

## **Council Study Session Minutes, March 31, 2015**

### **Call to Order**

The Ely City Council Study Session was called to order by Mayor Novak at 5:30pm on March 31, 2015 at the City Hall Council Chambers.

PRESENT: Council members A.Forsman, Kess, Debeltz, Omerza, Polyner, D.Forsman, Mayor Novak  
(7)

ABSENT: None

**ADDITIONS OR OMISSIONS:** None

**CITY BUDGET:** Budget will be discussed at a later date after the report from the Auditors is received.

**OLD BUSINESS:** None

### **NEW BUSINESS:**

The Mayor began the meeting by stating that the audio system was now working and this meeting was being recorded live through Ely TV.

The Building Official contract was the topic of discussion for the meeting. The Mayor stated that cost is the issue. The City has adopted to carry out the provisions of the State Building Code through a Building Official/Inspector. Once a City adopts a code, they cannot “un-adopt” it. If we have no building official, then the state would step in and do the inspections which would result in higher fees for the city and higher permit fees for the residents. When there is no Building Official in the City, it slows the work done by contractors to have to wait for an inspection from a State Official. The Mayor agrees to discuss the fee schedule and the hours for the position but he does not want to change anything else about the position.

Clerk Langowski presented a spreadsheet showing the exact cost paid to the Building Official in 2014. The total cost to the City’s General Fund was \$30,792.87 (amount paid to Building Official - \$128,708.54 less the total fees collected by the city - \$97,915.67). He stated that there is an opportunity now to adjust the fee schedule for permitting as well as the hours for Building Official. The decision has to be made by May 6, 2015 when the current contract will expire.

Council member Kess feels the cost paid to the Building Official is too high and steps should be made to lower this cost by either: reducing his hours; reducing the fees for permitting; reducing or removing the percentage that the building official receives from each permit.

Council member Omerza stated the City has been lucky to have had Building Officials such as Mr. Schilling and Mr. Whitney. Citizens expect to have someone in the office on a regular basis to answer their questions and to be available for inspections. Last year was the first year for the Building Official position to tackle blight issues within the City. It is important to make our City look good. We should move forward with the proposed contract.

Council member A.Forsman stated the permit fees are grossly inflated and should be more proportionate to the cost of the job being permitted rather than the whole cost of a project as stated by MN Statute.

Mr. Whitney pointed out that a building permit fee is the cost for a service as with any contracted professional such as a plumber, electrician, etc. It is also about record keeping. He stated that it is necessary by definition of an Independent Contractor that a Building Official receives a percentage of the permit fees. Without that, it takes away the ability of that contracted business to make or lose money.

Council member D.Forsman pointed out that if the building official was made an employee of the City then the incentive to go out and get the permits would not be as great.

Warren Nikkola, Conan St. resident, spoke before the Council stating that the Building Official position as recommended by the League of MN Cities should be revenue neutral. The strive should be to make the cost to the General Fund go down. He stated the numbers show that the Building Official was doing his job and also that there is a lot of construction going on within the City. A private contractor has the incentive to go out and get the job done. The Building Official answers to the building code and not to the City.

Mauro Caruso, Sheridan St. resident, spoke on behalf of contractors, saying that the total amount paid to the contractor is going to pay for the expenses of running his business and is not all take home pay.

Scott Mills, Yukon Dr. resident, stated that after a construction project on a building, the assessment of that building will increase which benefits the City and this fact should be taken into consideration when determining how the Building Official is compensated.

Council member Polyner was concerned about Rental properties not being in compliance with the code. A date for affirmative action with the City Attorney on these property owners should be set. According to the City Attorney, not complying with the Rental Code is a misdemeanor.

Mayor stated that official action on the Building Official contract will be taken at the next regular council meeting.

Mayor Novak adjourned the meeting at 6:46pm.

Claire Huisman  
Deputy Clerk