

**MINUTES REPORT
BUILDING INDUSTRY OVERSIGHT COMMITTEE (BIOC)
THURSDAY, FEBRUARY 14, 2019**

Committee Members Present

Steve Gabor
Bob Knight
Steve Wojcechowskyj
Bobby Lyons

Committee Members Absent

Carl Barraco Jr.

Lee County Government Representatives

David Loveland, Director, DCD
Shawn McNulty, Building Official
Tom Grissom, Fiscal Services
Debbie Carpenter, DCD Administrative Services, Recorder
Jennifer Harden, Permitting Chief
Jessica Leatherman, Regulatory Review Chief

Members of the Public

Dan Beiter, Lee BIA
Phillip Ford, Exec. Vice President, BIA
Paul Benvie, ECS Florida

Call to Order/Affidavit

Mr. Steve Gabor called the meeting to order at 8:30 a.m.. Debbie Carpenter, DCD, said the County Attorney's office advised that the Affidavit of Posting was sufficient as to form and content and the meeting could proceed.

Approval of Minutes

Mr. Bob Knight made a motion to approve the December 13, 2018 minutes. Mr. Bobby Lyons seconded. Called and carried.

Revenue and Expense, and Fund Balance Reports

Mr. Tom Grissom went over expenses through January 2019. or one-third through the fiscal year. January's expenses were almost \$1,038,500, 28% of budgeted, for a year-to-date total of \$2,960,422.

January was a three pay, two insurance payment month which contributed to a \$205,168 loss for the month. He noted that expenses have increased this budget year due to new employees. He expected to see the expense for 4 new vehicles in the near future.

December's revenue was low. January's revenue was at \$833,280 bringing the year-to-date total to over \$3M, slightly over budget at 35%. Although the beginning of the month was flat, the cashier reported one night's revenue at just over \$250,000. There was a brief discussion about the upcoming impact fee increase and whether that will have much effect on the permit numbers now that there is a fixed, incremental increase. The new rates will take effect March 6 or 7 and permits submitted before then will have 90 days to get final approval and pay the lower fee.

The Fund Balance report showed January's loss of \$205,168, plus a loss for December but an overall gain for the first four months of the fiscal year in the amount of \$88,623. This brought the Fee Related Fund Balance to \$12,485,550.

Mr. Gabor referred to December's discussion and asked for a status of the committee's request for staff to evaluate the fund balance, review fees to determine if a reduction of fees was appropriate, and determine what amount to carry in the fund balance going forward.

Mr. Loveland said the committee made a recommendation of potentially reducing fees, and the county's issue is to try and determine a good fund balance to maintain going forward. Other county reserves typically carry a surplus of about 20%. He thought that one year's worth of expenses for building permit related activities would be appropriate. The discussion will be to look at where we are now, but looking at the current fiscal year and an operating budget that has increased significantly over the last two years, the suggestion would be to hold off on making changes for now. He said Mr. McNulty had put together a powerpoint comparing other jurisdictions fees but said every jurisdiction handles fees differently making it difficult to compare apples to apples, but Lee County fell in the middle of the pack. He mentioned that there is legislation proposed this session that would require every jurisdiction to post all their permit information online for transparency. Lee County already does that and our External Fee Manual has been online for many years. The county is always looking for efficiencies and in that regard, is looking at moving the inspectors into this building, but parking is an issue, therefore, we are trying to utilize technology and have supervisors assign cases and determine routes to remove the necessity of having inspectors come into the office, thus using that time more efficiently.

Mr. McNulty reviewed the powerpoint and agreed that it was difficult to review apples to apples since every municipality handles permit fees differently, but essentially it showed Lee County in the mid-range – not the highest and not the lowest. A cost analysis for each department (inspections, permitting, plan review, regulatory review) calculated an hourly rate per department, as well as a cost per activity. The analysis showed that the fees for residential permitting were reasonable but roofing and fencing permits specifically, appeared to be low compared to the staff time involved. Looking at the chart for one average sized commercial project, the department and staff costs were lower than the fee charged which indicated that there may be some potential to adjust those fees, but there are projects that require more or less work than others. He said that commercial seems to be where there's a possibility of having the most impact on the reserve, and where, if we were charging too much, it would most likely be commercial. Mr. Loveland said some jurisdictions base their fees on square footage, some on value; for our bigger commercial projects that number can get fairly large, so that may be something we might look at for the future, possibly having a maximum cap amount on commercial projects. More discussion followed. Staff commented that permitting appeared to be slowing. The committee warned that if the economy is slowing, it may be necessary to look at decreasing personnel, particularly roofing inspectors now that those numbers are getting back to normal. Mr. McNulty said only one new roofing inspector was hired. Mainly the structural inspectors were shifted over to help with roofing and can easily be shifted back. Mr. Loveland said one non-permit related position was filled recently but two customer service positions won't be filled until we see where the construction market is going.

Mr. McNulty said our expenses appear to be catching up with revenue. Next year's expense budget is over \$10M and even anticipating a conservative increase in revenue we are coming closer to a breakeven point. Mr. Loveland said increased personnel costs, approximately \$2M over last year, will have an effect on the reserve fund, as will some additional expenses related to Accela (ePlan upgrade). With Inspections moving back to the Monroe Street building there will be some floor plan modifications related to that. Safety improvements are being made building-wide and as a result, there will be some expenses related to additional security measures for DCD's two floors. Mr. Loveland said it appeared that the Fund's surplus is more a result of the level of activity rather than fees. If permitting continues to slow, and with the increased personnel costs and expenses, the surplus may equalize. He suggested waiting to make adjustments to the fees until we see what effect those things have on the Fund's balance.

Mr. Loveland advised that there will be an amendment to the external fee manual going to the board soon. Two recent audits identified nine fees that lacked originating backup and they need to be reviewed and approved by the Board to legitimize them. In conjunction with that, staff also looked at cleaning up the fee schedule, adding some clarifying language, formalizing fee practices being used in the permit section, and eliminating fees for processes that are no longer provided for in the LDC. There was one small fee increase to the zoning review fee (from \$20 to \$25) to bring that one item in line with other review fees.

Mr. Knight asked when the budget goes to the board. Mr. Loveland said the budget is adopted in September after two public hearings, but there are discussions leading up to that at the Board's work sessions in June and August.

Mr. Knight made a motion to recommend keeping the fees static for this fiscal year per the recommendation of staff, but noting that the Committee wants to review the next fiscal year fees and budget at the June BIOC meeting, when they may have more insight as to where the economy is going. Seconded by Mr. Lyons. Motion was called and carried.

Adjournment

There was no further discussion and no new business. Mr. Gabor adjourned the meeting at 9:15 a.m.

The next meeting was tentatively scheduled for April 11, 2019.