

Pikes Peak Regional Building Department

2880 International Circle
Colorado Springs, Colorado 80910

REGIONAL BUILDING COMMISSION MEETING MINUTES

August 27, 2026 – Thursday – 3:00 p.m.

MEMBERS PRESENT: Vice Chair Brian Risley, Councilmember, Colorado Springs
Todd Dixon, Mayor, Green Mountain Falls

MEMBER(S) ABSENT: Chair Carrie Geitner, Commissioner, El Paso County

PPRBD STAFF: Roger Lovell, Regional Building Official
Virginia Koulchitzka, Regional Building Attorney
Jay Eenhuis, Deputy Building Official – Plans
John Welton, Deputy Building Official – Inspections
Lauren Burrus, Director of Finance
Matthew Matzen, Permit Supervisor

PPRBD STAFF ABSENT:

The Regional Building Commission meeting was conducted in a hybrid forum, allowing Commission members, Department staff, and the public to attend in person at the Pikes Peak Regional Development Center, 2880 International Circle, Colorado Springs, Colorado 80910, Room 100-14, or virtually through Microsoft Town Hall. Sufficient and timely access to the public to observe the meeting was made available at: <https://www.pprbd.org/Information/Boards>.

Work Session (started at 3:00 p.m.)

1. CALL TO ORDER
2. BUDGET PRESENTATION: Introduction, Presentation, and Review of the 2027 Budget (non-action item; the 2027 Budget will be presented for a vote and a request for approval during the September 24, 2026, Building Commission meeting)

Roger Lovell, Regional Building Official, presented the proposed 2027 Budget, which was included in the Regional Building Commission's materials for reference. Mr. Lovell confirmed that the proposed 2027 Budget was also presented to the Advisory Board this month. Comments and feedback received during budget work sessions will be evaluated and incorporated into the proposed budget. The finalized budget will be presented to the Advisory Board and the Commission next month with a request for approval. Following Commission action, presentations will be made to the El Paso County Board of County Commissioners and the City of Colorado Springs. Mr. Lovell noted that these presentations have already been scheduled and will conclude the 2027 budget process.

He thanked the Commission, Advisory Board, and participating jurisdictions for their

continued trust, support, and collaboration.

Mr. Lovell stated this budget is more than a financial document. It is a plan for maintaining public safety, high-quality service, fiscal responsibility, and readiness for a changing construction, economic, and regulatory environment. The overall message of the budget is straightforward. The Department is stable, responsive, fiscally conservative, and well prepared. The mission remains safeguarding the public through professional code administration throughout the Pikes Peak region.

Construction activity remains strong overall, but the pattern is changing. As of July 31, 2026, the Department issued 1,944 single-family permits, a 7.2 percent increase over the same period in 2025 and a 1.8 percent increase when compared to 2024. In the first half of 2026, the Department averaged 278 single-family permits per month with an average valuation of \$508,476.00, representing a 5 percent decrease over the same time period in 2025 and a 10 percent increase over 2024. As anticipated, multi-family construction has slowed throughout July 31, 2026. Through July 31, 2026, the Department issued permits for 388 multi-family units, which is a decrease of 58% over the same time period in 2025 and a 29% decrease over the same time period in 2024. The average valuation per multi-family unit has also decreased 11.2% over the same time period in 2025. As of July 31, 2026, total construction valuation to include new commercial, new residential, and alterations and remodels stands at \$2,529,442,830, an increase of 19.5% over the same time period in 2025, and a 14.8% increase over 2024.

Mr. Lovell stated that fiscal stewardship remains one of the Department's core values and the 2027 Budget continues a conservative approach by carefully monitoring revenues, expenses, staffing levels, and long-term obligations. This budget proposes no fee increases and the Department has not increased fees in more than 23 years. The 2027 Budget is balanced and conservative. This budget anticipates \$22,980,017 in revenue and up to \$22,980,017 in expenses which is a 3.5 percent increase over the 2026 budget.

The 2026 budget anticipates the potential of expenses exceeding revenue up to approximately \$1.4 million, although it is highly unlikely. The 2027 Budget projects expenses potentially exceeding revenue by approximately \$845,000. In the unlikely event that expenses do exceed revenue, the Department has several options at its disposal. One, it can utilize the fund balance to offset the loss or two, the Building Commission can adjust the building valuation modifiers as it deems necessary.

Mayor Dixon asked a question about fund balance, what is it generally as a percentage. Lauren Burrus referred the Commissioners' attention to page 24 of the materials, which documents the total fund balance. There is no percentage threshold or a financial policy regarding percentage threshold(s) to require re-allocation. Ideally, the Department would break even, a breaking point would be equaling that fund balance. For year 2027, the Department plans for a net loss of \$845,536 with a resulting fund balance of \$28,612,049.

The 2027 Budget anticipates worst case scenarios regarding staffing levels and benefits, as

these are the Department's largest expenses. The 2027 Budget anticipates an additional four staffing positions which will only be filled if the workload calls for them and anticipates a negotiated not to exceed 9.5 percent increase in the cost of benefits.

Vice-Chair Risley addressed the reserve fund balance. While he fully recognizes that the Department collects fees for services that may not be completed for several years due to the nature of the permit and inspection process, the reserve balance should not be viewed in the same manner as a traditional reserve fund, such as a reserve maintained at a percentage of annual operating expenditures. That said, it is important to maintain an appropriate balance between preserving adequate reserves and utilizing those funds in a fiscally responsible manner. As an example, the Department could cease collecting revenue for an extended period and still maintain a substantial cash position. Accordingly, Vice-Chair Risley agreed that the Department has adopted a deliberate, multi-year strategy to gradually reduce the reserve fund balance while ensuring the Department remains financially stable. The objective is to achieve this responsibly and over time. Ultimately, a fee increase may become necessary because the current approach is not indefinitely sustainable. However, in the meantime, the Department will remain highly conservative in its spending practices. When positions become vacant, they are evaluated carefully and are filled only when operationally needed.

Mr. Lovell stated investment in employees continues to be essential and exceptional public service requires inspectors, plans examiners, permit technicians, and administrative staff with extensive technical knowledge, consistency, and professionalism. The Department's single, biggest expense is its employees. Lauren Burrus reported that the Department is anticipating a 1.04% increase in PERA employer contribution rates for 2027, raising the employer contribution percentage from 15.8% to 16.8%. The increase is established by PERA and is outside the Department's control. The discussion further emphasized the importance of employee retention, noting that maintaining experienced staff preserves institutional knowledge and protects the Department's investment in employee training. Depending on the position, it can take a year or longer for new employees to become fully effective. As part of its compensation review process, the Department completed a salary study every other year, with the most recent study completed in 2026. The study identified no significant compensation issues but supported a 5% cost-of-living adjustment (COLA) for 2027. Accordingly, the draft 2027 budget includes funding for a 5% COLA for employees, subject to available funding once appropriated.

Technology modernization remains a key priority for the Department's customer service objectives and operational efficiency. Continued investment in online services, digital accessibility, and process improvements is intended to enhance public access to information, streamline permitting and inspection processes, and support efficient internal operations. The overall goal is to provide better service, clearer communication, and more predictable outcomes for property owners, contractors, design professionals, partner jurisdictions, and Department staff.

Mr. Lovell also identified regulatory readiness as a major strategic priority for 2027. State

and federal legislation, administrative regulations, energy-efficiency mandates, housing initiatives, and evolving model codes continue to have significant impacts on Department operations. To address these challenges, the Department actively monitors proposed legislation, participates in industry discussions, and evaluates the potential operational, financial, technological, and staffing impacts of regulatory changes before they take effect. Several examples highlighted the Department's proactive approach to regulatory compliance and advocacy. In response to greenhouse gas and energy code legislation, the Department implemented a long-term strategy to delay mandatory adoption deadlines where legally permissible and adopted the second printing of the 2023 Pikes Peak Regional Building Code. This approach created additional flexibility and preserved multiple energy code compliance options, helping to minimize costs to the community while remaining compliant with state requirements. The Department also successfully collaborated with lawmakers on workers' compensation legislation affecting building permits. Through direct engagement with bill sponsors, enforcement responsibilities that would have been imposed on the Department were removed, and the legislation's applicability was narrowed to higher-value building permits. Department staff continued working with state officials during implementation to address practical challenges and improve administration of the law. Another significant success involved rulemaking for factory-built and manufactured structures. During the rulemaking process, the Department identified a proposed reduction in design wind-load requirements for manufactured housing in El Paso County that could have adversely affected public safety. Working with state officials, the Department successfully advocated for revised standards that maintained appropriate wind-load criteria, thereby improving the safety and resilience of manufactured housing while supporting affordable housing opportunities.

Finally, the Department reaffirmed that public safety remains its highest priority. The 2027 Budget includes funding for personnel, training, and resources necessary to support code enforcement, plan review, and inspection functions. Ongoing investments in professional development for inspectors, plans examiners, and support staff are intended to promote consistent enforcement, accurate reviews, and reliable inspection outcomes.

The Department also reported a successful expansion of services into Calhan during 2026, with implementation proceeding smoothly and improving regional service delivery.

In closing, Mr. Lovell stated the fiscal year 2027 Budget reflects a department that is stable, responsive, fiscally responsible, and prepared for the future and asked for feedback and comments from the Advisory Board members to be provided to him prior to next month's Advisory Board meeting.

Lauren Burrus presented an overview of the proposed 2027 Budget, describing it as a conservative and realistic financial plan that reflects the Department's budgeting philosophy, recent financial performance, and projected economic conditions. She expressed confidence in the budget and its ability to support the Department's operational needs while maintaining fiscal responsibility.

With respect to revenue projections, Ms. Burrus reported that conveyance permit and inspection revenues continue to trend upward and were increased accordingly in the proposed budget. She also noted growth in the "Collections and Other Fees" revenue category. This increase is partially attributable to the separation of penalty fee revenues from the building permit revenue line item. Previously combined, these revenues were segregated through system enhancements implemented by the Information Technology Department late last year. Year-to-date, the Department has collected approximately \$97,000 in penalty fees, which are now reported separately.

Ms. Burrus also explained several accounting and classification changes intended to improve financial reporting consistency. Certain expenditures previously recorded under supplies, including computers, network equipment, and office machines, have been reclassified to the Capital Expenditures category to better align with capitalization policies, amortization schedules, and monthly financial reporting practices. She emphasized that this reclassification does not represent a substantive increase or decrease in expenditures but rather a shift in how costs are accounted for.

The budget also includes an increase of approximately \$70,000 for fleet-related expenditures and an additional \$270,000 for server replacements, computer networks, hardware, and office equipment. Conversely, maintenance expenses were reduced due to the completion of significant budgeted remodel costs associated with the South Office facility. Professional services expenditures were increased by \$65,000 to provide funding for intellectual property legal services. Cost-of-sales expenses were reduced based on historical spending trends, which suggested prior budgets may have been higher than necessary.

During discussion regarding the Community Engagement and Education budget line item, as inquired by Vice-Chair Risley, staff confirmed that the proposed funding remains consistent with the prior year and includes \$70,000 for Careers in Construction initiatives and \$20,000 for the Department's membership with the Housing and Building Association (HBA). Vice-Chair Risley inquired about potential future partnerships with organizations such as the Chamber of Commerce and the Economic Development Corporation. Roger Lovell reported that discussions had occurred; however, no requests for financial support had been received. Vice-Chair Risley inquired whether future funding requests could be considered before budget adoption, subject to demonstrated value and budget availability. Mr. Lovell emphasized that previous decisions regarding external organizational support were based solely on business considerations and the value provided to the Department.

In conclusion of the Work Session, Mr. Lovell requested that the Commission members provide any comments or feedback on the proposed budget within two weeks so that revisions can be incorporated before the budget is presented to the Advisory Board for a recommendation to the Building Commission.

The Commissioners expressed strong support for the proposed budget and commended staff for its preparation. Particular recognition was given on the conservative budgeting

philosophy, noting that it reflects prudent fiscal management. The discussion emphasized that budgeting conservatively allows the Department to make mid-year adjustments if revenues exceed expectations, while helping to avoid financial challenges that can arise when projected revenues fail to materialize.

3. ADJOURNMENT

The Work Session adjourned at 3:31 p.m.

Regular Meeting (started at 3:32 p.m.)

1. **CALL TO ORDER: DETERMINATION OF A QUORUM**

There was quorum.

2. **CONSIDERATION OF JULY 23, 2026, REGIONAL BUILDING COMMISSION MEETING MINUTES**

A motion was made by Mayor Todd Dixon to **APPROVE** July 23, 2026, Regional Building Commission Meeting Minutes, as written; seconded by Vice-Chair Brian Risley; the motion carried unanimously.

3. **CONSENT ITEM(S)**

There were no Consent Item(s) to discuss.

4. **NEW BUSINESS**

There was no New Business to discuss.

5. **CHANGES/POSTPONEMENT/NOTICE OF NEXT MEETING**

The next Regional Building Commission meeting date and time: Thursday, September 24, 2026, beginning at 3:30 p.m. The meeting will be conducted in a hybrid forum: In person at the Pikes Peak Regional Development Center, 2880 International Circle, Colorado Springs, Colorado 80910, Room 100-14, and virtually. Sufficient and timely access to the public to observe the meeting will be made available at: <https://www.pprbd.org/Information/Boards>.

6. **PUBLIC COMMENTS ON ITEMS NOT SCHEDULED ON THE AGENDA**

There were no Public Comments.

7. **ADVISORY BOARD REPORT**

Roger Lovell provided the Advisory Board Report.

8. BUILDING OFFICIAL REPORTS / NON-ACTION ITEMS

a) Financial Statement through July 31, 2026

Lauren Burrus presented the Financial Statement through July 31, 2026. The operating cash balance ended at \$17,933,824, with cash as a percent of budget at 79 percent. Cash balance as a percent of budget after accounting for the Department's remaining service obligation stands at 30 percent. Revenue for the month of July was \$2,284,638. Revenue year-to-date is ahead of 2025 by \$1,520,697, a 14 percent increase year-over-year. Expenses for the month of July were \$1,677,036, with year-to-date expenses \$1,209,694 higher than those of 2025, which is an 11 percent increase year-over-year.

Revenue stands at 58 percent of the budget, and expenses are at 53 percent of the budget at 58 percent through the year. Year-to-date, total revenue is \$12,499,027, and total expenses are \$12,057,120, which results in a year-to-date net income of \$441,907.

b) Building Report through July 31, 2026

Matt Matzen presented the Building Report through July 31, 2026. For the month of July, the Department issued 140 single-family home permits, a decrease of 48 percent compared to the same time frame in 2025, with an overall valuation of \$98,049,951, down 33 percent compared to the same time frame in 2025.

The Department issued 29 new commercial permits, a decrease of 9 percent compared to the same time frame in 2025, with an overall valuation of \$84,180,341, an increase of 83 percent compared to the same time frame in 2025. Valuation across all permit types year-to-date is \$2,529,513,830, up 20 percent.

For the month of July 2026, the majority of single-family home permits were issued in El Paso County, followed by the City of Colorado Springs and Fountain. Permits issued in the month of July with valuations over \$3 million include a new commercial remodel at \$40 million, a new phased commercial building at \$9.7 million, a new school library at \$19.4 million, a new commercial addition at \$163 million, and another new commercial addition at \$69.9 million.

c) Plan Report through July 31, 2026

Jay Eenhuis presented the Plan Report through July 31, 2026. The Department received 94 new single-family plan submittals, a decrease of 64 percent compared to the 262 received in July 2025. In addition, the Department received 23 new commercial and multi-family plans, a decrease of 15 percent compared to July 2025.

Total number of plans submitted in July was 792, a decrease of 31 percent from July of 2025. Department staff logged 3,327 solo reviews in July 2026, a decrease of 1 percent

compared to previous July. The total number of reviews performed in the month of July was 4,306, a 1 percent decrease compared to July of 2025, with a 5 percent increase year to date over 2025.

d) Inspection Report through July 31, 2026

John Welton presented the inspection report for the month of July 2026. The Department performed a total of 24,492 total inspections with 57 full-time field inspectors, yielding an average daily workload for each inspector at 21.8 inspections per day, per inspector, with an average available amount of time of 16.8 minutes per inspection.

9. UNFINISHED BUSINESS

There was no Unfinished Business.

10. COMMISSIONER REPORT(S) OR COMMENT(S)

There were no Commissioner Report(s) or Comment(s).

11. FUTURE AGENDA ITEM REQUESTS

- a) 2027 Budget Approval (Action Item)
- b) 2026 Audit Presentation (Action Item)

12. EXECUTIVE SESSION REQUEST(S)

There were no Executive Session Request(s).

Next month, however, there will be an executive session on the agenda specific to the annual Regional Building Official Evaluation process.

13. ADJOURNMENT

The Regional Building Commission meeting adjourned at 3:49 p.m.

Respectfully submitted,



Roger N. Lovell
Regional Building Official

Accommodations for the hearing impaired can be made upon request with a forty-eight (48) hour notice, please call (719) 327-2989.

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