

**LEBANON CITY COUNCIL**  
*Lebanon Aquatics District Board - Joint Work Session Minutes*  
*February 14, 2007 (6:00 p.m.)*

**Council Present:** Mayor Toombs and Councilors Bob Elliott, Floyd Fisher, Tim Fox, Rebecca Grizzle, Ron Miller and Ray Weldon.

**Staff Present:** City Manager John Hitt, City Attorney Tom McHill, Public Works Director Jim Ruef and Finance Director Casey Cole.

**Aquatics Board Present:** Gus Arzner, Kevin Buchheit, Arlene Crosman, Jan Nadig and Consultant Don Ganer.

*["Lebanon Aquatics District - Parks and Recreation System Development Charges (SDC's) Methodology Report" was distributed to the Councilors.]*

Lebanon Aquatics District Director Gus Arzner stated that Consultant Don Ganer was hired to develop a Parks and Recreation SDC Methodology Report, which was adopted in April [2006]. The Aquatics District has the authority to collect SDC fees, but does not have a mechanism to do it. He asked Council to consider an intergovernmental agreement where the City collects the District's SDCs. If successful, they will request the same from the County Commissioners.

Mr. Arzner stated that fees collected over the next ten years will help to offset the cost of capital improvements to the existing facilities. The pool currently has six lanes; with expected community growth, eight lanes should meet their needs for the next ten years. Reimbursement monies will also help to offset expenses which were incurred for the therapy pool and multi-purpose room. He added that the expansion of the pool was included in their Capital Improvement Master Plan, which was adopted in July 2002.

In response to City Manager Hitt's question, Mr. Ganer stated that the proposed SDC fee for a single-family dwelling unit would be \$169 and \$145 per unit for a multi-family dwelling. He added that these charges would only apply to new residential development.

Mr. Ganer explained for Councilor Grizzle that Oregon law allows for two different types of SDCs: improvement and reimbursement fees. He clarified that these fees would not apply to existing homes.

Councilor Weldon asked who owns the pool. Mr. Arzner stated that the pool facility is on a five-year renewable lease with a 120-day clause from the School District. Councilor Weldon asked if the pool could be rebuilt by the School, instead of the Aquatics District. Board Member Kevin Buchheit stated that the pool was closed down a number of years ago until the Aquatics District reopened it. He also stated that the pool is leased for \$1 per year and briefly explained their agreement with the School District.

Mr. Arzner stated that their boundaries are the same as the School District's. City Attorney McHill stated that the City would not be able to collect SDCs outside of City limits. There was a short discussion regarding the County not presently collecting any SDCs. Mr. Ganer stated that the bulk of growth would occur within the City, but agreements with both the City and County would be required because of their boundaries.

Councilor Weldon stated that his property taxes include fees for the Aquatics District. Mr. Ganer explained that those fees are used for operation and maintenance of the facility. The proposed SDC fees would only be a one-time charge on new residential development.

Mayor Toombs asked if the Aquatics District considered expanding into a Parks and Recreation District. Mr. Ganer stated that this was not looked at because the City currently has its own Parks and Recreation Department. Mr. Arzner added that they would need to go to the voters to expand the Aquatics District.

Councilor Weldon asked if the City would be responsible for any uncollected SDC fees. Mr. Ganer stated that the intergovernmental agreement would ask that the fees be due when the building permit is issued. He also stated that the District would pay the City an administrative fee, which was estimated to be \$2,000 per year. He added that the specifics of the dollar amount are negotiable, whether it will be a percentage or flat dollar amount per permit. He also stated that there is room for negotiating because the District included about \$135,000 over the ten-year period for administrative and compliance costs. Hitt stated that he guesses that it may cost \$50-\$75 per building permit to cover the City's administrative expenses.

Public Works Director Ruef briefly explained what each of the City's SDC fees are based on. Mr. Ganer stated that they use the same methodology, in terms of persons per dwelling unit, as what the City's Parks and Recreation fees are based upon. The only difference is that the District's fees would solely apply to residential units.

Councilor Fisher asked what would happen if the City agrees to this intergovernmental agreement, but the County does not. Mr. Ganer stated that the District would have to forego revenues from the County.

Upon reviewing the Methodology Report, Councilor Miller felt that the 70% Compliance and Administrative Costs is an area which will be heavily scrutinized. Mr. Ganer stated that they wanted to make sure that they looked at actual costs, and that the amounts of the SDC fees are relatively small. He stated that some districts impose administrative and compliance costs based on a percentage of the total fee; if this method is used, it would amount to \$3-\$4 per fee, which would not be enough to cover the compliance costs. He also stated that the State Homebuilders Association requested that communities detail the expected costs in their methodologies. Mr. Ganer stated that these costs amount to a large percentage of the fee, but it is necessary to make this possible; if the costs are not covered by the SDC fees, they will have to be paid out of the tax roll. Councilor Miller questioned the need for two Master Plan updates within ten years. Mr. Ganer stated that an update every five years is only a general estimate. Mr. Arzner stated that they may be able to change it to one update.

Ruef explained that the City has kept the SDCs artificially low because they did not want it to be a big shock for new construction. He stated that there are two more years of increases to get the fees up to their full amount. Hitt stated that all proposed SDC changes are reviewed by the SDC Committee, who then makes a recommendation to the Council. He added that Council could request that the Committee also look at the Aquatics District fees when the water SDCs are reviewed this spring.

Councilor Miller felt that the Methodology Review and Update Costs could be mitigated because the City is also doing those kinds of updates. He stated that, as a Councilor, he would be more than happy to allow the District to use the City as a way to collect their fees.

Ruef stated that his biggest concern is that the District's fees be administered in the same way as the City's because there are a lot of nuances. For example, if a building is torn down, a credit for the

current SDC fee is applied toward the new structure; or SDC fees are sometimes waived under the Enterprise Zone. Councilor Grizzle stated that the SDC Committee would be able to make sure that the City and Aquatics District are compatible in that way. She added that it makes sense for the City to help the District collect their fees.

Mayor Toombs asked what the population breakdown is between the City and the County. Mr. Ganer stated that the total projected population increase is 2,579 based on School District figures, but he did not know the breakdown. Councilor Miller suggested that the County may have figures on projected building permits. Hitt stated that the School District may now have more refined numbers, including figures inside and outside of City limits. He suggested that the Board Members bring back an updated Methodology based on the work session comments and invited them to participate in the SDC Committee meeting. He added that it may be late this year or early next year before the City can start imposing the District's fees.

McHill stated that, from a legal standpoint, each entity should stand alone. He also stated that it would be helpful from a practical standpoint to coordinate how the SDCs are collected, but the City should not be concerned with the District's methodology. Councilor Miller stated that it was only his intention to prepare the Board Members for what the SDC Committee will question them about. He briefly explained his experience with previous SDC Committee discussions. Hitt stated that the District would benefit from attending these meetings so that they can answer any questions the Committee may have. McHill noted that statute requires a process to challenge the District's methodology and expenditures. Mr. Arzner stated that they will have to sell the concept of what the pool does for the community; he hopes that the realtors and building community will see this as a selling point.

*There was Council consensus to support the intergovernmental agreement with the Aquatics District.*

Based on his experiences with the SDC Committee, Councilor Elliott stated that this may be hard for builders of low-cost housing to deal with because all of these costs add up. Mr. Arzner stated that they offer scholarships and would be able to accommodate more people with a larger facility.

Jan Nadig stated that she thinks the community would appreciate that they are growing with the existing facility and are determined not to build a multi-million dollar facility.

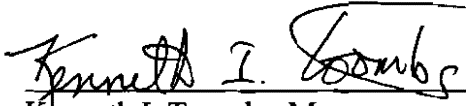
Mayor Toombs expressed his appreciation to the Aquatics Board for saving the pool and for their involvement.


Hitt suggested to Mr. Arzner that Ruef be their contact person with the City.

**Adjourned**

Mayor Toombs adjourned the work session at 6:46 p.m.

*[Meeting recorded and transcribed by Donna Trippett]*

  
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Kenneth I. Toombs, Mayor                      
Ron Miller, Council President           

ATTESTED:   
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Linda Kaser, City Clerk/Recorder