

BUILDING DEVELOPMENT COMMISSION

Minutes of March 19, 2013 Meeting

Jon Morris opened the Building-Development Commission (BDC) meeting at 3:05 p.m. on Tuesday, March 19, 2013 then passed the gavel to Jonathan Bahr, the new BDC Chairman. The department recognized Jon as the 6th BDC Chair since 2007 and thanked him for doing such an exceptional job.

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

Absent: Hal Hester and Kevin Silva

1. MINUTES APPROVED

The motion by Travis Haston, seconded by Harry Sherrill, to approve the February 19, 2013 meeting minutes passed unanimously.

2. BDC MEMBER ISSUES AND COMMENTS

Rob Belisle questioned the residential chart showing an increase again. Do we have the staff for this? Jim stated we would talk about this later in the meeting's discussion.

Travis Haston thanked Patrick and Tim for helping him out with a charity commercial job and straightened me out on a commercial submittal.

3. PUBLIC ISSUES AND COMMENTS

No public issues and/or comments.

4. FY14 BUDGET PROPOSAL REVIEW

Jim Bartl reminded all of the electronic package sent to all. He went on to review the FY14 Budget proposal.

Review of FY13 Numbers

Expense Summary in FY13 Budget

Budget category	amount	Budget %	includes
4000 – personal service	13,536,947	76.16%	Salary, PTE's (22), OT, insur, FICA, wk comp, fringes
5000 – contractual service	1,128,714	6.35%	Telephone, travel, training, professional fees (including tech), attorney fees
6000 - commodities	496,082	2.79%	Office/dept supply, dues, books, uniforms, computers
7000 – other	303,000.	1.7%	Tech surcharge transfer
8000 – internal service	1,647,425	9.28%	LUESA overhead, CMGC overhead, vehicle maint
9000– fixed assets	662,542	3.73%	Auto replacement
Total	17,774,710	100.00%	For 165 FTE's (1 Asst Fire Marshall budgeted in Vol Fire - county funded)

Revenue Projection for FY13 Budget

Revenue category	amount	includes
Permit fees	14,892,963	12 mo @ \$1,241,080/mo
Other revenue item		
o Com'l Express review	337,500	
o Com'l 3 rd review charges	321,648	
o Com'l mega team	355,000	
o Com'l other; RTAP & other chg	235,300	
o Com'l misc(cancel, DayCare, etc)	85,000	
o Document control	272,200	
o revenue collection	123,000	
o bldg insp; Meck SI, OTI, IBA	630,263	
o 3 rd party	100,000	
o ABC inspections	30,000	
Sub total other revenue	2,489,911	Note; 14% of total fee revenue
Tech surcharge transfer	303,000	
Total fee revenue projection Fy13	17,685,874	
Fy12 carry forward	88,836	(*)
Total revenue available for Fy13	17,774,710	

(*) - involves unspent Fy12 tech money related to CHC-BIM pilot project

FY13 Expense and Revenue Status, at Feb. 28, 2013

Expense Status as of Feb. 28, 2013

- Budgeted expense: $17,774,710/12 \times 8 = \$11,849,806$, including finance adj & betterments
- Actual expenses at \$10,365,391; so approx 58% of projection, or \$1.4844M below
- Other considerations;
 - o Projection includes 12/4/12 RFBA (added \$1.175M) that's good.
 - o Expenses do not include major tech payments still to come (e-plan rm, dev'r & CEM dash)

Gross Revenue Status as of Feb. 28, 2013

- Status at February 28, 2013;
 - o Permit fee revenue; \$11,413,534 (\$1.485M or 14.96% above projection of \$9,928,642)
 - o Other revenue; \$2,071,221 (\$411,281 or 24.78% above projection of \$1,659,940)
 - o Tech surcharge collected; \$290,666 (well above projection of \$202,000)
 - o Total rev (excluding tech surch'g); \$13,484,755, \$1.896M above \$11,588,582 proj (16.36%)

Other Revenue Detail Status

Other revenue item	Fy13 estimate	8 mo projection of original budget	Other Rev YTD at 2/28/13
○ Com'l Express review	337,500	225,000	252,900
○ Com'l 3 rd review charges	321,648	214,432	41,325
○ Com'l mega team	355,000	236,666	500,052
○ Com'l other; RTAP & other chgs	235,300	156,866	551,243
○ Com'l misc(cancel, DayCare, etc)	85,000	56,666	1,045
○ Document control	272,200	181,466	216,444
○ revenue collection	123,000	82,000	101,818
○ bldg insp; Meck SI, OTI, IBA	630,263	420,175	313,357
○ 3 rd party	100,000	66,666	0
○ ABC inspections	30,000	20,000	21,190
○ MCFM added permits	0	0	70,845
Sub total other revenue	2,489,911	1,659,940	2,070,221

Proposed FY14 Expense Level

Budget category	Rev FY14 requested	Fy13 current/ adopted	Differences between FY14 proposed and FY13 approved/current
4000 – pers'l service	14,746,313	13,536,947	Up 1.21M for ext'g 165 FTE count <ul style="list-style-type: none"> • Incl 3% raise (approx 285k) • OT incl at 160k, (up from 133k in FY13) • PTE@ 110k (4350 hrs down from 5200) • Other 4000 act (FICA, etc) up 339.6k • 4051 salary fringe transfer up 83k
5000 – contr'l service	1,315,011	1,128,714	Up 186k <ul style="list-style-type: none"> • 5112-Training up 58k • 5404-contract labor est up 37k • 5405- new finance chg @ 62k • 5309 incl HMC assessment @24.3
6000 - commodities	490,721	496,082	Down 6k <ul style="list-style-type: none"> • Gas&Oil same as FY13 • Supplies (6002, 6005, 6007) up 6k • Subscr up 6k (incl 12.9k for elec code books) • Comp repl down 33k (see 4.3) • Adds 15.5k for staff uniforms (shirts)
7000 – other	492,230	303,000.	Includes Elec Plan Rm – Part II and Winchester; see discussion in item 4.3
8000 – internal service	1,852,880	1,647,425	<ul style="list-style-type: none"> • Veh Maint about same (see also 6081) • CMGC & LUESA estimated to increase 15%. May go up

9000–fixed assets	540,200	662,542	Auto repl @ 461k; office renov @ 79k
Total	19,437,355	17,774,710	Up 1.6626M or 9.25%

Basics on what’s driving changes in FY14 Expense compared to FY13

- Overall, up \$1.6626M over FY13, for current staff level, 165FTE’s, but.....
- Dec 4, 2012 betterment
 - 17 position betterment had FY13 cost of \$912,235, and projected FY14 cost of \$1,404,127
 - 4 IBA position betterment had FY13 cost of \$263,265, and projected FY14 cost of \$335,724
 - So the betterment adds about \$564.4k in cost to FY14, spread thru 4000, 5000, & 6000 acts, not shown in Fy13 adopted column
 - Rough breakdown; 4000 act @ 495k & (incl below) 5000 act @ 40k, 6000 act @ 30k
- Other big tickets; total \$1.1M
 - 4000 account up 1.21M (about 724k beyond betterment cost), including;
 - (includes 495k from 12/4/12 betterment)
 - 3% raise approx = 285k
 - 340k in other increases related to FICA, insur, retirement, et al
 - CM’s salary fringe transfer up 83k
 - OT & added PTE strategy up 16k
 - Technology maint & enhancement up 170k
 - Tech new projects (7501) up 189k
 - 8000 account charges for CMGC (8100) and LUESA (8110) up 210k
 - 9000 account down 122k
- Training strategy; 3061/5112 up 58k
 - Legal training @ 22.5k, plus 9k for retirement replacement training
 - Plus an ISO allocation of \$27,750. 22k of which is for new strategies
 - Advancing MT training thru 4 year plan (10k); draft strategy
 - Offering limited travel training opportunities (12k); draft policy

Equipment Repair/Replacement Budgets

Computer Repair and Replacement Cost Strategy

Replacement schedules; 3 yrs for lap tops/ desk tops, 4 yrs for p rev’w monitors, 2 yrs for iPads.

- With expansion of iPads, laptops slowly move to total population of 10; replace 3 @ 1400.
- Desktop population of 90; replace 30 this year @ \$875ea.
- Monitor population of 80; on 4 yr repl schedule in FY15. Budget only to replace 2 @ \$450.
- iPads; population of 88. Begin full 2 year repl schedule in FY15. Budget to repl 20 @ \$750 ea.
- In 3061/6075, total \$46,000

Vehicles

Note; 6081 & 8003 study of FY12 EOY and FY13 YTD expense burn rates show FY12 is worst case.

Gas & Oil Charge in 6081

- Adjusted for 20% increase in staff (spring & 12/4/12 btmt) this indicated a minimum of 280k
- Given the volatility of gas market, we used the Fy13 total estimate figure of 331k.

Fleet Maintenance Strategy in 8003

- Adjusting for 20% increase in staff (spring & 12/4/12 btmt), indicates minimum of 207k
- Given fleet age (6.5yr+/-), we used 98% of Fy13 total estimate figure (243k x 98% = 237.85k).

Vehicle Replacement (now on 4 year replacement schedule)

- With betterment, actually purchasing 26 vehicles (price went up; discussed by Gene in mtg 1)
- Inspector population of 85, so leaves 59 to replace, or 20/yr for 3 years to stay on 4 yr sched'l
- So in Fy14, replacing 20 trucks at 20k each = 400k; 180k in 3072, 220k in 3073
- Plus, need to replace two Crown Vics in MCFM at 30.6k each (replace with Chev Caprice).

Technology FyY14 Funding Proposal and Project List

How technology proposal shows up in your spreadsheet

- Maintenance & ext'g system enhancements show up in 3061/5054.....\$507,980 (fee funded)
- New Projects in Fy14 show up in 3061/7501.....\$492,250 (tech surcharge funded)

Technology FY14 Funding Proposal and Project List

Maintenance of existing programs (fund by permit fees)	cost	
o Meck SI back-up file services	2,000	
o Revere Group - Meck SI maintenance	15,000	
o Peak 10 - Meck SI server hosting	24,000	
o Computronix - POSSE licenses	38,230	
o Computronix - POSSE annual support maintenance	30,600	
o Selectron – IVR Maintenance	26,350	
o EPM/EPs/EPR – annual modules maintenance	200,000	
o Lincoln-Perry POSSE source code protection	1,100	
o Adobe viewer licensing costs	5,600	
o BlueBeam license	1,000	
o Novo suite asset management component	7,600	
o EPS server and storage hosting (by Cognet & MCNC)	30,000	
o Client Feedback tool annual agmt	5,000	
o Lobby queuing maintenance	3,000	
o Contingency for Virtual Desktop Initiative	23,500	
	Sub total	412,980
Existing program enhancements (fund by permit fees)		
o Meck-SI upgrade	20,000	
o Appendix B automation	25,000	
o Move RDS-EPs Master Plan to Elec Plan Rm	50,000	

	Sub total	95,000
New projects		
○ Electronic Plan Room for EPS-EPR – Part II (note 2)	275,000	Note 1 in handout
○ Computronix Winchester upgrade to POSSE (note 3)	200,000	Note 2 in handout
○ BIM-IPD Bullpen hardware (note 4)	17,230	Note 3 in handout
	Sub total	492,230
Total all categories	Grand total	1,000,210

Notes:

- 1) These projects suggested as likely candidates for Fy14 enhancements. Actual project selection to be made by Tech Leadership Team during Fy14.
- 2) Funded by Commercial Technology Surcharge; per M Bethune, need BOCC action adding this to list of projects specifically identified as funded by the Commercial Technology Surcharge
- 3) New project, extending the life of POSSE
 - Brief review by Sandra Broome-Edwards
 - Presents funding challenges addressed in technology RFBA; see also item 8
- 4) BIM-IPD Bullpen; this is all about collaboration, so plan reviewers working solo in cubicles/offices probably won't mesh well with these projects. Need a new tech setup to support this, including;
 - a) "Bullpen design" shaped somewhat like the old Rehab Code work area; large and open, with 4 work stations and maybe with a long conference/work table in the middle.
 - b) Each work station with a computer with 2 large monitors (24-28" or so) and two chairs.
 - c) The one end of the room would have a Smart Board.
 - Cost; tech eqpt @ 17.25k (incl in above), plus 4 work stations (28k in 3061/9005)

Betterment Proposal (responds to BDC Subcomm request)

- The justification;
 - Commercial continues a slow steady climb out of 2008-2010 recession valley.
 - Reports on residential trends indicate 15-20% increase on the SF market.
 - Residential review was decimated in 2009-2010 staff cuts.
 - Every SF house generates (on average) minimum 17-18 inspections.
- The positions proposed;
 - Three (3) inspector I's, in RDS and RTAC
 - One RDS plans facilitator
 - Six (6) field inspector III positions
- The numbers
 - 3 rev'w @ 76.7k ea, plus facilitator @ 71.3k, plus 6 inspectors @ 112.11k ea
 - Total estimated Fy14 cost of \$974,158 (drops 115k in Fy15)

Balancing the FY14 Budget

Total FY14 Proposed Expenses;

- Fy14 Requested\$19,437,355
- Add for betterment \$974,158
- Total.....\$20,411,513

Revenue Sources

- **FY13 Fees Validated Analysis**

- Where is the revenue coming from today?
- Review of Fy13-8 month fees validate numbers show;
 - Total YTD = \$12,948,230
 - Residential sub- total = \$5,391,200
(41.63%).....\$673.9k/mo
 - Includes SF detached new const=\$2,725,167
(21%).....\$340.6k/mo
 - Commercial sub- total = \$7,117,798
(55%).....\$889.7k/mo
 - Includes MF (apartment) const=\$1,814,366
(14%).....\$226.8k/mo
 - Other and fire sub-total = \$439,230 (3.4%)
 - Total YTD =
\$12,948,230.....\$1.6185M/mo
- What trends do we see between Fy12 & Fy13YTD?
 - SF new construction trending up,4%+ by these numbers
 - HBA forecasts a national SF constr growth rate of 22% in 2013 & 30% in 2014.
 - NARI forecasts Charlotte area SF construction remodeling index to improve from 108 in January 2013, to 115 in Jan 2014, to 119 in Jan 2015 (up 10%).
 - Townhome and apartment construction trending up as well
 - CLT Apt Assoc forecast MF to have a strong 2014 & level off/slow in 2015.
 - Com'l not MF is only 172k behind same time in Fy12
 - So this is about SF & MT res'd doing much better (\$1.2M+), not com'l off

Revenue Projection

- **Projecting Permit Revenue**
 - Annualizing the YTD numbers from item 3.2 (straight line projection)
 - Permit fee rev at 2/28/13 of \$11,413,534/8 = \$1,426,690 x 12 = \$17,120,301
 - **Note this is a monthly permit fee revenue projection of\$1,426,691/mo**
- **Projecting Other Revenue**
 - Annualizing the YTD numbers from item 3.2.1
 - Other fee rev at 2/28/13 of \$2,071,221/8 = \$258,902 x 12 = \$3,106,831
 - **Note this is a monthly other fee revenue projection of\$258,902/mo**

Other Revenue Status at 2/28/2013

Other revenue item	Fy13 estimate	Other Rev YTD at 2/28/13	2/28/13 Other Rev Annualized
o Com'l Express review	337,500	252,900	379,350
o Com'l 3 rd review charges	321,648	41,325	61,988
o Com'l mega team	355,000	500,052	500,500.....750,078
o Com'l other; RTAP & other chgs	235,300	551,243	640,000.....826,865
o Com'l misc(cancel, DayCare, etc)	85,000	1,045	1,567
o Document control	272,200	216,444	324,666
o revenue collection	123,000	101,818	152,727
o bldg insp; Meck SI, OTI, IBA	630,263	313,357	600,000 470,035
o 3 rd party	100,000	0	0
o ABC inspections	30,000	21,190	31,785
o MCFM added permits	0	70,845	106,267
Sub total other revenue	2,489,911	2,070,221	2,799,055...3,105,533

Significant variance (hi or low) from estimate indicated by hi-light. Red number suggested in Fy14

Possible FY14 Revenue Projections to Balance

o permit fees; at \$1,426,690 /month	\$17,120,301
o Other revenue; at \$233,212/month.....	\$2,799,055
o Tech surcharge transfer;	\$492,230
Total.....	\$20,411,586

Brief Review of RFBA's

- Demo Permit Fees RFBA
 - o From BDC April 2012 meeting follow up notes
 - o “Discuss with LUESA Director or CM’s office how to advance this, in light of the BDC’s vote supporting a Fy13 increase of 10% followed by four annual increases of 2.5%, in contrast to the 20% proposed by Code Enforcement-Air Quality-Environmental Health.”
 - o BOCC approved the initial 10% increase on June 5, 2012.
 - o This RFBA provides the 1st of 4 annual 2.5% increases (others to follow in Fy15, Fy16 & Fy17), as requested by the BDC in the April 17, 2012 meeting.
 - o Questions
- Technology RFBA
 - This upgrade is an excellent value; especially considering POSSE cost \$1.8M+/- in 2002.
 - However, a POSSE upgrade benefits all projects
 - The current Commercial technology surcharge derives only from commercial projects, and is to target software development on same.
 - M Bethune determined “Winchester may not be funded by Com'l Technology Surcharge.
 - This is a recommendation to CM/BOCC to fund by allocating \$200k from Department’s Fund Balance (aka Reserve Fund) specifically for this project.
 - o Also includes recognizing Electronic Plan Room as one of the projects funded by the Commercial Technology Surcharge (along with EPS-EPR, Single Portal and BIM-IPD).
 - o Questions

First motion:

Harry Sherrill made the motion that the BDC support the Code Enforcement proposed Fy14 budget proposal, including the ten position betterment, with an overall expense & revenue level of \$20,411,586 for 175 full time employees (FTE's), with sources of expense and revenue as described in the March 19 BDC meeting. Elliot Mann seconded the motion that passed unanimously.

Second motion:

Harry Sherrill made the motion that the BDC support the Department's request that the BOCC approve amending the LUESA Fee Ordinance to increase demolition permit fees 2.5% as described in the draft RFBA. Travis Haston seconded the motion that passed unanimously.

Third motion:

Harry Sherrill made the motion that the BDC support the Department's request that the BOCC approve the technology RFBA, adding the "Electronic Plan Room" to the commercial surcharge project list, and transferring \$200,000 from the Department reserve fund to pay for the POSSE Winchester project. Ed Horne seconded the motion that passed unanimously.

Manager/CA Added Comments

No manager or CA added comments

5. ADJOURNMENT

The March 19th, 2013 Building Development Commission meeting adjourned at 5:23 p.m.

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