

Pikes Peak Regional Building Department

2880 International Circle
Colorado Springs, Colorado 80910

ADVISORY BOARD MINUTES

September 21, 2022

12:30 p.m.

MEMBERS PRESENT: Chair Vince Colarelli, Building A or B Contractor
Vice Chair Jeff Finn, Citizen-at-Large
Christine Riggs, Architect
Christopher Freer, Engineer
John Graham, City of Manitou Springs
Todd Dixon, Town of Green Mountain Falls
Richard Applegate, City of Fountain

MEMBERS ABSENT: Loren Moreland, Building A, B or C Contractor
Mitchell LaKind, Town of Monument
Bill Bass, 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
Erin Garcia, Director of Finance
Matthew Matzen, Permit/Licensing Supervisor
Linda Gardner, Executive Administrative Assistant

The Advisory Board meeting was conducted in a hybrid form, allowing Committee 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 via a program called Microsoft Teams live events, which is accessible via Pikes Peak Regional Building Department's website Boards & Committees' page at: <https://www.pprbd.org/Information/Boards>.

1. CALL TO ORDER

Chair Vince Colarelli called the meeting to order at 12:30 p.m.

2. CONSIDERATION OF THE AUGUST 17, 2022 ADVISORY BOARD MINUTES

A motion was made by Christine Riggs to **APPROVE** the August 17, 2022 Advisory Board Meeting Minutes as written, seconded by John Graham; the motion carried unanimously.

3. **CHANGES/POSTPONEMENTS/NOTICE OF NEXT MEETING**

October Advisory Board meeting date and time: Wednesday, October 19, 2022, beginning at 12:30 p.m. The meeting will be conducted in a hybrid form: in person at the Pikes Peak Regional Development Center, 2880 International Circle, Colorado Springs, Colorado 80910, Room 100-14, and virtually. Sufficient and timely instructions for public participation will be made available at: <https://www.pprbd.org/Information/Boards>.

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

Public comments on items not scheduled on the agenda shall be limited to three (3) minutes.

There were no public comments.

5. **BUILDING OFFICIAL REPORTS/NON-ACTION ITEMS**

a) Financial Statement through August 31, 2022.

Erin Garcia presented the financial statement for the month of August 2022. She said for the month of August, the operating cash balance ended at \$15,854,725 with a cash balance as a percent of budget of 66 percent. She said the monthly revenue was \$1,719,009, which year-to-date is 63 percent of budget. Ms. Garcia stated the expenditures were \$1,520,769, and year-to-date expenses were at 53 percent of budget. The net gain for August was \$198,240, and year-to-date net income is \$2,369,354.

b) Building Report through August 31, 2022.

Matthew Matzen presented the Building Report for the month of August 2022. He said there were 144 single-family houses permitted in August, which was 60.44 percent less than this time last year. He stated there were 55 commercial building permits, which was an increase of 22.22 percent from this time last year. Mr. Matzen said the total valuation of permits issued in August for residential homes was \$59,337,643, which was a decrease of 52.88 percent from this same time last year. He stated the total valuation for commercial permits was \$142,765,412 for the month, which was a decrease of 2.43 percent from this same time last year. Mr. Matzen stated the total valuation year-to-date across all permits was \$2,914,103,168, which is an increase of 1.59 percent from the previous year. He said there were five permits with a valuation over \$3 million in August.

c) Plan Report through August 31, 2022.

Jay Eenhuis presented the Plan Review Report for the month of August 2022. There were 232 single family plans, which was a decrease of 42 percent compared to August of the previous year; 145 new commercial plans, which was an increase of 314 percent; and a total of 1,709 plans for the month of August, which was an increase of 17 percent compared to August 2021; and 11,557 plans year-to-date, which was an increase of zero percent over the previous year. Mr. Eenhuis stated the Plan Review Department performed 5,114 solo reviews in August, and 562 walk-through reviews, for a total of 5,676 logged reviews for August 2022, which was a decrease of 5 percent from the previous year; and 43,383 logged reviews year-to-date, which was an increase of 7 percent over the previous year. He stated he did lose one staff member this past month, so he now has 23 total staff members in the Plan Review Department.

d) Inspection Report through August 31, 2022.

John Welton presented the Inspection Report for the month of August 2022. He said the inspectors in all departments did a total of 32,780 inspections in July, with a total of 74 field inspectors. Mr. Welton said each inspector averaged 19.5 inspections per day, and the average available time per inspection was 18.8 minutes.

6. UNFINISHED BUSINESS

a) Update on proposed 2023 Pikes Peak Regional Building Code Adoption

Upon questioning by Chair Colarelli about the timeframe for the Code adoption process, Roger Lovell stated Department staff has given a Code presentation before all of the jurisdictions. The first public comment period opened on July 1, 2022 and ended on August 31, 2022; the comments have been reviewed, reconciled and were presented to the Board of Review earlier today. Any edits to the draft Code will be made during the month of September; then the second round of public comments will run for another 30 days. Once this process is completed and reconciled, the comments with a resulting 2nd draft of the Code will be submitted to the Board of Review for another work session. The final Code will then go before all of the jurisdictions for approval with a target adoption date no later than June 30, 2023.

7. NEW BUSINESS

There was no New Business.

8. EXECUTIVE SESSION REQUEST(S)

There were no Executive Session requests.

9. **BOARD REPORT(S) OR COMMENT(S)**

There were no board reports or comments.

10. **FUTURE AGENDA ITEM REQUESTS**

There were no future agenda item requests.

11. **ADJOURN**

The meeting adjourned at 12:49 p.m.

Work Session:

Chair Vince Colarelli called the Work Session to order at 1:00 p.m.

1. **CALL TO ORDER**

- a) Introduction, Presentation, and Review of the 2023 Budget (non-action item; the 2023 Budget will be presented for a vote and a recommendation for approval during the October 19, 2022 meeting).

Roger Lovell stated 2022 has continued to reinforce the theme the Department adapted in early 2020, “Change to be adaptive, successful, and sustainable”. The challenges presented to the Department in early 2020 have continued to mutate and evolve, and the Department has continued to adapt to each and every challenge while taking the opportunity to build on what it learns through strength, resilience, and innovation.

Mr. Lovell stated the 2022 fiscal year has been one of extremes for the Pikes Peak region. In March of 2022, the Department issued 536 single family permits, and 144 single family permits in August of the same year. In total, as of August 31, the Department has issued 2,936 single family permits, a decrease of 17.7% and 4.6% over the same time periods in 2021 and 2020 respectively, but an increase of 11.0% over the same time period in 2019. The Department is prepared for and anticipates a slowdown in single family construction through mid to late 2023 but expects single family activity to increase later in the year. Historical data indicates that the slowdown will be short lived and activity will return to a healthy level relatively quickly.

Mr. Lovell stated commercial construction in the Pikes Peak Region has been very strong, with 426 new commercial building permits issued as of August 31, an increase of 6.5%, 40.1%, and 59.0% over the same time periods in 2021, 2020, and 2019 respectively. Due to several robust years of single-family construction, the Department anticipates new

commercial construction to remain strong throughout 2023. Multi-family construction is at an all-time high in the Pikes Peak region. As of August 31, 2022, 4,196 multi-family units have been permitted, an increase of 138% over the same time period in 2021 and an increase of 450% over the same time period in 2020. As of the end of August more than 8,900 multi-family units are under construction in the Pikes Peak region. As housing prices continue to rise, the Department anticipates multi-family construction to remain strong throughout 2023.

Mr. Lovell stated the Department has achieved many of the accomplishments set forth in 2021. These accomplishments set the basis for any and all improvements the Department wishes to accomplish in 2023 and beyond. Said accomplishments include: (a) The satellite location; (b) code development; (c) technology enhancements; (d) online services; and (e) continued same day inspections.

Mr. Lovell stated the strategic goals for 2023 include: (a) Focus on employees and commitment to excellence; (b) data compilation; and (c) the Licensing Reward Program. As a result of recent action at the State level, the Department will implement a new energy code in 2023. Not only will this code have a significant impact on the industry, it will also require additional training and broad-based knowledge of energy codes for all staff. Further, additional inspections will be required in order to demonstrate compliance with state minimums. Currently, the Department conducts an average of 1,417 field inspections per day.

Mr. Lovell stated this Budget for fiscal year 2023 does not propose any fee increases, although the Department is faced with increasing costs and the impacts of inflation. The Department is not immune to higher costs of vehicles, supplies and services, gas, insurance, and employee benefits. Further, the Department must remain competitive in a tight labor market; failure to do so will result in a reduction of service levels to the jurisdictions served by the Department. While the Department has not increased fees in the last 17 years and has maintained the lowest fees in the State of Colorado for single family housing, and second lowest in the State for new commercial projects, 2023 has the potential to strain the current fee structure. With inflation on the rise, slowing economy, substantial backlog of work, and tight labor market, it is imperative that the Department's administrative staff maintain a conservative approach to spending while working to retain and reward knowledgeable, efficient, and professional staff.

Mr. Lovell stated the 2023 Budget anticipates \$22,651,199 in revenue, a decrease of 5.04% over the 2022 Budget due in large part to the current and future anticipated reduction in single-family permits. As the region has seen significant growth over the last five years, and new commercial construction remains healthy, the Department anticipates continued revenue from alterations and remodels, as well as additional revenue from new construction. While the 2023 Budget does anticipate decreased revenue over the 2022 Budget, it does anticipate an increase of 13.5% over the 2021 Budget.

Mr. Lovell stated the balanced budget anticipates up to \$22,651,199 in Department expenses, a decrease of 5.04% over the 2022 Budget. As submitted, this Budget provides for a sustainable Building Department, increased public access and service, expansion of core Department services, a more educated and knowledgeable staff, and increased efficiency with no increase in fees providing a positive impact on the construction industry and communities serviced by the Department.

The Advisory Board members commended Department staff on the service they provide to our community.

The Work Session adjourned at 1:46 p.m.

Respectfully submitted,



Roger N. Lovell
Regional Building Official
RNL/lfg

Accommodations for the hearing impaired can be made upon request with forty-eight (48) hours' notice. Please call (719) 327-2989.

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