

SCHOOL IMPACT FEE ADVISORY GROUP
MEETING MINUTES
June 5, 2007
5:30 p.m.

MEMBERS PRESENT

Lou Roeder
Dottie Wynn
Jim Cooper
Miranda Fitzgerald
Micky Grindstaff
Roy Messinger

MEMBERS ABSENT

Doug Kelly

ORANGE COUNTY STAFF

Chris Testerman County Administrator's Office
Vivien Monaco County Attorney's Office
Nikki Williams Planning Division

ORANGE COUNTY PUBLIC SCHOOLS

Drew DeCandis OCPS
Bob Wallace Tindale-Oliver
Elisabeth Shucke Tindale-Oliver

OTHERS

Kirk Sorenson Government Solutions

I. CALL TO ORDER

The meeting was called to order at 5:40 P.M.

II. APPROVAL OF MINUTES

Vice Chair Wynn made a motion to approve the May 22, 2007 minutes. Chairman Roeder noted the needed changes to the May 22, 2007 minutes. The minutes were unanimously approved with changes.

II. ADVISORY GROUP DISCUSSION

Jim Cooper requested that the agenda item regarding the use of the 5-Year Plan instead of the 10-Year Plan be discussed at the June 12th meeting in the essence of time and also to provide an opportunity to look in more detail at the 2005 SIFAG minutes. The Group began a discussion on this item and it was later decided that the agenda item would be discussed today.

Micky Grindstaff asked how long it would take to perform a study with the 5-Year planning time frame. Bob Wallace explained that there were two possible ways in which the Impact Fee Study could be recalculated. The first is to use the snapshot in time that was initially used and this would also involve using the same data. This would basically involve using the first five years of the 10 Year Plan and take approximately two weeks. The other option would involve looking at updated data and costs, as well as a re-

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evaluation of credits based on current funding information. This option would take longer because it is more involved.

Chairman Roeder noted the importance of the Group's task to focus on the methodology used and not whether the impact fees are higher or lower depending on whether a 5 year or 10 year plan was used. Ms. Wynn raised a concern regarding the use of the 10 year plan and being able to correct the impact fee for changes such as the increase in construction costs. Ms. Monaco noted that updates to the impact fee are utilized for this purpose and that the current ordinance provides for an update at least once every four years.

The discussion continued regarding the planning time frame and the completion of an alternative Study using the 5 Year Plan. Ms. Fitzgerald suggested that the decision to use a 5 year or 10 year plan is a methodology issue as the time period is a variable of the Study. Further discussion continued on this issue. Ms. Fitzgerald observed that the Group previously recommended a 5 year plan because that was the only option on the table at the time and would like to see the methodology processed as such. Ms. Fitzgerald further stated that the ultimate decision to use either the 5 year or 10 year plan should be a policy decision by OCPS. Roy Messinger stated that a similar decision was made with the use of the capacity adjustment because the calculations were performed with and without the capacity adjustment and OCPS decided which method to use.

Ms. Fitzgerald made a motion acknowledging that the SIFAG accepts the additional changes made to the methodology (use of indexing and no tiered structure). However, a significant number of SIFAG members believe that the time period variable used in the methodology is significant, and thus deem it prudent to recommend both the 5 year and 10 year methodology to OCPS and the BCC. The motion was seconded and unanimously approved.

Bob Wallace and Drew DeCandis noted that if the study is opened up then OCPS will probably also want to re-examine the credits provided as well. Mr. Wallace noted, however, that if indexing is included it may lessen the desire for this.

Bob Wallace explained that OCPS' 10 Year Plan was financially feasible and that he was comfortable using the 10 year Plan. Micky Grindstaff questioned whether or not Orange County had a preference for a 5 year or 10 year plan. Ms. Monaco and Mr. Testerman remarked that the County would be amenable to use whatever planning period that OCPS decides to use so long as it is financially feasible. Drew DeCandis noted that it is important to decide why a 5 year plan is better than a 10 year plan as methodological tool.

A motion was made and carried to modify Ms. Fitzgerald's motion encompassing language that further explains the SIFAG's decision to recommend an alternative study using the 5 year planning horizon. The additional language conveys that the 5 year plan is more traditional and more consistent with prevailing techniques (i.e. CIP's are generally 5 year documents). During the 2005-2006 SIFAG meetings the 5 Year Plan was the only planning period discussed. In addition, most impact fees are based on the 5 year planning horizon. The motion also recommends that the 5 year study is based on a snapshot in time using existing data.

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The group agreed to accept OCPS' decision to either use a 5 year or 10 year plan. Mr. Wallace stated that it may be necessary for the Chairman to appear before OCPS board members to explain the Group's recommendation.

Mr. DeCandis asked for clarification on the next steps and the motion. It was confirmed that the following would occur:

- OCPS staff will requests OCPS to approve an alternate 5 Year analysis
- If OCPS approves, Tindale-Oliver will prepare an alternative study using the 5 Year Plan
- Tindale-Oliver will provide the Study to OCPS
- OCPS will make a decision to use either a 5 Year Plan or a 10 Year Plan
- OCPS will make a decision and provide the outcome of the Impact Fee Study Update to the BCC

The next topic of discussion was the use of indexing and frequency of updates. Ms. Monaco and Mr. Testerman stated that it is difficult to perform annual updates to the impact fee. The Group accepts OCPS inclusion of indexing as a methodology. Roy Messinger made motion to accept indexing as a methodology and to use CPI as the indexing method based on the fact that it is the standard practice in other Orange County impact fees. The motion was seconded and unanimously approved.

Roy Messinger made a motion to update the impact fee at least once every four years to remain consistent with Orange County policy and the current ordinance. Roy Messinger recommended that the OCPS should consider updating the impact fee more often and the group agreed.

Per the Group's request on May 22nd, Bob Wallace clarified the calculation of the capacity adjustment rate and explained the difference between capacity adjustment and no capacity adjustment. As a result, there was some continued discussion regarding the credit for Classroom Size Reduction (CSR) monies and whether CSR benefits new growth or existing students. Mr. Wallace informed the Group that there was a case in Polk County where the Homebuilders challenged the impact fees because a credit for Classroom Size Reduction monies was not included and that the case was settled outside of court. Roy Messinger stated that he strongly believes that the CSR was intended to cure existing permanent student station deficits for existing students and therefore should not be included in the credit calculations.

Ms. Fitzgerald asked for clarification on whether or not a credit for the ½ cents sales tax was included or not. Mr. Wallace explained that little credit was given for the ½ cent sales tax because OCPS generally does not use these funds for new student stations

Roy Messinger made a motion to recommend that OCPS formally requests the Class Size Reduction monies due to the School District and to work with the Florida Association of School Boards to lobby the State to provide the appropriate funding. The motion was seconded by Micky Grindstaff and unanimously approved.

Roy Messinger asked for clarification on the method used to calculate figures in Table 6 (page 12 of the Final Report) specifically whether the Total State Revenue for Expansion should be divided by total number of students or by the number of additional students over the next ten years. Mr. Messinger made a motion for Bob Wallace to take a look at the number and provide an answer at the upcoming meeting. Ms. Fitzgerald seconded

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the motion and it was unanimously approved. Mr. Wallace agreed to provide the information at the June 12th meeting.

The Group also discussed alternative financing mechanisms to fund schools. During the discussion, Jim Cooper made the Group aware of the suggestions found within the January 9, 2006 minutes. A motion was made, seconded, and unanimously approved to incorporate these suggestions as further defined at the January 30, 2006 meeting.

Mr. Testerman explained that the Group would need to meet once again to review the draft ordinance, and a draft memo summarizing the SIFAG's recommendations. The group members agreed and the next meeting date and time is scheduled for June 12th at 5:30 P.M.

V. ADJOURNMENT

The meeting was officially adjourned at approximately 7:50 P.M.

Prepared By:

Nikki Williams

Date

Attest By:

Lou Roeder, Chairman

Date