

OKLAHOMA UNIFORM BUILDING CODE COMMISSION

REGULAR MEETING MINUTES

CONSTRUCTION INDUSTRIES BOARD/UNIFORM BUILDING CODE COMMISSION CONFERENCE ROOM

2401 NW 23RD STREET, SUITE 2F

OKLAHOMA CITY, OK 73107

APRIL 17, 2018 – 1:30 P.M.

COMMISSION MEMBERS PRESENT:

Ross Barrick, David Hall, Danny Hancock, Chris Henderson, Rick Lueb, Curtis McCarty, Joe McKenzie, David Timberlake, and Cary Williamson

COMMISSION MEMBERS ABSENT:

Amber Armstrong and Robert Soder

OTHERS PRESENT:

Billy Pope (OUBCC Staff), Kathy Hehnly (OUBCC Staff), Lindsay Heinrichs (OUBCC Staff), Bryan Neal (Attorney General's Office), Mike Ervin (Oklahoma Capitol Strategies), LaTisha Edwards (Office of Management and Enterprise Services "OMES" – Agency Business Services "ABS"), Patricia Wheeler (OMES - Information Services Division "ISD"), Lee Davis (OMES ISD), and Steven Bowman (Rose Rock CPAs, PLLC)

CALL TO ORDER:

Mr. David Timberlake called the regular meeting of the Oklahoma Uniform Building Code Commission to order at 1:30 p.m. in the Construction Industries Board/Uniform Building Code Commission Board Room at Shepherd Mall, 2401 NW 23rd St., Suite 2F, Oklahoma City, OK 73107.

STATEMENT OF COMPLIANCE:

The following statement was read into the record:

"This regular meeting of the Oklahoma Uniform Building Code Commission scheduled to begin at 1:30 p.m. on this 17th day of April, 2018, has been convened in accordance with the Oklahoma Open Meeting Act, Title 25 O.S. Sections 301 through 314.

Further, this meeting was preceded by an advance public notice that was sent to the Secretary of State electronically specifying the date, time, and place of the meeting here convened.

Notice of this meeting was given at least twenty-four (24) hours prior hereto. To date, one hundred three (103) people have filed a written request for notice of meetings of this public body."

REPORTS:

CEO Report:

Mr. Pope informed the Commission that he and Mr. Timberlake had visited with Representative Lepak on April 16, 2018. He noted Mr. Lepak was put in charge of the Select Agencies Committee and had requested the meeting to learn more about the OUBCC. Mr. Pope updated the status of the continuing education classes. He added staff was still working with the International Code Council (ICC) to schedule classes for the fiscal year 2019 (FY 2019). Mr. Pope thanked Commissioner Lueb and his

employee Ms. Allison Fredrickson for their help with finalizing plans for the proposed new space within the Construction Industries Board (CIB). He added, there was an agenda item regarding the office move further on in the meeting. Mr. Pope noted House Bill 1024 was signed into law and it provided salary increases for all employees, but did not provide increases to agency directors. He noted both OUBCC staff would receive an increase. Mr. Pope stated a new program had been implemented on the website, which was free to all state agencies, called Go Gov Delivery. He noted it allowed visitors who visited the website to sign up and receive notices about the agency. He asked Ms. Hehnlly to provide some further details on the program.

Ms. Hehnlly noted all visitors to the website could sign up to receive either text messages and/or emails sent to them. She noted staff had uploaded the agency list for notifications regarding Commission to the program and there were quite a few people who had signed up for the notifications after it went live. She added last month there were eighty or so people requesting notifying and now there were over one hundred people. She stated the program would allow a visitor signing up for information on one state agency website to see other agency websites that might be of interest which would include the OUBCC. She added it would provide more ways to get the agency out in front of the public. She noted the program provided analytics on how many notices were actually sent and how many people opened the notifications. She added it was an email-style process done through the Go Gov Delivery system rather than agency email. Mr. Pope noted the program allowed individuals to unsubscribe from notices whenever they chose. Mr. McCarty asked if it helped staff and if it tied into staff email. Ms. Hehnlly noted staff would log into the program, select the group to be notified, type the notice and send it out just like it was an email. Mr. Hancock stated he signed up last night and thought it was great. He added it gave options for him to click on and gave him the choice of what types of information he wanted.

Mr. Pope asked Mr. Ervin to provide a legislative update. Mr. Ervin greeted the Commission. He reminded everyone how education issues had affected the Legislature for the last few weeks. He noted Friday, April 13, 2018 had been a deadline of note, and several bills that had been of interest to the Commission were now officially dead pursuant to the rules. He noted HB 1168 and HB 3254, which would have moved the Commission to either the Labor Department or put all the functions of the OUBCC under the CIB, were dead. He added SB 1506, which would have put the CIB under the Labor Department, was also dead. He added initially they tracked 108 bills for the session and of those nine (9) were still alive. He stated, normally the date for sine die was the last Friday in May at 5:00 p.m. He noted last week there was a lot of discussion about ending the session early. He added it looked like, although it was not official or certain, the Legislature was going to try to adjourn sine die on May 4, 2018. He added it was a rather aggressive schedule and he didn't know that he had ever seen the Legislature adjourn that early. He noted with the Education budget done, there was really no new money and not really any cuts and the agencies would all be flat, so the feeling was nobody would get a cut or increase, and since everyone would just get what they got last year, there wasn't anything to fight about. He added the plan was to wrap up the budget negotiations next week and to address a few high priority issues to wrap up at the end of the following week. Mr. Ervin stated the only thing of real note for the Commission was the agency rules. He discussed there were two options for the rules, the first was the Legislature would pass an omnibus rules bill approved in both houses and signed by the Governor; or in the absence of that action, the Governor had the authority to sign or reject all agency rules together. He asked if there were any questions. There were no questions for Mr. Ervin.

Mr. Pope and the Commission discussed how the locations for continuing education classes were selected; where some of the upcoming classes were scheduled to be held; how far in advance a

schedule of classes was provided to the public for planning purposes; and when registration would open for the upcoming class in Duncan.

Financial Report:

Ms. LaTisha Edwards with OMES ABS greeted the Commission. She reviewed each of the reports for the month ending, March 31, 2018. She stated the agency's available cash balance was \$803,563. She noted when reviewing the Summary of Receipts and Disbursements report, the Commission's net gain for the fiscal year was \$68,411. At the end of her review, Mr. Timberlake asked where, on the Summary of Receipts and Disbursements report, the net gain amount appeared. Ms. Edwards noted that was a figure she computed based on revenue verses expenditures for the year. She added she felt it was important to note. Mr. Pope and the Commission discussed the amount on hand and when there might be enough funds to start looking at creating the program to train new building inspectors. Mr. Pope noted during the discussion, prior to funds being removed to cover the budget shortfall, the available cash balance was approximately 1.4 million.

ACTION AND DISCUSSION ITEMS:

Discussion and possible approval of the March 20, 2018 regular meeting minutes

Mr. Timberlake noted this was item "D" in the commission books and noted the item was going to be dispensed with for the day and would be addressed at next month's meeting.

Discussion and possible action on fiscal year 2016 (FY 2016) annual audit

Mr. Pope introduced Mr. Steve Bowman with Rose Rock, CPAs. Mr. Bowman greeted the Commission and reviewed his report, highlighting sections throughout the report. He stated the first paragraph on page one, defined what was audited, adding it was statement of receipts, expenditures, and changes in cash on a regulatory basis of the Commission for the year ending June 30, 2016. He noted the next two sections defined both management and auditor responsibilities, adding it was language that had been in prior agency audits by the State Auditor's office. He noted on page two were the opinions themselves. He stated the first two sections, "Basis for Adverse Opinion on US Generally Accepted Accounting Principles" or "GAAP" and the "Adverse Opinion on US Generally Accepted Accounting Principles" went together. He stated what these sections said, was the financial statement for the Commission, required to be issued under Title 59 was not a financial statement that was consistent with the requirements GAAP. He noted for that reason, they had to issue an adverse or negative opinion on the financial statement in that context only. He added the third section "Opinion on Regulatory Basis of Accounting," was an un-modified or clean opinion on the statement on a regulatory basis. He noted it stated the financial statement did not have any material misstatements included in it. He noted the final section "Other Reporting Required by Government Auditing Standards" referred to a separate report regarding internal controls on financial reporting and compliance, which were on pages seven and eight which he would review shortly.

Mr. Bowman noted the financial statement itself was on page three of the report. He stated the total receipts for the fiscal year ended up just under \$582,000 and was virtually identical to the same balance from FY 2015, as it was a decrease of \$468 or zero eight percent (0.08%). He noted for total expenditures for FY 2016 were just under \$477,000 and it was slightly higher than FY 2015 with an increase of about five percent (5%) or \$24,000. He noted the drivers for that change, were primarily in the professional and legal services which was up twenty-two percent (22%) from the prior year. He added there was also about a \$10,000 increase in salary expenses, which was a five percent (5%) increase from the prior year. He stated the travel reimbursement category was down about \$9600, which lead to the total five percent (5%) increase in total. He noted the total from the Receipts over

Expenditures was \$104,000, which was the income for the year, plus the beginning cash balance of \$1.3 million got them to the \$1.4 million discussed in the prior conversation.

Mr. Bowman noted on page four were the footnotes to the financial statements. He added, much of the language was a continuation of language in prior reports. He added they had worked with OUBCC staff and Mr. Neal to make some slight changes and provide some clarification of some items. He stated note "A" discussed what the OUBCC did, how it was established, its history, and what kind of reporting was required. He stated note "B" addressed risk management and role that OMES played in that risk management process, including obtaining insurance. He stated notes "C" and "D" discussed retirement benefits and other post-employment benefits. He reviewed the retirement plan contributions for FY16, FY15, and FY14. Mr. Bowman stated the only new note on the report was "Note E - Subsequent Event" which given the magnitude of the \$800,000 that was moved from the Commission's fund to help with the state budget issues and because it was such a significant amount, they wanted to make sure that it was disclosed as part of the financial statement.

Mr. Bowman noted on page seven and eight were the reports over the internal controls over the financial reporting and non-compliance. He noted the report didn't provide an opinion on the controls or effectiveness of the controls, but it was designed to communicate any potential issues that may have been found in either of those areas. He added the report indicated they did not find any issues, significant deficiencies, or material weaknesses in the internal control. He added they didn't find any in the financial reporting area. He stated they did not find any compliance matters that would be required to be reported under governmental auditing standards. He added, in other words, a clean report and asked if there were any questions.

Mr. Timberlake stated he was pleased to see the OUBCC was in compliance and there wasn't anything else they could be doing better. Mr. Bowman stated with it being the first year of auditing for the agency, there were always challenges to get an understanding on how the Commission operated. He added they worked with Ms. Hehnlly onsite for about a week, doing that and detailed test work and tying out the State Treasurer reports and they were able to get to a point where they were comfortable with the financial statements. He added there were no complaints whatsoever about staff cooperation and nothing but positive things to say. Mr. McKenzie asked about the "Note E" and if it would be carried in every statement thereafter or only this one. Mr. Bowman noted it was in this report only, and was designed to let the user of the financial statements know that something happened after the fiscal year, outside of the reporting period, that has a material impact on the future operations of the Commission. He noted it was a one-year type note and going forward it would show up as an actual \$800,000 outflow of cash on the on the FY 2017 financial statement itself. He added there would probably be a discussion of what that outflow was, but it wouldn't be a subsequent event note. He added in FY 2018 audit, it would go away all together. Mr. Timberlake thanked Mr. Bowman.

Discussion and possible action on sublease of office space and relocation as requested by the Construction Industries Board and/or leasing of other office space and other items related to the future sublease or lease and relocation of OUBCC office space needs

Mr. Timberlake stated as a reminder, the OUBCC had been approached several times over the last year about the CIB needing the space the OUBCC currently occupied so they could do some remodel and occupy that space for other needs they had. He explained the OUBCC was a sub-tenant or tenant of the CIB so it was incumbent on the CIB to find someplace for the OUBCC to go. He added they had been looking at a space on the back side of the facility and that was the work Mr. Lueb assisted with. He added OMES did a plan and then Mr. Lueb did a plan to try and figure out how to get the OUBCC

needs addressed with enough space. Mr. Timberlake stated they had looked at it, talked with the CIB people about it and in the mean time they were reminded a year or two ago there was suggestion that perhaps the OUBCC should be relocated to some other space, in conjunction with some of the training the OUBCC was doing. He stated the Vo-tech system may have some space and may be interested and there are some initial discussions going on right now, whereby the OUBCC might be relocated to a Vo-tech facility and put the OUBCC offices there. He noted the OUBCC could utilize class rooms and other meeting facilities that were already there. He added it seemed like that might be a good solution for everyone. He noted that would give CIB all of the space they needed. He noted there was some state application requirements in order to facilitate a move and he would let Mr. Pope comment on them.

Mr. Pope stated he had run the numbers and submitted a space application request. He noted the space in the blueprint was just a fraction under 900 square feet, and according to the numbers he ran, it looked like the OUBCC could possibly be eligible for 2009 square feet of space. He noted the application was sent over to OMES Construction and Properties (CAP) Real Estate and Leasing Division (REL), who leased all space for state agencies. He noted the OUBCC would have to go before the Government Technology and Review Board (GTARB), which governed space increases for any office move and any increases in space for increased staff. He noted there had to be a justification made to the GTARB why the increased space was needed.

Mr. Pope stated during a conversation with Ms. Melissa Milburn at OMES CAP REL about two years ago, she had mentioned a possible perfect fit for the OUBCC would be one of the Vo-techs. He added, the Commission had not moved at that time and he recently reminded her of that discussion and she said she still thought it would be a good solution. He added she requested the space application request and OMES CAP REL would talk with the Vo-techs and see if there were any options for them. Mr. Pope and the Commission discussed if Francis Tuttle Vo-Tech was the one in question, if Mr. Pope had discussed it with the Vo-Tech; if the agency moved, would there be meeting space in the new location or if meetings will be still be held in the current conference room; if there was any space available for lease at the Vo-tech; that OMES CAP REL would handle any negotiations on the leasing of space; OMES's policy to utilize state properties first, but their understanding of the lack of space and specific agency needs that would prohibit all state agencies from utilizing state properties; and that agencies should be considering their space needs every four or five years. There was further discussion regarding issues with the current sublease and ability for items to be delivered to the OUBCC office from the post office or other parcel delivery companies because the agency would still share the same suite number as CIB; the square feet currently occupied by the OUBCC; if other options outside of CIB and a Vo-tech facility had been considered; the timeframe of a space request; the GTARB meeting schedule; and what the GTARB was charged with reviewing. At the end of the discussion, Mr. Timberlake asked if there were any other comments or questions. He added he wanted the item on the agenda so everyone on the commission would be advised to where the OUBCC was and what the thinking was, and if there was any input anyone had, they needed to speak up or contact Ms. Hehnly or Mr. Pope and let them know. No further action was taken.

Discussion and possible action on the approval of the fiscal year 2019 (FY 2019) contract with the Attorney General's Office

Mr. Timberlake asked Mr. Neal if there was anything different in the contract from the previous fiscal year. Mr. Neal replied not to his knowledge. Mr. Pope confirmed it was the same contract for the same amount.

MR. DANNY HANCOCK MADE A MOTION WITH A SECOND BY MR. ROSS BARRICK TO APPROVE THE FY2019 CONTRACT WITH THE ATTORNEY GENERAL'S OFFICE

VOTING AYE: Ross Barrick
 David Hall
 Danny Hancock
 Chris Henderson
 Rick Lueb
 Curtis McCarty
 Joe McKenzie
 Cary Williamson
 David Timberlake

VOTING NAY: None

ABSTAIN: None

ABSENT: Amber Armstrong
 Robert Soder

Discussion and possible action on employment, appointment, evaluation, promotion, demotion, disciplining, and compensation of the Chief Executive Officer

MR. CURTIS MCCARTY MADE A MOTION WITH A SECOND BY MR. DANNY HANCOCK TO CONVENE INTO EXECUTIVE SESSION AT 2:14 p.m.

VOTING AYE: Ross Barrick
 David Hall
 Danny Hancock
 Chris Henderson
 Rick Lueb
 Curtis McCarty
 Joe McKenzie
 Cary Williamson
 David Timberlake

VOTING NAY: None

ABSTAIN: None

ABSENT: Amber Armstrong
 Robert Soder

MR. CURTIS MCCARTY MADE A MOTION WITH A SECOND BY MR. DANNY HANCOCK TO RETURN TO OPEN SESSION AT 3:31 P.M.

VOTING AYE: Ross Barrick
 David Hall
 Danny Hancock
 Chris Henderson

Rick Lueb
Curtis McCarty
Joe McKenzie
Cary Williamson
David Timberlake

VOTING NAY: None

ABSTAIN: None

ABSENT: Amber Armstrong
Robert Soder

NEW BUSINESS:

There was no new business.

PUBLIC COMMENTS:

There were no public comments.

ADJOURNMENT: (3:32 P.M.)

MR. CARY WILLIAMSON MADE A MOTION WITH A SECOND BY MR. CHRIS HENDERSON TO ADJOURN

VOTING AYE: Ross Barrick
David Hall
Danny Hancock
Chris Henderson
Rick Lueb
Curtis McCarty
Joe McKenzie
Cary Williamson
David Timberlake

VOTING NAY: None

ABSTAIN: None

ABSENT: Amber Armstrong
Robert Soder

Minutes approved in the regular meeting on the 19 day of June, 2018

DAVID TIMBERLAKE

David Timberlake, Chairman

Oklahoma Uniform Building Code Commission

PREPARED BY: KATHY HEHNLY

Kathy Hehnly, Executive Assistant

Oklahoma Uniform Building Code Commission

OFFICIAL COPY: Original with signatures in file.