SALINA CITY CORPORATION
Work Meeting
February 12, 2025

COUNCIL AND STAFF PRESENT:

Mayor Jed Maxwell
Earl Taylor
Jon Maxwell
Kevin Mickelsen
Randy Christiansen
Allen Tietjen

Ashlee Larsen, City Recorder
Kathy Maxwell, City Treasurer

Discuss Impact and Connection fees: Mayor Maxwell welcomed everyone present at the work meeting on February 12th at 8:42pm **Brock Jackson** from R-6 is here to help Salina City update the Impact and Connection fee ordinance and discuss property located on East Main and if they need to pay for impact and connection fees.

Brad Allen stated if a resident wants to construct a home, they already have a meter setter and a new meter barrel, but the parcel has been vacant for several years they should have to pay for the impact fees, because Salina City still needs to dig up the cement road and place the connection line.

Brock Jackson stated obviously Salina City has already had their impact fee plan that's been approved. The intent of this conversation is to provide clarification on specific situations that come up or provide clarification on what constitutes, who should be paying impact and connection fees. **Jackson** discussed a two-page document which will provide definitions of an impact fee and connection fee from the state codes, fee means a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of a new development on public infrastructure.

The impact fee does not mean tax, special assessment, a building permit fee, a hookup fee, a fee for project improvements, or other reasonable permit or application fee. It makes that distinction that it's not a hookup fee, in the state code, it says hookup fee, but it's basically synonymous with a connection fee. So, connection fee or hookup fee means a fee for the installation and inspection of any pipeline meter or to connect to a gas, water, sewer, stormwater, power,

other utility systems of a municipality, county, special district, special service district, or private entity.
Jackson asked if there are any concerns with either of those definitions as it relates to those two specific things?
Allen Tietjen asked what Salina City specifically offers for utilities? **Kathy Maxwell** stated Salina City offers culinary water, sewer, and pressurized irrigation.
Jackson stated some cities also charge for road and park impact fees.
Jackson asked if the lot on Main was developed prior to 2021? It's likely the lot area was analyzed as underdeveloped and not having any impact on the current system. If that is the case, any development of the lot area can be categorized as new development, and the adopted impact fee schedule would apply.
Kathy Maxwell stated the lot on East Main was not developed prior to 2021.
Mayor Maxwell stated it was developed because it had two homes on it at one time. **Kathy Maxwell** stated it was developed but currently there is nothing there and it hasn't been for many years.
Mayor Maxwell stated the yard's been developed, and we've been charging them a water bill the entire time. **Kathy Maxwell** stated no, they never paid for pressurized irrigation. **Mayor Maxwell** stated in the past there was a brick, adobe home, and then they placed a single-wide trailer on the lot.

Jackson stated there's a couple other questions you should highlight, in the ordinance such as development, new development, underdevelopment, it sounds like Salina City has some homes in town that are vacated or run down. Do they have any impact on your system? In addition to 2021, does Salina City have records of any impact fees being paid on the water area? If there was and I assume those fees were used for appropriate improvements. Then Salina City can consider whether a fee exemption would apply. If there's no record of a fee being paid and resulting improvements being built, or even if a fee was charged and then returned or refunded due to no improvements being completed within the required timeframe listed in the state statute, then the development of the lot area should be categorized as new development, and the adopted impact fee schedule would apply.

Allen Tietjen stated he has (3) parcels located at 350 North state and is currently being charged for (1) parcel what does he do in this situation.
Kathy Maxwell asked if Salina City Maintenance knows about Mr. Tietjen's property.

Mayor Maxwell stated 30 or 40 years ago I think residents just ran pipes wherever on their property without Salina City's permission.
Tietjen stated the (3) parcels all have their own stop and waste. **Kathy Maxwell** stated Tietjen should be paying for (3) parcels, this is something Salina City needs to review. **Jon Maxwell** asked how long ago the pressurized irrigation was placed in town. **Jorgen Mickelson** stated on the map the Pressurized Irrigation System was placed in 1987.
Tietjen stated his home at 350 North State was built around 1930 and it's been a farm for most of the time.

Brock Jackson stated a couple more points if you have an old building that's torn down and a new building is built in its place; does it need new impact fees. It's all about what's described as developmental activity. If an old building on a lot is deteriorating, missing windows and has been unoccupied for who knows how long, would the owner be required to pay an impact fee if they plan to demolish it and construct a new home? **Tietjen** asked if this includes a shed on the parcel. **Jackson** asked if there was water. **Tietjen** stated no there's never been water, possibly at one time years ago. **Jackson** stated instead of demolishing the building, what if the owner chooses to renovate the interior, would they still be required to pay an impact fee? **Mayor Maxwell** stated currently, no. **Jackson** mentioned in the state code it reads, development activity means any construction or expansion of a building, structure, or use, any change in use of a building or structure or any changes in the use of land that creates additional demand and need for public facilities, by this definition, if the use is changing, if there's any additional demand, a new expansion based on those criteria. **Jackson** suggested they pay for impact fees.
Jackson stated it means if any construction or expansion of the building changes, that increases the demand of the system, then it would. **Jorgen Mickelson** stated he understood the ordinance if somebody adds an additional bathroom to their home they must pay an impact fee, because it alters the system. **Kathy Maxwell** stated no, because one residential is only one ERC. This states if the home is completely unoccupied prior to 2021 according to the state.
Mayor and Council discussed unoccupied homes in town.
Mayor Maxwell said Salina City now goes by ERU and not ERC because it's per unit. **Jorgen Mickelson** asked how much a resident pays to have a meter placed. **Kathy Maxwell** said around $800.00. **Mickelson** stated that amount isn't even close to what Salina City pays to place the meter. **Brad Allen** stated the meter

barrel costs $30 per foot. If you have a 4-foot barrel. It's around $120. The meter costs $400, you also need to pay for a setter fee, the lines, fittings, and a saddle to go onto your main including the asphalt. You're also digging around a high-pressure gas line, which can take some time. **Jorgen Mickelson** stated every time Salina city does a connection; they are losing money because of what they charge. **Kathy Maxwell** said Salina City probably needs to revise their ordinance. **Mayor Maxwell** you're probably right, Salina City passed this ordinance back in 2021. **Kathy Maxwell** stated Brock Jackson has been helping Salina City study the state code and working diligently on it, it's brought a lot of things to surface, and if we can get this in state code, it should help clear up a lot of impact and connection fees.

Jackson stated the stated code impact fee, states, you must have an analysis completed to justify it. Salina City Engineer should do that and give you the range, but your connection fee is much like your other fees in terms of just the cost. For the impact fee you will need a new study completed. Which must follow that criteria. For any other regulatory or administrative fees. You must have that context. Maintenance asked who is responsible for paying for a new barrel if it goes bad, Salina City or the homeowner. **Mayor Maxwell** stated it should be Salina City's responsibility.

Mayor Maxwell and Council reviewed the ordinance and time frame for the impact fees. **Mayor Maxwell** asked in the ordinance if there is language stating the most recently adopted ordinance which shows the date.

Jackson mentioned in the state code right now under imposition calculation collection of impact fees culinary water until and unless modified by a subsequent resolution by the city council an impact fee of one thousand five hundred fifty dollars per equivalent residential unit shall be imposed with respect to any new development to be connected to the system. So, what it's saying is this is it is unless it's been approved by a new resolution.

Developers can challenge even the calculation of these. They can if you don't use those funds within a certain time for new improvements they can request reimbursement. There's been a lot of focus on impact fees from the state legislature.

Jackson stated this is what it states in your ordinance. If you want to be safe you can specifically codify this in your city code, and just do that once the impact fee study is updated.

Kathy Maxwell revised the resolution, which was dated May 5th, 2021, which is the resolution relating to the culinary water, wastewater and pressure irrigation

system of Salina City's impact fees. **Kathy Maxwell** stated this ordinance needs to be in black and white. **Earl Taylor** stated he likes the date of 2021 and suggested leaving it.

Jackson asked if the determination comes down to defining new development and new impact since no specific time frame is given for how long the building must remain unoccupied or unused to qualify as new development does the decision simply depend on whether impact fees were previously paid, for this question minus any record of previous impact fee payments made to allow for additional discussion about current fee applicability it is most helpful to look at the timing in which the impact fee analysis was prepared as part of the impact fee adoption process to determine if the lot was developed or operational when the analysis was completed if it was not it is likely that the lot was analyzed as undeveloped and therefore did not have any impact on the current system, this matters because if that is the case any development of the lot can be categorized as new development and the ability to adopt an impact fee schedule should apply that said the city should have required language in their local code allowing them to consider certain items for adjustment if they feel there is reason to do so include items like previous fees paid, unusual circumstances, studies-data submitted by a developer, etc. so it is up to the city on how they want to decide to move forward caution should be urged with impact fee adjustments as items that are not done with solid data evidence and transparency can set a dangerous precedent and put the city in a compromised position the general rule should be that impact fees apply unless there is clear proof and data as to why they do not for any individual project and it is documented and placed in the record appropriately. Jackson suggested following language comparable to this. Mayor and Council discussed the impact fees on North State Street. **Jackson** said he can study the Salina City Impact and Connection Ordinance and help update it and add some amendments to the ordinance.

Mayor Maxwell asked Brock Jackson what his advice is for Salina City to report back to the property owner on Main if paying impact and connection fees. **Jackson** said technically the property owner still needs to pay for the impact fee. **Kathy Maxwell** stated Salina City can refund the connection fee. **Jackson** suggested Mayor and Council reach out to their attorney for any legal advice. **Mayor Maxwell** asked the maintenance to figure out the cost of a meter and setter and add that fee to the connection fee. Kathy Maxwell said Salina City needs to update this ordinance and have something they can follow and bill everyone correctly. **Jon Maxwell** said Salina City needs to update the meter and

setter fees yearly, so Salina City doesn't have to cover the cost. **Mayor Maxwell** stated in the ordinance he wants it to state if the property owner has a duplex they will be charged for two water connections. **Mayor Maxwell** stated he reviewed Richfield City's ordinance, and they charge $14,700 per connection, per ERU.

Mayor Maxwell stated an ERC is per connection and an ERU is per unit. Mayor and Council discussed the difference between ERC and ERU. **Jorgen Mickelson** stated Salina City is paying $1041 for a meter, setter, and pipe, this price doesn't include the saddle or patch work of the asphalt, and we are only charging $800.00 per connection. **Kathy Maxwell** stated impact fees are regulated through the state which will go towards a water or sewer loan. The connection fees pay towards material.

Jackson stated one ERU project single family residential homes with a water line no larger than a ¾ inch light commercial projects with a water service line no larger than ¾ inch. The two ERU projects, medium commercial projects. **Jackson** asked what specific language Salina City would want in their ordinance?

Mayor Maxwell stated that currently Salina City is billing a duplex as a medium commercial project. Jackson asked if a fourplex is considered a heavy commercial project? **Kathy Maxwell** stated it must have a two-inch line to be considered heavy commercial. **Kathy Maxwell** said the ordinance needs to be updated with the new ERU. **Jackson** said he will get with Kathy Maxwell and update the impact and connection fee ordinance.

Jon Maxwell motioned to adjourn the work meeting at 9:53 p.m. **Allen Tietjen** seconded. Motion carried 5 to 0.

Date 8/18/2025 **Mayor** _____

Date 8/18/2025 **City Recorder** _____