

**MINUTES REPORT
BUILDING INDUSTRY OVERSIGHT COMMITTEE (BIOC)
THURSDAY, December 14, 2023**

Committee Members Present

Steve Gabor
Matthew Johnson
Bobby Lyons
Mark Malanick

Committee Members Absent

Steve Wojcechowkyj

Lee County Government Representatives

Tad Delnay, Deputy Building Official
Janet Miller, Recording Secretary
Antia Richards, Senior Fiscal Officer
Mikki Rozdolski, Planning Manager

Members of the Public

Phillip Ford, Chair of the Building Industry Association

Call to Order/Affidavit

Mr. Steve Gabor called the meeting to order at 8:38 a.m. The attorney's office previously reviewed the Notarized Affidavit of Posting and advised staff that it was legally sufficient.

Approval of Minutes

Mr. Lyons made a motion to approve the August 10, 2023 minutes. Mr. Malanick seconded. The motion was called and carried unanimously.

Revenue/Expense Reports/Fees/Fund Balance Report/Staffing Levels/Levels of Service

Ms. Richards gave an overview of the revenue/expense reports (distributed at the meeting). She noted that the Expenses of \$15,860,929 did not include the new positions that were recently approved on August 1, 2023. She noted that staff was still making the final adjustments to the budget for each department accordingly. In reviewing the month-to-month sheet, Ms. Richards noted that in July 2023 the County had a grand total of \$1,322,700, which is an increase of almost \$300,000 from July 2022. Ms. Richards reviewed the Expenses page for September (1st Page) and noted the expenditures were \$15,860,929, but the County had budgeted \$16,139,152 (meaning we were under budget). Staff anticipated receiving revenue in the amount of \$11,831,200, but actually received \$16,148,005. However, there was still a monthly loss of \$1,648,829 due to salaries and the extra help obtained for the Building Department in order to keep up with the permit demands, etc. Year-to-date, there is \$287,076.00 of revenue. The running balance for the entire fund was \$14,835,090, which was the end of the last fiscal year. She then reviewed the expenditures for the new fiscal year (November). In the new fiscal year, staff anticipated a budget of \$19,628,882, but as of November of this year the amount came to \$3,455,129. On the revenue side, staff anticipated receiving \$13,251,249, but as of November, the County received \$2,585,555. She noted there was still a monthly loss of \$1,316,802. It is for the months of October and November and had to do with some payments due to Accela and Selectron, for some upgrades as well as yearly memberships. This means there was a loss of \$869,574. The running balance for the entire fund as of November is \$13,965,516.

Ms. Rozdolski reminded the Committee that the County's fiscal year begins in October.

Mr. Malanick stated he believed the revenue for September should be \$1,353,579 instead of \$367,466.

Ms. Richards concurred that the figure was supposed to be \$1,353,579. She noted it would change the monthly loss from the \$16,148,005 figure.

Mr. Gabor felt it seemed like a huge loss compared to other months.

Mr. Malanick stated it was a loss of \$2,000,000, which should be around \$650,000 instead.

Mr. Gabor stated that the loss for the month of September shows \$1,648,829, which seems high. He questioned whether this amount takes into account the correct revenue.

Ms. Richards stated it does not take in the correct revenue. It is taking it from the \$2,016,295 minus the \$367,466, which gives \$1.6 million. When it increased by \$1.3 million, it should have reduced the deficit. Ms. Richards stated she would update the sheets and e-mail them to the Committee.

Mr. Delnay referred to Ms. Richards comment about Selectron and explained it was a software program to assist the inspection supervisors. Basically, where the inspectors were spending two hours per day doing routing, it now reduces the time to 10 minutes. It will increase efficiency as well for the one to two family residential inspectors that have multi licenses. He explained that currently Accela is set up where if you are only in the structural discipline, you do not see the mechanical, plumbing, or electrical. Going forward, it will go on a big map where you will be able to see on the left hand side how many inspections someone has and how many stops. The map will also show the inspections needed for mechanical, electrical, etc., for a particular property. This is helpful when reviewing large subdivisions. The supervisor of Inspections will draw a circle around the entire subdivision and it gets assigned to one inspector. They will also be able to see if there are any inspections outstanding. Mr. Delnay noted it was still in a testing phase, but it should be on-line within the second week of January 2024.

Mr. Gabor stated that although he realized the County was getting more efficient and have hired new associates as well as bringing back temporary people to help get caught up, it still seemed as if intake and output were still relatively flat. He asked if staff anticipated any reduction in those numbers. He asked why the numbers have not gone down yet. Mr. Gabor clarified that he was referring to permitting times.

Ms. Rozdolski stated it was a function of Accela to update those times. However, staff has pushed those times out further because staff wants to make sure they are accommodating realistic time frames.

Mr. Gabor noted that the non-master EPlan, which he believed was the bulk of the business, shows 98 days. At the July meeting, it was 94 days. The numbers have not come down even though new positions were added as well as temporary employees.

Mr. Delnay referred the Committee to the second column over for the review process. On Lee County's side, we are at 64 days. It was previously 58 days. However, when looking at the customer column, they were taking 8 days for Master EPlan and now they are at 13 days. They were at 13 days for non-Master EPlan and those numbers are now 19 days. He noted it is taking longer to get through some of the reviews because the rejection rate has increased.

Ms. Rozdolski clarified that the rejection rates have increased because staff is receiving many resubmittals, which have to be reviewed also. This slows down review times.

Mr. Gabor referred to the rejections and asked if there was any way to print a report by builder so people can view what they are getting rejected for and to see how quickly the builders are responding to the rejections.

Ms. Rozdolski stated staff might be able to pull a report on the time frame, but not the actual comments. EPlan does not have that capability. Staff is moving to a different application called DigiPlan. The new program will allow staff to print a more extensive report that will be helpful to both staff and the industry on seeing where the disconnect is and why there might be a common reject.

Mr. Malanick asked if there is a way for the comments to be visible while it is still under review because it would help the customer with their submittal time. He noted this used to be available approximately 10-12 years ago.

Ms. Rozdolski stated that currently we do not show the comments because staff does not want continuous resubmittals where the customer wants staff to continuously open the portal so they can respond to comments before they receive the rejection letter. Staff needs to provide Plan Review with the time to review plans without many distractions. In certain instances, staff has shared comments if working with a customer to meet a certain time frame.

Mr. Malanick stated that in his company's instance, they would not be asking Plan Review to open the portal, but it is helpful to see the comments so they can address them before the rejection letter is received. They would be able to resubmit in a quicker timeframe.

Ms. Rozdolski recommended that Mr. Malanick contact staff if they need to meet a certain deadline and staff will work with them, but on average the comments will most likely not be shown because it would delay Plan Review. It is a function that is available, but it will most likely be turned off because of the extra work and distraction it will cause. Ms. Rozdolski also mentioned another program coming on-line called "Forerunner." It will help with elevation certificate requests and the amount of time it takes for staff to manually retrieve those and provide them to customers.

Mr. Delnay stated the developer is currently working on archiving all of the County's existing elevation certificates. The county receives credits from FEMA for CRS rating by using this software. For constituents who currently call staff to get a copy of their elevation certificate, they will now be able to print them on their own.

Mr. Malanick asked if there would be any downtime once DigiPlan comes on-line.

Ms. Rozdolski stated that when Accela came on-line, there was a transition time, but it was only for one day. There was not too much disruption. The same is anticipated with DigiPlan.

Ms. Rozdolski asked if the Committee would be meeting their year-end numbers for their respective companies.

Mr. Malanick and Mr. Gabor stated their companies had completed their year ends closings.

Mr. Gabor stated he appreciated staff's help in getting through the month of November. There were many closings that month. He recognized it took a lot of work on the County's end for that to happen. He felt that things went a lot smoother and noted that the trade base has more capacity now. His company was able to deliver more than they had in the past and in a better way.

Mr. Malanick stated their lightest time was December. They closed more homes in September, October, and November. Their last closing is December 22nd.

Ms. Richards asked how the construction market was looking at this time.

Mr. Gabor stated it had softened because of affordability and interest rates. A 30-year mortgage interest rate had increased to 8%, so affordability became an issue. Many people held off on purchasing a new home. Companies are struggling for sales and trying to fight for sales. He noted that the Federal Government announced yesterday that they are not going to raise rates going forward and they anticipate rate reductions in 2024. This has already impacted the mortgage rate to where

the rates are in the low 7% range. It has brought some affordability back. He believed there would be more build back next year where there may be more growth in sales.

Ms. Richards stated her reason for asking is she will be working on the budget for the following year.

Mr. Malanick stated his company is buying rates. They have made former commitments and are buying rates down into the low 5% range. This is a huge discount from 8%.

Ms. Rozdolski stated she read an article from Economic Development showing that Fort Myers is number 1 and Cape Coral number 3 of the fastest growing cities in the United States. She asked how the commercial industry was looking.

Mr. Johnson stated the commercial industry has increased. He noted that Lee Health was doing a lot this year as well as the School district.

Mr. Delnay stated staff had recently met with representatives with Lee Health and they informed staff of upcoming projects. Staff informed the representatives that the County treats hospitals, fire stations, and police stations with priority because they are public service providers. This is particularly important since our population is heading towards one million, which requires a lot of infrastructure and services.

Mr. Gabor brought up the Alico Road extension.

Mr. Johnson asked when the Alico Road extension would take place.

Ms. Richards stated it was supposed to start within the next two years per a meeting staff recently had.

Mr. Gabor brought up the conversation earlier about there being an increase in resubmittals. He would like to be able to help reduce those numbers for his company and make sure they are responding quickly.

Mr. Delnay stated it was not their company that is a problem. It is mainly properties in Lehigh that involve scattered lots. There are many contractors from Miami that are not getting the Florida product approvals. Regarding the roof permits, staff is not being provided with the correct wind pressures. It continues to be a Florida product approval issue. Mr. Delnay stated he would like to see the construction industry, as part of their CEUs, be required to take a class on Florida product approvals and to be shown how to pick them out.

Mr. Gabor stated it would be nice if the County had an AI system because someone could put their number in and the system checks it.

Mr. Delnay stated he had not spoken to Ms. Rozdolski about this yet, but Collier County and Cape Coral have a worksheet where part of their application includes Florida product approvals. The applicant or their representative fills it out and shows which products they are choosing. It would help to have something like that for Lee County.

Ms. Rozdolski was in favor of it and had no issue with Mr. Delnay moving forward with that. In addition, she noted staff had met with an AI developer out of the University of Florida. It would be focused at site development infrastructure types of review. Staff is trying to figure out what the cost benefit of that service would be. The cost would have to be passed along to the customer. In the meantime, the developer is looking to develop AI technology that is geared for building and vertical. Staff is interested to see how it could help us with items such as product approvals or other things that take up time. As the development progresses, staff will need to figure out what the package will look like and if it is at a price point that customers would be willing to absorb.

Mr. Delnay stated that the initial numbers were high and the County had to have a minimum amount of reviews per month. He noted that the program would only work if it was software that the industry would use. It could mean that instead of reviews taking months, it may only be 16 to 20 days. If that is the case, then it would be a benefit to the industry. Staff is also not sure if this is the software the industry would want to use.

Ms. Rozdolski stated that currently the representatives are saying that they have the only available product on the market. However, technology moves quickly, so other companies will be providing the same type of service at some point.

Mr. Delnay stated that whenever staff receives submittals there is a series of information they have to gather from the documents. To help this situation, Mr. Delnay explained that he created a worksheet that the applicant can fill out so it can be provided to the permit technician to enter. Plan Review will no longer have to take up their time to gather that information. He also noted that he is meeting with a private provider who has been getting more rejections than usual. It is because they are subject to the Land Development Code and other local ordinances as well as flooding. Flooding is especially important because the County is under the microscope of FEMA. The County does not want to see their credit rating going down, which would cause everyone to pay more for insurance, so the County is being diligent in this regard.

Mr. Gabor brought up the issue of detached garages. He had a situation outside of Lee County that involved communities that have two-story condos and detached garages that are separate from the condos. It becomes an issue because the road is at a certain elevation, so there is no way to raise the garages to meet FEMA's requirement. He asked how Lee County reviews this type of situation.

Mr. Delnay stated it was an issue in Lee County too because you must elevate the structure or be 600 feet or less.

Mr. Gabor stated the garages are over 600 square feet. He stated it was a concern because FEMA has changed three times and the difference between the road and the building is 4 feet to 11 feet and they are in a velocity zone as well.

The Board discussed the meeting schedule. They originally met every month and then it was changed to every other month.

The Board agreed to meet quarterly (January, April, July, and October) as long as staff still provides their usual reports to the Committee on a monthly basis. Staff agreed.

The next meeting will be January 11, 2024.

Other Business - None

Adjournment

Mr. Johnson made a motion to adjourn, seconded by Mr. Malanick. The motion was called and passed 4-0. The meeting adjourned at 9:15 a.m.