

Pikes Peak Regional Building Department

2880 International Circle
Colorado Springs, Colorado 80910

ADVISORY BOARD MINUTES

September 19, 2018

12:30 p.m.

MEMBERS PRESENT: Chairman Darin Tiffany, Engineer
Vince Colarelli, Citizen-at-Large
Edward Pine, Building A, B or C Contractor
Tom McDonald, Building A or B Contractor
Jim Nakai, Architect
Richard Applegate, City of Fountain
Chris Quinn, Town of Green Mountain Falls
Robert Todd, City of Manitou Springs
Kelly Elliott, Town of Monument

MEMBERS ABSENT: David Wilson, Town of Palmer Lake

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

PROCEEDINGS:

Chairman Darin Tiffany called the meeting to order at 12:30 p.m.

Chairman Tiffany introduced new Board member, Mayor Pro Tem Kelly Elliott, from the Town of Monument, as a new Advisory Board member.

1. CONSIDERATION OF THE AUGUST 15, 2018 MINUTES

A motion was made by Vince Colarelli to **APPROVE** the August 15, 2018 Advisory Board Minutes as written, seconded by Edward Pine; the motion carried unanimously.

2. PUBLIC COMMENTS ON ITEMS NOT SCHEDULED ON THE AGENDA

There were no Public Comments.

3. NEW BUSINESS

- a) Housing & Building Association of Colorado Springs (HBA)
Careers in Construction Update

Todd Anderson appeared and presented a video entitled “Ditch Diggers Poem”. He stated Careers in Construction (“CIC”) was a program organized by the Housing & Building Association (“HBA”) to help connect young people to the construction trades. He stated the construction industry was one of the trades that you could make a living wage and have a great career for the rest of your life, without the expense of going to college. He stated they were also offering internship and apprentice opportunities by connecting employers within the industry and helping to engage the businesses to support that relationship.

Mr. Anderson stated they had four school districts, ten schools, 450 enrolled students; and they anticipated giving 275 certificates. He stated the “Home Build Projects” will give the students hands on experience in building a house. He stated there were three schools, and possibly a fourth and fifth school, in this community that were ready to build during the 2018-2019 school year. Mr. Anderson stated they were trying to make this a self-sustaining program, with the incoming funds, and when the schools sell the homes, they should be able to fund the following year’s building project. He stated RBD and others had been generous in providing the start-up costs for projects. He stated this program costs approximately \$30,000 per school per year. Mr. Anderson stated the HBA was very appreciative of RBD’s support in the past.

Mr. Anderson stated further that once RBD has an approved Resolution of Intent for Participation with External Organization, HBA through its CIC, which is a 501(c)(3), or in the process of obtaining its 501(c)(3) status, will ask for funds, which are needed to sustain CIC.

- b) Resolution of Intent for Participation with External Organizations

Roger Lovell stated in follow-up to the August 15th Advisory Board comments with regard to the Resolution of Intent, on August 29th, RBD advised the Regional Building Commission of Chris Quinn’s comments that there were parts of Green Mountain Falls that were not in El Paso County, and the resulting question of whether those areas qualified or not under the Resolution of Intent. He stated Green Mountain Falls was one of RBD’s jurisdictions, so the jurisdictional boundaries of Green Mountain Falls were applicable to this program. Mr. Lovell stated the Resolution of Intent was specific to the jurisdictions which were parties to that certain 2004 intergovernmental agreement, which does not include the City of Woodland Park as a party and a serviced municipality.

Mr. Lovell stated in accordance with the instructions given by the Regional Building Commission, on August 31, 2018, the City of Fountain, the City of Manitou Springs, the Town of Monument, the Town of Palmer Lake, and the Town of Green Mountain Falls were provided by RBD with a copy of the Resolution of Intent for review and comments. Mr. Lovell stated El Paso County and the City of Colorado Springs did not require such a communication because Commissioner Mark Waller and Council member Tom Strand had committed to act as ambassadors on behalf of RBD and its jurisdictions on the Resolution of Intent for purposes of any comments. He said, as a result, the following comments were received since August 31, 2018, which RBD has not responded to directly. He said all comments received prior to August 31st, RBD responded to via its Commissioner and Council member, accordingly.

Mr. Lovell stated Council member Sharon Thompson, City of Fountain, provided the following comment dated September 10, 2018: To consider imposing restrictions on how often one and the same party may apply for funds. For example: whoever received money last time cannot receive money for another period of time, which is yet to be determined.

Mr. Lovell stated should RBD impose term limits on requests submitted in accordance with the Resolution of Intent, it may restrict worthy causes, which not only meet the criteria in the Resolution of Intent, but may need the subject funds – all or part of the requested funds. He stated further, not having had the experience and historical knowledge of the Resolution of Intent (since this was a new policy for RBD), what if there was only one applicant for, let's say, 3 years in a row? RBD would be restricted from considering the request, which would be counterproductive to the original intent of this Resolution.

Vince Colarelli stated he applauds RBD for exploring this policy and he was very supportive of it. He stated he believed the policy was open-ended and there should be a cap on the participation, which he committed to discuss later once all individual comments, as received, were addressed. He stated he believed if applicants are “worthy” year after year, then he would support them.

Mr. Lovell stated RBD received comments from Council member Don Knight, City of Colorado Springs City Council, dated September 15, 2018. Comments No. 1: That RBD consider guidelines for RBD administrative staff to determine what constitutes excess funds. Mr. Lovell stated RBD's position with regard to this comment was that RBD maintains cash funds in order to continue to provide services when expenses outpace revenue. He said from time to time, especially, when there was/were an economic construction boom and/or, unfortunately, natural disasters, like as of recently, several hailstorms, as anticipated in that certain intergovernmental agreement dated October 12, 2004 (“IGA”), revenue outpaces expenses. Mr. Lovell said the intent of this Resolution was to provide basic directions of how to handle excess funds. He said prediction of

RBD's revenue can be very difficult due to the nature of the construction industry and economic and other conditions. He said it was RBD's practice to have its administrative staff develop a budget for each fiscal year with revenue projections and anticipated expenses. Mr. Lovell stated this budget was developed well in advance of the fiscal year end in order to comply with certain requirements of the State of Colorado, as well as those of the IGA. He said while expenses were relatively easy to predict and/or reasonably manageable to control, revenue could vary depending on pace and type of construction, which was often driven by economic factors, technological advances, required investment in special infrastructure or technical expertise, as well as natural disasters of different type(s), which may result in peak development work.

Mr. Lovell stated RBD staff needs no further guidelines. The management staff and the Director of Finance know what is needed to operate RBD in a sustainable manner.

Bob Todd stated RBD's surplus funds have gone out to the community in the manner of permit fee reductions and license renewal awards for contractors in good standing with RBD for no fee, but it was his understanding that this new policy would be for charitable contributions. Mr. Lovell stated in 2017, RBD had implemented a 20 percent temporary fee reduction on valuation based permits. He stated there were a number of other permits, i.e. water heaters and reroofs that were flat fee based permits, which do not receive this discount. He stated in 2017, that was approximately \$1.5 million that was not collected and went back into the construction industry. Mr. Lovell stated this year, that discount was 25 percent from August 1st through the end of the year. He stated the assets of RBD need to remain available and fluid. Mr. Todd suggested referring to language in the IGA instead of referring to it in general. Mr. Lovell stated the IGA states to the extent possible, the cash reserve should be maintained between 25 to 50 percent.

Mr. Lovell stated another comment from Council member Don Knight, City of Colorado Springs City Council, dated September 15, 2018, was as follows: The second criteria in the qualifiers is too broad. Consider examples of what requests may fall into it. Mr. Lovell stated it was RBD's position that the subject criteria was added in one of the succeeding drafts of the Resolution of Intent in response to a similar concern raised by the Regional Building Commission, which considered this additional criteria to provide a more inclusive coverage of criteria, which have to do with construction related criteria, and not wanting to further limit such by more details or examples.

Mr. Lovell stated that criteria was added at the request of the Building Commission. Vince Colarelli stated he would suggest that the funds be used only for capital expenditures and not operating expenditures. Jim Nakai suggested adding the language "for capital improvements only" under bullet 3 in the second paragraph on page 1.

Todd Anderson stated the HBA funding was for both capital improvements and education. Mr. Lovell stated this would fall under bullet 3 on the first page. Mr. Nakai stated this was another reason RBD would not want to preclude someone coming back on an annual basis.

Mr. Lovell stated the last comment from Council member Don Knight, City of Colorado Springs City Council, dated September 15, 2018, was: To authorize religious organizations to request funds, which was one of the disqualifiers on the second page of the document. Mr. Lovell stated it was RBD's position that El Paso County and Colorado Springs serve well the religious community and its organizations, as such relate to religious programs, and that doing so by RBD would be outside of its authority under its governing documents, and outside of its construction related scope. He stated the disqualifier was "for religious organizations for the support of religious programs". Mr. Lovell stated if it was not for the support of a religious program, it would not be a disqualifier.

Darin Tiffany suggested deleting the disqualifier of religious organizations, and Vince Colarelli stated he would suggest adding: "for the support of evangelization." Bob Todd stated he would suggest deleting this bullet altogether on the second page; and adding language to the four bullets on the first page. Ms. Koulchitzka suggested adding the following verbiage to that disqualifier: "for non-construction related purposes." Bob Todd stated he would suggest deleting the disqualifier for religious organizations, and adding "this request must address a safety, health, or welfare need of the general public in El Paso County" to the first page. Mr. Lovell stated by doing this, the criteria would preclude the Careers in Construction.

Todd Anderson stated there may be instances where religious organizations may be requesting funds to provide shelter for the homeless, etc. The consensus of the Board was to eliminate the bullet on the second page with regard to religious organizations.

Mr. Colarelli requested that the party requesting funds had "at no more than market rates;" and that RBD not fund the majority of a capital project.

Mr. Tiffany stated the Advisory Board would like to: (a) Add capital improvements only in bullet 3, Item ii; (b) delete "religious organizations for support of religious programs"; (c) the party requesting funds must be required to complete the project at no more than market rates; and (d) RBD can only fund a portion of a capital project (which requires a cap on the contribution). Kelly Elliott suggested putting a range on the cap, i.e. 20% to 49%, because the contribution requested will vary in amount.

Ms. Koulchitzka advised the Board that RBD was scheduled to appear before the City Council for a work session on October 22nd, and a regular session on November 13th for the 2019 Budget. She stated RBD was also presenting the 2019 Budget to the BOCC in October. She stated it was the request of the City Council that RBD needed to have a policy of this nature in place, so having this policy in place before presenting the 2019 Budget to the City Council was important. She reminded the Board it was the Regional Building Commission which had the final decision making authority with regard to this Resolution.

Chris Quinn left the meeting at 1:45 p.m., and a quorum was maintained.

Richard Applegate left the meeting at 2:02 p.m., and a quorum was maintained.

A motion was made by Vince Colarelli to request that RBD consider the suggestions made by the Advisory Board today, and that the Board **POSTPONE** taking action at this time, seconded by Edward Pine, the motion carried unanimously

A motion was made by Edward Pine to hear items outside of the Agenda order, seconded by Jim Nakai; the motion carried unanimously.

c) Low Barrier Proposal to Regional Building Department by Salvation Army

No one was in attendance to present on this Agenda Item. A motion was made by Jim Nakai to **POSTPONE** this item for 30 days, seconded by Edward Pine; a comment was made that RBD did not have an approved Resolution of Intent in order for this matter to be heard or considered; the motion carried unanimously.

d) 2019 Budget

Roger Lovell stated the 2019 Budget anticipates \$16,287,450 in revenue, an increase of 2.82% over the 2018 Budget, and \$17,843,305 in expenses, an increase of 7.7% over the 2018 Budget. He said the 2019 Budget also proposes a savings of up to \$2,300,000 in temporary fee reductions, provided funds are available. He said as submitted, it is anticipated RBD will reduce the fund balance in 2019 by an estimated \$1,555,855, by year-end resulting in 40.06% as a percent of budget. Mr. Lovell stated this decrease provides a positive impact on the construction industry and communities served by RBD.

A motion was made by Vince Colarelli to **APPROVE** the 2019 Budget as stated and summarized; seconded by Edward Pine, the motion carried unanimously

4. BUILDING OFFICIAL REPORTS

- a) Financial Statement
- b) Building Report
- c) Plan Report
- d) Inspection Report

The Building Official Reports, except the Financial Statement, were not discussed due to time constraints.

5. UNFINISHED BUSINESS

There was no Unfinished Business to discuss.

6. EXECUTIVE SESSION REQUESTS

There were no Executive Session Requests.

7. ADJOURN

The meeting adjourned at 2:13 p.m.

Respectfully submitted,

Roger N. Lovell
Regional Building Official

RNL/lfg