

Pikes Peak Regional Building Department

2880 International Circle
Colorado Springs, Colorado 80910

REGIONAL BUILDING COMMISSION MINUTES

July 25, 2018

3:00 p.m.

MEMBERS PRESENT: Chairman Tyler Stevens, Green Mountain Falls Trustee
Mark Waller, El Paso County Commissioner
Tom Strand, Colorado Springs City Council

MEMBERS ABSENT:

OTHERS PRESENT: Roger Lovell, Regional Building Official
Jay Eenhuis, Deputy Building Official - Plans
John Welton, Deputy Building Official – Inspections
Ryan Johanson, Director of Finance
Mindy Stuemke, Front Counter Supervisor
Matt Matzen, Front Counter Supervisor
Linda Gardner, Executive Administrative Assistant

PROCEEDINGS:

Chairman Tyler Stevens called the meeting to order at 3:51 p.m.

The Work Session was heard out of order after the Regular Session.

Work Session

1. CALL TO ORDER

a) Review of 2018 Amended Budget

Roger Lovell stated RBD staff would like to discuss the 2018 Amended Budget during the meeting today, and it would be brought back before this Committee during the August 22, 2018 Building Commission meeting for final approval.

Jay Eenhuis stated in 2015 there were 12 employees in the Plan Review Department, which does include Enumerations and Flood Plain, but does not include himself; in 2016 and 2017 there were 13 employees; and currently there were 14 employees in Plan Review. He stated this was a 16.7% increase in staffing since 2015. He stated there had been a 29% increase in plan review volume for the first half of the year for 2018; and a 60% increase since the first half of the year in 2015. Mr. Eenhuis stated this shows that the Plan Review Department was reviewing significantly more plans than in 2015, but staff had only been increased by 16.7%. He stated the total review hours logged have increased 25% during the first six months of 2018, compared to this same time period in 2017; and 31% to this same time

period in 2015. He stated the goal was to cut down on the time that RBD had the plans, so they could move on to the other entities more expediently. Mr. Eenhuis stated RBD was encouraging electronic plan reviews, but there were some jurisdictions, small businesses, and homeowners that do not have the ability to submit plans electronically. He stated RBD's Plan Review Department had been able to keep up with the additional workload through the use of new technology. He stated the Amended Budget shows an addition of two employees for the Plan Review Department.

Matt Matzen stated the Front Counter had issued a total of 11,379 permits this year, which was approximately 1,625 permits per month. He stated there have been 15,503 walk-in customers year-to-date, which was approximately 115 per day; and the phone volume was averaging 390 calls per day. He stated there have been 2,202 combined commercial and residential CO's issued year-to-date. Mr. Matzen stated the recent hail storm would result in an increase for all exterior permits, i.e. reroofs, siding, stucco, and decks. He stated the Amended Budget shows an addition of one employee for the Front Counter.

Rebecca Mulder stated the Licensing Department covers the licensing requirements for all 7 jurisdictions, and Woodland Park. She stated the Licensing Department averaged 22 walk-in customers per day; 78 phone calls per day; and currently there were 5,405 active contractor licensees or registered contractors in RBD's jurisdiction. She stated to date in 2018 there have been 506 license applications. She stated RBD was now offering an electronic license application submittal process. Mrs. Mulder stated the hail storms do bring in additional roofing license applications. She stated RBD had two non-compliance officers that investigate complaints and issue stop work orders/Certificates of Non-Compliance (CNC). She stated they averaged 107 CNC's per month. She stated her department also monitors the contractor complaints, and have issued 44 contractor complaints year-to-date.

John Welton stated in 2017 there were 141,681 total inspections during the first 6 months of 2017, and 143,161 total inspections during the first 6 months in 2018. He stated the average daily total inspections (without reroof inspections) was 945 in 2017, and 1,065 for the same time period in 2018 (without reroof inspections). He stated during the first 6 months of 2018, RBD's inspectors have driven a total of 515,992 miles. Mr. Welton stated RBD would like to hire additional inspectors in all departments, with the exception of elevators.

Dan Huyvaert appeared and stated RBD's IT Department had two distinct areas, i.e., the IT Help Desk Requests infrastructure maintenance and equipment, and the second being software development. He stated his department built RBD's public website, as well as the Building Department Assistant Program (BDA) in house. He stated his staff averaged 405 internal service requests per month from RBD staff; and averaged 178 assistance requests from RBD's website users per month. Mr. Huyvaert stated his department services and maintains 75+ cellular phones, 65+ tablet PC's, 70+ desktop PC's, 5 on premise servers, and 3 storage systems and backup. He stated on the software side, IT had 20+ in-house custom applications, 4 Cloud applications, provides software for El Paso County

Development and Planning, Teller County Building Department and Woodland Park, and had millions of lines of programming and database codes to maintain. He stated RBD had recently rebuilt its website to make it more user friendly; 80% of inspection requests were taken through the website, and 70% of permits issued were purchased online.

Roger Lovell stated the activity during the first six months of 2018 had been well in excess of that anticipated, which had created the need for additional staff. He stated when the 2018 Budget was written, RBD staff did not anticipate natural disasters. He said this budget provides for up to 26 positions, which would be hired on an “as needed” basis; and the vast majority of the additional staff was in the inspection staff.

Mr. Lovell stated the Amended Budget revenue amounts to \$16,340,000, which represents an increase of \$1,817,000 or 12.5% from the Fiscal Year 2018 Budget and a decrease of \$330,886 or 2.0% from the Fiscal Year 2017 Budget. He stated the projected increase in the 2018 revenue was due to two key factors, i.e., the 2018 Budget projected economic growth in the construction industry to be on pace with 2017, but the first two quarters of 2018 have demonstrated growth well in excess of what the region experienced in 2017; and secondly, the 2018 Budget did not forecast revenue resulting from significant natural disasters. Mr. Lovell stated the City of Fountain experienced a substantial hail event in June of 2018, which may result in up to 20,000 reroof permits, 3,500 of which RBD had already issued. He stated both of these factors (i.e., growth and the effects of natural disasters) have a significant impact on the revenue as well as workload and Department expenses. He stated this Amended Budget accounts for both of these key factors as well as other related factors.

Mr. Lovell stated this Amended Budget anticipates the construction of 4,000 single family homes in 2018, which was an increase of 600 homes from the original 2018 estimates. He said commercial activity was expected to remain strong and close to the same level as in 2017. He said RBD expected multi-family unit construction to outpace 2017 with close to 1,300 dwelling unit permits so far this year.

Mr. Lovell stated RBD was also anticipating approval of a 25% temporary fee reduction that would be effective August 1st through the end of the year, which should generate approximately \$1.5 million in revenue that goes directly back into the industry. He said in addition, the Contractors Rewards Program should generate approximately \$300,000 that also goes directly back into the industry. He stated with this Amended Budget, it was anticipated that RBD’s cash as a percent of the Budget would be 47%.

Ryan Johanson stated most of the proposed increases in staff was in the inspection staff and was directly the result of the increased construction in the community. He stated more complex projects have been permitted, requiring more work and more inspectors. He stated with the increase in inspection staff, there was also an increase in new vehicles for those new employees, as well as cell phones, computers and wearing apparel. Mr. Johanson stated if RBD does not hire additional inspection staff, its ability to service the community

on a same day basis would be severely impacted. Mr. Lovell stated when permits were pulled, RBD is paid for a service and it had to be able to provide that service.

Tom Strand expressed his concern with regard to the large number of additional RBD staff that is being proposed. Chairman Stevens asked if it might be prudent to reduce the number of additional RBD staff in the Amended Budget, and just include those positions that could be reasonably accomplished before the end of the year; and then include the remaining positions in the 2019 Budget. John Welton stated RBD did a comparison regarding permit fees with other jurisdictions in Colorado, and RBD's fees were very competitive and less expensive than most other Colorado jurisdictions as well as nationally. He stated RBD was being proactive in planning for additional staff that would be required to sustain the upturn in construction in this jurisdiction. Mr. Waller stated there had been a 20% increase in the amount of construction work that was being done in this jurisdiction, so a 20% increase in RBD staff would be required to keep up with the additional workload. He stated RBD was a service provider for the community, and the fact that RBD could sustain the addition of staff within the budgetary costs, and still offer programs to help the community with the Temporary Fee Reduction Program and the Contractor License Program was exemplary. Mr. Lovell stated RBD had been very conservative in adding staff in the past because it did not want to lay off personnel if there was a downturn in construction. He stated now RBD had to have the ability to serve the current construction demand on a same day basis as it had done in the past.

b) Resolution of Intent for Participation with External Organizations

Roger Lovell stated this Resolution was at the request of outside agencies or organizations, and went over the details of the Resolution for the Committee's review. He stated once RBD staff determined that a request met the required criteria, that request would be heard by both the Advisory Board and the Building Commission. He stated one key factor was that the funds must remain in El Paso County. The Building Commissioners discussed broadening the criteria regarding the requirement that the request be "construction related" so there was some flexibility should a request be received for economic development or affordable housing, as examples. Commissioner Waller asked if this Resolution needed to go before the member governments for approval, and Chairman Stevens responded "no", but perhaps RBD could offer them input on the policy before approving it. He stated he believed an issue that could come up was the "pool of excess funds" that may be available for the donations.

Chairman Stevens suggested that under requirements, to add to the second bullet "with a nonprofit determination letter"; and then delete that entire item from the list of items not accepted.

Mr. Lovell asked the Committee members to submit any comments they may have to RBD staff, so their concerns could be addressed during the next couple of weeks; and stated this

Resolution would be brought back before this Committee in August for final approval. The Building Commissioners requested that RBD staff send each Committee member both Resolutions and the Amended Budget, so they could review it further before the August 22, 2018 Building Commission Meeting. Chairman Stevens requested that perhaps the Resolution of Intent for Participation with External Organizations could be revised prior to transmitting it to them.

2. ADJOURN

The meeting adjourned at 5:30 p.m.

The Regular Building Commission Meeting was heard out of order at the commencement of the meeting.

Regular Building Commission Meeting (will start at the conclusion of the work session and not any earlier than 4:15 p.m.)

3. CALL TO ORDER

Chairman Tyler Stevens called the meeting to order at 3:03 p.m.

4. CONSIDERATION OF JUNE 27, 2018 MINUTES

A motion was made by Tom Strand to **APPROVE** the June 27, 2018 Building Commission Minutes as written, seconded by Mark Waller; the motion carried unanimously.

5. PUBLIC COMMENT

There were no Public Comments.

6. ADVISORY BOARD REPORT

Roger Lovell appeared and gave the Advisory Board Report. He stated the Advisory Board heard the same information that will be presented to the Building Commission today; and in addition, Dirk Draper with the Colorado Springs Chamber and EDC appeared and gave a presentation on cybersecurity. He stated the Advisory Board did approve Item 9a on today's agenda.

7. **BUILDING OFFICIAL REPORTS**

a) Financial Statement

Ryan Johanson presented the financial statement for the month of June 2018. He said the current operating cash balance was \$10,369,320. He said the cash balance was 71% as a percent of budget. Mr. Johanson said the current month revenue was \$2,029,907, and the year-to-date revenue was \$8,890,188. He said the expenditures were \$1,401,078, which resulted in a gain of \$628,829 for the month of June, and the year-to-date expenditures were \$7,623,034, which resulted in a year-to-date gain of \$1,267,154. Mr. Johanson stated the Licensing Rewards Program had been very successful, and RBD gave discounts for license renewals in the amount of \$22,600 in June, and \$124,800 year-to-date. John Welton stated RBD anticipates 15,000 to 20,000 reroof permits due to the hail storm that occurred earlier this month in the Fountain, Widefield and Security areas. He stated there was another storm this past week that created flooding and hail damage once again.

b) Building Report

Matt Matzen presented the Building Report for the month of June 2018. He said there were 409 single-family houses permitted in June, which was 11.44 percent more than this time last year; and 38 commercial building permits. He stated there were 10 apartment buildings permitted in June for a total of 158 apartment units. Mr. Matzen said the total valuation of permits issued in June was \$392,168,531, which was 58.68 percent less than this same time last year; and the total valuation of permits issued to date in 2018 was \$1,696,903,884, which was an increase of 14.78 percent over this same time last year. He said in addition to the apartment buildings, there were 5 permits in June with a valuation over \$3 million. He stated the front counter was averaging 450 phone calls per day and 120 walk-in customers per day. Mr. Matzen said there have been 269 single-family home permits to date in July.

c) Plan Review Report

Jay Eenhuis presented the Plan Review Report for the month of June 2018. He said there were 454 single-family plans, which was a 16 percent increase from June 2017; 36 new commercial plans, which was an increase of 16 percent; and a total of 1,085 plans for the month of June, which was an increase of 28 percent compared to June 2017. Year to date, 5,501 plans were submitted, an increase of 29 percent from the first six months of 2017.

d) Inspection Report

John Welton presented the Inspection Report for the month of June 2018. He said the inspectors in all departments did a total of 25,583 inspections in June, with a total of 53 field inspectors. He said each inspector averaged 25.4 inspections per day, and the average

time per inspection was 14.5 minutes. Mr. Welton stated RBD had hired two new inspectors, but still had a number of openings in the building, roofing, mechanical, electrical and plumbing departments. He stated our jurisdiction received a large hail storm earlier this month with 1½” to 3” hail. He stated this was the largest hail that had hit this area in an overnight storm in 23 years. Mr. Welton stated to date, RBD had issued 5,400 reroof permits since the hail storm earlier this month. Roger Lovell stated RBD does a lot of safety training, and had only 2 injuries this year, and having done almost 200,000 inspections to date.

Mr. Welton stated RBD is planning another tour for the Building Commissioners, and the Commissioners all decided to do the tour on Friday, August 31, 2018, commencing at RBD at 10:00 a.m.

Mindy Stuemke presented her “crystal ball” to Roger Lovell, and Mr. Lovell thanked Ms. Stuemke for her dedication and hard work with RBD over the past 16 years.

8 UNFINISHED BUSINESS

There was no Unfinished Business to discuss.

9. NEW BUSINESS

a) Resolution Approving Temporary Reduction in Fees for All Valuation Based Permits

Mr. Lovell stated RBD is requesting approval of a 25% temporary fee reduction that would be effective August 1st through the end of the year, which should generate approximately \$1.5 million in revenue that goes directly back into the industry. He stated when RBD staff prepared the 2018 Budget, it did not take into consideration the construction activity that had occurred to date in this jurisdiction. He stated natural disasters were not taken into consideration when preparing the Budget.

Tom Strand stated that he would hope that this money would be passed on to those people buying homes in the way of affordable housing. Mark Waller stated he was concerned about the media questioning this due to the adoption of the 2017 Pikes Peak Regional Building Code (“PPRBC”). Chairman Stevens stated that the Committee could approve this Resolution, and then look into other opportunities that might benefit the community with regard to affordable housing.

Roger Lovell stated a 25% decrease would not offset the costs that were incurred with the adoption of the 2017 PPRBC, but the most significant increase would be seen on the commercial side. Chairman Stevens stated he fears that the savings would be for the contractor and not for the homeowner. Mr. Waller stated he feels it would impact the commercial sector to a greater extent than residential construction.

Marla Novak, Housing and Building Association, stated there were other areas where RBD could help with affordable housing, and this temporary fee reduction was just a small portion that would help on a temporary basis. She stated the HBA's mission was affordable housing and it works towards affordable housing on a continual basis. The Committee determined that they would approve the Resolution as drafted, and could further investigate affordable housing in the near future.

A motion was made by Mark Waller to **APPROVE** the Temporary Permit Fee Reduction of 25% for all Valuation Based Permits from August 1st through the end of 2018, seconded by Tom Strand; the motion carried unanimously.

10. **FUTURE AGENDA ITEM REQUESTS**

There were no additional Future Agenda Item Requests.

11. **EXECUTIVE SESSION REQUESTS**

There were no Executive Session Requests.

The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Roger N. Lovell
Regional Building Official

RNL/llg