

MINUTES OF SCHOOL BOARD MEETING

MEETING: Special School Board Meeting
Impact Fees

DATE: October 26, 2004

TIME: 9:00 a.m.

PLACE: School Administration Building

PRESENT: Eddie Herrera, Chairman
Sue Dickinson, Vice-Chairman
Dr. James T. Guines, Member
Colleen Conklin, Member
Evelyn Shellenberger, Member
Dr. Robert L. Corley, Superintendent
Mike Chiumento, Board Attorney

Call to Order: The meeting was called to order by Chairman Herrera at 9:09 a.m., followed by the Pledge of Allegiance to the Flag.

Comments by Chairman Chairman Herrera stated that he wanted the meeting to be a little more flexible than usual due to the nature of the meeting.

Impact Fees Mr. Chiumento stated that the Board had been set to adopt impact fees at the first meeting of the month, but that the Home Builders Association (HBA) had prevailed upon the Board to extend the time in order to review and bring back recommendations. The Board set this special meeting to hear the recommendations of the HBA. The representatives from the HBA had met with consultant Randy Young and Attorney Gary Davenport. Mr. Chiumento stated that staff had made a diligent effort to provide information to representatives of the HBA. He noted that in going over the data, staff refined the data even more, and the fees and the report have been updated in the 10/23/04 revision. He stated that the changes are primarily in the multi-family and mobile home fees. He told the Board that the purpose of this meeting is to take comments, to hear from our consultant, to hear from the HBA, and to hear comments from the Superintendent, then to consider the resolution to adopt and implement the impact fees. He added that the Board of County Commissioners then review, and meet and adopt the impact fees. He stated that this is a public meeting, not a public hearing. He suggested that even though there is usually a three minute limit on public comments, and the

Board usually takes public comment on agenda items before business items are addressed, and then takes public comments on anything else at the end. He stated that he thought it was appropriate to dispense with the normal three minute limit and hear the HBA, then come back to themselves to deliberate.

Public Comments

Karen Scellion, 52 Bassett Lane, Palm Coast, commented on the amount of multi-family and mobile home fees. Mrs. Conklin stated that that has all been addressed.

_____, 39 Edmonds Drive, Palm Coast, stated that he represented the Cypress Knoll Community Association, and expressed concern over rising property taxes, stating that impact fees are a bit late. He added that we are losing money every month, observing that it takes a lot of money to educate children.

Site size for schools

Motion: (Dr. Guines – Mrs. Conklin) The Board adopted the site size minimums for new school construction. (Copy in Supplemental Minutes.) The motion carried unanimously.

Currently owned properties approved as future school construction

Motion: (Mrs. Conklin – Ms. Shellenberger) The Board approved the list of currently owned sites for future school construction. (Copy in Supplemental Minutes.) The motion carried unanimously.

Impact Fees

Consultant Randy Young stated that as a result of the meeting with the HBA, there were some changes that had been made to the report because of some questions that had been raised. He indicated to the Board that there were many more questions, but that by inference, if they were not addressed then it was because after careful consideration, we still felt that we were right. Mr. Young went through the tables that had been affected by changes. He stated that in the final study there was some actual raw data that had replaced estimates in the first report, because that data was now available. He stated that he felt that all of the numbers used were the most conservative and the most defensible. He stated that one of the most significant changes in the revised report was the change from the combined data used in the August report in mobile home information. He stated that staff had worked diligently with data from the Property Appraiser's office to match up school district records with data from the Property Appraiser. He stated that now the data in Table 9 represented only Flagler County data. He added that in order to preserve the privacy of the records, only school district staff worked with the records. He stated that he believes that these numbers are good and defensible. Mr.

Young continued to highlight changes in the remainder of the report. He stated that impact fees could only be used for capital outlay for facilities. Mr. Young stated that there had been a long list of concerns from the HBA, and there had been three teleconference meetings. He added that he had provided a written response to the HBA, stating that not all of the answers were to their liking. He thanked them for their questions, and their suggestions for the methodology on mobile homes and multifamily dwellings. He added that with any and all data, it was attempted to reflect it accurately, trying to do it conservatively, not setting out to underestimate, but that when there was a choice, he always chose the most defensible data. It was noted that the drafted Ordinance allows for updates to be made every year, but that if it is not addressed, then the fees are indexed. Board attorney Gary Davenport stated that he felt that the data and the study are supportable and defensible.

Deborah Martrohue, an attorney from St. Petersburg here representing the Home Builders Association, stated that there are still some serious issues left of concern to the HBA. Ms. Martrohue's questions centered around the accuracy of the data contained in the report. Ms. Martrohue went through the report challenging many of the data pieces, comparable values, types of facilities, donated sites, cost per student station, charging failure to include appropriate credits, challenging the estimate of the rate of increase in population, charging that the global approach to credits was against the law. She stated that it was clear that the impact fees were going to be used to pay off existing debt, not to be used to build new schools. She stated that it looked to her like a double deduction was taken for funded capacity, and that the study did not take into account all of the revenue coming into Flagler County. She stated that the new 6-12 facility and the new elementary was there to serve new growth, and that impact fees would also be charged on that new growth. Ms. Martrohue challenged Mr. Young's credentials. She stated that the Board was considering adopting one of the highest impact fees in the state because it was popular to do so. She stated that she sits on the City Council in Pinellas, and would never consider adopting something with so many problems and serious questions to it.

The Board recessed at 11:05 a.m. and reconvened at 11:16 a.m.

Board Attorney comments Board Attorney Mike Chiumento stated that he would like to make a few comments to give the Board a sense of direction. He stated that this was not a forum for debate, or to discuss all of these issues. He stated that the

questions raised by counsel for the HBA are just questions, and that the information before the Board in the report is supportable. He stated that he would say that the information before the Board is supportable. He stated that Mr. Young has reviewed all of the changes and all of the questions, and has not gone into all of the items of disagreement with the Board, but that he was comfortable in the position of the recommendation to the Board. He added that he did not consider it wise to get into a dialog back and forth, that Mr. Young was here to answer questions on the report, and that Mr. Davenport would answer any legal questions. He stated that he believed that impact fees are not precise, but that this meets the "reasonable" test. He stated that the HBA is not necessarily disagreeing but are asking for backup data. Mr. Chiumento stated that he felt that the Board had three options – to send staff back and come back when the issues are resolved, to take the information and come back after they have looked at it whether they agree or not, or to pass the impact fees at this point relying on the experts (the consultant and the attorney) and giving the County a firm recommendation to adopt.

Consultant's comments

Randy Young, of Henderson Young & Company, stated that he would not give a point-by-point response. He stated that the approach taken was a conservative one, and that the highest level of care was taken to get the best data and use the best methods. He added that the report was clear and defensible. He stated that it would be impossible to provide all data that is satisfactory to the HBA, but stated that the data was reasonable and that it was reasonable to Flagler. He added that the credit calculation method had been used since 1989 in 15 districts. He reminded the Board that this is about reasonableness, not about alternative data. He stated that even if it is true that Flagler has a higher income, it is still not enough to pay the bills, and that other districts are coming to the conclusion that development must pay its share.

Superintendent comments

With Board Members expressing that although they wished that all issues could have been resolved to both our and the HBA's mutual satisfaction, they felt that they were losing funds with every delay, Dr. Corley stated that he felt that at this point the Board could pass the impact fees, that we would make sure that all has been responded to and that if we discovered something really wrong we would do something about it. He stated that there are still a number of weeks and some opportunities for the HBA to discuss their issues before Impact Fees are implemented.

Impact Fees

Motion: (Mrs. Dickinson – Ms. Shellenberger) The Board accepted the Impact Fee Report of 10/23/04, with rates of \$4,756 for a single family home, \$1,231 for a multi-family home, and \$1,409 for a mobile home. (Copy in Supplemental Minutes.) The motion carried unanimously.

Motion: (Dr. Guines – Mrs. Dickinson) The Board adopted Resolution #04/05-10 to recommend to the Flagler County Board of County Commissioners to adopt an ordinance establishing an educational impact fee, providing a recommended ordinance with annual indexing and updates every two years, providing exemptions and an effective date, with wording to be corrected from draft from “deferrals” to “exemptions.” (Copy in Supplemental Minutes.) The motion carried unanimously.

Public comment

Mr. Ed Zowosky, Palm Coast, expressed that impact fees would be difficult for people on fixed incomes, who do not impact the school system.

Attorney comments

Mr. Chiumento stated that now that the Resolution has been passed, we would send it on to the County, and in the interim would engage with the governmental units to opt into this. He added that we would continue to work with the counsel for the Home Builders Association in an effort to resolve as much as possible before it goes to the Board of County Commissioners.

Board Member comments

Mrs. Conklin asked about the purpose of the Impact Fee Review Committee. Dr. Corley replied that it had been available for many years, and that the County felt that they would not want to move forward without using that avenue. He added that we would have a representative on that committee. He stated that it could only move forward into the Board of County Commissioners arena with the action they have just taken. Mr. Herrera asked if meanwhile data is agreed by both parties to be flawed, we would re-look at the calculations, which Dr. Corley assured him we would do. Mr. Young agreed to be available by phone for the Impact Fee Review Committee meeting and in person for the November Board of County Commissioners Meeting.

Dr. Guines stated that this Board had reached a milestone that prior Boards did not touch. He stated that he was proud to serve with this Board on this matter.

Mrs. Conklin thanked the consultant and the Home Builders. She thanked those responsible for the exemption for low income. She added that she felt that the Board had no choice in going this route for funds for new

schools, and expressed that she hoped that the community would understand.

Mr. Herrera stated that he felt that people would see the value of living here and would bring their children to our schools. He stated that he hoped that staff would continue to work with the Home Builders.

Adjournment

The meeting was adjourned at 12:05 p.m.

Approved 11/16/04

Eddie Herrera, Jr., Chairman

Robert L. Corley, Superintendent