

PUBLIC WORKS COMMITTEE REPORT

January 6, 2010, 1:35 PM

City Council Chambers

Members Present: Jason Wiener (chair), Ed Childers, Dick Haines, Lyn Hellegaard, Bob Jaffe, Marilyn Marler, Renee Mitchell, Pam Walzer, Jon Wilkins, Dave Strohmaier

Members Absent: Roy Houseman

Others Present: Steve King, Don Verrue, Doug Harby, Monte Sipe, Kevin Slovarp, Doug Harby, Laval Means, Denise Alexander, Ana Aronofsky, Brentt Ramharter

I. ADMINISTRATIVE BUSINESS

- A. Approval of the minutes of December 16, 2009 – Approved as submitted.
- B. Announcements – Steve King, Public Works Director, discussed projects and issues facing the department in the coming year. The budget process will begin soon, and choices will need to be made regarding services and costs. Projects include North Higgins, Miller Creek Road reconstruction, and completion of the Russell/3rd EIS and beginning of the design phase. The Bicycle and Pedestrian Office has an engaged and thoughtful citizen advisory board. The Wastewater Division will continue the Rattlesnake sewer project, begin the Miller Creek sewer project, and will begin the headworks replacement at the treatment plant. Vehicle Maintenance is working on energy savings in facilities and with hybrid vehicle purchases. The Street Division will discuss maintenance districts. The Building Division is holding steady on permits.

Mr. Wiener went through the list of held and ongoing items to determine the committee's interest in retaining them. Mr. Jaffe would like to keep the grease interceptors on the agenda. Mr. Childers stated he would like to keep the sewer loan program restructuring unless staff think that it can't be done. Doug Harby stated that the master sidewalk plan is ready for discussion as soon as time allows.

Mr. Wiener asked whether the EIS Peer Review Subcommittee should be held open for Miller Creek, and Mr. Haines requested that they keep it for another six months. Mr. Strohmaier asked for a report to the committee from the EIS subcommittee.

- C. Public Comment on Non-Agenda items – None.

II. CONSENT AGENDA ITEMS

- 1. An ordinance amending Missoula Municipal Code Chapter 15.32 entitled "Building Permits," pertaining to fees charged for building, mechanical, plumbing and electrical permits and inspection services adding fees for solar and wind systems, gray water systems, removing the issuance fee exemption for residential water heater installations, and adding a provision and fee for specific time inspection requests. (memo) – Regular Agenda (Don Verrue) (Referred to committee: 01/04/10) REMOVE FROM AGENDA

Motion: The committee recommends the City Council set a public hearing on January 25, 2010, on an ordinance amending Missoula Municipal Code Chapter 15.32 entitled "Building Permits," pertaining to fees charged for building, mechanical, plumbing and electrical permits and inspection services adding fees for solar and wind systems, gray water systems, removing the issuance fee exemption for residential water heater installations, adding a provision and fee for specific time inspection requests, and reducing the requested inspection fees and the re-inspection fees.

Don Verrue, Building Official, stated that the ordinance included some fee changes and additions. Plumbing permits previously had an exception for residential water heater replacement. The \$31 permit fee was waived, and only the \$11 inspection fee was charged, which did not cover the expense of the inspection. The exception was created years ago to encourage homeowners doing the work themselves to purchase permits and have inspections, even though state law does not require them too. However, homeowners rarely pull permits when doing the work themselves, and it was plumbing contractors who were benefitting from the fee waiver. The change does not affect new construction. With the proposed change, the fee will be \$31 plus the \$11 inspection fee.

Mr. Jaffe asked if plumbing codes were changed to make water heaters more expensive for homeowners. Mr. Verrue stated that homes with a valve in the shower to control hot water would not need to have a mixing valve at the water heater. Those without it need controls on the new water heater to prevent people from getting scalded in the shower. Those are state codes.

Mr. Wilkins asked what people get for the \$11 fee and what they would get for the \$31 fee. Mr. Verrue stated that the \$11 is for the inspector to go to the house and inspect the new water heater. Now it will be \$31 to issue the permit plus the \$11 inspector fee. That amount is closer to covering the inspector's time. The exception was meant to encourage homeowners to pull permits, but 95% of water heater permits are pulled by contractors.

In response to questions from Ms. Walzer, Mr. Verrue stated that the homeowner is not required to pull a permit, and that the permit cost the same for a gas as for an electric water heater.

Ms. Marler asked why there was a distinction between what contractors and homeowners had to pay. Mr. Verrue stated he was not sure why they had originally eliminated the \$31 fee, but he thought it was to encourage homeowners to get a permit and have an inspection. Homeowners will still not be required to get a permit. Mr. King stated that they want to make the fee equal for homeowners and contractors.

Mr. Verrue stated that another change was due to the 2009 plumbing code the State will adopt, which includes gray water systems. The ordinance will add a \$75 inspection fee for gray water systems. Solar and wind power installation permit fees are currently based on the building permit fee schedule, which costs \$200 to \$300, and they are proposing changing that to a flat fee of \$75. The fee for requested inspections, which allows homeowners and contractors to have an inspector meet them on-site and discuss codes, is being reduced from \$120 to \$35 to encourage use of the service. Homeowners can request a specific time for an inspection if they want to pay an additional fee. The fee for re-inspections is being reduced from \$120 to \$35.

Ms. Walzer made the motion to set the public hearing for January 25, with an amendment to delete wind systems from the ordinance, as they are not currently allowed in the City.

Ms. Mitchell stated that she had a problem adding additional fees and that they should have increased the prices when the demand was greater. Contractors should not have had to pay only the \$11 fee for water heaters if the intent was to help homeowners. She wanted to know how contractors got away with paying the lower fee. Mr. Verrue replied that it was due to the language in the ordinance.

Mr. Childers asked what would happen on a specific time inspection request if the inspector did not show up within the 10 minute time frame. Mr. Verrue stated that they had 5 certified inspectors and they would be able to send one out to get there on time.

Mr. Jaffe called the question. On a voice vote, the motion to end debate passed.

The motion passed unanimously.

III. REGULAR AGENDA ITEMS

1. Consider leaving the default assessment term at eight years in adoption of the ordinance revision dated December 18, 2009 revising Missoula Municipal Code Title 12, Chapter 12, entitled Curbs, Sidewalk, and Paving. ([memo](#)) – Regular Agenda (Monte Sipe) (Referred to committee: 01/04/10) **REMOVE FROM AGENDA**

Monte Sipe, Construction Project Coordinator, stated that this item was a follow-up from the December 9 meeting, and the objective of the ordinance was to get the 20-year term acknowledged in the code. The Finance Department had recommended changing the default option to a 20-year term, but the committee had questions about low cost assessments. For city-ordered projects, property owners receive a total of six letters, including the letter the City Clerk sends after the bond sale. The first letter informs property owners that the City is considering the project and includes an estimated cost and the date of the council meeting. If the Council approves the project, a second letter, sent by certified mail, informs owners that it has been ordered, includes the estimate, a breakdown of the improvements, and has a reply form with financing options. Property owners can choose their own contractor and pay cash if they opt-out of the project. If they stay in the project, they can also pay cash, or they can choose the 8, 12, or 20-year financing. Low-income property owners can defer the costs, and owner-occupied properties can defer any part of their assessment that is over \$6,000. After bids are received, a third letter is sent, which includes revised cost estimates based on the bid. The bid recommendation is then brought to Council, and if the bid is awarded, letter four tells property owners which contractor was selected and when work will begin. The fifth letter goes out after work is completed and includes the total construction cost as well as another reply form for financing options for those who want to change their minds. Council had previously asked questions regarding monthly payments. Typically, \$5,000 of construction costs will result in a total assessment of \$6,000 after the bond sale. For an 8-year assessment, the annual payment would be about \$1,050, a 12-year assessment would cost about \$800 a year, and a 20-year assessment would be \$600 per year. The payments would decrease over the life of the loan.

Mr. Wiener asked what percentage of the cost of improvements was comprised of interest over the financing term. Brent Ramharter, Finance Director, stated that he did not have those numbers. He stated that the reason their office would prefer the default to be 20 years was that each year four to six property owners would get their first assessment, and try to get it changed. Finance tries to accommodate them when they come in, but it is difficult to make those changes years later. He stated that a 20-year default would be good because people look at the impact of annual payments.

Ms. Mitchell asked how many people get assessments, if six people are protested. Mr. Sipe stated that there were about 150 to 200 each year. Mr. Ramharter stated that they work with property owners as they could to lower payments. Their office felt that the 20-year default was a better option because people can always pay it off early. The interest rates are good, and people want lower monthly payments.

Ms. Marler asked if it was easier to go from 20 years to 8 years, and Mr. Ramharter replied that it was.

Mr. Jaffe asked if people could pay off their assessments early and could also switch to a shorter term. Mr. Ramharter stated that they don't allow partial payoffs, but people could pay it off in whole, and they occasionally go to a shorter amortization. If a property owner extends their term after the bonds are sold, the City doesn't receive as much money each period and it is possible they might not have enough to pay off their debt services.

Mr. Childers stated that for staff to say it was better to bill someone \$500 over 20 years rather than to bill someone with a \$10,000 assessment over 8 years made no sense to him. He sympathized with the Finance Department, but property owners ignored the letters and making 20 years the default is not a solution.

Mr. Wiener asked committee members to bring any significant changes to as text amendments to the floor at the public hearing.

Mr. Childers stated that he hoped the letters sent to property owners discussed interest and Mr. Sipe stated that they did.

2. A regular ordinance amending Missoula Municipal Code Title 12, and enacting a new chapter, entitled "Parking." (memo) (PW) (Returned from Council floor: 11/23/09) **HELD IN COMMITTEE**

Mr. Harby stated that the remaining time was insufficient for his presentation to address concerns that been raised by committee members. Mr. Wilkins stated he would also like to discuss parking in neighborhoods and residential areas under the old Title 19. Mr. Harby stated that he had spoken with staff in the Office of Planning and Grants and that zoning did not require a parking review for residential if there was not a change in use. That is not an issue that can be addressed in Title 12. Title 12 establishes specifications based on zoning requirements and establishes requirements for modifications to property. It does not address the number of spaces required.

IV. HELD AND ONGOING AGENDA ITEMS

1. Discussion on the sizes of grease interceptors for the restaurant industry ([Grease Interceptor PowerPoint](#)) (memo).—Regular Agenda (Stacy Rye and Bob Jaffe) (Referred to committee: 04/21/08)
2. Consider restructuring the city's Sewer Loan Program along the lines of the recently approved change to the Sidewalk & Curb Loan Fund.—Regular Agenda ([Chapter 3.16 – Sidewalk & Curb Loan](#)) ([Chapter 3.18 Sewer Loan](#)) ([Ordinance 3344](#)) (Ed Childers) (Referred to committee: 06/26/06)
3. Information item to present the City's Master Sidewalk Plan. (memo)—Regular Agenda (Doug Harby)
4. Approve the agreement between the City of Missoula and Lloyd A. Twite Family Partnership related to sanitary sewer extension and upsizing for the South Missoula Area (memo).—Regular Agenda (Monte Sipe) (Referred to committee: 11/09/09)
5. Approve the agreement for engineering services for SID 548 – 5th / 6th / Arthur Intersection safety improvements (memo).—Regular Agenda (Gregg Wood) (Referred to committee: 12/14/09)

V. ADJOURNMENT

Respectfully Submitted,

Jessica S. Miller
Office Manager
City Public Works Department