

**CITY OF BELLEVIEW
SPECIAL MEETING
AGENDA**

**BELLEVIEW CITY HALL
COMMISSION CHAMBERS**

April 27, 2006

6:00 PM

Mayor TAMMY MOORE
Seat 1 MICHAEL GOLDMAN
Seat 2 KENNETH R. NADEAU
Seat 3 WILMA LOAR
Seat 4 PAUL B. ANDERSON

IF A PERSON SHOULD DESIRE TO APPEAL ANY DECISION MADE BY THE BOARD OR COMMISSION A VERBATIM RECORD OF THE PROCEEDINGS WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED MAY BE NEEDED. IT IS YOUR RESPONSIBILITY TO HIRE A COURT REPORTER TO MAKE A VERBATIM TRANSCRIPT, OR A TAPE OF THE MEETING CAN BE PURCHASED FOR \$5.00/TAPE AT THE CITY CLERK'S OFFICE. THE CITY IS NOT RESPONSIBLE FOR ANY MECHANICAL FAILURE OF RECORDING EQUIPMENT.

This meeting has been properly noticed *PD*

CITY MANAGER CONTRACT

IMMEDIATELY FOLLOWING SPECIAL MEETING

WORKSHOP MEETING AGENDA

IMPACT FEES

- a) Water & Sewer
- b) Recreational
- c) Police Department

**CITY OF BELLEVUE
WORKSHOP MEETING
MINUTES**

BELLEVUE CITY HALL
COMMISSION CHAMBERS

April 27, 2006

Mayor TAMMY C. MOORE
Seat 1 MICHAEL J. GOLDMAN
Seat 2 KENNETH R NADEAU
Seat 3 WILMA C. LOAR
Seat 4 PAUL B. ANDERSON

IMMEDIATELY FOLLOWING SPECIAL MEETING

PRESENT: MAYOR MOORE; COMMISSIONERS: ANDERSON, GOLDMAN, NADEAU;
CITY CLERK MC KAMEY; DEPUTY CITY CLERK DeGENNARO
ABSENT: INFORMATION TECH TOWNE; CHIEF STRICKLAND

IMPACT FEES

a) Water & Sewer

Mayor Moore opened the Workshop Meeting at 7:54 PM.

PWD Monroe stated that the Impact Fee Ordinance enables us to collect fees from new developments and the money was used to increase capacity of our system. Our Consultant engineers did a study and our sewer impact fees were at levels that they needed to be; problem was water impact fees; we were currently charge \$.69/gal. Engineers recommended increasing it to \$1.56/gal because of our growth and we need to raise those fees to keep up with the costs for future construction.

Pg. 6, Current Impact Fee Ordinance which shows the definitions and all the legal means to collect the fees. The Table was the basis of how we access our impact fees. Table 8, Residential Units, talks about so many gls/day for certain size residential units and based on gals per day of what we think a business would consume.

The Engineer suggested changing system from gals/day assessment to ERU equivalent residential unit so a 1200 – 2000 sq. ft. home would equal one residential unit (ERU): 1x our factor whatever that was at that time would equal the costs.

The PWD stated he thought it was a better system than what we were using now. When you indicate to a resident that we charge them with minimum of 350 gal/day They say they would ever use that much water; records indicate that they do use that much water. We have to treat and produce that water for that one day when everybody in the City had a high flow for one day that was why we charge that and we would have to be ready for that one day. ERU's would simplify the calculations for staff.

We knew there were some problem areas and we wanted to pay attention to those. Pg. 24 shows a new table which compares back to the table on Pg. 8; using a 800-1200 sq ft house, we propose to charge 879 eru; Pg. 8 - 290 gls/day is .879 of 330/gls per day

Commissioner Goldman asked why sq. ft instead of number of toilets. The PWD stated some were based on fixture units but for residential it was easier using sq. footage. Commissioner Anderson stated why not charge per bathroom. Mayor Moore stated it should be actual flows.

Commissioner Goldman stated he had issues with impact fees in the past and he was concerned that the City would run the risk of penalizing someone who wants to build a large house. He has 2 bathrooms in a large house, but he pays the same impact fees as his neighbor who has 4 bathrooms in the same size house. He felt impact fees should be paid on the actual usage.

PWD Monroe stated how can you be fair to everybody; tables were developed based on the highest flow for that one day. Commissioner Goldman asked the PWD to look at a cross section of 4 bedrooms and 3 baths and base it on fixtures and not sq. footage. Donna McMurdy, PW Administrative Assistant, stated then we would have to look at every house that comes in here.

PWD Monroe stated to Commissioner Anderson that he was on the Commission when the first revision was done years ago. One fee no matter what the size of the house was and that was why you see 3 different fees here. We tried to do that somewhat. As plans come in it would take less time to get building permits and use the square footage and that was all we needed to know and this was the industry standard.

Commissioner Nadeau asked if other cities were using the ERU and PWD stated with some variation. We pulled records from our system to see if it made sense and they were pretty much on target. We adjusted the problems down and they are highlighted on Pg. 24.

Mayor Moore stated the Engineer recommended it be raised from .69/gal to \$1.56.

Commissioner Goldman asked on 1800 sq. ft what were they paying now in impact fees and what would they be paying. Mayor Moore stated Pg. 32 and Pg. 36 shows that now paying \$227.70 and would pay \$514.80.

Commissioner Nadeau stated if we follow the Engineer's recommendation and raise the water impact fee does that also raise the sewer impact fee. PWD Monroe stated we were concerned about sewer impact fee before the study was finished. The sewer was on target and we have adjusted it since based on the cost index and we apply it the 1st of every January and we have done that.

Commissioner Loar asked when was the last time it was raised and the PWD stated the City applies the escalator every January. We have not gone to what the engineer recommended and the water impact fee has not been raised in number of years. In 2003 the sewer impact fee was raised. The Engineer also suggested water but we have not had a chance to do that. At the next meeting we were asking to raise the water impact fee to this level and the other changes were just minor changes except to go to ERU system.

Mayor Moore asked if we raise it \$1.56 what it would be next year and the PWD stated 3-4% each year and Ms. McMurdy stated 2005 was 4% and 2006 was 7% (Pg. 36); 4% and 7% were the normal annual increase in impact fees. The PWD stated that on Pg. 28, Paragraph 2, the increase is based on index of the 20 Cities Construction Costs Index which determines the percentage of increase for the automatic escalator which incurs every January 1st. Mayor Moore stated if we do this now then in January we need another increase and the PWD stated that was correct.

Commissioner Nadeau stated that a 125% jump was that possible to stair step that over time. The PWD stated it was done for the sewer and doubled the sewer impact fee several years ago and Commissioner Goldman stated he agreed with Commissioner Nadeau and would like to break it up over a four year period. The PWD stated this was the cost to build new water lines and new wells the costs was staggering and if we go for four years we would get behind on the growth that we were embarking on would get behind on the water end whereas the sewer we were pretty close on.

Mayor Moore asked on impact fees the developer comes in and lays the lines when are the impact fees paid and PWD stated that the impact fees have to be paid before the CO is issued. The Mayor stated then the burden would be on the homeowner not the developer and the PWD stated that was correct.

Mayor Moore stated we need to be concerned about our water going to Tampa and asked when the City would need a new water tower. PWD stated there would be major changes over the next few years and need to look for alternate sources of water and not just pumping it out of the ground; right now our area was water rich. The PWD stated his Five Year Plan calls for a new tower in about 3-4 years and as the City grows it would be more and more expensive. These impact fees were designed to give the City the money it needs to keep up with the growth and to provide quality drinking water.

Mayor Moore stated to look at putting reuse lines at when developing and putting water meters on wells so you would still pay. The PWD stated for the record we have recycled all of our water. The Mayor stated she would like to do it 50% now and 50% January so it could be stair step a little bit. The PWD stated if we stay up with the fees we would not have to go to citizens to fund the expansion. Mayor Moore stated if someone impacts the system then they need to pay for their part.

Commissioner Anderson stated he had no comments.

Commissioner Loar stated she could see the headlines and the panic on citizen's faces when they see the raise in fees. PWD Monroe stated we would tell them that the fees were designed to meet construction costs which have gone up dramatically. This fee had not been charged in years and we are way behind on this fee. PW Administrative Assistant, Donna McMurdy, stated this only affects the new growth, not the citizens who already live here.

Commissioner Nadeau stated he would like to see it stair stepped over 2-3 years and Mayor Moore stated we already have waited a few years and the growth was here. PWD Monroe stated that we need to remember that we need to be able to defend our choices if challenged. If you can justify these fees, then there would be no trouble and that was why the Commission hired a consultant firm and these were their numbers and we can defend them because they were fair based on our area.

Commissioner Anderson asked what do we need to construct that we don't have the money to do it now and the PWD stated the water tower and wells, the City would need new ones. The cost for Well 6 when developed really surprised us and the Engineers used the numbers for Well 6 and we paid in the area of \$250,000- 300,000. PWD stated we need to upgrade the study in the next few years as well to make sure that our increases were keeping up with the actual costs in our area.

Commissioner Anderson stated that was why we jumped up the fees for reserve and the PWD stated we used a lot of the reserve for Well 6 construction. Commissioner Anderson stated the impact for new development like for wells and towers was going to hurt and matter to a lot of people. We also need to go in and put in new water meters because they catch everything that goes through and people can actually see how much water they were really using. Commissioner Anderson stated the PWD said he could document/justify the charges and the Engineer was using local prices to document the information.

Mayor Moore asked about a payment plan for the citizens and the Clerk stated that there was a installment payment schedule in the ordinance with 10% down and you pay for 3 years with 12%, plus an administrative fee. Commissioner Goldman stated we would be remiss if we don't do it because it was our responsibility to look at the study and accept its findings. PWD Monroe stated we need to go ahead and do it now and present an Ordinance in mid-May for First Reading.

Attorney Landt stated the Clerk was right the installment payments had 12% interest with 10% down with equal monthly installments over 36 months and should redo that provision for minimum payment not less than \$20 but escalate it up to \$50 depending on the amount of the impact fees.

Commissioner Anderson asked if it was worth having the City do finances and you have to consider staff time and effort. PWD stated it had only been used 3-4 times over the years and there have been some bumps in the process. Mayor Moore stated it should be in place for people who do not have the money to build their house.

Commissioner Nadeau stated he had no problem with payment plans for commercial users.

The Clerk stated that the Impact fees stay with the City and if one leaves the next person does not get credit for the amounts paid by the previous owners. Attorney Landt stated that was correct for residential and commercial. Attorney Landt stated that the installment payments for system development charges were only available for existing buildings. The Commission wanted to utilize vacant ground in the City.

Commissioner Goldman stated it should be equal for one and all. Attorney Landt stated PW puts a lot of time in looking at what would be developed and there was a certain amount of work for staff and cost to the City and why do you want to do it. You have to decide what you want to do and then the Attorney could tailor the Ordinance to that. Commissioner Anderson stated that municipalities should not be in the banking business. The PWD stated that when you deal with developers who buy old buildings to put a new restaurant they already know what their costs would be as was part of their estimated costs to build. Commissioner Loar stated that was true of residential as well and the PWD stated that was true.

Commissioner Nadeau asked for a list of who used that plan and the Clerk stated she would not like to see it expanded to new construction in addition to what we now have because they would need additional staff. The Commissioner stated he would like to see it used for commercial redevelopment.

Attorney Landt stated if you are doing this in order to make revenue he would advise against doing it. Mayor Moore stated to leave it like it was,

Meeting was adjourned at 8:16 PM

ATTEST:

Sandi McKamey, CMC, CPM
City Clerk/Administrator