

City of Loveland Construction Advisory Board

Meeting Minutes

September 27, 2017

I: Call to Order

II: Roll Call

Board Members Present: Jason Baker, Andrew Ross, Kent Kerwood, Christopher Rosenberger, Bob Dehn, Adam Trainor

Board Members Absent: Blaine Rappe, Roger Lewis, Jon Rudolph, John Fogel

City Staff Members Present: Ingrid McMillan Ernst, Ned Sparks, Ashley Iverson, John Schumacher, Elizabeth Allen

City Council Members Present: None

III: Approval of Minutes

Motion to approve August 23rd meeting minutes made by **Bob Dehn**, seconded by **Adam Trainor**. Motion passed unanimously.

IV. Citizen Comments

- a. None

V. Reports

- a. **Board and Commission Reports:** None
- b. **Council Liaison:** None
- c. **Chief Building Official John Schumacher:** Provided an update on the code amendment adoption process: moved forward to City Council; is now delayed. It's been decided to separate some code requirements from the ordinance. Will move forward with an ordinance to present all other amendments without requirement for additional permits. City Council was not fully in favor and had some concerns. Will be taking forward those code amendments that were supported by the Board and Council. The first reading is set for October 24th, and the second reading is November 17th. The additional permits and staff increases will be presented sometime in January or February of next year. **Mr. Schumacher** also sought feedback from the Board regarding November and December meetings, which are usually combined into one meeting in November. If the Board is in agreement, the meeting will be November 15th, rather than the 22nd (which is the Wednesday before Thanksgiving). Motion to approve the combining of November and December meetings and schedule for November 15th was made and seconded. Motion approved unanimously.

Mr. Schumacher stated that copies of the 2018 code have been received, and will possibly be adopting the new code sometime late next year. Part of the process includes Board review. Typically, the Board is separated into committees to review. **Mr. Schumacher** asked the Board members to consider what committee they would like to sit on, and send him an email with this information prior to the next Board meeting in order to get the process started.

VI. Regular Agenda:

Item c—moved to first item. Discussion concerning the possible adoption of the Uniform Code for the Abatement of Dangerous Buildings by John Schumacher: The Building Department, along with the City Attorney's Office and Planning Department, has been working toward consolidating nuisance ordinances into a single chapter.

- Include this in the ordinance going before City Council. Bringing to Board now for recommendation or approval to City Council.
- The Uniform Code for the Abatement of Dangerous Buildings sets a process, establishes criteria, and also helps deal with traffic nuisances. It is widely used throughout the State.
- Sets forth a process for notices, abatements, etc.
- Some processes are already used, using this for consolidation and consistency.

Kent Kerwood asked if the Code referenced was the 1997 edition and inquired about newer versions. **John Schumacher** stated the edition in question is widely used, very complete, and easy to use. A motion was made by **Bob Dehn** to delay until next meeting in order to evaluate further. Motion seconded by **Jason Baker**. Motion to postpone unanimously approved.

a. Hearing related to complaint by Janice Johnson against John Moore Plumbing:

Questions posed by **Chairman Rosenberger** related to the conduct of the hearing to the Board:

- Do you or have you conducted business with the individual or entity seeking relief from the City's action against the party?
- Do you have a financial or personal interest in the outcome of the proceedings?
- Does your employer have a financial or personal interest in the outcome of the proceedings?
- Do you have special knowledge of the substance or merits of the proceeding which would cause you to pre-judge the parties involved?
- Is there any reason why you cannot hear this matter fairly and impartially?

No members recused themselves.

Chairman Rosenberger declared for the record the full statement regarding the laws of the State of Colorado in a semi-judicial proceeding. Date and time proclamation: Wednesday, September 27th, 2017; 6:25 p.m. **Chairman Rosenberger** stated that the hearing was called before the Construction Advisory Board to review the matter at hand pursuant to Article 10 of Loveland City Charter and Chapter 2.60 of the City Municipal Code. This review of the

Contractor's services is intended to determine by a preponderance of evidence whether any parties violated Loveland Municipal Code. The review is adjudicatory by nature. To ensure the hearings proceed in an orderly and efficient manner, first, a brief opening statement will be made by the City; followed by the Contractor. Second, the City will present its case, including all witnesses and evidence, if any. These are subject to full and cross-examination by the Contractor in an effort to avoid a recall of any witnesses. Third, the Contractor will present his/her case opposing the allegations, including any witnesses and evidence. These are also subject to full and cross-examination by the City. Fourth, the City will make its closing statement, which will be followed by the Contractor's closing statement.

Chairman Rosenberger then requested that all parties involved introduce themselves for the record.

- **John Schumacher**, Chief Building Official
- Let the record reflect that no representative from John Moore Plumbing is present.

Mr. Schumacher stated that on January 18th 2017, he received a complaint from Janice Johnson indicating that work had been completed by John Moore Plumbing without a permit and was not compliant with code. Mr. Schumacher visited Ms. Johnson on January 22nd and found the a bathroom remodel had been completed, which included removal of a half wall, the alteration of a shower and installation of a handicapped accessible shower, moving electrical, etc. Mr. Schumacher sent letters to John Moore Plumbing on April 5th and July 7th. The City's investigation showed that John Moore Plumbing had an expired license and they had not obtained a permit for the work. Mr. Schumacher received a series of documents indicating the nature and cost of the work. Mr. Schumacher met with representatives of John Moore Plumbing, including the owner, and they indicated they did not believe they needed to obtain a permit before completing the work, given the nature of the job—which they felt was a small job. The Contractor also contended they did not know their license was expired. They did subsequently obtain a permit for the work and renewed their license. Mr. Schumacher spoke with John Moore Plumbing in advance of the hearing and did expect them to attend. His recommendation is that the Board impose a sanction of six months probationary period on the newly renewed license.

Adam Trainor asked if the probationary status is public knowledge or information available to a potential customer, which could affect bids and future work or jobs. **Mr. Schumacher** deferred to the legal department, but stated that the Building Department would not offer the information to a customer. Rather, the probationary status is intended to ensure compliance. The information on the Contractor is offered only if the license is suspended.

Bob Dehn asked why Ms. Johnson called Mr. Schumacher. **Mr. Schumacher** stated she had some concerns about the work, particularly that water was not staying in the shower, and the seat portion of the shower would not be useable due to sharp tile. Additionally, Ms. Johnson was granted funds via the Division of Housing to assist with the project and part of that funding including a question of permitting.

Mr. Dehn also asked what code was violated. **Mr. Schumacher** stated they had violated section 105.1 of the IRC. Additionally, the Contractor violated Municipal Code 1530.030 which states an active license is required to act as a licensed contractor within the City. **Mr. Schumacher** stated the violated Codes include inadequate drainage and lack of inspection.

Mr. Dehn asked why there was a delay in procedure on the part of the City (from January 22nd to April) to send a letter to John Moore Plumbing. **Mr. Schumacher** stated that the City was working with Ms. Johnson, was in contact with the Contractor and waiting for a response, and was also working with the CAB on the hearing process.

Jason Baker asked if electrical work had been inspected. **Mr. Schumacher** stated that while a permit has been obtained, there is a contractual/legal dispute between Ms. Johnson and John Moore Plumbing that has prevented inspection and no items have been filed.

Chairman Rosenberger stated that because there is no representative present from John Moore Plumbing, there will be no witness to call on their behalf.

Chairman Rosenberger asked if there is a City witness present. **Mr. Schumacher** stated there is no witness present.

Mr. Schumacher then issued a closing statement: John Moore Plumbing operated without a valid license, and performed the job without a permit. **Mr. Schumacher** stated that in his conversation with Mr. and Ms. Moore of John Moore Plumbing, they seemed genuinely unaware their license had expired, and they had held one for quite some time. Additionally, **Mr. Schumacher** stated it was an oversight on their part regarding the permit. **Mr. Schumacher** stated that the owners understand the consequences and are amenable to the probation. Moreover, the owners have taken the initiative to renew their license and obtain a permit.

Chairman Rosenberger asked if there are any prior violations from John Moore Plumbing. **Mr. Schumacher** stated that there are none he is aware of, but no records were kept previously.

Chairman Rosenberger issued concluding statements and opened the floor to deliberation of Board members. **Mr. Rosenberger** then asked if there were any comments. **Jason Baker** and **Andrew Ross** stated they had none.

Bob Dehn stated that while it is important to hold the company and owners accountable, he feels a 6 month probation could hurt the Contractor. Rather, he felt that it would be more appropriate to offer the Contractor one year in which he could lose his license should he have any other violations during that time. **Mr. Dehn** stated that while it is not acceptable to conduct work without a permit, he did not feel the violations were so egregious as to require a six month probation, which could ultimately damage the company.

Assistant City Attorney Elizabeth Allen offered a clarification: Ms. Allen stated that before the Board makes any determination on the sentencing recommendation provided by the City, it first needs to be determined whether or not there has been a violation. Do you have any comments regarding whether or not the Contractor violated the Code?

Mr. Dehn stated that yes, there had been a violation.

Adam Trainor agreed with both Mr. Dehn's comments as well as the assertion that a violation had occurred.

Kent Kerwood stated that on reading the comments from the Contractor, it was a misjudgment of information. While it was a violation on the part of the Contractor, he felt it was likely a misunderstanding.

Chairman Rosenberger stated deliberations are now concluded.

Chairman Rosenberger asked if there is a motion to determine if a violation occurred. A motion was made by **Adam Trainor** and seconded by **Kent Kerwood**. The motion passed unanimously.

Chairman Rosenberger stated that deliberation of sentencing will now take place.

Jason Baker stated that while it appeared to be a small infraction, the Contractor did violate Code and did not obtain a permit. The work was deficient, and there is grounds for probation.

Andrew Ross stated his concerns regarding the real effect on the Contractor by imposing a 6 month probation. What happens at the end of the term—at 6 months plus one day?

John Schumacher stated that the effect is that after 6 months and one day, should a violation occur again, the Contractor would be brought before the Board again. The difference would be that when the Board is taking them matter under consideration, a determination would need to be made whether or not they are in violation and whether or not there should be a penalty. It would need to be determined whether or not they completed their probation successfully or if there was a violation while under the probationary period. The egregiousness of any violation would be determined by the Board given the history of the events.

Mr. Ross asked who will monitor the Contractor's performance during the 6 month period.

Mr. Schumacher stated it will not be an assessment of the Contractor's performance, but a monitoring of violations, and there is a difference. It is the role of the Building Department to ensure compliance, and that will include a tracking of any complaints. The probation period will be monitored for any complaints or lack of compliance.

Chairman Rosenberger clarified that the Contractor's license will be good for one year in any case. It is a question of monitoring for any complaints over the course of 6 months.

Mr. Schumacher stated that is correct, and it is also important to note that the probation will go on internal records within the Building Department. This ensures that any violations during the probationary period can be monitored—even if a customer does not complain until a year later. If the violation occurs during the probationary period, the case will return to the Board for deliberation.

Chairman Rosenberger stated that this is clearly a violation. While as a licensed contractor, one might not realize a license had lapsed, a Contractor should know the type of work that requires permit. This is a major infraction.

Bob Dehn stated that he felt probation is unnecessary. The Contractor admitted a mistake, and the Board has larger concerns than this one. Probation will affect the Contractor negatively and unnecessarily.

Adam Trainor stated that while it has been acknowledged there is a violation, the Contractor does appear to be contrite. Probation has the potential to harm a business and could be more punitive than the Board intends it to be. Mr. Trainor agreed with Mr. Dehn that probation is too harsh and a little grace should be granted.

Mr. Kerwood stated that he agrees that the probation suggested by Mr. Schumacher is enough. Mr. Kerwood does not believe the Contractor acted with any intent. There is not enough information to determine if the Contractor has attempted to correct the issues related to water drainage. However, there is a violation in both permitting and licensing. Probation is appropriate for this situation.

Mr. Baker added an additional comment that the Contractor evidently also has offices in other locations, so Loveland is not the sole operating area. Therefore, probation will not necessarily impact the business immensely, particularly when considering the Contractor's statement that they do not conduct much work in Loveland.

Chairman Rosenberger asked Mr. Schumacher about the timeframe between the violation and the effort to renew license and obtain permits. **Mr. Schumacher** stated it was approximately four months.

Chairman Rosenberger stated that this does not appear to be timely. He also inquired about job's need for electrical, which is work outside plumbing. Was John Moore Plumbing acting as a small general contractor in this job? Were other contractors involved? **Mr. Schumacher** stated "no." **Chairman Rosenberger** stated that this would be another violation because they performed the work of another trade.

Mr. Rosenberger asked if there is a motion to accept the recommendation of the City of Loveland. **Mr. Baker** motioned to approve probation. **Mr. Kerwood** seconded the motion. **Chairman Rosenberger** conducted a roll-call vote:

- **Jason Baker:** Yes
- **Andrew Ross:** Abstain
- **Chris Rosenberger:** Yes
- **Bob Dehn:** No
- **Adam Trainor:** No
- **Kent Kerwood:** Yes

Chairman Rosenberger stated there are not enough votes to pass the resolution and so will need to further deliberate to come to a majority. Mr. Rosenberger stated another option would be to motion for a different penalty.

A motion was made by **Mr. Dehn** to make the penalty as follows: if John Moore Plumbing is caught in any violation in the next two years, they will lose their license. Mr. Dehn clarified that it would have to be more than a complaint, but rather a proven violation.

Mr. Baker stated that this is no different than putting the Contractor on probation. **Mr. Dehn** stated that probation could create a possibility for any competition to use the case against them.

Chairman Rosenberger asked if perhaps Mr. Dehn felt that rather than probation now, take the case under consideration if another matter were to arise.

Ms. Allen stated the record should reflect this is a conversation between Board members.

Chairman Rosenberger asked for clarification regarding probationary status and whether it is public knowledge. **Mr. Schumacher** stated that is correct, it is internal information only.

Chairman Rosenberger stated his belief that the recommendation is light, given that the Contractor was conducting electrical work, which is a more serious concern and illegal in the state of Colorado.

Mr. Ross stated concerns regarding contractors completing work in the community in an appropriate fashion related to their license.

Chairman Rosenberger stated that the Board must stick to the matter at hand and states that the Contractor is ultimately responsible for work completed.

Mr. Trainor asked about the addressing issues related to the letter sent to John Moore Plumbing. **Mr. Schumacher** stated that the City had sent the owner a letter to the address shown on the license, but the Contractor had relocated.

Chairman Rosenberger asked about drywall in the shower area and whether proper materials were used. **Mr. Schumacher** indicated the only way to know is to inspect behind the drywall, and this has not been completed at this time.

Ms. Allen offered the Board possible remedies available.

Mr. Baker asked if John Moore Plumbing is a licensed general contractor. **Mr. Schumacher** stated yes, they are a residential general contractor.

A motion was made by **Adam Trainor** to issue a formal letter of reprimand but asked for more clarity on this remedy. Would there be other ramifications? Mr. Trainor stated that a letter of reprimand is sufficient punishment. The motion was seconded by **Bob Dehn**.

A roll call vote was conducted on issuing a formal letter of reprimand:

Jason Baker: Yes

Andrew Ross: Yes

Chairman Rosenberger: Opposed on the basis of the Contractor conducting electrical work without a proper license, which is illegal in the state of Colorado.

Bob Dehn: Yes

Adam Trainor: Yes

Kent Kerwood: Yes

The motion passed with a final decision to send a formal letter of reprimand.

Adam Trainor commented that the Contractor conducting electrical work is in question, based on comments from the Contractor. This is in dispute with the homeowner and is not verifiable at this time.

Chairman Rosenberger stated that the Board will send the written decision within 10 days and the hearing is now concluded.

Recess called.

Meeting reconvened at 7:23 p.m.

b. Hearing related to complaint by Les Garner against Northern Colorado Home and Design Center

Chairman Rosenberger again posed questions to the Board which offer an opportunity for recusal. The members responded as follows:

- **Jason Baker:** No
- **Andrew Ross:** No
- **Bob Dehn:** No
- **Adam Trainor:** No
- **Chris Rosenberger:** Yes, I have a possible conflict, as I know the owner of Northern Colorado Home and Design.

Ms. Allen asked **Chairman Rosenberger** if anything about his relationship with the owner of Northern Colorado Home and Design would limit his ability to remain fair and impartial.

Chairman Rosenberger stated no. **Ms. Allen** asked, “Will you utilize the rules and regulations that this Board has set forth and follow the rules and regulations in a fair and impartial manner?”

Chairman Rosenberger affirmed that he would. **Ms. Allen** stated that she has no concerns based on the statements of the Chair that a recusal is necessary. **Ms. Allen** asked for clarification and a disclosure from the Chair as to how, exactly, he knows the owner of Northern Colorado Home and Design. **Chairman Rosenberger** stated that his wife worked for the owner for a short period of time. **Ms. Allen** asked if there was anything about the employment that made him biased either for or against the owner of Northern Colorado Home and Design. **Mr. Rosenberger** stated no.

Chairman Rosenberger stated the date, September 27, 2017, and time, 7:28 p.m. **Mr. Rosenberger** stated that this hearing was called before the Construction Advisory Board to review the matter at hand pursuant to Article 10 of Loveland City Charter and Chapter 2.60 of the City Municipal Code. This review of the Contractor’s services is intended to determine by a

preponderance of evidence whether any parties violated Loveland Municipal Code. The review is adjudicatory by nature. To ensure the hearings proceed in an orderly and efficient manner, first, a brief opening statement will be made by the City; followed by the Contractor. Second, the City will present its case, including all witnesses and evidence, if any. These are subject to full and cross-examination by the Contractor in an effort to avoid a recall of any witnesses. Third, the Contractor will present his/her case opposing the allegations, including any witnesses and evidence. These are also subject to full and cross-examination by the City. Fourth, the City will make its closing statement, which will be followed by the Contractor's closing statement.

Chairman Rosenberger then requested that all parties involved introduce themselves for the record by name and relationship to the proceeding:

- **Christian Nahr** owner
- **Roger Seat**, attorney for Mr. Nahr.
- **Les Garner**, homeowner
- **Molly Garner**, homeowner
- **Edward Yalacki**, subcontractor, former employee

John Schumacher, Chief Building Official for the City of Loveland, issued opening statements: We are here tonight to hear the complaint of Les and Molly Gardner against Mr. Nahr. The City intends to show that Mr. Nahr performed work within the City's jurisdiction without a valid license and without a permit, and some of that work is not compliant with Code.

Mr. Seat stated that this is a mistake. Mr. Nahr spoke to a member of the Building Department, described the work to be conducted, and believed that he did not need a permit—he could get a sub. He did not think he needed a permit. All this was stated in Mr. Nahr's letter. **Mr. Seat** added that Mr. Nahr has many happy customers, but two unhappy ones in the room at present. Both are in the back of the room videotaping the proceedings, and this feels like an intimidation tactic. Mr. Seat stated that any video recordings be stopped. **Ms. Allen** stated this is a public hearing. **Mr. Seat** asked if they can video the proceedings. **Ms. Allen** affirmed they can. **Mr. Seat** asked for all parties present to concentrate on all relevant facts and not any mud-slinging.

Mr. Nahr, owner of Northern Colorado Home and Design, stated that Mr. Garner and Ms. Garner hired him to complete a 50's era bathroom remodel. He stated he has done a lot of work in Windsor and Greeley, where a license is not necessary as electrical and plumbing subs are state licensed. Mr. Nahr stated that he spoke to Ashley Iverson in the Building Department, who, after placing him on hold, told him no permit was needed. **Ms. Allen** interjected and informed Mr. Nahr that this is not appropriate for an opening statement, but that a brief recitation is all that is now needed. Ms. Allen stated that Mr. Nahr's attorney should consult with him on what occurred. Ms. Allen cautioned the Board that opening statements are not evidence.

John Schumacher presented the City's case: In March of this year, the Building Division received a complaint against Northern Colorado Home and Design and Mr. Nahr. Mr. Garner reported that a bathroom remodel had been completed by Mr. Nahr's company and that the work had been completed without a permit and been completed by Mr. Nahr, who did not hold a license. Mr. Schumacher conducted a site visit on March 16th, 2017, and found that work was not

compliant, completed without a permit, and without a license. The work performed was found during Mr. Schumacher's site visit to be in violation of 2012 IRC and City Municipal Code. A letter was sent to Mr. Nahr's firm on April 5th, 2017, but while sent to the correct address, through an administrative error, was addressed to John Moore Plumbing. The letter was then returned to the City with a notation that no John Moore Plumbing existed at that address, but the notation was made on the letter itself and the envelope was opened. The remainder of the letter, other than the salutation, contained the correct information and included the address of the project and the customer name. Another letter was sent on July 7th to Mr. Nahr's firm, and in response to that letter, on July 12th, the Building Department received a handwritten letter from Mr. Nahr. In that letter, Mr. Nahr acknowledges the work was performed without a license and without a permit. Mr. Nahr claims he did not know he needed a license or a permit. If Mr. Nahr performed that work on his own, which includes electrical and plumbing, he performed it in violation of City ordinance and of State statute. If he hired contractors, who are licensed by the State, they should have the knowledge of what is required of them as part of their licensing by the State that a permit is required. They would have completed the work under Mr. Nahr's direction while knowing that a permit was required. On July 12th, a letter was received in response to the City, admitting Mr. Nahr did not know he needed a permit. Since that time, no action has been taken to rectify the situation. There has been no other contact with Mr. Nahr. Mr. Nahr's attorney has contacted Mr. Schumacher regarding the hearing and asking for more information on the hearing date and more information on the complaint. Mr. Schumacher responded with that information, and Mr. Nahr's attorney responded in email stating the information was received. At this time, Mr. Schumacher stated, he would like to call as a witness Les Garner.

Ms. Allen asked Mr. Garner to swear to tell the truth, the whole truth, and nothing but the truth, and Mr. Garner affirmed he would do so. Mr. Garner stated his name for the record.

Mr. Garner offered his statement, in which he stated that he contacted Mr. Nahr, and at that time, Mr. Nahr assured him he was licensed, bonded, and insured. Mr. Nahr also assured Mr. Garner that he would pull the permits for the job and he knew that it would require permits. Mr. Garner stated that Mr. Nahr in person and on his website states he is licensed, when he is not. Additionally, Mr. Garner stated that contract indicated the job would be completed in a given period of time, but 45 days later, it was still not completed. During that time, Mr. Garner states he incurred significant costs for hotel rooms, meals, and the like. In addition, Mr. Nahr damaged property, such as a vanity in the bathroom. He did not finish the job as contracted. Part of the contract stated that he was to completely gut the bathroom, with everything removed. Mr. Garner stated that he and his wife went out of town, and upon returning, found that only a small portion of the drywall had been removed. Mr. Garner stated that Mr. Nahr used inferior products, and that a subcontractor stated that inferior products were used and the job was completed in a manner that was unusual. There are now problems appearing in the texture and the drywall that Mr. Nahr completed. Mr. Garner stated these are the reasons for the hearing. Mr. Garner stated he has since learned that Mr. Nahr did not pay the subcontractors associated with this job. Mr. Garner went on to say that he had found multiple former customers of Mr. Nahr's who were

displeased, and at least one who was involved in a lawsuit. According to Mr. Garner, Mr. Nahr's sales tax license is expired and he is effectively not in business at this time.

Chairman Rosenberger asked the Board if they have any questions at this time. **Jason Baker** stated no. **Andrew Ross** stated no. **Bob Dehn** stated no, maybe later. **Adam Trainor** asked what attempts have been made to rectify the situation, and was the contractor given an opportunity to correct the situation?

Mr. Garner stated that when he contacted Mr. Nahr, Mr. Nahr told him the "work was too hard to complete." Mr. Garner stated he mentioned this to the drywall contractor, who stated that the whole job was not completed. Mr. Garner contacted Mr. Nahr to complete the "punch list" which was never completed. Mr. Garner withheld payment and completed the work himself.

Chairman Rosenberger stated that Northern Colorado Home and Design now has the opportunity to question the witness. **Ms. Allen** asked that the record reflect that Mr. Nahr's attorney, **Mr. Seat**, has no questions for this witness at this time.

Chairman Rosenberger asked if there would be any other witnesses at this time, and **Mr. Schumacher** stated he would like to call Mr. Yalacki at this time.

Edward Yalacki stated his name for the record and was sworn in. Mr. Yalacki stated that he worked for Mr. Nahr for approximately five months. In that time, Mr. **Yalacki** stated that Mr. Nahr had multiple unhappy customers, and only one satisfied one. Mr. Nahr was often late and lied about the work he would do. Every customer complained except one, according to Mr. Yalacki. Mr. Yalacki stated that Mr. Nahr would use sheetrock in showers, which he told Mr. Nahr was illegal. Mr. Nahr frequently completed work that was against code, according to Mr. Yalacki. This included moving electrical. **Mr. Rosenberger** reminded Mr. Yalacki to stick to this current case. **Mr. Yalacki** stated that in the case of Mr. Garner's job, the wrong screws were used, incorrect materials were used, Mr. Nahr never took recommendations from subcontractors, and lied about his licensing and permitting.

There are no cross-examination questions at this time.

Mr. Yalacki returned to the stand to be questioned.

Jason Baker asked Mr. Yalacki what type of work he had completed, Mr. Yalacki stated that on this project, he completed tile work and helped install the vanity.

Andrew Ross: no questions.

Bob Dehn: You worked multiple jobs for Mr. Nahr, yet continued to complete jobs incorrectly? **Mr. Yalacki** stated that at that time, he needed the job and was applying for a home loan. He needed to provide for his family. **Mr. Dehn** asked if there was anything else on this job that Mr. Yalacki was aware of that was not up to code. **Mr. Yalacki** stated that to his knowledge, the sheetrock and screws were not up to code.

Adam Trainor: no questions.

Kent Kerwood: no questions at this time.

Chairman Rosenberger: no questions.

Mr. Schumacher offered closing statements: Mr. Nahr advertises, has a Facebook page, and uses social media. In these, he states he is licensed and insured. Mr. Schumacher used an example from the *Loveland Reporter Herald* as evidence, which states he is licensed. Mr. Schumacher stated that on the Northern Colorado Home and Design web page and Facebook page, there are multiple photos of completed work. All this indicates he has a vast amount of experience. With that amount of experience, it is not plausible he does not know a permit is required or that he should look into the requirements of each jurisdiction. Mr. Schumacher doubts the opening remarks from Mr. Seat that this is a Contractor who just didn't know any better. The visible work is not to code, and the code violations are visible by witnesses. Mr. Schumacher stated he has no more evidence.

Adam Trainor asked if the Contractor has ever held a license in the City. **Mr. Schumacher** stated no.

Roger Seat, attorney for Mr. Nahr called Christian Nahr. **Ms. Allen** performed the swearing-in.

Mr. Seat asked Mr. Nahr for a statement regarding the job he completed for Mr. and Ms. Garner: Mr. Nahr stated he is new to the area, and called the City of Loveland. He spoke to Ashley, asking if he would need a permit. She put him on hold, and stated that as long as the subcontractors are licensed, he would not need a permit. **Mr. Seat** asked Mr. Nahr how many people worked on the job. **Mr. Nahr** stated the job required an electrician, a plumber, and dry wall person, who was Mr. Yalicki. All were licensed. All subcontractors were paid, and Mr. Nahr stated he has proof of that. **Mr. Seat** asked if the homeowners ever asked about permits or licensure. **Mr. Nahr** stated they did not. Mr. Nahr stated he was not allowed to finish the job. He contacted Mr. Garner about finishing the punch list, but was told not to come back. He stated he hired subcontractors for the drywall work. **Mr. Seat** asked **Mr. Nahr** if he knew what Mr. Yalicki was talking about regarding the screws, and Mr. Nahr stated he did not. **Mr. Seat** asked if he used inferior products. **Mr. Nahr** stated he did not, he used products the subcontractor provided. Mr. Seat asked Mr. Nahr if his sales tax license was expired, and **Mr. Nahr** stated he was not aware of that. Mr. Seat asked if he ever tried to fix the problems, and Mr. Nahr stated he was not allowed to. While he was experienced in many other jurisdictions, he did not know about the General Contractor license. It is his agreement that the subcontractors are to be licensed. Mr. Nahr stated he was going off of information provided by Ashley with the City of Loveland, which was that all subcontractors must be licensed. **Mr. Seat** stated he had no additional questions.

John Schumacher cross-examination of Mr. Nahr:

Mr. Schumacher asked Mr. Nahr when he spoke to Ashley in the Building Department. **Mr. Nahr** stated it was probably in October or November of 2016. **Mr. Schumacher** asked Mr. Nahr to elaborate on that conversation. **Mr. Nahr** stated he told Ashley they were doing a 50's era remodel and offered all the details of the job. **Mr. Schumacher** asked if Mr. Nahr was aware that the City has a website, and asked if he had visited it. **Mr. Nahr** stated he was aware. Mr.

Schumacher asked if Mr. Nahr was aware that the website contains all the information needed on permitting. **Mr. Nahr** stated he doesn't do much online and that's why he called.

Mr. Schumacher asked Mr. Nahr if he is aware that plumbing and electrical work requires a permit, and Mr. Nahr stated he is aware. **Mr. Nahr** stated he was under the understanding from the subs that they would not need permits, and he relies on them for correct information. **Mr. Schumacher** asked if Mr. Nahr was aware of the type of screws used in the shower. **Mr. Nahr** stated he was unaware. **Mr. Schumacher** asked if Mr. Nahr is to provide oversight, and if that is part of his role as a general contractor. **Mr. Nahr** affirmed that that is his function. **Mr. Schumacher** asked about the products used in the shower, and **Mr. Nahr** stated he would need to confirm the types of products used and is not aware of insufficient products. Mr. Nahr stated he does not have knowledge of the 2012 IRC book.

Jason Baker asked if Mr. Nahr's website states he is a licensed contractor. Mr. Nahr stated he did not design the site, and would need to look at it to see what is on it.

Andrew Ross: no questions.

Bob Dehn: When you spoke to the Garner's, you presented yourself as a contractor? **Mr. Nahr** stated yes. **Mr. Dehn** asked how long Mr. Nahr has been a contractor. **Mr. Nahr** stated it has been long time, but he really does not know exactly—since roughly 1986. **Mr. Dehn** asked if Mr. Nahr has reviewed his website, and **Mr. Nahr** stated he has looked at it, but not reviewed all the updates. **Mr. Dehn** asked about Mr. Nahr's licensing history. **Mr. Nahr** stated he was licensed in Oregon when he lived there. He stated he is bonded and insured but does not know about licenses. **Mr. Dehn** asked who Mr. Nahr's company used for plumbing, and **Mr. Nahr** stated Calvary Plumbing. For electrical, the company used TCE Electric. **Mr. Dehn** asked if, when Mr. Nahr hired a sub, he asked the sub what the responsibility is. **Mr. Nahr** stated he did not ask if they would need a permit. **Mr. Dehn** asked if perhaps that might be his job, and **Mr. Nahr** stated in hindsight, yes. **Mr. Dehn** asked Mr. Nahr if he was aware of the Use Tax. **Mr. Nahr** stated yes.

Adam Trainor asked if when Mr. Nahr spoke to Ashley, he asked about licensing or if a permit was required. Mr. Nahr stated the conversation focused on permits. **Mr. Trainor** asked Mr. Nahr became aware in his conversation with Ashley that the subcontractors would likely need a permit. **Mr. Nahr** stated that the subcontractors stated there was no permit needed. Mr. Trainor asked if Mr. Nahr had verified that the subcontractors were licensed in the City, and Mr. Nahr stated he had.

Kent Kerwood asked how long Mr. Nahr had conducted business in the City of Loveland. **Mr. Nahr** stated he opened his showroom on April 1st of 2016. **Mr. Kerwood** asked if Mr. Nahr came from Oregon, and Mr. Nahr stated he had. Mr. Kerwood asked how many jobs he had completed. **Mr. Nahr** stated between 75 and 100. Mr. Kerwood asked if during the course of completing that many jobs, Mr. Nahr had not been required to pull a permit. **Mr. Nahr** stated the majority of his work includes cabinet replacement and flooring and tile work, which does not require permitting.

Mr. Trainor asked if there were several different drywall products used, and was it in the contract to remove the products. **Mr. Nahr** stated it was, but when the contract was initially issued, he did not know that the walls were plaster and wire. He then spoke to the owner of the drywall company, who determined it was better not to pull it all out but to “float into what was existing.” **Mr. Trainor** asked if Mr. Nahr ever knew that to do this would cause improper adhesion with the product. **Mr. Nahr** stated that was never brought to his attention. **Mr. Trainor** asked if Mr. Nahr was aware that incorrect fasteners were used to fasten the drywall to the studs. **Mr. Nahr** stated he was not aware of this, and deferred to the owner of the drywall company.

Mr. Dehn stated that he thought he heard that it was in May of 2014 that Mr. Nahr opened his business. **Mr. Nahr** stated that was incorrect, and that he moved to Colorado in 2014 and opened his business in 2016. **Mr. Dehn** asked where the business was located. **Mr. Nahr** stated it is located in Loveland, on Eisenhower Blvd. **Mr. Dehn** asked if he obtained a permit for it. **Mr. Nahr** stated “yes.” **Mr. Nahr** then asked Mr. Dehn what he meant by “permit,” and stated that he has a City and State license. **Mr. Dehn** asked if there was work done that needed a permit for the showroom. **Mr. Nahr** stated no. **Mr. Dehn** stated that Mr. Nahr had indicated he had completed a number of projects in Greeley and Windsor. **Mr. Nahr** stated he has built a number of homes in Greeley and Windsor. **Mr. Dehn** stated that Mr. Nahr had earlier stated that most of his work was in cabinets and tile. Mr. Dehn asked for clarification: “are you a builder, or...?” **Mr. Nahr** stated that when he first moved to Colorado from Oregon, he was uncertain which career path he wanted to take, so he took out some loans and built a few homes in Greeley and Windsor. Mr. Nahr added that “has nothing to do with the business at hand.”

Mr. Baker asked if Mr. Nahr was originally contracted to gut the bathroom wall to wall and install drywall. **Mr. Nahr** stated that is correct. **Mr. Baker** asked if the line items on the quote for the project were adjusted once it was determined that the drywall would not be removed. **Mr. Nahr** stated that no adjustments had been made to the bill. Mr. Nahr stated any adjustments would be made at the final completion of the project. **Mr. Baker** asked if the job had not been completed because the homeowner would not allow him back on the job. **Mr. Nahr** stated that is correct.

Mr. Trainor asked if Mr. Nahr had a discussion with the homeowner once he realized the bathroom wall was plaster and lath, particularly because this would change the scope of the project and the work completed. Was there an agreed-upon solution to move forward? **Mr. Nahr** stated there was not, because the homeowner was on an overseas vacation. **Mr. Nahr** stated he took it upon himself, along with the input from the drywall company, that this would be a better solution rather than pulling everything off. **Mr. Trainor** stated that in earlier testimony, Mr. Yalacki stated that in a million years, he would never have completed the work this way, but only when he was instructed by you to do so. **Mr. Nahr** stated he cannot speak to that conversation because he was not there, but would be happy to bring in the owner of the company.

Mr. Rosenberger asked if both the electrician and the plumber were licensed in the City of Loveland. **Mr. Nahr** stated that as far as he knew, yes. **Mr. Rosenberger** asked if they pulled a permit. **Mr. Nahr** stated they did not. **Mr. Rosenberger** stated that as licensed contractors—if

they filled out the subcontractor agreement—they should be aware of the agreement. **Mr. Nahr** stated that is correct. **Mr. Rosenberger** asked how many jobs they had completed for Mr. Nahr. **Mr. Nahr** stated Calvary had completed maybe six, and TCE around 15 to 20. **Mr. Rosenberger** asked if, during the course of all those jobs, Mr. Nahr had verified if they had a license. **Mr. Nahr** stated they had verified they were contractors. **Mr. Rosenberger** clarified that he meant licensed contractors, but not necessarily licensed to do work in the City of Loveland. **Mr. Nahr** stated that is correct.

Chairman Rosenberger asked if Northern Colorado Home and Design has any further evidence to present at this time. **Mr. Seat** stated there was no additional evidence to present at this time, and **Ms. Allen** asked the record to reflect that Northern Colorado Home and Design has no additional evidence to present.

John Schumacher presented as evidence a printout of an ad from the *Loveland Reporter-Herald* stating that Northern Colorado Home and Design is licensed and insured, and also reads that the company conducts projects such as this, stating “no project too large or too small.” Mr. Schumacher stated this, combined with Mr. Nahr’s statement that he has built homes, are evidence that he has completed jobs that are bigger than tile and cabinet work.

Chairman Rosenberger asked if Northern Colorado Home and Design or Mr. Schumacher would like to conduct any cross-examination.

Roger Seat asked Mr. Schumacher if he was aware that Northern Colorado Home and Design holds a City license to conduct business. **Mr. Schumacher** stated no. **Mr. Seat** asked if Mr. Schumacher had considered that Mr. Nahr was referring to that license when stating he is “licensed.” **Mr. Schumacher** stated “I guess that’s possible.” **Mr. Seat** asked where Mr. Schumacher is looking at the statement that they are licensed, and **Mr. Schumacher** stated that he was looking at the advertisement in which Northern Colorado Home and Design states they are licensed and insured. **Mr. Seat** had no further questions.

Chairman Rosenberger asked if there are any questions from the Board.

Jason Baker—No

Andrew Ross—No

Bob Dehn—No

Adam Trainor asked Mr. Schumacher if, during the course of his investigation, he had time to research whether or not the subcontractors were licensed with the City of Loveland. **Mr. Schumacher** stated he did not, as there was no subcontractor information provided.

Kurt Kerwood—no questions at this time

Chris Rosenberger—no questions.

John Schumacher issued closing statements, and stated: Mr. Nahr advertises himself as a licensed contractor, one who can complete any job and no job is too big or small. From his own testimony, he does everything from a small tile job all the way to new home construction. He

sells himself to his customers through a contract as a general contractor, able to ensure the proper completion of work in all disciplines from start to finish necessary to the specific project. Mr. Nahr has indicated that he has been in contracting since 1986—approximately 31 years. He has indicated in written documentation that he has been a general contractor since the '90's. Mr. Nahr has stated this was an isolated incident, an oversight, and that he didn't really understand the process. The evidence shows that he did know. While we've been talking Mr. Garner and his case tonight, there are other people in the audience who are here because they are concerned. They can't speak because of their litigation but they are concerned. This is not an isolated incident, it's not an oversight. This is not a mistake. He holds himself as being knowledgeable, but he admitted he knows nothing about the IRC. The IRC is pretty basic. In residential remodel, the IRC is the code to go by. Mr. Nahr states that he requires his subcontractors to get permits and sign a form, but as the general contractor, he isn't going to insure that they do that. He covers himself, but he doesn't cover his customers. He said that the subcontractors should have gotten permits if they needed them, but he didn't check to see if they did. He sold a contract to Mr. Garner and others as a general contractor, taking on the responsibility to make sure that all phases of the job are completed correctly, but he didn't do that. He didn't comply with City ordinance in terms of licensing and he didn't comply in terms of permitting. **Mr. Schumacher** expressed confidence in Building Department staff and stated he doubts that anyone told Mr. Nahr that he didn't need a permit. Mr. Schumacher also stated: the website is clear, and shows that the IRC is the code to follow and what permits are needed. Mr. Nahr admitted to having visited the website. There is a preponderance of evidence showing that Mr. Nahr did this job without a license and without a permit, and that he did so knowingly and intentionally. Mr. Schumacher stated his hopes that the Board will find in favor of Mr. Garner and the City.

Mr. Seat issued closing statements on behalf of Northern Colorado Home and Design: Mr. Nahr has been open and honest, is new to Colorado, and believed that based on his experiences, the subcontractors could obtain the necessary permits. Mr. Nahr has learned his lesson. He admitted that he didn't get a permit, but it was an honest mistake.

Chairman Rosenberger issued legal statements, and asked for comments from the Board.

Jason Baker stated he had issue with a person stating to be a general contractor, but not having a license, completing work without knowledge of requirements, and without pulling permits. To perform the function of a general contractor, you are responsible for all phases of the work. There are clear violations here. Additionally, Mr. Schumacher stated he found evidence of subpar work, so it isn't just an issue of permitting and licensing.

Andrew Ross stated there seem to be two separate issues: there is licensing and code violation issues. The other is the contractual issue on the part of the homeowner, which is not something the Board should be involved in. Mr. Ross stated that he hoped all this is very clear in these proceedings.

Bob Dehn that Mr. Nahr lied about being a contractor, and should understand the licensing and permitting process, as well as the fact that the project is to be managed. Mr. Nahr is guilty.

Adam Trainor stated that it's clear that the work was performed without a license or a permit. It's a clear violation.

Kent Kerwood stated his agreement that it's a violation. From the permit to licensing and code violations, there is a violation. If Mr. Nahr had in fact completed as many jobs as he has stated, surely someone would have realized that a license or a permit was needed for a job. There are a number of violations here.

Chairman Rosenberger stated that in the letter from Mr. Nahr, he stated the plumber and electrician were both licensed, and they both stated that a permit was not needed. Mr. Rosenberger stated that he finds it unlikely that both of them would agree to that. The general contractor typically would pull the permit and identify the major trades (plumbing, electrical, mechanical) and include the licenses on the permit. There is definitely negligence. There are serious violations present.

Chairman Rosenberger asked if there were any additional comments. There were none.

Chairman Rosenberger declared deliberations concluded and asked for a motion as to whether or not there are City licensing or permitting violations.

Adam Trainor motioned to acknowledge that there were City licensing and permitting violations. **Jason Baker** seconded the motion. **Chairman Rosenberger** issued a roll call vote:

Jason Baker—yes

Andrew Ross—yes

Bob Dehn—yes

Adam Trainor—yes

Kent Kerwood—yes

Chris Rosenberger—yes

The motion passed unanimously.

Chairman Rosenberger asked if the City has any sentencing recommendations.

Mr. Schumacher stated that the initial recommendations were that Mr. Nahr acquire a permit and a license within 30 days and receive 12 months of contractor license probationary status. However, Mr. Schumacher stated that following the testimony, his recommendations are that Mr. Nahr obtain a permit and license for the Garner job—even if Mr. Garner will not allow him to finish. Once the permit is closed, Mr. Schumacher recommends the Board revoke Mr. Nahr's license, stating he should not be allowed to conduct work in the City of Loveland again. Mr. Schumacher stated that Mr. Nahr's conduct was intentional, and without the knowledge of the IRC, his license should be revoked.

Chairman Rosenberger asked if Mr. Nahr's license were revoked, how would other projects currently taking place be finished?

Mr. Schumacher stated that to his knowledge, there were no other projects at this time. However, that is a matter that would likely go to Municipal Court.

Jason Baker asked if it is necessary to state knowledge of code in order to receive a license. **Mr. Schumacher** stated that a test is required to demonstrate that knowledge.

Andrew Ross needs clarification on Mr. Schumacher's recommendation.

Bob Dehn stated his agreement that Mr. Nahr should lose his license, however, he does not agree that Mr. Nahr should not get a permit for the job for Mr. Garner.

Mr. Schumacher stated that a permit must be pulled for the job, and the costs to pull it should not fall on Mr. Garner.

Mr. Dehn stated that Mr. Garner should pull a permit to finish the job, particularly if he will not allow Mr. Nahr on his property.

Chairman Rosenberger asked if Mr. Nahr were to pull the permit, but Mr. Garner will not allow Mr. Nahr back on the job, but no one else can do the work under that permit, there is an issue. Wouldn't another contractor have to come forward and pull a permit?

Mr. Schumacher stated a clarification that ultimately the homeowner is responsible for the code and the owner of the permit. Mr. Schumacher would transfer the permit to Mr. Garner or the new contractor.

Mr. Rosenberger asked for clarification on the homeowner being allowed to pull the permit and do the work themselves. But, if the homeowner pulls the permit, they cannot hire other subcontractors to do the work, because they are essentially stating they will do the work themselves as homeowner. Is this correct?

Mr. Schumacher stated a clarification of the code and the ability to transfer the permit.

Mr. Baker asked for clarification on subcontractors completing work.

Ms. Allen stated that the Board has the ability to order the licensee to pay unpaid permit fees.

Chairman Rosenberger asked if Northern Colorado Home and Design has any sentencing recommendations.

Mr. Seat asked the Board to consider Mr. Nahr's openness and lack of knowledge. Mr. Seat recommended that the Board consider placing Mr. Nahr on probation and require him to get a license. Mr. Seat stated that this is the first time Mr. Nahr has appeared before the Board. Mr. Seat recommended a sixty day requirement to get a license and one year probation.

Chairman Rosenberger asked the Board if there were any questions. All stated no.

Chairman Rosenberger asked Les Garner for his recommendation. **Mr. Garner** stated his recommendation that Mr. Nahr and Northern Colorado Home and Design cease doing business. Mr. Garner stated that if Mr. Nahr doesn't cease doing business, he would like to see Mr. Nahr obtain a contractor's license. Mr. Garner also recommended an audit be completed of all of Mr.

Nahr's prior jobs to ensure the proper permits were pulled, and if not, Mr. Nahr should be required to pull the permits for all the past jobs in which there was no permit. Mr. Garner expressed his concern for others who have possibly been affected by Mr. Nahr.

Chairman Rosenberger stated a clarification that any authority to complete audits could only be within the City limits.

Mr. Garner addressed Mr. Nahr directly. **Ms. Allen** reminded them that is inappropriate.

Chairman Rosenberger asked the Board if there were any questions. **Mr. Dehn** asked Mr. Garner if he would prefer Mr. Nahr have to pull the permit, or if he would prefer to do it himself. **Mr. Garner** stated he would prefer Mr. Nahr have to pull the permit and get a license. **Mr. Garner** stated he would close the permit with the subcontractors.

No other questions from the Board.

Bob Dehn issued a motion to sentence Mr. Nahr to 45 days to obtain a license and permit. Following that, Mr. Nahr would lose his license for one year in the City of Loveland. Motion seconded by **Adam Trainor**. **Mr. Trainor** made a motion to re-open deliberations. **Jason Baker** seconded the motion. **Mr. Baker** stated that in addition to Mr. Dehn's sentencing motion, Mr. Nahr should provide the City with a list of projects he performed in the City of Loveland so that the City can follow-up, and Mr. Nahr should have to pull permits for any jobs requiring it prior to losing his license.

Mr. Dehn asked Mr. Schumacher what accountability the City has if Mr. Nahr does not follow through with the requirements. **Mr. Schumacher** deferred to Ms. Allen. **Ms. Allen** stated that the Board has the power to suspend or remove a license or take other disciplinary action on the license, including the issuance of a formal remand or order the licensee to pay unpaid permit fees or inspection or other investigative costs incurred by the City or impose a probationary period during which any further violations would result in the suspension or revocation of the license. That is the scope of what this Board can do.

Mr. Dehn reiterated what his original motion was, at the request of Chairman Rosenberger. Mr. Dehn asked if the Board would want to audit the projects completed by Mr. Nahr. **Ms. Allen** stated it is not likely in the authority of the Board to engage in a retroactive analysis.

Mr. Dehn made a motion that Mr. Nahr be required to obtain a license and permit within 45 days, following that, a revocation of license for one year. Motion seconded by **Adam Trainor**. **Ms. Allen** issued a clarification that the Board does not have the authority to compel Mr. Nahr to obtain a license. The Board has the authority to suspend or revoke a license or to advise the Building Official as to whether or not a license application should be denied, to order unpaid permit fees. This Board cannot compel an individual to obtain a license or a contract. Ms. Allen suggested it might be advantageous to ask Northern Colorado Home and Design if they intend on attempting to obtain a contractor's license within the City of Loveland.

Mr. Nahr stated he does intend to obtain a contractor's license. **Mr. Seat** confirms.

Ms. Allen clarifies that because Northern Colorado Home and Design does not have a license within the City, there is no ability to proactively impose on him to get one. There is an ovation by Mr. Nahr that he intends to get a license. Any deliberation or recommendation for sentencing should take that into consideration. The fact that he does not currently have a license, that this Board still has the authority to compel payment for unpaid fees, and the fact that this Board has the authority to rule on and recommend how that licensing application should be treated, although initial authority lies with the Chief Building Official.

The previous motion was withdrawn.

Mr. Trainor made a motion to deny access to Mr. Nahr to a contractor's license for one year, to require the payment of permit fees due from the Garner project, and a probationary period of 24 months once a license is obtained. Motion seconded by **Jason Baker**. **Chairman Rosenberger** issued a roll-call vote:

Jason Baker—yes

Andrew Ross—yes

Bob Dehn—yes

Adam Trainor—yes

Kent Kerwood—yes

Chris Rosenberger—yes

The motion carried and was passed unanimously. **Chairman Rosenberger** stated that within ten business days, the Board will provide a written decision to the City and the party. The hearing is now concluded.

Chairman Rosenberger declared a recess.

d. Discussion of plan review processes and times

Chairman Rosenberger stated that because Mr. Fogel is absent, this item will be moved to the next meeting. **John Schumacher** presented information for the Board to consider in the meantime. Mr. Schumacher stated that two years ago, plan review times were approximately 19 days. The most recent plan review times were averaging 8.72 days.

Mr. Baker asked Mr. Schumacher about the need for architectural plans for a repair due to fire. **Mr. Schumacher** stated it depends on the scope of the project and the scope of structural repair. It becomes difficult for the inspector to complete an inspection, and sometimes a drawing is needed. If the structural repair actually needs engineering, for example.

VI. Other business: None

VII. Adjournment: A motion was made to adjourn the meeting at 9:45 The motion passed unanimously.

