

**THE OVERSIGHT COMMITTEE FOR
THE IMPLEMENTATION OF THE SECOND AMENDED INTERLOCAL AGREEMENT FOR PUBLIC
SCHOOL FACILITY PLANNING, BROWARD COUNTY, FLORIDA**

**Final Minutes
Oversight Committee Public Meeting
June 14, 2017**

12:00 noon

Kathleen C. Wright Administration Center, School Board Meeting Room

1. Call to Order

Chair Stermer called the June 14, 2017 Oversight Committee meeting to order at 12:05 p.m. He advised that the meeting had to be adjourned by 1:30 p.m. to accommodate another meeting which was scheduled for 2:00 p.m. in the Board room.

2. Roll Call

Linda Houchins took roll call, and the following Committee Members were in attendance:

- Cooper, Joy
- Eichner, Shelley (Ex-Officio)
- Eisinger, Debby
- Freedman, Abby M.
- Good, Patricia
- Hunschofsky, Christine
- Naylor, Lew
- Olbel, Mikelange
- Resnick, Gary
- Rich Levinson, Laurie
- Rogers, Roy
- Stermer, Daniel J.
- Tingom, Peter
- Wexler, Lois

Chair Stermer advised that the meeting was not the Committee's regularly scheduled meeting, and he said he appreciated the members fitting the meeting into their schedules.

3. Approval of Minutes – April 12, 2017 Meeting

Committee Member Tingom made a motion to approve the minutes of the April 12, 2017 meeting. Committee Member Rogers seconded the motion, and the minutes were approved unanimously.

4. Additions to the June 14, 2017 Meeting Agenda

There were no additions to the June 14, 2017 meeting agenda.

5. Approval of the Final Agenda for the June 14, 2017 Meeting

Committee Member Eisinger made a motion to approve the final agenda. Committee Member Tingom seconded the motion, and the motion passed unanimously.

6. Excused Absences for June 14, 2017 Meeting

Chair Stermer advised that there were no requested excused absences for the June 14, 2017 meeting. He recognized and welcomed Mr. Olbel to the Oversight Committee and also welcomed back Mrs. Wexler. He expressed the Committee's condolences to Mrs. Wexler on the passing of her mother, and expressed sympathies to her and her family.

7. PUBLIC INPUT

There was no public input.

8. SUBCOMMITTEE REPORTS

None

9. OLD BUSINESS

9.1 Draft Report - Student Generation Rate and School Impact Fee Study Update

Leslie Brown thanked the Committee for attending the meeting and advised that a presentation regarding the Student Generation Rate and School Impact Fee Study Update would be given by the consultant. She advised that a series of meetings were scheduled for the Study and said that staff had been listening intently and looking at all ideas, comments and considerations regarding the Study. She said that the Study Update was a draft and not a "done deal" and that now was the opportunity to provide input. Mrs. Brown stated that she trusted the intelligence, commitment, and expertise of the Committee Members to help staff make a recommendation.

Chair Stermer thanked Mr. Akagbosu for arranging the presentation of the Draft Study Update to the Staff Working Group (SWG), and he said that the presentation had also been given to the Broward League of Cities earlier in June 2017. He talked about the aggressive timeline of the Study Update and said that he recommended not moving forward with the Study until it had been fully vetted. He said that there needed to be complete agreement by all parties involved in order to get the Study passed by the County Commission. Chair Stermer said that part of the problem was that the elected officials who will be voting on the Study, do not fully understand it. He said that he wanted to make sure that most of the Committee Members agree with the Study before moving it forward.

Ms. Brown said she appreciated Chair Stermer's comments. She introduced the consultant, Nilgun Kamp, Tindale Oliver & Associates, and asked if the Committee wanted to stop periodically for questions, or hold all questions until after the presentation. Chair Stermer suggested that the Committee Members hold all questions until after the presentation.

Nilgun Kamp introduced Steve Tindale, the Principal in Charge of Tindale Oliver. She said that the Study had been updated in 2014, and that per the requirements of the Interlocal Agreement for Public School Facility Planning (ILA), the School District updates the Study every three (3) years. Ms. Kamp stated that the two components of the Study are the update of the student generation rates and the school impact fee variables. She said the consumption based methodology was being used which was also the methodology used in the current adopted Study. Ms. Kamp defined school impact fees and their uses, and showed the basic school impact fee formula. She talked about meetings scheduled for the Study through December 2017.

Ms. Kamp gave a summary of how different variables affect the fee rate. She stated that the student generation rate calculations include only traditional schools. She said that the rate had been calculated by looking at new homes built over the past seven years (2010-2016) which was also how the previous Study had been calculated. Ms. Kamp said that as an alternate approach, the generation rate had also been calculated by looking at all homes. She said that she felt that using the data from all homes represented a better measure of what the home generated over its life. She showed a comparison between the current adopted student generation rates, the 2017 new home rates, and the 2017 all homes rates. Ms. Kamp said that Tindale Oliver added a separate category for condominiums for consideration because their generation rates seemed to be low, and in the current Study the category was mixed with other structures. She compared the previous generation rates to actual developments at the land use, site plan and plat stages and also talked about enrollment projections.

Ms. Kamp went over the inventory of traditional public schools that were included in the Study Update, and talked about the cost components which included all costs necessary to build schools including construction costs, land values, student station costs, and facility costs per student and compared them with other jurisdictions in Florida. She talked about the calculations for converting the cost per station to cost per student. Additionally, she talked about costs related to transportation and ancillary facility costs. Ms. Kamp spoke about the credit calculations and stated that credits were calculated for non-impact fee revenue used for school infrastructure for cash projects which are in the five-year District Educational Facilities Plan (DEFP) and outstanding debt service payments related to capacity projects. She talked about the calculated new school impact fees and showed a comparison of the new fees using the student generation rate of homes built during 2010 through 2016, and using the rates of all homes with the current adopted fees. Ms. Kamp showed a comparison of the school impact fee rates in other jurisdictions in the State of Florida. She asked if there were any question.

Committee Member Good stated that the subject matter was very complex, and requested that the presentation be simplified. She asked if the student generation rate was the same countywide, and said that if the rates were countywide, why could they not be based on different areas of the county. Ms. Brown answered that the student generation rates are applied the same countywide. She said that traditionally, the theory of action was having the actual type of unit built be the variable across the District rather than having a different rate based on a geographic area. Committee Member Good asked if there was something prohibiting the District from breaking the rates up according to the different geographic areas. Mr. Akagbosu stated that student generation rates based on different sub-areas of the county were discussed during the 2014/15 update of the Study. He said he would provide that information to the Committee. Ms. Kamp said she was not aware of any county that varies the

fees and stated that fees are always countywide for impact fee calculations. Mr. Tindale added that rates are varied for planning purposes, but he did not know of any county that varied the generation rates for impact fee purposes by area. He also added that he did not think it would be defensible in Court. Committee Member Good had the same question regarding costs per student station. Mr. Tindale stated that he was not aware of any county that calculated costs or land values for impact fee purposes geographically. Committee Member Good asked if there was one cost per student station for each elementary, middle and high school. Ms. Kamp stated that the cost per student station included all three levels, but that they were combined based on the combination of current inventory. Mrs. Brown added that the cost per student station is a weighted average of the types of buildings being supported. Ms. Brown said that it was important to help the community understand what the Study is all about and to establish overall goals and be consistent to apply the rates appropriately. Committee Member Good asked whether construction costs within the last ten years were used in the calculations. Ms. Kamp stated that the Lanier-James Education Center was the most recent fully built school and it was used in the construction cost calculations. Mr. Akagbosu advised that construction costs are based on the construction of a full school. Committee Member Good asked how the land value component was utilized. Mrs. Brown stated that Broward County was fully built out as far as land and construction, and that construction costs in a built out community may need to be looked at.

Mrs. Eichner stated questions that were posed at the SWG meeting; 1) what is the definition of a school impact fee and was the fee for new, expanded facilities, and how the issue of transportation costs are factored into the building of a structure, 2) how was a condominium category defined, and 3) the problem with calculating the two methodologies. Mrs. Brown stated that the District was taking a very close look at the condominium category and have heard clearly from the community on that issue. She advised that the condominium category along with the all homes versus new homes methodology was something that would be decided together. She said that staff was here to listen and learn. Mr. Akagbosu said that staff was collecting all the questions from the different forums, and would be working on responses which would be made available. Chair Stermer said that it was important to provide the questions reviewed and the responses and how they have changed from the first generation of the Report.

Committee Member Wexler asked what the consultant's recommendation was. Ms. Kamp stated that the impact fee study calculates the maximum rates that can be defensible, and that as a firm, they provide the information, but do not give a recommendation. Committee Member Wexler stated that she felt that whatever floor level a condominium happened to be should fit into one of the existing categories and should not have its own category. Additionally, she asked if the consultant had a recommendation regarding the two different methodologies. Mr. Tindale advised that the reason for the two different methodologies was because of concerns regarding the time periods. He said that between the years 2002-2008 and 2008 to 2013 home prices doubled, home prices were cut in half, and student generations rates went crazy. Mr. Tindale said the original purpose for the two methodologies was to be sure that if they used the data from new homes that the student generation rates were accurate. He said that it was his job to give data that was reasonable and defensible. Committee Member Wexler said she wanted it to be clear that what was before the Committee was not a recommendation by the consultant, but defensible data presented to District staff of calculations and data using the new homes and also the all homes methodologies. Mr. Tindale said that was correct. Discussions continued regarding traditional and non-traditional schools,

contractor's rates and costs of construction, and capturing the data for the Report. Mr. Tindale talked about the state-wide data. He said they looked at twenty-five (25) years of data and tried to be as business-like as possible for the School District while also being conservative in the numbers being proposed.

Committee Member Eisinger asked if the development community had been notified of the Public Workshop scheduled for June 19, 2017. Mr. Akagbosu said that the District had reached out to the building community. Committee Member Eisinger stated that she thought the Committee had vetted the use of school impact fees countywide versus by geographic areas during the previous Study. She said she thought the general consensus was to use the one fee structure. She talked about the use of data using new homes versus all homes. Mr. Tindale commented that Broward County's development and economic cycles are unique. He said that using the data for all homes had a larger sample size and was more stable, and using data for new homes had a smaller sample size and different economic processes. He said he would be very fearful of going to a geographic process with the County's current development cycle. Committee Member Eisinger asked that the minutes from the Oversight Committee meeting which discussed the countywide school impact fees versus using geographic areas be emailed to the Committee. Mrs. Brown said that staff would provide the minutes and back-up materials explaining the seven (7) geographic areas.

Committee Member Cooper said that she felt that construction costs needed to be fine-tuned. She talked about the Beach Club Building in Hallandale Beach and said she would try to find out how many people under the age of 18 are living there. She also talked about the units that had dens which were being used as bedrooms.

Committee Member Freedman asked how the DEFP was used in the calculations. Ms. Kamp said the figures in the DEFP were reviewed and noted that much of the construction was for additions. She said that when growth was high, new schools were built and there was still much debt to be paid on those schools. Committee Member Freedman said that repairs needed to be made to the facilities as well as paying for the debt service and asked where the additional numbers were for repairs. Ms. Kamp advised that school impact fees are used for the initial construction of the building and cannot be used for repairs and maintenance. Discussions followed regarding State law as it pertains to school impact fees. Committee Member Freedman asked where the impact fee calculations were when space is being added. Mrs. Brown stated that the impact fee calculations pertain to when the District is increasing capacity, not when they are replacing capacity. Brief discussions followed regarding replacing portable capacity with permanent capacity, and Mr. Tindale advised that when portables are removed and permanent capacity is added, school impact fees can be used to add permanent capacity. Discussion continued regarding whether those figures were in the impact fee calculations. Mrs. Brown advised that the consultants had met with the architects on current work being done, but the actual expense information was not yet available. She said that the construction and land costs calculations would be revisited.

Chair Stermer suggested that another meeting be scheduled to complete the question and answer session on the Student Generation Rate and School Impact Fee Study Update. He said that the members could email their questions to Ms. Houchins and she would circulate them to the Committee. Chair Stermer asked if action needed to be taken now that the draft Study had been completed, and what staff's recommendation would be.

Discussions followed regarding adding another meeting. Mrs. Brown clarified that the current student generation rates and the school impact fees would remain intact until further action was taken. It was decided that the next meeting to continue discussions on the Study would be on August 9, 2017 at 12:00 noon. Chair Stermer advised that the meeting would begin with questions from Committee Members Rogers, Naylor, Tingom and Resnick. Committee Member Cooper asked that the questions/concerns from developers at the Public Workshop be circulated to the Members. Committee Member Rogers asked if the juice was worth the squeeze. He said that it would be an impossible job to come up with a perfect number. He suggested that the Committee go lightly on requests from staff and concentrate more on what was being considered. Chair Stermer asked for staff's recommendation. Mrs. Brown stated that she was looking forward to conversations with the School Board at the Workshop on June 20, 2017. As an update, she stated that at the June 13, 2017 School Board meeting, the Board approved moving forward with the Third Amended and Restated ILA.

10. NEW BUSINESS

There was no new business.

11. INFORMATIONAL ITEMS

11.1 June 1, 2017 SWG Draft (Not Approved) Minutes

There was no discussion on Item No. 11.1.

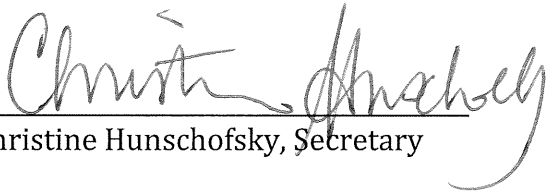
11.2 Next Scheduled Meeting - October 11, 2017

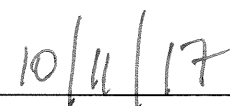
As stated above, an additional Oversight Committee meeting was scheduled for August 9, 2017.

12. ADJOURN

Chair Stermer adjourned the meeting at 1:40 p.m.

Respectfully submitted by:


Christine Hunschofsky, Secretary


Date