

**PLANNING COMMISSION  
CITY HALL COUNCIL CHAMBERS  
JANUARY 6, 2014  
6:30 P.M.**

**AGENDA**

- I. CALL TO ORDER
- II. CONSENT AGENDA
  - A. Minutes (page 1)
- III. NEW BUSINESS
  - A. Election of Officers (page 3)
  - B. Meeting Schedule (page 5)
- IV. OLD BUSINESS
  - A. Building Inspection Services (page 6)
- V. INFORMATIONAL
  - A. Next Meeting – Monday, February 3, 2014
  - B. CCLD Review Newsletter (page 17)
  - C. **Building Inspection Services Invoice – not available at the time of publication of this agenda.**
  - D. **Building Inspection Report (page ) – not available at the time of publication of this agenda.**
- VI. ADJOURN

**Please contact Renee Eckerly at 320-243-3714 ext. 227 or at [renee@paynesvillemn.com](mailto:renee@paynesvillemn.com) if you can't attend the meeting.**

**Members: Dan Roberts, Darlene Loven, Ron Mehr, Bob McDaniel, and Donavan Mayer. Advisory Member: Renee Eckerly**

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Planning Commission. This document does not claim to be complete and is subject to change.

**BARRIER FREE:** All Paynesville Planning Commission meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME: Planning Commission**

Committee/Council Meeting Date: January 6, 2014

Agenda Section: Consent

Originating Department: Administration

Item Number: II - A

**ITEM DESCRIPTION: Minutes**

Prepared by: Staff

**COMMENTS:**

Please review the minutes from the September 23, 2013 Special Planning Commission meeting.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to approve the minutes from the September 23, 2013 Special Planning Commission meeting.

**MINUTES  
SPECIAL PLANNING COMMISSION**

**SEPTEMBER 23, 2013**

Chairman Dan Roberts called the meeting to order at 6:30 p.m. Members present were Ron Mehr, Darlene Loven, and Bob McDaniel. Also present was Advisory Member Renee Eckerly, City Administrator; Amber Young, Social Media Specialist; and Tom Kotten. Donovan Mayer was absent.

**Motion was made by McDaniel to approve the minutes of the July 15, 2013  
Planning Commission meeting. Seconded by Loven and unanimously carried.**

**VARIANCE REQUEST – KOTTEN**

A Variance Application has been submitted by Tom & Roberta Kotten for the property located at 700 Koronis Ave. They wish to construct a 28'x32' detached garage. They do not meet the front setback of 30' off their front property line (First St.) or 63' from the center of First St.; they need an 18' variance. They will meet all other zoning regulations.

McDaniel had visited the property and did not see any issues. It was questioned if any of the neighbors had any issues. Kotten stated that the neighbors do not have an issue with the proposed garage. Kotten further noted that the proposed garage will sit back further than the neighbor's garage. The dead tree is also on the neighbor's property and the property line has been staked.

**Motion was made by McDaniel to approve the Report & Recommendation Of The  
Planning Commission On Application For Variance and recommend such to the  
City Council. Seconded by Mehr and unanimously carried.**

**NEXT MEETING**

The next meeting is scheduled for Monday, October 7, 2013 at 6:30 p.m.

**INFORMATIONAL**

The Commission discussed Inspectron's services and status. It was commented that Gary Utsch, Building Inspector is very good at what he does. The Commission further discussed their responsibility and recommendation in regards to the RFP process.

There being no further business the meeting was adjourned at 6:48 p.m.

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**REQUEST FOR COMMITTEE/COUNCIL ACTION**

**COMMITTEE/COUNCIL NAME: Planning Commission**

Committee/Council Meeting Date: January 6, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - A

**ITEM DESCRIPTION: Election of Officers/Terms**

Prepared by: Staff

**COMMENTS:**

Nominations for Chairperson.  
Nominations for Vice Chairperson.  
Nominations for Secretary.

Terms from last year are:

**Motion was made by Loven to set the following terms:  
Dan Roberts – term expires December 31, 2014  
Darlene Loven – term expires December 31, 2015  
Ron Mehr (for Donovan Mayer) – term expires December 31, 2016  
Bob McDaniel – term expires December 31, 2015  
Donovan Mayer (Council Member) – term expires December 31, 2013  
Seconded by Mayer and unanimously carried.**

**ADMINISTRATOR COMMENTS:**

According to the City Ordinance the Commission Members shall serve staggered terms.

**COMMITTEE/COUNCIL ACTION:**

Motion to elect \_\_\_\_\_ as Chairperson.  
Motion to elect \_\_\_\_\_ as Vice Chairperson.  
Motion to elect \_\_\_\_\_ as Secretary.

Motion to set the following terms \_\_\_\_\_.

**MINUTES  
PLANNING COMMISSION**

**FEBRUARY 4, 2013**

Chairman Dan Roberts called the meeting to order at 6:30 p.m. Members present were Darlene Loven, Donovan Mayer, Ron Mehr, and Bob McDaniel. Also present were Renee Eckerly, City Administrator and Ashley Alsum, Cable Coordinator.

**Motion was made by Meyer to approve the minutes of the December 3, 2012 Planning Commission Meeting. Seconded by Loven and unanimously carried.**

**ELECTION OF OFFICERS/TERMS**

**Motion was made by Loven to elect Roberts as Chair. Seconded by McDaniel and unanimously carried.**

**Motion was made by Loven to elect McDaniel as Vice Chair. Seconded by Mayer and unanimously carried.**

**Motion was made by Loven to elect Eckerly as Secretary. Seconded by Mayer and unanimously carried.**

**Motion was made by Loven to set the following terms:**

**Dan Roberts – term expires December 31, 2014**

**Darlene Loven – term expires December 31, 2015**

**Ron Mehr (for Donovan Mayer) – term expires December 31, 2016**

**Bob McDaniel – term expires December 31, 2015**

**Donovan Mayer (Council Member) – term expires December 31, 2013**

**Seconded by Mayer and unanimously carried.**

**MEETING SCHEDULE**

**Motion was made by Loven to set the Planning Commission meetings for the first Monday of each month (Oct. – April) and the first and third Monday of each month (May – Sept.) at 6:30 p.m. Seconded by McDaniel and unanimously carried.**

**RE-ZONING REQUEST – PAY DE CO - VALLEY INDUSTRIES BUILDING**

The Re-Zoning Application from Pay Del Co requesting to re-zone Lot 1, Block 1, River Park Estates from A-1 Agriculture to I1 Light Industrial so that Valley Industries may construct a warehouse on this property was reviewed.

**Motion was made by Loven to set the Re-Zoning Public Hearing for Monday, March 4, 2013 at 6:35 p.m. Seconded by Mayer and unanimously carried.**

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## REQUEST FOR COMMITTEE/COUNCIL ACTION

**COMMITTEE/COUNCIL NAME:** Planning Commission

Committee/Council Meeting Date: January 6, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

**ITEM DESCRIPTION:** Meeting Schedule

Prepared by: Staff

**COMMENTS:**

In the past the Planning Commission has met the first Monday of each month (Oct. – April) and the first and third Monday of each month (May – Sept.) at 6:30 p.m.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

A motion to set the Planning Commission meetings for the first Monday of each month (Oct. – April) and the first and third Monday of each month (May – Sept.) at 6:30 p.m.

## REQUEST FOR COMMITTEE/COUNCIL ACTION

**COMMITTEE/COUNCIL NAME:** City Council

Committee/Council Meeting Date: January 6, 2014

Originating Department: Administration

Agenda Section: Old Business

Item Number: IV - A

**ITEM DESCRIPTION:** Building Inspection Services

Prepared by: Staff

**COMMENTS:**

Renee Eckerly will give a verbal report.

Please review the attached letter from Inspectron, Inc. stating that they will not be renewing their Building Inspection Services Contract for 2014 with the City of Paynesville. The current contract is attached for your review.

Discuss going out for RFP's, advertise for an in-house position, or pair with another city.

**ADMINISTRATOR COMMENTS:**

**COMMITTEE/COUNCIL ACTION:**

Motion to \_\_\_\_\_.

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## Jennifer Welling

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**From:** Renee Eckerly  
**Sent:** Friday, December 13, 2013 1:37 PM  
**To:** Donovan Mayer (dmayer@windstream.net); Gene Beavers (beavers@mediacombb.net); Jean Soine (jpsoine2@gmail.com); Jeff Thompson (paynesvillemayor@yahoo.com); Kay McDaniel  
**Cc:** Bill Spooner; Jennifer Welling  
**Subject:** FW: Contract Renewal  
**Attachments:** Contract Non-enewal Letter 12-13.doc

I received this letter today. I have never received this letter anytime in any format before today. I have email Mr. Wasmund to please continue doing the inspections until a new company can be put in place because delays in inspections could harm our business greatly.

I will speak to Gary Utsch when he comes in to find out if I can negotiate a deal for him to come work for the city. Otherwise I will prepare an RFP to be presented at the Dec. 23<sup>rd</sup> agenda.

Renee Eckerly  
City Administrator  
City of Paynesville  
(320) 243-3714 ext. 227  
Fax (320) 243-3713

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**From:** Ron Wasmund [<mailto:RWasmund@inspectroninc.com>]  
**Sent:** Friday, December 13, 2013 12:47 PM  
**To:** Renee Eckerly  
**Subject:** Contract Renewal

Hello Renee,  
The attached letter was sent earlier. Thank you for your past support and assistance.  
Ron

Ron Wasmund  
Inspectron Inc.  
15120 Chippendale Ave. Suite 104  
Rosemount MN 55068  
Office 651-322-6626  
Toll Free 800-322-6153  
Cell 612-719-3370  
Fax 651-322-7580  
[rwasmund@inspectroninc.com](mailto:rwasmund@inspectroninc.com)



**Inspectron, Inc.**

Code Compliance Inspections  
15120 Chippendale Ave.  
Suite 104  
Rosemount, MN 55068  
Phone 651-322-6626  
Toll Free 800-322-6153  
Fax 651-322-7580

December 1, 2013

Ms. Renee Eckerly  
City Administrator  
Paynesville MN 55068

Dear Renee;

After careful consideration, Inspectron Inc. will not be renewing the contract for Inspection Services. Our service will be finished on December 31, 2013.

Thank you for your assistance over the last several years.

Sincerely,

A stylized handwritten signature consisting of a cursive 'r' followed by a vertical line and a cursive 'd', with three horizontal lines above the 'd'.

Ron Wasmund  
Inspectron Inc.

## BUILDING INSPECTION SERVICES AGREEMENT

This agreement is entered into this 9<sup>th</sup> day of May 2012 by and between Inspectron, Inc., a Minnesota corporation with its principle place of business located at 15120 Chippendale Avenue, Rosemount, MN 55068 (hereinafter "Inspectron") and the City of Paynesville an incorporated Minnesota city with its principle offices located at 221 Washburne Avenue, Paynesville, MN 56362 (hereinafter "City").

WHEREAS, the City has enacted the Minnesota Building code (the "Code");

WHEREAS, the City requires building inspection services to ensure compliance with the Code;

WHEREAS, the City desires to enter into an agreement for the purchase of building inspection services with Inspectron; and

WHEREAS, Inspectron desires to provide such services to the City.

NOW THEREFORE, upon adequate consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. Duties of the Parties. During the term of this agreement, Inspectron agrees to perform the following services:

See itemized list attached as Exhibit A

City agrees to provide Inspectron with access to pertinent information, records, systems and data, as determined necessary at the discretion of Inspectron. The city and Inspectron together shall provide all required forms. Inspectron shall assist in the responsibilities of administration and enforcement of its zoning ordinance by reviewing all building permits prior to issuance. City shall hold Inspectron harmless and indemnify Inspectron from any and all claims that arise or may arise from zoning, land use, ordinances or incomplete or incorrect information on the permit application. Inspectron Inc. shall indemnify and hold the City harmless from any and all claims that arise or may arise from Inspectron's' negligent or fraudulent acts of building code enforcement. The city does not waive any limitation on liability pursuant to M.S.A. Chap. 466. Such indemnification and hold harmless shall specifically include damages, claims costs and reasonable attorney fees.

Inspectron shall perform the service under this contract at such location and at such times as Inspectron deems appropriate while providing the service necessary to professionally carry out the terms of this agreement. Inspectron Inc. will have an inspector at City Hall as mutually agreed upon to conduct meetings with the public and City staff members for the purposes of this agreement.

The counter permits will be a two (2) part form that the applicant will complete at the service counter when they come in to apply for items set forth in the Over the Counter Procedures outlined in Exhibit B . The back page will be card stock paper that will be the permit and inspection card. The City staff will assist in locating the parcel number,

legal description, confirming zoning, collecting money. The applicant will be able to pay for and walk out with their permit.

Inspectron shall provide all tools, transportation, and communication devices it deems necessary to carry out the field services of the agreement.

City shall accept permit applications including two sets of construction plans and site plan and all information required in permit submittal requirements contained in Inspectron's application packet. The application and site plan shall be reviewed and approved by the zoning administrator for proper zoning and setback requirements. City shall notify Inspectron that a plan has been turned in and approved for building code review and permit issuance. Mechanical equipment change out permits may be issued by the City and forwarded to Inspectron for processing.

Inspectron agrees to proceed diligently and in accordance with its usual course and manner of business. Inspectron may at its discretion retain subcontractors under the standard umbrella of protection and services to be provided in the performance of this agreement. Inspectron agrees to perform additional services, to which the parties agree during the term of this contract under the terms and conditions of this agreement.

2. Term of Agreement. This agreement is effective commencing May 9, 2012 and shall consist of a period of 18 months of service through December 31 2013.. This agreement will be reviewed and renewed prior to its expiration.

3. Payment. In consideration of such consulting work, the city agrees to pay to Inspectron under the following schedule:

- a. \$250.00 per month to cover general administrative responsibilities, maintenance and compilation of reports of activity to the Planning Commission and Council, responding to general phone calls and inquiries from the public and City staff.
- b. \$35.00 per inspection performed. A monthly report of the inspections performed will be included with the invoice.
- c. \$ .44/mile will be charged for travel one way from Inspectron's Waite Park Office for each inspection performed
- d. Plan review and meetings will be charged by the hour for all time worked. No time will be charged for less than half hour increments. The hourly rate for these services will be \$55.00 per hour.

Additional work agreed to by the parties, shall be paid at the rate of \$55.00 per hour of service.

All work shall be billed on a monthly basis. The City upon receipt of such billing shall pay within 30 days.

Payments more than 30 days delinquent shall accrue a 1.5 percent monthly finance charge.

Inspectron will bill charges for after hours and weekend inspections as well as pre-move structure inspections directly to the permit applicant. These fees and the time spent for

the inspection will be outside the terms of this agreement and will not affect the weekly service time, or rate schedule as shown on Exhibit C.

4. Confidentiality. City agrees that it will not reveal, divulge or make known to any person, firm, or corporation any secret or confidential information during or after the term of this agreement. Confidential information shall be defined as knowledge, systems, practices or other information submitted in writing or other tangible form designated as confidential by Inspectron. The City shall use such confidential information for the limited purposes of this agreement.

Inspectron understands and agrees that all data collected, created, received, maintained or disseminated for any purpose in the performance of this contract is governed by the Minnesota Government Data Practices Act.

Inspectron shall act as the custodian of records maintaining copies of information collected, created, received, maintained or disseminated for any purpose in the performance of this contract. The City will be carbon copied, with the monthly invoice on all correspondence sent regarding inspection issues, final inspections and Certificates of Occupancy. All such original records shall be returned to the City upon their request or upon termination of this agreement.

5. Relationship. Nothing in this agreement shall be construed to create employment, a partnership, joint venture, license or agency relationship and neither party shall have the right or authority to bind the other. The city agrees that it will not hire any of Inspectron's employees, who have provided services under this agreement, during the term of this contract or for a period of one year after the expiration or termination of this agreement, without the express written consent of Inspectron. In the event the City hires such Inspectron employee(s) (with or without express written consent of Inspectron); the city shall notify Inspectron and pay a fee of ten (10%) percent of the employee's 1<sup>st</sup> year annual salary with the City. Such payment shall be due upon the commencement of employment with the City. The City Administrator and Inspectron will commit to meeting on a quarterly basis or when deemed necessary to continue to enhance the service we can offer to the Paynesville community.

6. Termination. This agreement may be terminated by either party upon thirty (30) days written notice. Such termination shall not affect the rights and obligations of the parties accrued prior to the termination date or rights under paragraph 3 and 4.

7. Assignability. This agreement shall not be assignable by either party without the written consent of the non-assigning party.

8. Law. This contract shall be governed by the law of the State of Minnesota. The parties agree that the venue of any legal action arising under the agreement shall be Stearns County, Minnesota. The parties further agree that in the event either party brings an action against the other to enforce any condition or covenant of this agreement the prevailing party shall be entitled to recover its court costs and reasonable attorney fees in the judgment rendered in such action.

9. Severability. If any provision of this agreement shall be held by any court to be illegal, invalid or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as to be legal, valid or enforceable. Such illegality, invalidity or unenforceability shall not have effect upon or impair the enforceability of any other provision of this agreement.

10. Entire Agreement. This agreement constitutes the entire agreement between the parties. This agreement may be amended only by written agreement of both the City and Inspectron.

11. Inspectron, Inc. will provide proof of Workers' Compensation insurance.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

City of Paynesville

Inspectron, Inc.

By: Jeff Thompson  
Its: MAYOR

By: Robert Myer  
Its: President

# **Proposal For the City of Paynesville**

**January 18, 2012**

This proposal is being submitted to the City of Paynesville for professional building inspection services.

We propose to serve as the Building Official fulfilling all the responsibilities customary to the position of Building Official. This includes:

1. Meeting with property owners, contractors, architects, material suppliers and sub-contractors as necessary to insure accurate building permit applications and plans necessary for issuance of building permits.
2. Perform detailed plan reviews on residential, commercial industrial and institutional construction plans with written comments to the applicant.

Issue Permits for the work described on the permit application upon completion of the plan review process. To expedite the issuance of permits for certain fixed fee permits for routine residential maintenance or repair as identified in the City's fee schedule, the City will be instructed on how to issue over the counter permits. Over the Counter permits will be available for residential maintenance such as roofing, siding, window or door replacement and emergency furnace or water heater replacement. The fee for these permits will be as reflected in the City's adopted fee schedule.

3. Perform and document field inspections, including plumbing, mechanical, footing, framing, insulation, fire rated assemblies, final inspections and reinspections as necessary. All inspections will be performed within 24 hours of the applicant calling for the required inspections.
4. Issue Certificates of Occupancy with Copy to the City.
5. Provide all correspondence to the permit applicants and permit holders requesting additional information for permit review in a timely manner.
6. Track all project status for current inspections and send all correspondence to permit holders requesting progress inspections or required inspections if delinquent.
7. Provide Monthly activity reports to the City Administrator that detail the permits issued for that month showing both open and closed permits and the inspections performed year to date that month. The reports will be furnished for the first Planning Commission Meeting of the month.
8. Respond to and follow up on public complaints regarding building permit or housing issues for quick effective resolution with carbon copies to the City..

To complete this service period, a Certified Building Official will be assigned for managing the daily responsibilities. An experienced, MN Certified Building Official will be assigned to perform the plan reviews and field inspections on a daily basis.

Ron Wasmund will serve as the project coordinator, representing Inspectron, Inc. in any disputes or requests for additional service. It is the intent of this proposal to provide the service required for effective code administration.

Inspectron, Inc. will provide this service for the following charges:

1. A monthly administrative fee of \$250.00 per month, billed monthly. The monthly administrative fee is intended to cover the report preparation and general office admin such as scheduling inspections permit processing and phone calls.
2. \$35.00 per inspection for all field inspections plus .44 cents per mile for travel one way from our Waite Park Office.
3. \$55.00 per hour for all plan reviews and meeting attendance. There will be a minimum charge of one hour.
4. Inspectron will inspect all buildings prior to being moved into the City. The fee for this inspection will negotiated with the party desiring the inspection based upon the type, age and location of the structure based upon the \$55.00 hourly charge. Time will be charged for travel one way to the structure being inspected. The party requesting the inspection will be responsible for all charges associated wit the inspection.
5. A finance charge of 1.5% will be charged for all accounts payable if not received within 30 days of billing date. All invoices will be presented for the first Planning Commission meeting of the month.
6. Inspectron will follow the City's adopted Fee Refund Policy.
7. Inspectron will work with the city to develop any additional handout materials beyond what is already provided.

Respectfully submitted,

*Ron Wasmund*

Ron Wasmund  
President  
Inspectron, Inc.

## **EXHIBIT "B"**

### **Over the Counter Permit Procedure**

Over the Counter (OTC) permits are intended to be used for fixed fee permits for residential maintenance such as roofing, siding, window and door replacement and emergency furnace and water heater replacement. The procedure for Over the Counter permits follows:

Applicant obtains and completes a permit application at City Hall.

Paynesville City staff member calls Inspectron, Inc. on toll free number to obtain a permit number from Inspectron, Inc. receptionist.

Paynesville staff identifies her/himself and purpose of call to Inspectron receptionist immediately allowing quick assistance to Paynesville staff.

Inspectron receptionist confirms address of project and communicates next sequential permit number from permit software to Paynesville staff member.

Paynesville staff member writes the assigned number on the Over the Counter (OTC) permit, collects the permit fee and releases the bottom copy of the OTC permit to the applicant. The top copy of the OTC permit shall be given to Inspectron staff member upon her/his next visit to City Hall.

Inspectron staff member faxes or delivers copy of OTC permit to Inspectron Rosemount Office for entry into permit software to insure accurate reporting of issued permits.

Inspectron receptionist files a copy of the OTC application/permit by jurisdiction and address at the Inspectron Rosemount office.

**EXHIBIT "C"**

**Billing Rates**

**The customary rates for services are:**

Building Official Responsibilities:	\$75.00/hour
Ron Wasmund	
Larry Wasmund	
Lee Gladitsch	
Gary Utsch	

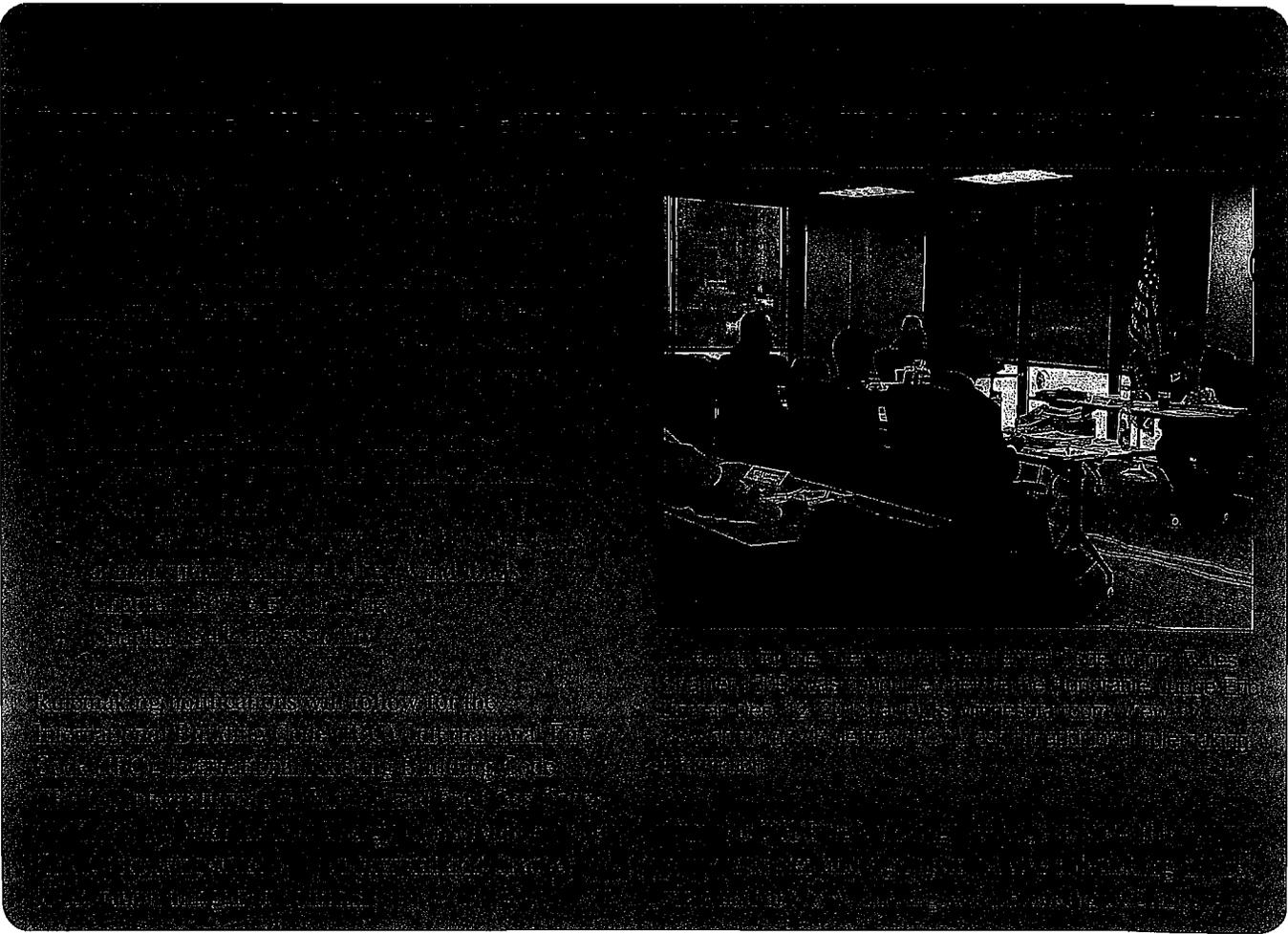
Field Inspection Services	\$55.00/hour
Larry Wasmund	
Lee Gladistch	
Gary Utsch	
Other	

Plan Review Services	\$55.00/hour
Larry Wasmund	
Lee Gladistch	
Gary Utsch	
Other	

Hourly charges are all inclusive, including equipment charges, communication charges and overhead.



# CCLD REVIEW



Conference



Feb. 6, 2014 - Bloomington

## Register now for Construction Industry Conference

The State of Minnesota and its construction industry partners will host the first-ever Minnesota Construction Industry Conference Feb. 6, 2014, in Bloomington.

This one-day conference will provide educational and networking opportunities for **highway/heavy, commercial building and residential contractors**, plus informative general sessions for the entire construction industry and continuing education units for attending select workshops.

» Visit [www.dli.mn.gov/construction](http://www.dli.mn.gov/construction) to register.

» Download the conference app at <http://my.yapp.us/4RWA9F>.



#CIC14

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## Online permits remain popular

Since its launch, more than 140,000 permits have been issued through eTRAKiT system

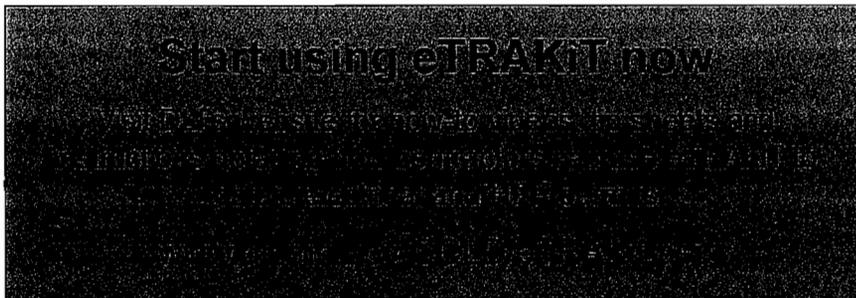
More than 70 percent of permits issued in 2013 to electrical contractors, homeowners and high-pressure-piping businesses were applied for using DLI's eTRAKiT online permit system.

Since the launch of eTRAKiT in 2011, more than 140,000 permits have been applied for and issued instantly using this paperless, automated system. Additional benefits of applying for permits online include the ability to track permit status and inspection activity, print copies of permits and review historical permit information.

### New permit options on the way

In spring 2014, an expanded version of the eTRAKiT online permit system will be launched and include building, plumbing, elevator and boiler installation permit functionality. Also, online submission of building, plumbing and elevator plans for review and approval will become available in 2014.

See Page 3 for more information about DLI's plans for electronic plan review in 2014.



## Keep in touch

### DLI launches monthly email newsletter

Stay up-to-date with DLI by signing up for its newest email list.

DLI will send occasional messages to subscribers to share highlights and news from throughout the agency.



Sign up at [www.dli.mn.gov/email.asp](http://www.dli.mn.gov/email.asp)

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## Progress made in reducing misclassification of workers More than 12,000 contractors registered with DLI through recent program

The misclassification of employees as independent contractors has long been identified as a problem in the construction industry in Minnesota.

Misclassification adversely impacts businesses, workers and the economy by preventing workers from benefiting from the protections that are provided to them by law and creating a competitive disadvantage for contractors who comply with the laws relating to workers' compensation insurance, unemployment insurance and tax withholding.

In 2009, Minnesota took an initial step in addressing the problem of misclassification by creating the Independent Contractor Exemption Certification (ICEC) program.

In 2012 the Construction Contractor Registration Pilot Program to replace the ICEC program as a result of recommendations made by a task force convened by DLI to bring contractors and regulators together to address the misclassification issue.



The pilot program requires all construction contractors who are not already licensed or registered with DLI to register through DLI's website. Since the program's inception in July 2012, more than 12,000 contractors have registered with DLI. This is more than five times the number of ICECs that were issued by DLI.

DLI, in conjunction with the Department of Employment and Economic Development and the Minnesota Department of Revenue, reviewed the pilot program's progress in November 2013. The review

consisted of an analysis of a sample of the registrations, an analysis of enforcement actions taken and calculation of the economic impact in the construction industry.

The report of the program's review will be available online after its presentation to the legislature Jan. 1, 2014.

Some challenges to full implementation of the pilot program remain. DLI plans to make recommendations to the legislature to further improve the program and enhance the agency's ability to detect and deter worker misclassification.

## Plan review

### DLI will transition to electronic plan review system

DLI plans to transition from paper to computer-based plan review during the next year.

After the new system's launch, designers, such as engineers, architects and master plumbers will be able to submit project plans electronically.

Electronic review of building plans has become very popular in recent years and is being performed by many municipalities throughout the country.

#### How it will work

Once a designer applies to DLI for a permit, they will

receive an email inviting them to upload their building plan files electronically through a password protected, web-based system.

Agency plan review staff will then access the plans and use the software's markup tools to indicate required changes and record comments. Upon completion of staff review, the designer receives another email indicating that the plans have been reviewed and are ready for revisions. The designer then makes the necessary revisions and resubmits the plans. The electronic review and communication

**'PLAN REVIEW' continues on Page 4**

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## 'PLAN REVIEW' - continued from Page 3

continues until the plans are approved.

The status of the plan review may be checked at any time by the designer by accessing the system. Other benefits will be cost savings from reduced mailing costs, shortened handling

time and a reduced need to store paper plans by both the designer and plan review staff. DLI will continue to accept paper plans but the long term goal is to have nearly all plans submitted for review electronically. View more plan review information at [www.dli.mn.gov/CCLD/PlanReview.asp](http://www.dli.mn.gov/CCLD/PlanReview.asp)

### Electrical inspections

## New electrical area rep for southwestern Minn.

### DLI's area representatives have broad range of duties and are the first point-of-contact for electrical questions that arise in the field

Wade Schlie has been hired as the department's new electrical area representative for District 7 in southwestern Minnesota. District 7 is comprised of 16 counties generally south and west of the Minnesota River. Schlie started Dec. 4, 2013, and is headquartered in Sleepy Eye in Brown County. For the past 10 years he has provided contract electrical inspection service in Redwood and Renville counties.

Electrical area representative Steve Dudley has been managing District 7 from the DLI office in Mankato and will be reassigned to District 2 in the south metro area. Dudley will be headquartered in Kilkenny in Le Sueur County. District 2 is comprised of portions of Dakota, Goodhue, Le Sueur, Rice, Scott and Washington counties.

District boundaries are occasionally changed and a map is available on DLI's website and contains the most up-to-date information.

#### Who are the area reps and what do they do?

Unlike the electrical inspectors who are under contract with DLI to provide routine electrical inspection service in designated areas, the electrical area representatives are state employees. There are 11 electrical area representative field districts across Minnesota.

The area reps have a broad range of duties that include monitoring, auditing and supporting the contract electrical inspectors; administering statutes and rules related to electrical licensing and inspections; assisting with investigations on behalf of CCLD's enforcement unit; providing electrical code and technical support to electrical installers; helping electrical installers to use the eTRAKiT online electrical permits portal; providing dispute resolution

and responding to appeals related to code interpretations and enforcement; conducting DLI seminars and providing education and outreach to clientele; organizing, monitoring and inspecting a broad range of outdoor transitory projects and events such as carnivals, county fairs, festivals, celebrations, shows, tournaments and similar engagements; and numerous other varied tasks and duties.

Customers are encouraged to first contact the electrical area representative in their area prior to contacting CCLD staff in St. Paul – the electrical area representatives are in a much better position to respond to questions related to issues and other matters that originate in the field. If the electrical area representative does not have the resources to resolve the matter or to answer the questions, they will forward the questions to CCLD staff in St. Paul

View contact information for electrical area reps and areas served at [www.dli.mn.gov/CCLD/ElectricalInspect.asp](http://www.dli.mn.gov/CCLD/ElectricalInspect.asp).



# New AFCI requirements effective Jan. 1, 2014

The 2011 National Electrical Code (NEC) expanded the provisions related to the replacement of receptacle outlets. NEC 406.4(D)(5) was revised to require that listed tamper-resistant (TR) receptacles be provided where replacements are made at receptacle outlets that are required to be tamper-resistant elsewhere in the code.

Likewise, NEC 406.4(D)(6) was revised to require that listed weather-resistant (WR) receptacles be provided where replacements are made at receptacle outlets that are required to be weather-resistant elsewhere in the code.

And more importantly, 2011 NEC 406.4(D)(4) was revised to require arc-fault circuit-interrupter (AFCI) protection for replacement receptacles effective Jan. 1, 2014. This change in the 2011 NEC was deferred until Jan. 1, 2014, to give manufacturers time to develop, test and produce outlet branch-circuit (OBC) arc-fault circuit-interrupter receptacle outlets. In effect, where a receptacle outlet is supplied by a branch circuit that requires AFCI protection as specified elsewhere in the code, a replacement receptacle at this location

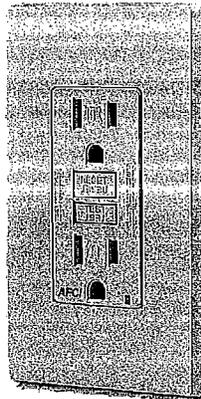


Image: www.leviton.com

New arc-fault circuit-interrupter (AFCI) requirements take effect in 2014.

shall be one of the following; 1) a listed OBC AFCI receptacle; 2) A standard receptacle protected by a listed OBC AFCI receptacle; or 3) a standard receptacle protected by a listed combination type AFCI circuit breaker.

A description of the types of AFCI products is available from Underwriters' Laboratories.

The 2014 NEC is scheduled to be adopted in Minnesota on July 1, 2014. NEC 406.4(D) has been further revised in the 2014 NEC to mandate that GFCI and AFCI replacement receptacles shall be installed in a readily accessible location. "Readily accessible" is defined in NEC Article

100 as capable of being reached quickly for operation, renewal, or inspections without requiring those to whom ready access is requisite to actions such as to use tools, to climb over or remove obstacles, or to resort to portable ladders and so on. In summary, the replacement GFCI and AFCI receptacles must be located where they can be conveniently operated, reset or tested on a periodic basis in accordance with the manufacturer's installation instructions.

The NEC provisions for the replacement of receptacle outlets have changed significantly in recent years. Electrical installers need to be familiar with the current and coming provisions in the NEC. The previously simple task of replacing a receptacle outlet now requires a thorough understanding of the NEC rules and options that are related to grounding-type receptacles, non-grounding-type receptacles, GFCI receptacles, AFCI receptacles, tamper-resistant receptacles and weather-resistant receptacles. The typical replacement receptacle in a dwelling will most likely often need to meet two or more of the criteria in NEC 406.4(D).

## Plumbing plans

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## License renewals

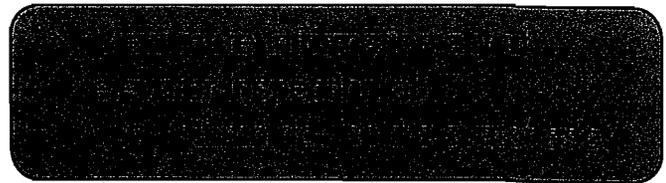
## Elevator inspections

### Jan. 1, 2014: Elevator permit, inspection fees change

Recent legislation has brought about changes to elevator permit and inspection fees.

One of these changes is the removal of a \$500 fee charged when elevator work was found to be started without a permit. Although the fee is removed, violators expose themselves to enforcement action against their license, which may include censure, suspension or revocation and monetary penalties up to \$10,000 for each violation.

Inspection fees for normal permit work, which now includes repair and removal inspections, are still based on the 1.5 percent multiplier (.015 multiplied by cost of the contract). However, the \$1,000 cap on the inspection fee has been removed. The inspection fee includes two inspections. If the installation is not ready for permit work inspection at the scheduled time, an additional fee of \$160 will be charged.



If owners or contractors request additional inspections for permit work it will be at the hourly rate of \$80 when performed during normal working hours and \$120 when performed outside of normal working hours, including weekends and holidays.

Inspection of existing elevators requested by owners or in the event of an accident resulting in personal injury will be at the hourly rate of \$80 when performed during normal working hours and \$120 when performed outside of normal working hours, including weekends and holidays.

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## Legislation brings changes to elevator licensing program

In its 2013 session, the legislature enacted changes to the way that contractors and workers in the elevator industry are licensed.

The main change was to move elevator licensing away from an electrical licensing program and make it a true elevator program. The online document Requirements for Individuals Performing Elevator Work in Minnesota provides a brief explanation of the limitations of each license type and the registered unlicensed elevator constructor.

The new elevator licensing program is modeled after the existing electrical licensing program, yet focuses on elevator technology rather than electrical technology. Preexisting elevator licenses will transition to the new license types, which carry similar titles.

Two new license types are personal licenses: limited master elevator constructor and limited journeyman elevator constructor. A new business license type is: limited elevator contractor.

**Any individual who performs work on elevator systems or equipment must either hold a license or be registered with DLI as an unlicensed elevator constructor.** The unlicensed registration requirement applies regardless of whether the worker is wiring a controller under or emptying a pit bucket and is limited to performing elevator work under these conditions:

1. within the scope of employer's authority to perform

the elevator work,

2. under supervision of an individual licensed to perform the elevator work, and
3. when the licensed and registered unlicensed individuals are employed by the same contractor or employer.

Information about the unlicensed elevator constructor registration program can be found at [www.dli.mn.gov/CCLD/PDF/elev\\_constructor.pdf](http://www.dli.mn.gov/CCLD/PDF/elev_constructor.pdf). Individuals may sign up online as a registered unlicensed elevator constructor at <https://secure.doli.state.mn.us/license/intro.aspx>.

### Definitions

**Elevator work** is defined as “the installing, maintaining, altering, repairing, testing, planning, or laying out of elevator apparatus or equipment as covered by Minnesota Rules, chapters 1307 and 1315. Elevator work also includes the disconnection of electrical wiring on the load side of the elevator equipment disconnect and the decommissioning of elevator equipment to enable safe removal.”

**Limited elevator work** is defined as “the installing, maintaining, altering, repairing, testing, planning, or laying out of residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators as covered by Minnesota Rules, chapters 1307 and 1315. Limited elevator work also includes electrical wiring on the load side of the elevator equipment disconnect and the decommissioning of elevator equipment to enable safe removal.”

### Locate inspectors quickly



## Enforcement actions



Enforcement actions are available for various violations of the Minnesota Labor Code. These actions should be reviewed to ensure compliance with the law.

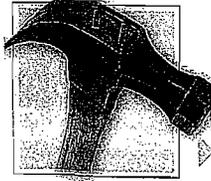
### Planning to hire a contractor? Make sure they're licensed

Before hiring a contractor, it's important to verify their license status. This ensures you are hiring a qualified and legally compliant professional.

## Verify a license

### Use DLI's online tools to verify a license, certificate or registration

It's personal ... and business: DLI's improved online License Lookup tool now allows users to check the status of numerous personal and business licenses, certificates, registrations and bonds.



License Lookup

To see the full list of searchable items, visit [www.dli.mn.gov/ccld/LicVerify.asp](http://www.dli.mn.gov/ccld/LicVerify.asp)

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