MINUTES REPORT
BUILDING INDUSTRY OVERSIGHT COMMITTEE (BIOC)
THURSDAY, February 24, 2026

Committee Members Present
Steve Gabor
Matthew Johnson
Marc Malaniak

Lee County Government Representatives
Joe Adams, Assistant County Attorney
Christy Barker, Senior Manager, Operations
Erika Compean Garcia, Sr Team Executive Assistant
Tad Delnay, Building Official
Jack McStravic, Deputy Building Official
Janet Miller, DCD Planning
Marc Mora, Assistant County Manager
Antia Richards, Senior Fiscal Officer
Mikki Rozdolski, DCD Director
Marc Washburn, Manager of Strategic Performance
Pete Winton, Asst. County Manager/ Chief Financial Officer

Outside Parties
Phillip Ford, Executive Director, Lee Building Industry Association
Ian Moore, Project Manager, Compass Construction

Call to Order/Affidavit of Posting

Mr. Gabor called the meeting to order at 8:30 a.m. Mr. Gabor asked if the meeting was adequately posted. Ms. Garcia stated it was. Please note that the attorney's office previously reviewed the Notarized Affidavit of Posting and advised staff that it was legally sufficient.

DCD Fee Structure Review

Ms. Barker reviewed the packet of information distributed at today's meeting, and noted it had some updated information. In the packet entitled *"New Fees and Major Changes: Highlights,"* Ms. Barker noted the major changes were highlighted in yellow. She reviewed it with the attendees.

During the discussion on the Operational Support Fee (OSF), Mr. Gabor asked for confirmation that it would start out at 0%, but it will be increased in three months (quarterly).

Ms. Barker stated it could be increased but it will be based on a specific formula.

Mr. Malaniak asked if staff had a target reserve they wanted to achieve.

Ms. Barker stated that the statute allows the County to have the last four years' budget on average. That would be the statutory cap, and it is estimated at approximately $16.5M. She noted the County is nowhere near that amount currently and that staff is not sure what the growth rate of the OSF fee will be until staff begins evaluating it on a quarterly basis as to how much we are drawing from reserves and how much revenue we are bringing in. Ms. Barker stated that the evaluation would be done with a clear formula that will take the guesswork out. If we end up getting close to the cap, we can draw back and if we are nowhere near the cap, it can be increased. She noted this is outlined in the documentation distributed at today's meeting.

Mr. Malaniak stated that the fluctuating fees would be difficult for certain businesses such as his and Mr. Gabor's because they charge specific fees per lot, so it will be challenging to have fluctuating rates.

Ms. Barker stated that she understood his concern, but that it is hard for staff to predict what kind of permits will be forthcoming.

Mr. Malaniak suggested there might be a way for the County to be more consistent through a given time period and then adjust the fees.

Mr. McStravic asked if the BIOC could make a motion to approve the proposed fees, so that staff will have this in place when they meet with the Board of County Commissioners.

Mr. Gabor made a motion to support the fees as proposed. The motion was seconded by Mr. Malaniak. The Chair called the motion, and it passed 3-0.

Ms. Barker stated that the BIOC was previously sent the *"New fees and Major Changes"* document as well as a summary of fees. She noted there is a Table of Contents and that the fees are based on a case by case basis (each record type broken down). She felt it gave people a better view if someone wanted to understand what the fees would be by record type. This information has been updated. Additionally, staff has updated some of the examples, but the bottom line has not changed as far as a new primary structure. That is still at what was previously discussed in staff's correspondence two weeks ago. Ms. Barker stated staff put together examples for 77 different record types of previous, current, and proposed. Because of the volume, she was unable to include it in today's documentation. She felt the fees were on the conservative side just by using standard examples of record types. The projected 30% increase is on the conservative end and will depend on the volume we receive for each of these record types. Ms. Barker stated she did have a breakdown of which types were most impacted and asked if the BIOC wanted her to review it.

Mr. Gabor asked if any stood out that she wanted the BIOC to know about.

Ms. Barker stated that roof permits had the highest increase and noted it was only for tile roofs because they require three inspections. She noted that the introduction of the new fees, in addition to the extra $50 fee for the in process inspection, drove the increase to 168%. She noted the fire fees have increased and accessory structures that are site built (i.e. attached garages that are site built).

Mr. McStravic noted that the inspections for site built structures are almost the same as a house, so the amount of inspections need to be built into it.

Ms. Barker stated the site built is based on a multiplier by square foot. She noted it was listed in the document in alphabetical order and then by most impacted to least impacted.

Mr. Gabor stated the OSF fees will impact the fees drastically going forward, so the BIOC would like to better understand those parameters and try to limit the increases as much as possible.

Ms. Barker stated that the OSF is the second document in the packet distributed today entitled, *"OSF Adjustment Framework for Operational Support Fee."* This fee is to help cover the indirect operational costs. She explained that once we stop drawing from reserves, the intent is to start rebuilding the reserves. The statutory requirement specifies that the County can only carry forward the statutory cap amount which is the average 4 years unless approved by the BIOC, but felt we were nowhere near having those conversations. She gave an overview of this section. She noted that if reserves are less than the statutory cap trending upward, but still less than 10% from the cap, or if the revenue is flat or declining, then the proposal is to increase by 2%. Ms. Barker stated the proposal is to increase by 2% per quarter with 5% as the max increase for fiscal year. Each year it will increase, so it is a stacking approach.

Mr. Moore, project manager for Compass Construction, stated it sounded as if at times of high volume this will not be applicable, but at times of low volume, it will be applicable.

Ms. Barker stated the volume is going to impact the revenue, but it is strictly based off of revenue so it goes hand in hand.

Mr. Moore stated that if we go through a two-year correctionary period, it seems as if it means about a 10% increase.

Ms. Barker stated that as part of building the reserves, his interpretation is correct, but then we also built into the framework that if the reserves are greater than 90% of the statutory cap (meaning within the 10%), then we will start to scale back.

Mr. Moore stated that the target of this going up 10% seems concerning. It appears that is where we are imminently headed unless something drastically shifts. He asked if the County applied this in any general sense to how they are training now or how they were training in the past as to what this would look like financially.

Ms. Barker stated that after staff implements the new fees, they will have better data in order to figure out what we can apply. With the fee comparison examples she put together, she included a 1% OSF, a 2%, and a 5% to see what it would look like against an actual record type.

Mr. Moore stated staff has done a great job in that everything is clear and transparent. He appreciated that the industry is included as part of the discussion. Staff has gone out of their way to account for everything. His biggest concern are the real market conditions for our area. He felt that everything staff has put together seems to be based on what happens outside this building. He asked what staff is doing on the inside of their building to ensure they are operating as efficiently as possible. He noted that with the fluctuation of fees, it makes it hard for the industry to properly project permit fees on their side. He felt the issue keeps going back to the fact that the county seems to be completely driven off of volume and the efficiency of this building operates off of volume, which he felt was concerning. He noted that even when times are bad, the industry still wants their permits fast and the industry should not be the only ones making changes.

Ms. Barker stated she understood those sentiments. As part of the quarterly meetings with the BIOC, staff will be providing more information because staff wants the quarterly meetings to actually be used to look at the financial data. It will include the budget efficiency as part of the proposed dashboard that will be shared with the BIOC on a quarterly basis. It will outline key improvements because the goal is continuous improvement. She emphasized that this process is only the beginning of what needs to happen. In addition to this, there will be process enhancements and streamlining to get the cost down so that we do not have to continually increase fees. She noted it is staff’s goal to get the cost of services down through efficiency and discounts, etc. She also noted that several things need to happen at the same time and will continuously improve from there.

Mr. Winton stated staff is looking at the revenue side. In a lower volume environment, staff will be doing other things beyond being more efficient such as holding on to vacant positions, getting rid of positions, getting rid of temporary positions, etc. This means we might be building reserves even though we are not making changes because we are lowering the industry’s costs. Right now, staff is trying to get through the fiscal year without a zero balance. He noted it would be something that gets continuously monitored. Mr. Winton stated that in the last recession, the County went through all the reserves. There was criticism that the County did not fire people quickly enough, but in actuality staff did let go of positions and ended up using general fund reserves for the permit fees that they never got repaid from the general fund. This is what staff is trying to avoid. They want a better balance to work with. This way, if the economy drops quickly, staff will have better handle on things.

Mr. Moore stated he had difficulty with the thought that Community Development can only survive if they are receiving 20,000 permits per year (or whatever the appropriate number is), so he was glad staff is doing this exercise. He raised the issue of charging resubmission fees. There are commercial projects involving professionals to where there is no excuse for them having to resubmit three times for example. It takes up staff’s time and strips efficiency. As a deterrent, he felt staff should charge a resubmittal fee if they resubmit a third time, which he felt will resolve the issue. They will not keep resubmitting if it costs them money.

Ms. Rozdolski stated that resubmittal fees are added into the documents in today's packet.

Ms. Barker stated they also added meeting fees.

Mr. Moore stated that even though the statute states that staff has to offer to meet with them, it does not say that developers have to take the offer. He did not feel most people take advantage of the meetings so he did not feel the fee would have much impact on the budget.

Ms. Barker stated staff plans to evaluate this further once they implement time accounting into the permitting system. It will provide better data.

Mr. Moore noted this is being done in every municipality and is not just isolated to our jurisdiction. He asked staff to also make sure they are recouping the first round of review at the time of submission.

Ms. Barker stated that change is being implemented next week.

Mr. McStravic stated that the way staff has gone through these exercises, each permit will stand on its own, fee wise. Each permit is based on the amount of inspections that will be covered in the fees. This is being done so that some permits are not offsetting the cost of other permits. They all need to stand on their own.

Mr. Moore stated there is an expectation on the industry side that the County needs to look in the mirror so that Community Development will survive even if they are not receiving X amount of permits each year.

Ms. Barker stated she tried to focus the content specifically on financials but at the same time staff realizes that volume, workload, and the FTEs play a part in it as well.

Mr. Delnay stated staff is not rigid and continues to look for process improvements. They have looked at review times and have thought outside of the box to come up with some other ideas and will continue to do so as we move forward. He reiterated that at this point, there are many unknowns until we get better data within the next quarter.

Mr. Winton stated staff's intent is not to run on a deficit and tapping into our reserves every month. The County wants to get back into balance. He noted our intent is not to increase all the fees in order to build reserves.

Mr. Malaniak asked for an example of the OSF for a single family home at a maximum of 5%.

Mr. McStravic stated it includes the inspections and plan review fees.

Ms. Barker stated that based on $1,185.00, 1% is $11.85, 2% is $23.70, and 5% is $59.25. This is off of the $1,300 total but $1,185 is what we are calculating OSF off of.

Mr. Gabor stated this is almost 90% of the total fees.

Mr. Malaniak stated he preferred a flat fee that could be reviewed annually because it is easier for the industry to budget for.

Mr. Gabor stated he was hopeful that we could collect the data and reanalyze it at the end of the year. Staff could evaluate it in six months to see how everything is going while working on internal inefficiencies. He hoped staff could wait six months before introducing any fee changes rather than just making something automatic where every quarter the fees go up to 2%.

Mr. Winton felt the County could wait six months and then re-evaluate where they are in terms of the budget.

Ms. Rozdolski stated that would give staff some time to make sure the system is in place and it will provide staff with some good data. They will still keep the OSF fee in there where it could go up or down. After the first review, staff can decide whether or not it needs to be looked at on a quarterly basis. She stated staff could still meet with the BIOC quarterly but wait six months for the first review of it. She also noted we had 10 positions that are being held that became vacant through retirements and resignations. Once the data is collected, staff will have a better idea on the impact of the 10 vacant positions on the overall budget.

Ms. Barker stated that with time accounting, the additional changes being made to the system for time accounting will help from a training standpoint which will improve efficiencies as well as from a performance standpoint.

Ms. Rozdolski stated there are technological upgrades that staff wants to incorporate such as AI and other great platforms; however, money is needed to pay for those upgrades.

Mr. Mora asked if the hold time of six months needs to be incorporated in the documentation that gets presented to the Board of County Commissioners.

Ms. Rozdolski stated staff met with Mr. Adams about how it is going to be presented to the Board of County Commissioners. They are going to have a basic resolution. In the attachment to the Administrative Code, staff will outline how the OSF fee is determined and will include the formula. It can be stated that staff will be bringing this item before the BIOC.

Mr. Winton stated staff would be waiting until the first or second quarter before any automatic implementation.

Ms. Rozdolski clarified that no fees will be automatic without some discussion.

Mr. Adams stated that one of the reasons staff met with him is they wanted to be somewhat flexible with the OSF and wanted the fee to be changed up and down without it going to the Board of County Commissioners each time. It will still be brought to the BIOC, but not necessarily the Board of County Commissioners. However, if no consensus can be reached, it can still go before the Board of County Commissioners to be adjusted.

Mr. Delnay stated he still thought it made more sense to have the fees increased incrementally rather than a higher flat fee.

Mr. Gabor stated he felt six months made more sense than quarterly because it is a lot of changes in a year and staff is also limiting themselves to decrease it at a lesser pace than they increase it.

Ms. Barker stated she was not sure how to factor in the growth rate yet because she has not had time to do that analysis. She had a debriefing with the team about growth rate, and it was decided to table that for now because we do not really know what that is going to look like yet. Staff decided to keep it simple for now with it in mind that we can always adjust it later, taking growth rate into account.

Ms. Rozdolski stated the 1% and 2% increase and decrease percentages can be discussed too.

Ms. Barker stated that right now the focus is not drawing from reserves, but on the rebuilding side of reserves. What is the goal? What do we want to add back to reserves annually?

Mr. Winton stated that is a good discussion to have but would not be decided today. He understood the consternation some attendees have that if things start to drop off, we do not want to just build reserves to build reserves. What reserves would you want to have so we can have some equilibrium if the volume decreases?

Ms. Barker stated that another item that comes out of our budget is the aftermath of a disaster, but we never know how much that will be. We have the requirements from the FEMA side to have on-site responders, field personnel, etc. after an event where staff is paid double time.

Mr. Moore asked if staff had done an analysis of what staff contributed as a result of overtime after a natural disaster.

Ms. Barker stated that all of that information is documented and handed over as a part of the request for reimbursement.

Mr. Moore asked if it was reimbursed by FEMA. He stated that it seems as if as a result of the natural disasters, it is the reason staff has depleted funds substantially.

Mr. Winton stated that the fund gets depleted because it takes a while to get reimbursed from FEMA. There is a category for salaries and overtime (Category B), but staff has to draw on reserves in order to support it until they are reimbursed.

Ms. Rozdolski asked if the BIOC was amenable to the 2% and 1% increases or an increase up to 5%.

Mr. Gabor stated he prefers the fee increases to occur twice a year rather than every quarter. He was fine with a 4% increase with a maximum of 5% but wanted to evaluate it on a twice a year basis when implementing the adjustments.

Mr. Moore stated that everyone is introducing some type of additional fee either from existing buckets or with this type of managerial fee. He noted that Cape Coral was doing the same exercise.

Mr. Malaniak asked where they were putting their fee. In other words, will it be in the application fee?

Ms. Rozdolski stated for reasons of transparency, staff is trying to have the application fee be a set fee. The OSF is really to account for some of the changes to the cost of operations whether it is salary adjustments or increase to health care, etc. They are costs that we do not have information to budget for because they are being determined at an enterprise level, yet they are things that staff still needs to be able to pay for and absorb. By setting a flat fee across the board without having some review on a quarterly basis, causes staff to be stuck with that rate. Staff feels this is part of the reason the department is in this predicament.

Ms. Barker stated that if we are going to evaluate this after six months, it gives staff some time. Staff does not have to lock into what we have come up with currently. They will have better data in six months. With better data and time to analyze it, staff might be able to provide some different proposals.

Mr. Johnson stated he felt the County needed to have an OSF fee. Mr. Johnson noted that he works for Health Care Systems. These fees will not be a factor for his clients/contracts. As a businessman, he did not see how staff could be expected to continue writing a deficit each month and not increase their fees or build a reserve. He was not sure if quarterly or six months is the correct time frame or what the answer to this dilemma is (i.e. 2% every two years or a cap of 5% every two years), but he felt staff needed to implement something. He also felt that Mr. Moore had a good idea with the resubmission fees. He concurred that if staff is reviewing things several times and do not make money on it, or cover their costs, they are losing out, so he agreed that staff needs to evaluate that. He felt it should be tiered based on how many times they resubmit the job. He also agreed that constant resubmittals is a waste of staff’s time and energy and it also causes inefficiencies.

Ms. Barker stated that the statute has language in it that she kept out of her documentation. She asked if from a legal standpoint, if it is already in the statute, would it also need to be in our External Fee Manual schedule in order for us to charge a fee that is supported by statute.

Mr. Moore felt it should be in the External Fee Manual schedule so that it shows a stated resubmission fee. If it is in there, then everyone will be aware of it (i.e. owners, developers, contractors, etc.). He felt it brings up a certain level of expectation from everyone as long as staff is not providing frivolous comments. However, he brought up situations where permits are submitted along with a development order. He hoped that a review can still proceed without a development order or without some other ancillary type of permit.

Regarding the comment about instituting resubmission fees, Ms. Barker stated that resubmission fees are built into the framework. With better time accounting, staff will be able to determine how close they were with what was included in the fee schedule. If need be, adjustments can be made to account for additional time. She noted that without that actual data, it is difficult to pinpoint what the right amount should be.

Mr. Delnay stated staff looked at it in terms of a time standpoint. The first rejection might only take 20 minutes instead of an hour, which is why staff wants to charge 25%. He understood everyone's concerns regarding people resubmitting several times but noted that staff is not trying to make it punitive, but at the same time, they want to get their projects out of the system because they are holding up everyone else.

Ms. Rozdolski referred Page 3 of 9 in the document entitled *"New Fees and Major Changes: Highlights."* Under Resubmission Fees, she noted it says, *"Proposed Amount: Varies from $25-$150."* She asked Ms. Barker to explain how she came up with those amounts.

Ms. Barker stated that the formula used was to look at the initial review fee. If the review fee is based on a multiplier, she took the base line minimum and applied 25% of that fee and then rounded it to the nearest bucket with a minimum of $25. Originally, staff was proposing $150 for commercial resubmission fee projects. Now, a resubmission for a new building will be $125, while an addition to a building will be $100. She noted it goes down from there based on what that baseline minimum was. Staff takes the different project type and size into account. With a new commercial building, on average, the review time is 5 hours, but that amount varies as you go from project type to project type. Since we are not currently charging resubmission fees, staff wanted to be conservative by starting out at 25%. Once real data is collected, staff will be able to see how close they are with the fee amount and adjust from there. She noted that without real data it is hard to guesstimate and it is not staff's preference to guesstimate.

Ms. Rozdolski asked if the resubmission fee was something Ms. Barker would want to reevaluate at the six month mark when she has more data.

Ms. Barker stated that technically, staff is going to reevaluate all the fees based on actual data because we have planned data based on time estimates provided by staff but then we will have real data. Part of the dashboard will be to determine if the actual times and costs match up with what is projected.

Mr. Johnson asked if we were still collecting fees at the time of permit issuance.

Ms. Barker stated that has been implemented. Staff wants to collect for services prior to. This means that when a new application is submitted, staff will collect the application fee, technology fee, and plan review fees up front. At permit issuance, staff will collect the inspection fees and any additional surcharge fees (OSF). Reinspection fees are collected as they occur in the field. The new additional inspection fee will be assessed and collected similar to the reinspection fee. The final fees get collected prior to C.O.

Ms. Rozdolski asked if the BIOC would make a motion or if they want to have more discussion on the OSF fees. From feedback received today, the plan is to come back and reevaluate this in six months whether the fees go up or down.

Mr. Gabor was in favor of waiting six months before making any adjustments and adjustments can continue to be made as time goes on.

Mr. Winton stated he would like it to be evaluated in four months with the goal of not implementing it until six months.

Mr. Malaniak stated that everyone agrees that the fees are too low, but he did not like the OSF fee. Although he is not saying he will not vote for it, in his opinion, the OSF fee should be something that bridges the gap to where you can adjust the fee. If we are in some sort of hardship to where we need to collect that fee, it makes sense to collect it, but after that, he felt it should be implemented into whatever bucket staff needs to put it in, but they will need to raise some sort of fee at the time of submission.

Mr. Johnson asked if it could be built into the plan review fees.

Mr. Moore stated it might be something staff can reevaluate at the six month mark. They can reevaluate the language too as to where it is going to be placed. Staff might find a trend as to where they need to recover it, and it may land in a bucket at a flat fee. Right now, staff has the flexibility that it can be evaluated at the six month mark to make sure you are not running at a deficit.

Ms. Barker asked that everyone keep in mind that the statute for the reserve balance is an average of four years of the budget. If the budget starts to go down, we could end up with a surplus in the reserves because we would exceed that statutory cap. The cap is reevaluated annually. This means there is a potential for the OSF to also act as a way to provide discounts similar to the way we provided the 25% discount in the past. It goes up to build the reserves, but it can also go down to reduce the reserves.

Mr. Moore stated that could play into the AI discussion.

Ms. Barker stated staff already has a contract for technology that is tabled.

Ms. Rozdolski stated the County needs the funds to purchase new technology. With discussion that has taken place today, staff plans to come back to the BIOC in six months.

Mr. Gabor stated his understanding is that staff will continue evaluating this on a quarterly basis but will meet with the BIOC on it in six months before making any adjustments.

Mr. Adams stated that in the packet that goes before the Board of County Commissioners, it will be what is in the External Fees Manual as far as "here is the formula." A note will be included that we will start at 0% but not increase until further discussion.

Ms. Barker stated we could also add a date to it. In other words, *"It will not be increased until (<u>list specific date</u>)."*

Mr. Delnay stated we can keep it adjustable rather than a flat fee.

Mr. Malaniak stated he was fine with that knowing that we might need to adjust other things to account for it.

Mr. Moore stated that it sounds like the OSF adjustment remains relatively open by way of this passing whereas after the six months, some of those items may be evaluated further and make their way back into their respective place.

Ms. Rozdolski asked for confirmation that the BIOC is opting to keep the current proposed formula of 2% and 1%.

The BIOC members stated that was correct.

Mr. Gabor made a motion to keep the OSF fee framework and agreement to defer adjustments by six months from adoption. The motion was seconded by Mr. Malaniak. The Chair called the motion, and it passed 3-0.

Ms. Rozdolski stated that staff set up board briefings and have invited Philip Ford and Steve Gabor to attend.

Mr. Gabor stated that he is unable to attend the first three meetings, but that Mr. Ford plans to attend.

Mr. Johnson stated he could attend.

The dates are Monday, March 9th, Monday, March 16th, and Tuesday, March 17th.

Ms. Rozdolski stated she would forward the invitations to the rest of the BIOC members.

There was no further business.

Agenda Item 5 - Adjournment

Mr. Gabor made a motion to adjourn. The motion was seconded by Mr. Malaniak. The Chair called the motion, and it passed 3-0.

The meeting adjourned at 3:34 p.m.

The next regularly scheduled meeting is being held on Thursday, April 9, 2026, at 8:00 a.m.