

## COMMISSIONERS PUBLIC HEARING – MONDAY, APRIL 2, 2007

Sharon A. Ray called the meeting to order at 10:30 a.m. with Patricia G. Geissman and Stephen D. Hambley present. The purpose of the public hearing was to review additional building regulations and fees for Medina County. An attendance sheet is attached as Exhibit A. Charles Huber, Building Official, stated that this is the second of two public hearings regarding proposed changes to Medina County's local building regulations. The public hearings are in compliance with the requirement of Ohio Revised Code 307.37 (C). Notice of the public hearing was published March 19 in the *Medina Gazette* and on the county's website. Copies of the proposed changes to the building regulations for an increase in fees assessed by the Building Department were made available on the county's website and at the Medina County Building Department. These fees are published as Appendix 2, Medina County Building Regulations adopted by Medina County Resolution 06-1081. The proposal was also e-mailed March 9 to a variety of interested professional associations, including the Medina County Homebuilders Association, the Plumbing and Heating Contractors Association State of Ohio Chapter, and the National Association of the Remodeling Industry Tri-County Chapter that serves Medina County.

Mr. Huber said that subsequent to last Monday's hearing he met with Tim VanderLaan, Executive Director of the Medina County Homebuilders Association (HBA) to review a couple of minor items that could have an impact on the proposed fee increases and they met again last Tuesday. He said there were representatives from the Medina County Homebuilders Association at this meeting wishing to speak to the Commissioners about the proposed changes.

Tim Pelton, President of the Medina County Homebuilders Association and also representing Pelton Design and Construction said they appreciated the discussions about the proposed changes so they can be in an advocate relationship rather than an adversarial one. The only suggestions that they have, based upon this proposal, is for the Commissioners to consider some of the numbers as "best guesses" in the projections and fee structures. They understand the relationship of costs to revenues and that the Building Department is required to be self-sustaining. Last year they were not self-sustaining. They also realize that the industry is in somewhat of a state of reduction.

Mr. Pelton said Tim VanderLaan wanted him to tell the Commissioners that the projections provided by Westfield Bank were based upon third quarter 2006 results and the remainder of the year actually came in at a different number than was projected. Therefore, HBA feels the forecast showing an 18% decrease in single-family housing starts from 2006 to 2007 is not based on the most current data. HBA estimates that 2007 will be more likely closer to 2006. He stated that the increase would result in an almost 33% increase in permit costs. If the projections end up what the HBA thinks, people that get permits in 2007 will have overpaid for them if the revenues exceed costs. He requested that the Commissioners reevaluate the statistics on an annual basis rather than every three years. The 18% decrease is based on an arbitrary number, not an actual number, so perhaps there could be a "middle ground" proposed as to what the decrease would mean. It could mean a 12% or 15% increase in fees instead of 30%. They feel comfortable that Mr. Huber is doing the correct thing and they agree with some of the things the department wants to spend money on such as software upgrades and personnel upgrades to help operations run smoothly. They are the advocate for the homeowners since they buy their permits from the HBA who buys it from the Building Department. They want to be able to feel comfortable telling these people that the numbers are real and they make sense.

Ms. Ray said that an annual review of statistics for the fees would be difficult. She asked if they would be comfortable with two-year evaluation. Mr. Pelton said they would feel more comfortable with two years than three years; that combined with a tempering of the increases. Ms. Ray stated that the county is looking at other ways to reduce the Building Department's costs such as on-line permitting, plan review, and meet personnel goals through attrition.

Mr. Pelton said his company's projections and other builders feel the number of permits in 2007 will be closer to 2006, which was down significantly from 2005. The total permits are probably going to be in the 850 to 900 range for the year, not an 18% decrease. He commented that permits are erratic and everything can make a difference, from the weather to the economy. They can have absolute non-correlation month to month and year to year, and still end up with the same numbers. They have seen a tremendous increase in their activity and sales especially the dormant inventory and the spec building. When those homes sell, they get replaced. Most

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builders are not replacing on a one-to-one relationship, but at least on a 70% to 100% relationship. Homebuilding began later this year because the worst part of the downturn in sales was in August and September 2006. That resulted in the 2007 cycle starting 2 or 3 months later than it normally would have started. They are optimistic that building will “hold that line” rather than drop considerably more. That is not just a “gut” feeling: it is based on a lot of the indicators from this area. Medina is still a great community and economists say it is a good place to live with a growing economy. Their biggest indicator is if inventory is sitting. The resale market affects the new construction tremendously. When people can buy a resale home at 20% of what its asking price was - that hurts the building industry. People want to buy a new home for close to, or less than, what they could buy an existing home for, that is already landscaped and has a finished basement, etc. If that product is not on the market, then new construction becomes more advantageous. They have gotten to a point where most builders are at a more comfortable level with that inventory. They have seen most of the attrition and the failings go past them. They have weeded out the irresponsible builders and there is also a very responsible group of builders now. When the economy is growing tremendously it tends to create a less than responsible group. That also helps the industry overall.

Mr. Jakab said that permitting and miscellaneous revenues for the Building Department so far this year is as follows: from a year ago, January is down 17%, February is down 24% and March is down 27%. The longer they go without increasing the fee, the more difficult this year becomes a problem in terms of balancing. He asked when the Board is going to consider a resolution for an increase. Ms. Ray said they anticipate passing a resolution within the next two weeks. They need a week to digest what has been said, discuss this plus any additional comments that had been made, and the following week pass the increases. Mr. Jakab asked Mr. Huber when his proposed implementation date was. He said he was planning to have something ready for the Board to adopt next Monday. It would be effective 30 days after that.

Mrs. Geissman commented that she attended a reception yesterday that was comprised of 90% realtors. Most of the people she spoke with said the market is being flooded with homes that are not being sold. As Mr. Pelton indicated, that definitely has an effect on building new homes. People are really looking for value. One realtor said she put a home on the market and sold it within a week and everyone was amazed. She did it by making sure the price was very low because the owners needed the home to be sold quickly. Most homes are on the market for very long periods of time and it is a very difficult time to sell. The statistics Mr. Jakab presented are very understandable.

There was no one else wishing to speak.

Mr. Hambley moved to adjourn the public hearing at 10:45 a.m. and Mrs. Geissman seconded the motion. There was no discussion. Roll call showed all Commissioners voting AYE.

All deliberations concerning official business and formal actions by this Board of Commissioners were conducted in an open public meeting this second day of April, 2007.

Respectfully submitted,	COMMISSIONERS	_____
		Sharon A. Ray
	OF	_____
_____		Patricia G. Geissman
Pam Vereb, Clerk	MEDINA COUNTY	_____
		Stephen D. Hambley