

MINUTES
IMPACT FEE ADVISORY COMMITTEE MEETING
BOERNE POLICE AND MUNICIPAL COURT COMPLEX
124 Old San Antonio Road
Boerne, TX 78006
July 10, 2017 – 5:30 p.m.

Advisory Committee Members Present:

John Hollinshead (Chair), Cal Chapman (Vice Chair),
Patrick Cohoon (Secretary), Tres Paxton, and Israel Pena

City Staff Present: Michael Mann (Public Works Director),
Sean Reich (City Engineer), and Andrea Rivera (Recording Secretary)

1. CALL TO ORDER

Meeting was called to order at 5:41 p.m.

2. Approval of minutes of June 6, 2016
3. Approval of minutes of December 5, 2016
4. Receive presentation and discuss current status of Impact Fee Program.

Sean Reich began by explaining that this is the first of two meetings for 2017. The law requires us to hold two a year. There have been minimal changes since the last meeting. The only change has been a new impact fee ordinance. It was updated for the cottage development. Sean Reich explained that the role of advisory committee is to review the land use assumptions, capital improvements plan, and the impact fees. The master plan is currently under review and this may change the land use assumptions. Chairman Hollinshead asked a question about the presumption of proposed lots and cost per volume. Mike Mann answered that fees are calculated by planners/engineers according to land use assumptions, number of service units, number of population and the

ten year capital improvements plan that will serve new development. How much new development will there be, what will the cost be for the utilities to serve the development, divide dollars into amount of service units and you have a fee. However, it is all based on assumptions. He further explained that the role of the impact fee advisory board is to advise council when the land use assumptions change or fees need to be recalculated. If the master plan changes the land use assumptions, it doesn't necessarily change the impact fees. A question was asked by the board when the last review of the land use assumptions was and how that was translated into the lots. Sean answered the last update to the impact fees was in 2014. We are required to evaluate and determine if the impact fees need updated about every five years.

Sean Reich reviewed the projected land use, water and wastewater capital improvement projects slides. Sean Reich explained the impact fee slide and a typical residential (single family home) impact fee. Chairman Hollinshead asked about how our fees are compared to other cities. Sean Reich explained that we supplied this information in a slide at the last meeting. It was asked by the board to include this slide at every meeting. Mike Mann said we are on the higher end but not the highest in regards to the impact fees we assess. He said the cities that are growing fast tend to have higher impact fees because there is more infrastructure and more growth. Sean Reich reviewed the new active services slide and explained the total amount of new active services as of the end of June 2017. Patrick Cohoon asked how does this track with what we are expecting? Sean Reich said it is related to the projected lot development and it is relatively close. Vice-Chair Chapman asked what the percent of change is year after year. Mike Mann said 3% to 5% in a year. Mike Mann said the number of services isn't necessarily the number of houses. For example, commercial developments may have two water services. Patrick Cohoon asked when the impact fees are paid. Mike Mann said it is paid at the time of utility application, but the fee is assessed at the time of platting.

Sean Reich explained the water and sewer collections slide and expenditures slide. Patrick Cohoon asked if we have any big expenditures soon. Mike Mann answered that we pay debt service out of the impact fee fund, there is not a lot of capital construction out of impact fee fund because we finance in advance. He further explained that the impact fees do not pay the total cost of the capital, the law doesn't allow it. Sean Reich reviewed the impact fee balances slide. Sean explained the handout regarding comparison of the fund balance in relation to what we've spent. Tres Paxton explained that he wanted to see the fund balance projection and what you take in. Sean confirmed his question that he would like to see a projection of what we are going to spend on capital improvements. Tres Paxton answered yes and to include what you're taking in based on land use assumptions and lot development. Mike Mann said we are required to update the land use assumptions and fee calculations every five years.

Tres Paxton asked if we have any big expenditures coming up. Mike Mann said we sell debt to finance and big fees show up in debt fee service. He said we can forecast the debt service payments. Patrick Cohoon said we are taking in money and the balance grows and it appears we are not re-investing/using it. Mike Mann explained that the money is accounted for and it is not as simple as a checking account. The accounting is more complex. Mike Mann said it is not apparent in the impact fee fund themselves. Patrick Cohoon said there is an ever increasing balance, but we are only spending so much money. Mike said he will have finance put together numbers. He said we follow the law and our auditors look at these numbers every year. We calculate the maximum fee and it is up to the board to decide what we collect. He further explained that it is up to council to decide anywhere from zero to the maximum. Vice-Chair Chapman had a question regarding the budget slides for water and wastewater and what the outlook was in number of years. Sean replied that it is a ten year lookout. Mike Mann said there is existing debt out there that is for past projects and future projects. Chairman Hollinshead said that he would like our future meetings to be every June and every December and to put

them them on the calendar so it is ongoing.

Patrick Cohoon moved to approve the minutes of June 6 and December 5, 2016.

Vice-Chair Chapman motioned to approve the minutes, all were in favor.

5. ADJOURNMENT

Meeting adjourned at 6:03 p.m.

Chairman

Secretary