

MINUTES
FINANCE COMMITTEE MEETING
Monday, April 26, 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; Community Development Director, Tom Poirier and Finance Director, Sharon Laflamme.

1. Consideration of the minutes of April 12, 2021 Meeting

A motion was MADE by Councilor Kuech, SECONDED by Councilor Phillips, and VOTED to accept the minutes of the April 12, 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 that was also provided for review at the April 12th Special Finance Committee meeting. The committee agreed to review the outstanding fees that were not discussed on Attachment 2-A and fees that needed clarification.

A discussion ensued regarding the use of the Mobile Homes fee section on the attachment in which Community Development Director Tom Poirier explained that the current fee for locating a mobile home on an existing pad on is \$105. The recommended increase is to make the fee in better alignment with the other proposed increases to permit fees and to cover staff's time with performing the inspection.

Town Manager Ephrem Paraschak referred to the committee's discussion regarding this fee at the last meeting for Mr. Poirier's reference.

Mr. Poirier noted that the inspection involves looking at how the foundation is supported on the pad, as well as the electrical components and the bracing underneath the mobile home; he is not certain if the inspection involves going into and inspecting the interior of the mobile home and would need to verify that.

Mr. Paraschak said that there may be a state and/or building code requirement that mobile homes have a pad underneath, which staff will look into and advise the committee. Mr. Paraschak asked if the Code Office charges a building permit fee when they inspect the pad that a mobile home is put on, to which Mr. Poirier said – no, just the fee for locating the mobile home on an established pad.

Councilor Hager said that he would support increasing the fee from \$105 to \$300-\$350, not \$500.

Councilor Kuech is in support of increasing the fee to \$350-\$400.

Councilor Phillips is in support of increasing the fee to \$300 since there is a separate fee to inspect the electrical service reconnection.

Mr. Poirier clarified that the electrical service reconnection fee in question is for the Code Officer to ensure that the service is reconnected properly; it is not to ensure a new service is installed and connected properly.

Mr. Hager is in favor of streamlining and presenting fees as “one package” for simplicity where possible, so the applicant can make less visits to the Town Office and make a phone call to request the inspections.

Mr. Poirier suggested increasing the inspection fee for a mobile home located on an established pad to \$350, which would include the inspection for electrical and plumbing reconnection, so that the Code Officer would inspect all things during one visit.

Mr. Paraschak asked if the fee that the Town pays for plumbing fixtures to the state is a percentage or flat fee and if the fee needs to be classified, to which Mr. Poirier said that there is a 25 percent minimum fee that the Town must pay to the state and the Town absorbs 75 percent of the revenue; however, he said that the Town could increase its fee and the state would only get a set amount and would not be affected by the Town’s increased fee, so the Town would absorb the additional amount. Regarding the fee reclassification, Mr. Poirier said he would need to do more research to verify if that was necessary.

The committee concurred that they were not concerned with accounting for the number of plumbing fixture units in a mobile home.

Councilor Hager asked how many mobile home fees Finance Director Sharon Laflamme sees on average per year. Ms. Laflamme said approximately five per year.

Recommended Fee Changes to Existing Code Division Fees:

- Mobile Homes - Fee will now encompass all areas of inspection below, as well as plumbing reconnection: \$350 – 3 years.
 - Located on an established pad
 - Electrical Service Reconnection
 - ~~100 amp service:~~ Now combined with 200 amp service/no differentiation between services
 - ~~200 amp service:~~

The committee then discussed the plumbing fee section and that the current fee is regulated by the State of Maine at \$6 per fixture, \$24 minimum, so the new proposed fee of \$50 represents a 108 percent increase.

Mr. Poirier noted that the Code Office is currently charging the state minimum and it has not been adjusted for 12 to 15 years. The proposed increase is to cover the Code Officers' time since 25 percent is given to the state. If a resident is remodeling a bathroom with only two fixtures that cost \$6 each, the Code Officer then goes out to inspect and the Town is only charging \$12.00 to cover the Code Officer's time. The committee ultimately took the following action:

- Plumbing Fees
 - Minimum fee: \$50 – 3 yeas.
 - Fee per fixture: \$10 – 3 yeas.

The committee then discussed the junkyard permit fee section. Mr. Poirier commented that all junkyards in Town are grandfathered illegally, and no new junkyard permits can be issued. Once a year, the Code Officers go out to inspect existing junkyards to ensure that proper screening is in place, and that they are in compliance with state laws and Town ordinances. The inspection does not include an environmental assessment.

A discussion ensued in which Councilor Hager asked how and where additional requirements could be added that would address concerns regarding environmental impact, to which Mr. Poirier said that they could be added on the permit renewal application.

Mr. Paraschak noted that the current fee is \$50, which is comparable to other neighboring towns. He does not recommend increasing the fee beyond \$100. The committee took the following action:

- Junkyard Permit Fee: ~~\$250~~ \$100 – 3 yeas.

A discussion then ensued regarding the gravel permit fee in which Mr. Poirier explained that the current fee is \$200 for gravel pits under five acres, and \$300 for pits larger than five acres; pits under five acres are typically associated with farms. Mr. Poirier added that the Town used to hire an engineer to inspect gravel pits, which was later cut from budgeting and Code Officers now perform the inspections. Mr. Poirier has been contemplating retaining an engineer to perform an inspection every few years to ensure that the slopes and stormwater requirements are being met, which would be funded by the Community Development Department's values for a consultant. Because gravel pits are growing and stormwater requirements are getting more complex, he recommends having an engineer perform an inspection on a rotation.

Councilor Hager asked if gravel pit permit applicants can be required to furnish a certificate proving that their pit has been inspected by a license engineer as part the permit application process.

Mr. Paraschak said that he would be more inclined to recommend a lower fee and have the license holder hire a qualified third-party engineer, or the Town hire an engineer and then the license holder pay the cost.

Councilor Hager commented that some of the larger gravel pit operations already have to report to state agencies on their own.

Councilor Hager supports lowering the proposed fee and requiring annual inspections by a third-party engineer, or if the Town were to hire a third-party engineer, he recommends that the Town enter into a one-year service agreement with a consulting engineer to inspect X number of gravel pits so there is a fixed fee that is accounted for in the proposed gravel pit permit fee.

Mr. Paraschak agreed with Councilor Hager and recommended a straight fee for gravel pits on farms under five acres, and apply the existing fee plus the cost for a third-party engineer on gravel pits on land with more than five acres.

Mr. Poirier said that it will be challenging for the applicant to arrange a flat fee with a consultant; he did not recommend putting that burden on the applicant, especially if there are multiple findings and the engineer has to make multiple separate inspections to bring the pit into compliance.

Councilor Hager reiterated that his proposed idea was for the Town to enter into a contract for X number of inspections, for example \$10,000 for one year; if the fee is \$150 per hour and they inspect a pit in three hours, they will charge \$450. It will be to the consultant's benefit to be as efficient as possible with inspections.

Mr. Poirier commented that if a third-party consultant is hired, there is still staff time involved with reviewing the application, but the fee does not need to be \$500 for pits on less than five acres of land, and \$1,000 for pits on greater than five acres of land. He proposed \$250 for pits on less than five acres, and \$500 for pits on five acres or more.

Councilor Hager asked where the language should be written requiring that the applicant provide a certificate of inspection by a qualified third-party engineer, to which Mr. Poirier said he will need research the language of gravel pit licensing as he is not 100 percent certain where the licensing provision for gravel pits comes from.

Contingent upon Mr. Poirier's research and where the language can be applied, the committee then took the following action:

- Gravel Permits:
 - Under 5 Acres: \$250 – 3 yeas.
 - Over 5 Acres: \$500 – 3 yeas.

The committee then reviewed new fees proposed for the Code Division. Mr. Poirier explained that staff looked at areas that need adjusted fees, which included the renewal building permit fee, which is applied if someone has lapsed after the construction cap of 6 months or more and is dragging out their permit. The fee is capture the Town's cost for construction inspections that are extending beyond the normal permit duration.

Mr. Poirier explained that the removal of stop work order fee is applied as a penalty when the contractor or property owner is in violation of a building code, and it is used as an enforcement tool by the Code Office to ensure the contractor or property owner bring the violation into compliance. The fee doubles for each occurrence.

Ms. Laflamme asked how the removal of a stop work order works when there is a bounced check, to which Mr. Poirier said the Code Officer will require a check within a certain number of days.

Regarding noise complaints with construction starting too early, Councilor Phillips asked what the fee is or if a stop work order is given, to which Mr. Poirier said the contractor would be cited in violation of the noise ordinance, and they would need to sign a consent agreement in which they will remedy the issue by paying a small amount, not a stop work order.

Mr. Poirier briefly reviewed the different types of stop work orders that are issued.

The committee then took the following action:

New Fees proposed for the Code Division:

- Renewal Building Permit Fee: \$100 – 3 years.

Councilor Hager recommended that staff issue a verbal warning as the first occurrence before a stop work order and penalty are issued.

Mr. Paraschak said that the Code Officer will go out and talk with the contractor or property owner before and then document in writing any action taken thereafter. As an issue progresses, more staff members are involved.

Councilor Phillips asked if the removal of stop work order fees are applied per contractor or per site, to which Mr. Poirier clarified that the fee is applicable per contractor.

Councilor Hager asked if the fee is per a subdivision, to which Mr. Poirier clarified that it is applicable by contractor and not site specific.

- Removal of Stop Work Order (in calendar year):
 - 1st: \$250 – 3 years.
 - 2nd: \$500 – 3 years.
 - 3rd: \$1,000 – 3 years.
 - Double fee each every occurrence after the 3rd: 3 – years.

The committee then discussed after-the-fact building permit fees and that the fee is mostly aimed at contractors and not new homeowners.

Mr. Paraschak expressed concern with tying the fee to contractors and suggests looking at redefining the applicability of the fee. He shared an example of a residential homeowner not pulling a permit for a new deck and immediately getting caught, but being held to a different standard.

Additional discussion ensued between staff members regarding defining when and how to apply the fee to residential homeowners versus contractors.

Councilor Phillips expressed concern with the doubling of an after-the-fact building permit fee for homeowners, to which Mr. Poirier explained that the Code Office currently charges a double permit fee for the same situation as it requires multiple inspections by the Code Office and Fire Department to see what was built and what code requirements were met.

Mr. Poirier further explained that the doubling of the fee for contractors addresses scenarios with repeat offenders.

Mr. Paraschak and Councilor Hager each shared various scenarios and how and when the fee would be applicable. Ultimately, the committee reached a consensus to table this item for further discussion at the next meeting and Mr. Poirier will bring back further clarification on how often the scenarios occur involving homeowners versus contractors.

The committee then discussed the building permit fee for residential solar. Mr. Poirier explained that he and other Town staff members interviewed several residential solar providers. Staff want to help promote residential solar either on rooftops, or as standalone arrays to help offset residential electric utility costs. Staff recommended making it a flat fee similar to a building permit fee. Additionally, staff recommended a \$50 fee for up to a 25 kilovolt (kV) system, which most residential systems use, \$75 for up to a 50 kV system, and \$100 for over a 50 kV system. Staff felt the proposed fees would help promote and not hinder residential solar usage.

Mr. Paraschak said that the Ordinance Committee accepted the recommendations of staff for the installation requirements of solar systems on residential structures. That committee also deferred the discussion of determining the fees to the Finance Committee, which will save a step if the committee makes a decision on these fees as proposed.

Councilor Hager asked if the residential solar system ordinance requires homeowners/contractors to hire a structural engineer to ensure that the roof trusses or rafters are sized properly to support the solar systems, to which Mr. Poirier said that there was not an ordinance, rather the Building Code that determines the roof requirements; the Code Officer determines if a roof is properly built to support a solar system load to ensure the Town is not putting residents at harm when installing solar systems on their roofs. Mr. Poirier said that ultimately the Ordinance Committee decided that if a resident has a roof that has an engineered roof truss, they don't need to have their roof inspected by a professional prior to installing a solar system. If there is not an engineered roof truss, Mr. Poirier explained that the resident and/or contractor needs to provide something that says that the solar system load can be supported by the existing roof. The Ordinance Committee also heard from the Fire Chief on the subject regarding the spacing requirements of residential rooftop solar system panels and he was comfortable with what the committee ultimately decided.

The committee then took the following actions:

- Building Permit for Residential Solar: \$50 – yeas.
- Electrical Permit for Residential Solar:
 - Up to a 25 kV system: \$50 – 3 yeas.

- Up to a 50 kV system: \$75 – 3 yeas.
- Over a 50 kV system: \$100 – 3 yeas.

The committee then reviewed the professional and legal peer review fees under the planning division fee schedule. Mr. Poirier explained that the Town Council decided during the last recession that in order to support residential and commercial development, it would follow a new system where the Town would only recover \$500 for the Town's cost for professional and legal peer review fees outside of stormwater engineering review. Mr. Poirier noted that he is not aware of any other town that absorbs the cost of legal peer review fees; typically it all gets billed to and paid by the applicant. Staff recommends that this committee and the Town Council reconsider that if an applicant's project requires legal peer review, the applicant is required to pay the legal peer review fee.

Councilor Hager asked if there is a boilerplate schedule that references the steps that must be certified and the applicant must then obtain a land surveyor or legal firm for peer review, to which Mr. Poirier said that it depends on the project and not how many units. Mr. Poirier referenced an example with a recent project on Main Street and that because the intersection was going to affect other intersections, the contractor needed to retain a traffic engineer and provide a traffic engineer report, and the Town needed a traffic engineer to inspect and ensure the function of traffic would continue properly. Some larger projects could require a number of different peer reviews (i.e. noise, traffic and/or landscaping engineers) that the Town would be only be able to recover \$500 and then have to pay for the remaining legal peer review balance due. The project could also affect the neighbors and the Town would then be responsible for any legal fees in that matter.

Mr. Paraschak asked to clarify with Mr. Poirier if the Town used to previously bill or require applicant's to pay for all professional and legal peer review fees for projects prior to the 2008-2009 economic downturn, and then made the adjustment to stimulate growth after the recession, to which Mr. Poirier said – yes.

Mr. Poirier explained the history of how the former Finance Director had the notion that the recovery of \$500 for legal peer review fees would balance out with existing fees for various permits; however, it does not. Mr. Poirier further noted that adjustments to revert back to pre-recession fees on his department's fee schedule, except for this particular fee.

The committee then took the following action:

Planning Division Fee Schedule

Professional and Legal Peer Review: Developers are required to pay all peer review fees – 3 yeas.

3. Other Business

No other items were discussed.

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

The committee discussed that they will tentatively schedule to meet for another Special Finance Committee meeting to continue the review of all Town fees on Monday, May 10, 2021 at 6:30pm via

Zoom, and if any scheduling conflicts arise, they will decide the next Special Finance Committee meeting date via a Doodle Poll if necessary.

Mr. Poirier will bring back additional information to further support the discussion regarding the proposed fee for after-the-fact building permits for contractors and homeowners, with building permit revenue and public hearing advertisement fees as separate discussions.

The second agenda item will be the review of the Town Clerk's Office fees.

5. Adjournment

There being no further business, a motion was MADE by Councilor Phillips, SECONDED by Councilor Kuech, and VOTED to adjourn at 8:00pm. Unanimous vote.

Respectfully,

Jessica Hughes
Executive Assistant