



Permitting Services

RECOMMENDED FY23 BUDGET

\$41,067,049

FULL TIME EQUIVALENTS

249.03

 MITRA PEDOEEM, DIRECTOR

MISSION STATEMENT





The Department of Permitting Services' (DPS) primary mission is to promote the health, safety, welfare, and economic well-being of residents, businesses, and communities in Montgomery County with timely, professional, transparent, and consistent review and processing of plans and permits and through inspections of structures, rights-of-way, and development. DPS protects the public through application and enforcement of national, State, and local codes for fire and life safety, electrical, mechanical, energy, accessibility, building, and other public safety and zoning codes. DPS protects residential and business communities and users of public rights-of-way through inspections of work within public rights-of-way to assure adherence to approved site plans and special exceptions. DPS strives to promote economic well-being and customer service through ongoing process improvements, timely response, and service, while ensuring that structures are safe for occupants and visitors, sustainable for future generations, and that development is consistent with requirements to protect the environment.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Department of Permitting Services is \$41,067,049, an increase of \$2,165,072 or 5.57 percent from the FY22 Approved Budget of \$38,901,977. Personnel Costs comprise 75.22 percent of the budget for 243 full-time position(s) and no part-time position(s), and a total of 249.03 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 24.78 percent of the FY23 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **Easier Commutes**
-  **A Greener County**
-  **Effective, Sustainable Government**
-  **A Growing Economy**

INITIATIVES

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- ★ Conducted outreach to educate the public on safety and other DPS measures including promoting international Building Safety Month in May, deck safety and other educational webinars.
 - ★ The Zoning Division will conduct an outreach campaign to inform the general public, industry professionals and sister government agencies on relevant and timely topics intended to promote health, public safety, general welfare, and goodwill throughout the County.
 - ★ Participated in the development of NFPA 915, a new code for remote inspections, and Tiny Homes Guide.
 - ★ Implemented a predesign consultation process for residential projects that gives both the customers and staff a better understanding of the project requirements and next steps.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Section Managers monitor the new Commercial Building Dashboard on an hourly basis to identify and, in over 95% of cases, remedy a potential issue prior to becoming a customer complaint.
- ★ DPS cross-trains staff and engineers to cover multiple specialties and functions to expedite plan reviews and ensure service gaps do not occur due to employee leave. Using this strategy DPS has been able to maintain performance goals with limited use of overtime.
- ★ DPS has increased inspection numbers and revenues beyond previous years by using temps to "roll forward" permit conditions to proactively inspect occupancies instead of waiting for payments.
- ★ DPS uses the "red card" method for customers who have expired permits to prompt them to go online and renew permits. This practice is very useful for businesses that may not be open when a DPS inspector arrives.

PROGRAM CONTACTS

Contact Barbara Suter of the Department of Permitting Services at 240.777.6244 or Rafael Pumarejo Murphy of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

The department combines department and applicant time components when measuring "total time to issue a permit." These times may be impacted by satisfaction of related preconditions such as sediment control submissions, approvals, and outside agency approvals.

PROGRAM DESCRIPTIONS

★ Administration

Central Services Unit

The Administration Program provides policy development and leadership for all programs within the Department.

Central Services Staff are specialists responsible for a full range of administrative, financial, and budgetary tasks, including daily operations, revenue collection (fees and development taxes and charges), reporting and management, automation, human resources, fleet management, training, safety, quality assurance, legislative coordination, space management, historic files maintenance, and management services.

Information Technology

DPS' Office of Information Technology Services (DPS-IT) is responsible for all information technology. Functional responsibilities include IT initiatives, development, modernization and the support of the DPS CORE IT business processes. DPS-IT provides day-to-day IT services, equipment, applications, reports, budget, and 24/7/365 business operations. DPS-IT monitors all system maintenance, business processes design, development, hardware and software, and implementation. DPS-IT supports the Senior Executive Office with IT budget and IT directives, consultant, contracts, and COOP collaboration with both internal and external stakeholders. DPS-IT maintains, updates, and monitors website development, business processes interfaces such as e-Services (electronic permits and plans applications, management and storage, real-time data search, on-line complaints, and on-line information requests) development, implementation, document imaging, enterprise and County Council policy initiatives.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Percent of screenings passed with fewer than 2 returns to the customer	94%	94%	95%	95%	95%
Percent of inspections passed - all divisions	84%	87%	85%	85%	85%
Percent of customers satisfied with DPS services	84%	98%	85%	90%	90%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	9,980,842	22.00
Add: DPS Information Technology Resources Upgrades	2,000,000	0.00
Increase Cost: Mid-Year Creation of Climate Change Officer Position	26,246	0.13
Increase Cost: IT Maintenance Cost	6,113	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(248,460)	2.00
FY23 Recommended	11,764,741	24.13

☼ Commercial Building Construction

The Commercial Construction program is responsible for ensuring public safety through the effective application of commercial building, structural, electrical, mechanical, fire-safety, accessibility, and sustainability conservation codes and standards. As the "First Preventers," this is accomplished through plan review and construction site inspections to facilitate compliance with approved plans and regulations. This program processes applications for and issues Building, Mechanical, Fire Protection, and Electrical Permits. The program also handles construction complaints during natural and other disasters and assists in disaster recovery.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of permits receiving final approvals ¹	2,801	10,720	10,500	10,500	10,500
Commercial Permits - Percent of inspections completed on the scheduled day	98.5%	98.7%	98.0%	98.0%	98.0%
Percent of plans receiving a complete first review within 30 days	85.0%	98.8%	95.0%	95.0%	95.0%

¹ now includes not previously noted combuild pieces such as electrical and mechanical finals.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,871,306	51.00
Add: Climate Action Plan Sustainability Program Manager and Electrification Program Manager	158,948	2.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(106,673)	(1.00)
FY23 Recommended	6,923,581	52.00

Customer Support & Outreach

The Customer Support and Outreach Division is responsible for all administration and issuance of Building, Land Development, and Zoning related permits, applications and licenses, information requests, pre-design consultations, and other specialty services. This Division was formed to provide a multi-prong approach to enhance the methods in which our services are delivered and to provide enhanced communication for our clients. This heightened focus on service will include empowerment of staff to act as facilitators rather than regulators.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of applications processed (at intake) by permit technicians	62,632	61,293	62,000	62,000	62,000
Percent of screenings completed (plans ready for review) within 2 business days	75.0%	60.0%	75.0%	85.0%	85.0%
Percent of customers satisfied with DPS Customer Service Division	95.6%	94.5%	95.0%	95.0%	95.0%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	4,743,705	43.90
Increase Cost: Technical Adjustment FY22 FTE missing from roll over into FY23	0	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(34,722)	(1.00)
FY23 Recommended	4,708,983	43.90

Land Development

The Land Development Division is responsible for ensuring the protection of the County's land and water resources, the protection of the environment, and the safety of residents and businesses through its engineering and inspection functions related to storm water management; sediment control; floodplain management; special protection areas; storm drain design and construction; roadside tree protection; tree canopy enhancement; record plat approval; and work in the public right-of-way.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Total number of public right of way permits issued (roadside trees, driveways, plats, et al.)	3,214	3,488	3,000	3,000	3,000
Number of Sediment Control inspections completed	14,818	15,239	15,000	15,500	15,500
Number of roadside tree plan reviews	1,111	1,354	1,350	1,350	1,350
Percent of Sediment Control inspections that pass inspection indicating a compliant site	94.3%	95.5%	95.0%	95.0%	95.0%
Successful Maryland Department of the Environment (MDE) Delegation of Review of Sediment Control and Storm-Water Management ¹	Yes	N/A	Yes	N/A	Yes

¹ Sediment Control Delegation reviews are performed biennially.

FY23 Recommended Changes	Expenditures	FTEs
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FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,535,373	48.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(11,263)	0.00
FY23 Recommended	6,524,110	48.00

Residential Construction & Fire Code Compliance

The Residential Construction staff is responsible for ensuring public safety through the effective application of residential building, structural, electrical, mechanical, and energy conservation codes. This is accomplished through technical plan review and inspection processes.

The Fire Code Compliance staff is responsible for ensuring compliance with adopted National Fire Codes and Standards, the Montgomery County Fire Code, and the Maryland State Fire Prevention Codes in existing buildings. This is accomplished through reviews and preventive inspection processes for businesses, schools, multi-family buildings, healthcare facilities, places of worship, and all other commercial buildings or occupancies.

The Division staff respond to and investigate code violations and aid in recovery during natural disasters and other incidents.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Percent of service requests completed within 3 business days	97.0%	99.0%	95.0%	95.0%	95.0%
Percent of commercial establishments in compliance with the Fire Code	74.7%	61.3%	65.0%	75.0%	75.0%
Number of inspections performed by Residential and Fire Code Compliance FCC inspectors	44,535	49,599	50,000	50,000	50,000
Number of residential plan reviews performed ¹	6,740	9,657	9,500	9,500	9,500
Residential Permits - Percent of inspections completed on the scheduled day	98.9%	99.0%	98.0%	98.0%	98.0%

¹ COVID - many home office additions, DIY projects, etc.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,041,878	47.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	131,330	(1.00)
FY23 Recommended	6,173,208	46.00

Zoning, Well & Septic and Code Compliance

The Zoning, Well & Septic and Code Compliance Division protects the quality of life, public health, safety, and welfare of Montgomery County. This is accomplished through the effective application and enforcement of the Montgomery County Zoning Ordinance Chapter 59 development and use standards; Maryland-National Capital Park and Planning Commission certified site plan requirements; State and County Well and Septic regulations established by COMAR 26.04 and COMAR 27A; and emergency vehicle access review and approvals. Division Staff perform zoning reviews of plan applications prior to permit issuance, well and septic permit application reviews, conduct inspections and investigations while ensuring compliance of MNCPPC certified site plan projects and responding to all service requests across all disciplines of its authority.

Program Performance Measures	Actual	Actual	Estimated	Target	Target
Permitting Services					

	FY20	FY21	FY22	FY23	FY24
Number of zoning, well and septic, and fire department access reviews	28,735	33,090	33,000	33,000	33,000
Percent of MNCPPC active site plans in compliance every 10 days	93%	92%	95%	95%	95%
Percent of Zoning service requests started and responded to the customer within 48 hours	90%	96%	95%	95%	95%

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	4,728,873	34.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	243,553	1.00
FY23 Recommended	4,972,426	35.00

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
PERMITTING SERVICES					
EXPENDITURES					
Salaries and Wages	22,741,365	23,921,593	22,508,465	24,436,707	2.2 %
Employee Benefits	6,616,535	6,677,204	6,315,186	6,454,742	-3.3 %
Permitting Services Personnel Costs	29,357,900	30,598,797	28,823,651	30,891,449	1.0 %
Operating Expenses	9,670,802	8,303,180	7,754,827	10,175,600	22.6 %
Permitting Services Expenditures	39,028,702	38,901,977	36,578,478	41,067,049	5.6 %
PERSONNEL					
Full-Time	239	240	240	243	1.3 %
Part-Time	2	0	0	0	—
FTEs	245.90	245.90	245.90	249.03	1.3 %
REVENUES					
Automation Enhancement Fee	1,196	0	0	0	—
Building Permits	25,483,337	19,826,070	29,481,879	28,742,198	45.0 %
Electrical Permits and Licenses	4,444,302	3,654,000	5,261,171	5,130,914	40.4 %
Fire Code Enforcement Permits	2,466,710	2,588,286	2,543,458	3,101,062	19.8 %
Grading/Storm Drains/Paving/Driveway Permits	3,664,235	3,045,000	4,343,582	3,431,353	12.7 %
Information Requests	0	95,700	165,347	165,558	73.0 %
Investment Income	54,538	408,000	48,310	288,370	-29.3 %
Mechanical Construction Permit	1,765,784	1,452,900	1,943,726	1,829,425	25.9 %
Miscellaneous Revenues	368,536	0	0	0	—
Occupancy Permits	664,202	522,000	556,377	583,903	11.9 %
Other Charges/Fees	1,288,636	1,218,000	1,315,997	870,994	-28.5 %
Other Fines/Forfeitures	55,486	78,300	56,350	40,264	-48.6 %
Other Licenses/Permits	209,690	441,825	364,184	300,225	-32.0 %
Sediment Control Permits	2,350,421	2,698,105	3,541,630	3,083,491	14.3 %
Sign Permits	201,570	226,635	283,980	237,701	4.9 %
Special Exception Fee	189,696	210,605	210,605	206,228	-2.1 %
Stormwater Mgmt and Water Quality Plan Fee	279,049	251,268	212,385	270,483	7.6 %

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
Well and Septic	408,224	238,648	368,632	415,414	74.1 %
Permitting Services Revenues	43,895,612	36,955,342	50,697,613	48,697,583	31.8 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	0	0	0	0	—
Operating Expenses	550	0	0	0	—
Grant Fund - MCG Expenditures	550	0	0	0	—

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

REVENUES

Federal Grants	30,430	0	0	0	—
State Grants	(29,880)	0	0	0	—
Grant Fund - MCG Revenues	550	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	39,029,252	38,901,977	36,578,478	41,067,049	5.6 %
Total Full-Time Positions	239	240	240	243	1.3 %
Total Part-Time Positions	2	0	0	0	—
Total FTEs	245.90	245.90	245.90	249.03	1.3 %
Total Revenues	43,896,162	36,955,342	50,697,613	48,697,583	31.8 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
PERMITTING SERVICES		
	FY22 ORIGINAL APPROPRIATION	38,901,977 245.90
<u>Changes (with service impacts)</u>		
Add: DPS Information Technology Resources Upgrades [Administration]	2,000,000	0.00
Add: Climate Action Plan Sustainability Program Manager and Electrification Program Manager [Commercial Building Construction]	158,948	2.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY22 Compensation Increases	645,777	0.00
Increase Cost: FY23 Compensation Adjustment	374,236	0.00
Increase Cost: Risk Management Adjustment	128,806	0.00

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Motor Pool Adjustment	27,737	0.00
Increase Cost: Mid-Year Creation of Climate Change Officer Position [Administration]	26,246	0.13
Increase Cost: IT Maintenance Cost [Administration]	6,113	0.00
Increase Cost: Printing and Mail Adjustment	4,884	0.00
Increase Cost: Technical Adjustment FY22 FTE missing from roll over into FY23 [Customer Support & Outreach]	0	1.00
Decrease Cost: OPEB Adjustment	(295,120)	0.00
Decrease Cost: Retirement Adjustment	(366,772)	0.00
Decrease Cost: Annualization of FY22 Personnel Costs	(545,783)	0.00
FY23 RECOMMENDED	41,067,049	249.03

GRANT FUND - MCG

FY22 ORIGINAL APPROPRIATION	0	0.00
FY23 RECOMMENDED	0	0.00

PROGRAM SUMMARY

Program Name	FY22 APPR Expenditures	FY22 APPR FTEs	FY23 REC Expenditures	FY23 REC FTEs
Administration	9,980,842	22.00	11,764,741	24.13
Commercial Building Construction	6,871,306	51.00	6,923,581	52.00
Customer Support & Outreach	4,743,705	43.90	4,708,983	43.90
Land Development	6,535,373	48.00	6,524,110	48.00
Residential Construction & Fire Code Compliance	6,041,878	47.00	6,173,208	46.00
Zoning, Well & Septic and Code Compliance	4,728,873	34.00	4,972,426	35.00
Total	38,901,977	245.90	41,067,049	249.03

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
PERMITTING SERVICES						
EXPENDITURES						
FY23 Recommended	41,067	41,067	41,067	41,067	41,067	41,067
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY23	0	53	53	53	53	53
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Labor Contracts	0	1,207	1,207	1,207	1,207	1,207

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	41,067	42,327	42,327	42,327	42,327	42,327

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY23 Recommended		FY24 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Climate Action Plan Sustainability Program Manager and Electrification Program Manager	158,948	2.00	211,930	2.00
Total	158,948	2.00	211,930	2.00

FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Permitting Services

FISCAL PROJECTIONS	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
Enterprise Fund Stabilization Factor (EFSF)	1.05	1.05	0.72	0.95	0.98	0.96	0.94
BEGINNING FUND BALANCE	20,758,919	28,180,602	29,017,814	14,419,254	11,733,124	11,429,987	11,626,584
REVENUES							
Licenses & Permits	49,111,609	47,332,397	48,402,110	49,549,239	50,723,556	51,880,054	53,000,664
Charges For Services	1,481,344	1,036,552	1,059,978	1,085,099	1,110,815	1,136,141	1,160,682
Fines & Forfeitures	56,350	40,264	41,174	42,150	43,149	44,133	45,086
Miscellaneous	48,310	288,370	377,450	391,830	406,760	422,260	438,350
Subtotal Revenues	50,697,613	48,697,583	49,880,712	51,068,318	52,284,280	53,482,588	54,644,782
EFSF Fee Increase	0	0	(15,442,578)	(4,718,975)	(3,550,649)	(4,249,223)	(5,350,543)
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(6,740,402)	(6,541,152)	(6,762,575)	(6,761,354)	(6,762,649)	(6,762,649)	(6,761,909)
Wheaton Redevelopment	(871,553)	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,831)
Transfers To The General Fund	(871,553)	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,831)
Indirect Costs	(5,868,849)	(5,668,581)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)	(5,890,078)
TOTAL RESOURCES	64,716,130	70,337,033	72,135,951	58,726,218	57,254,755	58,149,926	59,509,457
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(36,578,478)	(41,067,049)	(41,067,049)	(41,067,049)	(41,067,049)	(41,067,049)	(41,067,049)
FFI - Labor Agreement	n/a	0	(1,207,070)	(1,207,070)	(1,207,070)	(1,207,070)	(1,207,070)
FFI - Retiree Health Insurance Pre-Funding	n/a	n/a	0	0	0	0	0
Subtotal PSP Oper Budget Approp / Exp's	(36,578,478)	(41,067,049)	(42,274,119)	(42,274,119)	(42,274,119)	(42,274,119)	(42,274,119)
OTHER CLAIMS ON FUND BALANCE	42,950	(252,170)	0	0	0	0	0
TOTAL USE OF RESOURCES	(36,535,528)	(41,319,219)	(42,274,119)	(42,274,119)	(42,274,119)	(42,274,119)	(42,274,119)
YEAR END FUND BALANCE	28,180,602	29,017,814	14,419,254	11,733,124	11,429,987	11,626,584	11,884,795
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	43.5%	41.3%	20.0%	20.0%	20.0%	20.0%	20.0%

Assumptions:

1. The Enterprise Fund Stabilization Factor (EFSF) is the factor by which the fee calculation is adjusted to cover DPS labor and operating expenses in accordance with the DPS reserve policy of 15 to 20 percent of total resources, as set by the 2002 Principles of the Fiscal Management of the Permitting Services Fund.
2. It is assumed there will be no change in the EFSF in FY23. The EFSF in FY22 was 1.05, a 0% increase over the previous year.
3. The projections are based on the Executive's recommended budget and include CPI, revenue, and resource assumptions in that budget. The projected future revenues and fund balances may vary based on changes to the EFSF, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here.
4. DPS contributed \$21 million in current revenue in prior years to fund its proportional share of the Wheaton Redevelopment CIP# P361701. DPS will support \$14.6 million in non-taxable debt for this project.
5. Other claims on fund balance represents GASB 75 OPEB liability.