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**Work Session Minutes
(Parks System Development Charges Indexing)**

**Monday, November 13, 2018
8:30 p.m., Community Auditorium**

***Minutes are unofficial until approved by Council.
Council approved minutes as presented December 10, 2018.***

1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 8:31 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Adolph “Val” Valfre; Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Tom Gamble, Parks and Recreation Director; and Anna Ruggles, City Recorder.

2. WORK SESSION: PARKS SYSTEM DEVELOPMENT CHARGES INDEXING

Gamble, Downey and VanderZanden facilitated the above-noted work session and presented a PowerPoint presentation overview, noting the purpose of the work session was to provide an opportunity to report options as requested by Council for the Parks System Development Charges (SDC) in an effort to determine if the 2019 SDC rate should be indexed to ensure the rate is consistent with current construction costs. Gamble provided background information, noting on August 14, 2017, Council approved to phase-in over a three-year period the full Park SDC rate of \$6,010/per dwelling unit (Resolution No. 2017-56) for future expansion of the parks system. Council also approved a motion directing staff to consider adjusting the Parks SDC annually using the *Engineering News-Record* Construction Cost Index (Seattle) and report back to Council. Gamble recapped the following three options for Council’s consideration as noted below:

1. Defer indexing for one year and reconsider November, 2019;
2. Defer indexing until the full rate of \$6,010/per dwelling unit is implemented and reconsider November, 2020; or
3. Index current rate from \$5,000/per dwelling unit, which goes into effective January 1, 2019, to \$5,217/per dwelling unit, effective at the same time. This index increase would apply to the 2019 rate only and any index increases in January, 2020, or thereafter, would require Council approval.

In addition, Gamble gave an overview of the Parks SDC history and rate methodology, noting the Parks SDC is based on the revised Capital Improvement Plan, which estimates costs associated with future park development projects over a 10-year planning period and the methodology contained in the adopted 2016 Parks, Recreation and Open Space Master Plan (Ordinance No. 2016-17). In conclusion of the above-noted

staff report, Gamble and Downey advised ORS 223.04(8) allows jurisdictions to adjust SDC rates based on an index, noting the City currently indexes the Water SDC annually.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to the Parks SDC rate being indexed to ensure rates are consistent with current construction costs. Gamble, Downey and VanderZanden responded to various concerns, inquiries and scenarios Council presented pertaining to the pros and cons of indexing the Parks SDC and if other jurisdictions adjust rates based on the cost index, to which Gamble noted at least four other jurisdictions adjust SDC rates annually based on the cost index. Gamble added the current Parks SDC projects are estimated to cost between \$6-\$9 million, depending on the scope of the project, noting if the City indexes annually based on inflation, it would help revenues remain in line with actual construction costs over time, alleviating the need for large increases in the future. In conclusion of the above-noted Council discussion, Council collectively concurred to consider Option 3, applying the 2019 rate index based on the *Engineering News-Record* Construction Cost Index (Seattle) for inflation. Gamble, Downey and VanderZanden advised staff will bring back a proposed resolution for Council consideration at a later date.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 8:53 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder