
Permitting Services

MISSION STATEMENT

The mission of the Department of Permitting Services (DPS) 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 FY11 Operating Budget for the Department of Permitting Services is \$23,995,250, a decrease of \$3,071,930 or 11.3 percent from the FY10 Approved Budget of \$27,067,180. Personnel Costs comprise 79.8 percent of the budget for 182 full-time positions and one part-time position for 173.0 workyears. Operating Expenses account for the remaining 20.2 percent of the FY11 budget.

LINKAGE TO COUNTY RESULT AREAS

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

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

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Worked with the Maryland Department of the Environment (MDE) to help approximately 200 Montgomery County homeowners receive Bay Restoration Fund grants to upgrade their existing septic systems to "Best Available Technology" status, which will reduce nitrogen inputs into the drinking water aquifers and the Chesapeake Bay.***
- ❖ ***Worked with the Code Enforcement Work Group to strengthen and improve code enforcement practices.***
- ❖ ***All projects covered under the Green Building Law have been registered with the Leadership in Energy and Environmental Design (LEED), and will be monitored for compliance.***
- ❖ ***In April 2010, DPS will implement Bill 30-07, Building-Energy Efficiency. This Bill requires single family houses and townhouses that are constructed under International Residential Building Code to conserve energy through efficiency in building envelope, mechanical systems and lighting systems.***
- ❖ ***Improved customer service through enhanced case management practices by assigning a mentor to customers who are unfamiliar with the permit process.***
- ❖ ***Create "how to videos" to assist customers in understanding the permitting process.***
- ❖ ***Productivity Improvements***
 - ***Created a "fast track" drainage review process for building permit land development issues resulting in a reduced number of complaints having to do with drainage and other environmental impacts.***
 - ***Created an intermediate plan review process for commercial building construction projects resulting in reduced review time for small commercial building projects. Plan reviews are completed within ten working days for projects that qualify for the Intermediate Plan Review process.***

- **Reduced the number of plans required for new single family submissions from two copies to one, reducing the amount of paper required from customers and handled in the department.**
- **Improved customer service and enforcement consistency by training staff on every aspect of complaint handling.**

PROGRAM CONTACTS

Contact Alicia Thomas of the Department of Permitting Services at 240.777.6392 or Amy Wilson of the Office of Management and Budget at 240.777.2775 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.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	7,736,770	67.3
Decrease Cost: Position reductions in Land Development Section	-780,400	-7.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-160,160	-5.2
FY11 CE Recommended	6,796,210	55.1

Notes: Ten fully lapsed vacant positions are being abolished.

Customer Service

The Customer Service program is responsible for ensuring that customer service and satisfaction is measured and successfully achieved through communication and outreach to the public. This program is responsible for the intake of complaints, processing information requests, and responding to departmental correspondence. This division proactively educates residents and the development community about the permitting process by maintaining and improving the DPS web site, publishing the DPS newsletter, coordinating outreach events, organizing educational seminars for residents, civic organizations and professionals, and providing information to applicants via telephone regarding the intake and issuance of permits. This division is also responsible for facilitating "green tape" projects such as affordable housing projects and those in the Silver Spring, Wheaton, and Long Branch enterprise zones by working with other DPS team members to ensure, to the greatest extent possible, an expedited, seamless permitting and inspection process. This division is responsible for developing customer service surveys for the department, analyzing the results, reporting findings, and recommending a course of action for improvement.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Response time on complaint investigations - Average number of days from the complaint being filed to first contact between a Permitting Inspector and the customer	3.2	4.8	2.0	5.0	5.0
Response time on complaint investigations - Average number of days from the complaint being filed to final resolution of the complaint	11.9	9.4	12.0	14.0	13.0
Percent of complaints that are resolved on the first inspection	72.3	68.0	80.0	80.0	80.0

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	1,178,410	13.1
Decrease Cost: Position reductions in Customer Service Division	-85,060	-1.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	16,880	-0.5
FY11 CE Recommended	1,110,230	11.6

Notes: One fully lapsed vacant position is being abolished.

Building Construction

The Building Construction program is responsible for ensuring public safety through the effective enforcement of construction and zoning codes and standards. This is accomplished through 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. In addition, the program is charged with the plan review and inspection of Maryland-National Capital Park and Planning Commission 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. The program is also responsible for conducting damage assessments during natural and other disasters and incidents and provides assistance in disaster recovery efforts.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Average number of days it took to issue a permit - New construction: Commercial permits	207.6	295.8	225.0	163.0	163.0
Average number of days it took to issue a permit - New construction: Residential permits	159.8	223.4	140.0	90.0	90.0
Average number of days it took to issue a permit - Additions: Commercial permits	111.9	67.6	65.0	76.0	73.0
Average number of days it took to issue a permit - Additions: Residential permits	18.7	18.6	17.0	17.0	16.0
Median number of minutes it took to issue a permit - Permits for commercial alterations obtained using the Department of Permitting Services' Fast Track process ¹	106.7	84.0	110.0	170.0	160.0
Median number of minutes it took to issue a permit - Residential permits using the Department of Permitting Services' Fast Track process	47.0	48.0	60.0	60.0	58.0
Percent of building permits issued that received a final inspection: Residential permits	58.8	59.9	35.6	35.6	33.0
Percent of building permits issued that received a final inspection: Residential new construction					83.0
Percent of building permits issued that received a final inspection: Commercial permits through the Department of Permitting Services' Fast Track process	75.5	71.3	67.6	77.0	74.0

¹ Data reflects both current and dormant permits. New database to be implemented in FY11 will include only active permit requests.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	12,041,150	103.9
Decrease Cost: Motor Pool Cost Reduction	-34,920	0.0
Decrease Cost: Position Reductions in Building Construction Division	-986,780	-8.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-462,400	-3.7
FY11 CE Recommended	10,557,050	92.3

Notes: Fourteen fully lapsed vacant positions are being abolished.

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, training, safety, quality assurance, legislative coordination, space management, historic files management, and management services.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	6,110,850	12.8
Increase Cost: Retiree Health Insurance Pre-Funding	800,690	0.0
Increase Cost: Retirement Adjustment	324,280	0.0
Increase Cost: Risk Management Adjustment	44,210	0.0
Decrease Cost: Occupational Medical Services Adjustment	-1,680	0.0
Decrease Cost: Reduce Computer Training	-5,000	0.0
Decrease Cost: Eliminate Cabling Charges from DTS	-13,500	0.0
Decrease Cost: Communication Services	-45,000	0.0
Decrease Cost: Master Lease Payments for Financed Hardware	-51,910	0.0
Decrease Cost: Services and Contracts	-85,000	0.0
Decrease Cost: Lease Adjustment	-161,190	0.0
Decrease Cost: Reduce Imaging and GIS Temporary Services and Perform all Document Imaging In-house	-202,310	-1.3
Decrease Cost: Reduce Equipment and IT Maintenance and Repairs	-281,210	0.0
Decrease Cost: Credit Card Fee Reduction	-540,000	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-361,470	2.5
FY11 CE Recommended	5,531,760	14.0

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
PERMITTING SERVICES					
EXPENDITURES					
Salaries and Wages	16,403,854	15,530,040	16,053,190	13,643,380	-12.1%
Employee Benefits	5,611,881	5,784,270	5,644,560	5,506,640	-4.8%
Permitting Services Personnel Costs	22,015,735	21,314,310	21,697,750	19,150,020	-10.2%
Operating Expenses	4,252,265	5,752,870	4,483,860	4,845,230	-15.8%
Debt Service Other	116,074	0	0	0	—
Capital Outlay	61,547	0	0	0	—
Permitting Services Expenditures	26,445,621	27,067,180	26,181,610	23,995,250	-11.3%
PERSONNEL					
Full-Time	220	226	226	182	-19.5%
Part-Time	1	1	1	1	—
Workyears	216.7	197.1	197.1	173.0	-12.2%
REVENUES					
Building Permits	10,270,370	13,416,640	11,580,740	13,896,890	3.6%
Commercial Use & Occupancy Permits	348,418	386,930	531,650	637,980	64.9%
Electrical Contractors Licenses	212,151	221,950	141,350	169,620	-23.6%
Electrical Individual Licenses	316,527	336,070	215,320	258,380	-23.1%
Electrical Permits	1,743,453	1,887,080	1,503,260	1,803,910	-4.4%
Fire Code Enforcement Fees	534,781	596,910	376,470	451,760	-24.3%
Residential Fire Sprinkler Systems	139,268	166,190	109,390	131,270	-21.0%
Mechanical Inspection Fees	631,551	815,420	508,410	610,090	-25.2%
Grading/SD/Paving/Driveway Permits	1,579,349	1,866,790	2,199,110	2,638,930	41.4%
Sediment Control Permits	2,227,989	2,577,000	6,498,650	3,298,380	28.0%
Stormwater Management Concept Fees	243,232	288,310	169,230	203,080	-29.6%
Flood Plain Permits	18,320	23,610	26,320	31,580	33.8%
Flood Plain Verification and Study Fees	23,790	37,150	7,130	8,560	-77.0%
Preliminary Water Quality Review	22,021	33,230	102,920	123,500	271.7%
Final Water Quality Fee	12,113	0	0	0	—
Well and Septic	288,249	368,980	221,550	265,860	-27.9%
Scavenger (W&S)	17,983	3,620	2,500	3,000	-17.1%
Vendor Operations & Licensing Fee	45,705	36,020	30,850	37,020	2.8%
Sign Permits	123,796	179,510	202,740	243,290	35.5%
Benefit Performances	3,591	4,310	1,770	2,120	-50.8%
Overtime Offset Fee	578,653	726,640	564,530	677,440	-6.8%
Special Exception Fee	209,715	201,440	669,170	803,000	298.6%
Miscellaneous Licenses & Permits	30,138	0	130	160	—
Automation Surcharge	1,962,444	2,458,050	2,169,220	2,603,060	5.9%
Information Requests	32,682	35,700	36,010	43,210	21.0%
Civil Penalties/Fines	102,020	68,580	77,270	92,720	35.2%
Investment Income	200,491	160,000	30,000	90,000	-43.8%
Miscellaneous	143,067	0	0	0	—
Homeowner Electrical Exam	3,365	0	0	0	—
Non-Conforming Use Certification	175	0	1,710	2,050	—
Permitting Services Revenues	22,065,407	26,896,130	27,977,400	29,126,860	8.3%

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
PERMITTING SERVICES		
FY10 ORIGINAL APPROPRIATION	27,067,180	197.1
Other Adjustments (with no service impacts)		
Increase Cost: Retiree Health Insurance Pre-Funding [Administration]	800,690	0.0
Increase Cost: Retirement Adjustment [Administration]	324,280	0.0
Increase Cost: Anticipated Leave Payout	300,000	0.0
Increase Cost: Group Insurance Adjustment	159,440	0.0
Increase Cost: Risk Management Adjustment [Administration]	44,210	0.0
Decrease Cost: Occupational Medical Services Adjustment [Administration]	-1,680	0.0
Decrease Cost: Reduce Computer Training [Administration]	-5,000	0.0
Decrease Cost: Advertising - Jobs	-5,200	0.0
Decrease Cost: Eliminate Cabling Charges from DTS [Administration]	-13,500	0.0
Decrease Cost: Motor Pool Cost Reduction [Building Construction]	-34,920	0.0
Decrease Cost: Communication Services [Administration]	-45,000	0.0
Decrease Cost: Master Lease Payments for Financed Hardware [Administration]	-51,910	0.0
Decrease Cost: Printing and Mail Adjustment	-67,710	0.0
Decrease Cost: Services and Contracts [Administration]	-85,000	0.0
Decrease Cost: Position reductions in Customer Service Division [Customer Service]	-85,060	-1.0
Decrease Cost: Travel, Education, Memberships	-87,450	0.0
Decrease Cost: Uniforms and Supplies	-105,320	0.0
Decrease Cost: Lease Adjustment [Administration]	-161,190	0.0
Decrease Cost: Reduce Imaging and GIS Temporary Services and Perform all Document Imaging In-house [Administration]	-202,310	-1.3
Decrease Cost: Motor Pool Rate Adjustment	-214,790	0.0
Decrease Cost: Reduce Equipment and IT Maintenance and Repairs [Administration]	-281,210	0.0
Decrease Cost: Annualization of FY10 Personnel Costs	-324,800	0.0
Decrease Cost: Credit Card Fee Reduction [Administration]	-540,000	0.0
Decrease Cost: Furlough Days	-621,320	-6.8
Decrease Cost: Position reductions in Land Development Section [Land Development]	-780,400	-7.0
Decrease Cost: Position Reductions in Building Construction Division [Building Construction]	-986,780	-8.0
FY11 RECOMMENDED:	23,995,250	173.0

PROGRAM SUMMARY

Program Name	FY10 Approved		FY11 Recommended	
	Expenditures	WYs	Expenditures	WYs
Land Development	7,736,770	67.3	6,796,210	55.1
Customer Service	1,178,410	13.1	1,110,230	11.6
Building Construction	12,041,150	103.9	10,557,050	92.3
Administration	6,110,850	12.8	5,531,760	14.0
Total	27,067,180	197.1	23,995,250	173.0

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY11	FY12	FY13	FY14	FY15	FY16
(\$000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
PERMITTING SERVICES						
Expenditures						
FY11 Recommended	23,995	23,995	23,995	23,995	23,995	23,995
No inflation or compensation change is included in outyear projections.						
IT Maintenance Costs	0	79	8	71	62	141
Represents additional maintenance costs for the upgraded permitting system and post-warranty maintenance for servers and printers.						
IT Replacement Plan	0	200	410	375	140	0
Assumes replacement of scanners (\$200,000) in FY12; servers (\$350,000) and printers (60,000) replacement in FY13; database server replacement (\$375,000) in FY14; and network switch replacement (\$140,000) in FY15. Master lease payments and IT maintenance costs are listed separately.						
Master Lease Payments for Financed Hardware	0	-12	-12	-12	-12	-12
Master lease payments related to financing the FY08 purchase of a server will be paid off in FY11.						

Title	CE REC.					
	FY11	FY12	FY13	(\$000's)		
	FY14	FY15	FY16			
Motor Pool Rate Adjustment	0	215	215	215	215	215
Office Rent Increases Represents cost increases provided by the Department of General Services.	0	66	131	198	267	340
Restoration of Lapsed Positions Positions held vacant for affordability and level of activity will be filled as needed.	0	0	0	0	736	1,505
Restoration of Operating and Capital Reductions Equipment repairs, maintenance and motorpool expenses deferred for affordability and level of activity to be restored as needed.	0	0	0	0	161	321
Restore Personnel Costs This represents restoration of funding to remove FY11 furloughs.	0	621	621	621	621	621
Retiree Health Insurance Pre-Funding These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.	0	400	490	585	685	789
Subtotal Expenditures	23,995	25,564	25,858	26,049	26,870	27,916

FY11-16 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Permitting Services					
FISCAL PROJECTIONS	FY10 ESTIMATE	FY11 REC	FY12 PROJECTION	FY13 PROJECTION	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	13.73%	12.78%	12.78%	12.78%	12.78%	12.78%	12.78%
CPI (Fiscal Year)	1.0%	2.1%	2.3%	2.5%	2.6%	2.8%	3.0%
Investment Income Yield	0.26%	0.85%	1.80%	3.25%	4.00%	4.50%	4.75%
BEGINNING FUND BALANCE	(4,778,900)	(5,882,960)	(2,592,300)	(908,540)	585,730	1,691,690	1,710,410
REVENUES							
Licenses & Permits	25,663,190	26,295,820	26,887,460	27,546,190	28,262,390	29,053,740	29,925,320
Charges For Services	2,206,940	2,648,320	2,707,910	2,774,250	2,846,390	2,926,090	3,013,870
Fines & Forfeitures	77,270	92,720	94,810	97,130	99,660	102,450	105,520
Miscellaneous	30,000	90,000	200,000	380,000	490,000	570,000	630,000
Subtotal Revenues	27,977,400	29,126,860	29,890,180	30,797,570	31,698,440	32,652,280	33,674,710
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(3,653,010)	(2,994,720)	(2,872,910)	(2,666,080)	(2,673,350)	(2,700,550)	(2,730,270)
Transfers From The General Fund	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770
Payment for Public Agency Permits	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660
Payment for Green Tape Position	94,110	94,110	94,110	94,110	94,110	94,110	94,110
TOTAL RESOURCES	20,699,260	21,402,950	25,578,740	28,376,720	30,764,590	32,797,190	33,808,620
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(26,181,610)	(23,995,250)	(24,918,150)	(25,927,920)	(27,019,100)	(28,211,860)	(29,515,380)
Restoration of Lapsed Positions	0	0	0	0	0	(735,650)	(1,505,340)
Restoration of Operating and Capital Reductions	0	0	0	0	0	(160,690)	(321,380)
Restore Personnel Costs (FY11 Furloughs)	0	0	(621,320)	(621,320)	(621,320)	(621,320)	(621,320)
IT Maintenance	n/a	0	(78,720)	(7,510)	(71,390)	(61,840)	(140,860)
IT Replacement Plan	0	0	(200,000)	(410,000)	(375,000)	(140,000)	0
IT Master Lease Payment	0	0	12,260	12,260	12,260	12,260	12,260
Office Rent	n/a	0	(65,940)	(130,750)	(197,750)	(267,480)	(339,610)
Motor Pool Rate Adjustment	n/a	0	(215,440)	(215,440)	(215,440)	(215,440)	(215,440)
Retiree Health Insurance Pre-Funding	n/a	n/a	(399,970)	(490,310)	(585,160)	(684,760)	(789,340)
Subtotal PSP Oper Budget Approp / Exp's	(26,181,610)	(23,995,250)	(26,487,280)	(27,790,990)	(29,072,900)	(31,086,780)	(33,436,410)
OTHER CLAIMS ON FUND BALANCE	(400,610)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(26,582,220)	(23,995,250)	(26,487,280)	(27,790,990)	(29,072,900)	(31,086,780)	(33,436,410)
YEAR END FUND BALANCE-Unrestricted Net Assets (UNA)	(5,882,960)	(2,592,300)	(908,540)	585,730	1,691,690	1,710,410	372,210
END-OF-YEAR RESERVES AS A PERCENT OF UNA RESOURCES							
	-28.4%	-12.1%	-3.6%	2.1%	5.5%	5.2%	1.1%
YEAR END FUND BALANCE-Cash	(2,288,710)	1,001,950	2,685,710	4,179,980	5,285,940	5,304,660	3,966,460
END-OF-YEAR RESERVES AS A PERCENT OF CASH RESOURCES							
	-9.4%	4.0%	9.2%	13.1%	15.4%	14.6%	10.6%
Assumptions:							
1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee rates, usage, inflation, future labor agreements, and other factors not assumed here.							
2. Revenue increases in FY11 and future years assume a gradual increase in construction market activity.							
3. Because of the economic downturn, a significant reduction in revenues occurred in FY09 and continued into FY10. The department has initiated serious cost containment measures which will be continued into FY11. As a result, the department expects to achieve a positive cash balance at the end of FY11.							
4. Key components of the Permitting Service's technology replacement plan include: FY12 scanners (\$200,000); FY13 printer replacement (\$60,000) and servers (\$350,000); FY14 database server replacement (\$375,000); FY15 network switch replacement (\$140,000).							
5. The year-end unrestricted net asset and cash fund balance are targeted to ensure a plan for restoring the fund balance and protection against the current softening of the construction market and related permit fee revenues. Both cash and unrestricted net assets balances are reported above.							
6. The labor contract with Municipal and County Government Employees Organization, Local 1994 expires at the end of FY11.							
7. The FY10 Estimated Claim on Fund Balance (\$400,610) is the deferred Retiree Health Insurance prefunding payment. Payment is included in FY11.							