

**MINUTES REPORT
BUILDING INDUSTRY OVERSIGHT COMMITTEE (BIOC)
THURSDAY, April 10, 2025**

Committee Members Present

Steve Gabor
Bobby Lyons
Marc Malaniak

Committee Members Absent

Matthew Johnson
Steve Wojcechowkyj

Lee County Government Representatives

Tad Delnay, Building Official
Audra Ennis, Permitting and Regulatory Review Manager
Jack McStravic, Deputy Building Official
Janet Miller, Recording Secretary
Antia Richards, Senior Fiscal Officer

Call to Order/Affidavit

Mr. Gabor called the meeting to order at 8:30 a.m. Ms. Miller stated that 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 January 9, 2025 minutes. The motion was seconded by Mr. Malaniak. The motion was called and passed 3-0.

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

Ms. Richards gave an overview of the revenue/expense reports, as well as the Community Development Fiscal Overview for March 2025 (distributed at the meeting). During the review it was noted that there is a monthly loss of \$212,665 and the year-to-date loss is \$2,803,713.

Mr. Malaniak noted that even though activity is decreasing, expenditures remain high. He asked if there was anything that could be done to improve that.

Mr. Delnay stated there were a few factors that caused the increase. The first is the re-licensure of all of the plan reviewers and inspectors. Secondly, the Department of Community Development has been hiring additional inspectors and plan reviewers. One way to reduce the expenditures is through the Department's merchant for credit card fees (Forte). There is a cost to process payments when consumers use their credit cards, and the County has been absorbing that fee. It averages to approximately \$150,000 per month. However, that cost is now going to be charged to the consumer that chooses to use their credit card for payment. There is no fee if they use a personal check. Staff recently met with representatives from Forte. The collection of those fees will be handled by Forte not County staff.

The Committee was in favor of the county pursuing that.

Mr. Malaniak stated that Collier County charges customers for that fee as well. He asked what the running balance was for Fiscal Year 2025.

Ms. Richards stated our department began at \$12M.

Mr. Delnay stated another factor causing the increase in expenditures is overtime for select departments such as inspections and plan review. Some of the inspections staff might help out with plan review tasks; however, that takes away from plan review. With the decreased activity, plan review should be able to handle the workload without working overtime.

Mr. Malaniak asked if Community Development currently had any open positions.

Mr. Delnay stated that Andrew Nielsen, Commercial Supervisor, resigned. His position is open, but now that Jack McStravic has been hired as the Deputy Building Official, Mr. Delnay did not want to fill Mr. Nielsen's position. Mr. Delnay hoped the position could be absorbed once Mr. McStravic has a chance to review the plan review processes and make appropriate changes. If Mr. McStravic elects to fill the position, then it will be filled at that time. Mr. Delnay stated that Diana Brown, Commercial Plan Reviewer, is retiring as of May 30, 2025. Currently, two residential plan reviewers are being trained to absorb that commercial role. So far, they are performing well with these tasks. Therefore, Ms. Brown's position may not need to be filled since the activity has decreased. Another person retiring soon is Pat Spaar who handles fire reviews. They had a strong applicant but decided not to hire them because the volume of work does not warrant it at the moment.

Mr. Malaniak stated that with activity decreasing, it was important for the County to find ways to be more efficient, such as the credit card fee issue. It also entails being more efficient with the staff we currently have and training them to take on other tasks rather than hiring new people. The same takes place for his industry. No one is hiring right now. His industry is trying to create as much efficiency as possible to make it through the tougher months ahead.

Ms. Ennis stated she had two openings. One is in Permitting and one in Records Retention. The positions are not posted yet but will be shortly.

Mr. Gabor asked if there were any other big expenditures coming in this year that will affect the fund balance.

Ms. Richards stated there was another big expenditure due to the renewal of software programs. The Accela program costs around \$2.5M. Due to changes with the program being done in-house, staff hoped the cost might be reduced. For instance, many things are being done automatic. They have increased the staff for the Accela team. Hopefully, it reduces the upcoming quote. Another program called Selectron is approximately \$1.5M. The third program is called Forerunner which handles Floodplain Management Software for Regulatory Review. It costs approximately \$500,000. The costs for these three programs are due by the end of this fiscal year except Forerunner is not due until December.

Mr. Delnay referred to Selectron and noted that it significantly helps the Inspections section to be more efficient. Supervisors were spending approximately 2 hours per day on routing but that has been reduced to 10 minutes due to the Selectron program. It is now being tested for Code Enforcement. It will allow them to use their phones to create cases and take pictures without having to come back to the office. The program helps both sections to be more efficient. He noted that the Forerunner software program will keep track of the department's GIS database for flood areas. All of the elevation certificates are in there and it is very customer friendly. Staff no longer has to assist customers in finding their elevation certificate. They simply go to their property address and can print out their own. It will also track substantial damage properties and any permits that are tied to the property.

Ms. Ennis stated that our GIS layer loads from the Property Appraiser's data.

Mr. Malaniak stated it will be a relatively slow summer, and the season is almost over. They are pushing through inventory right now and not putting too many homes in the ground.

Mr. Delnay felt that most of the department's improvements have been due to the building industry slowing down. It has allowed staff to catch up.

Ms. Richards stated there was still a lot of hurricane repairs taking place. The slower season is the time to get a lot of repair work completed because there is not a huge demand from outside people.

Mr. Delnay asked if there was a decrease in spot lots or if it has only slowed down in certain communities.

Mr. Gabor stated everything was slowing down. He believed spot lots had the biggest decrease in activity. Although he did not know the exact number, Cape Coral and Lehigh have decreased in their spot lot activity. Since his industry are production builders, they will continue building homes. However, the average builder is pulling back substantially. He felt the County will see this in their intake and that they will continue to see this trend.

Mr. Delnay noted that when he drives through Cape Coral and Lehigh, he sees brand new homes with "For Sale" signs that have been sitting there for a while.

Mr. Gabor stated there is a lot of inventory on the market.

Mr. Malaniak stated the only reason any inventory is selling is because of incentives and "*rain buyouts*," which is why homes continue to sell.

Mr. Gabor referred to permit times and asked if they were being reduced from the 45-day timeframe.

Mr. Delnay stated that by the end of April, staff hopes to be at a 15-day mark.

Ms. Ennis stated that plan review, permit intake, and file verification are well within the 30-day statutory requirement.

Mr. Malaniak asked if the quality of submittals was improving.

Ms. Ennis stated that, unfortunately, the rejection rate still continues.

Mr. Delnay stated that for master reviews, often times the applicants do not provide a drainage plan, setback information, or energy calculations. They should not be able to submit without these items.

Ms. Ennis stated she was actively training her staff to catch this.

Mr. Delnay stated that Ms. Ennis' team experiences a lot of turnovers. Whenever there are needs, different areas typically pick from her team.

Ms. Ennis stated that one of her two vacancies is due to one of her staff leaving her department to take another job opportunity. Despite this, her area will be fine.

Mr. Malaniak asked if staff morale was good.

Mr. Delnay stated it was.

Mr. Malaniak complimented staff for their quick responses and helpfulness.

Mr. Delnay stated that we are reaching a point, where we are no longer needing the help of temporary employees. For instance, a temporary employee was helping with some of the fire review tasks, but they were notified that their services were no longer needed. Another person was helping with smaller items such as sheds and screen enclosures, but that will be removed from them soon as well. Not only are we pulling back on hiring new employees, but we are also beginning to end temporary positions.

Mr. Delnay introduced Jack McStravic; the new Deputy Building Official. He comes with a wealth of experience: 1) He was the Deputy Building Official for Charlotte County; 2) He was a Building Official for Marco Island; 3) He was employed by Lee County as the plumbing and mechanical plan reviewer, but was let go during the downturn in 2008; 4) He has worked as the Building Official for Fort Myers Beach; and 5) He holds his building licenses (i.e. mechanical, plumbing, and fire) as well as his CPM certification. Mr. Delnay stated that Mr. McStravic is knowledgeable, professional, and willing to assist, so he is a big asset to the department. Mr. Delnay stated that if the building industry has any issues, they can continue to reach out to him but could contact Mr. McStravic as well.

Mr. Malaniak asked about Marc Washburn and asked if he was new to the organization or if he had already been employed by the county.

Mr. Delnay stated that Mr. Washburn was originally with Human Resources as Community Development's contact for employee relations. He was a good fit for solving problems. His title is Manager of Strategic Performance, and he serves as a customer advocate as well.

Ms. Ennis stated he is listed on the Community Development website next to the DCD Director's name (Mikki Rozdolski), so it is apparent that we have this service now.

Mr. Malaniak asked who Mr. Washburn reports to.

Mr. Delnay stated that Mr. Washburn reports to Ms. Rozdolski, DCD Director. He asked how the building industry is doing now that things are slowing down.

Mr. Gabor stated they were trying to maintain activity. Their strategy is to continue building homes, keeping up the volume, and staying stable during these rough times. They are using their margin as that lever to keep the activity going. They are fine with working for no margin right now in order to maintain their business. They have current inventory, but it is their goal to sell it in the next 90 days and to maintain their activity going forward.

Mr. Malaniak stated their stats will be down through the summer, so they do not want to build more homes right now. Since build times are significantly down, they do not need to deliver anything. Their activity will increase in October, November, and December.

Mr. Delnay asked if they were noticing material or labor values decreasing.

Mr. Gabor stated it has decreased by a few percents from the beginning of the year; however, the upcoming tariffs are concerning. It is unclear how that will impact their business at the moment. However, the costs for materials are decreasing. Labor costs are down in the market as well. Unskilled labor has reduced more than skilled laborers.

Mr. Malaniak stated that owners of companies realize they have to take a margin cut too or it is not going to work.

Mr. Delnay reiterated that as their industry comes across things they need done, to please notify their staff to reach out to Jack McStravic, so that our office can do what we can to keep their projects moving along.

Mr. Gabor asked Mr. McStravic to notify him if there is anything they can do to be more efficient for DCD staff. Their industry builds the same prototypes repeatedly, but they are willing to do whatever they can to make things more efficient for DCD staff.

Mr. Delnay referred to masters plans and stated they could turn those into staff in advance since it does not cost anything to do so.

Mr. Gabor stated they were in the process of updating all of their plans to create the best value possible. Once they finish that process, they can begin submitting them in advance.

Mr. Malaniak stated that one area where it would make sense to submit master plans in advance would be Lehigh because their structural options are limited. He looked forward to being able to do that. He asked about impact fees. Since the market has decreased, he asked if this would be taken into consideration when evaluating the impact fees.

Ms. Ennis stated it was hard to say because the Board of County Commissioners were unwilling to adopt the full rates before. When the new study is complete, the Board will have the discretion to continue to collect at a reduced rate. She also stated that it was her understanding that the collection rate will become the baseline for the statutory requirements. It will be at the will of the Board depending on what comes out of the study.

Mr. Malaniak asked if the current rate was 52.5%?

Ms. Ennis stated it was, and that baseline will be the dollar amount as a result of the 52.5%.

Mr. Malaniak asked an additional question, seeking confirmation on a previous conversation with Ms. Ennis regarding budgeting for upcoming construction. Ms. Ennis suggested that they budget for a 12.5% annual increase, which should be over budgeted.

The Committee had no further business to discuss.

Agenda Item 5 - Adjournment

Mr. Malaniak made a motion to adjourn. The motion was seconded by Mr. Lyons. The motion was called and passed 3-0.

The meeting adjourned at 9:05 a.m.

The next meeting is scheduled for Thursday, July 10, 2025, at 8:30 a.m.