

**Construction Codes Advisory Council
Meeting Minutes
December 10, 2009**

Members Present:

Mark Brunner
Bob Dahm
Thomas Downs
Gerhard Guth
Bruce Hutchins
Robert Jewell
John Schultz for Tom Joachim
Kenneth Kammerer
Dan McConnell
Kathleen Ostrom
Tom Seanger
Luke Stemmer
Bob Bastianelli for Larry Stevens
Kevin White

Members Absent:

Tom Joachim
Pete Nelson
Mike Stillman
Kent Warden

Staff Present:

Julie Klejewski
John Rajkowski

Visitors:

Jim Gander
Bill Heaney
Hue Nguyen
Pete Parris
Phil Raines
Gary Thaden

1. Call To Order

The meeting was called to order by Schultz at 1:05 p.m. Announcements were made and administrative information was given.

2. Introduction of CCAC Members

Roll call was taken and a quorum was declared. The members of the audience announced themselves.

3. Approval of Agenda

Brunner made a motion, seconded by Dahm, to approve the meeting agenda. The vote was unanimous and the motion passed.

4. Approval of Previous Meeting Minutes

Kammerer made a motion, seconded by Bastianelli, to approve the September 17, 2009 Minutes. The vote was unanimous and the motion passed.

5. Reports on Committees

A. Homeowner Warranty Review Committee

- Ostrom reported the group has been continuing to meet and have had discussions on:
 - The MN State Bar Association, Construction Law Section (MSBA), brought forth model case management orders for single and multi-family residential construction defect cases - which would assist in shortening the cost of litigation due to the length of the discovery process. Thaden added it is a device to help the parties in a court proceeding on how to go forward regarding experts, etc., a way to organize the lawsuit. Inspectors or contractors would not need to look at. A link to these orders can be found on the MSBA Website at: <http://www2.mnbar.org/sections/construction-law/index.asp>
 - The need of a dispute review board of some kind – a neutral party to determine scope of work, cost of remediation, possibly looking at appraisals before the damage and appraisals after the damage.
 - Looking at performance standards for construction, not necessarily into statute, but as a referral such as the dispute review board would have something to look at.

B. Misclassification of Workers Task Force

- Ostrom reported this group has had good discussions between the 3 departments in attendance - DLI, DEED and Revenue, regarding the sharing/transferring of information and why they can't - mostly because of privacy. Some main highlights/issues discussed:
 - 1099's often have false information, can't find the person.
 - Problems with the 2% with-holding, people don't want to do it or don't know how, it's a driving force to the LLC.
 - Will be looking at a proposal brought up by the National Conference of Insurance Legislators called the Workers' Compensation Coverage Act - asks for specific audits by the insurance industry.
 - Much information has been discussed at the meetings, the DLI has put together a compilation of matters and the task force will be reviewing that at the next meeting scheduled on January 14, 2010.
 - Will be looking into exactly what is the 9-factor test.

C. Elevator Annual Inspection Committee

- Schultz reported the two elevator advisory committees continue to meet. One committee relates to elevators in churches and the other relates to elevators/manlifts in grain elevators and feed mills. Some items and concepts discussed include:
 - Remove current exemptions that were unintended.
 - A proposal that would require the department to adopt rules to create a tier classification for the different types of elevators based on their use and frequency of use.
 - A proposal to amend annual operating permit fees then based on some of the tier groups.

- Under the tier scenario, the frequency of periodic inspections would be from every year to every five years.
- There is acknowledgement that there are differences between the different types of equipment especially the manlift type equipment in grain elevators.

The commissioner added he believes the two committees have found reasonable common ground among the stakeholders, balancing the need for safety versus cost benefit, and is almost ready to come forward with the results/language.

D. Housing/Property Maintenance Committee

- Schultz reported the committee has met twice and is continuing to work on defining what the issues are. White stated he was at the first meeting which centered around the Morris vs Sax court decision, which relates to cities establishing either a housing maintenance, rental licensing, etc., requirements that supersede any of the requirements in the State Building Code. There was much discussion and different view points on that issue. Hue Nguyen from the League of MN Cities added there were 4 options discussed at the last meeting however no agreement was reached. They will be working on more language to bring forth at the next meeting hoping to come to an agreement between the different stakeholders.

6. New Business

A. Legislative Review

- i. Schultz reported the legislative session will begin mid-February. The department is working on the license fee restructuring within the CCLD. He asked the members if they are aware of any legislation to be prepared to discuss it the next meeting on March 18, 2010. Rajkowski added the department will have a policy bill which is miscellaneous but mostly dominated by construction code; proposing a re-write of the boiler statute; and the department, to varying degrees, will have some input and leadership roles on the task forces/committees mentioned above.

7. Unfinished Business

None

8. Open Forum

None

9. Council Member Discussion

There was discussion regarding if DLI is implementing a yearly mandatory inspection of building hardware such as panic/access hardware, etc. Schultz stated he is unaware of any discussion on this topic. Dahm added that type of hardware is inspected under the fire code, for example when inspecting schools or hotels to make sure it is functioning properly, but nothing yearly or mandatory (only at correction

facilities). Stemmer added that individual cities may have their own enforcement schedule, but there is no state statute requiring yearly mandatory inspections.

More discussion was held regarding the CCLD budget crunch which caused the fall series of education seminars to be cancelled, as well as cancellation of the upcoming spring series. Schultz reviewed the CCLD talking point document, dated November 17, 2009, which provides factual information to stakeholders to help them understand the cause of the CCLD budget crisis, and what it forced the department to do. The budget crisis has a very significant impact and the department can't provide the services the industry has been accustomed to. He encouraged everyone to talk to their legislators. Schultz reviewed the CCLD licensing fee restructuring proposal. Some license categories will see a slight increase while others will see a decrease.

10. Announcements

A. Next Regularly Scheduled Meetings:

- i. Thursday, March 18, 2010, 1:00 p.m. – Minnesota Room, DLI
- ii. Thursday, June 17, 2010, 1:00 p.m. – Minnesota Room, DLI
- iii. Thursday, September 16, 2010, 1:00 p.m. – Minnesota Room, DLI
- iv. Thursday, December 16, 2010, 1:00 p.m. – Minnesota Room, DLI

11. Adjournment

Ostrom made a motion, seconded by Seanger, to adjourn the meeting. The vote was unanimous and the motion passed. The meeting adjourned at 2:00 p.m.

Respectfully Submitted,

Julie Klejewski

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