

**MINUTES OF A SPECIAL MEETING
LAPEER CITY COMMISSION
May 21, 2019**

A special meeting of the Lapeer City Commission was held May 21, 2019 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:00 p.m.

ROLL CALL

Present: Commissioners Atwood, Bennett, Bostick-Tullius, Marquardt, Osentoski.

Absent: Mayor Sprague (excused).

City Manager: Dale Kerbyson (present).

Mayor Pro-Tem Marquardt led the Pledge of Allegiance.

2019-2020 FY Budget

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Moved by Bostick-Tullius. Seconded by Osentoski.

To approve a modified budget that does not include Fund 249 (Building Department Fund).

Commissioner Bostick-Tullius: this has been bothering her since the budget workshop; the Commission went through budget details for all departments and thought everything looked good, then there was an issue at the May 6th City Commission meeting regarding the building department; Mayor Sprague indicated many times the City established its own building department to be more efficient and cheaper, or no more expensive, than Construction Code Authority (CCA); City's fee schedule relating to building department fees was modified to match CCA's rates; if City is charging the same as CCA, why does the City need a building department; why can't residents utilize CCA to get permits; is not saying the Building Official is not a good official or that anybody in the building department is doing a bad job but questioned if the City is doing any better than CCA would; there is a wait to get inspections based on the availability of inspectors; City could take funds from the building department and put towards other things residents need; does not think the reasons the building department was established are still valid or how continuing a building department benefits residents.

Commissioner Bennett: if the City goes back to CCA, will rental inspections be done and would any part of the inspection fee come to the City.

Commissioner Osentoski: CCA does rental inspections.

City Manager Kerbyson: CCA isn't the City's only option; the state could take over inspections or the City could contract with an independent firm; when the City matched CCA's rates, most building department related fees increased; City would not get part of a rental inspection fee if the inspection is performed by someone else; a building department run by an independent firm could be maintained, or building department activities could be turned over to the state; CCA performed rental inspections for the City in the past; the first year the City did their own rental inspections after establishing a building department, 187 cracked heat exchangers were found; one reason the City left CCA was because of poor quality of work; budget review was a month ago; wishes he had been contacted before tonight so he could have addressed these items.

Commissioner Bostick-Tullius: her comments are related to the creation of the building department, not negative comments received about the department; the department was supposed to be cheaper and more efficient than CCA; respectfully disagrees with the City Manager's statement that most fees increased when the fee schedule was modified to match CCA.

Commissioner Bennett: does the building department pay for itself.

City Manager Kerbyson: building department fund operates similar to an enterprise funds, it generates the revenue needed to operate itself; no general fund money goes into the fund.

Commissioner Osentoski: \$58,000 is going to the building department to balance the fund.

City Manager Kerbyson: clarified the \$58,000 is not from general fund but from the building department's fund balance.

Commissioners discussed the issue with the Center Building and fines the contractor received who was doing work there and working to maintain good relationships;

Commissioner Bennett: building official is very good about stopping work being done without a permit; who will do that if the City doesn't have a building department.

City Manager Kerbyson: no one will do that; CCA only initiates an inspection after it has been paid for; regularly hears compliments about the availability of City's inspectors.

Mayor Pro-tem Marquardt: building department issues have been discussed many times; seems to be other directions the City can go; City needs to know the costs involved with options other than CCA.

Commissioner Bostick-Tullius: doesn't see a savings having a building department; if the City isn't doing more than CCA does, why not send residents or individuals interested in opening a business to CCA for permits, there would be no cost to the City; why spend money for an independent contractor to do what CCA does.

Commissioner Bennett: would a planning department be needed.

City Manager Kerbyson: the planning department handles zoning issues and plan reviews; individual getting an inspection pays for it; City does not spend money on inspections, it's a break even scenario; over 160 housing starts this year along with potential name brand restaurants coming to town; ton of work going on; five derelict properties were demolished in the last six months, which is a function of the building department; service of the building department and the quality of housing are very important aspects of the community, 51% of housing market are rentals.

Mayor Pro-tem Marquardt: what happens to the 160 housing starts and any new projects if the building department was not funded as of July 1, 2019.

City Manager Kerbyson: work would have to be turned over to someone who could perform those functions; his first thought is to have the state come in;

Commissioner Bostick-Tullius: open permits/projects could be turned over to CCA to follow up on.

City Manager Kerbyson: cited the issue with the plans for Vinyl Bar; plans were reviewed and approved by various departments; construction varied greatly from the original plans; does not know if CCA would require work to stop until plans were resubmitted; CCA is a for-profit business, not there to do the work of the City to keep the public safe and builders moving in the right direction; CCA has no motivation to force a builder to follow the code.

Commissioner Atwood: how many staff members are at the building department?

City Manager Kerbyson: five, a full time building official and office manager, a part-time office assistant and two contracted inspectors.

Commissioner Osentoski: what is covered in the contractual services budget line item?

City Manager Kerbyson: contracted inspectors and possibly attorney fees are included in the contractual services line item.

Commissioner Osentoski: understands Commissioner Bostick-Tullius's point of view but at the same time is concerned CCA won't check on construction sites the way the City's

building department does; that is a safeguard the City may lose; does not make sense to hire an independent firm.

Commissioner Atwood: a carpenter friend of his said the City is on the right track having its own building department; state is lacking inspectors; CCA is overworked now and does not have enough staff to take on City projects, City is at a tipping point with development; there is a reason for building codes; City would lose control of the quality of jobs; current building official has spent significant time learning the medical marijuana code; not sure CCA wants to take that on as no one else in the county opted into recreational or medical marijuana; building department will always be under scrutiny; no one wants to pull permits and spend extra money; need to make sure citizens are getting good, quality work; going back to CCA is a huge mistake at this point in time, too much going on in the City; not willing to give up on the building department just yet.

Commissioner Bennett: another reason the building department was established is a lot of development was anticipated in the I-69/M-24 area; City expected development much faster than what happened; understands Commissioner Bostick-Tullius's concerns but thinks there are a lot of things CCA does not do that the building department does;

Mayor Pro-Tem Marquardt stated if a move away from the building department is made, it needs to be down the road to make sure all concerns are taken care of; if the City is not going to fund the building department, the Commission needs to look at when that would start and make sure that moving forward, there are solutions that are better for businesses and residents.

City Manager Dale Kerbyson commented on the recent meeting with CannDESCENT who is proposing a \$12 million dollar investment in a medical marijuana facility; he talked to representatives from CannDESCENT today who indicated they were very happy they were able to talk to the building official about the project and appreciates that the City has their own building department; a \$23 million hospital expansion is scheduled; if the City was so difficult to deal with, these things would not be on the horizon; department does a very good job; it is cheap insurance to get a rental or building inspection so if there is an issue down the line, the inspection proves things were done right.

ON ROLL CALL VOTE:

Ayes: Osentoski, Bostick-Tullius.

Nays: Bennett, Atwood, Marquardt.

Absent: None.

MOTION FAILED.

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Moved by Bennett. Seconded by Atwood.

To approve the budget as presented.

ON ROLL CALL VOTE:

Ayes: Bennett, Atwood, Marquardt.

Nays: Osentoski, Bostick-Tullius.

Absent: None.

MOTION CARRIED.

Mayor Pro-Tem Marquardt: voted to approve budget because of the situation the City is in; would like to continue looking at this issue and see if there are other options that might support businesses and residents in a better form; doesn't want to not support the building department and move to CCA without looking at other options; suggested scheduling a workshop to discuss the building department and other available options.

City Manager Kerbyson: will prepare options for the different directions the City can go in and how they would work; can get proposals from the organizations that can potentially do the job of the building department.

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Moved by Marquardt.

To schedule a Special Workshop meeting to look over other options for the building department by the end of August.

Motion was not seconded and no vote taken. Commissioners continued discussing proposed workshop dates; discussed forming a committee to hear complaints on behalf of individuals and make recommendations; Construction Board of Review currently exists that anyone can appeal to; discussed the steps involved in appealing a building department decision; part of the problem may be people do not know this Board exists; building official was requested to attend the workshop meeting, would be helpful to have him there to 'pitch' why the City should keep its own building department; work together to improve the department or come up with a better solution; City needs to hear problems and issues; does it make sense financially and from a performance standpoint to continue doing what is done now, not about an individual; discussed checklists being provided by the building department to individuals who are opening a business, building a house, deck, etc.

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Moved by Bostick-Tullius. Seconded by Bennett.

To schedule a Special Workshop Meeting to review and discuss building department options for Tuesday, August 6, 2019 at 6:00 PM.

Ayes: Atwood, Bennett, Bostick-Tullius, Marquardt, Osentoski.

Nays: None.

Absent: None.

MOTION CARRIED.

PUBLIC COMMENTS

Bryan Cloutier, West Genesee Street, commented he is pleased the City is keeping the building department and that the Commission will go through an adequate process to evaluate the department moving forward; building departments are very important and crucial to the community; safety is first and foremost, outsourcing is not always the answer; recommended checking with the City's contracted Planner as many planning firms offer building department type services; if outsourced, City would have more control with local planning firm.

ADJOURNMENT

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Moved by Bennett.

Adjourn the regular meeting.

Ayes: Atwood, Bennett, Bostick-Tullius, Marquardt, Osentoski.

Nays: None.

Absent: None.

MOTION CARRIED.

The special meeting adjourned at 7:13 p.m.

Mayor Pro-Tem Deborah Marquardt

Renee L. Bullen, City Clerk, CMC