

BUILDING-DEVELOPMENT COMMISSION
Minutes of March 16, 2010 Meeting

Jon Morris opened the Building-Development Commission (BDC) meeting at **3:05 p.m. on Tuesday, March 16, 2010.**

Present: Jon Morris, Bernice Cutler, Trent Haston, Elliott Mann, Zeke Acosta, Ed Horne, Barry Hanson, Wanda Towler, Jonathon Wood and Will Caulder

Absent: Harry Sherrill, Buford Lovett and Dave Shultz

1. APPROVAL OF THE MINUTES

The motion by Barry Hanson seconded by Zeke Acosta to approve the February 16, 2010 meeting minutes passed unanimously.

2. BDC MEMBER ISSUES AND COMMENTS

Elliot Mann commented favorably on the low voltage permitting presentation given by Joe Weathers. Elliot also indicated that contractors need a way to use TIP for low voltage permitting as well as the need for additional programming in TIP to identify the 2nd MEP contractor on a project and to identify their scope of work. Rob Drennan indicated this can be accomplished but will take several weeks to complete.

3. PUBLIC ATTENDEE ISSUES AND COMMENTS

No comments were offered.

4. FY11 BUDGET PRESENTATION

James N. Bartl – Director of Code Enforcement stated the Department’s strategy to balance the FY11 Budget and thanked the members of the Budget Subcommittee; Jon Morris, Elliot Mann, Will Caulder, Trent Haston, Wanda Towler Harry Sherrill and Zeke Acosta. The BDC Budget Subcommittee meetings were held on February 12th, March 2nd and March 12th. An agreement of the below outlined strategy to balance the budget was confirmed. The strategy includes a 45 position RIF, a commercial permit technology surcharge, targeted fees increased to address areas where Department expenses are more than the revenue generated, a new renovation/alteration permit fee calculation as well as a slight fee increase of 4.75%.

- 45 Position Reduction in Force
- Targeted fees increased (discussed in the BDC meeting)
- Revisions to minimum fee criteria on alteration/renovation projects
- 4.75% general permit fee increase

Mr. Bartl noted that permit revenues continue to drop significantly. In the FY11 Budget; the Department is proposing a reduction of 45 full time positions. Mr. Bartl reviewed the Department’s strategy for FY11 and the rationale which included the below charted information. The BDC discussed new revenue sources where targeted fees will be increased to address areas in which Department expenses are more than revenue generated; the Renovation/Alteration Permit Fee Calculation, as well as the 4.75% general fee increase. Mr. Mann stated that the BDC specifically sought to exempt affordable housing from the general fee increase and suggested same take place for multi-family housing. The BDC discussed that with the reduction of 70 FTEs in FY10 and 45 FTEs in FY11 response times are expected to be impacted immediately. The BDC agreed to discuss acceptable response times in the April 20th BDC Meeting. Mr. Morris asked what the rationale was in selecting 45 positions to RIF vs. 40 or even 50. Mr. Bartl stated that to reduce beyond 45 positions would deteriorate performance levels significantly; 5 positions will make a significant impact. With the impending RIF, Mr. Morris asked the Department to review with the BDC what approach the County was taking with staff. Mr. Bartl stated that the Department has met with all staff in January and March to inform them that a RIF was eminent. The Department plan is to let staff know by April 1st, 2010 who will be affected and the actual RIF will take place on May 4th, 2010. Shelley Gahren with Mecklenburg County HR is located at the Hal Marshall Center to assist effected employees with various needs.

The following motion by Trent Haston seconded by Ed Horne passed unanimously:

“I move that the BDC support Code Enforcement’s proposed FY11 budget, with expenses at \$13,441,359 and revenue at \$11,923,694 leaving a deficit of (\$1,517,665) to be balanced by the following means:

- Commercial Technology Surcharge of 5%
- General Fee Increase of 4.75% (excluding affordable housing up to \$200,000 and the Department will investigate the feasibility of doing same on affordable multi-family housing).
- Targeted fees increased (discussed in the BDC meeting).
- Reduction in Force of 45 FTEs brings the Department total FTEs down to 130 positions.

EXPENSES FY10 / FY11			
		FY10 ADOPTED	FY11 w/175 FTE's
4000		80.40%	82.90%
Personnel Service	14,115,579		14,029,705
5000		7.16%	6.80%
Contractual Service	1,257,816		1,144,414
6000		0.73%	0.515%
Commodities	128,460		87,216
7000		0.057%	6.80%
Other (GPR)	10,000		1,144,414
8000		11.62%	9.80%
Internal Service	2,040,362		1,656,500
9000		0.00%	0.00%
Fixed Assets	0		0
TOTAL	17,551,587		16,917,835

REVENUE FY10 - (FY11 Proposed)			
PERMIT FEES	FY10 ADOPTED		FY11 PROPOSED
Permit Fees at 2/28/10		6,166,576	9,249,864
Assume 400k increase March - June			400,000
Adjust for Contractor Pass Rate Correction			400,000
County Funding at MCFM			124,246
	Total FY11 Permit Fee Projection		10,174,110
	FY10	FY10 AT	FY11 PROJECTION
OTHER REVENUE	Estimate	Feb. 29, 2010	(2/28/10 ANNUALIZED)
Express Review	400,000	108,900	137,800
Commercial 3rd Review	600,000	166,117	275,844
Commercial Mega	120,000	95,190	221,000
Commercial Other	70,000	46,952	63,176
Commercial CMS	450,000	218,669	314,000
Document Control	350,000	202,252	301,446
Revenue Collection	100,000	59,827	122,000
Building Inspections	100,000	166,896	214,318
3rd Party	100,000	0	100,000
TOTAL OTHER REVENUE	2,290,000	1,064,803	1,749,584
	TOTAL FY11 REVENUE PROJECTION		11,923,694
BALANCING THE BUDGET			
CLOSING EXPENSE / REVENUE GAP			
	FY11 REVENUE PROJECTION		
	o PERMIT FEES	10,174,110	
	o OTHER REVENUE	1,749,584	
	o TOTAL REVENUE PROJECTION		11,923,694
	FY11 EXPENSE PROJECTION		
	o Expense w/175 FTE's	16,917,835	
	o Less 45 RIF	<3,476,476>	
	o Total Expense w/ 130 FTE's		13,441,359
	PROJECTED REMAINING FY11 BUDGET DEFICIT		1,517,665

BALANCING THE BUDGET			
FINAL STEPS TO CLOSE EXPENSE/REVENUE GAP			
			197,000
TECHNICAL SURCHARGE OFF-SET AT 5301/3061			
NEW "OTHER" REVENUE ITEMS			
	o NEW STAFF IDEAS		192,000
	o FY10 IDEAS UNUSED		506,000
	o MINIMUM ALT/RENOV FEE CRITERIA		200,000
	o TOTAL NEW "OTHER" REVENUE		898,000
OTHER OPTIONS			
	o 4.75% GENERAL PERMIT FEE INCREASE		422,665
		MUST TOTAL	1,517,665

5. GREEN PERMIT REBATE SUSPENSION - RFBA

In December 2007, the Board amended the LUESA Fee Ordinance to provide a permit fee credit structure for a Sustainable Design Fee Modification Program (Green Permit Rebate) to be implemented January 1, 2008. Since that time, 22 projects have applied for the Rebate at a total cost of \$274,000. There is currently an available balance in this Program of approximately \$811,000. With the downturn in the economy and projected shortfalls in Code Enforcement revenue, we are requesting that the Green Permit Rebate Program be suspended until such time that permit fees generated are sufficient to cover Code Enforcement operating budget expenditures. The Program description on the Code Enforcement web site indicates that there is no guarantee that funding will be available for rebates. *The motion by Will Caulder seconded by Jon Morris to suspend the Green Permit Rebate passed by a vote of 9-1.*

6. DEPARTMENT STATISTICS & INITIATIVES REPORT

6.1. Statistics Report

6.1.1. Permit Revenue

February - \$746,607, so FY10 YTD is \$6,166,576
 FY10 projected at February - \$9,848,186; so below projection by \$3,681,613 or 37.4%

6.1.2. Construction Value of Permits Issued

February total - \$137,776,546; so FY10 YTD is \$1,010,131,484
 FY09 Total at Feb – \$2,027,299,474 so FY10 is down \$1.0172M, or 50.18% from Feb FY09

6.1.3. Permits Issued

	Jan	Feb	3 Month Trend
Residential	2676	2533	2793/2786/2676/2533
Commercial	1714	1763	1444/1801/1714/1763
Other (Fire/Zone)	429	408	422/318/429/408

Total	4819	4704	4659/4905/4819/4704
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- Residential down 5.35%; commercial up 2.8%; total down 2.4%
- Note: after 8 months, new SF detached permits are up 16% (1426 Fy10 YTD vs. 1230 at Feb 2009)

6.1.4. Inspection Activity: Inspections Performed

Insp. Req.	Jan	Feb	Insp. Perf.	Jan	Feb	% Change
Bldg.	3292	3720	Bldg.	3276	3675	+12.18%
Elec.	4720	4691	Elec.	4695	4691	Same
Mech.	2277	2438	Mech.	2257	2450	+8.55%
Plbg.	1839	1993	Plbg.	1831	1977	+7.97%
Total	12,128	12,842	Total	12,059	12,793	+6.08%

- For February: total inspections requested up 5.9%, total inspections performed up 6%

6.1.5. Inspection Activity: Inspections Response Time

Insp. Resp. Time	OnTime %		Total % After 24 Hrs. Late		Total % After 48 Hrs. Late		Average Resp. in Days	
	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb
Bldg.	99.3	98.9	99.5	99.2	99.6	99.8	1.02	1.02
Elec.	98.8	97.5	98.9	97.7	99.1	99.8	1.03	1.05
Mech.	99.6	99.2	99.6	99.3	99.9	99.8	1.01	1.02
Plbg.	99.4	99.5	99.5	99.5	99.6	99.9	1.02	1.01
Total	99.2	98.5	99.3	98.7	99.5	99.8	1.02	1.03

- All are well above 90% goal

6.1.6. Inspection Pass Rates for February, 2010:

OVERALL MONTHLY AV'G @ 87.35%, compared to 87.34% in January

Bldg: January – 81.71% **Elec:** January – 87.49%
 February – 80.94% February – 88.34%

Mech: January – 90.2% **Plbg:** January – 91.33%
 February – 89.33% February – 92.45%

- Building and Mechanical down <1%
- Plumbing improved about 1%
- Average total still at close to historic highs

6.1.7. CFD Inspection Pass Rate for February, 2010

- See handout; shows overall rate of 77.65% for February, down slightly from 75.76% in January

6.1.8. OnSchedule and CTAC Numbers for February, 2010

CTAC:

- 90 first reviews
- Projects approval rate (pass/fail) – 73%
- CTAC was 43.1% of OnSch first review volume (90/90+119 =209) = 43.1%

OnSchedule:

- July 08: 158 1st rev'w projects; on time/early – 91.8 % all trades, 91.8% B/E/M/P only
- August 08: 165 1st rev'w projects; on time/early – 92.4 % all trades, 93.4% B/E/M/P only
- September 08: 174 1st rev'w projects; on time/early – 89.6 % all trades, 90% B/E/M/P only
- October 08: 173 1st rev'w projects; on time/early – 95.2% all trades, 95.6% B/E/M/P only
- November 08: 134 1st rev'w projects; on time/early – 93.4% all trades, 92.9% B/E/M/P only
- December 08: 154 1st rev'w projects; on time/early – 85.3% all trades, 81.5% B/E/M/P only
- January, 09: 132 1st rev'w projects; on time/early – 92.8% all trades, 91.4% B/E/M/P only
- February, 09: 142 1st rev'w projects; on time/early – 93.2% all trades, 91.7% B/E/M/P only
- March, 09: 143 1st rev'w projects; on time/early – 90% all trades, 89% B/E/M/P only
- April, 09: 112 1st rev'w projects; on time/early – 93.46% all trades, 93.23% B/E/M/P only
- May, 09: 123 1st rev'w projects; on time/early – 92.31% all trades, 89.83% B/E/M/P only
- June, 09: 130 1st rev'w projects; on time/early – 93.88% all trades, 93.77% B/E/M/P only
- July, 09: 124 1st rev'w projects; on time/early – 95.12% all trades, 94.36% B/E/M/P only
- August, 09: 114 1st rev'w projects; on time/early – 95.27% all trades, 94.27% B/E/M/P only
- Sept, 09: 115 1st rev'w projects; on time/early – 93.17 % all trades, 90.62% B/E/M/P only
- October, 09: 131 1st rev'w projects; on time/early – 95.04% all trades, 93.67% B/E/M/P only
- November, 09: 114 1st rev'w projects; on time/early – 92.07% all trades, 91.09% B/E/M/P only
- December, 09: 106 1st rev'w projects; on time/early – 94.72% all trades, 95.18% B/E/M/P only
- January, 10: 104 1st rev'w projects; on time/early – 93.79% all trades, 93.28% B/E/M/P only
- February, 10: 119 1st rev'w projects; on time/early – 94.49% all trades, 93.3% B/E/M/P only

Booking Lead Times

- OnSchedule Projects: **for reporting chart posted on line**, on January 25, showed
 - 1-2 hour projects; at 1 work day booking lead time, except 3 days in City Fire
 - 3-4 hour projects; at 2 work days booking lead time, except 4 days in City Fire
 - 5-8 hour projects; at 3-4 work days booking lead time, except 9 days in City Fire
- CTAC-BEMPFp running 3 work days on plan review turnaround time, across the board
- Express Review – booking lead time was; 8 work days for small projects, 8 work days for large

6.2. Status Report on Various Department Initiatives

6.2.1. Low-Voltage Permits

- Programming support: contractors need a way to use TIP for this requirement. Need to revise TIP programming to identify the 2nd MEP contractor on a project, and identify their scope of work.
- Customer awareness: continue contractor association presentations; refine PowerPoint and place on website

6.2.2. Technical Advisory Board (TAB) Nominations

- Since the BOCC approved the TAB changes to the Building-Development Ordinance, the next task is identifying the various association nominees, with ten seats identified in the Ordinance as:

- Four Engineer representatives (2-elec, 2-mech/plbg) recommended by one or more of the following; Professional Engineers of North Carolina (PENC), ASHRAE and the Illuminating Engineering Society (IES)
- Two Architect representatives recommended by the American Institute of Architects
- Two general contractor representatives recommended by either the Associated General Contractors or Mecklenburg General Contractors Association
- One US Green Building Council representative
- One NC University system representative
- The Electrical and Mechanical Code Administrators are challenged with driving forward the assembly of the TAB appointments list for consideration by the BDC, with Heidi Pruess contributing.

6.2.3. Contractor Pass Rate Incentives Changes

- Develop a public info strategy, ready for implementation the day after the BOCC approves the program changes. This should include at least the following:
 - Brief statement of the problem
 - Brief statement of possible solutions; a) shut off program, b) fee increase, c) keep the program but tweak it. Note that industry participants all concurred desirable to keep the program in some form.
 - Note of GC (and other players) involvement in the process
 - Specific note that the GC's suggested the break out of their category of work

6.2.4. Experiment on Web Tools for Contractors

- Two topics came up which merit tests of expanding our use of the web to push info out to contractors on “how to get it right”.
 - Elliot Mann specifically asked what else can be done on the draft stopping/fire stopping defect.
 - Zeke Acosta asked about getting mechanical contractor info on Low Voltage Permit requirements.
- Possible steps to take over the next 3 months: a) review full range of tools we have to communicate the issue, b) discuss same with industry consistency team members c) ask them which are the best tools or to identify others and how best to connect with the contractors, d) prepare final package, e) screen with select group of novice customers, f) execute as a test, g) evaluate after 3 months.

6.2.5. Reorganization Initiative

- Launch date being pushed back to May 5 to accommodate budget driven change related issues.
- Public info introduction of leadership structure to customers to begin in late March. Currently have executed or are planning the following.
 - Placed a preview of the reorg in the winter edition of CodeAlert. Will update Spring addition with details of the new leadership structure (on line in the next week).
 - Posted periodic updates via Twitter.
 - Will highlight the reorg in e-mail blast to customers notifying them when the new CodeAlert is posted.
 - Also planning news release in early April to highlight the hard launch. If we wait a few weeks after the soft launch, we can get an early barometer on customer reception and report on that as one of the pluses of the new model.
 - Other: a) gain presence on www.mecklenburgcountync.gov and Facebook, b) work on www.meckpermit.com to strengthen the reorg's visibility, so it stands out more
 - Director is currently planning public presentations on the Reorg (and EPS status) to the Chamber, a Mecklenburg Planning Directors event, and possibly a future AIA-AGC meeting.

6.3. Commercial Plan Review / OnSchedule Update

- On the three remaining initiatives, gain input on details from new CEM's asap.
- Continue working towards a tentative program start date of March 15 –March 31, gaining concurrence from the PRTF on the details.
- The three remaining initiatives are:

- ❖ Conditional permitting pilot: for projects substantially correct, allows project to proceed to permitting, while the remaining revisions are brought to code compliance, within prescribed rules. Available to Superior performing AE's, with high performing contractors on the project.
- ❖ Collaborative Review: premium service, allowing AE team to work continuously with plan reviewers, using electronic drawing hookup.
- ❖ Team Plan Review: if owner's team desires input of inspector's field perspective on the plan review, uses IBA to schedule the time.

7. CPM Added Comments

- No comments were offered.

8. Adjournment

The March 16, 2010 Building Development Commission meeting adjourned at 5:10 p.m.

NOTE: The next **BDC Meeting** is scheduled for **3:00 p.m. on Tuesday, April 20, 2010**. Please mark your calendars.