



Impact Fee Review Workshop Minutes
Tuesday, August 21, 2007 – 6:00 p.m.
School Board Meeting Room
Stuart, FL 34994

Members Present

Laurie Gaylord-Chair
Nancy Kline-Vice-Chair
Susan Hershey
Lorie Shekailo
Dr. Sara A. Wilcox, Superintendent
Doug Griffin, School Board Attorney

Members Absent

Dr. David Anderson

Staff Present

Ruth Pietruszewski, Cathleen Brennan, Rodger Osborne, Julie Sessa, Marshall Skinner, Linda King, Betty Hickox, Darla Miloszewski, J. Lisle Bozeman, Garrett Grabowski, Debbie Rabener

Public

Brian Powers, Kevin Powers, Scott Watson, Michele Reilly, Thelma Waters, Jeff Dougherty, Robert Wise, Portia Scott

Press PBPPost – Rachel Simonsen Stuart News- Kelly Tyko

MCEA – No representation **AFSCME** – No representation

Call to order by the Chairman and Pledge of Allegiance to the Flag of the United States.

Dr. Sara A. Wilcox stated for the record that Dr. David Anderson was ill and would be missing the workshop. He hoped to be feeling better and would try his best to make the Board meeting following the workshop.

1. Presentation and Discussion of Updated Educational Impact Fees (COPY ATTACHED)

Julie Sessa, Director of Facilities, presented a background of impact fees, the relationship to concurrency, the impact of class size reduction, and student station costs. She explained that Martin County's impact fee ordinance requires that the school district update its impact fees every two years. Julie reported that the last updated educational impact fee was in 2005, and the fee failed to make development cost neutral to the district. Since the fee failed to fully fund the impacts of new development, the district was forced to pursue contributions of mutual benefit and negotiate as a stop-gap. She reported that the Economic Council has urged the district to rely on impact fees. Impact fees are predictable, uniform, fair, and flexible. Impact fees will not be used for Class Size Reduction; however, 2 mill and other capital resources previously available to supplement growth needs will be consumed by Class Size Reduction.

Julie Sessa introduced Professor Nicholas. He gave an overview of the update. He told Board members that the School Board was in the County's update cycle, so the School Board was in chapter 10 of the report. He explained that population growth and enrollment growth establish the number of stations projected. He said that the actual number of students being yielded by new construction has come down; however, construction costs went up. Professor Nicholas asked Board members to review the charts with him provided in the backup documentation. He explained and reviewed the charts. He showed the level of service being provided today. He talked about student capacity, sizes of buildings, and class size reduction. He stated that class size reduction was driving the capital improvement program and impact fees. He went over permanent capacity and relocatables and the permanent capacity goal of 2011 with no relocatables. Professor Nicholas said that no impact fee money would go to accommodate class size reduction. He reviewed a truncated version of the school district's 5-year work plan. He reported that the cost for growth worked out to be a \$72 million deficit over the 5-year period. He reviewed the costs of building schools, stating that high schools were always the most expensive to build. He assessed ancillary facilities and land costs. The cost per student station equated to \$41,949.00. He looked at the credit calculations. He looked at the \$62 million in outstanding debt primarily from COPS, which new development would help pay off. He informed Board members that the fees last time did not make cost neutral. If the district does not have the funds to build

1. Presentation and Discussion of Updated Educational Impact Fees (Con't)

schools, it could be forced to rely on COPS. He stated that COPS is simply a credit card, and many districts are topped out and in really difficult situation. COPS has to be paid off plus interest. He stated that this fee structure was designed to avoid any further use of COPS. He supplied a list of the impact fees in other counties. He stated that the impact fees of the counties to the north and south of Martin County were under revision. He entertained questions from Board members.

Nancy Kline asked him to explain the school surtax and wanted to know when Orange County had revised their impact fees. Professor Nicholas stated that Orange County's calculation was from about three years ago. He stated that there is no requirement to update impact fees. Districts can do it on their own schedule; however, Martin County requires every two years. He informed Board members that Orange County's school surtax was passed around 2001, but the covenant prohibits any use of school surtax for new school construction. School surtax may only be used for maintenance and rehabilitation of existing buildings. He said that schools with surtax tend to have lower school impact fees, since they have broadened their funding. He stated that much of schools' surtax goes to capacity expansion. Sue Hershey asked how transportation had been factored in. He stated that a ratio was taken from the total enrollment and the number of buses. Lorie Shekailo described the impact of a student on the district as a whole.

Doug Griffin, School Board Attorney, stated that the numbers Dr. Nicholas was presenting in this report were numbers that staff felt was cost neutral. He stated that confirmation of some direction by consensus for Dr. Nicholas was needed. Doug informed the Board that the County's impact fee committee had asked Dr. Nicholas to prepare an alternative report that would plug in the new student station costs into the old report. The district has asked him not to do that subject to this Board's confirmation. Doug explained the reason. The old report showed 30% of 2-mil funds going to supplement growth, and that did not account for the realities of class size reduction. 1.6% of the 2-mil was allocated to new growth, and the rest was consumed by class size reduction. The district was still showing a \$23 million deficit at the end of five years. Doug stated that the 2005 calculation was artificial and under-funded the impact. He verbalized that we now had a new reality of concurrency, and the Economic Council urged the district to rely on impact fees as a primary tool to ensure growth was cost neutral. Doug sought the Board's confirmation of the original direction for Dr. Nicholas to pursue the improvements models as he had presented here and not recalculate using the old report. Doug informed Board members that this could be taken up and voted on at the Regular School Board meeting tonight.

2. Open to the Public

- Scott Watkins, Chair of Indiantown Chamber of Commerce, stated that raising the impact fees would "kill" Indiantown. He felt it would mean economic devastation for Indiantown. He wanted to sit down and work out another way.

Because the workshop had run over into the Board meeting's starting time, Laurie Gaylord asked the public who had filled out forms to speak, if they would mind speaking at "Open to the Public" at the Board meeting.

3. Open to the Board

Since the workshop ran over time into the Board meeting, Board members decided to do "Open to the Board" at the Regular Board meeting that would follow.

There being no further business to bring before the Board, the meeting was adjourned at 7:07 p.m.

CHAIR (Laurie Gaylord)

SECRETARY (Sara A. Wilcox, Ph.D.)