

**MINUTES REPORT
BUILDING INDUSTRY OVERSIGHT COMMITTEE (BIOC)
THURSDAY, April 11, 2024**

Committee Members Present

Matthew Johnson
Bobby Lyons
Marc Malanick

Committee Members Absent

Steve Gabor
Steve Wojcechowkyj

Lee County Government Representatives

Tad Delnay, Deputy Building Official
Lindsay Hickey, DCD Admin.
Janet Miller, Recording Secretary
Antia Richards, Senior Fiscal Officer

Members of the Public

Phillip Ford, Chair of the Building Industry Association

Call to Order/Affidavit

Mr. Marc Malanick called the meeting to order at 8:35 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 December 14, 2023 minutes. Mr. Johnson 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).

Mr. Malanick referred to Ms. Richards statement that the fund budget is \$13,634,893. He asked what the fund balance was at the start of the year.

Ms. Richards stated that at the beginning of October 2023, it was \$14,835,000. This means the County lost approximately one million dollars. She noted that if the Board had any questions after the fact once they had more time to review the materials, they could reach out to Mr. Delnay and staff would respond to their questions on the budget.

Mr. Delnay stated Ms. Miller had asked whether the materials could be provided to the Board sooner so they would be able to review it ahead of time, but if this is done, the Board would not have the latest numbers. There are many changes that take place over a two-week period. He recommended continuing the practice of waiting until the day of the meeting to distribute the current information.

Mr. Lyons stated it looked as if the revenue had increased compared to previous months. He asked how things were looking going forward.

Ms. Richards stated it was hard to tell at this point because it is only the 11th of the month and staff is typically 3 days behind in getting all the revenue posted. This is one of the reasons staff is unable to send the Board the data in advance. Usually, by the time payments are received and confirmed, it takes approximately 3 days to get the actual number posted into the system. As of April 8, 2024, the number was very low, but it is too soon to say how we are doing for the Month of April. She noted that December was an increase in revenue. Normally, we collect about \$900,000, but instead we collected \$1.2M.

Mr. Malanick asked if the increase could have been because of the code change.

Mr. Delnay felt the code change was a factor because many people submitted items to beat the code change.

Ms. Richards stated that something else the Board should consider is that in 2023 the revenue was very high in January, February, and March of last year because of Hurricane Ian. Currently, the permitting has slowed down. Technically, we are a little higher in revenue than the previous year (2022) because there were no hurricane issues for most of that year. She felt the County was level with those years.

Mr. Johnson stated that March is typically a busier month because a lot of people are getting things done before going back up north.

Mr. Malanick expected April and May to be busy based on all the sales that come through with the season. He felt it would be interesting to see what happens in the summer as traffic goes down. He asked what staff was seeing in terms of submittals.

Mr. Delnay stated submittals were slowing down. He believed some people were holding off on submitting until they see what will happen as we move further towards the election. This is something that happens during every election period.

Mr. Malanick referred to comments by staff that they added 5 additional staff.

Mr. Delnay confirmed that was correct. He noted there was a high workload, so additional staff is need to keep up with it.

Mr. Malanick asked if they were new positions.

Mr. Delnay confirmed they were new positions approved by the Board of County Commissioners.

Mr. Lyons referred to the last page entitled, "Proposal to Reduce the County's Building Permit Fee Fund Balance (Reserves)." He asked if it included anything else and if reconfigurations/technology upgrades, and Other Capital Expenses listed were taken care of.

Ms. Richards stated the County was still in the process of upgrading Selectron. The County has allocated approximately \$800,000 but have only spent \$230,000 so far.

Mr. Lyons asked for confirmation that we still had a \$570,000 balance.

Ms. Richards stated that was correct. She noted most of the items have small balances and she did not anticipate purchasing any new computers. She also did not anticipate anything further with the Jabber Script. The only outstanding issue is with project docs, which is with Selectron and involves upgrading the way we download the forms into the system.

Mr. Lyons asked if the \$4,522,420 negative balance is taken out of the fund already. In other words, is it reflected in the balance of the fund?

Ms. Richards stated it was not taken from the fund. She explained that we technically have \$811,000 to spend to reduce the fund balance.

Mr. Lyons referred to the \$13,634,893 running balance and asked if that number still had to be reduced by another number.

Ms. Richards stated that was correct as long as we keep having expenditures. The expenditures come out of the fund balance directly.

Mr. Malanick asked if the overall reduction would be the \$1,200,197 figure.

Ms. Richards stated the \$1,200,197 figure is what the County has spent to-date.

Mr. Malanick asked if the expected amount for the year was \$4,522,420.

Ms. Richards stated that was not the case. Staff expects to spend \$811,918. The \$5,334,338 was the savings/cut in revenue. It was a permit fee discount/reduction, not an expenditure. It is a reduction of what the County was collecting so the \$4,522,420 negative balance will not be hitting the fund account, but the \$811,918 will be hitting the account once the County spends all the invoices. That is all we technically have left to reduce the fund balance.

Mr. Malanick asked where staff expected the fund balance to be at the end of this year for fiscal year 2024.

Ms. Richards stated that if the revenues stay the same and we hit the revenue at \$13,251,249, it should be about a \$6 million dollar loss for the year. She stated that the reason we have not reached that high yet is because we still have a lot of vacancies, but many of those vacancies are gone thereby increasing our expenditures.

Mr. Lyons asked for confirmation that as of now we are only \$1.2 million dollars down from the \$6 million dollars.

Ms. Richards stated that was correct.

Mr. Malanick noted we were only half-way through the year.

Mr. Lyons referred to the last page and referred to the \$4,522,420 negative balance. He asked where it went.

Ms. Richards stated that figure is a credit. It is comprised of the \$5 million dollars expended of a credit for permitting plus the actual expenditures, which is where the \$4 million dollar figure comes from.

Mr. Lyons asked where the \$5 million dollars came from.

Ms. Richards stated it was money we did not take. The County did not receive the revenue because we gave credit to the builders.

Mr. Lyons asked if that credit would at some point come out of the fund balance.

Ms. Richards stated it would not come out of the fund balance because it is not generating any expenditures.

Mr. Malanick clarified that the \$5 million dollars is not projected in the revenue.

Mr. Lyons stated it shows that we are \$1.2 million dollars down, which he did not feel was too detrimental.

Mr. Malanick asked what a healthy fund balance would be.

Ms. Richards stated it should at least be one year of salaries. It should be \$19 million dollars, so the County is a little bit short.

Mr. Malanick asked if this would be the last year with the fee reduction.

Ms. Richards stated that was correct.

Mr. Lyons stated he was not at the last Building Industry Oversight Committee meeting. He asked how our permitting and other submittals are going.

Mr. Delnay stated the following: 1) The intake on the issuance side has gone up. Staff was taking 7 days on intake, and it is pushed up to 13 days. However, he attributed that to permitting/intake staff. He noted they just filled 5 positions and it takes time to get the new staff trained; 2) Zoning has gone up but that is because the County has shifted zoning staff; 3) regarding plan review, they were at 57 days and that reduced to 44 days. Overall, the entire process takes 95 days. 62 of those days are on the County's side, but 33 days are on the customer's side. The customers are not getting staff the information they request in a timely manner; 4) The inspection department is fully staffed. Staff continues with next day inspections; 5) permitting is now fully staffed; 6) zoning is fully staffed; and 7) plan review has 5 positions open, but 3 of them are being filled. The new hires start on April 18, 2024. Mr. Delnay noted they had received good applicants because they went outside of their usual postings.

Mr. Malanick felt staff might be doing themselves a disservice by including the time for someone to address comments. To say the process takes 95 days is not fair to staff when 33 of those days are designated for applicant response time. To him, it made more sense to report on "from permit submittal" through "comments being issued" or a "permit being issued."

Mr. Delnay stated he wanted to revamp the information provided to this Committee. He felt the industry is mostly interested in the number of single-family homes starting up every month, the number of commercial new start-ups, how long it is taking us on permit intake, residential review time frames, and the issuance time frames. The total inspection numbers and the rejection rate are the key points that the industry needs.

Mr. Ford stated it comes down to a messaging issue. When he is asked by people on how long the process takes, he tells them 60 days. He also lets them know it could be faster depending on how fast they respond to staff when asked for additional items. However, right now everyone thinks the process takes 3 months.

Mr. Malanick stated it is confusing to the public because they do not understand why it would take that long. On a separate note, he stated that his company was pre-selling some homes. There is a new bill coming into effect to where you can start homes within a certain percentage without the plat being recorded; however, he did not believe it was signed yet.

Mr. Ford and Mr. Delnay stated they did not believe it was signed yet.

Mr. Delnay stated that when it comes into effect, he believed it would allow someone to build up to 50% before having to get the plat recorded.

Mr. Malanick asked if there was a current path to start a home today that is not a model or sales center without a plat.

Mr. Delnay stated there was not a current path for that. He also believed this put a big risk on the building industry.

Mr. Malanick stated that they always have a preliminary plan and if a builder is willing to take that risk and hold the County harmless, he did not see where it would affect the County.

Mr. Delnay stated that the proposed bill reads that you can build up to 50% of the community, but you will be unable to receive a C.O. until a plat has been recorded.

The Committee had no further business to discuss.

Agenda Item 5 - Adjournment

Mr. Lyons made a motion to adjourn, seconded by Mr. Johnson. The motion was called and passed unanimously.

The meeting adjourned at 9:05 a.m.

The next meeting is scheduled for Thursday, July 11, 2024, at 8:30 a.m.