

Pikes Peak Regional Building Department

2880 International Circle
Colorado Springs, Colorado 80910

REGIONAL BUILDING COMMISSION MINUTES

October 4, 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
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:

1. CALL TO ORDER

Chairman Tyler Stevens called the meeting to order at 3:00 p.m.

2. CONSIDERATION OF AUGUST 29, 2018 MINUTES

A motion was made by Tom Strand to **APPROVE** the August 29, 2018 Building Commission Minutes as written, seconded by Mark Waller; the motion carried unanimously.

3. PUBLIC COMMENT ON ITEMS NOT SCHEDULED ON THE AGENDA

There were no public comments on items not scheduled on the Agenda.

4. 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 CIC further offers internship and apprentice opportunities by connecting employers within the industry and helping to engage the businesses to support that relationship.

Mr. Anderson stated CIC had four school districts, ten schools, 450 enrolled students; and it anticipated giving 275 certificates. He stated the “Home Build Projects” would 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 HBA was 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 HBA was very appreciative of RBD’s participation in the past.

Mr. Anderson stated the Home Builders Institute was showcasing its Fort Carson Construction Trades Training Program with a ribbon cutting ceremony on October 22, 2018, and he invited the Building Commissioners and RBD staff to attend.

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

b) Resolution of Intent for Participation with External Organizations

Roger Lovell stated in follow up to the August 29th Regional Building Commission comments with regard to the Resolution of Intent, on September 19th during the Regional Building Advisory Board’s meeting, RBD advised the Advisory Board of the comments that will be discussed today. The Resolution was being presented before the Regional Building Commission for further discussion because the Advisory Board tabled such subject to further comments and suggested revisions.

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 their jurisdictions on the Resolution of Intent for purposes of any comments. Additionally, upon the specific request of the Board of County Commissioners, Mr. Lovell presented a summary of the Resolution of Intent to the Board of County Commissioners on September 20th as a Department Report.

The following comments were received since August 31, 2018, which RBD had not responded to directly, except for the discussion of such comments with the Advisory Board. 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 was 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 a number of years in a row? RBD would be restricted from considering the request, which would be counterproductive to the original intent of this Resolution. He stated Advisory Board member, Vince Colarelli, stated he was not in favor of limiting the number of times one entity could make a request, because if it was a worthy cause, he supported it.

During public comments, Steve Posey, City of Colorado Springs, appeared and stated he supported HBA's Careers in Construction program and the participation of RBD in the program, as it was a worthy cause. He stated he did not agree with the time limit restriction, because there were worthy applicants, i.e. HBA Careers in Construction that deserve the funding on an annual basis.

The Building Commissioners determined that they did not support the suggested comment on term restrictions.

Mr. Lovell stated RBD received comments from Council member Don Knight, City of Colorado Springs City Council, dated September 15, 2018. Comment 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 could 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 there were

projects, like the Summit House on the top of Pikes Peak, where RBD collects the permits fees at the commencement of the project, but RBD services that project for a number of years afterwards, so it becomes a liability.

Tyler Stevens suggested the language: “Excess funds must be available, i.e. only if excess funds were greater than 50 percent for cash reserves.” Mr. Lovell stated the IGA already addresses this issue. Tom Strand requested that language be added to the Resolution of Intent that addresses some type of control. Mr. Lovell stated RBD staff needs no further guidelines; the management staff and the Director of Finance know what was needed to operate RBD in a sustainable manner.

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 temporary fee reduction resulted in approximately \$1.3 million that was not collected and went back to 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. Lovell stated the IGA states to the extent possible, the cash reserve should be maintained between 25 to 50 percent. Mark Waller stated homeowners benefit from the fee reductions as well because there are many homeowners that apply for their own permits, so such is not just industry directed.

Roger Lovell stated the Advisory Board postponed this issue, so further revisions could be made to this document. Tom Strand and Mark Waller agreed that they would like to be certain that the language in this document was “right”.

Jina Koulchitzka stated reduction in fees was exempt from the Resolution of Intent, and as long as RBD does not create a conflict between fee reductions as directed in the IGA and this policy, which would subject RBD, the Advisory Board, and this Commission to try to resolve disputes or potential challenges from applicants with regard to why reduction in fees was being implemented instead of utilization of the Resolution of Intent that RBD had adopted, further revisions to the Resolution of Intent could be considered.

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 was 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 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 programs, it would not be a disqualifier. Ms. Koulchitzka stated the Regional Building Commission, Advisory Board and RBD staff reserved the right to consider each application on its merits. She stated, therefore, it would depend on how the request was worded to RBD, discretion would be retained to analyze those criteria and whether an application met that criteria.

Mr. Lovell stated the Advisory Board wanted the Resolution of Intent revised to: add capital improvements to the qualifier in bullet 3, Item (ii); delete the disqualifier regarding religious organizations; require the applicant to complete the project for no more than market rates; and have RBD only fund a portion of the project and not the entire project. He stated Kelly Elliott, the representative from Monument, suggested putting a cap of 20% to 49%, because the participation requests would vary. Mr. Lovell stated this could be difficult for RBD from a budget standpoint because of the size of the project(s). Tyler Steven stated that concept was reasonable in that RBD was not committing to a certain percentage of the project, as much as making sure a project was coming forward that was fully funded, and RBD was only paying a small portion of that project.

Tom Strand stated Council member Jill Gaebler would like to have RBD make contributions to the entities in RBD's jurisdiction. Mr. Lovell stated the excess funds did not come from one jurisdiction, so returning it back to one entity was not appropriate. He stated what if the issue was in the reverse and RBD was in a deficit, would those entities subsidize RBD. Mark Waller stated he does not support this proposal from Council member Gaebler. Tyler Stevens concurred with Mark Waller on this issue as well. During public comments, Todd Anderson, HBA, stated HBA also concurs with Building Commissioners Stevens and Waller on not supporting Council member Gaebler's request.

Tyler Stevens stated the Regional Building Commission would like to refer this issue back to the Advisory Board for additional revisions. A motion was made by Tom Strand to **POSTPONE** this issue until the October 24, 2018 Building Commission meeting for approval, seconded by Mark Waller; the motion carried unanimously.

- c) Low Barrier Proposal to Regional Building Department by Salvation Army. *This item was on the Advisory Board's Agenda on September 19, 2018. The Advisory Board tabled it because: (1) no one appeared on behalf of the requesting party; and (ii) PPRBD did not have an approved Resolution of Intent for Participation with External Organizations.*

Captain David Kaufman with the Salvation Army appeared and stated they were moving towards a low barrier shelter for men, women and families at 709 South Sierra Madre Street. He stated there was an urgent need to help shelter families. He stated they cannot mix families with the men and women in the shelter, which requires that they have a separate area for families. Captain Kaufman stated they have 40 beds at the South Sierra Madre facility, and they have 14 apartments at their facility on Yuma Street, which was currently being remodeled. He stated the estimate for this work was approximately \$830,000. He stated there was currently a short fall of \$200,000, and they were requesting RBD's participation with this shortfall in the amount of \$180,777 so they could go low barrier and accommodate families. Steve Posey stated there were two general categories, i.e. a construction request and an operating request. He stated until the Salvation Army had confirmation that all of the funds were in place, they could not move the project forward. Mark Waller stated RBD cannot consider this request until the Resolution of Intent had been approved, and Tyler Steven concurred with Mark Waller. Tom Strand requested that the Building Commission consider this request at the October 24, 2018 Building Commission meeting should the Resolution of Intent be approved at that time.

Break from 4:35 p.m. to 4:42 p.m.

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 were available. He said as submitted, it was anticipated RBD would 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. He stated RBD did a permit fee study statewide, and RBD's fees were substantially lower than other jurisdictions with the lowest residential fees and the second lowest commercial fees in the State of Colorado.

A motion was made by Mark Waller to **APPROVE** the 2019 Budget as stated and summarized; seconded by Tom Strand; the motion carried unanimously

5. **ADVISORY BOARD REPORT**

This Item was not discussed due to time constraints.

6. BUILDING OFFICIAL REPORTS

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

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

7. UNFINISHED BUSINESS

This Item was not discussed due to time constraints.

8. FUTURE AGENDA ITEM REQUESTS

- a) Future Regular Session Agenda Item Rescheduling and Continuing to October 24, 2018: Resolution Concerning Regional Building Official's Salary

The Executive Session was heard out of order after Item 4.

9. EXECUTIVE SESSION REQUESTS

A motion was made by Tom Strand to move into Executive Session at 4:48 p.m., seconded by Mark Waller; the motion carried unanimously.

- a. Pursuant to C.R.S. 24-6-402(4)(e)(I) and (f)(I), the attorney for Pikes Peak Regional Building Department is requesting an Executive Session with the Regional Building Commission regarding:
 - i. Conference with the attorney for Pikes Peak Regional Building Department for the purpose of receiving legal advice on specific legal questions including, but not limited to, determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators; and
 - ii. Personnel matters relating to the Regional Building Official's review and evaluation by the Commission.

(Virginia V. Koulchitzka, Pikes Peak Regional Building Department Attorney;
Roger N. Lovell, Pikes Peak Regional Building Official)

A motion was made by Mark Waller to come out of Executive Session at 5:30 p.m., seconded by Tyler Stevens; the motion carried unanimously. Jina Koulchitzka noted that no decisions were made during the Executive Session, discussion was had, and an agenda item would be placed on the October 24th Building Commission agenda regarding the Building Official's salary.

10. ADJOURN

The meeting adjourned at 5:32 p.m.

Respectfully submitted,

Roger N. Lovell
Regional Building Official

RNL/llg

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