

**MEMORANDUM**

April 4, 2013

TO: Planning, Housing, and Economic Development Committee  
FROM: Jeff Zyontz, <sup>JZ</sup>Legislative Attorney  
SUBJECT: FY14 Operating Budget: Department of Permitting Services

Those expected to attend this worksession include:

Diane Schwartz Jones, Director, DPS  
Barbara Comfort, Hadi Mansouri, Reginald Jetter, Rick Brush, and Tom Laycock, DPS  
Dennis Hetman, OMB

Relevant pages from the FY14 Recommended Operating Budget are attached on © 1 - 7.

**Staff recommendations:** In the absence of an Executive recommendation to increase staff to reduce processing time, fees should be reduced so that the Department's fund balance is closer to 20%.

The Council should require statistics on the processing time required for permits and record plats twice a year.

The Council should get assurance that Electronic Filing has a realistic implementation schedule and considers GIS requirements.

**Overview**

The Department of Permitting Services is an enterprise fund; it is supposed to get sufficient revenue from non-tax sources to cover its costs and should not generally get funds from County taxes. In the 2008 recession, the Department depleted its fund reserves and has been paying back the fund as the number of permits increased. In FY13, the fund balance was a positive 38.7% of the Department's operating budget due to increased permit activity. The proposed fund balance for FY14 was reduced by a \$4.5 claim on that balance (for office renovation) to 27.8%. Given the anticipated work load and the Executive proposed FY14 staffing, reductions in permit processing time are not anticipated.

## FY13 Expenditures

For FY14, the Executive recommends total expenditures of \$29.6 million, up \$2,022,877 or 7.3% from the FY13 approved budget of \$27.6 million. The number of full time positions would increase by 3 (from 192 to 195); equivalent positions (FTEs) will increase by 2.9 (200.5 total FTEs).

Personnel costs account for 73% of the budget and operating expenses account for the remaining 27%. See the table below for detail. The recommended budget includes a \$4.5 million “claim” on the year end fund balance.

### Permitting Services

	FY12 Approved	FY13 Approved	FY14 CE Recommended	Change from FY13-14	
				Amount	%
Expenditures	25,028,630	27,623,925	29,642,071	2,022,877	7.3%
Positions:					
Full time	182	192	195	3	1.5%
Part time	1	1	1	0	0.0%
Total positions	183	193	196	0	1.5%
Workyears	177.8	197.6	200.5	2.9	1.5%

**Changes from FY13-FY14:** The changes are summarized on © 5 and the major changes are explained below.

- +4,497,975 One-Time Office Renovation
- +1,390,766 Additional Staff – 1 Chief Operating Officer, 2 Plan Reviewers
- + 651,989 IT Replacement
- + 200,000 Consultant for Design for Life and Streamlining Initiatives
- + 128,238 Office Rent Increase
- + 50,000 Staff Training

### Office Renovation

The Department plans to renovate its office space for added security and increased productivity. The Department of General Services estimates a major renovation will cost approximately \$75.00/sf or \$4,497,975 for the current 59,973 square feet of office space at 255 Rockville Pike.

## Work Complement

The Department wants to reorganize and hire a new Manager 1 (the highest merit system rank possible) to do so. DPS believes that their system for money handling needs improvement to make it more secure. The budget does not detail any aspect of the intended reorganization, other than this new position.

The Executive recommends 2 additional plan reviewers. The Executive did not recommend an increase in the number of inspectors, permit technicians, or administrative assistance. DPS had the following comments concerning the Executive's recommended staffing:

Per page 61-5, the Permitting Services proposed budget reflects a net of 3 additional positions. Notwithstanding the indication on p. 61-3, there is only 1 position being eliminated from Land Development. It is a vacant Manager III slot which is being eliminated and recreated as a Manager II. This Manager II will be a new division chief to head a new division of Zoning and Site Plan Enforcement which will be a combination of the zoning unit from the building construction division and the site plan enforcement unit also currently under building construction. By creating a new division we will be able to better deploy resources for these related enforcement areas and elevate the focus on enforcement within our communities. The remaining 3 net positions are a Chief Operating Officer that will oversee Building Construction, Land Development and the new Zoning and Site Plan Enforcement unit and 2 plans reviewers. While these positions are shown in building construction, in actuality one will be in building construction and the second will be in Land Development.

...a Chief Operating Officer will help achieve ... [the needed interface between divisions] and provide more consistent management of represented employees. Examples include the development of processes to improve identification of cross-division reviews that are required such as drainage, right-of-way impacts, etc. Community complaints frequently involve cross division issues which are not consistently coordinated. Communication, process development and application and complaint handling will be improved under a single Chief Operating Officer. Additionally, unifying these divisions under the COO will ensure better application and development of performance metrics, policies and procedures to similarly classified positions. The size of the Department and the span of control under this position (approximately 180 FTEs) justify the creation of the position which will help achieve more consistent application of policies and procedures across divisions.

Even the Department's streamlining efforts seem to be overtaken by the expected volume of permits. Staff asked DPS the following question: Why does the Department anticipate decreased performance measures (time to issue permits) in view of the Department's streamlining efforts? How much staff would have to be added to increase performance given your expected work load? DPS replied as follows:

Overall the Department does not anticipate decreased performance. This question is not specific as to which type of permit is referenced. These numbers are averages. For Commercial New Construction we have seen an increase in activity. We have held the estimated average performance in FY14 to the same estimate as FY13 which is the same level as actual for FY12. The fact is though that in FY11 we received commercial new construction applications for approximately 14.2 msf [million square feet] of

development. In FY12 we saw applications for approximately 19.1 msf, a nearly 5 msf increase in plans received. We are  $\frac{3}{4}$  of the way into FY13 and we have received commercial new construction applications for approximately 10.1 msf of development. We have had staffing issues in FY13 with loss of a senior plans reviewer, another plans reviewer out on extended sick leave and a third being moved to cover another area. We are going to fill our vacancy and expect to issue an RFP the first week of April to assist with plans review on an as-needed basis. While Commercial additions have been fairly stable, the added volume in new construction and staffing changes last year have posed a challenge for review times for commercial additions. Once vacancies are filled and if the requested new plans reviewer positions are granted we expect to be able to implement our performance metrics per our streamlining discussions. We also intend to have contracts in place to be able to draw on additional plans review support for both residential and commercial plans as needed.

**Recommendation:** Council should monitor permit and record plat process time; the Council should request twice a year status reports on time statistics.

The \$1.4 million for additional staff is mostly for additional contract employees to help with new permit requirements (stormwater management, sediment control, and trees) and to minimally keep up with the permit work load without any improvements. DPS provided this statement on their use of contract support:

Despite our efforts to bring in additional plans review support by contract last year we were not successful. We have revised our approach and an RFP is scheduled to be on the street the first week of April for additional plans review support on an as-needed basis. We will be relying on this additional support to improve plans review timing and processing. We have been relying on temps for administrative support over the past year to keep work moving. We have used approximately 8 temporary administrative assistants excluding those we use for IT scanning support. We expect to continue to use temporary assistance to help process the work volume. We do not use contractors for outside inspections and have no intention of doing so. Our budget reflects contractual plans review support. Contractors will review plans in accordance with DPS standards, but the comments will be reviewed and applied by DPS.

### **IT Strategic Plan for Electronic Filing**

In FY13, DPS received Council approval to spend \$200,000 for an IT Strategic Plan for Electronic Filing. DPS intended to implement electronic submission, review, and processing of land development and building construction plans. To provide for an efficient, cost effective, state-of-the-art, competitive system, DPS wanted to engage a consultant to help it identify and develop a state-of-the-art, sustainable and effective electronic plans system. The consultant was to have developed a strategic plan and realistic schedule to select a system and contractor to fully integrate DPS's business operations into an electronic plans system. This plan would have determined current industry best practices for electronic plans management and review. **No vendor responded to the Department's RFP. The appropriated money has not been spent in FY13 as of this date, but the Director indicates that this situation will be resolved shortly.**

We solicited competitive task orders from the County's Montgomery County Consulting and Technical Services vendors for an e-plans strategy and did not receive any proposals. We then issued an RFP and received a single non-responsive response. Since that time we have been actively researching and developing an approach that we expect will result in a contract before the end of FY13 for e-plans.

E-permits is different than e-plans. Our IT staff has developed and in collaboration with the Building Construction Division launched an initial on-line permit application for electrical permits. Mechanical and deck permits are in development and we are prioritizing the next rounds of on-line services. E-plans is a software for the submission and review of plans electronically.

The Department's description of their future e-plan work does not include deadlines. As the Director has witnessed the delays in the Planning Department's implementation of e-plans and in the absence of having a strategic plan sought in last year's budget, the Director is opposed to a deadline. The only thing said about future electronic handling is, "Additional on-line permit applications and issuance are in development including an electronic plan submission pilot."

**Recommendation:** Establish a timeline for e-plans implementation and sharing digital data.<sup>1</sup>

### **IT Hardware, Software, Supplies, and Training**

The Department's budget includes \$651,989 listed for hardware. The hardware identified for purchase in FY14 is \$31,500 for scanners and \$600,000 for servers.

### **FY13 Revenues**

DPS shows 18 revenue items on © 4. Building permits account for almost half of total revenue and are by far the largest source of revenue. The latest estimate of revenue in **FY13** is \$39.5 million, up \$7.4 from the budget estimate of \$32.1 million.

DPS expects **FY14** revenues to increase by \$.2 million or -.5% from the FY13 approved budget. As the last two columns on © 4 show, the estimated amount of revenue in FY13 and the percentage change from FY12 vary. The fee structure for building permits changed in FY12. Building permits cost more up-front and less as the building progresses. The FY12 result of that change is an increase in FY13 fees collected and a decrease in fees in FY14. DPS has said the following concerning revenues:

The budget reflects projections. There were some specialty projects that came in that we would not expect to be replicated in successive years. We have experienced a lot of volatility in the construction industry over the past several years. We chose to be cautious in revenue projections given the volatility, the fact that we experienced deficits of millions of dollars in recent years and there are one-time projects that impact revenues but you would not expect to be repeated.

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<sup>1</sup> "If you don't know where you are going, you will end up someplace else." Yogi Berra.

The FY13 estimate reflects an adjustment based upon actual during the first ½ of FY13. There were some one time large federal projects during that period of time that we would not expect to be replicated in FY14. We thought it prudent to make an adjustment in FY14 for the specialty federal projects like HHS rather than to incorporate that income into our base for purposes of revenue projections.

## **Fund Balance**

As an enterprise fund, DPS tracks its revenues and expenses over time. The goal is to maintain a long term fund balance of between 15 and 20 percent to offset an unexpected drop in revenues or increased expenses.

At the beginning of FY12, DPS had a negative fund balance of \$5.4 million. DPS projects a positive fund balance at the **end** of FY13 of \$17.6 million. This is a substantial improvement over prior years; the end of year reserves are 38.7% of the Department's resources. The policy goal is 20%. The fund balance estimate for FY14 is \$13.1 million, even with a \$4.5 million claim on cash that would otherwise be part of the fund balance. This fund balance "declines" the reserves to 27.8%, even with conservative revenue projections. This is still substantially higher than the 20% policy goal. The Department projects a 29.3% fund balance by FY15, \$4.0 million more than required by policy. DPS has the following comment on their projected fund balance:

The fund balance reflects success of recent revenue collection policy changes to address the fact that as an enterprise fund, we were not making ends meet only a couple of years ago and the General Fund had to subsidize DPS activities by millions of dollars. With the new revenue collection policies DPS has repaid the General Fund. However, given the volatility of the development world in recent years, and the fact that expenses have been held down due to personnel reductions and holding salaries flat along with reduced benefits packages, it is difficult to project the actual fund balance in out years. We need a track record to measure the success of these policies and to determine impacts of future staff costs to ensure stability of our fund balance.

**Recommendation:** In the absence of an Executive recommendation to increase staff to reduce processing time, fees should be reduced by at least \$3 million per year so that the Department's fund balance is closer to 20%.

Because the Executive establishes fees by regulation and the Council cannot initiate a regulation, the Council must withhold the authorization to use some funds until the Executive approves a regulation.

This packet contains  
Executive Recommended DPS Budget

© number  
1 – 7

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# Permitting Services

## MISSION STATEMENT

The mission of the Department of Permitting Services (DPS) is to protect the safety and welfare of County residents and businesses through the permitting and inspections process to ensure that the structures in which we live, work, congregate, and recreate are safe, secure and in compliance with zoning and building requirements. DPS contributes to the economic vitality of Montgomery County through the effective and efficient processing of land development and building construction permits and licenses.

## BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Department of Permitting Services is \$29,642,071, an increase of \$2,022,877 or 7.3 percent from the FY13 Approved Budget of \$27,619,194. Personnel Costs comprise 73.0 percent of the budget for 195 full-time positions and one part-time position. A total of 200.50 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 27.0 percent of the FY14 budget.

## LINKAGE TO COUNTY RESULT AREAS

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

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

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***DPS developed and launched on-line permits for electrical and mechanical permits. Additional on-line permit applications and issuance are in development including an electronic plan submission pilot.***
- ❖ ***Enforcement in support of the County's Respect the Space initiative was implemented establishing standards for handicap access.***
- ❖ ***The Streamlining Development initiative was launched to identify areas of cross-agency process simplification and improvements.***
- ❖ ***The department developed investigation processes and procedures for building code and zoning violations.***
- ❖ ***DPS implemented utility filing fees for work within the public rights-of-way.***
- ❖ ***In conjunction with Montgomery County Planning Board, the department amended a memorandum of understanding for continued DPS site plan enforcement.***

- ❖ **The department processed plans for 27.8 million square feet of construction.**
- ❖ **DPS will implement the Design for Life Certification Program and has initiated new erosion, sediment control, and drainage requirements.**
- ❖ **The department revised Transportation and School Impact Tax collection for deferred payment pursuant to Bill 26-11.**
- ❖ **DPS is developing a program for tree protection in connection with construction.**
- ❖ **Productivity Improvements**
  - **Developed an inspections quality control program and technical training programs through new field supervision.**
  - **Completed upgrade to Hansen 8 which allows on-line permit applications.**
  - **In coordination with Fire and Rescue Service, established procedure to issue occupancy capacity certificates eliminating the need for applicants to seek approvals from multiple departments for permit closure.**
  - **Successfully launched fire protection systems inspections unit for new permitted construction reducing inspection scheduling times from 4-6 weeks to 24 hours.**
  - **Developed e-copy for approved plan submittal for rights-of-way and sediment control to reduce paper, improve efficiency, and reduce scanning costs.**
  - **In coordination with the department of Housing and Community Affairs, initiated establishment of code references such that single visits by the departments can efficiently address multiple cross-agency violations eliminating the need for duplicative and unnecessary inspections.**

## PROGRAM CONTACTS

Contact Barbara Comfort of the Department of Permitting Services at 240.777.6244 or Dennis Hetman of the Office of Management and Budget at 240.777.2770 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 land and water resources and for the protection of the environment and the safety of residents and businesses through its engineering and inspection functions related to stormwater management, sediment control, floodplain management, special protection areas, well-and-septic systems approval, storm drain design and construction, and work in the public right-of-way.

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>7,231,798</b>	<b>62.50</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-461,664	-4.00
<b>FY14 CE Recommended</b>	<b>6,770,134</b>	<b>58.50</b>

### Customer Service

The Customer Service program ensures customer service and satisfaction. This division measures customer satisfaction through communication and public outreach. Customer service receives complaints, processes information requests, responds to departmental correspondence, maintains the DPS web site, publishes the DPS newsletter, and coordinates outreach events and seminars for residents, civic organizations and professionals. Customer Service assists applicants with intake and issuance of permits and facilitates the processing of permits for "green tape" projects (i.e., affordable housing and areas such as the Silver Spring, Wheaton, and Long Branch enterprise zones). This division develops customer service surveys for the department, analyzes the results, reports findings, and recommends a course of action for improvement.

<b>Program Performance Measures</b>	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Estimated FY13</b>	<b>Target FY14</b>	<b>Target FY15</b>
Response time on complaint investigations - Average number of days from the complaint being filed to first contact between a Permitting Inspector and the customer	5.0	5.01	4.00	5.00	5.00
Response time on complaint investigations - Average number of days from the complaint being filed to final resolution of the complaint	14.0	7.31	17.00	17.00	17.00
Percent of complaints that are resolved on the first inspection	80.0	69.18	75.00	75.00	75.00

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>1,013,812</b>	<b>11.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	52,845	0.00
<b>FY14 CE Recommended</b>	<b>1,066,657</b>	<b>11.00</b>

## **Building Construction**

The Building Construction program ensures public safety and welfare through the effective enforcement of construction, zoning codes and standards, and site plan requirements. This division reviews engineering plans for permit issuance and conducts construction inspections in the administration and enforcement of building, structural, electrical, mechanical, fire-safety, energy conservation, green building, and accessibility codes and standards. This division assists businesses and applicants through pre-submission meetings and guidance. County zoning standards are maintained by this division through review of building applications for zoning compliance and investigation of zoning complaints. The program is also responsible for conducting county-wide damage assessments during natural and other disasters and incidents and provides assistance in disaster recovery efforts.

<b>Program Performance Measures</b>	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Estimated FY13</b>	<b>Target FY14</b>	<b>Target FY15</b>
Average number of days to issue a permit - New construction: Commercial permits	160.0	163.0	163.0	163.0	163.0
Average number of days to issue a permit - New construction: Residential permits	110.0	88.25	75.00	80.00	80.00
Average number of days to issue a permit - Additions: Commercial permits	78.0	60.95	65.00	85.00	85.00
Average number of days to issue a permit - Additions: Residential permits	21.0	16.02	21.00	21.00	21.00
Median number of minutes to issue a permit - Permits for commercial alterations obtained using the Department of Permitting Services' Fast Track process	140.0	146.50	140.00	140.00	140.00
Median number of minutes to issue a permit - Residential permits using the Department of Permitting Services' Fast Track process	60.0	58.0	60.00	60.00	60.00
Percent of building permits issued that received a final inspection: Commercial permits	38.0	20.30	50.00	60.00	60.00
Percent of building permits issued that received a final inspection: Commercial permits through the Department of Permitting Services' Fast Track process	77.0	44.77	75.00	80.00	80.00
Percent of building permits issued that received a final inspection: Residential new construction	85.0	28.81	60.00	70.00	70.00
Percent of building permits issued that received a final inspection: Residential all construction	70.0	40.97	65.00	70.00	70.00

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>12,587,392</b>	<b>112.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	499,198	5.90
<b>FY14 CE Recommended</b>	<b>13,086,590</b>	<b>117.90</b>

## **Administration**

The Administration program provides policy development and leadership for all programs within the department. Staff specialists are responsible for a full range of administrative, financial, and budgetary tasks, including daily operations, automation, human resources management, training, safety, quality assurance, legislative coordination, space management, historic files management, and management services.

<b>FY14 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY13 Approved</b>	<b>6,786,192</b>	<b>12.10</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,932,498	1.00
<b>FY14 CE Recommended</b>	<b>8,718,690</b>	<b>13.10</b>

## BUDGET SUMMARY

	<b>Actual FY12</b>	<b>Budget FY13</b>	<b>Estimated FY13</b>	<b>Recommended FY14</b>	<b>% Chg Bud/Rec</b>
<b>PERMITTING SERVICES</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	14,020,752	15,432,309	15,218,531	15,698,262	1.7%
Employee Benefits	5,003,458	5,914,325	5,957,361	5,944,558	0.5%
<b>Permitting Services Personnel Costs</b>	<b>19,024,210</b>	<b>21,346,634</b>	<b>21,175,892</b>	<b>21,642,820</b>	<b>1.4%</b>
Operating Expenses	6,103,579	6,272,560	6,706,760	7,999,251	27.5%
Capital Outlay	0	0	0	0	—
<b>Permitting Services Expenditures</b>	<b>25,127,789</b>	<b>27,619,194</b>	<b>27,882,652</b>	<b>29,642,071</b>	<b>7.3%</b>
<b>PERSONNEL</b>					
Full-Time	182	192	192	195	1.6%
Part-Time	1	1	1	1	—
FTEs	177.80	197.60	197.60	200.50	1.5%
<b>REVENUES</b>					
Automation Enhancement Fee	3,607,755	2,864,710	3,718,124	2,936,433	2.5%
Building Permits	20,076,785	14,343,500	17,210,237	14,486,935	1.0%
Electrical Permits and Licenses	3,627,699	2,726,170	4,490,112	2,753,431	1.0%
Fire Code Enforcement Permits	730,298	1,529,410	1,604,070	1,544,704	1.0%
Grading/Storm Drains/Paving/Driveway Permits	5,352,546	4,737,000	5,270,438	4,784,370	1.0%
Investment Income	125	4,520	0	4,520	—
Mechanical Construction Permit	1,400,103	751,670	1,435,476	759,187	1.0%
Miscellaneous Revenues	27,137	0	0	0	—
Occupancy Permits	524,501	555,760	758,994	561,318	1.0%
Parking Fees	-54	0	0	0	—
Sediment Control Permits	2,598,757	2,569,000	3,033,930	2,569,000	—
Sign Permits	178,605	196,510	168,348	196,510	—
Special Exception Fee	229,538	232,010	219,369	232,010	—
Stormwater Mgmt and Water Quality Plan Fee	361,116	518,260	315,220	467,345	-9.8%
Well and Septic	308,512	293,870	214,096	293,870	—
Other Charges/Fees	61,066	72,100	69,144	72,100	—
Other Fines/Forfeitures	65,153	87,270	52,454	0	—
Other Licenses/Permits	766,149	639,030	953,668	639,030	—
<b>Permitting Services Revenues</b>	<b>39,915,791</b>	<b>32,120,790</b>	<b>39,513,680</b>	<b>32,300,763</b>	<b>0.6%</b>

## FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>PERMITTING SERVICES</b>		
<b>FY13 ORIGINAL APPROPRIATION</b>	<b>27,619,194</b>	<b>197.60</b>
<b>Changes (with service impacts)</b>		
Enhance: Reorganization: Add 1 Chief Operating Officer, 2 Plan Reviewers, Contractual Services for Permitting Reviewers, Inspectors, and Administrators	1,390,766	3.00
Enhance: Information Technology Replacement Plan	651,989	0.00
Add: Consultant services for Design for Life and Streamlining Development initiatives	200,000	0.00
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: FY14 Compensation Adjustment	641,921	0.00
Increase Cost: Retirement Adjustment	238,238	0.00
Increase Cost: Office Rent Increase	128,997	0.00
Increase Cost: Annualization of FY13 Lapsed Positions	73,230	0.00
Increase Cost: Staff Training	50,000	0.00
Increase Cost: Other Labor Contract Costs	34,781	0.00
Increase Cost: Maintenance of Information Technology Systems	10,871	0.00
Increase Cost: Printing and Mail Adjustment	3,705	0.00
Technical Adj: MC311 reduced FTEs charged to Permitting Services	0	-0.10
Decrease Cost: Risk Management Adjustment	-11,700	0.00
Decrease Cost: Motor Pool Adjustment	-26,497	0.00
Decrease Cost: Group Insurance Adjustment	-59,938	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-186,410	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	-201,600	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-367,847	0.00
Decrease Cost: Annualization of FY13 Personnel Costs	-547,629	0.00
<b>FY14 RECOMMENDED:</b>	<b>29,642,071</b>	<b>200.50</b>

## PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Land Development	7,231,798	62.50	6,770,134	58.50
Customer Service	1,013,812	11.00	1,066,657	11.00
Building Construction	12,587,392	112.00	13,086,590	117.90
Administration	6,786,192	12.10	8,718,690	13.10
<b>Total</b>	<b>27,619,194</b>	<b>197.60</b>	<b>29,642,071</b>	<b>200.50</b>

## FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY14	FY15	FY16	(S000's)		
	FY17	FY18	FY19			
<b>This table is intended to present significant future fiscal impacts of the department's programs.</b>						
<b>PERMITTING SERVICES</b>						
<b>Expenditures</b>						
<b>FY14 Recommended</b>	<b>29,642</b>	<b>29,642</b>	<b>29,642</b>	<b>29,642</b>	<b>29,642</b>	<b>29,642</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	<b>0</b>	<b>848</b>	<b>1,056</b>	<b>1,056</b>	<b>1,056</b>	<b>1,056</b>
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
<b>Labor Contracts - Other</b>	<b>0</b>	<b>0</b>	<b>-35</b>	<b>-35</b>	<b>-35</b>	<b>-35</b>
These figures represent other negotiated items included in the labor agreements.						
<b>IT Maintenance Costs</b>	<b>0</b>	<b>31</b>	<b>35</b>	<b>139</b>	<b>88</b>	<b>193</b>
Represents additional maintenance costs for the system upgrades and post-warranty maintenance for servers, scanners, and printers.						
<b>IT Replacement Plan</b>	<b>0</b>	<b>-100</b>	<b>-460</b>	<b>-600</b>	<b>-532</b>	<b>29</b>
Key components of Permitting Service's technology replacement plan include:						
FY14 Scanners (\$31,500), Servers (\$600,000);						
FY15 Printers (\$60,000), Scanners (\$31,500), Database servers and services (\$440,000);						
FY16 Scanners (\$31,500), Network switch (\$140,000);						

Title	(5000's)					
	CE REC. FY14	FY15	FY16	FY17	FY18	FY19
FY17 Scanners (\$31,500); FY18 Scanners (\$100,000); FY19 Printers (\$60,000), Servers (\$600,000).						
<b>Office Rent</b> Represents projected rent increase.	0	116	238	366	501	642
<b>Retiree Health Insurance Pre-Funding</b> These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.	0	-36	-84	-125	-177	-250
<b>Subtotal Expenditures</b>	<b>29,642</b>	<b>30,501</b>	<b>30,393</b>	<b>30,444</b>	<b>30,544</b>	<b>31,277</b>

**FY14-19 PUBLIC SERVICES PROGRAM: FISCAL PLAN**

**Permitting Services**

FISCAL PROJECTIONS	FY13 ESTIMATE	FY14 REC	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION	FY19 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	12.13%	15.69%	15.69%	15.69%	15.69%	15.69%	15.69%
CR (Fiscal Year)	2.3%	2.3%	2.4%	2.7%	3.2%	3.5%	3.7%
Investment Income Yield	0.16%	0.19%	0.36%	0.75%	1.35%	1.80%	2.15%
<b>BEGINNING FUND BALANCE</b>	<b>7,874,584</b>	<b>17,596,842</b>	<b>13,138,255</b>	<b>12,710,973</b>	<b>12,132,137</b>	<b>11,106,461</b>	<b>9,567,673</b>
<b>REVENUES</b>							
Licenses & Permits	35,673,958	29,287,710	29,990,615	30,809,359	31,779,854	32,876,259	34,102,543
Charges For Services	3,787,268	3,008,533	3,080,738	3,164,842	3,264,534	3,377,161	3,503,129
Fines & Forfeitures	52,454	0	0	0	0	0	0
Miscellaneous	0	4,520	0	0	0	0	0
<b>Subtotal Revenues</b>	<b>39,513,680</b>	<b>32,300,763</b>	<b>33,071,353</b>	<b>33,974,201</b>	<b>35,044,388</b>	<b>36,253,419</b>	<b>37,605,672</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To The General Fund	(1,908,770)	(2,619,304)	(2,805,565)	(2,720,650)	(2,754,250)	(2,778,240)	(2,800,640)
Indirect Costs	(3,062,540)	(3,773,074)	(3,959,335)	(3,874,420)	(3,908,020)	(3,932,010)	(3,954,410)
DCM Replacement	(2,589,920)	(3,395,760)	(3,528,870)	(3,556,040)	(3,556,040)	(3,556,040)	(3,556,040)
Technology Modernization CIP Project	(109,020)	(109,020)	(191,980)	(218,380)	(251,980)	(275,970)	(298,370)
Pictometry Services (DTS)	(211,600)	(168,294)	(138,485)	0	0	0	0
DOT Lab Testing Transfer	(52,000)	0	0	0	0	0	0
Transfers From The General Fund	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Payment for Public Agency Permits	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770	1,153,770
Payment for Green Tape Position	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660	1,059,660
	94,110	94,110	94,110	94,110	94,110	94,110	94,110
<b>TOTAL RESOURCES</b>	<b>45,479,494</b>	<b>47,278,301</b>	<b>43,404,043</b>	<b>43,964,524</b>	<b>44,422,275</b>	<b>44,581,640</b>	<b>44,372,705</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(27,882,652)	(29,642,071)	(29,834,051)	(31,081,381)	(32,513,781)	(34,112,191)	(35,887,231)
Labor Agreement	n/a	0	(848,407)	(1,021,566)	(1,021,566)	(1,021,566)	(1,021,566)
IT Maintenance	n/a	n/a	(30,948)	(34,975)	(139,083)	(88,273)	(192,547)
IT Replacement Plan	0	0	100,000	460,000	600,000	531,500	(28,500)
Office Rent	0	0	(116,154)	(238,115)	(366,174)	(500,637)	(641,822)
Retiree Health Insurance Pre-Funding	n/a	n/a	36,490	83,650	124,790	177,200	249,880
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(27,882,652)</b>	<b>(29,642,071)</b>	<b>(30,693,070)</b>	<b>(31,832,387)</b>	<b>(33,315,814)</b>	<b>(35,013,967)</b>	<b>(37,521,786)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>0</b>	<b>(4,497,975)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(27,882,652)</b>	<b>(34,140,046)</b>	<b>(30,693,070)</b>	<b>(31,832,387)</b>	<b>(33,315,814)</b>	<b>(35,013,967)</b>	<b>(37,521,786)</b>
<b>YEAR END FUND BALANCE</b>	<b>17,596,842</b>	<b>13,138,255</b>	<b>12,710,973</b>	<b>12,132,137</b>	<b>11,106,461</b>	<b>9,567,673</b>	<b>6,850,919</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>38.7%</b>	<b>27.8%</b>	<b>29.3%</b>	<b>27.6%</b>	<b>25.0%</b>	<b>21.5%</b>	<b>15.4%</b>

**Notes and Assumptions:**

- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Revenue projections in FY14 and future years assume a gradual increase in construction market activity.
- Key components of Permitting Service's technology replacement plan include:  
 FY14 Scanners (\$31,500), Servers (\$600,000);  
 FY15 Printers (\$60,000), Scanners (\$31,500), Database servers and services (\$440,000);  
 FY16 Scanners (\$31,500), Network switch (\$140,000);  
 FY17 Scanners (\$31,500);  
 FY18 Scanners (\$100,000);  
 FY19 Printers (\$60,000), Servers (\$600,000).