

**PUBLIC WORKS COMMITTEE  
MINUTES  
April 23, 2015  
3:10 PM**

The meeting was called to order by Chair Jason Leonard on April 23, 2015, at 3:10 p.m. at the Public Works meeting room, 1515 Willow Lane, Philomath.

**ROLL CALL:**

**COMMITTEE:** Jason Leonard, Doug Edmonds, and Eric Niemann

**TREE ADVISORY BOARD:** Jason Leonard, Doug Edmonds and Eric Niemann

**STAFF:** Kevin Fear, Public Works Director; Chris Workman, City Manager; Joan Swanson, Finance Director; Lige Weedman, Public Works; and Ruth Post, City Recorder.

**GUESTS:** Denny Muchmore and Chris Brugato, Westech Engineering Inc.

**MINUTES:**

Councilor Edmonds moved, Councilor Niemann second, to approve the minutes of the April 2, 2015, meeting as presented. Motion APPROVED 3-0.

**PUBLIC WORKS BUSINESS:**

Plan Review Fee – Chris Brugato provided an overview of the proposed process for using a development plan review on projects constructed in the City. He stated that virtually every other city he's worked with, with the exception of Philomath, has a plan review fee paid by developers to ensure that their construction meets the city's public works standards. He explained how the State Health Department and DEQ are also involved in approval of development infrastructure. He stated that Philomath has always absorbed the costs of the review process and has not used an outside engineering firm to complete the review. Without a fee, Philomath's Public Works Department has not utilized their engineering services to perform the review because they had no way to recoup Westech's fees billed to the City.

Denny Muchmore explained the initial approval required through the City's Planning Department for zoning compliance. He stated that developers are currently encouraged to meet with Public Works prior to completing that process to ensure that they are going to meet the requirements of the Public Works Design Standards. He stated that developers who hire a good engineer usually have a relatively smooth review process, but those that hire a cheap engineer can create non-compliant infrastructure. He also explained how the compliance review ensures meeting the requirements of the water, sewer and storm drain master plans. He explained the need to catch those issues at the design stage.

Mr. Muchmore stated that the size of the subdivision doesn't necessarily determine the complexity of the infrastructure project that needs to be reviewed. He provided a list of city's that Westech provides these review services for. Councilor Edmonds questioned if Westech would also perform review of other utility services, such as electric. Mr. Muchmore stated that they do not perform the actual review of the other utilities but ensure that they are addressed in the plans.

Councilor Niemann questioned if Westech's review also covers the state agency compliance. Mr. Muchmore stated that the City can request an exemption from DEQ and the State Health Authority to perform the plan review through Westech and remove the

requirements to have the State agencies perform their reviews. Mr. Brugato stated they would recommend that Philomath apply for that exemption if they proceed with this review process. He explained that Philomath already has that exemption in place for City water projects that are engineered by Westech.

Councilor Niemann recommended that Philomath develop a fee that covers both Public Works costs and the Westech fees, but he hesitated to use a percentage. Mr. Muchmore stated that staffing levels at different cities can have a big impact on their involvement. He stated that Philomath has an experienced staff that can inspect most work during the construction phase. He stated that this would result in having a reduced need of Westech's presence to perform inspections during construction. He stated that most cities use a percentage fee and that the 5% fee used by most of their cities often covers all of their expenses. He stated there seems to be a lot less pain on the City side if the fee is collected up front. Mr. Muchmore stated that the City does need to make a policy decision regarding the process to follow if the review costs reach the point where they exceed the pre-paid deposit. He stated that the 5% fee may be more than is needed to cover most projects based on the Public Works staff's expertise and that 3 to 4% may cover it. He stated that a decision also needs to be made whether the fee is non-refundable or is a deposit, and the City needs to decide if they're going to charge for City staff time.

Councilor Edmonds reviewed the discussion to confirm that a pre-design review is strongly recommended, followed by the actual review of stamped plans. Mr. Muchmore stated that the purpose of the pre-design conference is to ensure that the developer has the appropriate sections of the design standards and any known site issues are conveyed to them. Mr. Brugato stated that a typical project would have 5 to 8 hours of Westech's time involved for the pre-design conference. Mr. Muchmore described a scenario where a developer doesn't get that pre-design information and finds out subsequently that an overlooked issue could significantly impact the developer's plans and overall project costs.

There was discussion about the basic costs of any project, whether it is large or small. There was discussion about the advantages and disadvantages of requiring a deposit versus a fixed cost. Mr. Muchmore stated it's pretty unusual to have a contractor try to hide an issue to avoid having to go back to the engineers. He described ways to detect issues.

Ms. Swanson requested clarification that this is a fee for design review only, not inspection services. Mr. Muchmore stated that there are inspection service costs on private developer projects.

Mr. Muchmore recapped that the policy decisions to be made are:

- Deposit or nonrefundable fee;
- How much to charge or what percentage;
- To charge or not for Public Works costs;
- Collection procedure to cover pre-design review.

Councilor Edmonds questioned warranty periods. Mr. Muchmore stated those are outlined in the design standards. He stated that much of the framework for this process is already in place within the design standards document. He stated that choosing not to charge for this process is essentially a subsidy for developers. Mr. Muchmore suggested that a refundable deposit at 5% would be appropriate or a non-refundable fee could be

set at 3 to 4%. Ms. Swanson explained that whatever fee is decided on would be set by resolution and is easily updated.

Councilor Leonard questioned if city's that have adopted the fee have had issues or complaints. Mr. Muchmore stated that any fee results in complaints. Ms. Post stated that the City doesn't currently have any developers working on projects that would be surprised by a new fee. Mr. Muchmore stated that inquiries about property are starting to pick up, and they are starting to see more pressure for development. Mr. Brugato noted that Westech also acts as an engineer for private developers so they can say with certainty that most cities charge this fee. He did point out that they would never serve as the engineer for a developer within the City due to the conflict of interest.

There was discussion about determining a course of action and fee before any new development is submitted. Mr. Fear stated he doesn't feel strongly about charging for Public Works' time because he's always considered it a service. There was discussion about allocation of any fee collected. Councilor Edmonds stated it behooves the City to require a pre-design conference. Councilor Niemann stated that past experience suggests we do need to move forward. Councilor Leonard supported the ability to start with a fee and make adjustments if needed. There was discussion about the fee to charge and whether any balance would be refundable. There was discussion about charging a flat fee for the pre-design conference with a percentage to be paid at the actual permitting stage. Based on Westech's hourly rate and an estimate of up to 8 hours of their time invested in a pre-design conference, a \$1,000 flat pre-design fee was considered with that applying towards the final permit percentage fee. Mr. Fear summarized the post-construction inspection process and the warranty period. He also explained that a bare ground development is actually easier to manage than an in-fill project in a built area. There was discussion about a final reconciliation after acceptance of the development. There was discussion about how the applicant determines the development cost.

There was discussion about the process and the ability to adjust the process after actually implementing it. Mr. Fear recommended that any time there is infrastructure involved, it should trigger this process. There was discussion about inclusion of Public Works staff time in the costs.

Ms. Swanson reviewed the process of updating the land use fee schedule by the Planning Commission and that these developer fees will be added to that schedule and forwarded to the City Council for final approval.

**MOTION:** Councilor Edmonds moved, Councilor Niemann second, to forward a recommendation to the City Council for approval of a resolution for a plan review fee for Type "B" permits as follows:

- Non-refundable fee of \$1,000 due at time of required pre-design meeting;
- Plan review fee deposit of 4% of the initial engineer's estimate of all construction work related to the project, less the \$1,000 pre-design fee, due at submission of engineered plans for review;
- Monthly billing of any fees exceeding the plan review fee deposit, payable within 30 days;
- Final reconciliation of project review costs, including Westech fees and Public Works staff expenses, to be completed at project completion, with any final balance due within 30 days or refund processed within 30 days.

Motion APPROVED 3-0.

**Other business –**

None.

**TREE BOARD BUSINESS:**

**Dead tree removal request for three trees in the 900 block of Main Street and one tree at 1631 Applegate Street –** Mr. Fear explained the three trees on Main Street that need to be removed. Mr. Weedman stated that two of the trees are dead and one has overgrown into the wires. There was discussion about replacement of those trees. Mr. Fear stated that they had three arborists plus Mr. Weedman inspect the maple tree at 1631 Applegate and all were in agreement that it needs to be removed due to incorrect pruning by the adjacent property owner. Mr. Weedman provided information about the growth pattern of a maple tree and the rot potential due to incorrect cuts. He stated the cuts were made at the incorrect locations and angle. There was discussion about the property owner requirements for the right-of-way strips.

**MOTION:** Councilor Niemann moved, Councilor Leonard second, the three trees identified in the 900 block of Main Street and the tree at 1631 Applegate be removed. Motion Approved 3-0.

**Other business –**

None.

**ADJOURNMENT:** The meeting was adjourned at 5:05 pm.

Recorded by: Ruth Post, MMC, City Recorder