

AGENDA ITEM #2
May 8, 2008

Worksession

MEMORANDUM

May 6, 2008

TO: County Council

FROM: *KL* Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY08 Operating Budget: Department of Permitting Services**

Planning, Housing, and Economic Development Committee Recommendation: Approve with the Following Change:

- Remove funding for the Clarksburg Ombudsman position (\$133,330)

Those expected for this worksession:

From DPS

Carla Reid, Director

Tom Laycock, IT Manager

Stan Wong, Chief, Division of Land Development

Reggie Jetter, Chief, Division of Casework Management

Hadi Mansouri, Chief, Division of Building Construction

Alicia Thomas, Mgmt. & Budget Specialist

Chris Mullin, Office of Management and Budget

The County Executive's Recommended Operating Budget for DPS is attached on ©1-7.

Overview

DPS' expenditures and revenues are part of an enterprise fund, meaning the financial activity within the fund is distinct and separate from the General Fund. An enterprise fund is intended to be self-supporting; with revenues covering expenditure and reserve requirements.

Because DPS is an enterprise fund, any potential savings identified in DPS expenditures or increases in DPS revenues are not available to offset expenditure increases outside the DPS

fund. The Permitting Services Fund does pay an indirect cost rate, consistent with other enterprise funds, to the General Fund as well as some direct charges for services (such as County Attorney costs related to assisting DPS).

For FY09, the Executive recommends total expenditures of \$29,761,850, a 10% increase from the FY08 approved budget.

**Table #1
DPS Expenditures**

	Actual FY07	Approved FY08	Rec FY09	Change from FY08 \$\$\$	%
Personnel Costs	20,111,514	21,835,250	23,755,060	1,919,810	8.8%
Operating Expenses	3,369,867	5,208,960	5,894,790	685,830	13.2%
Debt Service Other	51,909	-			
Capital Outlay	64,368	-	112,000	112,000	-
Total	23,597,658	27,044,210	29,761,850	2,717,640	10.0%
Full-Time Positions	213	216	220	4	1.9%
Part-Time Positions	1	1	1	-	0.0%
Workyears	215.5	213.9	217.7	3.8	1.8%

The Executive recommends a net increase of 4 full-time positions (4 Senior Permit Specialists) to implement the Council's approved green building legislation.

Table 2 below breaks out the changes from the FY08 Approved Budget to the FY09 Recommended Budget in two broad categories, "Technical Adjustments" and "Other."

**Table 3:
Expenditure Changes in the FY09 DPS Budget**

Technical Adjustments	Expenditures
General Wage and Service Increment Adjustment	1,224,680
Labor Contracts - Other	18,800
Annualization of FY08 Personnel Costs	(24,400)
Annualization of FY08 Lapsed Positions	(65,000)
Proficiency Advancements	54,940
Pre-Fund Retiree Health Insurance (GASB45)	300,700
Finance-Controller Division Chargeback	12,120
Group Insurance Adjustment	271,450
Retirement Adjustment	50,180
Risk Management Adjustment	46,800
Motor Pool Rate Adjustment	111,950
Printing and Mail Adjustment	10,660
Central Duplicating Deficit Recovery Charge	3,140
Occupational Medical Services Adjustment	240
Master Lease Adjustment for Financed Hardware	9,230
Elimination of one-time items from FY08	(650,000)
Office Rent Increase	111,070
Information Technology Maintenance Costs	86,900
Subtotal - Technical Adjustments	1,573,460
Other	
Add Credit Card Acceptance Fees	569,010
Add Green Building Law Implementation	441,840
Continue Clarksburg Ombudsman Position Through FY09	133,330
Subtotal - Other	1,144,180
Total Increase	2,717,640

Of the \$2.7 million overall increase, a net amount of approximately \$1.6 million is a result of various technical adjustments. Many of these adjustments are common to other County Government departments (such as compensation and benefit adjustments, annualizations, motor pool, central duplicating and others). One-time costs approved in FY08 are also removed. However, because DPS is an enterprise fund, a number of other technical costs are involved as well (such as GASB45 contributions, a Finance department chargeback, occupational medical, rental costs, and others).

Approximately \$1.1 million is included for "Other" expenditures. The three items included in this category include:

- Implementation of the County's Green Building law (Bill 17-06) and the follow-up regulation (ER 19-07AM). The four new positions requested are consistent with the fiscal impact statement discussed at the time the Council discussed ER 19-07.
- Continuation of the Clarksburg Ombudsman full-time position through FY09. *This position is funded in the DPS budget but works out of the Office of the County Executive. The PHED Committee recommends removing the funds associated with this position and having the MFP Committee discuss future funding for the position.*
- Acceptance of credit cards for fee payments starting in FY09 (2% cost per transaction to be recovered through fee increases).

Revenues

As an Enterprise Fund, DPS' revenues are a key component of the budget. DPS fees are set in a variety of ways including regulation (Method 2 or 3) and Council resolution. **The Council will approve the fees set by resolution on May 14. The Method 2 and Method 3 fee changes will be reviewed when they are received from the County Executive.**

FY08 estimated revenues are about \$1.22 million (4.0 percent) below the original budget assumptions. Given recent market conditions, a revenue downturn is not unexpected. In fact, DPS' 2nd quarter year-end building permit projections were down about \$2.3 million. However, other fees are stable or rising. Also, DPS has some fees, such as the site plan enforcement surcharge which are expected to ramp up in FY09.

In projecting FY09 revenues, a 1% growth factor in base revenues was assumed based on a four year average. All fees were then indexed 2.3% (as allowed by resolution or regulation) and a 2% increase to cover credit card acceptance fees was also added. Building construction fees were increased by 4 percent to cover green building legislation implementation costs. Finally, land development fees were increased 15% and the special exception fee by 40% to improve cost recovery.

Overall, in the Recommended Budget for FY09 (see ©3), total revenues are expected to be up about 956,000 (or 3.1 percent) over the FY08 budget.

The fees which are set by resolution went to public hearing on April 22 (omnibus resolution attached on ©8-11). At the public hearing, Councilmember Elrich asked if the 2.3%

index amount was sufficient to cover labor cost increases in DPS. The index is calculated based on approved personnel costs for the current year (FY08) compared to approved personnel costs for the most recent prior year (FY07 in this case). Council Staff confirmed that the percentage increase was 2.3% (as is being proposed by DPS).

DPS has increased its fees substantially in recent years. However, for this year, with the exception of the special exception enforcement fee increase mentioned above, this year's increases are relatively modest compared to past years. Each year, Council Staff has asked DPS how the building industry views these requested fee increases. Based on conversations with building industry representatives, DPS believes that, while no one likes to pay more, the industry is accepting of the fee increases as long as the revenue generated is used to maintain or improve DPS' level of service to its customers.

The PHED Committee recommends approval of the omnibus DPS fee resolution with the following change: Remove the new fees associated with non-conformance with the sign and home occupation requirements. Both the County Attorney and Council Legal Staff agree that these proposed punitive fees work essentially as fines and do not have a necessary cost recovery justification. DPS should also remove any existing or proposed punitive fees that exist in other fee area that are set via regulation.

As part of the omnibus resolution, the PHED Committee recommends approval of the increase in the annual fee for enforcement of special exceptions (from \$200 to \$290) to improve cost recovery related to this function. While this fee continues to go up substantially each year (see correspondence attached on ©50-54, DPS' current calculations of its direct costs indicate that it is still not recovering its costs with this revenue (revenue for FY09 estimated at \$141,410). Council Staff suggests additional text be added to the "background" section of the resolution noting the increase recommended for the special exception enforcement fee.

Council Staff is concerned that given revenue shortfalls from budget in FY06, FY07, and FY08, that the FY09 revenue projections may be optimistic. However, the Permitting Services Fund has substantial cash on hand in case revenues drop in a given year. Therefore, with the fee changes noted above, Council Staff is supportive of DPS' revenue assumptions for FY09.

Fund Balance

As noted in the FY09-14 Fiscal Plan on ©7, the fund balance for the DPS fund presents both year-end cash balances as well as year-end unrestricted net assets.

As discussed in past years, DPS' cash balance policy is 20% of revenues in the budget year and 15 to 20% in the outyears. The relatively high cash balance is intended to protect the fund against drops in revenues (as has occurred in the past several years). For the FY09-14 period, the recommended fiscal plan assumes balances at basically 15% throughout.

The recommended fiscal plan shows unrestricted net assets levels (as a percentage of total resources) at levels ranging from 7.0 percent (at the end of FY09) to as low as 2.3% (end of FY12).

Last year, Council Staff recommended that revised Fund Balance policies for the Permitting Services Fund and the other funds affected by the Fund Balance presentation change be developed by the County Executive. The Management and Fiscal Policy Committee may wish to discuss this issue with OMB and Finance staff.

Issues

1. Lapse

Within Executive Branch budgets, department budgets typically include some level of "Lapse" that effectively reduces a department's budget for personnel costs. Because departmental personnel cost budgets are typically fully loaded (personnel costs for all positions, whether vacant or not, are loaded in the budget), budgets may overstate personnel costs in a given year because of vacancies that may occur in a department during a year and also because of "turnover savings" (i.e. a long-time employee retires and is replaced by a newer employee at a starting salary level and lower benefits). Budgeting lapse is a way to address this potential overstating of the budget.

Generally, Council Staff believes a lapse rate of 2 to 3 percent is appropriate, unless a department is likely to carry over or experience an unusually high number of vacancies next year.

For FY08, the Executive recommended a substantial increase in DPS' lapse (from \$361,760, 5.9 WYs to \$729,940, 10.4 WYs). This was mainly due to the fact that DPS had been holding 14 positions vacant during FY07 to help address a revenue shortfall in the Fund and expected some of those vacancies to continue into FY08. The FY08 lapse rate is 3.4 percent.

For FY09, DPS is recommending a decrease in lapse of about \$92,000 for a resulting lapse rate of 2.8%.

While the resulting lapse rate is within the 2 to 3% level mentioned earlier, DPS has a significant number of vacancies right now (26; a little more than 10 percent of its workforce). Of these, DPS expects to fill 8 of these positions before the end of the fiscal year. Given these numbers, a higher lapse rate might be appropriate. However, since DPS is an Enterprise Fund, increasing lapse does not provide additional resources for programming in other budgets.

2. Customer Service

DPS serves two important and sometimes competing roles. On the one hand, DPS must ensure that existing and proposed development (across a broad array of categories) within the county is consistent with County law, Executive regulations, and DPS policies. On the other hand, DPS seeks to achieve this important regulatory role while providing a high level of customer service to permit applicants, property owners, and complainants.

DPS has been studying this issue over the past year and did a presentation for the PHED Committee (attached on ©12-37) highlighting some findings and proposed next steps (including a proposed reorganization). DPS is also working on a number of issues raised in the preliminary report of the Department of Permitting Services Advisory Committee (see ©38-49).

Performance measures regarding some of the processes are attached on ©50. It is important to note that turnaround times can be affected by the quality of the application provided to DPS and that these times include time DPS may be waiting for clarifications or additional information from an applicant. DPS is working to better track and segment these turnaround times.

3. IT Issues

The FY09 Recommended budget includes \$400,000 for desktop replacements. As an Enterprise Fund, DPS' replacements are funded out of the DPS budget rather than out of the County NDA.

\$700,000 was included for the upgrade of DPS' "Hansen" permit software in the FY08 budget. The current version will not be serviced after December 2010. In addition, the new version is web-based and provides significant new functional, management and support capabilities.

Currently, both DPS and M-NCPPC use Hansen systems and use an existing information sharing process that is not fully automated. Like DPS, M-NCPPC is in the process of upgrading its software. Consistent with Council budget actions last year, DPS and M-NCPPC established a memorandum of understanding last year because of concerns regarding data sharing needs and coordination between the two agencies with regard to the current Hansen software. In response, DPS developed and tested a data sharing interface to provide real-time DPS permit system data to M-NCPPC for all identified data needs. However, M-NCPPC later informed DPS that M-NCPPC will continue to utilize the manual transfer of data until the upgrade is completed and the automated data transfer process in the new Hansen system can be implemented. After that, DPS will be implementing its Hansen upgrade. The new process that DPS has developed will not be utilized until both M-NCPPC and DPS have completed their upgrades.

PHED Committee Recommendations

The PHED Committee recommends approval of the DPS budget with the following change:

- Remove funding for the Clarksburg Ombudsman position (\$133,330)

Attachments

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Permitting Services

MISSION STATEMENT

The mission of the Department of Permitting Services is to provide the highest quality of public service while ensuring compliance with Montgomery County's development and construction standards.

BUDGET OVERVIEW

The total recommended FY09 Operating Budget for the Department of Permitting Services is \$29,761,850, an increase of \$2,717,640 or 10.0 percent from the FY08 Approved Budget of \$27,044,210. Personnel Costs comprise 79.8 percent of the budget for 220 full-time positions and one part-time position for 217.7 workyears. Operating Expenses and Capital Outlay account for the remaining 20.2 percent of the FY09 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *An Effective and Efficient Transportation Network*
- ❖ *A Responsive, Accountable County Government*
- ❖ *Vital Living for All of Our Residents*

PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Projected FY09	Projected FY10
Percentage of Fast Track commercial permits with approved final inspection	82.2	67.6	67.6	67.6	67.6
Percentage of residential permits issued with approved final inspection	63.9	35.6	35.6	35.6	35.6
Percentage of commercial permits issued with approved final inspection	63.9	33.2	33.2	33.2	33.2
Average days to resolve complaints	15.1	12.6	12.9	13.7	12.0
Average days to respond to first complaint	5.2	3.2	3.3	4.0	2.0
Average days to issue Fast Track commercial permits	13.0	15.0	15.4	16.8	16.0
Average time to issue Fast Track residential permits (minutes)	72.2	55.5	60.0	60.0	60.0
Average days to issue commercial permits for addition	81.6	74.6	71.4	65.7	65.0
Average days to issue residential permits for addition	25.0	18.5	21.0	17.5	17.0
Average days to issue new construction commercial permits	214.9	227.2	240.4	253.0	225.0
Average days to issue new construction residential permits	184.5	161.8	145.1	124.4	140.0

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Fully implement the Green Buildings legislation to ensure non-residential buildings and multi-family residential buildings achieve design standards related to energy efficiency and environmental design.*
- ❖ *Implement a credit card payment option for department customers.*
- ❖ *Productivity Improvements*
 - *Digitized Federal Emergency Management Agency and County floodplain maps to improve the quality of technical reviews and analyses for development on properties located in the vicinity of floodplain areas.*
 - *Improved processes for drainage review to allow efficient flow of submitted plans from the Building Construction and Casework Management Divisions to the Land Development Division to review the drainage impact of the proposed improvements and ensure additional runoff is safely conveyed to the Public Right-of-Way.*
 - *Standardize the plan review process for the review, design and installation of commercial septic systems.*
 - *Implement a permitting, plan review, and inspection audit program.*

PROGRAM CONTACTS

Contact Alicia Thomas of the Department of Permitting Services at 240.777.6392 or Christopher Mullin of the Office of Management and Budget at 240.777.2772 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Land Development

The Land Development program is responsible for ensuring the protection of the County's water resources and the safety of residents through its engineering and inspection functions related to stormwater management, sediment control, floodplain management, well-and-septic systems approval, storm drain design, and work in the public right-of-way.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	6,680,690	59.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	605,920	0.0
FY09 CE Recommended	7,286,610	59.5

Casework Management

The Casework Management program is responsible for educating the development community about the permitting process, assisting applicants with the intake and issuance of permits, keeping applicants informed of the status of their permits, and resolving issues that impede permitting efficiency. The program is also charged with the plan review and inspection of Maryland-National Capital Park and Planning site plans and enforcement of the County's Zoning Ordinance. Zoning enforcement is carried out by reviewing building applications for zoning compliance and investigating zoning complaints.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	7,206,790	76.1
Enhance: Clarksburg Ombudsman position through FY09	133,330	1.0
Decrease Cost: Annualization of FY08 Lapsed Positions	-65,000	-0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	597,270	0.0
FY09 CE Recommended	7,872,390	76.6

Building Construction

The mission of the Division of Building Construction is to ensure public safety through effective enforcement of construction codes and standards. The Building Construction program is responsible for engineering plan review and construction inspection related to the administration and enforcement of building, structural, electrical, mechanical, fire-safety, energy conservation, and accessibility codes and standards. This program also provides public service in the form of educational seminars and preliminary construction-design consultations and participates in the development of national, State, and local building codes and standards. The program is also responsible for conducting damage assessments during natural and other disasters and incidents and provides assistance in disaster recovery efforts.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	7,594,020	65.5
Add: Green Building Ordinance Implementation	441,840	3.2
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	361,580	0.0
FY09 CE Recommended	8,397,440	68.7

Administration

The Administration program provides policy development and leadership for all programs within the department. Staff specialists are

responsible for a full range of administrative, financial, and budgetary tasks, including daily operations, automation, human resources management, management services, community outreach, and customer service.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	5,562,710	12.8
Add: Credit Card Acceptance Fees	569,010	0.0
Increase Cost: Additional cost to pre-fund retiree health insurance on the multi-year schedule	300,700	0.0
Increase Cost: Office Rent Increase	111,070	0.0
Increase Cost: Information Technology Maintenance Costs	86,900	0.0
Increase Cost: Finance-Controller Division Chargeback	12,120	0.1
Increase Cost: Master Lease Payment for Financed Hardware	9,230	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-650,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	203,670	0.0
FY09 CE Recommended	6,205,410	12.9

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
PERMITTING SERVICES					
EXPENDITURES					
Salaries and Wages	14,867,870	15,969,230	15,777,780	17,364,250	8.7%
Employee Benefits	5,243,644	5,866,020	5,578,570	6,390,810	8.9%
Permitting Services Personnel Costs	20,111,514	21,835,250	21,356,350	23,755,060	8.8%
Operating Expenses	3,369,867	5,208,960	5,111,800	5,894,790	13.2%
Debt Service Other	51,909	0	0	0	—
Capital Outlay	64,368	0	86,440	112,000	—
Permitting Services Expenditures	23,597,658	27,044,210	26,554,590	29,761,850	10.0%
PERSONNEL					
Full-Time	213	216	216	220	1.9%
Part-Time	1	1	1	1	—
Workyears	215.5	213.9	213.9	217.7	1.8%
REVENUES					
Building Permits	12,404,141	12,184,690	9,913,910	9,893,450	-18.8%
Commercial Use & Occupancy Permits	272,001	216,850	274,590	274,020	26.4%
Electrical Contractors Licenses	191,218	228,770	164,150	163,810	-28.4%
Electrical Individual Licenses	291,444	347,820	235,620	235,130	-32.4%
Electrical Permits	1,800,787	2,258,120	2,199,230	2,194,690	-2.8%
Fire Code Enforcement Fees	542,942	500,580	397,530	396,710	-20.7%
Residential Fire Sprinkler Systems	261,387	265,280	210,170	209,740	-20.9%
Mechanical Inspection Fees	783,702	994,990	812,340	810,660	-18.5%
Grading/SD/Paving/Driveway Permits	1,711,965	2,068,550	1,780,620	2,201,510	6.4%
Sediment Control Permits	2,176,221	2,394,630	2,790,620	3,413,960	42.6%
Stormwater Management Concept Fees	241,192	313,090	194,980	243,610	-22.2%
Flood Plain Permits	13,770	17,250	13,270	17,080	-1.0%
Flood Plain Verification and Study Fees	37,504	54,790	25,190	30,190	-44.9%
Preliminary Water Quality Review	16,491	29,680	7,180	9,090	-69.4%
Final Water Quality Fee	11,125	9,110	6,490	9,700	6.5%
Well and Septic	417,454	328,100	284,150	360,210	9.8%
Scavenger (W&S)	9,807	1,840	3,790	3,780	105.4%
Site Plan Enforcement Surcharge	0	1,966,310	4,206,770	4,198,090	113.5%
Vendor Operations & Licensing Fee	36,287	34,300	20,800	20,760	-39.5%
Green Buildings Related Fee Increases	0	0	0	415,000	—
Sign Permits	128,448	165,510	80,760	80,590	-51.3%
Benefit Performances	2,860	3,850	2,960	2,950	-23.4%
Overtime Offset Fee	581,592	506,660	830,070	828,360	63.5%
Special Exception Fee	83,406	106,570	77,240	141,410	32.7%
Miscellaneous Licenses & Permits	11,909	0	0	0	—
Fee Realignment Increases	0	1,590,500	1,260,300	1,214,700	-23.6%
Drainage Bill Increases	0	705,830	0	0	—
Information Requests	50,865	56,120	40,850	40,770	-27.4%
Automation Surcharge	2,228,509	2,327,060	2,587,190	2,581,850	10.9%
Civil Penalties/Fines	121,522	153,950	88,250	88,070	-42.8%
Investment Income	718,564	543,300	648,700	680,900	25.3%
Miscellaneous	-9,900	0	0	0	—
Credit Card Fee Recovery	0	0	0	569,010	—
Permitting Services Revenues	25,137,213	30,374,100	29,157,720	31,329,800	3.1%

FY09 RECOMMENDED CHANGES

	Expenditures	WYs
PERMITTING SERVICES		
FY08 ORIGINAL APPROPRIATION	27,044,210	213.9
Changes (with service impacts)		
Add: Credit Card Acceptance Fees [Administration]	569,010	0.0
Add: Green Building Ordinance Implementation [Building Construction]	441,840	3.2
Enhance: Clarksburg Ombudsman position through FY09 [Casework Management]	133,330	1.0
Other Adjustments (with no service impacts)		
Increase Cost: General Wage and Service Increment Adjustment	1,224,680	0.0
Increase Cost: Additional cost to pre-fund retiree health insurance on the multi-year schedule [Administration]	300,700	0.0
Increase Cost: Group Insurance Adjustment	271,450	0.0
Increase Cost: Motor Pool Rate Adjustment	111,950	0.0
Increase Cost: Office Rent Increase [Administration]	111,070	0.0
Increase Cost: Information Technology Maintenance Costs [Administration]	86,900	0.0
Increase Cost: Proficiency Advancements	54,940	0.0
Increase Cost: Retirement Adjustment	50,180	0.0
Increase Cost: Risk Management Adjustment	46,800	0.0
Increase Cost: Labor Contracts - Other	18,800	0.0
Increase Cost: Finance-Controller Division Chargeback [Administration]	12,120	0.1
Increase Cost: Printing and Mail Adjustments	10,660	0.0
Increase Cost: Master Lease Payment for Financed Hardware [Administration]	9,230	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	3,140	0.0
Increase Cost: Occupational Medical Services (OMS) Adjustment	240	0.0
Decrease Cost: Annualization of FY08 Personnel Costs	-24,400	0.0
Decrease Cost: Annualization of FY08 Lapsed Positions [Casework Management]	-65,000	-0.5
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Administration]	-650,000	0.0
FY09 RECOMMENDED:	29,761,850	217.7

PROGRAM SUMMARY

	FY08 Approved		FY09 Recommended	
	Expenditures	WYs	Expenditures	WYs
Land Development	6,680,690	59.5	7,286,610	59.5
Casework Management	7,206,790	76.1	7,872,390	76.6
Building Construction	7,594,020	65.5	8,397,440	68.7
Administration	5,562,710	12.8	6,205,410	12.9
Totals	27,044,210	213.9	29,761,850	217.7

FUTURE FISCAL IMPACTS

Title	CE REC.	(S000's)				
	FY09	FY10	FY11	FY12	FY13	FY14
PERMITTING SERVICES						
Expenditures						
FY09 Recommended	29,762	29,762	29,762	29,762	29,762	29,762
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY09	0	-72	-72	-72	-72	-72
New positions in the FY09 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears. This amount also reflects the elimination of the Clarksburg Ombudsman position.						
Elimination of One-Time Items Recommended in FY09	0	-145	-145	-145	-145	-145
Items approved for one-time funding in FY09, including operating expenses associated with four Green Building positions, will be eliminated from the base in the outyears.						
Labor Contracts	0	1,317	1,455	1,455	1,455	1,455
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
Central Duplicating Deficit Recovery Charge	0	-3	-3	-3	-3	-3
This per employee charge will be eliminated in FY10.						

Title	CE REC.					
	FY09	FY10	FY11	(\$000's)		
	FY12	FY13	FY14			
IT maintenance costs	0	229	316	285	279	279
Represent additional maintenance costs for the upgraded permitting system and post-warranty maintenance for servers and printers.						
IT Replacement Plan	0	60	550	375	0	200
Assumes printer replacement in FY10 (\$60,000); replacement of scanners (\$200,000) and servers (\$350,000) in FY11; database server replacement (\$375,000) in FY12; and network switch replacement (\$140,000) and printer replacement (\$60,000) in FY14. Also assumes that DCM continues to replace laptops and desktop computers. Master lease payments and IT maintenance costs are listed separately.						
Master lease payments for financed hardware	0	-52	-113	-122	-122	-122
Master lease payments related to financing the FY07 purchase of a network switch and database servers will be paid off in FY10. Master lease payments related to financing the FY08 purchase of a server will be paid off in FY11.						
Office Rent Increases	0	73	148	226	308	393
Represents cost increases provided by the Department of General Services.						
Retiree Health Insurance Pre-Funding	0	401	801	1,201	1,291	1,386
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	29,762	31,569	32,698	32,961	32,753	33,132

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY09 Recommended		FY10 Annualized	
	Expenditures	WYs	Expenditures	WYs
Add: Green Building Ordinance Implementation [Building Construction]	243,710	3.2	304,630	4.0
Enhance: Clarksburg Ombudsman position through FY09 [Casework Management]	133,330	1.0	0	0.0
Total	377,040	4.2	304,630	4.0

FY09-14 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Permitting Services

FISCAL PROJECTIONS	FY08 ESTIMATE	FY09 REC	FY10 PROJECTION	FY11 PROJECTION	FY12 PROJECTION	FY13 PROJECTION	FY14 PROJECTION
Indirect Cost Rate	12.56%	12.88%	12.88%	12.88%	12.88%	12.88%	12.88%
CPI (Fiscal Year)	3.6%	2.8%	2.4%	2.5%	2.5%	2.5%	2.5%
Investment Income Yield	4.0%	2.5%	3.5%	4.0%	4.5%	4.8%	5.0%
BEGINNING UNRESTRICTED NET ASSETS							
FUND BALANCE	2,479,930	3,224,230	2,227,380	1,447,220	1,052,660	828,130	1,371,690
REVENUES							
Licenses & Permits	25,792,730	27,938,210	30,225,100	32,945,340	34,592,620	36,322,250	37,775,140
Charges For Services	2,628,040	2,622,620	2,686,090	2,753,240	2,822,070	2,892,630	2,964,940
Fines & Forfeitures	88,250	88,070	90,200	92,460	94,770	97,140	99,570
Miscellaneous	648,700	680,900	695,600	702,900	717,500	732,200	746,800
Subtotal Revenues	29,157,720	31,329,800	33,696,990	36,493,940	38,226,960	40,044,220	41,586,450
INTERFUND TRANSFERS (Net Non-CIP)	(1,858,830)	(2,564,800)	(2,762,770)	(2,825,240)	(2,853,040)	(2,784,950)	(2,942,070)
Transfers To The General Fund	(3,002,260)	(3,718,570)	(3,916,540)	(3,979,010)	(4,006,810)	(3,938,720)	(4,095,840)
Transfers From The General Fund	1,143,430	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770
TOTAL RESOURCES	29,778,820	31,989,230	33,161,600	35,115,920	36,426,580	38,087,400	40,016,070
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(26,554,590)	(29,761,850)	(31,221,770)	(32,579,380)	(33,851,170)	(35,177,100)	(36,559,520)
Annualizations and One-Time	n/a	n/a	217,410	217,410	217,410	217,410	217,410
IT Replacement Plan	n/a	n/a	(60,000)	(550,000)	(375,000)	0	(200,000)
IT Lease Payments & Maintenance			(176,880)	(202,640)	(162,620)	(157,020)	(157,020)
Retiree Health Insurance Pre-Funding			(400,610)	(800,690)	(1,200,660)	(1,291,000)	(1,385,850)
Office Rent	n/a	n/a	(72,530)	(147,960)	(226,410)	(308,000)	(392,850)
Subtotal PSP Oper Budget Approp / Exp's	(26,554,590)	(29,761,850)	(31,714,380)	(34,063,260)	(35,598,450)	(36,715,710)	(38,477,830)
TOTAL USE OF RESOURCES	(26,554,590)	(29,761,850)	(31,714,380)	(34,063,260)	(35,598,450)	(36,715,710)	(38,477,830)
YEAR END FUND BALANCE: UNRESTRICTED NET ASSETS	3,224,230	2,227,380	1,447,220	1,052,660	828,130	1,371,690	1,538,240
END-OF-YEAR RESERVES AS A PERCENT OF UNRESTRICTED NET ASSETS	10.8%	7.0%	4.4%	3.0%	2.3%	3.6%	3.8%
YEAR END FUND BALANCE: CASH	6,249,100	5,252,250	4,472,090	5,286,540	6,331,490	6,773,530	6,834,490
END-OF-YEAR RESERVES AS A PERCENT OF CASH RESOURCES	19.0%	15.0%	12.4%	13.4%	15.1%	15.6%	15.1%

Assumptions:

- These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Major initiatives in this budget include: implementation of the Green Buildings legislation (\$441,840) and the expenditures and revenue adjustments for credit card acceptance (\$569,010). FY09 costs also reflect increased information technology maintenance cost associated with the Hansen upgrade.
- The labor contract with the Municipal and County Government Employees Organization, Local 1994 expires at the end of FY10.
- Key components of Permitting Service's technology replacement plan include: FY10 printer replacement (\$60,000); FY11 servers (\$350,000) and scanners (\$200,000); FY12 database server replacement (\$375,000); FY14 network switch replacement (\$140,000) and printer replacement (\$60,000), and routine DCM replacements.
- Fees are proposed to increase by 2.3 percent, to cover routine personnel cost increases. A base revenue factor reflecting average revenues from FY05 to FY08 and a 1 percent growth factor are assumed. Building construction permits have been increased 4 percent to cover expenditures in the Green Buildings legislation; land development and special exception fees have been increased to continue the multi-year fee realignment effort to more accurately reflect related expenses; and a 2 percent increase on all fees has been assumed to cover expenditures associated with credit card acceptance.
- The year-end unrestricted net asset and cash fund balance are targeted to ensure protection against possible cyclical softening of the construction market and related permit fee revenues. Both Cash and Unrestricted net assets balances are reported above.

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY MARYLAND
SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION
OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT
WITHIN MONTGOMERY COUNTY, MARYLAND

By: District Council at the request of the County Executive

SUBJECT: Increasing Fees Collected by the Department of Permitting Services

Background

1. Section 59-A-1.10 of the County Code states: "The Director may establish fees, if approved by Council Resolution, to cover the cost of administration of this chapter."
2. The Department of Permitting Services was established as a fee-supported enterprise within the Executive Branch of Montgomery County in 1996. Revenues that support the Department are established by Method 2 or Method 3 Executive Regulations and by County Council resolution.
3. The fees noted in this resolution were established by various County Council resolutions and have been increased by subsequent County Council resolutions in order to support the departmental functions associated with the collection and enforcement of each fee.
4. Existing resolutions for each of these fees allow the Department of Permitting Services to raise this fee annually by regulation by a percentage that does not exceed the rate of the increase (if any) in the department's approved personnel costs for the then-current fiscal year compared to the approved personnel costs for the preceding fiscal year. For fees of \$100 or more, the Director must calculate the revised fee to the nearest five dollars. For fees under \$100, the Director must calculate the revised fee to the nearest dollar. The Director must publish the amount of this adjustment not later than July 1 of each year.
5. This resolution increases each of the fees by 2.3% in accordance with paragraph #4 above. An additional one time fee increase of 2% has been added to cover costs associated with the new credit card payment option for DPS customers. The total fee increase is 4.3%.

6. This resolution also revises the language in paragraph 4 above and will allow the Department of Permitting Services to increase fees consistent with the existing indexing language without the need for an Executive Regulation or Council resolution.
7. A new fee is to be created for applicants seeking a home occupation certificate who have been operating a home occupation without a required home occupation certificate.
8. A new fee is to be created for erecting a sign without the required Sign Permit.

Action

The County Council for Montgomery County Maryland approves the following resolution:

1. The following schedule of fees is approved as described in Table 1, attached, and goes into effect on July 1, 2008.
2. The Director of Permitting Services must adjust each fee included in Table 1 of this resolution by July 1 of each year by a percentage that does not exceed the rate of the increase (if any) in the department's approved personnel costs for the then-current fiscal year compared to the approved personnel costs for the preceding fiscal year. For fees of \$100 or more, the Director must calculate the revised fee to the nearest five dollars. For fees under \$100, the Director must calculate the revised fee to the nearest dollar. The Director must publish the amount of this adjustment not later than July 1 of each year.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

TABLE 1: DEPARTMENT OF PERMITTING SERVICES FEES

	Approved Charge (as of July 1, 2008)
Equestrian Event Permit ¹ (Section 59-C-9.31. (a)(4))	\$185
Home Occupation Fees ² (Section 59-A-1.10)	
Registered Home Occupation Certificates	\$185
Operating a Home Occupation without the required Home Occupation Certificate	\$500
Nonconforming Use Certificates ³ (Section 59-A-1.10)	\$185
Request to waive parking standards ⁴ (Sec. 59-E-4.5. "Waiver - parking standards")	\$780
Enforcement of special exceptions ⁵ (Section 59-A-1.10)	\$290
Zoning Compliance Letters ⁶ (Section 59-A-1.10)	
Residential (single family dwelling)	\$100
Commercial (other than single family dwelling)	\$210
Sign Fees (Sec. 59-F., "Signs")	
a. Sign Permit Fees	
i. a permanent sign	\$255
ii. a limited duration sign	\$32
iii. bulk limited duration signs (only available to licensed limited duration sign installers) is	\$0.00
iv. a sign concept plan	\$110
v. a request for a sign review board variance per sign or sign concept plan	\$435

¹ The fee for an Equestrian Event Permit must be paid at the time of application submittal.

² The fee for Registered Home Occupation Certificates must be paid at the time of application submittal.

³ The fee for Nonconforming Use Certificates must be paid at the time of application submittal.

⁴ The fee for requests to the Department of Permitting Services to waive parking standards must be paid at the time the request is made.

⁵ The annual fee for enforcement of special exceptions will be paid by the holder of the Special Exception. The special exception fee must be paid within the first 30 days of each fiscal year. If the annual fee for enforcement of special exceptions is not paid, the Department must notify the Board of Appeals in writing.

⁶ The fee for Zoning Compliance Letters must be paid when the request is made.

- b. Sign Installer License
 - i. a sign installer license is \$365
 - ii. a limited duration sign installer license is \$220

- 1. The following schedule of fees is approved for licenses and permits issued and subject to MNCPPC site plans under Article 59-F., "Signs".
 - a. Sign Permit Fees - The fee for:
 - i. a permanent sign is \$410
 - ii. a limited duration sign is \$52
 - iii. bulk limited duration signs (only available to licensed limited duration sign installers) is \$0
 - iv. a sign concept plan is \$175
 - v. a request for a sign review board variance per sign or sign concept plan is \$695

 - b. Sign Installer License – The fee for:
 - i. a sign installer license is \$590
 - ii. a limited duration sign installer license is \$345

- 3. All fees must be paid at the time of application.

- 4. Fee for erecting a sign without a permit \$500



Department of Permitting Services

Customer Service: Issues and Initiatives

April 24, 2008



Presentation Topics

- Perceptions and Realities about Workload, Fees, and Staffing
- Components of Customer Service
- Site Plan Enforcement Update

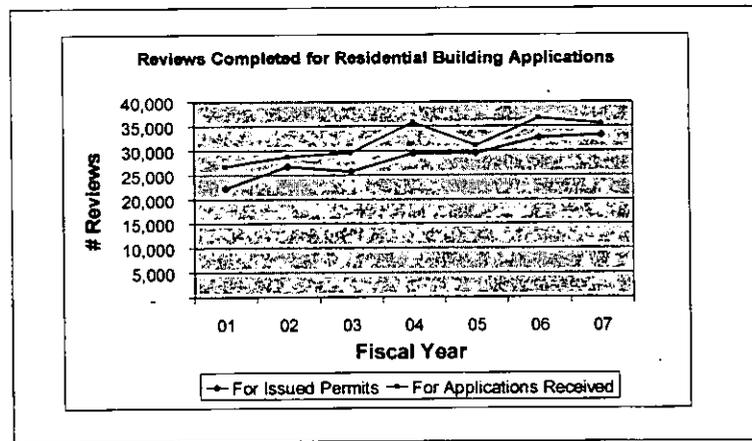


Workload

Perception	Reality
DPS' workload is down because the number of permits issued is down.	<ul style="list-style-type: none"> There are more business activities that contribute to DPS' workload than permits issued. Prior to July 2004, revisions to building permits required a new permit. After July 2004, revisions have been done on the initial, original permit. The "new" method of counting issued permits gives the appearance that fewer permits have been issued. DPS performs many free services which <u>add</u> to the department's workload.



Residential Building Permit Reviews Completed



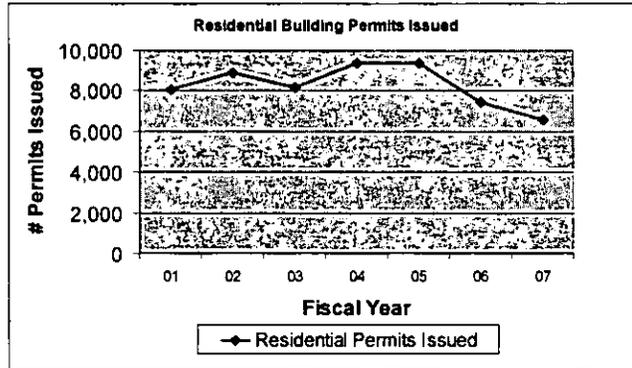


Isiah Leggett, County Executive



Carla Reid, Director

Residential Building Permits Issued

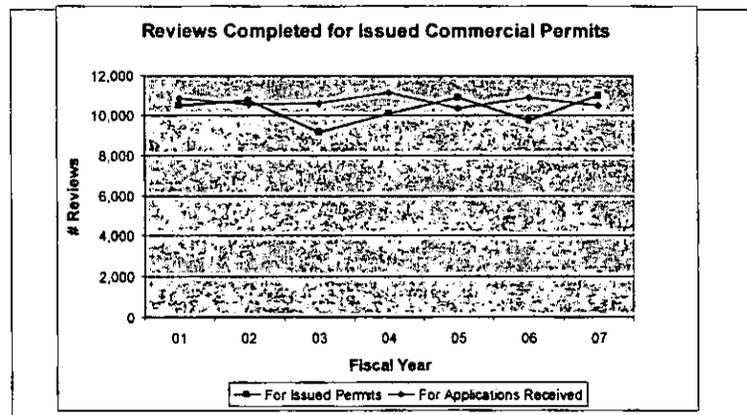


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Carla Reid, Director

Commercial Building Permit Reviews Completed



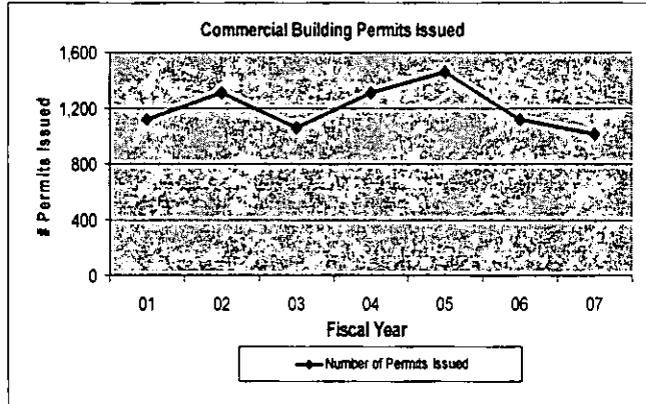


Isiah Leggett, County Executive



Carla Reid, Director

Commercial Building Permits Issued

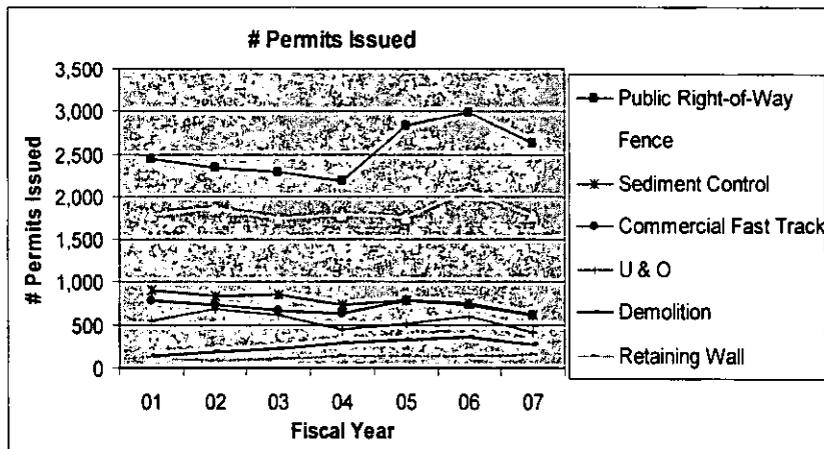


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Carla Reid, Director

Other Permits Issued



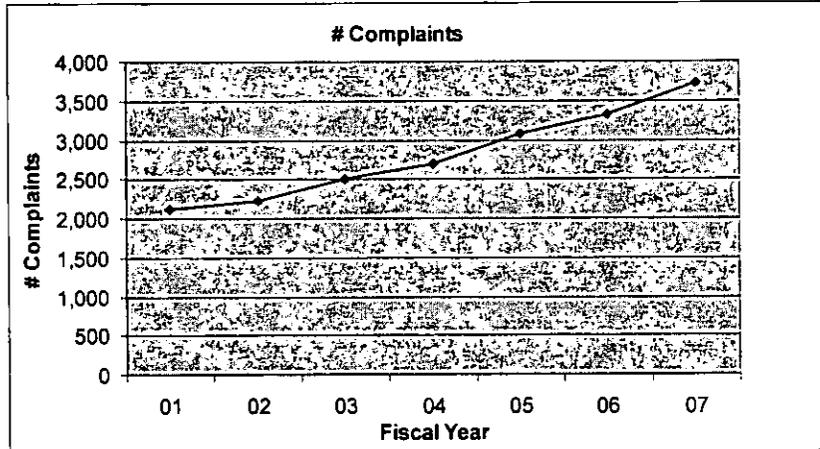


Isiah Leggett, County Executive



Carla Reid, Director

Number of Complaints

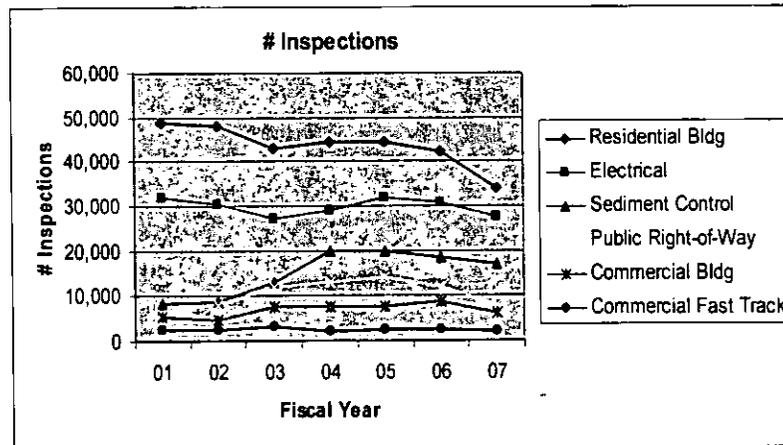


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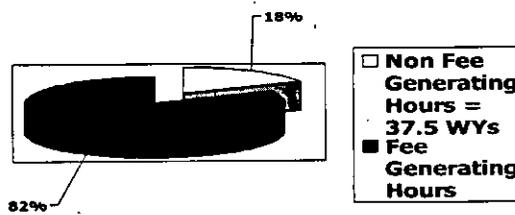
Carla Reid, Director

Number of Inspections

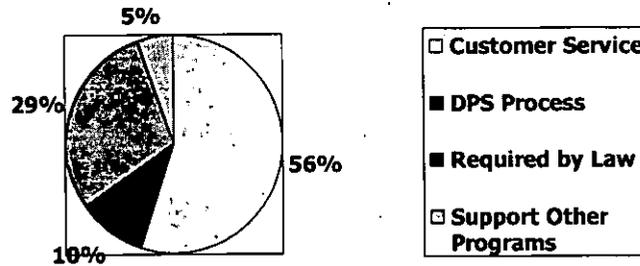




Non-Fee Generating Hours vs. Fee Generating Hours: 80/20 Rule in Effect



Distribution of Non-Fee Generating Hours





Examples of Unfunded Mandates

- Customer Service
 - Code consultation
 - Complaint Investigations
 - Briefing Civic Associations and HOA
- DPS Process
 - MNCPPC Development Review Committee
 - Fire Sprinkler and Fire Alarm Screening
 - Training Staff

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Examples of Unfunded Mandates

- Required by Law
 - Staff DPS Advisory Committee, Electrical Board, Sign Review Board, and Rustic Roads Committee
 - Collect and refund Impact Taxes; implement impact tax credits;
 - Well Abandonment
- Support for Other County/State Programs
 - Zoning Text Amendment Process
 - Environmental Health Surveys
 - Minor Subdivision Record Plat Review

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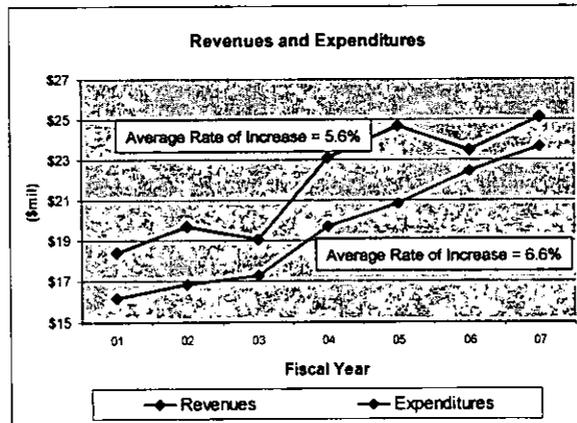


Fees

Perception	Reality
When the workload is down, DPS raises fees to compensate for revenue not earned.	<ul style="list-style-type: none"> •Some fees do not cover our costs. •Some fees do not include overhead or cover program costs. •DPS has to index fees according to labor contract cost increases. •Increases in direct costs (e.g., vehicles, fleet maintenance, building rental) also contribute to fee increases.



Revenues are Fee Supported





Staffing

Perception	Reality
DPS should reduce staff to compensate for reduced revenue rather than increasing fees.	<ul style="list-style-type: none"> • Prudent budget management (position lapse, expenditure restraint, maintenance contracts renegotiation) makes it possible for DPS to maintain necessary staffing levels without adversely impacting operations. • DPS cross-trains staff to improve flexibility by matching the workforce to the fluctuating and varied functions of the department. • There is limited opportunity for technical plan reviewer "plug and play" across disciplines. Code complexity and number of codes are considerations in cross-training. • Tenure and potential retirements of DPS staff make it difficult to allow staffing levels to drastically fluctuate. • Cost and time to train new/replacements as well as time to develop proficiency and expertise in technical areas must also be taken into consideration.



Codes Enforced

- Chapter 8 Buildings
- Chapter 17 Electricity
- Chapter 19 Erosion, Sediment Control and Stormwater Management
- Chapter 22 Fire Safety Code
- Chapter 24A Historic Resources
- Chapter 30 Licensing and Regulations Generally



Codes Enforced

- Chapter 38 Quarries
- Chapter 47 Vendors
- Chapter 49 Streets and Roads
- Chapter 51 Swimming Pools
- Chapter 52 Taxation
- Chapter 55 Unsafe Buildings
- Chapter 59 Zoning



Codes Enforced

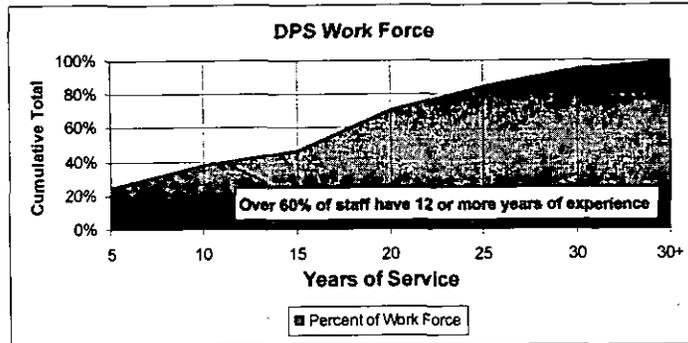
- MNCPPC Development Review Procedures
- MOU Site Plan Enforcement
- MOU – DHCA
- MOU – City of Takoma Park
- MOU – Soil Conservation District
- State Codes

Codes – Need to know

- Chapter 22A Forest Conservation



DPS' Tenured Work Force



Staffing Levels / Number of Permits No Direct Correlation

<u>Program</u>	<u>Staff Increase</u>	<u>Permits Increase</u>
Site Plan Enforcement	12	0
Drainage	7	0
Green Buildings	4	0



Presentation Topics

- Perceptions and Realities about Workload, Fees, and Staffing
- Components of Customer Service
- Site Plan Enforcement Update



Components of Customer Service

- | | |
|---|--|
| <ul style="list-style-type: none"> • Expectations • Satisfaction • Execution | <ul style="list-style-type: none"> • What they want • What they see and experience when they get what they want • What we do to deliver what they want |
|---|--|



How Satisfaction Manifests Itself

Expectations	What They See and Experience
Predictability	Consistent responses from employees in the same job classification, courteous employees, easy to do business with, good coordination with other agencies
Accuracy	Favorable audit results, appeals cases won, services performed correctly, complaints thoroughly investigated and concluded
Responsiveness	Timely responses, acceptable turnaround times, manageable backlogs
Transparency	Public involvement and participation, information availability, feedback mechanisms
Value	Reasonable costs for products and services rendered



Responsiveness Highlighted

- Time to complete key business functions
- Time to respond to requests
- Target turnaround times
- Backlogs

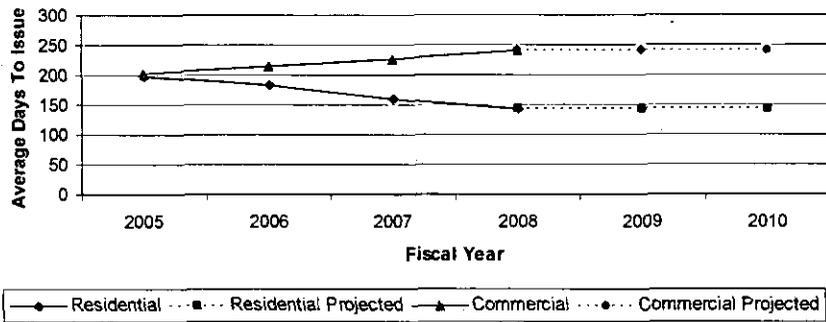


Isiah Leggett, County Executive



Carla Reid, Director

Average Time To Issue New Construction Permits

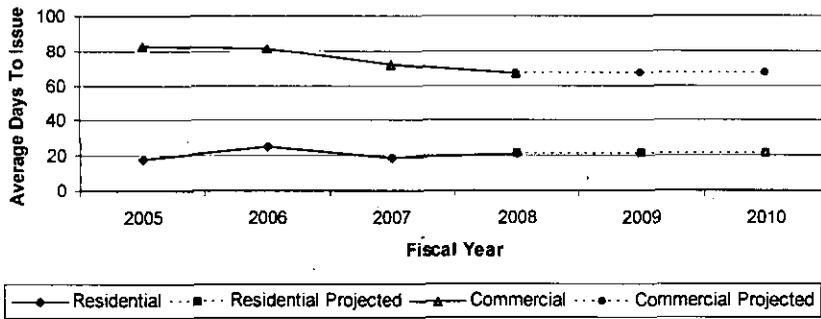


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Carla Reid, Director

Average Time To Issue Permits for Additions



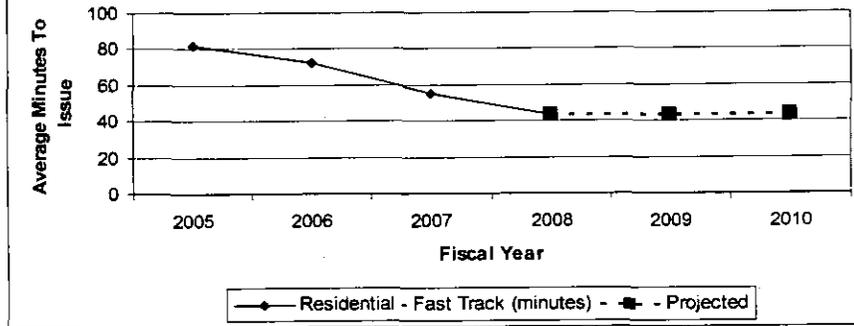


Isiah Leggett, County Executive



Carla Reid, Director

Average Time To Issue Residential Fast Track Permits

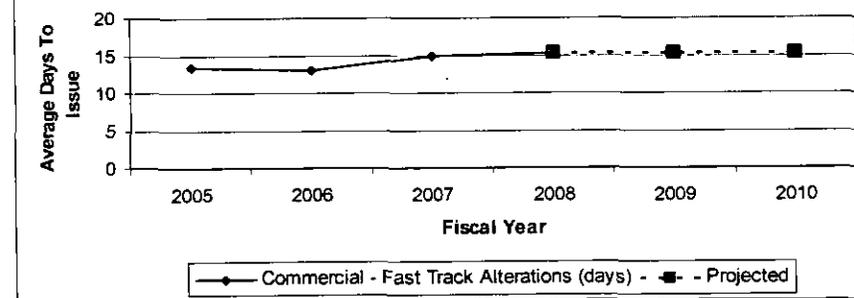


Isiah Leggett, County Executive



Carla Reid, Director

Average Time To Issue Fast Track Permits for Commercial Alterations



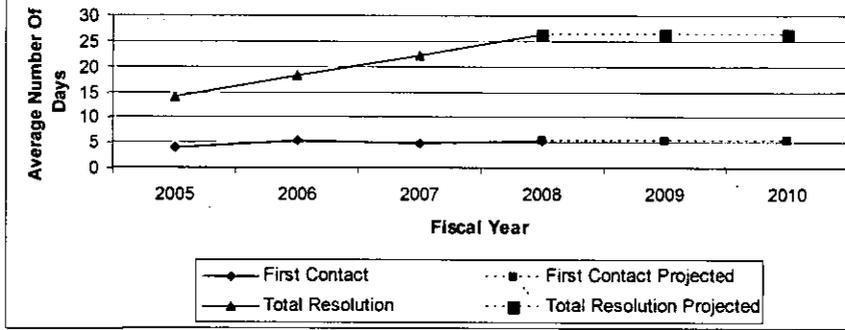


Isiah Leggett, County Executive



Carla Reid, Director

Average Response Time on Complaint Investigations



Isiah Leggett, County Executive



Carla Reid, Director

Turnaround Times and Backlogs

Business Process	Target Turnaround Time (in days)	As of 3/26/2008	
		Number of Plans Not in Backlog	Number of Plans In Backlog
Residential Building - New Construction Permits	20	25	520
Residential Building - Not New Construction Permits	11	22	274
Commercial Building - Addition Permits	33	10	18
Commercial Building - New Construction Permits	48	106	642
Commercial Fast Track Permits	2	2	68



Execution: What We Do to Deliver What They Want

- **Ensure Resource Readiness**
- **Enhance Business Processes**
- **Expand Outreach Efforts**
- **Embrace Performance Measurement**



Ensure Resource Readiness

What We Have to Do

- Develop a document that informs employees about what each team does and produces
- Develop a training system for DPS employees
- Review the certification requirements for employee advancement
- Encourage and recognize excellence



Enhance Business Processes

What We Have Done

- Improve wireless data service
- Create a data mining system for code enforcement departments to consolidate complaint information and make referrals to each other
- Establish an on-line complaint taking system
- Suggest code improvements through the Code Enforcement Task Force

What We Have to Do

- Improve Complaint Handling Process
- Restructure DPS to improve customer service and service delivery
- Improve Plan Tracking
- Develop a process to validate certifications of plan submitters
- Accept Credit Card Payments
- Implement Hansen 8
- Review and recommend improvements to the site plan enforcement process



Integrated Information - Internet

- Integrated display of issues and information for address(es)
- Databases searched

MC Property Tax	DPS Permits
MD Real Property	MPDU Purchase
Housing Rental Licensing	MPDU Rental
Housing Code Enforcement	MCPD (planned)
- Available to the public



Isiah Leggett, County Executive



Carla Reid, Director

Integrated Information - Internet



Welcome to DHCA's
eProperty Data Mining Application



Street Address (enter street # and/or street name only, do not enter street type)

Community Name

First Name
Last Name

Select database(s) to search

Select All

- Property Tax
- Code Enforcement
- MD Real Property
- MPDU
- Permits
- Rental Licensing

Submit Query

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Carla Reid, Director

Integrated Information - Internet

Montgomery County Property Tax		
Account	Address	GIS
0127954	04602 ADRIAN ST, ROCKVILLE 20853M47	View

Maryland Real Property Data Search	
Search for "04602 ADRIAN" in Montgomery County	
No records were found	

Permits	
Search for "04602 ADRIAN" in Permit Database	
No records were found	

Missing Rental Licensing				
License Number	License Status	Tax ID	Address	Community Name
No records were found				

Housing Code Enforcement							
Case Number	Address	Unit #	Date Closed	Nature of Complaint	Disposition Area	Disposition #	Property Name
71106	04602 ADRIAN			500 sq ft 5 bedrooms - verify how many occupants, smoke detectors and if bedrooms meet egress standards			
82990	04602 ADRIAN		1/26/2006	OVERCROWDING - MAKING ROOMS ADDING WALLS		110	

MPDU			
Purchase			
Address	Settlement Date	Cost of Picked	Expiration Date
No records were found			

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Integrated Information - Internet

Montgomery County, Maryland

Home | Help | Site Map | DPS online system is now business 24 x 7 | Pressured Green Day

SEARCH

GOVERNMENT | BUSINESS | CULTURE & TOURISM

New On Line

DPS/Permits List Search Results

Click on the permit to get the permit status

Permits List	Permit License	Permit Type	Status
	946070211	Building Residential	Finalized
	958140219	Building Residential	Finalized
	931050202	Fence Permit	Finalized
	946090038	Electrical Permit	Finalized

DPS Home

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Search DPS

About DPS

What's New?

Newsletters

General

Documents

Checklist

Reg. Comm.

Inspection

Licenses

Permits

Site Plan

Enclosures

Water Req.

WMS & Suppl.

zoning

Phone List

Directions

Email DPS



Integrated Information - Internet

Montgomery County, Maryland

Home | Help | Site Map | DPS online system is now business 24 x 7 | Pressured Green Day

SEARCH

GOVERNMENT | BUSINESS | CULTURE & TOURISM

New On Line

DPS/Application Details

Review Inspection Status Schedule Inspection Cancel Inspection

Building Residential Permit License: 958140219

Application Details

Permit Number: 958140219 Site Address: 4602 ADRIAN ST, ROCKVILLE, MD 20853-3447, Subdiv: WHEATON WOODS

Application Date: 08/14/1995

Issue Date: 08/14/1995

Final Date:

Work Type: Construct - Hot Tub & Deck

Application Status: Permit Issued

Square Footage: Value: \$2,000.00

Contractors

ID	Name	Address
Not available		

Licenses

Contractor License	Name	Address
Not available		

DPS Home

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Inspection

Licenses

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Site Plan

Enclosures

Water Req.

WMS & Suppl.

zoning

Phone List

Directions

Email DPS

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Integrated Information - *Intranet*

Welcome to Montgomery County's



eProperty System

Refer a Property Violation

Street Address [enter street # and street name only, do not enter street type]

Community Name

First Name
Last Name

Select database(s) to search

- Property Tax
- MD Real Property
- Permits
- Rental Licensing
- Referrals
- Select All
- Code Enforcement
- Landlord/Tenant
- Leases
- MPDU



Integrated Information - *Intranet*

Referred By:

Name: _____
Phone: _____
Email: _____
Agency: _____

Referred To: (check all appropriate agencies)

- Housing Opportunities Commission
- MCG DPWT Highway Maintenance
- MCG DPWT Solid Waste
- MCG DPWT Traffic and Safety
- MCG Environmental Protection
- MCG Fire Code Enforcement
- MCG HHS Protective Services
- MCG Homeland Security
- MCG Housing Code Enforcement
- MCG Permitting Services (zoning, construction)
- MCG Police
- Washington Suburban Sanitary Commission

Property and Violation Information:

Address: Street #: _____
Street Name: _____ [note: do not enter street type]
Violation: _____



Existing Organization Structure



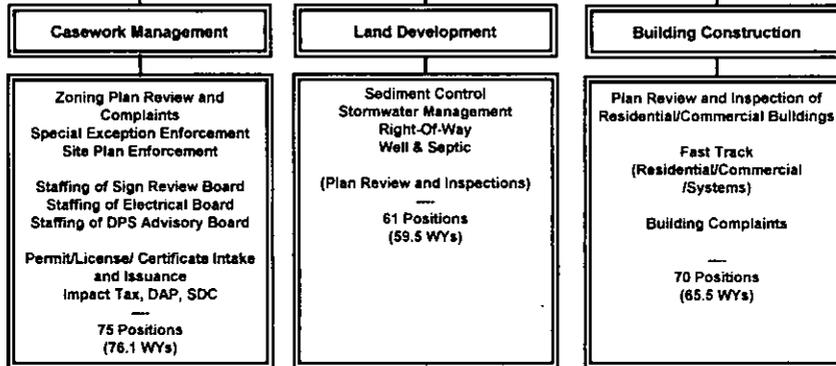
Isiah Leggett, County Executive

Carla Reid, Director

Department of Permitting Services Director's Office

Department FY08 Summary

- 217 Positions
- 213.9 Work Years
- \$21.8 mil Salaries/Benefits
- \$27.0 mil Total Budget



43



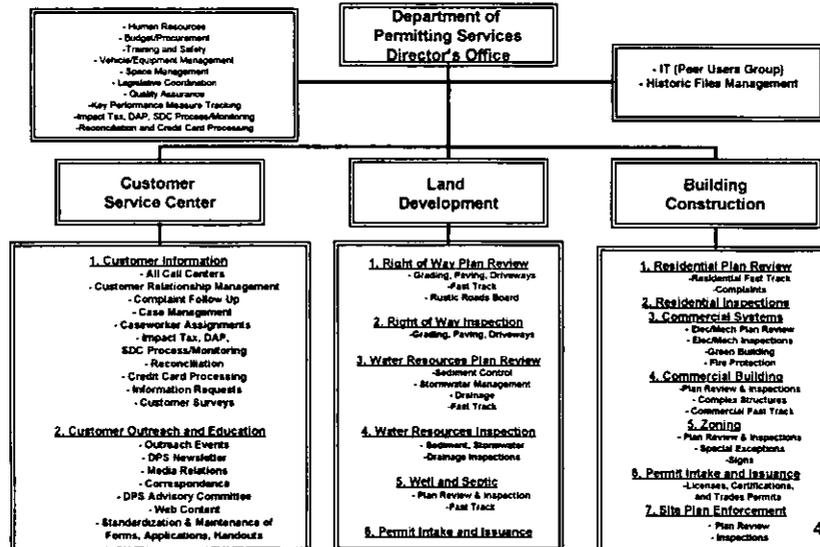
Proposed Reorganization



Isiah Leggett, County Executive

Carla Reid, Director

Department of Permitting Services Director's Office



44

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Expand Outreach Efforts

What We Have Done

- Implement e-subscription

What We Have to Do

- Educate the Public
- Update the DPS website



Embrace Performance Measurement

What We Have to Do

- Establish and implement business performance measures
- Review fees and staffing



Isiah Leggett, County Executive



Carla Reid, Director

Disposition of DPS Advisory Committee

FY 2008 Recommendations



Isiah Leggett, County Executive



Carla Reid, Director

Presentation Topics

- Perceptions and Realities about Workload, Fees, and Staffing
- Components of Customer Service
- Site Plan Enforcement Update

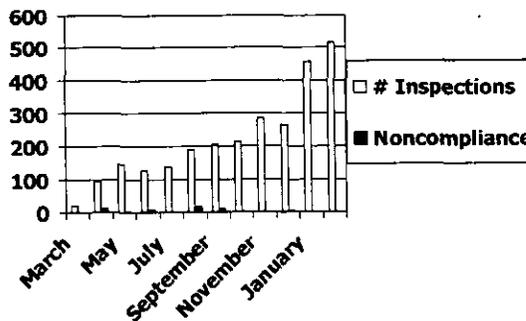


Site Plan Enforcement Timeline

Date	Milestone
August 2006	Completed Site Plan Enforcement MOU between DPS and MNCPPC
February 2007	Transfer of Site Plans from MNCPPC to DPS 2003 – present
April 2007	DPS Begins Site Plan Inspections
May 2007	Transfer of all remaining site plans from MNCPPC to DPS
December 2007	DPS performed over 1400 site inspections, issued over 60 Notices of Non-compliance and 1 stop work order



of Site Plan Inspections and Notices of Noncompliance 3/07 – 2/08





Isiah Leggett, County Executive



Carla Reid, Director

Site Plan Enforcement Improvements

- Minor Site Plan Amendments
- Construction Detail/Specifications

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Isiah Leggett, County Executive



Carla Reid, Director

Site Plan Enforcement Challenges

- Lighting Plans
- Landscaping in the Public Right-Of-Way
- Occupancy
- Private Road Specifications
- Construction Sequence
- Updating the MOU

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ENV & ENERGY



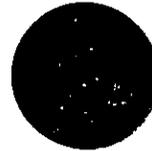
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DEPARTMENT OF PERMITTING SERVICES ADVISORY BOARD COMMITTEE

033670

MEMORANDUM

February 29, 2008



TO: Mike Knapp, Council President
FROM: George Donovan, Chair
Department of Permitting Services Advisory Committee
SUBJECT: First Preliminary Report

The first preliminary report, which consists of an Executive Summary and the reports of the ad hoc committees, of the Department of Permitting Services Advisory Committees is hereby forwarded.

2008 FEB 29 AM 9:00

DEPARTMENT OF PERMITTING SERVICES

38

ADVISORY COMMITTEE FOR THE DEPARTMENT OF PERMITTING SERVICES
PRELIMINARY REPORT EXECUTIVE SUMMARY

FEBRUARY 29, 2008

The Department of Permitting Services (DPS) Advisory Committee (the Committee) first met in April 2007. The Committee subsequently divided to concentrate on two aspects of the DPS function. These are "Customer/Products and Policy and Procedures. Two ad hoc committees were established to develop facts, conclusions and recommendations. These committees have developed the recommendations contained herein based on interviews with DPS staff and retired DPS personnel.

The Committee has concluded that the requirements and functions of DPS, that relate to customer input and product output, must be more effectively and efficiently published. The information must be easily obtained and presented in a readily understood way. Secondary language capability must be considered. Customer feedback must be enhanced such that input, that covers all aspects of the Customer/DPS interaction, is readily obtained.

The conflict resolution process within DPS, with DPS customers and between DPS and other agencies/departments must be efficient and effective. Current practices often thrust the burden of problem resolution on the customer who must reconcile inter/intra agency differences.

The body of laws, regulations and rules that govern the DPS process should be reviewed for currency and compatibility. The requirement for this review should be established as a reoccurring event by law or County policy.

Customer input information should be subject to a screening process (automated if feasible) to ensure adequacy and accuracy.

The enforcement powers of DPS should be enhanced to ensure timely detection and correction of deviations from required and approved development and construction requirements.

The DPS Directors FY 2008 Accountability Plan/Report is heading in the right direction but must be a priority amongst DPS Staff to meet the time lines and goals indicated within the report.

The Committee considers this Report to be preliminary because further effort is required to fully substantiate and expand the scope of our preliminary findings and recommendations through a more detailed insight into the functions and operations of DPS. The Committee appreciates the support of and access to the employees of DPS and is confident that the continued access and dialogue with the employees will enhance our efforts in the ensuing years.

Montgomery County Department of Permitting Services Advisory Board

Customer / Product Ad-Hoc Committee Preliminary Recommendations March 4, 2008

The focus of this group was to evaluate MCDPS interaction at a customer level and the products required by MCDPS for its review and permitting. The group's preliminary recommendations listed below are a result of committee meetings, interviews with DPS staff and committee member interaction with DPS on a daily basis.

Preliminary Recommendations:

1. The customer complaint/suggestion/appreciation system should be evaluated for effectiveness and resolution. The current system using pre-printed evaluation post cards serves some level, but in today's IT world is antiquated. Email address complaint system would be more efficient while still using the postcard procedure. 35,394 permits were issued in 2007 but only 60 cards were returned. Attaching a quality of service survey with each permit issued is suggested, as well as a formal random survey to permit holders. On site email complaint/suggestion/compliment system that was available in the lobby such as a booth or kiosk would be more efficient and timely for feedback and responses from the public.
2. Reevaluate qualifications for front desk DPS personnel with more overall-qualified staff or create a specific position with appropriate qualifications to be

responsible for the Front Desk duties. Current staff are knowledgeable in specific areas but lack the overall expertise to adequately handle the broad nature of information the public requests. Suggest hiring retired MCDPS personnel who have the overall knowledge, or institute a more pragmatic training process for front desk staff and do away with the rotating front desk personnel. Front Desk personnel should be qualified to answer 85% of requests from the public while assisting in the intake process. For questions which they can not answer immediately there should be a method to answer the public's request in a timely manner without giving the impression of passing the buck on to someone else. An updated MCDPS list of qualified staff on specific topics should also be available to the Front Desk staff to use as a resource. Inquiries to these identified qualified staff should be responded to within a specific time frame.

3. Create a single point of contact (POC) manager to handle complaints, and assign function to the DPS Director's staff and not other divisions within MCDPS. Current complaints are mostly handled at the working level within various divisions. A single POC with a highly detailed knowledge of the process and superior people skills necessary to handle disgruntled customers should enhance DPS image and productivity.
4. Proactively educate DPS staff and citizens on Montgomery County codes and permit requirements through information boards and technical handouts located at equipment suppliers such as Home Depot, Lowes, Ace Hardware, etc...

5. Have outreach sessions with HOA's, HOA umbrella groups, or other interested and affected customers on a regular basis and institute a FAQ's on the DPS website. Create incentives such as reduced fees, quicker reviews and other positives for those who show a consistently high level of quality in their submissions which in turn reduces staff time and aggravations with poor submissions

6. Upgrade current application forms and access through the web on "How to videos, Permit Requirements and DPS Process Flowcharts". Intent of current DPS website is good but still misses the mark for its customers. Have public terminals available within DPS lobby for customer use in order to interact or obtain information prior to requesting personal assistance of MCDPS staff.

DPS Advisory Committee
Policy and Procedures Ad Hoc Subcommittee
February 22, 2008 Preliminary Report to the County Executive

In November, 2008 the DPS Advisory Committee established an ad-hoc subcommittee to review DPS' policies and procedures for the purpose of making recommendations on how to possibly improve DPS' performance. The Subcommittee is comprised of engineers, surveyors, architects, attorneys, and business persons. The Subcommittee sought to interview all DPS managers. An outline of the subject matter contained in the interviews, in the form of a letter from the Committee to the DPS managers is attached hereto as Attachment 1.

The Subcommittee has interviewed eleven of fifteen managers¹.

Of those managers that did participate, the persons conducting the interviews were left with a strong feeling that the managers were truly an asset to the public. They were well qualified, extremely dedicated to providing a quality product and eager to embrace new concepts that would benefit the public and DPS.

I. Preliminary Findings:

a) DPS generally lacks codified rules and procedures for how its employees are to complete their day-to-day tasks. This results in efforts that are duplicated time and again and also is the source of numerous exception items that drain the agency's resources. Consequently, the Subcommittee feels that significant savings² could be achieved by implementing such rules and procedures

b) A conflict exists across County agencies with regard to the interpretation of DPS' regulations. Consequently, DPS' customers are sometimes given differing directives, for the same project and issue, from different agencies³. In such case, the customers are left to fend for themselves across multiple agencies at sometimes great expense to the agencies and the customers.

c) DPS' computer system does not require valid entries in certain fields, thereby allowing permit applications to bypass vital aspects of the permitting process. Consequently, problems are generated that unduly divert DPS' management time onto issues that could have been prevented at the point of data entry.

¹ The Subcommittee as a whole concluded that the interviewing process might not be as productive as possible if the County staff being interviewed had other County staff members participate in those interviews. Accordingly, only the voting members participated in the interviews of DPS' management and the drafting of this report. Nevertheless, this report was provided to all members of the DPS Advisory Committee prior to its publication.

² The Subcommittee plans to provide additional information regarding cost savings in a future report.

³ For example, DPS may instruct a developer to use a drainage ditch that is cut in the shape of a "U" and DPWT, for the same project, may direct the developer to cut the ditch in the shape of a "V".

- d) DPS' objectives are hamstrung, in some respects, by the bifurcation of, and duplicative functions that exist between, DPS and the Maryland National Capital Park and Planning Commission ("MNCPPC").
- e) DPS lacks effective deterrents for persons or entities who attempt to circumvent DPS' policies and procedures. Consequently, DPS must respond to preventable problems after they occur, with their associated management times and costs.
- f) On some occasions, DPS' management feels powerless to solve the problem of poor job performance on the part of some of those persons whom they manage.⁴

II. Preliminary Recommendations:

- a) Arrange for those managers who have not yet participated in the interview process to do so.
- b) Implement codified rules and procedures⁵. This would significantly reduce the amount of exception items that arise whereby DPS' customers have differing views and expectations. Exception items often take an inordinate amount of DPS resources and cost the DPS users considerable time and money. Examples of exception items include inconsistent land-use decisions and inconsistent permissible building techniques.
- c) Clearly define and implement Lead Agency authorization. Additionally, or in the alternative, establish an Office of Resolution. This office would include an individual with the authority to resolve disputes among County agencies with regard to DPS regulations. Parties finding themselves caught between various agencies could bring the issue to this Office. The Office would have 30 days to provide a resolution, which would be made public. The Office's data could then be used by County regulators to amend the regulations where necessary to avoid cross agency conflicts⁶.
- d) Implement software edits that alert the data entry operator to the absence of vital information, and/or alert the operator that data is likely in error. For example, the cost of construction is far below the average, or the amount of land disturbance is less than the footprint of the new construction.

⁴ Some interviewees, as well as other County managers, described the process that must be undertaken when their employees repeatedly fail to follow directives. It was described as being so time consuming, laborious and cumbersome as to be unworkable and for practical purposes, a non-option.

⁵ Implementation recommendations are currently being formulated. A preliminary recommendation will be to develop a flow chart that clearly defines: a) the interfaces between DPS and all other agencies, and b) the required elements of all permit applications and their related job steps.

⁶ The Subcommittee further recommends that the agencies and departments involved conduct a regular meeting of their directors or director's designees, to review the unresolved conflicting areas. The purpose would be to offer agency heads the opportunity to collectively resolve these issues. An agency director, selected by the County Executive, should be assigned to schedule these meetings.

- e) Set a short-term goal, of perhaps 2 months, for prioritizing which DPS functions should be codified first for the purpose of alleviating as many exception items as possible.
- f) Consolidate the zoning, review and inspection processes within DPS. Until such time that such consolidation can be completed, relocate MNCPPC staff to DPS to reduce expense and delay associated with the physical distance between the agencies' staff.
- g) Amend existing DPS regulations to provide for required and effective deterrents, for applicants who provide materially false information to DPS. Example deterrents could include a required delay of 14 days for the second materially false submission, 30 day delay for the subsequent improper submission on the same project. In addition, DPS' current enforcement mechanisms⁷ should be applied in strict adherence to County regulations so that, in effect, they act as a deterrent against future infractions.
- h) Amend the existing process for managing employees who do not respond to management's directives. Such process should include the ability to more easily terminate employees who show a documented course of conduct that is contrary to DPS' standards.

Respectfully submitted,

DPS Advisory Committee, Policy and Procedures Ad Hoc Subcommittee

Steve Kanstoroom, Chair
Joav Steinbach, P.E. Vice-Chair
Tom Aylward, AIA
George Donovan
Larry Gordon, Esq.
J. D. Grewell*

* J.D. Grewell joined the Subcommittee after the interviews were conducted, however, has approved this report as submitted.

⁷ Current mechanisms include Stop Work Orders, Citations, and revocation of permits.

**DPS Advisory Committee;
Policy and Process Ad Hoc Subcommittee - Confidential Interview Questions**

1) A brief description of your job.

- i. How did you learn your job?
- ii. What training do you need to do your job: a) initially, b) ongoing?
- iii. What materials/guidelines do you use to do your job?
- iv. What discretion/flexibility do you have?
- v. How do you store information and make it available to the public?
- vi. Who do you work with?
- vii. What is your work product?
- viii. Primarily do you implement or establish policy?
- ix. Do you interface with the public, and if so, how?
- x. Do require someone else's work product to be able to complete yours?

2) Sources of input to your Section, i.e. paper building permit applications,

notes from applicants' professionals, correspondence from other agencies.

i. Quality of input – what steps are in place to assure it?

3) Exception items, i.e. unique issues which may entail: a) unforeseen delays or

complications, b) escalation for senior management involvement, or c)

redundancies.

i. What is the hardest part of your job? – see also 4 and 5.

ii. Causes

iii. How often do you have to do something over and why?

4) Items you feel may be better handled by a different part of DPS or which you believe could possibly benefit from a policy or regulatory change.

- i. Do you have enough manpower (perhaps say staff) in your section? – See also 5.
- ii. What would you change if you could? – See also 5.
- iii. What changes would you make to make your work more efficient/effective?
- iv. What should the public know to understand your job/work product? How should this be conveyed?

5) Policies, procedures or technology that you believe would make your job easier or more rewarding.

- i. What technology do you use?
- ii. What additional technology would help you?



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF COUNCILMEMBER
MARILYN PRAISNER

January 18, 2008

The Honorable Henry B. Heller
429 House Office Building
Annapolis, Maryland 21401-1991

Dear Delegate Heller:

Thank you for working with our Intergovernmental Relations staff to address your concerns about inspection fees for special exceptions. As you know, the Department of Permitting Services (DPS) has been funded through the revenue collected from fees since 1996. The Department is not subsidized by general County tax revenue. As a result, fees have had to increase along with costs.

The County is currently facing a \$407 million deficit in the operating budget for fiscal 2009, assuming no further loss of State aid. Balancing the County budget will require both spending cuts and revenue increases. As a result, I cannot promise any relief for special exception inspection fees. I can, however, make a commitment to you that the Planning, Housing and Economic Development Committee which oversees both DPS and the Board of Appeals (which grants special exceptions) will carefully consider the fiscal 2009 fee schedule before it goes to the Council for approval.

Thanks for your patience and understanding in this matter.

Sincerely,

Marilyn Praisner / *MBB*
Marilyn Praisner

100 MARYLAND AVENUE • ROCKVILLE, MARYLAND 20850
240/777-7959 • TTY 240/777-7914 • FAX 240/777-7989
COUNCILMEMBER.PRAISNER@MONTGOMERYCOUNTYMD.GOV
WWW.MONTGOMERYCOUNTYMD.GOV

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LAP

MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

OFFICE OF THE COUNCIL PRESIDENT

September 10, 2007

The Honorable Henry B. Heller, Ed.D.
The Maryland House of Delegates
6 Bladen Street, Room 429
Annapolis, MD 21401

Dear Dr. Heller:

It was good to see you and Bonnie at MACo. I'm sorry that we haven't had a chance to discuss your concerns expressed in your August 6 letter regarding annual permitting fees paid by special exception uses (such as some offices in residential dwellings), so I thought I would give you this background.

The permitting fees you reference in your letter are the special exception enforcement fee and the special exception administration fee. Both are annual fees charged to property owners who have ongoing special exception uses. Both fees are collected by the Department of Permitting Services. The enforcement fee is intended to cover costs incurred by the Department of Permitting Services in its continuing review and inspection of special exception uses to ensure compliance with the conditions of the special exception. The administration fee is intended to cover costs incurred by the Board of Appeals for its special exception program.

As noted in one of the attachments to your letter, the fees have been raised substantially in recent years. These increases have been needed to ensure the fee revenue continues to cover the costs to administer and enforce the program (including costs for personnel). The intent of both fees is to avoid subsidization of special exception-related costs by general taxpayers or by other permit-payers and is distinct from the more general intent of property taxes, which as you note, can be affected by improvements made to a property to accommodate a home office.

I would be happy to talk with you further about this issue or to refer you to Board of Appeals and/or Permitting Services staff if you have additional questions.

Sincerely,

**ORIGINAL SIGNED BY
COUNCIL PRESIDENT**

Marilyn J. Praisner
Council President

MJP:kl
030029

STELLA B. WERNER COUNCIL OFFICE BUILDING • 100 MARYLAND AVENUE • ROCKVILLE, MARYLAND 20850
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LU & ZONING

HENRY B. HELLER, Ed.D.
19th Legislative District
Montgomery County

Appropriations Committee
Education and Economic
Development Subcommittee

Oversight Committee on Pensions

Co-Chairman
Joint Committee on
the Management of Public Funds

Joint Committee on Federal Relations
Joint Committee on Pensions



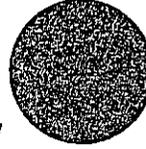
THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office

The Maryland House of Delegates
6 Bladen Street, Room 429
Annapolis, Maryland 21401
301-858-3528 · 410-841-3528
1-800-492-7122 Ext. 3528
Fax 301-858-3011 · 410-841-3011
Henry.Heller@house.state.md.us

District Office

15100 Interlachen Drive # 806
Silver Spring, Maryland 20906
301-438-0019 · Fax 301-438-0018



030029

August 6, 2007

The Honorable Marilyn Praisner
100 Maryland Ave.
Rockville, MD 20850

Dear Councilmember Praisner,

Enclosed is a letter I received from Dr. David Lewis, DDS, who resides and practices at the corner of Bel Pre Road and Georgia Avenue. I am forwarding this to you because I've received four questions and concerns about offices in residential dwellings during the past six months. My concern is the continuous raising of fees for the continuation of the zoning process. It is my understanding that when a person seeks County authorization to establish a home office, they do it through the zoning process and then comply with all ordinances through the permitting process. After that fact, the residence is assessed by state assessment, and the value of that office is included in the property assessment. The assessment is multiplied by the rate of taxation, which the Council said establishes the current property tax bill.

I am concerned about the Department of Licensing creating a new fee every year for home offices for doctors and dentists. This process would allow the executive branch of government to establish and collect a tax the legislature has not authorized. Before I introduce legislation to clarify this process, I am seeking your guidance and understanding of this issue so that I may proceed.

Sincerely,

Delegate Henry B. Heller, Ed.D.

C: Dr. David Lewis, DDS

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MONTGOMERY COUNTY
COUNCIL
2007 AUG -8 AM 9:04

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David S. Lewis, DDS
4100 Bel Pre Road
Rockville, MD 20853

301 460-8191

Del. Henry Heller
15100 Interlochen Drive
Silver Spring, MD 20906

July 29, 2007

Dear Del. Heller:

The Department of Permitting Services and the Montgomery County Council expect the select unfortunate few small businesses that hold a special exception permit to eternally support the hefty wage and benefit increases for the staff of this department, who in my opinion, do not accomplish much.

I have recently spoken to Sandra Batterden, a supervisor at the Department of Permitting Services, who informed me that, based on a new law, every dental or medical home-office in the county is required to have a special exception. She informed me that her office does not investigate home-offices that are not in compliance, unless someone files a complaint.

Would it not make sense to get all home-offices on board and have them all contribute to the Permitting Services Fund so that they would not have to continuously raise their fees? Why should just a handful of complying home-offices fund their salaries and benefits?

The Special Exception Taxes started in the year 2002 and have risen substantially over the years. The rundown of my payments is as follows:

7/02	\$164.00
7/03	211.00
7/04	219.50
7/05	229.20
7/06	240.00
7/07	320.00

I am afraid that at this pace of increases with no cap in place, the Special Exception Tax will soar to \$400.00, \$500.00, 1000.00 and more, with no end in sight.

The ability of the Montgomery County Council to continuously raise this tax is Governmental Abuse. The State Government has the power and authority to prevent the Council from raising taxes at will.

I am asking you to please look into this abuse, and if necessary, to introduce a bill in the State Legislature to curtail the strangulation of the small businessman by a tax happy council.

Sincerely,

A handwritten signature in cursive script that reads "D. Lewis". The signature is written in black ink and is positioned below the word "Sincerely,".

David S. Lewis, DDS