

County of Monroe
Growth Management Division

Office of the Director

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Board of County Commissioners

Mayor David Rice, Dist. 4
Mayor Pro Tem Kim Wigington, Dist. 1
Heather Carruthers, Dist. 3
George Neugent, Dist. 2
Sylvia Murphy, Dist. 5

We strive to be caring, professional and fair

AGENDA

CONSTRUCTION INDUSTRY INFORMAL GROUP MEETING

November 26, 2012, 3 PM – 5 PM

Murray E. Nelson Government & Cultural Center, 102050 Overseas Hwy, Key Largo, FL

1. Request For Quotes – Evaluation of the County Permitting, Plan Review and Inspection fees and the expense to deliver services for recommendation of a new fee structure to the Board of County Commission
 - a. Proposal Selected – MAXIMUS Consulting Services, Inc.
 - b. Timeline
 - 1) January 2013 – Present to BOCC for contract approval
 - 2) Project Management Timeline (**EXHIBIT A**)
2. Privatization
 - a. County Administrator Recommendation: On Call Inspectors/Plans Examiners (**EXHIBIT B**)
 - b. Email from Jim Saunders (**EXHIBIT C**)
3. Wetland Mitigation Update – Mike Roberts
4. Permitting: Increase permit exemptions from \$1,000 to \$2500, as requested by industry
5. Interactive Voice Response (IVR) for Inspection Request/Resulting
January 2013 – Sole Source – Selectron Technologies (www.selectrontechnologies.com)
6. Tentative Meeting Dates/Locations
 - a. March 26, 2013 – Marathon
 - b. June 2013 – Key Largo
 - c. September/October 2013 – Marathon

Construction Industry Informal Group Mission Statement:

“To evaluate Growth Management Division Building, Flood Plain, Planning and Environmental Resources, Engineering, Fire, and other department operations related to permitting and development approvals, and recommend improvements for better service delivery to the Construction Industry and Monroe County residents. “

EXHIBIT A

Monroe County Proposed Timeline for Fee Analysis Project

- January 2013:
 - Contract awarded
 - Kick off meeting (MAXIMUS Work Breakdown Structure item 1.2)
 - Data gathering strategy discussed and implemented
 - February 2013:
 - Project status meeting (1 of 6)
 - Develop direct and indirect cost rates (MAXIMUS Work Breakdown Structure item 2)
 - March 2013:
 - Project status meeting (2 of 6)
 - Develop rates (review with County finance) (MAXIMUS Work Breakdown Structure item 2)
 - April 2013:
 - Project status meeting (3 of 6)
 - Determine cost based fee findings reflecting service and delivery methods (MAXIMUS Work Breakdown Structure item 3)
 - Meet with supervisors (use permit type plan review matrix for this exercise)
 - May 2013:
 - Project status meeting (4 of 6)
 - Review county demand data by permit type and determine how to express costs per permit (flat rates, sq. ft. contract price); estimate impact on county budget (MAXIMUS Work Breakdown Structure item 4)
 - Prepare report and draft fee schedule
 - June 2013:
 - Project status meeting (5 of 6)- present staff (including finance/budget) proposed report and draft fee schedule MAXIMUS Work Breakdown Structure item 5)
 - Present to Construction Industry (1 of 2) proposed report and draft fee schedule MAXIMUS Work Breakdown Structure item 5)
 - July 2013:
 - Project status meeting (6 of 6)
 - County to assemble comments on fee schedule and submit requested amendments
 - Maximus to submit final draft (MAXIMUS Work Breakdown Structure item 5)
 - August 2013:
 - County holds scheduled workshop with Construction industry (2 of 2 if required) on final draft
 - September 2013:
 - BOCC Discussion meeting (1 of 2) (if needed as could adopt if there are not a lot of comments)
 - October 2013:
 - BOCC Adoption (2 of 2)
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EXHIBIT B

From: Gastesi-Roman
Sent: Friday, November 09, 2012 5:58 PM
To: _All Users
Subject: ...a note

Team:

Just a quick note to update you on a few items.

First, we should all be very thankful and grateful that the one-cent infrastructure sales tax referendum passed on Tuesday. This existing sales tax was originally approved in 1989 and renewed in 2000. Over the 22 yrs this sales tax has been in effect, more than \$330 million dollars worth of projects have been completed countywide, including parks, courthouses, jail, government buildings, and firehouses. More than half of this money is paid by tourist making it a great bang for our buck, and reducing the tax burden on the rest of us. We intent on using this money to finalize the wastewater projects throughout the keys and enhance our infrastructure, including roads & bridges.

Another item I'd like to update you on is the upcoming holidays and my intension of granting you December 24th and December 31st off. I have placed an item on the November 20th Board of County Commission meeting agenda for their approval, so it won't be "official" until then. Although we have had a few distractions this year, I strongly believe Monroe County Government is continuing to improve. Our relationship with our federal & state partners has never been better. Evident by the lifting of the FEMA-list injunction and our ability to get \$50 million from the state this year for wastewater. Locally, we are working closely with many groups to collaborate on improving services and efficiencies. ALL OF YOU have contributed to our improvement and have shown a heighten level of commitment that deserves to be recognized – THANK YOU !

Lastly, many of you have been concerned about "privatizing" of the Building Department. We have preliminarily evaluated the proposal of privatizing the County's permitting, inspection, and plan review services. I have met with several private vendors, and yesterday, Mayor Rice, Jerry Smith, Christine Hurley, and two members of the building industry: Christina Weinhofer & John Forrer, and I toured the Pembroke Pines privatized building department. Also, in the last couple of weeks, I met with fifty-six (56) Growth Management Division employees and explained to everyone how the Building Department is still operating at a negative each year. Expenses are more than revenues, and turn-around times for permit/plan review have not improved. Each of the fifty-six (56) employees recognized the current state of affairs, articulated an impressive level of knowledge & commitment, and pledged to assist in improving the operation.

After these meeting and learning about the differences between most communities permitting processes and Monroe Counties, especially relative to the environmental and planning issues we regulate, I am leaning toward a recommendation to the Board of County Commission to issue a Request for Proposal (RFP) for on-call, as needed, private "back up" services instead of evaluating the overall privatization of the entire function (permitting, plan review, and inspections). The benefit of having a private firm on call would be to utilize their services when we are short staffed, when certain licensed employees resign or are not able to keep up with demand for service. The next Construction Industry meeting is scheduled for 11/26/12 and I will be attending. Further, we will add this to the Board of County Commission agenda in the near future as a discussion item.

Thank you again for all you do to improve our community and for your dedication to public service.

Roman Gastesi
County Administrator
Monroe County (Florida Keys)

EXHIBIT C

From: Jim Saunders [mailto:jrsaunders@bayviewdev.com]

Sent: Friday, October 26, 2012 4:33 PM

To: Gastesi-Roman

Cc: Murphy-Sylvia; Neugent-George; Rice-David; Wigington-Kim; Carruthers-Heather; Smith-Jerry; 'John Forrer'; 'Toby PasaLodos'; Hurley-Christine

Subject: Potential Privatization of Building Department

Good afternoon Roman:

Our Upper Keys Construction Industry Advisory Group has been following discussions regarding the potential privatization of the building department. There have been articles saying disparaging remarks about customer service representatives. The customer service representatives in the Key Largo office are the best group of polite and dedicated individuals we have ever had in that position. They take initiative, and have learned their collective jobs better than any previous group.

The county's decision to hire Jerry Smith was one of the best to date. He brings a professional demeanor and common sense approach to this job. His knowledge of Florida Building Code is extraordinary. His efforts to help this county correct county regulations that do not conform to the state code is refreshing. You will not find a harder working or more competent manager than Jerry.

The building and planning departments have been hit with extraordinary new challenges in meeting the court's new rulings regarding endangered species and the FEMA rulings on lower enclosures. I know the BOCC was concerned about the financial implications of these rulings and agreements. The task to help staff learn and implement these new requirements takes great leadership. We believe that leadership exists in house with Christine Hurley and her staff.

Our group has had experience with both municipal run building departments and out sourced building departments. In certain situations privately run building departments are effective. Monroe County presents unique challenges. Geographically we are a very large county and county wide inspections are problematic. It is difficult to believe a private provider company can appropriately provide adequate coverage at reasonable costs. Typically private companies are not immune to litigation, and therefore there is no reason to use common sense applied to inspection decisions. Failed inspections will be more common, and there will be significant re-inspection costs experienced by many contractors. This county is dominated by small contractors who will be impacted most. We can't imagine how an owner-builder will stand a chance of building a home when the inspectors cannot grant some lee-way because of potential litigation against a new provider with no immunity.

We have land development regulations that require the building department to look at more than the Florida Building Code. It is hard to fathom how a private company can accurately negotiate a contract with the county that adequately provides for the peculiarities of the Monroe County Building Department's job. We are concerned that there will be an initial contract that will eventually have to be modified to such an extent that the permit prices will have to be increased to provide reasonable service levels.

There is concern as to the human impact to many county citizens who are building department employees or their families. We have heard the pitch that many of the existing building department employees will be hired by the new service provider. Many won't be. This is a difficult issue as there are always some employees that the County would be better without. Unfortunately there will be many good employees who will leave the County due to the uncertainty of having a job, or losing benefits if hired by a new provider. The consideration of privatization is already putting an emotional strain on existing employees.

Construction industry representatives have been meeting with Growth Management for more than two years to suggest and help implement improvements to the building permit process. Many changes have been implemented and kudos to Christine Hurley for involving the industry. Unfortunately our county has singularly unique challenges with the ROGO process, flood plain management and endangered species administration. Many complaints directed at the building department processing time are often a direct cause of the environmental resources, endangered species and flood plain management reviews, and not delays of the building department. These reviews will still have to be done by the county even if the building department is out sourced. We fear the potential of rising permit fees that may be caused by privatization will hamper an industry already reeling from the economic conditions of the past 4 years.

An alternative to out sourcing the entire building department is to consider alternative methods for pricing permits so present private provider reviewed plans do not have to go to the building department review stops. Currently private provider plans review go through the same building department review stops as non provider reviewed plans. This takes staff time doing a review that is not a requirement by state law. The basic benefit to the contractor using private providers is so inspections can be done by the provider at the builder's schedule rather than the county's schedule. A concern for the county is the private provider not doing an adequate job, but that issue can be partially addressed by auditing private providers. It is our understanding the only reason the private provider reviewed plans have to go to the review stops are for the departments to price the permit. Customer service representatives should be able to price permits.

Another option is for the county to have private providers available who can work for the building department as contract labor. This cost can be funded by the contractor who wishes to use the expedited service, and there would be no employee benefit costs to the county for this type of hire. This bifurcated arrangement would make the reviewer a contract hire of the county instead of the builder. Plans would be submitted through the normal county process, but the building department review stops would be done by the private provider working for the county under the direction of the building department. The fee charged could fund the cost of the private provider reviewer. This concept would lessen the work load on current staff so they could focus on standard submissions, but this option would also accommodate those who wish to pay to get expedited plans review. The county would have direct oversight of the private provider reviewers who would fill these positions.

The private provider has the liability for plans approval and inspections, and the state approves their use. If the private provider reviewed plans did not have to go through the same building department review stops as non reviewed plans, then the county staff would have more time to deal with plans from those not willing to pay for a private provider. It is ironic that if you out source the building department you will have a private provider reviewing plans for another private provider. Who will be really accountable?

Under any private provider scenario the industry realizes that the county will still be doing environmental resources, flood plain management, and protected species focus areas reviews.

Regarding the ROGO submission process: During the construction industry meetings there were discussions about being able to submit only a site plan for ROGO applications rather than a full set of building plans that have to be reviewed by staff. When the allocation is realized the plans have to be reviewed by staff again, and brought up to current building code requirements. The concept for the limited initial submission had support from both staff and the industry until the fees structure suggested was found to be much higher than the existing structure. The industry voted the process

down due to the increased costs. This fee for this process may need to be revisited, and if implemented the building department would not be spending much less time reviewing plans that will most likely have to be redone when the ROGO allocation is realized.

Those of us who attempt to run professional operations find most of the current county staff to be dedicated, proficient and polite. For those staff employees who are not as capable, we feel that head building official Jerry Smith has the awareness to identify the problems, and the ability to either find a way to upgrade the situation with training and procedures, or attempt to have the non performing person replaced.

Please consider our observations when coming to a decision regarding privatization. Not every decision can be measured in just costs savings. There is potential negative impact on the fabric of our community. Please consider every available option to keeping the building department county operated.

Sincerely,

Jim Saunders, John Forrer, and Toby Pasalodos
Representing the Upper Keys Construction Industry Advisory Group

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