AGENDA
MAPLE PLAIN CITY COUNCIL – WORKSHOP
MAPLE PLAIN CITY HALL
FEBRUARY 22, 2016
5:30 PM

1. **CALL TO ORDER**

2. **ADOPT AGENDA**

3. **INTERVIEW BARBARA KORRI FOR PLANNING COMMISSION**

4. **DIRECTION ON GASB 67/68**

5. **EQUIPMENT FUND**

6. **REVIEW OF BUILDING INSPECTOR**

7. **BEGIN REVIEW OF EMPLOYEE HANDBOOK**

8. **CITY NEWSLETTER**

9. **OTHER BUSINESS**
   A. Update on funding for Highway 12
   B. History of Randy's Sanitation

9. **ADJOURNMENT**

Memorandum

To: City Councilmembers

From: Tessia Melvin, City Administrator

Date**:** February 8, 2016

Re: GASB 67/68 impact on City and Fire Relief Association

BACKGROUND

In June 2012, the Governmental Accounting Standards Board (GASB) issued new public pension accounting rules that took effect in fiscal year 2015 for local and state governments.

When it comes to defined benefit cost-sharing plans like PERA, the GASB Statement 68 replaces reporting requirements of GASB 27, which creates four major changes:

1. A "net pension liability" will be calculated by PERA's actuary, and pro-rata share of the liability will be put on the face of each employer's "Balance Sheet." This reporting does not have an effect on the fund balance.
2. Pension expense will also be calculated by PERA's actuary, and will no longer be tied to the total amount of contributions submitted to PERA each year, rather it will be tied to the change in net pension liability from year-to –year
3. The discount rate used to calculate total pension liabilities will be changed, which may lead to higher liabilities for accounting and financial reporting purposes.
4. Some of each year's pension costs will be deferred and amortized over a number of years. Employers will be required to keep track of those deferred inflows and outflows of resources and expense them properly.

The City Council agreed to pay for additional accounting assistance from Abdo, Eick and Meyers to help manage this change regarding PERA.

FIRE RELIEF ASSOCIATION

In preparing for our 2015 audit and getting 2016 budgets created, accountants from Abdo, Eick and Meyers mentioned that these GASB 67/68 changes have an effect on the Fire Pension. If the fire relief chooses not to complete an actuarial valuation, the auditors of the fire relief will need to issue a modified opinion. As a result, the auditors of

the Cities of Maple Plain and Independence will also need to issue a modified opinion. What many Fire Relief Associations are doing is hiring an actuary firm to compete an actuarial valuation on the Fire Pension plan, to avoid the modified opinion. The cost of an actuarial valuation report range from about $1,800-$3,000. I have three firms that we could get a quote from.

Without completing an actuarial valuation for the Fire Relief Association, both Maple Plain and Independence will receive a modified opinion on their 12/31/15 audits, which can lower a City's bond rating.

RECOMMENDATION

I would like the City Council to discuss the impact of the Fire Relief Association Pension and discuss the following options;

1. Continue as is and receive a modified opinion and potentially lower our bond rating or receive higher interest rates on future bonds.

2. Discuss the actuary report with the Fire Relief Association and proceed by:

   A. Have the Fire Relief Association pay for the actuary report.

   B. Have the Fire Department pay the cost, so both cities share the cost.

Memorandum

To: City Councilmembers

From: Tessia Melvin, City Administrator

Date: February 22, 2016

Re: Building Inspector

BACKGROUND

The City of Maple Plain currently contracts with Metro West for Building Inspections. As a result of the Shared Services Study, one possible shared service for the cities of Maple Plain and Independence was sharing a Building Inspector. The City Council also asked staff to contact MNSPECT and get a quote for their services.

In 2014, the City of Maple Plain paid Metro West 30% of building fees, or about $11,000 for inspection services. Their fees are collected through the building permits.

Recently staff met with the City of Independence to discuss the possibility of Maple Plain sharing Independence's Building Inspector. It was discussed that the hourly rate would be around $59. Based on the permits pulled in 2014, it is estimated that the cost of a shared Building Inspector would have been about $6,000.

MNSPECT provided a quote for 70% of building fees, which would have been about $25,900. Attached is a proposal from MNSpect.

Staff is looking for direction on this from Council, before proceeding with complete proposals for Council approval.

C IDENTIFICATION AND QUALIFICATIONS

1. MNSPECT Responsible Party

Scott Qualle – Certified Building Official (CBO)/President – See Appendix 'B'
Will be responsible for the management and administration of the Department of Building Safety for the City of Maple Plain.

2. Inspectors to Be Assigned to Maple Plain (Assigned and Back Up) – See Appendix 'C'

Ty Turnquist	**– Senior Commercial Plans Examiner, Field Inspector, CBO**
Nick Qualle	**– Senior Residential Plans Examiner, Field Inspector, CBO**
Derek Qualle	**– Field Inspector**
Dale Engelmann	**– Plumbing Plans Examiner, Plumbing/Mechanical Field Inspector**
Dean Mau	**– Senior Fire Plans Examiner, CBO**

3. Background Information

a. Company Background

Since 1987, MNSPECT has been providing comprehensive Designated Building Official and Supplemental/As-Needed Building Safety services for Minnesota communities. MNSPECT's highly-qualified, certified, and experienced team of Building Officials currently provides services for 17 communities, performing more than 8000 inspections, issuing almost 3000 permits and performing more than 900 plan reviews over the past twelve months.

MNSPECT's many years of successful service to the communities we serve extends to all activities related to the administration and enforcement of the Minnesota State Codes for Accessibility, Building, Electrical, Energy, Fire, Fuel Gas, Industrialized/Modular Buildings, Manufactured Homes, Mechanical, Plumbing, and Prefabricated Buildings.

In addition to executing designated Building Official duties, we perform services related to sediment and erosion control enforcement, rental license and property maintenance inspections, zoning ordinance enforcement, annual fire safety inspections, and commercial plumbing plan review.

The State of Minnesota demonstrates their confidence in our staff's qualifications and competencies by granting us approval to provide these specialized services normally provided by the State:

1. Approval from the Minnesota Department of Labor and Industry, Plumbing Plan Review and Inspections Unit to perform plumbing plan review on plumbing systems that serve the public.
2. Approval from the Minnesota Department of Public Safety, State Fire Marshal Division to perform plan review and inspections on fire suppression systems and fire alarm systems.

3. Approval from the Minnesota Department of Public Safety, State Fire Marshal Division to perform State required fire inspections on Minnesota Department of Human Services licensed facilities.

MNSPECT is committed and passionate about serving as an extension of your community government and providing a superior level of service to all constituents, and prides itself on open and timely communications that help educate all stakeholders relying on your Department of Building Safety.

MNSPECT is committed to helping homeowners, building owners, contractors, and municipality officials understand and comply with the code. We will provide the quality control for Maple Plain's building activity. MNSPECT will serve as your Building Safety Department, providing clear, consistent, and concise administration of the building code and local ordinances, resulting in stronger, safer, and higher quality construction projects in your community that are more cost efficient to insure, and have met the minimum standards of the Code.

MNSPECT'S comprehensive Plan Review, utilizing a detailed checklist, combined with our knowledgeable inspectors working with property owners, builders and contractors, often helps save time and money in the construction process.

MNSPECT understands the Minnesota Building Code so well that our President and Chief Certified Building Official is one of few practicing designated Building Officials registered and approved to teach the Code to contractors and other Building Officials.

MNSPECT partners with communities to provide a high level of service for homeowners, building owners, contractors, and municipality staff. We work to exceed community goals and standards of service. Our expert knowledge of Minnesota Building Codes, our helpful and professional approach, our commitment to timely service, and our focus on code education is our formula for success.

MNSPECT provides a seamless, professional, trouble free, and reliable integration and transition of building official services from your current building official.

MNSPECT's licensing credentials, qualifications, and insurance coverage exceed minimum requirements.

MNSPECT provides exceptional value by providing our partner communities with the right sized staff, the right service skill set, and the right experience all at the right time – with a positive impact on budget bottom lines.

MNSPECT LLC was formed in 2010. MNSPECT Inc., the predecessor company to MNSPECT LLC, was incorporated in 1987 and was originally named Paul Waldron and Associates Limited.

MNSPECT has:

- Seven Code Enforcement personnel
- Four Administrative personnel

b. Summary of MNSPECT Personnel assigned to the City of Maple Plain

Scott Qualle, President/Building Official

- MN Certified Building Official BO002643
- ICC Certified Building Official
- MN Certified Fire Inspector I
- Statutory Warranty Dispute Resolution Neutral (mediator)
- Erosion/Sediment Control Installer, Inspector, and Site Manager
- MN Foster/Daycare Fire Inspector
- MN Approved Continuing Education Instructor
- Building Inspection Technology (BIT) Certificate
- Associate in Applied Science Degree, BIT
- Associate in Applied Science Degree, Accounting
- Bachelor of Science Degree, Business
- Master's Degree in Business Administration (MBA)

Inspection Personnel

Ty Turnquist, since March 2005
Operations Director/Senior Commercial Plans Examiner
MN Certified Building Official BO002901
Backflow Prevention Tester # BT068839
Building Inspection Technology Cert.
Erosion and Sediment Control Regulatory Enforcement Certificate
Erosion/Sediment Control Installer, Inspector, and Site Manager
MN Approved Continuing Education Instructor
MN Foster/Daycare Fire Inspector

Nick Qualle since March 2005
Senior Residential Plans Examiner/Field Inspector
MN Certified Building Official BO002752
Building Inspection Technology Cert.
Erosion/Sediment Control Installer, Inspector, and Site Manager
MN Approved Continuing Education Instructor

Derek Qualle since June 2014
Residential Field Inspector
Erosion/Sediment Control Installer, Inspector, and Site Manager

Dale Engelmann since January 2013
Senior Plumbing Plans Examiner/Plumbing Inspector
MN Approved Commercial Plumbing Plans Examiner
Master Plumber PM062282

Administrative Personnel

Tom Richardson since June 2015
Relationship Manager
Bachelor of Arts Degree

Tracy Montgomery since June 2008
Officer Manager
Bachelor of Science Degree

Wendy Morrissey since August 2011
Administrative Assistant
Bachelor of Arts Degree

Brandy Blauert since May 2003
Operations Assistant
Bachelor of Arts Degree

Contract Personnel

Dave Hucky since May 2013
Electric Inspector
MN State Electrical Inspector
Member, International Association of Electrical Inspectors
Master Electrician AM004736

Dean Mau since July 2004
Senior Fire Plans Examiner
MN Certified Building Official BO002730
ICC Certified Building Official
ICC Certified Fire Marshal
ICC Certified Fire Code Official
ICC Certified Fire Plans Examiner
ICC Certified Fire Inspector II
IFSAC Certified Fire Inspector II and III
MN Certified Fire Inspector – III
MN Certified Fire Fighter – II
Certified Fire Fighter – V (Industrial)

D SCOPE OF WORK DETAIL

Summary of Proposed Services

MNSPECT will serve as the City of Maple Plain's Designated Building Official. MNSPECT will perform administrative and enforcement services related to the Minnesota State Building Code as directed in MN Rules Chapter 1300, fire suppression and alarm systems (MN State Fire Code), and any additional services requested by the City of Maple Plain. This includes, but is not limited to, assisting the City in such activities as permit submission, plan review, permit issuance, scheduling, field inspections, construction meetings, record keeping, code interpretations, answering questions, attending meetings, and providing information to the public.

In addition, we have included information identified as being important to the City of Maple Plain including MNSPECT's Standard of Service, MNSPECT's Value Proposition Advantage, an example of one of our procedures, Transition Process, and Letters of Recommendation. See Appendix 'D'

1. General

- **Reviews permit applications, plans and materials to ensure they are consistent with codes and approved plans.**
  MNSPECT reviews the building construction plans and site plans for conformance with the Building Code and applicable City ordinances, and approves or rejects same.
- **Inspects all types of structures, signs, grading and erosion control installations for consistency with codes and approved plans and conditions.**
  MNSPECT performs all required inspections, and notifies the Permit Holder of any violations and of final approval. MNSPECT Inspectors utilize an inspection checklist for consistency and quality control.

  Required inspections may include:
  - ✓ Site
  - ✓ Footing
  - ✓ Foundation
  - ✓ Pre-backfill/foundation waterproofing
  - ✓ Concrete slab/under floor
  - ✓ Plumbing rough-in
  - ✓ Heat/mechanical rough-in
  - ✓ Gas line pressure test
  - ✓ Fire suppression systems rough-in
  - ✓ Fire alarm rough-in
  - ✓ Accessibility rough-in
  - ✓ Framing
  - ✓ Insulation
  - ✓ Lath
  - ✓ Gypsum/wall board
  - ✓ Fire-resistive assemblies
  - ✓ Fire caulking
  - ✓ Fire suppression systems final
  - ✓ Fire alarm systems final
  - ✓ Heat/mechanical final
  - ✓ Plumbing final
  - ✓ Accessibility final
  - ✓ Building final
  - ✓ Authorize Certificate of Occupancy
- **Issue Certificates of Occupancy.**
  MNSPECT creates the Certificate of Occupancy at permit issuance, and approves and sends it to the City with the final inspection notice; City Staff issues the Certificate of Occupancy to the permit holder upon final City approval and when consistent with any additional City requirements.

- **Conducts inspections for housing code compliance.**
  At the request of the City, MNSPECT will promptly investigate complaints related to health, safety, or other housing code violations.
- **Investigates complaints to determine whether code violations exist.**
  When MNSPECT is made aware of a code violation (whether by personal observation, resident complaint or City notice), we will promptly investigate the concern or complaint and work with the City to mitigate the issue.
- **Issues correction orders when violations persist.**
  Should normal inspection protocols fail to achieve compliance, MNSPECT will issue orders such as Stop Work Orders and Do Not Occupy notices as required. MNSPECT will work with City staff and the City Attorney in order to resolve persistent violations.
- **Establishes valuations of the construction costs and determines permit fees.**
  We strive to determine valuations fairly and consistently for all applicants. For determining the permit valuation, the Building Official will use the applicant-supplied valuation with a minimum value as calculated by the current Building Valuation Data Table, published each May by the Department of Labor and Industry and by other data, as needed, for projects not otherwise specified. Once valuations have been established, we will calculate permit fees as specified by City ordinance in the building permit fee schedule.
- **Interprets and explains city ordinances and state codes to homeowners, architects, engineers, contractors and developers.**
  We will answer any questions from construction stakeholders regarding the City and State building codes and ordinances, and help all parties understand the issues to the best of our ability. Our company motto is "Helping you comply with the Code."
- **Verifies contractor licensing.**
  Pursuant to MN Statute 326B.85, upon receipt of every building permit application where a contractor is required by MN Statute 326B.805 to be licensed, MNSPECT verifies that the contractor's license and lead certification is valid and current.
- **Provides information responding to questions regarding codes, city building procedures.**
  MNSPECT's inspectors will perform all required field inspections, and investigate and respond in a timely manner to constituent/stakeholder's questions and concerns.

  MNSPECT has a wide variety of informational handouts ranging from "Choosing a Contractor" to "New Home Construction" (See Appendix 'E'). We strive to respond to code-related phone calls the same day. Prior to the beginning of our service, we will meet with City staff to discuss any City procedures of which we should be aware.

  We use personal, written, electronic, and telephonic methods to communicate with constituents. In addition, a toll-free phone number and an email address (info@mnspect.com) are available for building code questions. We will maintain regular and open communication with City staff and Council, working closely with them in order to discuss and draft appropriate responses to constituent questions and concerns. MNSPECT Building Code Officials, live or via video conferencing, can be available, during business hours at City Hall, to assist homeowners, building owners, contractors and other stakeholders and to answer questions, perform plan reviews, and meet with City staff.

As requested, MNSPECT personnel will make presentations on relevant topics. We have extensive experience and a vast resource library of information at our disposal for preparing and delivering brief presentations, short talks, and all-day seminars on many aspects of the building inspections process, code changes, or other topics of concern and interest.

MNSPECT will provide recommendations to Staff and City Council regarding constituent requests and issues in accordance with the building code, City codes, ordinances, fee schedules, and other established processes.

Since 2011, MNSPECT has prepared and distributed to the communities we serve, on a monthly basis, the *MNSPECT Minute* newsletter (See Appendix 'F'), containing relevant and timely topics regarding the building process, state codes, and safety issues.

- **Communicates observed violations of other city codes to the appropriate person.**
  Upon discovery of a violation in the City, the inspector will communicate with the appropriate City staff.
- **Reviews and recommends amendments to city code.**
  If selected, we will review the City of Maple Plain's codes and ordinances. We will make recommendations for possible changes or updates. When requested, we will attend meetings to create or revise local ordinances as they relate to the administration or other duties of the Department of Building Safety.
- **Creates and maintains logs, records and reports and disseminates them to the appropriate person/entities.**
  We use software to track permit activity. The permit information is entered when the permit application is received and continues until project completion. We enter all inspection information as it takes place. We scan and electronically retain inspection notices and applications, as well as copies of all correspondence regarding permit activity and property maintenance and housing code complaints.

  MNSPECT provides robust reporting of permits, permit activity, permit status, inspections, permit revenue fees and charges. We concisely organize and present key data in electronic format.
- **Researches new products and methods used in construction.**
  When new materials or methods are proposed, we will research and approve as appropriate. We consult the Department of Labor and Industry to interpret the MN Building Code and resolve disagreements about whether new products and methods comply with the Building Code.

  We take a proactive approach to identifying, researching, reviewing and developing appropriate positions on new products and construction methods.
- **Maintains state certifications and keeps current with changes and innovation in construction techniques and materials. Attends job related training keeping current on laws, code and regulations and/or changes related to building inspections and building code.**
  All MNSPECT Building Official and Code Enforcement personnel meet or exceed all state required certifications.

  Certified Building Officials must receive at least 19 hours of continuing education each year to maintain their certification. In addition, our inspectors assist in the development of code-related continuing education courses taught by MNSPECT.

2. **City meetings:**

- **Attends internal and external meetings involving building code and inspection questions and issues.**

  MNSPECT will attend all internal and external meetings involving code and inspection questions and issues and will come prepared to address those issues.

- **Acts as City liaison and City representative with other communities and entities including local, county, state and federal agencies in areas of responsibility.**

  As the City's Designated Building Official, MNSPECT will serve as Maple Plain's liaison and will communicate with other communities, and with all local, county, state and federal agencies and stakeholders as needed in that capacity.

- **Attends City Council and/or other City meetings as necessary.**

  Whenever necessary, MNSPECT will attend City Council meetings, City staff meetings, preconstruction meetings, or special meetings to discuss issues involving the building code or our services.

E COMPENSATION

Fees, Compensation, and Billing

Fee Schedule

- If selected, MNSPECT will use the fee schedule currently adopted by the City of Maple Plain. MNSPECT may recommend fee schedule changes to City Staff and the City Council over time.
- We utilize the most current State-supplied valuation table to calculate valuations.

Proposed Fees for Our Service

- Residential: 70% of Permit and Plan Review Fee per City Schedule
- Commercial: 70% of Permit and Plan Review Fee per City Schedule
- Industrial: 70% of Permit and Plan Review Fee per City Schedule
- Re-Inspection 100% of reinspection fee
- Hourly $65.00 *
- Additional Services: Because of the nuances and complexities of local ordinances for rental licensing, property maintenance, and commercial fire safety inspections, we propose the following: after gaining a full understanding, we will negotiate.
- All items not specified in the City's Fee Schedule will be hourly as a default. However, once we better understand the City's needs, the fees for such services can be negotiated as a part of our contract with the City of Maple Plain.
- Reimbursable Expenses: The City of shall reimburse MNSPECT 100% of all preapproved travel, accommodations, meals, event attendance fees, and materials for all 'special circumstance' event attendance the City requires MNSPECT to attend and/or participate in.

*Inspections for which no fee is indicated, miscellaneous and special services.

Billing

- MNSPECT uses a monthly billing cycle, wherein compensation for proposed services is based on that month's processed permit applications and other performed services.
- We are open to discussing other billing methods as the City may request.

Contract Term

- MNSPECT proposes a three year contract term. The contract can be terminated, by either party, on 30 days written notice for cause.

CITY OF MAPLE PLAIN

Equipment Revolving Fund (501)

EXPENSE	2008	2009	2010	2011
ADMINISTRATIO				
nputers & Printers		$2,603.46		
Laptop	$1,883.46			
Projector				
Server				
LaserFiche				
PUBLIC WORKS				
Laptop/iPAD				
Pickup Truck			$21,506.89	
Truck (Single Axel)				
PW Ford F350				
CAT Backhoe				
Zero-Turn Mower				
oda Mower/Attach				
teer/Attach (Used)				
Skid-Steer (New)				
TOTAL EXPENSE	$1,883.46	$2,603.46	$21,506.89	$0.00

2012	2013	2014	2015	2016
$2,945.87			$3,000.00	
				$2,300.00
$599.63				
	$8,842.18			
$9,268.39				
$2,250.47	$750.00			
	$198,367.95			
				$37,211.35
				$78,856.88
$12,766.31				
				$40,583.96
$15,000.00	$6,534.25	$5,791.34		
$42,830.67	$214,494.38	$5,791.34	$3,000.00	$158,952.19

2017	2018	2019	2020	2021	2022	2023
	$3,000.00			$3,000.00		
			$2,300.00			
	$600.00					
	$9,000.00					$9,000.00
$750.00				$750.00		
	$22,000.00					
					$13,000.00	
	$53,860.00					
$750.00	$88,460.00	$0.00	$2,300.00	$3,750.00	$13,000.00	$9,000.00

2024	2025	2026	2027	2028	2029	2030
$3,000.00			$3,000.00			$3,000.00
$2,300.00				$2,300.00		
$600.00					$600.00	
				$9,000.00		
	$750.00				$750.00	
		$22,000.00				
		$38,000.00				
						$80,000.00
		$41,000.00				
$5,900.00	$750.00	$101,000.00	$3,000.00	$11,300.00	$1,350.00	$83,000.00