

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

Committee Members Present

Steve Gabor
Matthew Johnson

Bobby Lyons
Marc Malaniak

Committee Members Absent

Steve Wojcechowkyj

Lee County Government Representatives

Erika Compean Garcia, Senior Team Executive Assistant
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. Please note that the attorney's office previously reviewed the Notarized Affidavit of Posting and advised staff that it was legally sufficient.

Approval of Minutes – April 10, 2025

Mr. Lyons made a motion to approve the April 10, 2025 minutes. The motion was seconded by Mr. Malaniak. The motion was called and passed 4-0.

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 June 2025 (distributed at the meeting). During the review, it was noted that there is a monthly loss of \$183,490 and the year-to-date loss is \$3,812,245.

Mr. Gabor asked if all of the software updates were coming out of the fund balance this year.

Ms. Richards stated the software updates were completed for this year. The \$4M in software updates are slated for next year. Some of them will take place at the end of September and early October while others will take place in November and December.

Mr. Gabor asked for confirmation that the software updates add up to \$4M.

Ms. Richards stated the amount may turn out to be a little less to where the total might be around \$3M next year and she explained why.

Mr. Gabor referred to the credit card fees that go into effect on August 1, 2025, which will bring in approximately \$150,000 per month. He asked if there was anything else that might help balance that out going forward.

Ms. Richards stated that staff is looking at some software updates for next year. It is possible that some of the costs might be reduced as the county implements new software to replace some older ones. However, this is still being reviewed by staff.

Mr. Delnay stated that another cost savings will be with the Forte program, which involves the convenience fees that the county has been incurring every time someone pays with a credit card. Those fees are approximately \$1.6 million per year. As of August 1, 2025, the public will be charged 2.95% for electronic transactions when using credit cards. It comes out to \$1.25 per transaction. To avoid this, the customer can opt to pay by check. The county no longer accepts cash.

Ms. Richards noted that ever since COVID, the county stopped accepting cash payments.

Mr. Gabor referred to failed inspection fees. He asked if the failed inspection fees are paid individually for each inspection or if they could be paid for in one payment at the end of the process.

Mr. Delnay stated that the failed fees must be paid before someone is able to schedule the next inspection.

Mr. Gabor stated they would have to use a credit card for those because it would cost more money to have a staff member come down to the county to pay with a check in person after each inspection for each job.

Ms. Richards stated that one thing she looked into was charging a technology fee as other communities do. Ms. Richards explained she was referring to programs that are used to run all of the permitting activities such as Accela. Some communities charge a fee in order to cover some of that cost, so it does not fall directly onto the government.

Mr. Malaniak asked how it would be assessed, for instance, is it based on each permit?

Ms. Richards stated it is typically based on permits. For instance, the City of Orlando charges either a 2.5% or 3.5% fee, which comes out to a small amount.

Mr. Johnson stated his company charges a technology fee when the public uses Procorp. They charge 3% of the job cost.

Mr. Delnay stated there are also several jurisdictions that charge a technology fee as part of the permit application.

Mr. Malaniak felt a line item on the permit application made more sense than having it calculated by job evaluation.

Mr. Delnay stated it could be a flat fee or a percentage.

Mr. Malaniak asked if there were any impact fee studies taking place currently.

Ms. Richards stated the MSTU has some impact fees, but she had not seen a completed report yet.

Ms. Ennis stated that an impact fee study is underway for Fire and EMS, which is being handled by a consultant, but it is not finalized yet.

Mr. Malaniak asked when the county locks in the budget for 2026.

Ms. Richards stated it is finalized in September of this year. It has already been submitted to the management department for review. It will be brought before the BIOC in October and will outline the final number based on the needs.

Mr. Malaniak asked if staff saw much change versus 2025.

Ms. Richards stated she did not see much change based on the current market. She considered it to be about the same. The expenditures might be higher because of the demand but the revenue is about the same.

Mr. Malaniak asked where the county was in terms of staffing. For instance, are they at 100% or are there jobs that the county does not plan to fill?

Ms. Ennis stated she had a new employee beginning in August for permitting, but she has two additional vacancies in permitting that will not be filled at this time. She also noted that Regulatory Review is fully staffed.

Mr. McStravic stated that he has a new Plan Reviewer beginning soon, but they are filling a vacancy. There will be two additional positions open once Randy Simes retires in September, but they will not be filling those positions at this time.

Mr. Delnay stated the reason for not filling the two plan review positions is because staff will be monitoring the market. Right now, Plan Review is sufficiently staffed, and they are making progress with their permit reviews. The numbers are decreasing, so for now, staff will be holding off on filling those two positions.

Mr. Lyons asked if staff already had the budget numbers for next year.

Ms. Richards stated she did and could review them if the Committee wants the overview.

Mr. Lyons asked if staff was presenting revenues based on this year.

Ms. Richards stated that is correct. Staff recommends a 3% increase in the budget.

Mr. Lyons asked if the expenses are supposed to match revenue.

Ms. Richards stated they are technically supposed to match, but they do not. The expenditures will be approximately \$19M next year.

Mr. Lyons asked for confirmation that this year's deficit is \$13.8M.

Ms. Richards stated that this year staff is projecting a revenue of \$13M. She noted that as of June we are at 31%. For the expenditure budget this year, staff is projecting it to be approximately \$19M, which is about the same this year.

Mr. Lyons asked if the \$19M for next year was without the credit card fees that will begin on August 1st.

Ms. Richards stated the \$19M is without the credit card fees. She explained that at the time that the budget was finalized, the discussion about the credit card fees had not taken place yet.

Mr. Lyons asked if this might mean that the \$19M could potentially be reduced by about \$1.6M or whatever the number is for next year.

Ms. Richards stated that is correct.

Mr. Gabor stated he was confused regarding the software updates in terms of what we have this year versus next year. It is projected at \$4M for next year, which is a high number.

Ms. Richards stated she did not have that separated out but that she could calculate it and provide it to the BIOC afterwards.

Mr. Gabor asked what the amount is this year. He wanted to better understand the \$19.6M budget this year in relation to next year.

Ms. Richards stated that the \$19M is mostly salaries. The software update for Accela is approximately \$1.6M. Forerunner was about \$500,000. Selectron is about \$1.1M and Forte is about \$1.12M. The total for Forte will be reduced because we will begin charging the fee for credit card payments beginning on August 1st, but it will not bring the balance down by much. She did not have the figures together for DigiPlan. In summary, the technology updates will be about \$4M this year.

Mr. Gabor asked if that amount is the same from year to year.

Ms. Richards stated that is correct. It is about the same in technology alone.

Mr. Malaniak asked if the amount included staff raises.

Ms. Richards stated the budget did not include raises. Most of the increases are the technologies that increase each year. For instance, Accela is normally a 3% increase each year, but it will be more next year because the county has to renew their five-year contract starting in October. Selectron is increasing next year. The cost of Forerunner will be decreased because of DigiPlan. She noted that although salary increases were not included in the budget, employee benefits increased by 20% per department, which is a significant increase. This was included in the budget.

Mr. Malaniak referred to the Monthly Permit Activity report that was distributed during the Building Industry Association meeting held today and noted the new design for the report made it easier to read. He asked for a status update on review times in Plan Review.

Mr. Delnay stated that the report he was referring to showed "average" times. Other types of reviews besides residential were included in the monthly totals such as residential, OPN, and trade permits. The review times would be lower if some of those other types of reviews were removed.

Mr. Malaniak asked if rejections were down.

Mr. Delnay stated that with the new DigiPlan program, it prompts customers upfront regarding what information is needed. Their submittal is not accepted without the items requested. In the past, a submittal would make it all the way in and would ultimately get rejected, which slows things down for everyone. Mr. Delnay noted that on the other side of the report Mr. Malaniak is referring to, it shows that customer times may increase but staff review times continue to decrease.

Mr. Malaniak asked for clarification that when the system flags a submittal as "incomplete" it means something is missing.

Mr. Delnay stated that is correct.

Mr. McStravic stated there are instances when staff can make note of a code section on some of the plans to bring it to the customer's attention instead of rejecting it.

Mr. Delnay referred to House Bill 695 (relating to Private Provider Building Inspection Services). Regarding trade permits, if a private provider is involved, the county has 5 days to get that trade permit issued. The county is matching that on our end whether someone uses a private provider or not. He explained that our goal is to beat or exceed those time frames. As a result, Mr. Delnay stated he has received several phone calls where customers are switching from a private provider to us because we do next-day inspections and our review times are in line with industry standards. Mr. Delnay stated this would only get better if we do not have anything else happen hurricane wise.

Mr. Malaniak stated it was good to see permits going up on the June data.

Mr. Delnay asked that the BIOC keep in mind that when the DigiPlan process came on board, the conversion process did not happen immediately. There was a two-week delay that affected review times. However, the conversion is complete, and the numbers should reduce.

Mr. Malaniak asked if morale was good. He stated that everyone he interacted with in the county were always helpful and positive.

Mr. Delnay stated the morale is good and he reviewed some staff appreciation efforts that took place and were soon to take place. He also stated that employees appreciated the efforts made by the BIA and BIOC's industries as well. He discussed one that took place recently by the BIA and thanked Mr. Ford for their efforts. Employees appreciated it as well.

Mr. Ford stated their plan is to do something more often than once quarterly.

Ms. Richards asked how the market was in the BIOC's areas.

Mr. Gabor stated the market is staying relatively flat, noting that the summer is a tough time. They are continuing to add inventory assuming the market will eventually increase as it has in the last 3 or 4 months.

Mr. Malaniak stated he did not see anything changing for the rest of the year. His company is putting more inventory in the ground so that they can deliver in the season when more people are here. He felt that traffic is strong, but still decent considering the time of year we are in. However, customers want a deal, but interest rates have not come down. For things to pick up, interest rates must be reduced. Another issue is that many people want to purchase a new home, but they need to get out of their current home. As a result, they are strictly working with people who are moving down here that need a new residence or a second residence but are not getting out of another home that is on the market.

Mr. Gabor stated there are also people getting out of a rental that are trying to purchase a home. They tend to have credit issues, so the cancellations are up. Many people think they can qualify for a new home loan, but their debt is too high.

Mr. Malaniak stated another issue is people who think their homes are worth more than they are. For instance, they want \$650,000 when it might only be worth \$500,000 and they do not want to face that reality.

Ms. Richards stated she thought the interest rates had gone down.

Mr. Gabor stated they keep going down and then up again.

Mr. Malaniak stated that the prime rate is a little under 7%, such as 6.75%. Even if the prime rate is 5% or 5.25%, this is a significant amount for a \$500,000 purchase (approximately \$60,000).

Mr. Delnay stated that staff will continue to be mindful of open positions and that he felt we were currently at a good level. Earlier when staff levels were discussed, the inspections section was not mentioned. Mr. Delnay noted that they are currently fully staffed. He noted there was an employee that finished their residential license requirements for single and two-family residences. Another inspector is close to finishing their residential license requirements for single and two-family residences. With those types of inspectors, they are able to absorb other tasks to the point that vacancies may not have to be filled.

Mr. Malaniak asked for a status on commercial submittals.

Mr. Delnay felt the commercial submittals were currently in par with residential submittals.

Mr. Malaniak stated that he heard there were some commercial enterprises that are waiting to see if costs decrease so they are holding off on new projects for now, so it may affect the county's submittal numbers for commercial projects.

Mr. Delnay stated that material costs were discussed at the last BIOC meeting, and the costs were supposed to be reducing; however, he acknowledged that even when they do, they do not typically go back to what they were.

Mr. Gabor stated his company is going through a reset. They will be resetting everything such as both home and material prices. Their company does not believe that the market will reset even if interest rates reduce, so they plan to compensate by having a reset of their prices.

The Committee had no further business to discuss.

Agenda Item 5 - Adjournment

Mr. Lyons made a motion to adjourn. The motion was seconded by Mr. Malaniak. The Chair called the motion, and it passed 4-0.

The meeting adjourned at 9:00 a.m.

The next meeting is scheduled for Thursday, October 9, 2025, at 8:30 a.m.