

<b>Subject:</b> Enterprise Fund Stabilization Factor 1.05 for FY20 (Increase of 5% over FY19 permit fees)	
<b>Analyst:</b> Jeffrey L. Zyontz, Senior Legislative Analyst	<b>Committee:</b> PHED
<b>Keywords:</b> #DPS, FY20 Permit fees	

Name of Department, Division, or Program		
FY20 CE REC: DPS License & Permit Rev.	\$43,344,335	
Increase from Estimated FY19	\$2,210,728	5.3% above FY19

### COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATIONS

- 1) The PHED Committee recommends approval of the Department of Permitting Services' FY20 Operating Budget as submitted by the Executive.
- 2) The Department of Permitting Services' FY20 Operating Budget as submitted by the Executive assumes the Council's approval of a 5% increase in permitting fees above FY19 fees.
- 3) There was no testimony at the Council's public hearing on the resolution to increase permit fees.

### DESCRIPTION/ISSUE

The resolution would approve the Executive's recommendation to increase permit fees.

### SUMMARY OF KEY DISCUSSION POINTS

- The increase in fees is necessary to support the Department of Permitting Services' FY20 Operating Budget.
- Permitting fees with less than a 5% increase will either require tax supported funds for the Department or a reduction in operating expenses.

### This report contains:

Introduced Resolution to approve an Enterprise Fund Stabilization Factor of 1.05 for FY20

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Resolution No.: \_\_\_\_\_  
Introduced: April 2, 2019  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the request of the County Executive

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**SUBJECT:** Enterprise Fund Stabilization Factor 1.05 for FY20

**Background**

1. The Department of Permitting Services (Department or DPS) was established as a fee-supported enterprise within the Executive Branch of Montgomery County in 1996. Revenues that support the Department are established by Method 2 or Method 3 Executive Regulations and, for services provided by the Department under Chapter 59, by District Council resolution.
2. In Fiscal Year 2015, a comprehensive study of Department revenues, fee structure, and work volumes was undertaken to tie permit rates to the known volumes of work in FY14 and cost centers performing that work. The resulting rates were implemented in July FY15 and included an Enterprise Fund Stabilization Factor (EFSF) to be calculated each year and to be applied to each fee on July 1 of the Fiscal Year. The Enterprise Fund Stabilization Factor is the factor by which the fee calculation is adjusted, up or down, to cover DPS labor and operating costs and to manage the DPS reserve policy under the 2002 Principles of the Fiscal Management of the Permitting Services Fund.
3. On March 15, 2019, the Council received the County Executive's Recommended Operating Budget, which includes DPS and the proposed EFSF of 1.05.
4. DPS published the EFSF of 1.05 (an upward adjustment of 5% on current fees) for the upcoming fiscal year on March 15, 2019 to cover rising labor and operating costs and reserve policy.
5. Each fee for DPS services, including those in Executive Regulations 11-17, 26-16, 20-07AM, 15-16, and 12-12 and County Council Resolution 18-317, will be subject to the EFSF of 1.05, which is an upward adjustment of 5% over current fees.
6. On April 11, 2019, the Council's Planning, Housing, and Economic Development Committee held a worksession on the DPS Budget.

7. On May 23, 2019, the Council anticipates approving the DPS Operating Budget, which will include the 1.05 EFSF adjustment to current fees.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council approves the EFSF of 1.05 for each current fee for DPS services, including those in Executive Regulations 11-17, 26-16, 20-07AM, 15-16, and 12-12 and County Council Resolution 18-317.

This is a correct copy of Council action.

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Megan Davey Limarzi, Esq.  
Clerk of the Council