

CONSTRUCTION CLAIMS TASK FORCE
Regular Meeting Minutes
December 8, 2006

The Construction Claims Task Force met on Friday, December 8, 2006, in Room 260, Labor and Industry Building, 350 Winter Street NE, Salem, Oregon.

Members Present: David DeHarpport
Jon Fahr
Eric Grasberger
Elsie Jones
Steve Malany
Laura Schauer
Tom Skaar
Jim Vavrek

Members Absent: Bill Nesmith

Staff Present: Mark Long, Administrator of Building Codes Division
Richard Baumann, Building Codes Division
Chris Huntington, Building Codes Division
David Dahl, Insurance Division
Cece Newell, Insurance Division
Joyce Patton, Insurance Division
Andrea Simmons, Building Codes Division
Tamara Brickman, Building Codes Division
Rick Blackwell, Building Codes Division
Ravi Mahajan, Building Codes Division
Michael Morter, Building Codes Division
Craig P. Smith, Construction Contractors Board
Kristie Patton, Construction Contractors Board
Cathy Dixon, Construction Contractors Board

Guests Present:

Alan Seymour, ODOE	Jack Munro, AIA/IIABO
Ron Allen	John Powell, AIG/State Farm, Liberty NW
Brian Miller, Farmers Insurance	Bill Cross, OBOA
Brian Doherty, Miller Nash	Lana Butterfield, BCS
Tom Dymont, CBIC	Toni Choprick, Oregon Mutual
Larry Peabody, ORA	Scott Barrie, OHBA
Jutta Barney, Oregon Mutual	Jenna Sweaningen, OHBA
Stuart Ramsing, OBOA	
Jim Nicks, City of Portland	

Action Items

- Submit public notice for December 20, 2006 meeting.
- Final action on proposals.
- Finalize legislative report

I. TASKFORCE BUSINESS**A. Call to Order:**

Chair Eric Grasberger called the meeting to order at 1:40 p.m.

B. Approval of Agenda for December 8, 2006 Meeting and Order of Business:

MOTION: Laura Schauer moved to approve the agenda for the December 8, 2006 meeting.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

C. Approval of November 28, 2006 Meeting Minutes:

MOTION: Laura Schauer moved to approve the November 28, 2006, meeting minutes.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

D. Next Meeting Date:

MOTION: Eric Grasberger moved to approve the next meeting date of December 20, 2006, 9:00 a.m. to 2:00 p.m. and the final meeting January 12, 2007, 9:00 a.m. to 12:30 p.m.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

E. Project Update:

Mark Long, Building Codes Division (BCD), reported that the revisions from the last meeting have been incorporated into the draft report. Discussion of the six Phase I proposals and three of the proposals in Phase II are ready for discussion. Two of the Phase II proposals, first party warranty and wrap policies will be discussed at the December 20, 2006 meeting. Mr. Long further reported that on December 1, 2006, he provided a status update to the Senate Interim Committee Consumer Protection on the Task Force's progress and recommendations. The legislative concepts (proposed draft bills) that will be introduced based upon recommendations from the Task Force will need to have a legislator or committee sponsor them since it is too late to file them pre-session.

II. DISCUSSION OF PROPOSALS:

Task Force members reviewed the proposals contained in the draft report (**Exhibit 12**).

A. Phase I:**1. Recommendation 1: Clarifying Building Code Requirements:**

Task Force members discussed that their intent is that the moisture content is checked prior to closing the walls. Walls should not be closed unless a moisture reading of 19 percent or less is achieved. A concern is that the moisture content is not inspected by the local jurisdiction. Perhaps the building official should take moisture content readings when performing the insulation inspection. Task Force members made the following revisions:

- No. 2, delete “require a minimum flow rate of 80 cubic feet per minute (cfm)” and add “and provides a minimum cfm rating of XX”. (Staff to determine the appropriate cfm rating.)
- No. 8. is to read: Require appropriate, horizontal flashing over all plant-on trims and appropriate assemblies, such as ‘z’ metal flashing configurations and decks, including transitions.

MOTION: Laura Schauer moved to approve proposal 1 with the changes noted.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

2. Recommendation 2: Construction Contractors Board Enforcement and Licensing Changes:

Task Force members discussed the recommendations and made the following changes:

- No. 1., add “unpaid construction debt”.
- No. 2., to read: Licensees or responsible managing individuals subject to sanction by the CCB may be prohibited from serving as owners, officers, directors, responsible managing individual, or managers of another construction firm.
- No. 3. needs to add RMI and reworded to reflect that CCB has authority on both new applications and renewals.
- No. 4. add RMI, business entities, and reword to include language on page 5 regarding North Carolina’s wording.

MOTION: Tom Skaar moved to approve proposal 2 as amended and discussed.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

3. Recommendation 3: Recovery Fund:

Task Force members discussed the recommendations and made the following changes:

- Task Force members discussed changing the name from “recovery fund” to something different; possibly “limited assistance fund”.
- No. 3, delete entirely.

- No. 5, revise to say, “provide authority to” and delete reference to assessment to residential contractors (anyone permitted to do residential work), money for fund will be from fines and interest monies only. Move this item to no. 1 and make it clear that fund will be paid for from money collected from CCB fines.
- No. 12, add wording to make it an annual cap of \$100,000.
- No. 13, explain what actual damages means.

MOTION: Tom Skaar moved to approve proposal 3 as amended and discussed.

VOTE: 7-1, Ayes—Deharport, Grasberger, Fahr, Malany, Schauer, Skaar, and Vavrek; Nays—Jones.

MOTION PASSED

4. Recommendation 4: Consumer Information:

Task Force members discussed the recommendations and made the following changes:

- Clarify in policy statement that the notices apply to residential only work.

MOTION: Steve Malany moved to approve proposal 3 as amended.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

5. Recommendation 5: Residential Permits:

Task Force members discussed the recommendations and made the following changes:

- No. 1, add wording on a proactive method to get the notice handed out by building officials.
- No. 2, BCD to work with local building officials to add a prescribed minimum number of days to issue occupancy certificate and what happens if the jurisdiction does not comply. Delete “(2) the responsibility of the owner to supervise construction work, if the owner is acting as their own general contractor”.

MOTION: Jim Vavrek moved to approve recommendation 5 as noted.

VOTE: 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Schauer, Skaar, and Vavrek.

MOTION PASSED

6. Recommendation 6: Building Envelope Certification:

Task Force members discussed the recommendations and made the following changes:

- No. 5, add workmanship
- No. 7, needs to be reworded to require that commercial work followed the plans and specifications and meets code and that residential work meets code requirements, approved designs, etc.

- Task Force members discussed changing the recommendations to require all workers on building envelopes to take training. Require two levels of training: 1) supervisory; and 2) individual workers. Require all workers to carry an ID card on jobsites showing they have taken the required training. General contractors would not be required to take training if they have a certified supervisory person on staff. Every firm would have a supervisory person who was certified and verifies work.
- Perhaps have training for licensed architects and designers on building envelope.
- Clarify that general contractors should be able to utilize the services of a certified envelope specialist, whether they retain a subcontractor or have certified persons on staff.

Task Force discussed what agency would be in charge of the following:

- CCB:
 - Building envelop certification, as part of CCB licensing
 - Continuing education requirements
 - Enforcement.
- BCD:
 - Building Code classes.
 - Checklist for permits

Staff was directed to rewrite recommendations based on input from the Task Force. This item is to be reviewed at the December 20, 2006 meeting.

III. REVIEW DRAFT REPORT:

The draft report was reviewed along with the review of proposals.

IV. PUBLIC COMMENT:

No public comment.

V. ADJOURNMENT

Chair Grasberger adjourned the meeting 4:45 p.m.

Exhibits:

- 1 – Strategy/Schedule for completion (1 page) – *Agenda item I-E*
- 2 – CCTF Agenda/Timeline (1 page) – *Agenda item I-E*
- 3 – Amendments to the building code proposal (6 pages) – *Agenda item II*
- 4 – CCB enforcement & licensing proposal (8 pages) – *Agenda item II*
- 5 – Recovery fund proposal (19 pages) – *Agenda item II*
- 6 – Consumer information proposal (3 pages) – *Agenda item II*
- 7 – Residential permits proposal (5 pages) – *Agenda item II*
- 8 – Building envelope certification proposal (13 pages) – *Agenda item II*
- 9 – General liability coverage proposal (1 page) – *Agenda item II*
- 10 – Voluntary loss control discounts proposal (1 page) – *Agenda item II*
- 11 – Data reporting requirements proposal (1 pages) – *Agenda item II*

12 – Draft legislative report (13 pages) – *Agenda item III*