



Committee: GO
Committee Review: Completed
Staff: Eunice Jeong, Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #DPS

AGENDA ITEM #2
 May 11, 2023
Action

SUBJECT

Department of Permitting Services FY24 Operating Budget

EXPECTED ATTENDEES

None

FY24 COUNTY EXECUTIVE RECOMMENDATION

Permitting Services	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
Total Expenditures	\$ 41,067,049	\$41,692,529	1.5 %
Personnel Costs	\$30,891,449 249.03 FTEs	\$33,120,183 249.03 FTEs	7.2% 0%
Operating Costs	\$10,175,600	\$8,572,346	-15.8%

COMMITTEE RECOMMENDATIONS

- The Committee recommended the full DPS FY24 Operating Budget as recommended by the County Executive.

SUMMARY OF KEY ISSUES

DPS was asked to provide further detail on the breakdown of multi-program adjustments in their Land Development division, which includes the re-alignment addition of 5 FTEs from the Zoning and Code Compliance Division. DPS provided the following explanation for their multi-program adjustments:

Multi-Program Adjustments (between divisions) include: the Annualization of FY23 compensation, FY24 Compensation, Risk Management, Lapsed Positions, Printing and Mail, Motor Pool, Retirement Adjustment, and annualization of FY23 Personnel Costs. Land Development added in the FTEs from zoning, but also added the multi-program adjustment. The PC for the FTEs that were moved to Land Development was \$831,075, plus the multi-program adjustments of \$274,030 leading to a total of \$1,105,105 for all multi-program adjustments. Zoning & Code Compliance took out the FTEs that DPS moved back into Land Development in the amount of \$-831,075, and then added the multi-program adjustments of \$239,166, leading to a total of \$-591,909.

Administration had a multi-program adjustment increase of \$549,217, along with the Avolve cost of \$285,540, Fee Study \$150,000, Maintenance adjustment for Infor and OpenText \$8,986, and back out the \$-2,000,000, leading to a total of \$-1,006,257.

Commercial Division added the multi-program increase of \$493,017 to the budget. Residential Division added in the multi-program increase of \$383,980 to the budget. Customer Support added in the multi-program increase of \$241,544 to the budget.

This report contains:

Staff Report	Pages 1-8
CE Recommended FY24 Operating Budget	©1-10
Department-level OBET responses and ORESJ Comments	©11-14

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Worksession

MEMORANDUM

April 26, 2023

TO: Economic Development (ECON) Committee

FROM: Eunice Jeong, Legislative Analyst
Livhu Ndou, Legislative Attorney

SUBJECT: Department of Permitting Services (DPS) FY24 Operating Budget

PURPOSE: Make recommendations for Council consideration

Expected Participants

- Rabbiah Sabbakhan, Director, Department of Permitting Services (DPS)
- Ehsan Motazedi, Deputy Director, DPS
- Barbara Suter, Manager, Central Services Unit, DPS
- Katherine Bryant-Higgins, Office of Management and Budget (OMB)

Summary of CE Recommended FY24 Budget:

Permitting Services	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
Total Expenditures (General Fund)	\$ 41,067,049	\$41,692,529	1.5 %
Personnel Costs	\$30,891,449 249.03 FTEs	\$33,120,183 249.03 FTEs	7.2% 0%
Operating Costs	\$10,175,600	\$8,572,346	-15.8%

Overview

DPS is an Enterprise Fund, meaning the department accounts for all fiscal activity related to the collection and use of building permit fees and other charges related to the development process, rather than being tax funded. The total recommended FY24 Operating Budget for the Department

of Permitting Services is \$41,692,529, an increase of \$625,480 or 1.52 percent from the FY23 Approved Budget of \$41,067,049. Personnel Costs comprise 79.44 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 20.56 percent of the FY24 budget.

DPS has 15 current vacancies and is in the process of filling 10 vacancies by the end of FY23. Last year, there were 28 vacancies to fill. DPS can speak more specifically to the nature of these positions at the worksession.

Expenditure changes in FY24 budget

Because DPS is an enterprise fund and their FY24 Operating budget is being funded through their own revenues, their recommended changes do not have to be put on a reconciliation list as per the Council President’s budget guidance. For reference, all of DPS’ recommended changes are below:

Adjustments to discuss during this worksession:

Adjustments	Expenditures	FTEs
Add: Comprehensive Rate Study – <i>service impact</i>	\$150,000	0.0
Increase Cost: Avolve Maintenance	\$285,540	0.0
Increase Cost: Increase maintenance cost for INfor, Avolve, and Opentext	\$8,986	0.0
Decrease Cost: Back Out One-time IT Expense	\$(2,000,000)	0.0

Adjustments that are generally automatically approved or reviewed in separate committee worksessions (GO and T&E):

Adjustments	Expenditures	FTEs
Increase Cost: Annualization of FY23 Compensation Increases	\$1,272,153	0.0
Increase Cost: FY24 Compensation Adjustment	\$1,140,824	0.0
Increase Cost: Risk Management Adjustment	\$82,151	0.0
Increase Cost: Annualization of FY23 Lapsed Positions	\$52,982	0.0
Increase Cost: Printing and Mail	\$6,570	0.0
Decrease Cost: Motor Pool Adjustment	\$(136,501)	0.0
Decrease Cost: Retirement Adjustment	\$(49,448)	0.0
Decrease Cost: Annualization of FY23 Personnel Costs	\$(187,777)	0.0

Total Delta over FY23 Approved	\$625,480	0.0
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DPS is divided into several divisions. The recommendations for each are as follows:

1. Administration

Administration is divided into the Central Services Unit, and Information Technology Services. The **Central Services Unit** provides 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 Services** is responsible for all information technology, including day-to-day services; monitoring system maintenance; maintaining, updating, and monitoring website development; and other information technology duties.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24
Percent of screenings passed with fewer than 2 returns to the customer	98%	95%	95%
Percent of inspections passed - all divisions	85%	85%	85%
Percent of customers satisfied with DPS services	91%	92%	93%

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$11,764,741	\$10,758,484	-8.6%
FTEs	24.13	25.13	4.1%

The majority of the recommended changes include the increased cost of IT maintenance (Avolve), and increased maintenance costs for other IT systems (INfor, Avolve, and Opentext).

There is also a proposed new Comprehensive Fee Study, estimated at \$150,000. The last study was completed in 2015 by an outside vendor. This study is well-timed, as DPS experienced record revenues in FY22 and FY23, which often triggers a change in the fee structure. The Comprehensive Fee Study objectives are: (1) review the structure of its fees and costs of services provided by the Department, (2) review different approaches to permit fees; (3) develop recommendations for an updated fee structure to fairly allocate cost of operations and services among the permits, licenses, approvals and services provided by the Department and to ensure the long term stability of its enterprise fund with a reserve that meets reserve policy requirements, (4) develop recommendations as to appropriateness and structure for one or more surcharges or other methodology to cover costs of automation and other costs inherent in the DPS operations for services related to subsequent development related complaints, issues and enforcement long after construction under a permit is closed, (5) benchmark fully loaded fees and costs of building permit and development services for jurisdictions that are developed to a similar extent as Montgomery County and that are true enterprise funds, and (6) provide related services as may be requested by the Department.

There is a decrease in a one-time IT expense in the amount of (\$2,000,000), which is what is driving the overall decrease in recommended expenditures for this division. This one-time expense

from FY23 was for information technology resources upgrades. Recommended changes also include a \$549,217 (and 1 FTE) addition for multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.

2. 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. 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, as well as handles construction complaints during natural and other disasters and assists in disaster recovery.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24
Number of permits receiving final approvals	10,868	10,870	10,900
Commercial Permits - Percent of inspections completed on the scheduled day	98.2%	98.0%	98.0%
Percent of plans receiving a complete first review within 30 days	89.5%	90.0%	91.0%

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$6,923,581	\$7,416,598	7.1%
FTEs	52.00	52.00	0%

The recommended changes are in multi-program adjustments in the amount of \$493,017, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.

3. Customer Support and 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 services are delivered and to provide enhanced communication for applicants. This heightened focus on service will include empowerment of staff to act as facilitators rather than regulators.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24

Number of applications processed (at intake) by permit technicians	51,124	51,500	51,800
Percent of screenings completed (plans ready for review) within 2 business days	73.0%	75.0%	78.0%
Percent of customers satisfied with DPS Customer Service Division	97.0%	97.0%	98.0%

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$4,708,983	\$4,950,527	5.1%
FTEs	43.90	43.90	0%

The recommended changes are in multi-program adjustments in the amount of \$241,544, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.

4. 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.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24
Total number of public right-of-way permits issued (roadside trees, driveways, plats, et al.)	3,478	3,480	3,500
Number of Sediment Control inspections completed	18,959	19,000	19,250
Number of roadside tree plan reviews	1,796	1,800	1,850
Percent of Sediment Control inspections that pass inspection indicating a compliant site	95.6%	95.0%	95.0%
Successful Maryland Department of the Environment (MDE) Delegation of Review of Sediment Control and Storm-Water Management (biennial)	Yes	N/A	Yes

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$6,524,110	\$7,629,215	16.9%
FTEs	48.00	53.00	10.4%

The recommended changes are in multi-program adjustments in the amount of \$1,105,105.

With the reorganization in FY22, DPS moved the Well and Septic section to the Zoning and Code Compliance Division. Once the section was moved, DPS realized it was not a good fit and the section moved back to the Land Development Division. The \$1.1M comprises 5 FTEs with Benefits.

5. Residential Construction and Fire Code Compliance

The **Residential Construction** staff are 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 are 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.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24
Percent of service requests completed within 3 business days	92.1%	93.0%	94.0%
Percent of commercial establishments in compliance with the Fire Code	78.5%	79%	80%
Number of inspections performed by Residential and Fire Code Compliance FCC inspectors	69,820	69,900	70,000
Number of residential plan reviews performed	9,491	9,500	9,550
Residential Permits - Percent of inspections completed on the scheduled day	99.4%	99.0%	99.0%

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$6,173,208	\$6,557,188	6.2%
FTEs	46.00	46.00	0%

The recommended changes are in multi-program adjustments in the amount of \$383,980, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.

6. 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 through the effective application and enforcement of the Montgomery County Zoning Ordinance, site plan requirements, State and County Well and Septic regulations, and emergency vehicle access review and approvals.

<u>Program Performance Measures</u>			
	Actual FY22	Estimated FY23	Target FY24
Number of zoning, well and septic, and fire department access reviews	32,427	31,000	31,200
Percent of MNCPPC active site plans in compliance every 10 days	94%	95%	96%
Percent of Zoning service requests started and responded to the customer within 48 hours	87%	95%	96%

<u>FY24 Recommended Changes</u>			
	FY23 Approved	FY24 Recommended	% Change
Expenditures	\$ 4,972,426	\$ 4,380,517	-11.9%
FTEs	35.00	29.00	-17.1%

The recommended changes include a decrease due to multi-program adjustments related to personnel. The decrease in FTEs represents the movement of the Well and Septic section noted above.

Discussion

1. Initiatives, Innovations and Productivity Improvements

In FY23, DPS initiated and completed various initiatives to improve service and efficiency. They completed the Executive Regulations for the adoption of Fire and Life Safety codes and are working on the adoption of the 2021 International Residential Building, Mechanical, and Fuel Gas codes. DPS is exploring a new software product for legal documents in Land Records, which will increase efficiency and provide better oversight measures. They are also currently changing the method in which Use and Occupancy certificates are provided to customers, allowing self-printing of user certificates. FY24, DPS will seek an independent financial advisor to conduct a comprehensive rate study to determine appropriate rate levels and fund balance target range.

In productivity improvements, DPS will maintain the existing dashboards and develop additional dashboards to provide DPS's leadership daily visibility into DPS's overall performance in FY24. They are proactively processing fire code compliance permit renewals for permits. Land Development continues cross-training plan review and inspection staff to be multifunctional, saving the customer time and effort. DPS provides in-person and virtual training of commercial plan review and inspections staff with respect to changes in International Building Code, proposed new permitting system database, "wireless" permit applications, and updates to Department

Policies and Procedures. DPS will upgrade the current ePlan system which will facilitate process improvements and modifications to ePlan processes.

2. Racial Equity and Social Justice

DPS received a rating of “3: Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County” from the Office of Racial Equity and Social Justice. Per ORESJ,

“The department indicated commitments across each major area of the GARE framework. However, it’s unclear what specific resources will be targeted towards some of the activities indicated. The department—like other departments—has indicated a limitation in the collection or utilization of disaggregated data due to perceptions of bias. However, it is difficult if not impossible to detect and redress bias in processes or outcomes without disaggregated data. Using zip codes is a strong proxy, while EFAs may present limitations based on how they conflate race and income in their measures.”

For reference, OMB’s answers to ORESJ questions in detail are included in this packet.

Council Staff recommends approval of the FY24 Department of Permitting Services Budget as submitted by the County Executive.

This packet contains:

CE Recommended FY24 DPS Budget
Racial Equity and Social Justice Responses

Pages

© 1-10
© 11-14



Permitting Services

RECOMMENDED FY24 BUDGET

\$41,692,529

FULL TIME EQUIVALENTS

249.03

 RABBIAH SABBAKHAN, 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. The Department provides timely, professional, transparent, and consistent review and processing of plans and permits and 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 FY24 Operating Budget for the Department of Permitting Services is \$41,692,529, an increase of \$625,480 or 1.52 percent from the FY23 Approved Budget of \$41,067,049. Personnel Costs comprise 79.44 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 20.56 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

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

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

INITIATIVES

-
- ★ Completed the Executive Regulations for the adoption of Fire and Life Safety codes.
 - ★ Working on the adoption of the 2021 International Residential Building, Mechanical, and Fuel Gas codes.
 - ★ DPS is exploring a new software product that will enable users to upload legal documents that are recorded in the Land Records. This will reduce time for approval and recordation and give the County better oversight and control of the documents.
 - ★ DPS is currently changing the method in which Use and Occupancy certificates are provided to customers. The Department will allow anyone with an online account and the application number to access the certificate and print it themselves. This will save staff time and provide improved customer service.
 - ★ In FY24, DPS will seek an independent financial advisor to conduct a comprehensive rate study to determine appropriate rate levels and fund balance target range. The advisor will have proven experience in establishing fee structures and a background in building and land development services in connection with licensing and permitting of development, construction, and related activities.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ DPS developed Power BI dashboards tailored to division needs. The dashboards are connected directly to DPS's servers and provide close to real-time updates on the status of transactions. Managers use the dashboards to monitor and assign tasks to their team members and to obtain monthly productivity data. In FY24, the department will maintain the existing dashboards and develop additional dashboards to provide DPS's leadership daily visibility into DPS's overall performance.
- ★ DPS is proactively processing fire code compliance permit renewals for permits to better prioritize inspections.
- ★ Land Development continues cross-training plan review and inspection staff to be multifunctional, saving the customer time and effort. For inspections, this effort will reduce the number of trips to a single site, helping to save time and protect valuable environmental resources.
- ★ DPS provides in-person and virtual training of commercial plan review and inspections staff with respect to changes in International Building Code, proposed new permitting system database, "wireless" permit applications, and updates to Department Policies and Procedures.
- ★ DPS will upgrade the current ePlan system which will facilitate process improvements and modifications to ePlan processes. The system will integrate service needs developed over time to accommodate changes in the industry and departmental needs.

PROGRAM CONTACTS

Contact Barbara Suter of the Department of Permitting Services at 240.777.6244 or Katherine Bryant-Higgins of the Office of Management and Budget at 240.777.2764 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 FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

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.

The Administrative 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 (DPS-IT) leverages technology to deliver better services to the department that enables staff and the public to access their resources at their convenience anywhere at any time. The IT unit's mission is to provide a robust and secure IT infrastructure to support mission-critical applications, mobile computing, and desktop support employing industry best practices. The IT unit has embarked on an IT modernization project to enhance multimedia improvement by enabling Microsoft Teams telephony and conference rooms. The IT unit will incorporate teamwork and technology enhancement with TEBS to access their services and provide IT services to help DPS achieve its mission. IT services will include, but will not be limited to, IT desktop and server support, land use, and cloud application.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Percent of screenings passed with fewer than 2 returns to the customer	94%	98%	95%	95%	95%
Percent of inspections passed - all divisions	87%	85%	85%	85%	85%
Percent of customers satisfied with DPS services	98%	91%	92%	93%	94%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	11,764,741	24.13
Increase Cost: Avolve Maintenance	285,540	0.00
Add: Comprehensive Rate Study	150,000	0.00
Increase Cost: Increase Maintenance Cost for INfor, Avolve and Opentext	8,986	0.00
Decrease Cost: Back Out One-Time IT Expense	(2,000,000)	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.	549,217	1.00
FY24 Recommended	10,758,484	25.13

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 construction 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of permits receiving final approvals	10,720	10,868	10,870	10,900	10,930
Commercial Permits - Percent of inspections completed on the scheduled day	98.7%	98.2%	98%	98%	98%
Percent of plans receiving a complete first review within 30 days	98.8%	89.5%	90%	91%	92%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	6,923,581	52.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	493,017	0.00
FY24 Recommended	7,416,598	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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of applications processed (at intake) by permit technicians ¹	61,293	51,124	51,500	51,800	52,000
Percent of screenings completed (plans ready for review) within 2 business days	60.0%	73.0%	75.0%	78.0%	80.0%
Percent of customers satisfied with DPS Customer Service Division	94.5%	97.0%	97.0%	98.0%	98.0%

¹ Starting in FY22, the data parameters have been corrected to include only permits processed by permit technicians (as opposed to all). That explains the decrease in FY22 compared to previous years.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	4,708,983	43.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	241,544	0.00
FY24 Recommended	4,950,527	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; well and septic system reviews and approvals; record plat approval; and work in the public right-of-way.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
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Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Total number of public right of way permits issued (roadside trees, driveways, plats, et al.)	3,488	3,478	3,480	3,500	3,520
Number of Sediment Control inspections completed	15,239	18,959	19,000	19,250	19,500
Number of roadside tree plan reviews	1,354	1,796	1,800	1,850	1,900
Percent of Sediment Control inspections that pass inspection indicating a compliant site	95.5%	95.6%	95.0%	95.0%	95.0%
Successful Maryland Department of the Environment (MDE) Delegation of Review of Sediment Control and Storm-Water Management ¹	N/A	Yes	N/A	Yes	N/A

¹ Sediment Control Delegation reviews are performed biennially.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	6,524,110	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.	1,105,105	5.00
FY24 Recommended	7,629,215	53.00

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 disasters and other incidents.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Percent of service requests completed within 3 business days	99.0%	92.1%	93.0%	94.0%	95.0%
Percent of commercial establishments in compliance with the Fire Code	61.3%	78.5%	79%	80%	81%
Number of inspections performed by Residential and Fire Code Compliance FCC inspectors	49,599	69,820	69,900	70,000	70,100
Number of residential plan reviews performed	9,657	9,491	9,500	9,550	9,600
Residential Permits - Percent of inspections completed on the scheduled day	99.0%	99.4%	99%	99%	99%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	6,173,208	46.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	383,980	0.00
FY24 Recommended	6,557,188	46.00

Zoning and Code Compliance

The Zoning 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

development and use standards; Maryland-National Capital Park and Planning Commission certified site plan requirements; and emergency vehicle access review and approvals. Division Staff perform zoning reviews of plan applications prior to permit issuance, conduct inspections and investigations while ensuring compliance of MNCPPC certified site plan projects and responding to service requests across multiple disciplines within its authority.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of zoning, well and septic, and fire department access reviews	33,090	32,427	31,000	31,200	31,500
Percent of MNCPPC active site plans in compliance every 10 days	92%	94%	95%	96%	97%
Percent of Zoning service requests started and responded to the customer within 48 hours	96%	87%	95%	96%	97%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	4,972,426	35.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(591,909)	(6.00)
FY24 Recommended	4,380,517	29.00

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
PERMITTING SERVICES					
EXPENDITURES					
Salaries and Wages	22,650,667	24,436,707	23,982,433	26,110,430	6.9 %
Employee Benefits	6,330,604	6,454,742	6,367,738	7,009,753	8.6 %
Permitting Services Personnel Costs	28,981,271	30,891,449	30,350,171	33,120,183	7.2 %
Operating Expenses	4,515,018	10,175,600	9,642,037	8,572,346	-15.8 %
Permitting Services Expenditures	33,496,289	41,067,049	39,992,208	41,692,529	1.5 %
PERSONNEL					
Full-Time	240	243	243	243	—
Part-Time	0	0	0	0	—
FTEs	245.90	249.03	249.03	249.03	—
REVENUES					
Building Permits	29,976,294	28,742,198	26,394,711	25,865,408	-10.0 %
Electrical Permits and Licenses	5,129,813	5,130,914	4,766,583	4,907,130	-4.4 %
Fire Code Enforcement Permits	2,226,560	3,101,062	2,611,272	2,548,228	-17.8 %
Grading/Storm Drains/Paving/Driveway Permits	4,591,291	3,431,353	4,373,887	4,075,018	18.8 %
Occupancy Permits	619,573	583,903	544,390	498,435	-14.6 %
Other Licenses/Permits	402,080	300,225	407,707	314,662	4.8 %
Sediment Control Permits	3,681,565	3,083,491	3,433,571	2,798,592	-9.2 %
Sign Permits	238,260	237,701	199,454	197,600	-16.9 %
Special Exception Fee	188,845	206,228	214,292	189,052	-8.3 %
Stormwater Mgmt and Water Quality Plan Fee	237,476	270,483	274,162	248,396	-8.2 %
Well and Septic	479,923	415,414	355,328	315,194	-24.1 %

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
Automation Enhancement Fee	159	0	0	0	—
Other Charges/Fees	1,847,764	870,994	1,770,274	1,600,479	83.8 %
Other Fines/Forfeitures	71,075	40,264	39,268	27,543	-31.6 %
Miscellaneous Revenues	20,235	0	0	0	—
Investment Income	69,879	288,370	1,642,610	2,595,390	800.0 %
Mechanical Construction Permit	1,992,263	1,829,425	1,929,791	1,680,824	-8.1 %
Information Requests	0	165,558	115,891	136,533	-17.5 %
Permitting Services Revenues	51,773,055	48,697,583	49,073,191	47,998,484	-1.4 %

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	2,960	0	0	0	—
Grant Fund - MCG Expenditures	2,960	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

State Grants	32,839	0	0	0	—
Grant Fund - MCG Revenues	32,839	0	0	0	—

DEPARTMENT TOTALS

Total Expenditures	33,499,249	41,067,049	39,992,208	41,692,529	1.5 %
Total Full-Time Positions	240	243	243	243	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	245.90	249.03	249.03	249.03	—
Total Revenues	51,805,894	48,697,583	49,073,191	47,998,484	-1.4 %

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
PERMITTING SERVICES		
FY23 ORIGINAL APPROPRIATION	41,067,049	249.03
<u>Changes (with service impacts)</u>		
Add: Comprehensive Rate Study [Administration]	150,000	0.00
<u>Other Adjustments (with no service impacts)</u>		

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Annualization of FY23 Compensation Increases	1,272,153	0.00
Increase Cost: FY24 Compensation Adjustment	1,140,824	0.00
Increase Cost: Avolve Maintenance [Administration]	285,540	0.00
Increase Cost: Risk Management Adjustment	82,151	0.00
Increase Cost: Annualization of FY23 Lapsed Positions	52,982	0.00
Increase Cost: Increase Maintenance Cost for INfor, Avolve and Opentext [Administration]	8,986	0.00
Increase Cost: Printing and Mail	6,570	0.00
Decrease Cost: Retirement Adjustment	(49,448)	0.00
Decrease Cost: Motor Pool Adjustment	(136,501)	0.00
Decrease Cost: Annualization of FY23 Personnel Costs	(187,777)	0.00
Decrease Cost: Back Out One-Time IT Expense [Administration]	(2,000,000)	0.00
FY24 RECOMMENDED	41,692,529	249.03

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Administration	11,764,741	24.13	10,758,484	25.13
Commercial Building Construction	6,923,581	52.00	7,416,598	52.00
Customer Support & Outreach	4,708,983	43.90	4,950,527	43.90
Land Development	6,524,110	48.00	7,629,215	53.00
Residential Construction & Fire Code Compliance	6,173,208	46.00	6,557,188	46.00
Zoning and Code Compliance	4,972,426	35.00	4,380,517	29.00
Total	41,067,049	249.03	41,692,529	249.03

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
PERMITTING SERVICES						
EXPENDITURES						
FY24 Recommended	41,693	41,693	41,693	41,693	41,693	41,693
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY24	0	(150)	(150)	(150)	(150)	(150)
Items recommended for one-time funding in FY24, including the Comprehensive Rate Study, will be eliminated from the base in the outyears.						
Labor Contracts	0	735	735	735	735	735
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	41,693	42,278	42,278	42,278	42,278	42,278

FY24-29 PUBLIC SERVICES PROGRAM: FISCAL PLAN							
Permitting Services							
FISCAL PROJECTIONS	FY23 ESTIMATE	FY24 REC	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	18.35%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%
CPI (Fiscal Year)	2.9%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%
Investment Income Yield	3.3%	5.0%	4.0%	3.5%	3.0%	2.5%	2.5%
Enterprise Fund Stabilization Factor (EFSF)	1.05	1.05	0.534	0.961	1.041	1.057	1.057
BEGINNING FUND BALANCE	37,184,303	39,471,964	38,957,037	16,097,420	11,671,473	10,926,993	10,990,234
REVENUES							
Taxes	0	0	0	0	0	0	0
Licenses & Permits	45,505,148	43,638,539	44,589,858	45,575,295	46,591,624	47,681,869	48,792,857
Charges For Services	1,886,165	1,737,012	1,774,878	1,814,103	1,854,558	1,897,955	1,942,177
Fines & Forfeitures	39,268	27,543	28,143	28,765	29,406	30,094	30,795
Miscellaneous	1,642,610	2,595,390	2,076,310	1,816,770	1,557,230	1,308,370	1,315,110
Subtotal Revenues	49,073,191	47,998,484	48,469,189	49,234,933	50,032,818	50,916,288	52,080,939
EFSF Fee Increase	0	0	(21,912,730)	(3,863,049)	(399,357)	317,879	325,286
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(6,541,152)	(6,820,882)	(6,951,667)	(6,952,962)	(6,952,962)	(6,951,667)	(6,952,703)
Wheaton Redevelopment	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,276)	(872,312)
Transfers To The General Fund	(872,571)	(872,497)	(871,276)	(872,571)	(872,571)	(871,276)	(872,312)
Indirect Costs	(5,668,581)	(5,948,385)	(6,080,391)	(6,080,391)	(6,080,391)	(6,080,391)	(6,080,391)
TOTAL RESOURCES	79,716,342	80,649,566	80,474,559	58,379,391	54,751,329	54,891,614	56,118,470
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXP'S.	0	0	0	0	0	0	0
Operating Budget	(39,992,208)	(41,692,529)	(41,879,409)	(42,259,869)	(42,839,979)	(43,634,259)	(44,646,779)
Labor Agreement	n/a	0	(735,000)	(735,000)	(735,000)	(735,000)	(735,000)
Annualizations and One-Time	n/a	n/a	150,000	150,000	150,000	150,000	150,000
Subtotal PSP Oper Budget Approp / Exp's	(39,992,208)	(41,692,529)	(42,464,409)	(42,844,869)	(43,424,979)	(44,219,259)	(45,231,779)
OTHER CLAIMS ON FUND BALANCE	(252,170)	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(40,244,378)	(41,692,529)	(42,464,409)	(42,844,869)	(43,424,979)	(44,219,259)	(45,231,779)
YEAR END FUND BALANCE	39,471,964	38,957,037	16,097,420	11,671,473	10,926,993	10,990,234	11,211,977
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	49.5%	48.3%	20.0%	20.0%	20.0%	20.0%	20.0%
<p>Assumptions:</p> <p>1. 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 Enterprise Fund Stabilization Factor, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here.</p> <p>2. 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.</p>							

websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

No Data

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

No Data

ORESJ Rating

No Data

ORESJ Justification

No Data

Permitting Services



1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.
- ★ Develop a racial equity vision statement (and/or racial equity and social justice mission, values, or guiding principles).

DPS recently undertook a departmental re-organization with a new focus on customer service and regulatory compliance. A new division was created to focus more on the first-time user and those customers from more marginalized communities. One of the primary roles of the Customer Support and Outreach Division is to provide direct assistance to DPS customers. The Division is the public-facing arm of DPS and operates the customer service intake counter. While DPS requires that permits and supporting documents are submitted



electronically, we recognize that there are customers who are less comfortable using computers or customers for whom English is not their first language and are, therefore, hesitant to use electronic services. Most of the customers that walk into DPS are in need of additional "hand-holding" services to get their permits processed. Our staff works one-on-one with these folks to ensure they can access the full range of DPS services.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

- ★ Implement a plan or policy requiring all staff and leadership to complete "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings.
- ★ Designate resources for staff participation in GARE conferences and other department-specific racial equity and social justice professional development.
- ★ Develop a strategy to engage communities in planning, design, or other decision-making processes.
- ★ We've not made commitments in this area and will use the text box to explain.

DPS is fully committed to helping improve racial equity in Montgomery County and will utilize all the training offered through the county's internal learning management program and all training offered by the Office of Racial Equity (ORE). In FY22, DPS hired a Human Resources liaison responsible for managing training for all DPS staff. The HR liaison will help ensure DPS complies with racial equity training requirements. Additionally, volunteers for the core team and team leads will be scheduled to attend GARE training programs either online or virtual as schedules and workloads allow. Through our community engagement through outreach and educational initiatives, we seek to invite members of our more marginalized communities and other "first-time users" who, for reasons of culture, language, or mistrust of government regulations, may have felt barred or excluded from our services. Our engagement with our new customer base is already paying dividends through greater understanding and feedback. DPS is responding in the form of new initiatives and more educational opportunities targeted to historically underserved/marginalized communities and customers with barriers to technology.

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

- ★ Field a staff survey and or conduct focus groups to identify areas of strength and opportunity in recruiting, retaining, and advancement of a diverse and representative workforce.
- ★ Conduct an organizational assessment to identify areas of strength and opportunity for advancing racial equity in policies, programs, and practices.
- ★ Track program access and service outcomes by race, ethnicity, and other relevant demographic or socioeconomic characteristics.

DPS is fully committed to helping improve racial and social-economic equity in Montgomery County. In FY22, DPS hired a Performance Management and Data Analyst responsible for providing analytical support to the Racial Equity Core team. The Analyst will utilize the Montgomery County Planning Department's Equity Focus Areas (EFA) tool (<https://mcplanning.maps.arcgis.com/apps/Cascade/index.html?appid=05d437361e7a4e19a2ba3bbced117d10>) to help guide some of DPS's resource



allocations and programmatic decisions. Because DPS does not collect demographic data from its customers, the EFA tool will be instrumental in helping the department identify areas that require additional outreach or resources. For example, when looking at complaints received in the past two fiscal years, most complaints related to overcrowded residences or multiple cars parked in front yards are from areas identified in MC Planning's EFA—this information will help the department tailor its outreach efforts in those specific areas. DPS will attempt to develop internal dashboards to help illustrate how the Department serves the more vulnerable areas. Additionally, the department is attempting to collect zip code information in its customer satisfaction surveys and develop a customer satisfaction survey in Spanish to be promoted through a Spanish-speaking radio show. Although not a precise measure, since the zip code is self-reported, this may provide DPS with some insight into how it serves more marginalized communities as identified by MC Planning.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

- ★ Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.
- ★ Ensuring interpretation services (ASL and closed-captioning) are available to the public in all relevant places and programs (such as service desks, service phone lines, open houses, public meetings, etc.).
- ★ Ensuring accessibility for people with disabilities using Section 508 of the Rehabilitation Act; Web Content Accessibility Guidelines; and compliance with the Americans with Disabilities Act as a minimum standard.

DPS's online media and communications are available in the languages identified in the translation box powered by Google. Many of the Department's frontline staff are qualified to translate into multiple languages for face-to-face support of ESL customers. The Department also utilizes the County's language assistance service when a translator for the customer's native language is unavailable in-house. All field staff is encouraged to utilize their contemporaries who are qualified translators when in need of assistance in the field; however, they must use the language assistance translators' service via mobile phone when required.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

Potential Challenge: Access to training We have found the most important step in 'Normalizing' thoughts, conversations, and solutions regarding Racial equity and social justice is training. Members of our Core Team agreed that "Advancing Racial Equity: The Role of Government" and "the Racial Equity Institute's Groundwater Approach: building a practical understanding of structural racism" training have an empowering effect on the participants and encourage the focus on the historical advantages and structural obstacles imposed on people in the US. 2/3 of all DPS staffers work in the field while the balance maintains a hybrid work schedule. Due to the seasonal nature of the construction industry, DPS staff are incredibly busy in the spring, summer, and fall. All inspectors are in the field for the majority of each workday, and many operate in areas of the County with poor or spotty wi-fi access during the workday. Our inspection and permitting data to support our need to schedule the majority of our staff's training during the winter months-preferably Q1(Jan/Feb). DPS



plans to request/suggest to ORE the possibility of department-focused training for DPS field staff during the winter months as a way to encourage full participation and access to the training. Perhaps by that time the RESJ training may take place in person, which we feel would be the best delivery method to yield the highest outcomes for our field staff. Persistent Gap- No demographic data on applications DPS has historically avoided the inclusion of demographic data on all permitting applications in an effort to remain neutral and avoid perception of bias or inequities in our permitting/inspection process. This lack of demographic info may be usurped by the use of customer surveys, but because that data is voluntary-it could be limited/flawed. For this reason, we will need to continue to partner with our sister agencies and other stakeholders, whereby data collection/sharing and mapping can add valuable context to the work that we do and to the customers we serve.

ORESJ Rating

3-Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department indicated commitments across each major area of the GARE framework. However, it's unclear what specific resources will be targeted towards some of the activities indicated. The department--like other departments--has indicated a limitation in the collection or utilization of disaggregated data due to perceptions of bias. However, it is difficult if not impossible to detect and redress bias in processes or outcomes without disaggregated data. Using zip codes is a strong proxy, while EFAs may present limitations based on how they conflate race and income in their measures.Â

Police



1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.

