Meridian City Council Work Session October 4, 2022.

A Meeting of the Meridian City Council was called to order at 4:30 p.m., Tuesday, October 4, 2022, by Mayor Robert Simison.

Members Present: Robert Simison, Joe Borton, Luke Cavener, Treg Bernt, Jessica Perreault and Brad Hoaglun.

Members Absent: Liz Strader.

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Brad Purser, Steve Siddoway, Tracy Basterrechea, Berle Stokes, Joe Bongiorno and Dean Willis.

ROLL-CALL ATTENDANCE

_____ Liz Strader	__X__ Joe Borton
__X__ Brad Hoaglun	__X__ Treg Bernt
__X__ Jessica Perreault	__X__ Luke Cavener

___X__ Mayor Robert E. Simison

Simison: Council, we will call the meeting to order. For the record it is October 4th, 2022, at 4:30 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: First item up is the adoption of the agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: We don't have any changes to consider, so I move adoption of the agenda as published.

Bernt: Second.

Simison: I have a motion and a second to adopt the agenda as published. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the agenda is adopted.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

CONSENT AGENDA [Action Item]

1. **Edington Commons No. 1 Full Release of Emergency Access Easement**

2. **Settlers Park Subdivision Sanitary Sewer and Water Main Easement No. 1**

3. **Settlers Park Subdivision Sanitary Sewer and Water Main Easement No. 2**

4. **Timberline Subdivision No. 2 Water Main Easement No. 1**

5. **West Ada School District Central Academy Pedestrian Pathway Easement**

6. **Development Agreement (Centerville Subdivision H-2022-0046) Between the City of Meridian and Endurance Holdings, LLC (Owner); Viper Investments, LLC (Owner); and Challenger Development Inc. (Developer) for Property Located at 4111 E. Amity Rd. (including the outparcel to the south) and 5200 S. Hillsdale Ave., at the Southeast Corner of S. Hillsdale and E. Amity Rd.**

7. **Development Agreement (Heron Village H-2021-0027) Between the City of Meridian and PPHC Heron Property LLC (Owner/Developer) and HHP Heron Property LLC (Owner/Developer) for Property Located at 51, 125, and 185 E. Blue Heron Ln.**

8. **Development Agreement (Pickleball Court Subdivision H-2022-0025) Between the City of Meridian and Gardner Homes Idaho, LLC for Property Located at 4050 W. McMillan Rd., at the Northeast Corner of N. Joy Street and W. McMillan Rd.**

9. **Approval of Sole Source purchase of Axon Fleet 3 In-Car Video/ALPR System by Axon Enterprise, Inc.**

Simison: Next up is the Consent Agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move approval of the Consent Agenda and for the Mayor to sign and Clerk to attest.

Bernt: Second.

Simison: I have a motion and a second to approve the Consent Agenda. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the agenda is agreed to.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There were no items removed from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

10. Mayor's Office: Housing Assistance Grant Program Recommendations

Simison: So, with that we will move on to Item 10, Department/Commission Reports. First item up is regarding the housing assistance grant program recommendations. Mr. Miles.

Miles: Good afternoon, Mayor and Council. Happy to be here. This should be relatively quick. This is in response to the emergency housing assistance program that Council recommended funding 250,000 of the ARPA funding to this project. So, we put out a bid, as the memo states in your packet, put out a request to proposed companies. We have had two submittals. I was looking around. The scoring committee, which is made up of a couple folks downstairs and, then, representative up in the Mayor's office, led by Dan Torres, our new economic development administrator, who will be reaching out to you all as well, just to introduce and say hello. But the scoring committee recommended that the entire of the funding be allocated to Jessie Tree based on their application, primarily due to their ability to allocate all of the funding towards direct assistance and not towards personnel or anything of that related nature. So, I think the memo is pretty straightforward. The recommendation is to approve the allocation or the recommendation to Jesse Tree for the entire 250,000 dollars and I will just stop there and take any questions that you have.

Simison: Thank you, Mr. Miles. Council, any questions?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Just maybe a question for Dave -- maybe on behalf of the committee. Were there any -- is there any feedback that came from the committee or questions that arose to the process to maybe just give Council further thought or questions as we kind of evaluate how we want to move forward with housing attainment overall?

Miles: Mr. Mayor, Councilman Cavener, no questions to my knowledge. Looking around I see Dan Torres just walked in from the scoring committee. But no questions directly towards how to solve housing assistance or emergency housing assistance beyond what this application was asking for, if that answers your question.

Cavener: And Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Yeah. Dave, I think -- I mean it -- it -- it does and it doesn't. I mean I think that will probably maybe be an offline conversation with -- with Dan or committee members. I just want to make sure that after they have went through this process if they have got recommendations for us as the Council that there is an opportunity at a later point in time to provide that to us.

Miles: Yeah. Mr. Mayor and Councilman Cavener -- and Dan's back there shaking his head yes. So, absolutely welcome those conversations and ongoing discussions around housing.

Simison: Council, any additional questions?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Dave, thank you. I know that the groups that put together the application process -- that did the process and put the application together did their very best to -- to write questions that were expected, but wondering if there was anything that came up that the committee talked about that wasn't anticipated as part of the application process?

Miles: Mr. Mayor, Council Woman Perreault -- and I will invite Dan up to speak directly about anything that he's aware of. I know the one question that came up during the recommendation period came from one of the applicants about potentially using some of their other funding to fund personnel expenses. That was contributed by the city through discussions. That was vetted out and not recommended because of that other program that was CDBG funds that were being asked about and so the -- the question was can we use CDBG funds to fund the personnel perspective of this component, which gets into too many -- crosses up too many wires and -- and wasn't recommended and wasn't supported. That was the one question I was aware of. Dan's coming up as well.

Torres: Apologies for being a little bit late. No. Crystal Campbell did a great job formulating the questions and the committee was a little bit removed from the discussion with Council. So, we really relied on the questions and the scoring rubric trying to -- I think the committee took into account Council's desire to bring these funds as soon as possible to address the -- the need and so when it came down to it, both were strong candidates. Jesse Tree was able -- in their application was able to bring the money to bear sooner in the first quarter of the -- the -- the application and, then, like -- like Dave said, they didn't have any administration costs on it. The concern -- or the request to use those funds for admin fees came after the committee had scored, which in retrospect probably wasn't the greatest communication on their part, but both had strong applications. Jesse Tree also had a more targeted approach, which was for that rent assistance, whereas the Ada County Housing Authority had indicated they might use it for a couple other approved, but not what Council wanted, objectives.

Simison: Council, any additional questions for staff?

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: We are able to make a motion on this tonight if Council would like to proceed. If there are no further questions.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: I will make that motion that we accept the recommendation for the grant as proposed, allocating 250,000 dollars of ARPA funds to the Jesse Tree.

Cavener: Second.

Simison: I have a motion and a second. Is there discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the motion is agreed to.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

Miles: Thanks.

11. 2022 Impact Fee Study Presentation

Simison: Thank you, Dave, Dan and the committee, Councilman Hoaglun, that all worked on that item. Next item up No. 11 is the 2022 impact fee study presentation and we will turn this over to Mr. Lavoie.

Lavoie: Mr. Member -- Mr. Member. Geez. Mr. Mayor, Members of the Council, again, appreciate you allowing us to present to you the latest impact fee study for your consideration. We do have our consultant Dwayne Guthrie online. He is going to present to you a PowerPoint presentation. I think it's about 12 slides. We provided you the impact fee study in draft version to date. So, that's where it's currently sitting right now. We do have three committee members here today also to assist with any questions that you may have today for the impact fee study that we present to you and this is an informational presentation to you to bring you up to speed of where we are today with the latest numbers and calculations for the study. We do ask that you ask us questions either today, tomorrow, next few days. Again, we want to make sure that you are informed and we get all your answers -- questions answered before we have the public hearing, which we will work with you on what that schedule looks like, because we need you to make sure you are comfortable with the information we are providing. So, I'm going to hand this off to Dwayne, the consultant. We hired him to conduct this study on behalf of the City of Meridian and with that I'm going to hand it off to Dwayne. But, again, you have three committee members here if you want to hear from any of them. Myself I'm happy to answer any questions as well. But for the time being I will hand it off to Dwayne and, then, we will engage any questions at that time. Appreciate it.

Guthrie: Council Members, this is Dwayne Guthrie. I want to run through some slides, like Todd mentioned. If you have any questions this is supposed to be a dialogue of trying to help you guys answer questions, build consensus, so, please, interrupt and we will try to do that as we go through. I'm going to share my screen. Let me know when you can see that. Did they show up?

Lavoie: Dwayne, go ahead. You are good. Thank you.

Guthrie: Okay. So, as Todd mentioned, we have to do regular updates in Idaho by -- according to state law. But staff actually wanted to accelerate that schedule a little bit, because of two main reasons. For one thing your growth has been faster since 2019 than we anticipated when we did the previous study. We have added several thousand more housing units than what's projected. So, that -- that was one of the main reasons. The land use assumptions that we were using in this study are shown on the -- the graph here. So, you can see the increase in projected population and housing units and, then, the more linear kind of projected increase in jobs and nonresidential square feet. On each one of my slides there will be a box like this showing where this graphic is in the report if you want to follow along. This is actually in the back in Appendix A. So, we document all the land use functions, all the numbers and the demographic data used in the study and that's in the back. The second major reason for our update is that capital costs have increased significantly. So, this next slide kind of goes into that. It's a lot of numbers here, but, basically, all of these -- every row that you see here is -- is documented by separate tables and narrative in the study itself. It's about a 40 page document if you had time to flip through that. But, basically, we are doing impact fees for three things. In green you will see the park and recreation improvements. In blue we have police, which we are just focusing on buildings. And, then, for fire we have both buildings and rolling stock and all the communications, radio equipment, everything like that that goes along with it. The main reason is we don't have vehicles for the police is that state law prohibits things that don't have a useful life. It's long enough to be considered a capital item. So, police cars turn over too quick and so that's why they are excluded from the study. So, on -- just kind of looking at the numbers, you will see in the infrastructure columns right here, these first three columns, you will kind of -- you can eyeball what the standards were back in 2019 versus 2022 and how we measure those standards or quantitative basis for each one of those and most of them you will see that the standards have actually increased slightly over time. You made some major improvements to fire buildings and police buildings over the last couple years and you have also made and had acquired an additional recreation center that -- that increased those standards. One of the things that's a little different from the last study is on -- we have added park land as a specific cost component. There was a small -- as you see from this footnote, a small component in the 2019 study, but back then it was only one percent of the total and we didn't really document a standard, because there was only one specific capital project to acquire a site. Now we went ahead and documented in the '22 study a standard for land, which is about 3.14 acres per thousand residents and a cost factor, which these are over here, and with those two things the land -- new sites to be acquired with impact fees now account for about 26 percent of the gross cost for Parks and Recreation. So, that's one of the major reasons for the significant increase in the proposed fees. These columns over here -- these three show cost factors from 2019 to 2022. Park improvements have gone up to about 411,000 per acre to acquire park sites. We are estimating 150,000 per acre. Recreation centers. This -- last time was a very conservative estimate. Now would have a much better analysis of what the future recreation centers are likely to cost. So, it's 670 dollars per square foot of building. Lease building is about the same price, 660 dollars per square foot. Buyer buildings are higher, 864 dollars a square foot. And, then, you see that -- that small increase is in the cost of rolling stock and communications and equipment down at the bottom. So, one of the things the committee members requested this time is we -- that we put in ratios of comparing cost or quantities in 2022 versus the 2019 and so it's more like a multiplier. So, for instance, on park improvements, the cost now are like 1.7 times as much as they were back in 2019 and, then, kind of see the relative increases in cost. So, significant amount increases for parks. Kind of middle of the pack for fire down at the bottom and, then, also a big increase -- almost two times over the cost back in 2019 for police. A lot of details there. Does anybody have any questions or just basically kind of get an idea of the -- what we -- what we did and any questions before we proceed into the actual fees?

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: Appreciate these figures. They are mind blowing, to be honest with you. Not too terribly surprising, but just crazy. It looks like, you know, the cost factor to build these -- these facilities and -- you know, whether it's park -- whether they are improvements, land, buildings, apparatuses, what happens -- obviously right now the cost to construct and to buy is high. Give -- and because of that, you know, these are some of the mitigating factors that are making these impact fees go up. What happens in a year or two or three when potentially costs come down and -- what does that look like to our property tax -- or, excuse me, what does that look like with those who are building and developing?

Guthrie: Well, basically, you could do what -- like we did this time, is you could up -- update the study for sure or you could just approve a different fee schedule and lower the amount if you had documentation that the -- the fees have actually gone down. I think the safe -- the -- the costs have actually gone down. I think the safer thing to do would be to actually update the study. Todd and staff can probably jump in and kind of give you a feel for the -- how reasonable it is for the cost to go down. They might plateau and hopefully not go up, but I don't know about going down. If some of your department heads want to chime in on that amount welcome their input.

Bernt: I mean with all due respect --

Simison: Councilman Bernt.

Bernt: -- I -- I come from the building industry and -- and right now costs aren't going up as -- nearly as much as they were in the past. They are -- I'm not going to say they are plateauing, but they certainly -- at least in my business I'm not getting price increases on a weekly, monthly, you know, basis like I was in -- in the past and my fear is that -- I don't want to overcharge or -- you know, the developers and those who are, you know, investing in our city.

Guthrie: And I totally understand that. I know that, for instance, on lumber -- lumber spiked dramatically and is now, you know, come down quite a bit.

Bernt: Right.

Guthrie: So, that's one of the reasons why we want to kind of go over this with everybody and present it and make sure that we are on the right path. So, appreciate that input.

Bernt: Okay. I will be quiet.

Simison: And, Councilman, I think that this is one of the things that we have talked about doing is updating this every two years, partially for that reason alone, is due to the changing nature. I think what -- Todd, are we three -- three years right now since the last one we did? So, we -- you know, that could be one thing we do if we feel like it's -- if we want to stay on top of the changes in the market as consideration. Any other questions at this time from Council?

Guthrie: Okay. I'm going to run through a couple slides now for each one.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Sorry about that. Just wondering if there is an average based on geographic region or nationally for the unit -- for the unit figures. So, how much are there cities spending per person or per acre in relationship to what we are doing or what we have set aside and is there a range that we should be in?

Simison: Are you asking what other cities currently charge for their impact fees?

Perreault: No. So, on the chart here on the screen where it's -- under infrastructure standard and there is a ratio for how many acres per thousand residents, how many square feet per person, and I'm wondering if there is a range which we should fall in for our city size. So, are other cities spending 75 cents -- or, excuse me, 70 per square foot per person in other areas? Is there a range that we should be falling in?

Lavoie: Mr. Mayor, Jessica, again, I will default this to Dwayne, but, Dwayne, I think you -- we could say that every agency and every city and municipality has its own drivers and own goals of what they want to have as a level of service calculation. Would you say that -- that statement or would you say that there is a municipality average acceptable level of service calc that we should all be following?

Guthrie: Not only national or even regional kind of standards. Basically each city is required to document their own standards and their own costs and so that's why you have to have a -- a custom study like this that is accepted kind of legal practice to show the need for your community, how the fee payers are going to benefit in your community. So, that's tied to specific capital improvement programs and, then, making sure that the fees are proportionate, which is largely due to the demographics and characteristics of your community. So, that's part of the reason why -- why you have to have individual studies for everybody. You could do some comparisons for the likes of Boise metro area, but, then, it would probably be easiest to compare the bottom line kind of fee amounts, not dive down into the details. Everybody is going to have a different way of doing their studies.

Simison: Council, any additional questions at this point? Go ahead and continue, Dwayne.

Guthrie: Okay. So, here is the summary chart showing the methods and the cost components. So, Parks and Recreation is a citywide fee. It includes improvements to parks or outdoor kind of things, like ball fields, soccer fields, those kinds of things. The actual land for the parks and, then, recreation centers. It's all allocated to residential. The next two for police and fire are allocated to both residential and nonresidential. They are both done on a citywide basis. Like I mentioned before, we only are doing police buildings. We use functional population, which has to do with people that live and work in the City of Meridian and also the commuting patterns for your community and, then, the police fees are allocated based on inbound vehicle trips to nonresidential development and population on the residential side. Fire fees are similar, but we use population and jobs to do the cost allocation and, like I mentioned before, we are doing rolling stock, communications, and equipment for the fire facilities. So, here is the capital plan for police over the next ten years, mainly focusing on one big training center phase three addition. Approximately 17,000 square feet at a cost of 11.2 million dollars. That's actually a little bit larger expenditure than we documented in the study as the growth cost due to the increase in population and -- and jobs in your community or nonresidential development. So, the study only documents a need of nine million dollars to maintain your current level of service. So, on this one there are going to have to be approximately two million dollars of additional funding besides impact fees to pay for that improvement. Here is the table summarizing the fee calculations. So, what I just mentioned at the top was there -- what we can document is the need for police buildings, approximately 13,745 square feet increase. There is the cost factor we talked about and the amount. This is the amount for me doing the study. They are allocated to each one of the fees. Here is the -- a cost allocation. Residential is paying 72 percent. Nonresidential 98 percent. And, then, we derive a cost per service unit. So, in this it's residential, it's persons, and for nonresidential it's vehicle trips and, then, here is the as proposed fees down at the bottom. It's residential or by size thresholds. So, you can see the proposed fee is in this blue column. The current fee. The increase, which is from 134 dollars for the smaller size unit up to 365 dollars or the largest size unit. And, then, the ratio of it -- the increase, comparing the proposed to the current. So, it's about a three time increase. But they are small -- the current fees are very small, so it's -- you know, the actual dollar amounts are one -- one to three dollars, roughly, per unit. On commercial we have two categories. I mean nonresidential we have two categories. Restaurant and retail is a higher fee and, then, all other nonresidential services, offices, those type of things fall into that other category. So, the current fees are less than a dollar per square foot. The new fee increases to $1.23 for commercial and you can see the increases. Again, they are very small numbers per square foot, so the -- the multipliers are pretty high. But the fees are still $1.23 per square foot on commercial and 19 cents per square foot for all other. Any questions on police before we go on? Down to fire. We went through and documented the level of service standards and, then, this is the capital plan that we are looking at. At the top is kind of a summary of what's needed versus what's planned. So, we are -- we are matching up on the buildings. The apparatus -- apparatus and equipment. We need about 3.6 million dollars to maintain your current level of service. We are planning to spend roughly 6.6 million dollars. So, you can see the annual expenditures here. We are adding vehicles, radios, ladder truck, monitors. We are designing a new station and, then, constructing it and, then, we are having some more equipment down here with, you know, extraction tools, thermal imaging cameras. Another ladder truck. Breathing apparatus. So, you can kind of see all the specific expenditures anticipated over the next ten years. And, then, at the end we are designing another building and expanding our designing expansions to buildings and expanding those buildings. So, a total capital program of 25.4 million dollars. The growth need is about 22.4 million. So, on this one, again, there is a little bit of a need for outside revenue or additional revenue besides impact fees. Here is the draft fee calculations for fire. So, at the top of the summary is the capital program that I just mentioned. That's 22.4 million dollars. Same allocation to residential and nonresidential. The costs -- come up with the cost per service unit and, then, the proposed fees are shown in this light orange kind of shading in the column here. On these you can see the increases are higher for residential, more like 212 dollars for the lowest, smallest size threshold, up to 530 dollars per unit for the largest size threshold. And, then, the increases for nonresidential and the -- you know, less than a dollar per square foot to come up with a similar kind of fees order of magnitude is the police, fire -- as the -- as the police fees are for nonresidential and, then, the final column on the far right are the multipliers. So, roughly, you know, 1.6 to 1.8 time multiplier or increase over the current amount for residential and roughly twice as much for commercial. But, again, those very small dollar amount per square foot. Any questions on the fire capital program or the draft fees? All right. Last one. Parks and Recreation. Their capital plan is kind of summarized up there at the top. We are looking at improving some sites. So, the needed amount and the planned amount -- they are lumpy, because, you know, we have big -- big parks, large acreage and so some of those are just adding an additional phase or additional improvements to some of these parks that are already partially complete. We are acquiring new sites, 120 acres over the next ten years and, then, looking at expanding recreation buildings by 22,800 square feet. So, kind of see the color to help differentiate the projects. But, basically, design and, then, you build something in the next year. So, we are starting off with Parks and Recreation building. The next big project would be Graycliff Park and, then, we go to west regional and, then, Discovery Park phase three and, then, down at the bottom Margaret Aldape and, then, we end up with just a line item at the bottom over the next ten years showing the acquisition of the -- of the 120 acres. And so that's a huge component of the -- of the capital program just for land itself, 18 million dollars. So, in Parks and Recreation we are looking at a program of 71 million -- or 71.6 million dollars. The impact fees should bring in about 66.8 million dollars. So, there will be a need for several million in additional outside funding to complete the capital program. And so here is the draft fee calculations for parks. We have got the three components that I mentioned, adding sites and doing improvements to the sites and, then, recreation buildings. So, there was a -- Parks and Recreation is working very hard to get things under contract and basically get rid of this fund balance, but we weren't quite able to -- to wrap that up. So, there are the -- zero that out. So, there are -- is 2.3 million dollar fund balance that we took out of the fee calculations to bring that cost down a little bit and, then, we allocate all those costs to the increase in population over the next ten years and, then, you can see the proposed fees here, the current fees and the increases. So, the increases for Parks and Recreation are much larger per housing unit, 1,165 dollars at the -- for the smallest size unit, an increase of almost 3,097 dollars for the largest size threshold and the ratios here about two and a half times -- 2.2 to two and a half time increase over what they were in 2019. Any questions on parks before we wrap up? I have one summary slide that puts all the three fees together. Okay. Well, here is the -- the grand total, then, of the draft fees for the -- each of the fees that we walk through you can see the relative amount there and how much they contribute to the total. Here is the 2019 total. So, we are looking at a significant increase column here of 1,511 dollars for the smallest unit, up to 3,992 dollars for the largest size threshold. Multipliers for residential are in the range of two to 2.4 times as much as they were back in 2019 and, then, the increases for nonresidential 69 cents a square foot for all other types of nonresidential. $1.64 square foot for restaurants and retail. So, those multipliers are roughly two and a half to 2.86 times the amount from the 2019. So, that concludes my presentation. Be glad to answer any other questions or we can get input from the committee members or department heads if they need to help clarify things.

Simison: Thank you, Dwayne. Council, any questions for Dwayne at this time?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Dwayne, appreciate you walking us through the slides. I guess I have got kind of a holistic question. Since we have last done one of these studies, the city has brought on a golf course, as well as a swimming pool, and I'm just curious did those additions have any impact in terms of what our future impact fees could be and what ultimately drives that?

Guthrie: Well, it's a combination of things and, then, they are kind of complicated. Basically those are kind of unique things and we have to decide whether the city wants like an additional pool. That's a huge operating and maintenance cost. You know, that's a very big commitment to commit to do that. The impact fees are just going to pay for the capital side of things. They cannot help out with any operating and maintenance costs, just like, you know, we can't pay for public safety officers. We can't pay for maintaining the pool and operating it and things like that. So, we thought that the -- I think staff can help clarify, you know, kind of the thinking on that, but one big concern was are we willing to -- or do we want to add another pool or not at this time with the other increases and I think the -- kind of the consensus was it wasn't a good idea. Also same thing with golf course. It's kind of a -- a different animal than, you know, like a traditional park with ball fields and basketball courts and those kind of things. So, it probably should be its own separate category. A lot of communities -- it gets complicated on how you operate those things, because a lot of times they are done as an enterprise operation, you know, like their own cost control center, almost like a utility might be, and so that's another consideration. How does that affect the fees or not. So, basically, the pool and the golf courses are not in -- in the proposed amount and not driving the proposed amount.

Lavoie: Mr. Mayor?

Simison: Mr. Lavoie.

Lavoie: Thank you. Dwayne, just to double check to answer Luke's question about the impact or the influence that the pool and the golf course have, again, the -- the actual pool and the actual golf course did not have an impact on the cost of -- our level of service calcs, but I believe on the park side we did add the pool's opportunity of the building square footage space into our calculations, which did help the city. I believe that's on page eight of the impact fee study. We did actually add that available space, because we did figure that that's available to our public for normal day and use. But the pool, the water facility itself and the actual green golf course, I agree with you, Dwayne, that did not influence the calculations of level of service. Am I wrong -- right or wrong with that statement?

Guthrie: You are right. And that is on page eight. I'm looking at it now. It's figure PR3. So, the -- the new community center that you acquired was one of the reasons why the level of service went up from last time and that is in there. The building, not the -- not the pool.

Cavener: Thanks, Todd. Thank you, Dwayne.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I have a question about the square foot ranges that were used and the expectation that the largest range would come from homes built between 2,500 and 3,300 square feet and that that data was from the assessor from 2014 to 2018. Obviously, that's information that's even older than our last impact fee study. So, I'm wondering if there was a way to get more recent information, either from our Planning Department on the sizes that have been -- sizes of single family that have been approved in the last four years. My expectation is that that -- it's -- it's more along the 1,700 to 2,500 foot range and I have concerns that -- that -- that using that -- that square footage range is -- is not accurate.

Guthrie: Well, over time the -- the -- the market doesn't vary that much. There are some slight, you know, fluctuations on the average size of units over time. Basically homes have gotten bigger over time. Everybody's kind of aware of that. We didn't think it would be that much variation from the -- from the previous study for the size ranges. We did look -- ask staff to get us data from the actual fees for two complete years and we looked at where the -- it's kind of a -- more or less a bell shape kind of curve. Like you said, the middle of the pack range of 1,700 and 2,500 is where most all the units were at and, then, the -- the bell shaped curve kind of falls off on both the small units and the larger units. So, I don't have those actual percentages in front of me, but you are right, most of the -- most of the units are in that mid range. We did make some slight adjustments to the smaller size thresholds, because we weren't capturing very many units and those we try to kind of balance out the -- the bell shape curve and -- but it really didn't affect the fee calculations, because everything -- like on the residential fees are -- are calculated per person based on the population of the city and so this allocation, just what is done based on the demographic analysis of the average number of people on the different size threshold. So, it didn't change -- wouldn't change the dollar amount, it just would change kind of the relative payment for the size thresholds. I mean it doesn't change the revenue to be collected, the total revenues received, it just affects the -- you know, the amount paid from the top end to the lower.

Simison: Council, additional questions?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: All of this data extremely interesting. Certainly find it interesting. The question that follows is, you know, this -- this sets the statutorily permissible cap, like the maximum amount of impact fees in these categories that we could choose to assess on our new development. Did the committee's work include any recommendation -- understanding this is the maxim allowed for the Council to consider when implementing new fees?

Lavoie: Mr. Mayor, Joe, I can answer that and we also do have three members here to answer that for you as well. That topic was discussed. We did consider a staging plan, a spread -- a smoothing plan and at the end of the conversations the committee decided to present to you the numbers that you have in front of you. We felt that since -- if we are going to do this on an every two to three year basis, a smoothing plan would be -- I guess would not work, because, then, you would just be removing the plan after two to three years.

Borton: Right.

Lavoie: So, this discussion was had. You do have three committee members if you wish to talk to them or if any of the three committee members wishes to give a comment, but that discussion was had was there a staging plan or a rollout plan. At this moment in time the committee has presented to you what they believe is in the best interest of the city.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: That's a great point, Todd. The -- the more compressed visit to the impact fees helps. I know in previous years we have taken partial increases, knowing that we could bring it in overtime. But, really, it's just -- when we get to that decision it's a policy consideration that any decision to -- to apply less than what's been presented today is a policy decision of not having growth pay for itself, but having existing taxpayers pick up a growth related expense. So, that is the crystal clear tradeoff policy consideration if we were to choose to take anything less than what the presentation today says is the actual growth related costs. So, I appreciate that input.

Simison: And, Todd, just out of -- in case you have it, do we know how many of the past ones we have not taken the full amount?

Lavoie: Mr. Mayor, I don't recall off the top of my head, but I think at least the last -- the last one in 2019 we -- you -- the Council did ask us to do a revised version of it. I think the version before that we had maybe one year we did a staged effect back -- I would have to go back and find the exact numbers. I apologize.

Simison: Yeah. I don't -- I mean Councilman Borton brings up the point and I'm trying to remember my years as staff to see how many times they chose to take the full one versus not and what those numbers have been. I know I asked you to run some calculations based upon comparing the impact fee to the residential value over the years and -- and this -- this would far exceed any number of percentage of value in homes. 2011 was the year that we were at one point -- 1.1 percent of the value with our impact fee and this would put us at 1.19. We have been as low as .59 and we have had an average of .82. So, I think that there is a -- a wide variety of, you know, looking at this and approaches the previous councils have taken. So, I think it's a -- it is a great conversation for some dogs to figure out for us, as the case may be. But it -- yes, how much of growth should pay for growth versus other. Great policy conversation.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: So, I wasn't on Council when the last impact fee study was discussed and approved. I want to understand the implementation of the information, the differences between what is estimated in the CFP and what the study says we would generate for revenue. Is there an expectation that the General Fund -- again, another policy question -- that the General Fund would bridge that gap or that the CFP would be -- the departments would adjust the CFP and potentially remove some of the items that were -- that were expected to have complete -- or a combination and how did that potentially change from what was expected in 2019 to what was actually done in the last three years?

Lavoie: Mr. Mayor, Jessica, I can answer that for you. So, when we last presented to you in 2018-2019, the study did represent that there was going to be a shortfall that was going to be covered by the General Fund and when we do our annual CFP we calculate the expected revenues and the expected fund balances and over the past three to four years, as we have reported, the General Fund has had excess revenues. So, therefore, the excess revenues have been our -- I guess our fail safe to make sure that the impact fees and the projects in there are fundable. But, again, this is something we do every year with the CFP balancing act and the annualized budget process. We make sure we have the funds available for all projects and if the project is inside the impact fee study it's not guaranteed, it's just, you know, it's our guide and we do this every two to three years. So, therefore, we can't really get too far behind the eight ball on this, because we are always addressing the capital needs and our fund -- our funding needs on a two to three year basis. So, I think that's our protection is we just touch this so many times every year and every three years with the study update. So, I believe that's how we protect ourselves. If you didn't do this for every five years, then, I can see your concern that, hey, there is a shortfall, there is no funding, but I think since we manage this to the level that we do we are able to protect ourselves from any funding shortfalls.

Perreault: Mr. Mayor, one more question in that regard.

Simison: Council Woman Perreault.

Perreault: I haven't recently looked at the 2019 impact study. What -- what was the difference between what was estimated for revenues and what was estimated for the CFP at that time and what actually played out? So, in this situation, 2020, the fire department -- General Fund would fund approximately three million -- three million dollars difference. What was -- what was quoted in 2019 and what was the actual difference in -- in what has -- I realized that -- realizing that the Parks Department still has some funds to be used, but fire and police have used all of theirs. So, how far off were we in the 2019 study from what was actually spent?

Lavoie: Sure. Mr. Mayor, Jessica, the answer -- I don't have that data at my fingertips, but we can inform you that the -- as an example -- so, we are building a ten year plan here. The impact fee is a ten year model that we are presenting to you. In the 2019 model that represented you had two fire stations spread over ten years. In ten years we would collect the funds necessary to build the two stations. But in previous conversations the Council and the executive members have decided to expedite the second station. So, therefore, what we had in the model is really a moot point now, because we have deviated from the model from that standpoint. So, to say did we collect enough revenues to cover the expenditures that we identified in the 2019 study, I could say yes and no at the same time, because we changed the approach to what our timing was on the construction of those two stations as an example. But to answer your question, I would have to run an analysis to show you exactly for every single year this is what we expect in revenue and this is what we show. No different than what we do in the impact fee study from a proposal. I can -- I just have not done that from an actual analysis to show you the variance of what we guessed and what we actually saw. My guess is we are going to have more revenues than we expected, because permit sales are exceeding what we believe. I mean this year alone we have done 1,500 multi-family permits, which we had no -- we weren't -- we had 500 as our projection. So, again, things like that the -- the -- the construction here is still exceeding our growth projections in our modeling. But, again, I am happy to do that, I just don't have the exact answers for you at my fingertips.

Perreault: Thank you.

Simison: And just to piggyback on that a little bit, the -- I think one of the things is we do use more General Fund. It helps with our level of service, which actually can put more into what the impact fee should be for the future. I'm not going to say that's what happened this time around, but that could be an outcome that happened that does result into what the impact fee is, but it still comes down to a policy decision about how Council wants to collect for growth and what -- at what percentage. Councilman Hoaglun?

Hoaglun: Mr. Mayor, just -- just a comment about this. I appreciate the work that Todd and -- and Dwayne and your firm put into this, because these -- these are -- and, then, the committee. These are important numbers and, yes, it is a little bit of crystal ball looking in the future and as you pointed out, Todd, you know, collecting over ten years and, then, we move things and have to do things quicker. You know, it -- it -- it makes it complicated, but it does allow growth to pay for the vast majority of things that -- that we need that growth requires and so that's where we want to be and we want to be doing it the right way, of course, within the state statutes and we don't want to run afoul of that. So, just appreciate all the effort that goes into this and the work and -- and, then, I guess from -- we will take it from there.

Simison: And I think one of the reasons why I want to make sure before we notice, the Council heard this information. If there is any desire by Council at this point in time to notice something less than what is being recommended by the Committee for your public hearing, to have that conversation now. Otherwise, notice of what's been recommended by the committee and, then, you can, obviously, take the public feedback before you make any determination. But I consider this a little bit like the budget. You know, no more -- you got to put -- you can't go -- you shouldn't go up once you notice something else. I'm not saying you couldn't if you decide not to do it, but, you know, what number would you like noticed to the community for public hearing.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: My perspective is it clearly needs to be what's presented. It needs to be the maximum. I think it -- it accurately identifies the true capital cost of -- of growth in order to maintain the level of service. That's what the public at least needs to be informed of and we should hear feedback based upon that. That would be my recommendation.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Yeah. I -- I agree with that approach. I -- I think we do have to look at it as growth paying for its way. Are there repercussions to that in terms of affordability and things like that that we have talked about? Yes. But at the same time I -- I think we need to present it to the public saying, okay, this is what we are looking at and let them provide us their insights on -- on what that does and whatnot and -- and see what the tradeoffs are. But I agree with Councilman Borton.

Simison: Anybody disagree? Okay. I'm seeing no one who disagrees with that. So, I think, Todd, that gives you the direction for noticing --

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Sorry about that. Not necessarily disagreement. I just want to -- to get some clarity. The first building that was in the study, it -- I don't -- I don't see that as being something that's -- that's caused by growth. That -- that's just caused by growth. I see that as something that really is a benefit -- not just a benefit, but that is -- has been a long time coming far before any of the new -- new residents that would purchase a property or new commercial buildings that would be built in the next ten years and so that being said, it's unlike the police and fire stations that really are truly a result of having an increased population and so in that regard I just have concern that our future residents are paying for something that is not just caused purely by an increase in our population -- the need for it is not caused purely by an increase in our population. So, I don't know exactly -- I'm just throwing that out there. I'm not saying that -- that -- that I have made a determination in terms of, you know, the increase in fees per unit, but that's just something I -- I would like to chew on some more.

Simison: Would the chief like to come up and at least -- I -- I have had similar questions and his answers have satisfied for me, but we will see if they do it for you.

Basterrechea: Thank you, Mayor Simison, Members of the Council. So, this facility actually is pretty much totally driven by growth. What we are looking at doing is remove -- putting in our locker rooms to create more space in our main campus, so that as we hire more officers we are able to keep that main campus viable and this is one of those things that does that, as well as provides briefing space for our officers in that main campus as well and may, hopefully, our plan is to potentially avoid having to build a south precinct, because the location for where the south precinct where we were looking at is only approximately seven miles away from our main campus. So, rather than add that additional cost, we think that we can do that by building this facility on our main campus.

Simison: It's a little less than seven miles.

Basterrechea: A little less than seven.

Simison: Yeah. But -- anyway, just -- I don't know if there is more questions. It is -- I -- I would describe it more as space for officers than other purposes based on our conversation anyways.

Basterrechea: The reason it's mentioned as the third phase of the training facility is because it is on the campus of the training facility right there.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. I apologize if I misspoke. I was referring to the 22,000 square foot parks building that's --

Simison: Oh. Okay.

Perreault: Yeah. Not the -- the --

Simison: Okay.

Perreault: Yeah.

Simison: He's coming up next. There you go.

Perreault: But that was very good information.

Siddoway: I was happy to let Tracy, you know, speak -- speak for me, but -- so, I can see the -- why you would say that there is already a need for a community center with the existing population. What we are doing in the impact fee study, though, is determining what the growth eligible square footage of new building is and with the existing buildings that we have, primarily at HomeCourt and the existing community center and, then, the -- the space that was already mentioned at the pool, it makes the -- the eligible square footage for future growth, that 22,000 square feet. Now, if Council decides that, you know, we want half of that community center to come from General Fund, because it meets existing population needs, it would -- it would free up that much building impact fee for other buildings, whether it's a future satellite community center ten years out or -- I mean who knows what. I don't have specific designs on that -- or an expansion of the maintenance facility. I mean those kind of buildings could come into play. But what this does show is the full community center is at least impact fee eligible. Beyond that the Council can decide policy wise how much they want funded by impact fee versus General Fund versus whatever. But the full square footage is at least impact fee eligible. Does that answer?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Yes, it does. And perhaps I misunderstood the question, but I thought the question was -- not so much which is being funded by General Fund or which is being funded by impact fees, but it's more of does the city collect all of the impact -- the eligible impact fees and so that's -- it's really more about do we collect this full amount per unit and so to -- to Mr. Siddoway's point, you know, let's say that we do decide that we are only going to use half of the impact fees collected for the community center and the other half comes from the General Fund, well, then, if you collect the full amount that's estimated for the next ten years, then, you know, perhaps that will go toward a future building for the Parks and Recreation that we haven't yet anticipated, but is that -- I guess I'm just trying to understand the fairness element to the folks who currently live in our community versus the ones who will, who -- who will cover that cost in the next ten years. So, forgive me for my simple questions, but this is my first go around with this back to the conversation.

Siddoway: Mr. Mayor, for me part of the fairness element comes from the fact that we don't wait ten years to redo the -- the -- the study. It will be recalculated in that three'ish year horizon. You know, one of the struggles -- I will just point out now, because it will save me this -- you know, it won't -- probably won't save me from having this conversation with you three years from now, but let's -- you know, with the rapid repeat of the -- of the impact fee studies, it is difficult for us to build major facilities in that time frame. So, for just looking at parks as a lone element in that, you know, if we can't build the next major park in the next three years -- and I'm telling you right now we probably won't given that we will be focused on the community center as our next major project, our acres per thousand will likely come down in the next study if -- so, it's just a -- and that's part of why we -- you know, we held off this year, so we could get Discovery Park phase two underway as -- as part of this impact fee studies calculation, so -- but the fairness comes in the fact that it is redone regularly and I think one last kind of related point I would like to make, just because I have done a lot of thinking about the impact fees myself, oh, recently is the question that was asked earlier about, you know, how much more did we make from the 2019 study than was calculated. My take on that was we didn't make a penny more, it just came in faster. You know, the amount came in exactly at the rate per unit as was adopted, but the units came in faster than projected. So, it did -- it did come in faster, but it was still the -- the exact dollars per unit that were projected. So, with that thank you.

Simison: And, Todd, I guess a -- a question for you. I assume that the committee could choose to only look at certain elements of the impact fee in future years. If we didn't want to change the park and we only wanted to reevaluate fire and police, for example, are those options that -- that can be considered or are you required to do them all at the same time and update them all at the same appropriate -- just out of curiosity.

Lavoie: Mr. Mayor, good question. I'm going to see if Dwayne -- or maybe even Bill -- you guys might know the answer to this. I -- I'm thinking you have to open up the whole study and do the whole thing. Dwayne, do you have any guidance? Have you done a partial study opening in the past?

Guthrie: Usually you go ahead and do all the fees just because the demographics change, your projected rates of development change and things like that. So, all those kind of basically denominators in your formulas all get adjusted. So, usually go ahead and do all the fees. The state requires you to do an update at least every five years, so you couldn't go longer than that. But you -- I think that there is good wisdom in doing it every two to three years. I'm sure it comes across as the consultants make work kind of thing, but it -- it is kind of a necessary component, because you do have to show the fees are needed and they are benefiting folks and they are really proportionate. So, you just can't, you know, look around at other communities and charge what they are charging. You have to kind of go through the documentation for your specific community.

Simison: So, maybe that's a question we can at least explore to know the answer. I'm not saying it's the right one. I just think it's a -- if it's relative to the situation of impacts the things that take longer to build because we are updating what that -- what we would want to do or not in the future. Just so we have an understanding -- or Council has an understanding. Council, any additional questions or comments? Okay. Well, then, we will -- you will be seeing this noticed and brought back for public hearing. Do -- Mr. Lavoie, do we have a date set that you plan on doing this for public hearing?

Lavoie: Mr. Mayor, if we can notice this in two weeks we will work with Legal to make sure we are meeting the requirements. We will work with the City Clerk to make sure we are meeting the noticing requirements. We will follow the earliest Tuesday we can find that is available on everyone's schedule, unless we hear differently.

Simison: Okay. So, you should be seeing that in two to three weeks. Okay.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I would move that we adjourn the work session.

Simison: Have a motion to adjourn. All in favor signify by saying aye. Opposed nay? The ayes have it. We are adjourned.

MOTION CARRIED: FIVE AYES. ONE ABSENT.

MEETING ADJOURNED AT 5:32 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

__________________________________ ______/______/______

MAYOR ROBERT E. SIMISON DATE APPROVED

ATTEST:

____

CHRIS JOHNSON - CITY CLERK