County and other agencies increased from \$5 million to \$22 million annually. This increase coincided with the same period that property tax revenues began a steep decline, resulting in the Commission having to redirect resources to meet the rising project charge costs. Some years ago, the Commission began working together with the County on a plan of phased reductions in project charges. FY 2021 was the last year of those planned phased reductions. The total amount for project charges in FY 2025 is \$9.8 million, which includes an increase of \$540,000 to better align with the Commission’s share of project charges. I commend the Commission for its greater focus on the mission of MNCPPC, resulting in more mission-focused project costs in FY 2025.

•**Fund Balance** – At the start of FY 2025, the estimated combined undesignated fund balances for the Administration, Park and Recreation funds total \$173 million. The Commission’s FY 2025 proposed budget would result in a projected ending total undesignated fund balance of \$103.8 million. In total, the FY 2025 Proposed Budget decreases the fund balance by -\$69.1 million to support operations and capital funding.

•**Fringe Benefits** – OPEB costs for FY 2024 are expected to be \$1.3 million or a 10.6% increase over FY 2023 totaling \$12.2 million. Total OPEB funding is \$13.5 million. At this level of funding, the Commission continues to be essentially at full funding of the annual required contribution.

CAPITAL IMPROVEMENT PROGRAM

The Commission's continued focus includes the renovation and expansion of existing parks and recreational facilities, increasing youth programs, incorporating more health and wellness programs, and continued efforts in land preservation and restoration. The Commission will also continue the implementation of the Formula 2040 goals in FY 2025.

The Commission's FY 2025 budget proposes a capital budget of \$131.23 million in FY 2025 for park acquisition, park development and infrastructure maintenance. This plan includes \$5.0 million in acquisition projects, \$59 million in development projects, and \$67.2 million in infrastructure maintenance. The Commission uses the CIP to plan for facilities that will come online in the future. It builds upon the FY 2024-2029 Six-Year CIP which provides funding for new projects while continuing to emphasize maintenance and renovation of existing park infrastructure.

SUMMARY

I appreciate the Commission's efforts to begin making the investments necessary to ensure that existing services and facilities are in the proper condition to meet the public's needs in the present and in the future. The longer these needs are deferred the more expensive they will become to address in the future. Both our residents and businesses appreciate any opportunity to save money and grow responsibly. I look forward to working with the Commission and the County Council as you consider the Commission's FY 2025 budget.

Sincerely,



Angela D. Alsobrooks,
County Executive