

**MINUTES**  
**IMPACT FEE ADVISORY COMMITTEE MEETING**  
**CITY COUNCIL CHAMBERS**  
**124 Old San Antonio Road**  
**Boerne, TX 78006**  
**November 5, 2018 – 5:30 p.m.**

1. CALL TO ORDER – 5:30 PM

Meeting was called to order at 5:37 p.m.

2. Approve minutes of January 8, 2018

All were in favor to approve the minutes.

3. Receive presentation and discuss current status of Impact Fee Program

Mike Mann began by explaining that the local government code highly regulates the impact fees. The advisory committee is allowed to be the P&Z commission if it meets a certain make-up of members, which it does. He said we are required semi-annually to update the board. He explained the slide presentation has been reviewed several times before and that he will go over them briefly. He said we try to recoup as much money as possible from development as we can so rate payers don't feel the burden of the fees for improvements to serve developments. Impact fees can only be used for new development and can't be used for maintenance, operations or even regulatory changes. In the last 10 years we started collecting from the applicant 100% of fees at the time of building permit application. We track these funds separately by law. We don't pay for much out of the impact fees, we instead sell debt and pay debt service with the impact fees. The advisory committee is charged we evaluating population projections and land use assumptions. Mike reviewed the slide that explains how we calculate the impact fee. He said the number of acres is divided by the population. Mike continued to explain that the capital improvements plan must be for facilities that provide water and sewer to new developments. Next, Mike reviewed the current impact fees slide that were assessed in 2014 and which is our current impact fees. He explained that we are on the upper end of the fees we charge but in line with fees charged by other areas comparable to our size and growth. Mike explained the number of services to date for water and sewer and said the P & Z commission's input on population

projections shows us peaking at year 2020. Mike reviewed the fund balance for impact fees and said we've spent year to date 1.2 million dollars and that the spending of these funds are audited every year. He said the law requires every five years we update the land use projections and population assumptions. He explained to the commission that we will present some preliminary numbers to them and ask that they advise if these numbers need to be updated. He said there is a process to follow if the commission and council doesn't feel they should be updated. Land use projections is part of the master plan process. We need engineering analysis/professionals to study the impact fees. The requirements of the Advisory Committee are clearly spelled out in the law. Mike read the local government code to the board. We are required to assess the land use assumptions, population projections and capital improvements plan every five years. It is time to start this assessment and we will get a consultant on board and make a recommendation at the next meeting. The first quarter of 2019 will be our next meeting. We will calculate for a new impact fee before this meeting and ask the board for a recommendation to council as to whether we implement the new fee or not. The board has the right to be directly involved in the assessment, ask questions and make comments. We can meet more than the law requires if needed to discuss the study further. What we can anticipate in the next 10 years is the window for projections. There may be more developments in the future and we need to account for those as well. Not all developments in the city limits is served by our water or sewer. We also might annex additional properties served by others. When it comes to impact fees it's not about the growth of the city but rather it's the growth of the service territory. We will calculate based on land use projections, density projections and the number of lots we expect to serve. Capital improvements plan to include land acquisition, engineering and debt service. The dollar amount over number of services we expect to serve in the next ten years and calculate a maximum amount. The law requires that the maximum amount be reduced by either 50% or a complex rate credit established method that consultants put together that is appropriate. We have done both in the past. Based on this study, do we collect the maximum or something less. We will calculate the maximum and ask the board for what they recommend to the council. There was discussion with the commission about our service territory. Mike explained that our policy is to serve

anywhere in the city limits. We have places where other utilities serve and where TCEQ doesn't allow us to extend mains. In general, we only serve in city limits and we only serve those not served by others. We have a statutory service area, a CCN (Certificate of Convenience and Necessity) to keep others from serving in our service territory. We don't go outside the City limits with our CCN. A storm water impact fee was asked by the Commission. Mike explained that council has moved forward with a storm water utility and we are in the process of developing it. We will charge a utility rate for this to anyone in city limits rather than charging an impact fee.

#### 4. ADJOURNMENT

Meeting was adjourned at 6:02 p.m.

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Chair

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Secretary