MIAMIBEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner David Richardson
DATE: March 27, 2023

SUBJECT: REFERRAL TO THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE TO DISCUSS THE CITY'S ROLLOFF CONTRACTOR PERMITTING PROCESS AND RELATED PERMIT FEES (GENERALLY CONSISTING OF 20% OF THE ROLLOFF CONTRACTOR'S GROSS RECEIPTS), AND WHETHER THE CITY CODE SHOULD BE AMENDED TO CLARIFY THE CIRCUMSTANCES UNDER WHICH A ROLLOFF PERMIT (AND PAYMENT OF THE PERCENTAGE OF GROSS RECEIPTS) IS REQUIRED FROM OTHER PERSONS ENGAGING IN DEMOLITION AND/OR REMOVAL OF CONSTRUCTION DEBRIS OR BULK WASTE IN THE CITY.

ANALYSIS

Please place on the agenda a referral to the Finance and Economic Resiliency Committee (the Finance Committee) to discuss the City's "rolloff contractor" permitting process and related permit fees, which generally consist of 20% of the rolloff contractor's gross receipts. Specifically, I would like for the Finance Committee to review and evaluate whether the City Code should be amended to clarify the circumstances where a rolloff permit is required, and the policy implications for extending the rolloff permit requirements to all persons involved in demolition work and/or the removal of construction debris in the City.

Under the City Code, "rolloff contractors" are private waste contractors licensed by the city who use "rolloff containers" (as specifically defined in the Code) for the collection and disposal of construction and demolition debris and/or large quantities of trash and/or bulky waste, but not garbage or commercial refuse. Rolloff contractors are required to obtain rolloff permits from the City, with the permit fees to the City generally consisting of 20% of their gross receipts.

Since 2021 or earlier, the Inspector General has made a number of recommendations related to the City's permit process for roll-off contractors (OIG Report 21-17). At a recent public meeting, the Inspector General indicated that in furtherance of his internal audit function, he has somehow identified "millions" in revenues to the City from persons that he claims should have obtained a rolloff permit and paid the City 20% of their gross receipts.

I understand that historically, the City has not structured the building permit process based on any underlying assumption that all general contractors with demolition permits should be treated as rolloff contractors under the City Code. I would like to understand our prior practices, and whether the City's approach is in line with how other municipalities have approached rolloff contractor activity. Given the significant fees associated with rolloff contractor work – 20% of an entity's gross receipts -- I would like for the Finance Committee to consider whether the City Code needs to be amended to avoid any ambiguities.

Although I commend any City employee who identifies "millions" in new revenues for the City, to the extent the Inspector General's recommendations involve questions of policy, those matters should be determined by the City Commission, as part of a legislative discussion, and not by auditors interpreting the City Code in an unprecedented manner to retroactively impose new requirements, and significant cost burdens, on residents and businesses in the City.

SUPPORTING SURVEY DATA

N/A

FINANCIAL INFORMATION

N/A

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?	**Does this item utilize G.O. Bond Funds?**
Yes	No

Legislative Tracking

Commissioner David Richardson