

RESOLUTION NO. 06-119

A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, RELATING TO BUILDING AND PERMITTING ACTIVITIES; ACCEPTING THE BUILDING AND PERMITTING ADVISORY COMMITTEE REPORT; AUTHORIZING THE VILLAGE MANAGER TO DRAFT A REQUEST FOR PROPOSALS (RFP) FOR SPECIFIED BUILDING AND PERMITTING SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an advisory committee appointed by the Village Council by enactment of Resolution No. 06-29 to review the building and permitting services, the levels of public services and methods of service delivery met regularly since its appointment on March 6th, 2006; and

WHEREAS, the committee has completed its review and has prepared a final report of its findings as presented to the Village Council at its October 16th, 2006 meeting; and

WHEREAS, the Village Council desires to accept the final report of the Building and Permitting Advisory Committee and to direct the Village Manager to take certain actions related to building and permitting services provided to the Village.

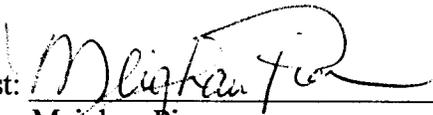
NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AS FOLLOWS:

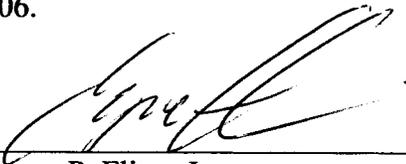
Section 1: The Village Council accepts the final report of the Building and Permitting Advisory Committee, which report is attached as Exhibit 1.

Section 2: The Village Manager shall prepare a RFP for specified building and permitting services to be provided to the Village and initiate the process for hiring a full-time Building Official.

Section 3: This resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 6th day of November, 2006.

Attest: 
Meighan Pier
Village Clerk


Eugene P. Flinn, Jr.
Mayor

APPROVED AS TO FORM:


Eve A. Boultis
Office of the Village Attorney

FINAL VOTE AT ADOPTION:

Council Member Ed Feller	<u>YES</u>
Council Member Paul Neidhart	<u>YES</u>
Council Member Shelley Stanczyk	<u>YES</u>
Vice-Mayor Linda Robinson	<u>YES</u>
Mayor Eugene P. Flinn, Jr.	<u>YES</u>



**BUILDING & PERMITTING ADVISORY COMMITTEE
FINAL REPORT
September 2006**

BACKGROUND:

Shortly after incorporation, the Village, in accordance with its procurement process and outsourcing model, solicited proposals for qualified firms to assume all building and permitting functions on behalf of the Village. Following a competitive selection process, the Village entered into a contractual agreement with the firm of CSA Southeast, Inc. to provide these services. The term of the agreement expires on October 31st, 2006, and requires a competitive bid process to select a firm to continue outsourcing service, if so desired by the Village.

Before expiration of this contract, the Mayor and Village Council assembled an Advisory Committee to review the building and permitting service operations being provided to the Village and its residents which include the services of a building official, plan reviewers, building inspectors, and permitting administrative staff. The Committee was asked to examine the levels of building and permitting services and the methods of delivery to assist the Village in its determination of how it wanted to structure the Building Division in the future, including recommendations for any changes.

Resolution No. 06-29 adopted on March 6th, 2006 by the Mayor and Village Council appointed the following members to the Advisory Committee:

Vice Mayor Linda Robinson, Chairperson
Gabriel Bifano
Steve Gunn
Harry Nerenberg
James Piersol
Jeff Saltzman
Dawn Thomas

The Building & Permitting Advisory Committee prepared this final report for consideration by the Mayor and Village Council.

COMMITTEE DELIBERATIONS:

The Building & Permitting Advisory Committee met a total of 12 times and thoroughly analyzed the operations of the Building Division. Resolution 06-29 specifically identified the following issues to be addressed by the Committee:

- Whether the goals of the Village Council for timeliness and courtesy to the consumer are being met, both as to professional contractor and owner-individual based permits.
- Whether the technology used within the Village is state-of-the-art; and if not, what improvements can be made to enable applicants to track the progress of the permits via the Internet.
- Whether services are being delivered in the most efficient hours of operation; i.e., whether hours of operation should be modified or expanded to include evening hours on specified days or periodic weekend operation.
- To chart the existence of or to recommend promulgation of "suggestions" or "customer evaluation" forms to assist in ongoing review and monitoring of this department.
- To review current fee structure and ensure that those fees are uniform with those previously charged by the Unincorporated Municipal Service Area.
- To review the standard of operation in the neighboring Village of Pinecrest; the Town of Miami Lakes and the City of Homestead, in order to determine the best method of the best level of service delivery possible.
- To determine whether to continue outsourced service versus creation of an internal department or, alternatively, whether the outsourced service would be maintained with the creation of a Village Building Official, who will be responsible to oversee the department.
- Whether the Village should hold a yearly Village seminar to assist Village residents and interested contractors in effectively using the Building & Permitting Division.

Current Operations:

To begin its work, the Committee first examined the structure of the current operations. Principals of CSA Southeast, Inc. were invited to provide an overview of personnel, time frames for plan review and inspections, and the use of information technology. The Building Division is staffed by one full-time chief building inspector who performs building and roofing plan reviews and inspections assisted by one part-time inspector. Four part-time, certified individuals handle plan review and inspections for structural, electrical, mechanical and plumbing. One part-time individual examines plans for zoning compliance. In addition, the administrative permitting functions in the office are handled by three full-time employees and two part-time employees. All staff

members report to the Building Official. The Building Official also conducts building and structural plan reviews and inspections, when needed. The Village's Building Official serves as building official for other cities in addition to performing this function for the Village. The Building Division is a division of the Palmetto Bay Department of Community Development.

The plan review time is 7 business days for residential building permits and approximately 10 business days for commercial permits. These time frames are established by contract, although the contract allows 15 business days for commercial plan review and processing.

The Building Division uses PTWIN32 software by Black Bear Systems, Inc., owned by the Village, as the computer software for processing building permits. The system captures property owner information, stores required contractor registration information, tracks internal plan review status, identifies date when owner or contractor retrieved plans for revisions, if necessary, calculates permit costs, produces an approved building permit, schedules inspections and reports results. Periodic summary reports are also generated from the system to monitor activity for residential and commercial permits.

Table I shows building permit activity for the Village for the past three years.

Table I. Building Permit History

	<u>FY'03</u>	<u>FY'04</u>	<u>FY'05</u>
No. of Residential Permits Issued	2981	4542	5648 (est.)
No. of Commercial Permits Issued	466	497	832 (est.)
Total Revenue	\$637,410	\$763,610	\$1,017,034 (est.)

The Committee interviewed Mr. Raul Rodriguez, Building Official, regarding the pros and cons of privatizing building and permitting functions. The most significant positive aspect of privatization is the ability to increase or decrease staffing levels, depending on volume, without changing the number of permanent employees carried by the Village. Mr. Rodriguez noted that following last year's hurricane season, the need for plan review and inspections spiked and their firm was able to immediately add a building inspector to handle the additional number of permits being obtained for repair work.

It should also be noted that building permit activity and corresponding revenues has increased every year since Village incorporation. The number of residential permits issued in FY'05 was nearly double the total issued in FY'03, an increase

in volume of 90%. The number of commercial permits issued in FY'05 was 78% higher than in FY'03. Combined revenue generated from commercial and residential permit activity is estimated at \$1 million by end of FY'05, September 30th, 2006.

The increased permit activity indicates a positive trend in the Village, attributable to several factors: there is a healthy amount of construction activity underway in the Village as residents repair and/or remodel their homes; business property owners are upgrading the exterior and overall site conditions at many locations; tenants continue to relocate into the Village or expand at their current location causing interior remodeling permits to rise; Code Compliance is making a difference in its enforcement of "work without a permit" type violations; and, residents and contractors are getting the message that performing work in the Village requires a permit to avoid a code citation.

Raul Rodriguez offered his views for improving the current system which includes adding one administrative staff position, improving customer service, establishing an efficient filing system, upgrading software to increase on-line permitting ability, and upgrading the physical office space and/or layout. It was discussed that as the Building Division volume of work has dramatically increased since the first year of operation, the outsourced staffing level has been adjusted to keep up with the pace.

For informational purposes, the contract between the Village and CSA Southeast, Inc. was supplied to members of the Committee. The Committee also toured the Building Division offices at Village Hall.

Operations in Other Cities

After satisfying its understanding of Village building and permitting current operations, the Committee expanded its review to other cities. The Committee interviewed building officials/department heads from Florida City and Pinecrest, examined key components of building departments in the cities of Doral, Florida City, Homestead, Miami Lakes, Pinecrest, and South Miami, made a site visit to the Village of Pinecrest, and compared the existing fee schedule to the fees charged by Pinecrest.

The Committee was interested in surveying other cities about use of on-line capabilities for permitting, hours of operation, use of customer satisfaction surveys and composition of in-house employees versus outsourced personnel. Table II, included on the following page, was prepared for the Committee by Village staff to provide an overview of building department operations in the cities of Doral, Florida City, Homestead, Miami Lakes, and Pinecrest.

Table II. Building & Permitting Operations in Other Municipalities

	Doral	Homestead	Miami Lakes	Pinecrest	Florida City
Apply for permits on-line	Yes	No	No	Yes	No
Track permits on-line	No	No	Yes	No	No
Obtain permits on-line	No	No	No	No	Yes
Fax back permits	No	No	No	No	Yes
Schedule inspections on-line	No	Yes	Yes	No	No
Inspections results on-line	No	Yes	Yes	No	No
Hours of operations	M-F 8am-4:30pm	M-F 7:30am-4:30pm	M-F 8am-4pm	M-F 8am-2pm	M-F 8am-5:30pm
Evening and/or weekend hours	Upon request	Yes	Upon request	No	Upon request
Outsource employees	No	No	Yes	Yes	Yes
In-house Building Official	Yes	Yes	Yes	Yes	Yes
Pay rate for in-house Building Official	Starting \$90,000; Maximum \$101,970	Starting \$70,000; Maximum \$100,000	Starting \$83,000	Starting \$100,000; Maximum \$126,000	Current salary: \$64,575
Customer survey	No	No	Yes	Yes	No

Results indicate that other cities utilize on-line capabilities to facilitate the permitting process to varying degrees. The Committee agreed that upgrades to the Village's phone system, i.e. automated call-back, inspection scheduling, recorded information provided while on-hold, along with on-line enhancements to allow application of certain permits, tracking of permit status, scheduling of inspections, and ability to obtain inspection results would be of tremendous benefit to the Village.

The hours of building department operations were found to fluctuate among municipalities. The Committee expressed interested in expanded hours for the Village, including later daily hours and on evenings and weekends.

The Committee spent a significant time on the issue of in-house personnel providing building and permitting services versus outsourcing of operations. The Committee discussed the difference in approach with representatives at Pinecrest and Florida City. It was stated by both Pinecrest and Florida City representatives that certain positions filled by in-house employees, particularly the Building Official, ensure accountability and full-time availability of this highly technical position. The Committee expressed interest in the hybrid approach taken by several cities including the City of South Miami. The City of South Miami has city employees filling the positions of Building Official and three permit coordinators. They outsource plan reviewers and inspectors for all trades. The Village of Pinecrest takes a similar approach—outsourcing certain technical positions and hiring the Building Official as a Village employee. Budgetary concerns come into the equation when balancing the levels of full-time staffing against revenues and permit volume. The Building & Permitting Division generates approximately \$1 million in annual revenues. The Committee determined that some combination of in-house staff and outsourced personnel is feasible for the Village to sustain, based upon the recurring revenue stream.

The Committee reviewed the Village's existing fee schedule. The fee schedule is the same as Miami Dade County as adopted by the Village upon incorporation. There has been no increase in building fees over the past 3½ years. The Committee requested Village staff to review fees charged by Pinecrest, found to be substantially higher.

Agendas and minutes from all Committee meetings are on file at the Department of Community Development. Notice of each public meeting was posted on the Village website and at Village Hall seven days prior to the meeting date. Detailed information compiled on permits fees, revenues, staffing levels at other cities and other back-up materials supplied to the Committee for its use are also on file at the Department of Community Development.

Public Workshop

The Advisory Committee held a workshop on June 28th, 2006 at The Deering Estate to collect input from Palmetto Bay residents and property owners. The workshop was advertised in Neighbors, The Miami Herald. Notice was posted at Village Hall, on the Village website and at various businesses. Committee members distributed flyers to neighbors announcing the public forum.

Constructive comments, suggestions and ideas to improve delivery of building and permitting services by the Village were sought by the Committee as part of their due diligence prior to formulating recommendations. A PowerPoint presentation was made to provide an overview to the public of the work to date of the Committee. The Committee also noted that a licensed and insured contractor is required to perform construction work. Using unlicensed contractors continues to be a problem for our Village and for those contractors who are licensed and insured. The Code Compliance Division of the Village is especially busy on weekends enforcing this section of the code along with citing property owners for work being performed without a permit.

Three members of the public addressed the Committee and offered comments. While the workshop was not well-attended, the Committee appreciated the input from the three speakers and stated their comments would be taken into consideration. The Mayor attended the workshop and thanked the Committee members for their dedication to building and permitting concerns.

RECOMMENDATIONS:

Over a period of five months, through attendance at twelve Committee meetings and one public workshop, the Committee reviewed and considered all aspects of the building and permitting processes delivered by the Village. In formulating its recommendations, the Committee took into consideration the information collected by Village staff, assistance provided by other municipalities, discussions with building professionals and input from residents and contractors.

The Committee respectfully offers the following recommendations to be considered when moving forward to restructure the Building Division at time of contract expiration for building and permitting services. Many of the recommendations are easily achieved while others may be implemented over a longer time frame. The recommendations related to staffing have been carefully prepared based upon approximately \$1 million in revenue generated by building permits through the end of FY'05.

The recommendations are organized into categories addressing the issues specified by the Mayor and Village Council in Resolution 06-29:

Customer Service:

- Establish customer service standards for office personnel:
 - Establish an employee code of conduct towards customers
 - Greet each customer coming into the office with "Welcome to the Building Division. We will help you as soon as possible."
 - Answer all phone calls with "Thank you for calling the Village of Palmetto Bay Building Division. How may I help you?"
 - Return all phone calls within 2 business days
 - Assign one office member to exclusively answer phones and handle all matters that can be conducted via telephone
- Review residential plans in 7 days
- Review commercial plans in 15 days
- Offer same-day and/or 2-day permitting for specified types of work
- Offer expedited plan review for an additional fee
- Offer after hours and weekend inspections and appointments with key personnel, by appointment, for an additional fee
- Establish flexible work schedules for employees to extend office hours and services, i.e. open office at 7:30 am, close at 5 pm; offer extended office hours on certain days of the week or on weekends, extend hours following a hurricane, conduct code compliance sweeps on weekends to enforce building code regulations
- Call homeowners or contractors to advise when permit/plans are ready for pick-up or in need of revisions, possibly using an automated system
- Redesign office layout for more efficient use of space by both staff and customers including creating a lay-out space for plan review meetings and technical discussions to take place and installing a counter between customers and staff to handle the large volume of walk-ins efficiently and comfortably
- Relocate the Building Division into a larger space to accommodate its operation
- Create a customer service evaluation form to gather constructive feedback from customers
- Create a system for complaints and establish a process for prompt, written follow-up
- Create a check-list for applicants detailing the permit application process and requirements
- Create an informational brochure for property owners on the importance and requirements of hiring a licensed, insured contractor and non-compliance penalties

- Host a separate, annual educational seminar for property owners and contractors on building permitting requirements and procedures
- Improve coordination of code compliance efforts between code compliance officers and building inspectors
- Clearly identify all inspector vehicles as Village of Palmetto Bay building inspectors
- Identify all inspectors by a Village of Palmetto Bay identification badge, visible and displayed at all times

Composition & Level of Staffing:

- Employ a staff that includes a combination of in-house and outsourced personnel as follows:

Building Official	1 full-time	Village Employee
Permit Clerks	4 full-time	Village Employees
Plan Reviewers	Varies*	Outsourced
Inspectors	Varies*	Outsourced

*depending on volume and trade
- Limit the contract period for any outsourced personnel to a maximum of 2 years

Technology:

- Upgrade telephone system to provide a recorded informational message for customers placed on-hold and to periodically advise the customer of the remaining hold time.
- Increase on-line capabilities to enable homeowners, contractors, architects and engineers to track plan review progress and comments
- Automate scheduling of inspections and obtaining results
- Purchase mobile lap-top units for field inspectors to enable inspection results to be entered and available immediately
- Increase on-line capabilities to enable application of permits that could be processed on-line
- Utilize a "FAX-back" process during the plan review process, when possible
- Update the Village website with information related to what type of works requires a building permit and the process to obtain a permit
- Develop a centralized, on-line complaint tracking system
- Establish a process to collect customer satisfaction evaluations and provide responses using the Village's website

Fee Schedule:

- Consider increasing fees for commercial permits
- Consider charging a contractor reinspection fee upon the third or subsequent reinspection, not transferable to the homeowner
- Amend fee schedule to establish fees for providing additional services, i.e. expedited plans processing, after hours inspections, weekend appointments
- Amend fee schedule to establish fees for certain services currently provided at no cost, i.e. administrative plan review in Franjo Triangle/U.S. 1 Island area zoning district, special event permits, electronic scanning of plans and permits for permanent file storage
- Establish an Impact Fee Ordinance for the Village