

MINUTES
FINANCE COMMITTEE MEETING
Monday, April 12, 2021 – 6:30 p.m.
Zoom Webinar

Present: Councilor James Hager, Chair; Councilor Janet Kuech and Council Vice Chairperson Suzanne Phillips.

Also Present: Council Chairman Lee Pratt; Town Manager, Ephrem Paraschak and Finance Director, Sharon Laflamme.

1. Consideration of the minutes of March 29, 2021 Meeting

A motion was MADE by Councilor Phillips, SECONDED by Councilor Kuech, and VOTED to accept the minutes of the March 29, 2021 Finance Committee Meeting. Unanimous vote.

2. Current Business

A. Review and discuss Town fees.

Councilor Hager referred to attachment 2-A reflecting suggested increases to the Community Development fee schedule, which he noted that he would have preferred to have seen a comparison between the existing fees and the proposed fees. He further noted that he had previously compiled and sent a listing of the existing 211 Town fees to the committee members for their reference.

Town Manager Ephrem Paraschak asked if Councilor Hager could send his list as a Google Sheet or in MS Excel format, so all departments could use it as a template for the review of their respective fees at a future meeting, to which Councilor Hager said – yes.

Councilor Hager referred to a list of questions he asked at the March 29th Finance Committee meeting surrounding the reasoning for Town fees, which included the following:

- Are fees charged to cover time and effort to document administrative and legal records in the Town Clerk's Office without the intent to recover all time and costs that the Town incurs, or are fees charged to cover and reimburse the Town for all time and effort.
- What is the average hourly rate to perform the work.
- What is the highest administrative salary of any employee that may be performing the work.
- Is the Town is charging enough to cover the Town's cost to perform the work.
- What revenue stream benefits the Town the most.
- Are there some fees that can be bundled into a single application to streamline the process.
- What was the model for inflation. The consumer price index shows that there has been roughly a 24 percent increase in today's dollar since the last review and increase of all Town fees in 2008.

Councilor Hager said that he used the Town tax rate as a straight line increase, which has increased 18.75 percent since 2008. He recommends considering an increase of 19 to 25 percent for all Town fees and to consider what Town staff recommends as well.

Mr. Paraschak noted that Community Development Director Tom Poirier did not include a recommendation for the building permit fee as Mr. Paraschak wanted staff to further research the same fee with other towns. He further noted that Westbrook charges \$14.50 per \$1,000 of value, and the Town of Gorham charges \$10 per \$1,000 of value.

Councilor Hager questioned the 50 percent markup from \$50 to \$75 on the re-inspection fee. Mr. Paraschak commented that a re-inspection fee can vary depending on the issue, and he gave a hypothetical example of the Code Officer having to go back out to re-inspect a house being framed that has 20 code violations.

Council Vice Chairperson Phillips was looking for general recommendations across all Town fees and not just increases. She asked if there were any recommendations for combining fees, and how much do fees such as for home occupation permits generate, and how much does the Town rely on those fees.

Council Vice Chairperson Phillips was looking to have a broader discussion with Mr. Paraschak regarding his recommendations on what fees should be increased. She also feels that the Town should reconsider the cost for inspections that are conducted remotely via video.

In response to Council Vice Chairperson Phillips' questions, Mr. Paraschak said that all fees on the memo were common, and that the revenue-to-staff-time ratio in the Code Office is the highest of any department, and more revenue is generated than what is expended; however, the Town is in line with what other municipalities charge. He also said that the Town needs to start worrying about growth management, and if fees are adjusted to only cover the Town's cost, people will want to build in Gorham versus other towns. The Community Development Director Tom Poirier proposed more fee adjustments on the memo to address routine issues.

Finance Director Sharon Laflamme asked if any fees such as the electrical section on the memo include the State of Maine fee, or if they were the total fees, to which Mr. Paraschak said that was only the commercial inspection fee and that all fees represent residential inspections, and that Mr. Poirier did not include the portion that goes to the state.

Regarding video inspections, Mr. Paraschak said that a Code Officer is still being taken away to perform video inspections and they may continue to perform inspections post-pandemic via that method; however, it will be for smaller ticket items. He recommends not being concerned with it in the context of a fee, because the fee will be inclusive of an overall building permit fee or a relatively minor fee that is probably still lower than other municipalities are charging.

Councilor Hager is concerned with video inspections replacing in-person inspections, to which Mr. Paraschak said that the Code Office is performing them now, but the process will change post-pandemic. The Code Office may still use that format, but it will be to verify less complicated work like a hand rail being installed.

Council Chairman Pratt clarified that the video inspections are being done via FaceTime and the homeowner shows the inspector in real time what work has been done or not done. The Code Office did

still perform in-person inspections during the pandemic and continue to do so on new major construction projects.

The committee then reviewed the fees in order as they were listed on the memo and took the following actions:

Recommended Fee Changes to Existing Code Division Fees:

- Building Permits minimum fee: \$50 - 3 years.
- Building Permit Refund (after review) retain 20% of the building permit costs: 3 years.
- Re-inspection fee: \$75 - 3 years.
- Accessory Use Building permit fee: \$50 - 2 years. Councilor Phillips – nay. She recommends keeping the fee at \$30.

Mr. Paraschak commented that a Code Officer's wages and all overhead taken into account including benefits is roughly \$50 an hour, not factoring in the cost of a Town vehicle. He additionally said that a call to inspect an accessory use building like a shed is one of the Code Office's most common calls, in which staff make sure the structure meets setback requirements, has a proper foundation, etc.

Councilor Kuech agrees with and supports the increased fee in the context of growth management. She would have preferred to have seen a blanket increase across all fees to raise fees more evenly, but she will trust that staff has brought forward reasonable fees and she will support the fees as proposed.

Councilor Hager is not opposed to raising this fee since it has not been increased since 2008.

Council Chairman Pratt does not feel that the accessory use permit fee manages growth. It helps increase the property value for the homeowner. He does not support increasing the fee by 33 percent from \$30 to \$50. He feels that \$40 is fair.

Councilor Kuech commented that the \$50 fee lets applicants know that the Town is aware of improvements that they are making. She also said that the 67 percent increase on this fee is the same proposed percent increase on the swimming pool fees, which is why she is comfortable with the proposed accessory use building permit fee.

- Swimming Pools:
 - In ground: \$75 – 3 years.
 - Above ground: \$50 – 3 years.
- Chimney: \$50 – 3 years.
- Electrical:

A discussion ensued regarding the Electrical Service fees, in which Mr. Paraschak said that he did not understand why there were two separate fees for the 100 and 200 amp service since they were so similar and there wouldn't be that much more work involved with installing a 200 amp service versus a 100 amp service.

Council Chairman Pratt said that there is a big difference between the two services, but the two fees should be combined and listed as "electrical service permit," because if a Code Officer is inspecting a 100 or 200 amp service, they still have to drive out for the inspection; they are just looking at two

different gauge wires. The fee should then be \$100 or \$75, and there is no reason for one service inspection to be higher than the other.

Mr. Paraschak clarified that the fee in question for was residential service.

Councilor Kuech recommended combining the fees as one under “electrical service permit” and the fee being \$100.

- ~~○ 100 amp service:~~
- ~~○ 200 amp service:~~
- Combine the above items as “Electrical Service Permit: \$100 – 3 yeas.

Regarding electrical switches, a discussion ensued, in which Councilor Hager suggested that the fee for inspecting 1-25 switches should be one fee, then increase the fee with 26+ switches.

Mr. Paraschak said that the Code Office staff are instructed to always go with the lighter interpretation of a fee schedule or policy, and that the fee also could apply to a generator connection, an electric car charging port, as well as multiple circuits being installed in a garage under renovation. Nine times out of 10, the work is being done by a licensed electrician, but in certain circumstances, the homeowner can do their own work. The fee is to ensure that the electrician’s work is sound, but it also protects the resident from improper or unsafe work. The minimum fee of \$50 also covers the Code Officer’s time. Mr. Paraschak further added that a Code Officer is also likely inspecting other items in a home in addition to switches.

- Additions/modifications 1-10: \$15 - 3 yeas
- Additions/modifications 11-over: \$25 - 3 yeas
- Minimum fee: \$50 – 3 yeas
- Signs:
 - Permanent: \$50 – yeas.
 - Temporary: \$100 – 3 days, no change in fee.
- Home Occupations: \$50 – 3 yeas.
- Demolition:
 - Small Structures (under 250 sq. ft.): \$50 – The committee discussed and agreed to adjust the fee to \$25 – 3 yeas.
 - Residential: \$100 – 3 yeas.
 - Commercial/Industrial: \$150 – 3 yeas.
- Mobile Homes:
 - Located on an established pad: \$500 – No action taken. Mr. Paraschak will research what the previous fee was before the committee makes a decision.
 - Electrical Service Reconnection: Councilor Hager recommends combining the following under one \$100 “Electrical Service Permit” fee.

~~▪ 100 amp service: \$75~~

▪ ~~200 amp service: \$100~~

- Zoning Board of Appeals:
 - Replacement of legally non-conforming structure: \$200 – Mr. Paraschak noted that the current fee is \$125. A brief discussion ensued regarding when and why the fee is applied. The committee agreed to take no action and leave the fee at \$125. 3 years.
 - All other appeals: \$250 – Mr. Paraschak noted that this fee is currently \$175. The committee agreed to take no action and leave the fee at \$175. 3 years.
 - Rescheduled Appeals due to applicant failed to attend: \$500 – Mr. Paraschak noted that this fee is currently \$250. The committee discussed and agreed to increase the fee to \$350. 3 years.
- Plumbing Fee:
 - Minimum fee: \$50 – No action was taken.
- Junk Yard Permit: \$250 – No action was taken.
- Gravel Permits: Councilor Hager questioned why there are seven separate gravel permit fees on the spreadsheet of fees last revised in 2008, to which Mr. Paraschak said that Mr. Poirier is only recommending an increase to the following fees out of the seven that Councilor Hager was questioning. Mr. Paraschak will also send Councilor Hager's spreadsheet to all Department Managers and instruct them to use it as a template when preparing their department fees for review. He added that there is a lot of Town staff time involved with gravel pits.

Councilor Hager questioned why there is a blank line and no fee indicated for the blasting license line item # 91 on the spreadsheet of fees last revised in 2008, to which Mr. Paraschak said he will look into that and advise.

Additionally, Councilor Hager asked what the difference is between a legal ad and a public notice with regard to gravel pit section on the spreadsheet of fees last revised in 2008. He requested clarification on the gravel pit fee section before the committee takes action on the following fees.

- Under 5 Acres: \$500 – Mr. Paraschak noted that this fee is for the relicensing of an existing gravel pit permit in Town, and the current fee is \$200.
- Over 5 Acres: \$1,000 – Mr. Paraschak noted that the current fee is \$300.
 - After the fact building permits for homeowners fixing a past mistake (in calendar year) double the permit fee.

Mr. Paraschak asked the committee if they want to review and refer voted fee changes via piece mail to the Town Council, or refer one department's fees at a time to the Town Council for approval, to which Councilor Hager said that his personal goal was to make the adjusted fees effective July 1, 2021 in alignment with the new fiscal year, and that he is in favor of reviewing and referring proposed fee changes to the Town Council by department.

Council Vice Chairperson Phillips concurred with Councilor Hager with referring proposed fee changes to the Town Council by department and to make the changes effective July 1, 2021.

Councilor Keuch was in favor of reviewing and referring proposed fee changes to the Town Council by department to be adopted all at the same time, although she does not see that the July 1 deadline will be feasible.

3. Other Business

No other items were discussed.

4. Schedule next meeting and discuss agenda items for next meeting

The committee discussed that the next Special Finance Committee meeting date will be April 26, 2021 at 6:30pm, and they will continue the review of Community Development proposed fee changes, which will include the following items for review and clarification:

Recommended Changes to Code Division Existing Fees:

- Mobile Homes:
 - Located on an established pad: No action taken. Mr. Paraschak will research what the previous fee was before the committee makes a decision.
- Plumbing Fee:
 - Minimum fee: No action was taken.
- Junk Yard Permit: No action was taken.
- Gravel Permits: No action was taken; the committee requested clarification.

New Fees proposed for the Code Division:

- Renewal Building Permit Fee: No action was taken.
- Removal of Stop Work Order (in calendar year) - No action was taken on the following:
 - 1st
 - 2nd
 - 3rd
 - Doubling fee for each and every occurrence after the 3rd

5. Adjournment

There being no further business, a motion was MADE by Councilor Kuech, SECONDED by Councilor Phillips, and VOTED to adjourn at 7:55pm. Unanimous vote.

Respectfully,

Jessica Hughes, Executive Assistant