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 commerical 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. FY09	FY10	FY11	($000's) FY12	FY13	FY14
This table is intended to present significant future fiscal impacts of the department's programs.						
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 maintainence 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 Expenditures	WYs	FY10 Annualized 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:

1. 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.
2. 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.
3. The labor contract with the Municipal and County Government Employees Organization, Local 1994 expires at the end of FY10.
4. 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.
5. 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.
6. 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.