

**FREDERICK COUNTY
INTERAGENCY INTERNAL AUDIT AUTHORITY**

**FOLLOW-UP TO
FREDERICK COUNTY LAND
DEVELOPMENT/PERMITTING PROCESSES
ISSUED SEPTEMBER 30, 2002**

December 22, 2006



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Follow-Up to Frederick County Land Development/Permitting Processes

Issued September 30, 2002



Frederick County
Internal Audit Department

Executive Summary

To be more efficient and timely in report distribution, this report combines the:

- A Review of the Current State of the Permit Issuance Process
- Follow-up to the Frederick County Land Development/Permitting Processes originally issued September 30, 2003

A Review of the Current State of the Permit Issuance Process: Our follow-up review of the status of the permitting process within the reorganized Permitting and Development Review function identifies seven conclusions and observations representing Internal Audit's analysis of the current status and challenges still being faced.

The question of whether permits are being issued faster and more efficiently cannot be simply answered with existing empirical or analytical data. While the implementation of Hansen has greatly improved data gathering and tracking processes, these improvements are still a work in progress.

Internal Audit's initial report identified forty recommendations summarized into 20 areas (see Attachment 1), to increase and improve the issuance of permits through the consolidation of all permitting issuance functions within one location and under one ultimate supervisor. While some of these recommendations have been implemented, there still exists additional challenges and the need to change or improve the current method of doing business. The following observations and conclusions summarize Internal Audit's review and continued recommendations:

1. The current progress toward transforming the permit issuance process into a centralized, one-stop service shop should be continued to the extent that it improves efficiency when issuing permits. However, the impacted departments should step back and reevaluate where they stand currently, and determine if the existing consolidation is meeting its primary goal.
2. A central clearinghouse should be established within Permitting & Development Review for all submissions and fees. They, in turn should coordinate the dissemination of plans, collected fees and the establishment of turn around times and due dates for the various other agencies involved in the process. This will eliminate the requirement of applicants having to go to several separate divisions and it will providing the customer with estimated process review times.

3. Eliminate duplicate or similar use of limited resources by cross-training inspectors where specialized licenses or training are not required so only one inspection is required across divisions.
4. For plan reviews and inspections, publish and strictly monitored pre-determined turn-around times.
5. Establish formal quarterly meetings between the departments and divisions involved in the permitting issuance to enhance coordination and communications. On a regular basis, invite the public for input and conduct an annual customer satisfaction survey.
6. Each agency or individual performing its function within the permitting issuance process needs to enforce only the stated rules and regulations rather than advance agendas not directly related to the issuance of those permits.
7. Once approved, credit for successfully meeting regulations for specific steps in the permitting issuance process should not be subject to further reviews.

Follow-up to September 30, 2002 Report: The original report, Review Of Frederick County Land Development/Permitting Processes, was issued September 30, 2002. That report identified five conditions containing forty recommendations for developing standards and procedures to improve the efficiency and effectiveness of the plan review processes.

Our assessment of the management's responses regarding implementation of those recommendations indicates that of the forty individual recommendations, twenty-two have been implemented, nine have been partially implemented, and nine have not been implemented.

I. Introduction

Frederick County's Interagency Internal Audit Authority (IIAA) Audit Manual, Policy 400 A. states:

Auditees are requested to provide us with documentation of the status of prior report recommendations. Auditors determine the validity of the status reported by examining documentation and performing tests, as considered necessary. The extent of testing is determined by the significance of the condition/recommendation in relation to the audit objectives and should be the minimum necessary to provide assurance that sufficient corrective action has been taken. Recommendations that are found to be not implemented or corrective action found not to be adequate should be disclosed in the audit report.

General Accountability Office (GAO) Auditing Standards state that much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. In addition, the Institute of Internal Auditors (IIA) states: "Internal Auditors should follow-up to ascertain that appropriate actions are taken on reported audit findings."

Our assessment primarily consists of reviewing the written status responses as submitted by the impacted departments. Testing of responses normally is only conducted if those areas under review are considered critical, such as cash handling or security-related issues. While we understand that the implementation of the Hansen system has resolved many of the tracking and cash handling issues, we cannot attest to its efficiency and effectiveness. In general, the recommendations for this audit were not classified as critical, therefore, our assessment would be limited to reviewing management's responses to determine if those responses adequately address the recommendations noted in the initial report. However, per a request from Commissioner Jan Gardner, we reviewed the current state of the permit issuance process, (See Section III).

It is management's responsibility to decide if action should be taken in response to original reported audit recommendations. However, it is also their responsibility to assume the risk of not correcting a reported condition because of cost or any other considerations.

II. Background

The original report, **REVIEW OF FREDERICK COUNTY LAND DEVELOPMENT/PERMITTING PROCESSES**, was issued September 30, 2002. That report identified five conditions containing forty recommendations for developing standards and procedures to improve efficiency and effectiveness of the plan review processes.

We want to thank Gary Hessong and his staff for their comprehensive response. Our assessment of these responses indicates that of the forty individual recommendations, twenty-two are classified as implemented (dealing with prior issues that were corrected with the implementation of Hansen), nine as partially implemented, and nine as not implemented. Discussion of the nine recommendations, including those partially and not implemented, can be found in Section IV and management's response, including implementation timetables and/or rationale for non-implementation is included in Section V of the report.

	Implemented	Partially Implemented	Not Implemented
I - Reorganization/Centralized	5	1	0
II - Co-Location (One Stop Shop)	2	0	1
III - Timeliness	7	3	2
IV - Knowledge	1	3	3
V - Communication	7	2	3
Totals	22	9	9

While we provide no specific opinion of the adequacy of the response, or of management's decision to or not to implement recommendations, Internal Audit does understand the complexities and enhancements resulting from the implementation of Hansen which in turn may have rendered several of our previous recommendations as not applicable. We still, however, stand by the report's original assessment to continue on the path of consolidation and one stop shopping for the land development process.

We cannot currently attest to the efficiency and effectiveness of the Hansen implementation, however, Internal Audit will schedule a comprehensive audit on the Hansen system in the future.

III. A Review of the Current State of the Permit Issuance Process

Summary: Our review of the permitting issuance process identifies the following conclusions and observations. These seven conclusions and observations represent Internal Audit's analysis of the current status of the process, and the challenges still facing the several departments and divisions within Frederick County. We believe that fully implementing all outstanding recommendations should reduce duplication of effort, improve communications, and provide defined goals and objectives that, in turn, will enhance effectiveness and efficiency within the divisions that are tasked with the review and issuance of permits.

Background: During the annual workplan process, we received a request from Commissioner Gardner to review the permit issuance process for timeliness and efficiency. The Interagency Internal Audit Authority approved this audit request at its May 2006 meeting.

Scope: We reviewed the current permit issuance process used by Permitting and Development Review to determine if the timeframe in the issuance of permits have improved, remained the same or slowed.

Objectives: To review permit issuance process for timeliness and efficiency to determine responsibilities of permitting and possible overlapping from other functional areas.

Methodology: Use of standard auditing procedures such as interviews, along with reviewing status of recommendations from the previous audit.

Observations and Conclusions: The following divisions or agencies are responsible for the review and issuance of permits and the development review process either directly or indirectly:

Permitting and Development Review	Planning and Zoning
Fire and Rescue Services	Public Works
Utilities and Solid Waste	Health Services

1. One-Stop Service Shop: Only Permitting and Development Review is being moved to a separate facility at 30 North Market. The other agencies or the permitting functions within those agencies are not being co-located due either to a lack of space or to a desire not to split their own operations. The inability to co-locate necessary agencies or functions within the permit issuance process magnifies the need to continue Internal Audits' recommendation to consolidate and centralize the permit issuance process using the concepts of a one-stop service shop.

However, the impacted departments should step back and reevaluate where they stand currently, and determine if the existing consolidation is meeting the primary goals of having an efficient and effective permitting issuance process.

2. Central Clearinghouse: A central clearinghouse should be established within Permitting & Development Review for all submissions and fees. They, in turn should coordinate the dissemination of plans, collected fees and the establishment of turn around times and due dates for the various other agencies involved in the process. This will eliminate the requirement of applicants having to go to several separate divisions and it will providing the customer with estimated process review times.

3. Inspection Cross Training: Many citizens become frustrated during the permit issuance process when it appears that the County inspects the same item

more than once. In order to eliminate or significantly reduce this frustration, Internal Audit recommends that the impacted agencies meet to identify areas where there is a possible duplication of inspection effort, and eliminate it. Additionally, we recommend that agencies identify potential areas that would benefit from cross training, also reducing any duplicate.

4. Turn-around Commitments: Individuals and contractors doing business with the County need to have some reasonable expectation that requests for inspections, reviews and issuance of permits are timely and that proposed dates are met by the County. Internal Audit continues to recommend that pre-determined and formally published turn-around timeframes for plan reviews and inspections for all of the various agencies should be established, widely published and strictly monitored for adherence. In addition, County management should consider including a customer service component within the County's pay for performance program for divisions within the permit issuance process to provide incentives for meeting the established turnaround timeframes.

5. Coordination and Communication: Each division or agency dealing within the permit issuance process needs to communicate and coordinate with each other to resolve issues or conflicts in order to provide the most efficient and effective process available. In that regard, Internal Audit continues to recommend the establishment of formal meetings to discuss outstanding concerns and issues. On a regularly basis customers should be invited to present their input and suggestions. Additionally, an annual customer survey should be conducted to track the efficiency and timeliness of the permit issuance process.

6. Enforce Rules not Agendas: Division management must review, listen, and address complaints from their customers pertaining to delays in the issuance of permits not related to compliance to rules and regulations. While it is management's responsibility to review and assure that staff is complying with existing rules and regulations, it is also their responsibility to assure that staff only delay permits from being issued if there is a lack of compliance with those rules/regulations and not with other agendas or for personal preferences.

7. Partial Credit within the Permit Review Process: Timeliness and efficient issuance of permits can require multiple reviews and consultation to assure full compliance with the various rules and regulations which, in turn, may be reviewed by different individuals. Steps or sections, which have been previously approved, should not be subject to additional review within the same division.

IV. Current Status

The Division of Permitting and Development Review (DPDR) was requested to provide the status of the outstanding report recommendations. DPDR's comments are included with each recommendation.

Condition I. Land Development Processes Should Be Reorganized and Centralized for Efficiency and Accountability

Recommendation I. County Should Establish One Division Integrating All Development Functions

1. a) Centralize the land development functions (to include the current P&Z, P&I, OoDR) under one authority with the assistance of an implementation team. Our review supports including the fire plan review, water and sewer plan review¹, and grading functions in the consolidation. However, the determination of which review functions to include should be based on time allocations performed by each review agency and, for fire plan review, the establishment of required legal authority. In addition, the need for a County Attorney position within the land development process should be evaluated.

Status: Partially Implemented. *Some of the recommended "Land Development functions" and some of the recommended "Permitting & Inspection functions" have been centralized and organized under one authority, however other functions have not. The following summarizes the status of specific functions:*

Land Development Functions

1. *Subdivision & site plan review – The lead agency responsible for intake, processing and review pursuant to the Subdivision Ordinance and the Zoning Ordinance transferred from P&Z to DPDR with initial reorganization phase in 2003. Additionally, individuals and functions with review responsibility of these types applications have been centralized into DPDR including those from DPW (Office of Development Review, OoDR, and Office of Transportation Engineering, OTE).*

¹ Applies to reviews of water and sewer lines fifteen inches and smaller in diameter.

2. *Improvement plan review – The lead agency responsible for processing improvement plans was centralized from DPW (Office of Development Review, OoDR, and Office of Transportation Engineering, OTE) to DPDR with initial reorganization phase 2003.*
3. *Grading (sediment & erosion control) plan review - remains with Soil Conservation District, a State agency partially funded by the County.*
4. *Fire plan review – responsibility continues to be performed by DFRS due to staffing and training deficiencies in DPDR, however transition to DPDR is expected within 6 - 12 months.*
5. *Water & Sewer plan review – remains with DUSWM.*
6. *Health Department review – remains with Health Dept.*

Permitting & Inspections Functions

1. *Permits & Inspections – centralized to DPDR with initial phase 2003. Another phase of zoning responsibilities review for building permits transferred in October of 2006. Also, review responsibility of land development functions and applications that relate to the permitting and inspection process have been transferred and created in DPDR.*
2. *Fire plans review – transferred from DFRS and centralized to DPDR with initial phase 2003. This includes life safety plan review responsibilities and the fire systems plan review responsibilities.*
3. *Grading permits & inspections – transferred from DPW and centralized to DPDR in July 1, 2006.*
4. *Zoning review – centralized to DPDR in October 2006.*
5. *Water & sewer – remains in DUSWM.*
6. *Health department – remains in DUSWM.*

Additionally, a Division Director (and an Administrative Assistant) has been hired and the addition of a County Attorney position (and Legal Assistant) has been added to support the Division and the functions.

Condition II. Co-location of Review Agencies Is Essential to the Efficiency of the Process

Recommendation II. c) Identify any outside agencies and functions that devote portions of their time to the development processes. Where possible, staff from these agencies should be made available at the central location for specific time intervals each week.

Status: Not Implemented. *Outside agencies are not expected to be represented at the new facility, although space can be made available.*

Condition III. Timeliness of the Review Process Is Necessary for Customer Satisfaction

Recommendation III. g) Implement mandatory, no-charge pre-submission meetings for large projects prior to each major development stage (development plan, improvement plan, building permit). The definition of included projects should be determined by the lead agencies and adjusted, as needed, based on experience with the process. (Note: the County is currently in the process of updating the Zoning Ordinance. To be considered for approval is an ordinance revision including a requirement for pre-submission meetings for development plans.)

Status: Not Implemented. *No charge, pre-submission meetings for large projects at each major development stage (land development plan application, building permit application, etc...) are encouraged but have not been made mandatory. The concept is not supported by applicants, DPDR staff and other staff involved in the land development or permitting and inspection process. The meetings are also encouraged at the concept stage prior to the first development stage.*

Recommendation III. h) Establish deadlines for applicants for the submission of revisions resulting from plan review comments. Reasonable deadlines should be established for each review type (development plan, improvement plan, building permit). Correspondingly, the County should establish a policy for assigning review priority of the various types of revisions. Revisions submitted after the established deadline should be placed in review order with new submissions.

Status: Partially Implemented. *Deadlines for applicants to submit revisions have not been set. It is believed that requiring applicants to resubmit within a defined timeframe is not necessary and would only promote submissions that are poor quality and incomplete. Instead, we have created a fee schedule for plan revisions and multiple reviews that should adequately address these problems. Additionally, revisions and resubmittals are reviewed in a more timely manner than initial submittals.*

Recommendation III. j) Update reviewer checklists, continuing to make them available to applicants via public access.

Status: Partially Implemented. *Many reviewer checklists have been updated to better address updated submittal requirements. At this time they have not been made available via public access, but expect to be within 6 – 12 months.*

Recommendation III. k) Consider the cost-effectiveness of establishing project managers in the future as the County grows in development volume and available resources.

Status: Not Implemented. *The establishment of project managers has been considered but determined to not be needed or cost effective at this time. Instead we believed focusing on predictability, management of project status and review results and streamlining functions to be initiatives that perhaps should be allowed to determine the effectiveness.*

Recommendation III. l) Develop public education seminars if measures to improve the quality and completeness of plan submissions are unsuccessful. These seminars should focus on educating applicants on areas of recurring plan omissions and errors and on regulation updates. They should inform applicants as to what the County is looking for in plan reviews and instruct them in performing their own quality control review before submittal. We suggest that these seminars be used as a last measure since they require the scarce time and resources of both the County and public.

Status: Partially Implemented. *Public education seminars to improve the quality and completeness of plan submissions have not been considered. We believe establishing clear and predictable submittal requirements and checklists is a more effective approach to promote applicant-initiated quality control. Additionally, the Outreach Meetings have provided a very effective approach and opportunity for educating applicants of requirements and proposed changes.*

Condition IV. Knowledge of the Land Development Process Should Be Enhanced

Recommendation IV. a) Develop and publicize an overall process flowchart and detailed flowcharts of major segments of the process.

Status: Not Implemented. *The development and publication of an overall process flowchart has not occurred. There is value to this but only at a point where processes and procedures have been better streamlined. It is the intent to focus on areas where*

most frequent questions arise and where there is a greatest need within the functions of DPDR. It will be difficult to include those development functions that are not within DPDR.

Recommendation IV. b) Update and expand the County's website to provide process information and Frequently Asked Questions for the various stages of the development process.

Status – Partially Implemented: *The County's website has been updated and a DPDR page has been created. The initial focus has been on including basic information. A section to include frequently asked questions is supported and an initial list is expected to be included within the next 6 – 12 months.*

Recommendation IV. c) Develop a matrix by project type that details County requirements.

Status: Not Implemented. *A matrix has not been developed and currently there is no plan to have one created as the benefit is unclear. We also believe it may add more confusing to the process, at least until other improvements can be made.*

Recommendation IV. d) Develop simplified, single-process publications for public use to support the project matrix.

Status: Partially Implemented. *Single process publications for public use have not yet been created. The concept is supported and we expect to begin addressing this within the next 6 - 12 months.*

Recommendation IV. f) Establish general customer-service representatives (CSRs) who can provide process information to applicants and direct them to appropriate departments and personnel. The decision as to whether this function should be centralized or decentralized should be made with regard to whether the recommended re-organization (Condition I) and co-location (Condition II) are adopted and to the availability of resources. However, given the current size of the County, it appears that several central CSR positions coupled with staff cross training would be most effective.

Status: Partially Implemented. *Customer service representatives that can provide information to applicants and direct them to appropriate departments and personnel will be established upon occupancy of the new DPDR facility. While this information is currently provided by staff, it is fragmented and those efforts are not centralized or consolidated because of the current location of staffing and responsibilities. The space*

planning and layout of the new facility encourages an initial interaction with DPDR representatives that will provide these benefits.

Recommendation IV. g) Establish a method of identifying first-time and out-of-state applicants to be directed to Customer Service Representatives, if established, or otherwise to lead agencies for process information.

Status: Not Implemented. *A different method of providing first-time and out-of-state applicants has not been created. They will be provided the same methods as described above for others.*

Condition V. Communication Is the Key to an Effective Review Process

Recommendation V. a) Establish a formal method for obtaining customer feedback, including service evaluation forms at time of project completion and/or periodic surveys provided in both hard copy and on-line form.

Status: Partially Implemented. *A formal method of receiving customer feedback has been established by the creation of two separate Outreach Meetings. We have a regularly scheduled Outreach Meeting to discuss land development and our development review processes and a second one to discuss the same for permitting and inspections. We have also prepared "Customer Survey's" that are completed and returned by applicants of our walk thru building permit process. The County is in the process of reformatting the webpage so that all Departments and Divisions have a similar look and feel. We are developing surveys for customer feedback that will be in on-line forms and it is expected to be included on our webpage within the next 6 – 12 months. We also have considered soliciting the same at application or distribution to customers on a yearly basis.*

Recommendation V. d) Implement on a trial basis the staff-recommended phone policy where calls would be accepted only during specified days and times. Subsequently, the County should evaluate this policy for effectiveness, incorporating public feedback.

Status: Not Implemented. *We have chosen not to move forward with the recommended phone policy because we believe it would be too limiting and difficult to explain to our customers. Instead, we have an unwritten policy that encourages review staff to answer phone calls whenever they can, however if they are focused on a review, then allow the call to roll into voice mail or to the cover person. Calls should be returned by noon, when possible and by the end of the day. At a minimum calls and emails are to be returned within 24 hours.*

Recommendation V. e) Have applicants designate a single point of contact for each project phase.

Status: Not Implemented. *Staff has not required applicants to designate a single point of contact for each project phase. We have found that most projects deal with a variety of design professionals with varying technical knowledge, abilities, time and authority to make decisions, not to mention desired owner involvement in reviews and discussions. The designation of a single point of contact by the applicant would stall and contribute to a more difficult time in getting answers from those most responsible. We typically coordinate our meetings, reviews and discussions with the applicant of record but do not limit our information to only that contact.*

Recommendation V. f) Provide customer service training for staff included in the land development process to enhance communication skills.

Status: Partially Implemented. *A few employees have attended customer service training. Our intent is to have mandatory customer service training for all employees within 6 – 12 months. We have contacted a representative to customize a training program that is specific to general areas of responsibilities (reviewers, administrative, managers, etc...). Our goal is to have this implemented after moving into our new facility and having it in the training room.*

Recommendation V. j) As included in Condition III, consider establishment of project managers with detailed project knowledge to address customer concerns as resources and the volume of development activity increase in the future.

Status: Not Implemented. *The establishment of project managers has been considered but determined to not be needed or cost effective at this time. Instead, we have been focusing on predictability, management of project status and review results and streamlining functions to be initiatives that are more important.*

V. Management's Formal Response

The management of the Division of Permitting and Development Review (DPDR), the Division of Utilities and Solid Waste Management (DUSWM) and the County Health Department responded to the "Follow-Up to Review of Frederick County Land Development/Permitting Processes Issued September 30, 2002," and "A Review of the Current Status of the Permit Issuance Process." Their responses are listed on pages 15 through 25.

Permitting and Development Review Division's Response



**PERMITTING AND DEVELOPMENT REVIEW DIVISION
FREDERICK COUNTY, MARYLAND**

Office of the Division Director

30 North Market Street • Frederick, Maryland 21701
Phone (301) 600-1172 • Fax (301) 600-1171

Memorandum

TO: Martin Standel, CAE/Director of Internal Audit

FROM: Gary W. Hessong, Director 
Division of Permitting and Development Review

RE: Follow-up to Frederick County Land Development/Permitting Process issued
September 2002

DATE: March 7, 2007

Thank you for the opportunity to review the referenced audit report. In general, I consent to the observations and conclusions summarized therein. Additionally, I am committed to address any outstanding concerns, which will continue to improve Frederick County's land development and permitting processes and services. This effort will require coordination with other Divisions and stakeholders involved and must be completed in an open and cooperative manner.

In addition to the feedback that I provided on the status of the audit report recommendations (dated November 15, 2006), I would like to highlight several important process achievements to date.

- Walk-through permits – For the first time in Frederick County history we have been able to implement a process that allows certain permit types to be issued within approximately 30 minutes instead of what once was many weeks.
- Predictable review times – We now have established schedules that allow applicants to know when comments are due for most application and permit types including subdivision, site plan, improvement plans and all permits.
- Cross-training of reviewers – We have initiated a program to eliminate duplicate review efforts for permitting and development type applications.
- Management of developer obligations – We have improved the management of development projects to ensure developer obligations (required during subdivision, site plan and zoning review) are being met during the construction process through permitting and inspections programs.

As we move forward, it is important to understand there are many agencies outside of DPDR that continue to be involved in the land development and permitting process. I believe that it is important to review which non-DPDR responsibilities should continue to be part of the permitting and development review process. We may find that it is appropriate to remove certain functions as they may be duplicative or even unnecessary and potentially add time and cost without benefit. Others, although perhaps necessary, may need to be separated so processes are independent and do not interfere or jeopardize individual goals and objectives.

In closing, I would like to convey my appreciation for the support and guidance given to me during this process. I also pledge my support to continue to work with others to determine what direction is best for Frederick County's land development and permitting processes.

Frederick County Health Department's Response



Frederick County Health Department

BARBARA A. BROOKMYER, M.D., MPH
Health Officer, Frederick County

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Frederick, Maryland 21702
1-877-463-3464

MEMORANDUM

TO: Martin T. Standel, CAE/Director Internal Audit Department
FROM: Barbara Brookmyer, Health Officer
DATE: February 20, 2007
SUBJECT: Permitting and Review Report Comments

The Frederick County Health Department has one comment related to the report. After consulting with Gary Hessong, I believe that all references to Health Department functions were intended to be followed by "will remain in the Health Department." There was one example where there is a reference to the Health Department functions moving to DUSWM. I don't have the document available as I write this to provide an accurate location of the statement. The reference may be located on page 8, number 6.



Division of Utilities and Solid Waste Management's (DUSWM) Response

DUSWM Comments to Follow-up Audit

Condition I. Land Development Processes Should Be Reorganized and Centralized for Efficiency and Accountability

Recommendation I. County Should Establish One Division Integrating All Development Functions

1. a) Centralize the land development functions (to include the current P&Z, P&I, OoDR) under one authority with the assistance of an implementation team. Our review supports including the fire plan review, water and sewer plan review², and grading functions in the consolidation. However, the determination of which review functions to include should be based on time allocations performed by each review agency and, for fire plan review, the establishment of required legal authority. In addition, the need for a County Attorney position within the land development process should be evaluated.

DUSWM Comments:

In May 2005 the BoCC (Management) decided not move any of the DUSWM functions to the DPDR. It should be noted, in the context of assuming risk (relative to IIAA reference on page 3 of the follow-up), that some of the original 2002 report recommendations were based on unproven assumptions, which the DUSWM tried to address with IIAA in 2002. Specifically the DUSWM advised the IIAA staff that the larger water and wastewater utilities throughout Maryland, where one-stop-shop concepts had been established, the utility retains sole responsibility for improvement plan review and system connection approval. This is due to the complex nature of continuously evolving water distribution and wastewater collection system modeling requirements and the need to prevent over allocation of the water and wastewater system capacity.³

Ironically the Frederick County one-stop-shop concept was based, in part, on a review of the Montgomery County permitting process, where water and sewer improvement plan review and approval is completed by the WSSC, not the Montgomery County Department of Permitting Services (MCDPS). The WSSC is not co-located with the MCDPS, nor does this agency provide a convenient one-stop intake location for

² Applies to reviews of water and sewer lines fifteen inches and smaller in diameter.

³ Although the Original IIAA report did acknowledge in one section of the report that “most local Counties have not included water and sewer reviews in their centralized land development organizations”, the report failed to explain why this is not the case. While under their recommendations the IIAA stated that their review *supports* including water and sewer plan review in a single Division integrating all development functions. The IIAA report did not provide the basis for this *support* statement and failed to accept input from the DUSWM on this matter.

improvement plan submission. This information was provided to IIAA before the original audit was completed. At the time IIAA's position was that the WSSC, which is a Sanitary Commission was materially different from Frederick County. Had IIAA conducted additional review, as suggested by DUSWM, of other Counties development review processes, they would have found that almost all water and sewer utilities retain full responsibility for the review of plans and approval of connections.

The need for the utility to retain this responsibility has nothing to do with the size of the utility line, since the utility has to maintain a real time model of all distribution and conveyance lines and be in a position to integrate multiple system expansions occurring at the same time.

Condition II. Co-location of Review Agencies Is Essential to the Efficiency of the Process

Recommendation II. c) Identify any outside agencies and functions that devote portions of their time to the development processes. Where possible, staff from these agencies should be made available at the central location for specific time intervals each week.

DUSWM Comments:

The co-location of the DUSWM offices with DPDR was originally planned to occur at the DUSWM building at 4520 Metropolitan Court. However, a later decision to use 30 East Market Street for the DPDR location eliminated the co-location opportunity. However, it should be noted, that from a customer service standpoint, the DUSWM location is far more convenient for its customers, who for the most part, are not residents of the City of Frederick, where DPDR is located. It is also important to note that the design of all utilities (electric, gas, water and sewer), that are needed for development within the County, requires applicants to coordinate with several separate entities that are not, or cannot, be co-located with DPDR. These include other essential utilities: Alleghany Power, Frederick Gas, Frederick County DUSWM, City of Fredrick, Town of Walkersville, Town Emmitsburg, City of Brunswick, Town of Thurmont, etc.

DPDR currently receives all improvement plans and disseminates them to the appropriate agency, including DUSWM, eliminating the need for an applicant to make multiple stops to submit improvement plans.⁴ Furthermore the uniform use of the Hansen system for improvement plan review, in concert with the single intake location at DPDR, provides an administrative (paper) co-location, meeting the published objectives of the original audit report, while following other established practices in place throughout the State of Maryland.

⁴ The Soil Conservation District (SCD), which is quasi-state agency, requires separate plan submission at their location at 92 Thomas Johnson Drive.

Condition III. Timeliness of the Review Process Is Necessary for Customer Satisfaction

DUSWM Comments:

Anecdotal information from companies trying to obtain permits or plan approvals may be biased. The Hansen system should be able to provide definitive statistical data on the timeliness of reviews and permit issuance. Our data from calendar year 2006 DUSWM reviews, which are tracked in Hansen, reveal that the DUSWM performed a total of 534 reviews. Response time for seven of the 534 reviews were beyond the established time frame in Hansen resulting in 98.7% of the reviews occurring within established (Hansen) time limits. It should be noted that two of the 7 reviews referenced were actually DUSWM CIP projects, which results in a better than 99% on-time review for the DUSWM's outside customers.

The DUSWM's customers are not only the development community. The DUSWM's principal customers are the County residents and businesses that rely on the County water and sewer infrastructure for perpetuity. In this respect they are our real long term customers; it is therefore necessary to make sure that the infrastructure that serves these County residents meets established design criteria, will function correctly under all operating conditions, and will not be compromised by over allocation of the resources. Therefore the speed, at which water and sewer infrastructure improvement plans are approved, should not be used as a barometer of good customer service.

Recommendation III. g) Implement mandatory, no-charge pre-submission meetings for large projects prior to each major development stage (development plan, improvement plan, building permit). The definition of included projects should be determined by the lead agencies and adjusted, as needed, based on experience with the process. (Note: the County is currently in the process of updating the Zoning Ordinance. To be considered for approval is an ordinance revision including a requirement for pre-submission meetings for development plans.)

DUSWM Comments:

The DUSWM occasionally receives requests for presubmission meetings, which when determined to be necessary, are conducted for water and sewer issues only. The DUSWM is not prepared to expand these services for all large projects at no charge, since this cost would be recovered through our user fees, which should not be used to subsidize new development.

Recommendation III. h) Establish deadlines for applicants for the submission of revisions resulting from plan review comments. Reasonable deadlines should be established for each review type (development plan, improvement plan, building permit). Correspondingly, the County should establish a policy for assigning review priority of the

various types of revisions. Revisions submitted after the established deadline should be placed in review order with new submissions.

DUSWM Comments:

Due to the lack of quality control by some of the applicant's engineers, when submitting improvement plans, it may be inappropriate to establish a higher priority for resubmissions that occur quicker than others. The concept of providing a higher priority to plans resubmitted within a certain (minimal) time frame may only decrease staff's ability to review and process properly completed submissions, since they may spend more time on poor quality plans resubmitted quickly to secure a priority resubmission time table. The DUSWM, or for that matter, other County agency reviews are not intended, nor should they replace the required quality control that the licensed design professional is required to complete.

Recommendation III. j) Update reviewer checklists, continuing to make them available to applicants via public access.

DUSWM Comments:

Complete. The DUSWM established reviewer checklists a number of years ago and has been using them since. They are available in our published Design Guidelines (hardcopy), which are available at the DPDR offices and alternatively at the DUSWM offices at 4520 Metropolitan Court. These documents are provided to all engineers who request them and they are available from the DUSWM's Web page.

Recommendation III. k) Consider the cost-effectiveness of establishing project managers in the future as the County grows in development volume and available resources.

DUSWM Comments:

Establishing project managers for developer initiated expansions of the DUSWM infrastructure would have to be funded by a major plan review fee increase, since it would be inappropriate to pass such costs on to our customers through the user rates or Capital program. In most cases applicants use their engineer to act a project manager for their improvements.

Before County agency staff are used for such functions the BoCC should decide what fiduciary responsibility these County project management personnel would have, since the County staff should be representing and protecting the needs of the inhabitants (end user) of the development, not necessarily the needs of the developer or builder.

Recommendation III. 1) Develop public education seminars if measures to improve the quality and completeness of plan submissions are unsuccessful. These seminars should focus on educating applicants on areas of recurring plan omissions and errors and on regulation updates. They should inform applicants as to what the County is looking for in plan reviews and instruct them in performing their own quality control review before submittal. We suggest that these seminars be used as a last measure since they require the scarce time and resources of both the County and public.

DUSWM Comments:

The DUSWM believes that public education seminars to improve the quality and completeness of plan submissions will have limited benefit, since all of the required design and submission requirements are documented in the DUSWM publications and the DUSWM (as well as State of Maryland) expects the plans to be completed by experienced, licensed civil/sanitary engineering design professionals. We concur with IAA that seminars be used as a last resort since they require the scarce time and resources of both the County and public.

Condition IV. Knowledge of the Land Development Process Should Be Enhanced

Recommendation IV. a) Develop and publicize an overall process flowchart and detailed flowcharts of major segments of the process.

DUSWM Comments:

The development of an overall process flowchart should recognize the separation of the DUSWM and DPDR and their respective responsibilities. The DUSWM developed a draft DUSWM flow chart but is has not yet been published.

Recommendation IV. b) Update and expand the County's website to provide process information and Frequently Asked Questions for the various stages of the development process.

DUSWM Comments:

The DUSWM has some FAQ information on its webpage. We are in the process of developing more a definitive FAQ component that will expand on the existing information that will help citizens, who may not have experience with the DUSWM water and sewer service process. These FAQ should be posted on the DUSWM webpage within the next 6 months.

Recommendation IV. c) Develop a matrix by project type that details County requirements.

DUSWM Comments:

The DUSWM believes that a flow chart can provide the same information.

Recommendation IV. d) Develop simplified, single-process publications for public use to support the project matrix.

DUSWM Comments:

The DUSWM already has definitive publications that provide information to applicants. The DUSWM also believes that certain aspects of utility expansion cannot be simplified beyond the existing information, without possibly compromising local and industry design standards and/or requirements.

Recommendation IV. f) Establish general customer-service representatives (CSRs) who can provide process information to applicants and direct them to appropriate departments and personnel. The decision as to whether this function should be centralized or decentralized should be made with regard to whether the recommended re-organization (Condition I) and co-location (Condition II) are adopted and to the availability of resources. However, given the current size of the County, it appears that several central CSR positions coupled with staff cross training would be most effective.

DUSWM Comments:

The DUSWM new location at 4520 Metropolitan Court, which includes all of the DUSWM's management, engineering and operations staff, provides a large fully staffed customer service center with representatives that can answer questions or guide customers on the DUSWM's rules and regulations, water and sewer design standards, submission requirements, and any other issues. This location also provides convenient drive-through service and cashier services.

Recommendation IV. g) Establish a method of identifying first-time and out-of-state applicants to be directed to Customer Service Representatives, if established, or otherwise to lead agencies for process information.

DUSWM Comments:

Completed. The DUSWM believes that most, if not all, out-of-state engineering firms that are not familiar with the DUSWM's process have the responsibility of securing any local requirements. It has been the DUSWM's experience that most civil/sanitary engineering firms that are not familiar with our design requirements are directed to our Engineering and planning Department to secure design guidelines and ask questions.

Condition V. Communication Is the Key to an Effective Review Process

Recommendation V. a) Establish a formal method for obtaining customer feedback, including service evaluation forms at time of project completion and/or periodic surveys provided in both hard copy and on-line form.

DUSWM Comments:

Other than the current DPDR outreach meetings, the DUSWM has not conducted any separate activities in this regard. However, the DUSWM believes that the use of surveys needs to recognize the different, and sometimes opposite expectations/responsibilities that the applicant and County have. Survey results needs to be evaluated based on appropriate benchmarks not simply based on a customer's dissatisfaction with their possibly unrealistic expectations.

Recommendation V. d) Implement on a trial basis the staff-recommended phone policy where calls would be accepted only during specified days and times. Subsequently, the County should evaluate this policy for effectiveness, incorporating public feedback.

DUSWM Comments:

The DUSWM believes that such action is impractical and will reduce the high level of Customer Service currently provided by the DUSWM.

Recommendation V. e) Have applicants designate a single point of contact for each project phase.

DUSWM Comments:

Partially Implemented. Dictating how the applicant manages their project and with whom is their responsibility. However, the DUSWM generally does require categorized single points of contact regarding the technical and legal issues of plan submission.

Recommendation V. f) Provide customer service training for staff included in the land development process to enhance communication skills.

DUSWM Comments:

A limited number of our front line customer service staff has received customer service training. Additional training is underway. Other employees will receive training as deemed appropriate by the DUSWM management staff.

Recommendation V. j) As included in Condition III, consider establishment of project managers with detailed project knowledge to address customer concerns as resources and the volume of development activity increase in the future.

DUSWM Comments:

See response under condition III.k).

Other DUSWM Comments/Observations:

A central clearinghouse has been established within DPDR and plan review fees are collected by DPDR, which are in turn disseminated to other agencies. Capacity fees (as well as water and sewer user fees) are calculated and collected by the DUSWM at its new location at 4520 Metropolitan Court. These fees are not plan review or permitting fees. The DUSWM agrees that the DPDR should continue coordinate the dissemination of submitted plans, collect “review” fees, and in consultation with user agencies, establish appropriate turn-around times and due dates, based on the type and complexity of the type of regulatory review. Contrary too what might be suggested in the update, individuals are not required to go to separate Divisions to submit plans for review. Plans are submitted to DPDR for County agency dissemination and separately to the Soil Conservation District for review.

As mentioned previously, the calculation and payment of water and sewer capacity fees is a separate function from the issuance of building permits. The establishment, calculation, collection, and defense of these fees is the responsibility of the DUSWM.

The concept of not reviewing parts of a resubmission that has not previously received comments ignores the fact that the County agencies have a fiduciary responsibility that does not allow them to withhold important comments. One cannot assume that the lack of comments on a particular part of the plan in the first submission indicates that that part complies with all applicable requirements. Changes in other parts of the plans may require the review of related or complementary parts of the plans.

In the review of water and sewer improvements plans we found that the quality control of some submissions is very poor. The County’s review process is not intended to replace the quality control reviews that need to occur by the licensed professionals of the engineering firm preparing the plans. When these necessary quality control functions are poor or non-existent, the DUSWM review staff cannot be expected to perform a quality control review on top of the compliance review. Frankly this has been a serious problem, which needs to be properly documented in the audit update. Other agencies should be consulted to see if they are experiencing the same problems.

Attachment 1

The following twenty recommendations summarize the 40 individual recommendations as outlined in the initial audit “REVIEW OF FREDERICK COUNTY LAND DEVELOPMENT/PERMITTING PROCESSES”, issued September 30, 2002.

Internal Audit recommended that County management should:

1. Centralize the land development functions under one authority with the assistance of an implementation team.
2. In conjunction with the reorganization, determine the need for additional staff in the land development division.
3. Consider the establishment of an enterprise fund to accommodate the reorganization.
4. Develop and publish a strategic plan for the centralized land development division with a mission, objectives and vision for the future.
5. Establish performance measures for the land development division.
6. Co-locate all review agencies, coordinating and re-defining processes as necessary.
7. Determine and communicate to the public reasonable review time estimates for each review type included in the land development process.
8. Assign accountability for evaluating the timeliness of the various review processes; obtain applicable management reports and establish project review history in the Hansen system.
9. Develop and publicize a plan submission screening process for improvement plan and building permit applications.
10. Develop Project Summary Reports that are available on-line.
11. Implement mandatory, no-charge pre-submission meetings for large projects prior to each major development stage.
12. Establish deadlines for applicants for the submission of revisions resulting from plan review comments.

13. Improve information available to the public in the form of process flowcharts, an updated website, a matrix by project type that reflects County requirements, and related single-process publications.
14. Provide general cross training of departmental functions for all staff and departments involved in the development process.
15. Establish general customer-service representatives who can provide process information to applicants and direct them to appropriate departments and personnel.
16. Establish a formal method for obtaining customer feedback.
17. Continue to foster a working partnership with the land development community by assuring public input is incorporated into the County processes.
18. Have applicants designate a single point of contact for each project phase.
19. Consider optional post-submission review meetings in the improvement plan and building permit areas for projects with a large number of review comments.
20. Promote communications through periodic multi-department staff meetings.

