

MINUTES
BOARD OF ARCHITECTURE AND INTERIOR DESIGN

TELEPHONE CONFERENCE CALL
August 29, 2003
10:00 A.M.

(850) 410-0960 or Suncom 210-0960

Call to Order

Ms. Del Bianco called the meeting to order at 10:00 a.m.

Board Members present:

Sharon Del Bianco, Chair
Miguel Rodriguez
Ellis Bullock, Vice-Chair
Rick Gonzalez
Stephen Schreiber
Roymi Membiela

Board Members not present:

Neil Hall
Mary Jane Reeves
Joyce Shore
Kenneth Horstmyer
Garrick Gustafson

Other present:

Paul Martin, Board Counsel
Mary Ellen Clark, Board Counsel
David Minacci, Prosecuting Attorney
Scott Shalley, AIA Florida
Juanita Chastain, Executive Director
Jerry Wilson, Deputy Division Director

Discussion

Privatization – Miguel Rodriguez

Ms. Del Bianco commented that the reason for this conference call was to discuss privatization. Mr. Rodriguez commented that there were two items to discuss which was budgetary and validation of the original decision to privatize. Mr. Rodriguez commented that he took the financial information that was distributed at July meeting and used to create a trial budget. He continued by stating that the data was for three-quarters. He stated that looking he took the data from the department and the data that Mr. Shalley and it appeared that they have \$250,000 to perform \$400,000 worth of work. Mr. Rodriguez stated that he looked at expenses only because revenues come

from different sources and change from year to year. He stated that the fixed expenses have to be paid whether they are privatized or not. He stated that he looked at what the department has spent and validated Mr. Shalley's information that it costs approximately \$500,000 a year on average to operate the remaining functions handled by DBPR. He stated that he backed out the prosecutorial contract expenses. Mr. Rodriguez commented that he was trying to determine how much money the board would need to have to privatize the administrative functions.

Mr. Rodriguez commented that the department is actually spending \$400,000 to \$500,000 depending on using the average or annual figure. He commented that this figure is not inclusive of the prosecutorial contract, service charge for general revenue, or technology. He commented that when those items are deducted from Mr. Shalley's figure the remainder is approximately \$250,000. Mr. Rodriguez stated that the numbers indicate there is enough money based on what is being spent. Mr. Bullock asked if that was based on the current fee schedule. Mr. Rodriguez replied in the positive.

Mr. Rodriguez commented that he averaged the 2002-2003 numbers then annualized. He commented that he was basing his numbers on the expense side and Mr. Shalley was basing on the revenue side. Mr. Rodriguez suggested that the board focus on the validation of the reasons why they are discussing privatization for this board.

Mr. Rodriguez commented that before the next telephone conference call he would like to submit the budget to Mr. Oliver, Bureau Chief of DPBR Finance and Accounting and Mr. Shalley, AIA Florida and have them validate his numbers. He continued by stating that would allow the board an opportunity to review the budget and discuss on the next telephone conference call.

Ms. Del Bianco asked if his numbers included a renewal year. Mr. Rodriguez replied in the positive.

Mr. Rodriguez stated that he had difficulty with the decision to privatize since the July 10th meeting with the department. He stated that he feels that the current administration has a handle on fixing the problems at hand i.e. call center, central intake, etc. He continued by stating that they have been down this path before, either continue with the department and give them a chance or move forward. Mr. Rodriguez stated that what they need to focus on is are the core reasons for privatization still valid and if so, then we should validate again absent of the budget issue.

Mr. Rodriguez stated that the core reasons are still valid. He stated that the core reasons were to provide dedicated experienced staff to support the board function and the public's needs. He continued by stating in other words specialized knowledge for a specialize profession. He stated that the problems stem from they must share the current core staff with other areas and professions. Mr. Rodriguez stated that the other reason was to provide accountability. He stated that they should have the ability to make a change at any level at any time to respond to a problem or need. He stated that

they do not have that under this structure. He reviewed the current system regarding continuing education, call center, central intake, board staff, etc.

Mr. Rodriguez commented that he was impressed by the presentations from the department but he still feels the reasons for privatization are still valid. He commented that it does not change the fact the board is sailing down the wrong river. He commented that the department will make things run really well and he was confident of that, however, even if they sail straight down the middle of the river it is still the wrong river. He stated that the river is centralization verses decentralization. He would like the board to collectively agree to move forward.

Ms. Del Bianco, Mr. Bullock, and Mr. Schreiber agreed with Mr. Rodriguez. Mr. Bullock commented that he verified other states fees and they vary from \$25 to \$200 per year and felt that if they needed the additional income to accomplish privatization they could do it with a minimal increase. Ms. Del Bianco commented that they would have to move forward with a fee increase.

Mr. Rodriguez commented that he appreciated the department presenting data because they have not seen the budgetary information in the past. He commented that in 2002 the board appeared to have had a deficit in and in 2003 they have an excess of \$600,000 due to non-renewal and renewal years. Mr. Rodriguez commented that overall they are not collecting less than they are spending, however, what they collect may not be what they are allocated. He commented that they should not consider the sweep of funds because it is a one-time event.

Mr. Rodriguez commented that based on the sweep they would determine if they could privatize right away or wait until the next cycle. He commented that they could discuss on the September 8, 2003 telephone conference call. Ms. Del Bianco commented whether they sweep or not they would have to provide money to operate. Mr. Rodriguez wanted to make sure that the new members understood why the board was going down the privatization path. He commented that the traditional route for privatization was to perform the services cheaper, however, this board was to perform the services better. He commented that the reason the previous privatization effort died was because of the cheaper aspect. Mr. Rodriguez commented that he felt the department would do a better job but they would still be sailing down the wrong river. He commented that he felt they should move forward with privatization unless budgetary reasons stop them.

MOTION: Mr. Bullock moved that the board continue with the efforts of privatization.

SECOND: Mr. Rodriguez seconded the motion.

Mr. Rodriguez requested that Mr. Bullock amend his motion to be that the board privatize and remove continue with the effort of privatization. Mr. Bullock accepted his amendment.

Ms. Del Bianco called the question and it passed unanimously.

Mr. Rodriguez commented that he would e-mail the budgetary figures to Ms. Chastain and then she could forward to Mr. Oliver and Mr. Shalley. He reviewed the budgetary timeline with Ms. Chastain for the September 8, 2003 telephone conference call. Mr. Bullock asked about the Privatization timeline. Mr. Rodriguez commented that they would need to determine the budget first then set the timeline from that start date.

Mr. Rodriguez commented that Mr. Biegalski began drafting the Invitation to Negotiate and the department has a procedure regarding the timelines. Ms. Membiela asked how the services would be impacted from the time they make the decision to the time they actually privatize. Mr. Rodriguez responded that last time the department continued to provide services over the ramp up time then everything is transferred over based on a transfer date.

Ms. Del Bianco commented that the original model had the Executive Director within the department. Mr. Rodriguez concurred. Mr. Shalley stated that there are issues that would need to be worked out. Mr. Rodriguez commented that he thought there would be an Executive Director on both sides and an administrator on the private side and then a contract administrator on the department side. Mr. Bullock asked if that is what the Board of Engineers has. Mr. Rodriguez commented that they were different and it has changed over time.

Mr. Martin commented that the FEMC model is a corporation that was created by legislature and the Executive Director is a department employee. He commented that a recent legislation change made the Board Administrator the Executive Director. Mr. Rodriguez commented that FEMC was specifically created by legislation. He commented that the statute they are working with requires the department to seek an outside vendor for services and contract for those services. He commented that FEMC is in the law and it says they will perform those services a certain way.

Mr. Rodriguez commented that they would determine who would be awarded the contract based on how creative the respondents are to the Invitation to Negotiate. He commented that the board would be challenged to write the Invitation to Negotiate to encourage creativity. Ms. Del Bianco asked Ms. Chastain to get a copy of the Invitation to Negotiate Mr. Biegaski was currently working on.

Mr. Shalley commented that the board had a wide range of options available. He commented that since the board was working with the Management Privatization Act the process would be determined by the cooperativeness of the department. He explained some of the FEMC issues regarding the changes of the FEMC Executive Director.

Mr. Rodriguez commented that the department was not cooperative with the original contract entity, which was Harris Management Corporation. He commented that there is a spirit of cooperation from the department. Mr. Scott commented that he had met

with the Construction Industry Licensing Board regarding privatization and that as the interest expands there would be an economic impact within the department.

Mr. Rodriguez commented that in the writing of the Invitation of Negotiation that the board should have input so it is properly structured and complies with all legal requirements. He commented that the affected people should have content input. Mr. Rodriguez commented that he would like to be involved during the writing of the Invitation to Negotiate as opposed to after it was written.

Mr. Rodriguez commented that an item to consider was the source for their legal counsel. He stated he did not believe they should get their legal counsel and prosecutorial counsel from the same source because it could create a conflict. Mr. Martin commented that they would not be able to get a better deal than the amount of money that the board is spending for counsel with the Office of the Attorney General.

July 10, 2003 Privatization Meeting Minutes

Mr. Rodriguez commented that he would like to change the Members Absent item and list only Members present and others present since it was not a formal meeting and attendance was optional.

MOTION: Mr. Gonzalez moved to approve the minutes with the changes mentioned.

SECOND: Mr. Schreiber seconded the motion and it passed unanimously.

Mr. Martin commented that on page 13 of the minutes, to correct the word admirable.

New Business

Mr. Gonzalez stated that his term expires October 31, 2003 and he has reapplied for a second term.

Old Business

No old business.

Adjourn

MOTION: Mr. Gonzalez moved to adjourn.

SECOND: Mr. Rodriguez seconded the motion and it passed unanimously.

The meeting adjourn at 11:13 a.m.