

TO: Mayor Devine and Common Council Members
FROM: Ted Atkinson, Director of Building Inspections & Neighborhood Services
DATE: November 3, 2009
SUBJECT: Proposed Electrical Code Changes

An ordinance was introduced on October 20, 2009 that proposed changes to the Electrical Code. These changes have been reviewed by and are recommended by the Electrical Review Board. The following are comments on the proposed changes:

1. **Permit Fees.** Permit fees support the cost of the operations of the Electrical Inspection Division. Operations costs include salaries plus benefits for two inspectors and .5 clerical, plus auto allowance and other material costs (i.e., postage, printing, paper, etc.)

The last fee increase occurred in September 2007, with the beginning of the current license period. As a policy, the Department attempts to maintain fee support (license fee included) of at least 80% plus per year. Fee support reported recently: 2006 – 84.7%; 2007 – 74.0%, and 2008 – 83%; and 2009 – approximately 57%

The proposed permit fee schedule raises minimum permit fees from \$75.00 to \$85.00 for one and two family properties and from \$75.00 to \$100.00 for all other permits. Other line item fees are also being increased. With these fee increases we anticipate \$17,000/year in additional revenue, assuming an average year.

2. **Bond Dropped/Insurance Required.** The ordinance proposes to drop the \$5,000 bonding requirement, while requesting the contractor to provide minimum property and bodily injury requirements (min. \$250,000 per occurrence). The bond program was time-consuming to administer. The insurance policy requirement provides acceptable coverage limits to property owners securing the services of our electrical contractors, while being easier to administer the program by staff. The contractor will save approximately \$100 to \$200 by not purchasing a bond. There will be a time savings to City Administration to be applied to other administrative projects.
3. **Residence uninhabitable without electric service.** The ordinance proposes a new section that declares a dwelling unit may not be occupied for living purposes unless provided without electric service. Without electric service, there is no power to operate the lights or the heating system, promoting candle lighting and gas stove heating, which may cause a fire. The Department has had problems with squatters in dwelling units after electric service termination or fires causing service termination. This new section fills a legal void in our code.

4. **Drop Contractor License Fee Increase.** The original ordinance proposed an increase in contractor license fees from \$100 to \$150 for renewals and from \$225 to \$300 for new. After the ordinance was introduced I was informed that State Statute changes effective in early 2009 prevent a local ordinance to increase contractor fees. This statute change further prevents contractor licensing after April of 2013. These changes will reduce revenue by approximately \$25,000/year in 2013 and thereafter. The amended ordinance will not change current licensing fees and is anticipated to bring in approximately \$49,000 over the two-year contractor license period (24,500/yr.).

Please feel free to contact me if you have any questions regarding this ordinance proposal.

TGA/cmr