

BUILDING DEVELOPMENT COMMISSION

Minutes of June 18, 2013 Meeting

Jonathan Bahr opened the Building-Development Commission (BDC) meeting at 3:05 p.m. on Tuesday, June 18, 2013.

Present: Jonathan Bahr, John Taylor, Harry Sherrill, Jon Wood, Rob Belisle, Bernice Cutler, Travis Haston, Hal Hester Elliot Mann and Ed Horne

Absent: Zeke Acosta and Kevin Silva

1. MINUTES APPROVED

The motion by Harry Sherrill, seconded by Bernice Cutler, to approve the May 21, 2013 meeting minutes passed unanimously.

2. BDC MEMBER ISSUES AND COMMENTS

Bernice Cutler asked how

3. PUBLIC ISSUES AND COMMENTS

No public issues and/or comments.

4. STATUS OF SB468 AND PROJECTED IMPACT ON FY14 BUDGET

- Made you aware of this issue in the May BDC meeting, noting that it could have a \$100's of k scale negative impact on our Fy2014 revenue level.
- We'll review the topic in three parts, but basically SB468 prevents us from charging for a 2nd trade permit on selected project permits that require inspections by two or more disciplines
- As we noted last month, this will push small permit (most often change out) revenue down. Which in a fully fee funded jurisdiction such as ours, put pressure on the rest of the permit fee structure.
- It also runs completely counter to the Cost Recovery Work Group's effort from 2010-2013, to "level the valleys" (as Jon Morris described it) of small projects that can't pay their way.

4.1. What the legislation literally says and how Marvin Bethune interprets it.....Patrick

- Ratified by NC General Assembly on June 13. Now goes to Gov. McCrory for signature.
- Applies to NCGS 153A-357 and 160A-417, with the following text;
 - "A county shall not require more than one permit for the complete installation or replacement of any natural gas, propane gas, or electrical appliance on an existing structure when the installation or replacement is **performed by a person licensed** under G.S. 87-21 or G.S. 87-43. The cost of the permit for such work shall not exceed the cost of any one individual trade permit issued by that county, nor shall the county increase the costs of any fees to offset the loss of revenue caused by this provision...."
- We discuss the highlighted section above with County Attorney Marvin Bethune.
 - We offered that a close reading of the bill indicates the intent is;
 - is to only allow inspections departments to require one permit when the complete installation is performed by "a" (or one) person (or firm).
 - In other words, if **ABC Company** is properly licensed to perform the complete installation, then **ABC Company** only needs one permit for both the mechanical and electrical.
 - However if **ABC Company** does not hold ALL of the required licenses and must team up with **XYZ Company** to complete the installation, then separate permits can be required for each contractor.
 - Marvin concurred with that interpretation.
- Other points to consider
 - This new requirement will require programming within the permitting system. It will be necessary for the permitting system to verify two licenses and issue a multi-trade permit under one charge. We're still studying how best to accommodate this.
 - The program transition is unclear. The bill moved onto the Governor on June 14 for signing. Once signed we will confirm with NC DOI the effective date and details.

4.2. The impact on the Department.....Gene

- While the bill specifically prevents charging for a 2nd permit in certain cases, it did not exempt local government from the requirement to provide the necessary 2nd discipline inspections.
 - In other words, this reverses the efforts invested by the Cost Recovery Work Group, in that it promotes some customers gaining service without having to cover the full cost of that service.
- How often does this occur? Figures from calendar year 2012 show;
 - Total number of residential change-outs at 11,089
- How much revenue is involved? Data from calendar year 2012 show;
 - Most instances where the contractor holds all of the licenses for the installation involved larger companies who utilize Trades Internet Permits (TIP) which already provides the second permit discount of 50%.
 - Minimum charge permit fee for residential is \$62.85.
 - The second permit no longer being charged would be \$31.43.
 - So revenue loss for residential permits would be at least 5,509 times \$31.43 = \$173,148 or around \$175k
 - We don't know exactly what the commercial impact would be because we haven't been able to run those numbers yet. We know the commercial installations are fewer in number but are typically higher in costs.
- So we're talking about a loss in revenue likely to be somewhere between \$175,000 and \$200,000

4.3. Possible responses or actions the Department and BDC may consider.....JNB

- Note that SB468 specifically precludes changing the fee structure to address the problem,
 - You can't create a new class of permits to
 - *".....The cost of the permit for such work shall not exceed the cost of any one individual trade permit issued by that county...."*
 - You can't simply increase the bottom end of the permit fee structure to recover the service cost of these permits.
 - *".....nor shall the county increase the costs of any fees to offset the loss of revenue caused by this provision...."*
- At the same time, as noted by Gene, SB468 did not relieve us of the responsibility to make the 2nd inspection, so we have to incur the inspection service cost, but can't pass it along to the permit holder.
- So here are some possible options we (the Department and BDC) could pursue regarding the loss of revenue.
 - a) Do nothing; wait to see what Fy14 revenue levels are like in July-September
 - b) Assume a shortfall; or that permit fee revenue is less than 1.2% above the monthly projections (\$17,120,301/12 = \$1,426,692), we could (not necessarily in an order of priority);
 - Freeze 74% of the 4004 PTE account (\$110k) + 4005 OT account (\$160k)
 - Or freeze replacement of 2 future departing FTE's (\$95k each); note we average 8/yr.
 - Or freeze hiring of two new (Fy14 betterment) inspector positions (\$110k each)
 - c) Wait until Fy15 budget process: evaluate as part of any future fee adjustments;
 - Either increasing fees if we need to add positions beyond what current **overall revenue levels** can support.
 - Or reducing any permit fee reduction accordingly, given the **overall revenue picture**.
- Other points to consider
 - This is effectively an unfunded mandate from the state, since they haven't relieved us of the inspection requirement, but they've said we can't charge a 2nd permit to cover the cost. That means down the road the burden of covering the cost of the 2nd inspection falls on other permit holders.

- Note; in two weeks, we also need to make programming changes issuing the related “free” permits.
- Regarding future staff levels; sometime in Fy14 we anticipate proposing the creation of an umbrella plan review-inspections team covering mega and collaborative delivery.

4.4. Open discussion by the BDC

- Does the BDC have a preference on the options offered above in item 4.3?
- Can indicate by: motion and formal vote ___; discussion so we understand BDC’s thinking ___

5. DEPARTMENT STATISTICS AND INITIATIVES REPORT

Statistics Report

Permit Revenue

- May permit (only) revenue- \$1,975,965, compares to April revenue of \$1,642,508
- Fy13 budget projected monthly permit revenue; \$14,892,963(*)/12 = \$1,241,080
- So May permit revenue is \$734,885 above monthly projection
- At 5/31/13, Fy13 YTD permit rev of \$16,582,214 is above the YTD permit fee revenue projection (\$13,651,883) by \$2,930,330 or 21.46%.

Construction Value of Permits Issued

- May total - \$436,389,431, compared to April total of \$249,713,478
- YTD at May 31, 2013 of \$2,961,110,858; above constr value permit’dYTD at 5/31/12 of \$2,589,679,610 by \$371,431,248 or 14.34%.

Permits Issued:

	April	May	3 Month Trend
Residential	4852	5024	2877/3521/4852/5024
Commercial	2677	3267	2542/2746/2677/3267
Other (Fire/Zone)	673	569	504/500/673/569
Total	8202	8860	5923/6767/8202/8860

- Residential up 3.54% ___; commercial up 22% ___; total up 8% ___
- Note regarding SF detached permits;
 - At 5/31/13, Fy13 YTD SF detached permits totaled 2961 vs. 2021 at 5/31/2012 (up 46.5%).

Inspection Activity: Inspections Performed

Insp. Req.	April	May	Insp. Perf.	April	May	% Change
Bldg.	6089	6417	Bldg.	6056	6345	+4.77%
Elec.	6627	7261	Elec.	6651	7189	+8.09%
Mech.	3620	4050	Mech.	3640	4008	+10.1%
Plbg.	3280	3214	Plbg.	3231	3208	same
Total	19,616	20,942	Total	19,578	20,750	+5.98%

- Insp performed totals up 6%
- BEM inspections up from 5% - (B) to 10% (M)
- Insp performed were 99.08% of inspections requested

Inspection Activity: Inspections Response Time (IRT Report)

Insp. Resp. Time	OnTime %		Total % After 24 Hrs. Late		Total % After 48 Hrs. Late		AverageResp. in Days	
	April	May	April	May	April	May	April	May
Bldg.	75.9	95.8	83.8	96.9	90.2	99.3	1.57	1.08
Elec.	89.6	93.8	91.5	95.3	97.1	98.0	1.22	1.14
Mech.	94.9	96.7	95.6	97.2	98.2	99.2	1.12	1.07
Plbg.	90.0	93.6	91.8	94.8	97.4	97.3	1.22	1.16
Total	86.6	95.0	90.0	96.1	95.3	98.5	1.31	1.11

- Overall number improved significantly, especially in Bldg& Elec.
- All trades are within or above 85-90% goal range; overall average above goal range.

IRT Comparison to POSSE Inspector Efficiency Report (IER)

1 st - 24 hr average	IRT May rate	IER May rate	% difference	insp resp in days	IRT May av'g	IER May av'g	difference in days
Bldg.	95.8%	85.9%	-9.9%	Bldg.	1.08	1.25	-.17
Elec.	93.8%	70.0%	-23.8%	Elec.	1.14	1.38	-.24
Mech.	96.7%	79.9%	-16.8%	Mech.	1.07	1.22	-.15
Plbg	93.6%	79.8%	-13.8%	Plbg.	1.16	1.33	-.17
MT.	na	90.7%	na	MT.	Na	na	Na
Total	95.0%	81.5%	-13.5%	Total	1.11	1.295	-.185

- So there appears to be variance between IRT & IER as follows;
 - IER is 13.5% lower on percent complete in 1st 24 hours.
 - IER av'g days per inspection is .185 days (1hour, 30 minutes) longer.
- Note; as discussed in previous meetings, delays in MeckIT system work have pushed Computronix programming completion date on the new IRT report back to July 2013.

Inspection Pass Rates for May, 2013:

OVERALL MONTHLY AV'G @ 83.05%, compared to 83.3%, in April

Bldg: April – 77.03%
 May – 74.68%

Elec: April – 81.98%
 May – 82.46%

Mech: April – 86.52%
 May – 87.87%

Plbg: April – 90.51%
 May – 90.72%

- Plbg about the same; Elec & Mech up about 1%; Bldg down 2.5%-
- Overall average down<1%, and still well above 75-80% goal range

OnSchedule and CTAC Numbers for May, 2013

CTAC:

- 112 first reviews, compared to 91 in April.
- Projects approval rate (pass/fail) – 62%
- CTAC was 37% of OnSch (*) first review volume ($112/112+189 = 301 = 37.2\%$)
*CTAC as a % of OnSch is based on the total of only scheduled and Express projects

On Schedule:

- January, 2012: 136 -1st rev'w projects; on time/early–78% all trades, 87% B/E/M/P only
- February, 12: 139 -1st rev'w projects; on time/early–74.88% all trades, 73% B/E/M/P only
- March, 12: 127 -1st rev'w projects; on time/early–86.25% all trades, 87% B/E/M/P only
- April, 12: 151 -1st rev'w projects; on time/early–92.25% all trades, 95% B/E/M/P only
- May, 12: 195 -1st rev'w projects; on time/early–94.5% all trades, 97% B/E/M/P only
- June, 12: 235 -1st rev'w projects; on time/early–98.63% all trades, 98.25% B/E/M/P only
- July, 12: 166 -1st rev'w projects; on time/early–94.88% all trades, 97.5% B/E/M/P only
- August, 12: 199 -1st rev'w projects; on time/early–89.5% all trades, 96% B/E/M/P only
- September, 12: 118 -1st rev'w projects; on time/early–96.38% all trades, 97.25% B/E/M/P only
- October, 12: 183 -1st rev'w projects; on time/early–97% all trades, 98.75% B/E/M/P only
- November, 12: 141 -1st rev'w projects; on time/early–92.4% all trades, 97% B/E/M/P only
- December, 12: 150 -1st rev'w projects; on time/early–93.25% all trades, 96.75% B/E/M/P only
- January, 13: 140 -1st rev'w projects; on time/early–89.12% all trades, 94.25% B/E/M/P only
- February, 13: 142 -1st rev'w projects; on time/early–81.125% all trades, 94.25% B/E/M/P only
- March, 13: 137 -1st rev'w projects; on time/early–87.5% all trades, 91.5% B/E/M/P only
- April, 13: 149 -1st rev'w projects; on time/early–94.375% all trades, 94.5% B/E/M/P only
- May, 13: 216 -1st rev'w projects; on time/early–96.375% all trades, 96.25% B/E/M/P only

Booking Lead Times

- On Schedule Projects: **for reporting chart posted on line**, on May 28, 2013, showed
 - 1-2 hr projects; at 2 work days booking lead, except MP at 5 days and City Zoning at 11 days
 - 3-4 hr projects; at 2-3 work days lead, except E & M/P at 5 days and City Zoning at 16 days
 - 5-8 hr projects; at 2 work days lead, except Bldg-12 days, Elec-5 days, M/P-17 days, City Zon'g-16 days, and CMUD-19days.
- CTAC plan review turnaround time; BEMP at 5work days, and all others at 1 day.
- Express Review – booking lead time was; 11 work days for small projects, 12 work days for large

Status Report on Various Department Initiatives

FY14 Budget Customer Information Strategy

- BOCC will vote on the overall budget tonight (June 18).
- Tomorrow (June 19) we will issue a customer memo by e-mail blast covering the following;
 - The message;
 - The base budget (Fy13 service level) for 165 FTE's increases 9.5% to \$19,456,538 (including 564k from 12/4/12 betterment)
 - Department & BDC proposed a 10 position betterment, focusing on residential work
 - With betterment, the Fy14 total proposed budget for 175 FTE's is \$20,301,212.
 - Justification;
 - Data trends noted 7/1 thru 2/28/2013 indicate commercial continues a slow steady climb out of 2008-2010 valley of recession
 - Permits up 8.34%__, Inspections requested up 15.44%__, Permit fee revenue up 11.7%__, Construction value permitted up 8.1%__, Residential Review up 35%__, Small

- commercial project reviews (in CTAC) up 19.5%__, Large commercial projects with more project applications plan review hour demand up 35%__.
- HBA industry projections of single family (SF) residential new construction starts growing 22% in 2013 and 30% in 2014.
- NARI projections that residential remodeling will grow by 10% through 1/1/2015.
- Residential review was decimated in 2009-2010 staff cuts.
- Every SF house generates (on average) minimum 17-18 inspections.
- Begin public info effort. Topics as outlined above.
 - Will also pursue opportunities to present at design/construction trade association meetings, as we did at the April 9 CHPCCA meeting.
 -

CA Web Interpretation Search Engine

- We continue building this and we **will be ready to make a major presentation** on it to the BDC in July.
- As a reminder the following are key features of the upcoming CA web interp search engine, requested in feedback discussions with both industry users as well as staff.
 - Search engine subdividing buttons to; a) search current code interpretations, b) search archives.
 - Search individually on Building, Electrical, Mechanical-Fuel Gas and Plumbing Codes
 - Creates Interpretation Archive links and database for existing building research.
 - Creates consistency meeting Q&A archive link and database.
 - On Meckpermit.com, adds Code Interpretation link and dashboard page to site.

Owner-Developer Dashboard Status

- The industry volunteer list includes; Chris Urquhart w/Intercon__, Matt Lucarelli w/Beacon__, Cliff Coble w/Bissell__, Allen Holloway w/ Childress Klein__, Tim Garrison & Tara Bryant with Balfour Beatty__.
- Initial meeting was held on April 23, with industry focus members identifying 12 design points to consider in creating the dash.
- Status;
 - Held a management meeting on May 30 to review the mockup responding to the design criteria, especially regarding whether we were covering the 12 points identified by industry reps.
 - Proposal builds around expanding meckpermit front page to include “owner-developer” button.
 - With “owner-developer” front page broken into; “getting started”__, “department lead time”__, “check project status”__, and “special services”__.
- Planning to bring industry reps back together on July 25 at 2pm (tentative date) to comment on work so far, after sending them a mockup version to view in advance.
- They will need to decide on one of two directions;
 - a) A web page with links
 - b) An actual dashboard, using CompX programming (takes longer to bring online)
- Whatever we agree to with industry reps, we will also present the mockup to the BDC for comment before we move it into production.

Chamber/NAIOP Meeting Follow-up

- Have two things we’re still working on;
 - a) Former Chair Jon M & Natalie E solicited articles for the Chamber weekly newsletter.
 - b) Web links to process graphic and new section emphasizing PM-CEM value through case study success stories. Can build on recent favorable Meck Times article about MSC-Direct, et al.

CSS Follow-up

CSS Focus Group A Work

- Review umbrella; continue looking for ways to promote the graphic process description chart (stop signs); maybe part of webpage proposal discussed in item 5.2.4.
- Reach the right person; Department is proceeding with strategy using County staff (outside of Code Enforcement) to evaluate the ACD- telephone tree from 3 perspectives;
 - ACD current 4 pronged operation__, what would be ideal__, what needs to change__, etc.

- Now tabulating evaluation results for review the Directors. **Will meet to discuss in July.**
- Clear explanation of changes – part 2; management team continues to work on developing a strategy to emphasize the power of “NotifyMe” to customers, as well as developing a “continuing customer reminder” tool, to get key (CEM & team based service, EPS, Rehab Code, et al) issues in front of them periodically, on a repeating basis. **The team will reconvene on July 3** to discuss;
 - Results of surveys of other authorities (LasV, Phoenix, Houston, Fairfax County, West palm Beach, Nashville-Davidson, et al) on how they answer the future project question which Joe asked “How do I _____...”, regarding services available, project problems, etc.
 - Any options on “Rebranding NotifyMe”, fixing the button that doesn’t look like a button, adding to contractor account sign in page, etc.
- PM/CEM resource awareness; mgmt/staff team need to develop a webpage concept, highlighting success stories, providing a link to Chamber/NAIOP for use on their site and in referrals. (see item 5.2.4 above)

CSS Focus Group B Work

- In the February 6 Chamber/NAIOP, we agreed Natalie E would take the lead in getting a list of focus group participants to work on this topic.
 - Bridging the customer technology gap; how to deal with the growing gap between customers who are well schooled in our process, and those who are either new to it, or use it infrequently enough that understanding the “ins and outs” is not intuitive.
- Natalie requested KB peg a meeting date down the road.
 - With the owner-developer dash “criteria definition” project nearing completion,
 - We’re **currently scheduled to meet with Chamber reps on this on July 10 at 2pm**. The Directors have begun preparation for that meeting.

Other

NC Building Code Council Meeting Outcome

The NC Building Code Council (BCC) met in Raleigh, NC on June 11. The following votes or discussions occurred, relevant to the BDC and Department’s work.

- The BCC granted four new code change petitions.
- The BCC held a public hearing on fourteen code change petitions.
- The BCC took final action on 6 code change petitions, approving four of these petitions.
- Other issues discussed;
 - The IEBC Ad Hoc Committee delivered a final draft proposal for the 2015 NC Existing Building Code, intended to replace both the 1995 NC Existing Building Code and the 2009 NC Rehab Code. This was received by the BCC as a code change petition and a public hearing will likely occur on this in the BCC’s September meeting.
 - The BCC announced that, since the legislature is imposing a 6 year code change cycle on the NC Residential Code, in their September meeting the BCC will also discuss switching the family of NC commercial code to a 6 year code change cycle.

Manager/CA Added Comments

- Managers: Jeff Griffin & Gary Mullis__, Wendell__, Tim__; Chuck W__, Mark Auten__, Melanie S
- Code Administrators; Joe W__, Lon McS__, Willis H__
- Leadership team; Directors Pat G__ and Gene M__; Technology by Sandra B-E__

6. Adjournment

The June 18th, 2013 Building Development Commission meeting adjourned at 4:44 p.m.

The next BDC meeting is scheduled for 3:00 p.m., Tuesday, July 16th, 2013.