

## CITY OF NEWARK DELAWARE

### SPECIAL COUNCIL MEETING MINUTES

September 29, 2014

Those present at 7:00 p.m.:

Presiding: Mayor Polly Sierer  
District 1, Mark Morehead  
District 3, Rob Gifford  
District 4, Margrit Hadden  
District 5, Luke Chapman  
District 6, A. Stuart Markham

Absent: District 2, Todd Ruckle

Staff Members: City Manager Carol Houck  
City Secretary Renee Bensley  
Deputy City Manager Andrew Haines  
Finance Director Lou Vitola  
PW & WR Director Tom Coleman

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1. The special Council meeting began at 7:00 p.m. in the Council chamber. Ms. Sierer called for a moment of silence for Councilman Ruckle and his family.
  2. Ms. Sierer gave an overview of the format of the meeting for the evening. Ms. Houck reported the most recent discussion about the stormwater utility began prior to the 2014 Budget, and three community meetings were held prior to tonight's meeting.
  3. Mr. Vitola reviewed the objective of the meeting which was to bridge the gap between the last stormwater workshop and where the City is now in the planning process. The ordinance was in the process of being drafted and would be available soon. The discussion would include what happened in 2009 and 2013, review feedback from the three February workshops and the new proposal and steps forward.

In 2009 the focus was on financial need with references to Operating Budget deficits, a Moody's ratings presentation and diversity of revenues. A review of the December 2009 Council meeting minutes revealed that some members of Council were uncomfortable with the timing given the ongoing recession at the time. Some wanted to see more details about the fees and about the projects and a five-year plan was cited. Staff was seeking a revenue plug in the budget at budget time but then the actual stormwater utility was going to be launched midway through the next year and Council wanted to see more information. That is why it did not pass in 2010. In 2013, the need seemed to be focused on infrastructure repair. There were three separate storms causing severe flooding events and projects were identified that would help relieve stormwater system problems. A plan was put in place to establish fixed stormwater fees to fund specified projects over a five-year period. Staff felt they met the request for more details on the fees and the projects but again Council wanted more public feedback and further review of the flat rate structure. That is why it did not pass in 2013 and staff went forward with the workshops and back to the drawing board.

Mr. Coleman then discussed the approach being taken to the actual problem and the genesis of the projects cited in the workshop.

Mr. Coleman reported that after last year's big flooding events, staff was able to identify problem areas, systems and watersheds with the most recurring flooding whenever there was a high intensity rainfall. A new inspection camera was purchased allowing rapid inspections to identify blockages and major defects. Problem areas were inspected and some were identified. The plan for the fund is to look at each problem as

a watershed because anything the City does to relieve flooding on the roads will move that water more rapidly downstream to neighborhoods lower in the watershed. Each system must be looked at holistically and areas identified where stormwater can be attenuated under the new system to make up for the fact that it is no longer being attenuated in the roads or in backyards. Although problems were identified, the fixes were not necessarily identified because until the system and the whole watershed are looked at, it can be hard to say what the fix could be.

Mr. Vitola explained staff took the list of the projects that were preliminarily identified to the three workshops. The workshops were well attended with 46 comment cards returned and most of the feedback was positive. Regarding the program, the overall feeling was to move away from the flat rates and go to a more equitable model using impervious coverage. Staff wanted to accommodate the feedback of the workshops while coming up with a fee that allowed efficiency, not hiring additional staff, not undertake impervious measurements and not have to deal with assessments and appeals. They took the County's tax assessment file showing the square footage of every parcel in the City and marry that to the zoning file which articulates the maximum allowable impervious coverage by zoning type. In that way with a deduction for some margin of safety/error and then come up with some kind of proxy for actual coverage on average. The pros were cost efficiency, no need to measure parcels, data would be automatically updated by New Castle County every year or quarter, costs would be spread more fairly than the flat fee method and because it was not measured there would be no basis for an appeal. However, as a result of all the different zoning types which overlap with different types of residential, commercial, and mixed use, the fee schedule grew too complex. Billing would have been more complicated and it became difficult to explain and even though no one could technically appeal their measurement, the whole structure itself could have been challenged because it was different from what other municipalities and jurisdictions were doing in stormwater. Any individual parcel's impervious cover would probably differ from their square footage times their maximum allowable coverage. In addition, there would be no incentive for someone to reduce their impervious coverage.

Mr. Vitola then presented staff's proposal for 2015 which was to use actual impervious coverage by utilizing the State's GIS data. Impervious cover would have to be manually updated for parcels that change through the development process but otherwise there will be a basis using the State's data. Staff anticipates reducing the revenue target and trying to fund more in the out years of the CIP with General Fund appropriations.

One key project was the Jenney's Run culvert on Paper Mill Road and that was in current reserves in the 2015 CIP. Recently there was \$200,000 per year allocated in the CIP in current resources for corrugated metal pipe replacements. All of the City's operating expenses and personnel related to stormwater are all funded by General Fund operating expenses and Water Fund expenses. That will continue but it is not enough to do everything.

Mr. Coleman reviewed some of the things being done by staff:

- Working to identify properties either City owned or private that may be used for regional stormwater retention basins.
- Modifying the plan review requirements for new development plans that come through and discharge into a problem pipe segment and how they are allowed to model their discharge into the City's system.
- Started the GIS project using one-to-one grant money from the State that will provide full survey of the entire storm sewer system. Also it will identify stormwater management retrofit sites and create a database that will be used to store inspection data, maintenance data, repair data, the history for the pipes so the survey data can be extracted and used to streamline the design and review process for modeling the system. Repair history and inspection data can also be used to classify the pipes spatially, model all the information and use that to plan and program pipe replacements and maintenance on pipes.
- Work was underway on the Paper Mill Road culvert repair. Analysis was done on preliminary design alternatives to find the best way to fix the problem.
- Expanded the pre-storm hot spot list of all the areas maintained ahead of large storms based on feedback received from residents at the workshops. During the

most recent large storm a press release was used ahead of the storm to notify residents not to park on top of storm grates, call the City for blockages, etc.

- Started to perform a fairly significant amount of outfall maintenance cleaning ditches that receive discharge from the storm sewer system.
- There has been a lot of sinkhole and pipe spot repairs around town.

Mr. Vitola stated that State and Federal funding would be utilized where possible to leverage funds for projects. In order to do that he said it would be necessary to revisit the authorization in the Charter and was discussed at the May Financial Policies workshop. He mentioned that a memo was forthcoming on the actual proposed language change in the Charter and a summary of some other municipal statistics to give Council an idea how that looks well in advance of when any action would need to be taken. The Resolution if approved would send the proposed Charter change to the State legislature for approval. If approved, the City would be able to secure a carve-out of its debt limitation by Resolution of Council if the lender is the State or Federal government or one of its agencies. There would be a similar smaller carve out for non-State or Federal lenders. The overall debt limit would not change – there was still a 10% limit of bonded indebtedness in the Charter. The primary reason for the Charter change was to give the City the opportunity to leverage DWSRF, the revolving loan funding. A lot of times the State will include a match or a partial grant or some way to get additional interest free or outright grant funding but it is typically through a loan package which cannot be done with the current Charter limitation. Mr. Coleman added the benefit to that was it allowed the City to tackle some of the larger projects earlier as opposed to waiting and not doing much while letting the bank grow to get enough money to do a large project. Mr. Vitola said the idea was to leverage State funds.

Mr. Vitola said one of the comments heard repeatedly at the workshops was that the University of Delaware should pay its fair share. There was a plan for an appropriate carve-out for UD as an inter-jurisdictional stormwater partner. UD would be the largest stormwater contributor and would have the largest fee contribution that is over and above their normal internal stormwater expenditures which they would be asked to document and certify as part of the process. UD would pay roughly triple the amount proposed the first time around in 2013 and roughly an amount equal to what was proposed in 2009.

Mr. Vitola recapped the 2015 recommendation with a Power Point presentation. He noted the pros of this model were that it was equitable and Mr. Coleman added it was also the most common fee structure. A Black and Veatch stormwater utility survey from 2012 of the largest stormwater utilities in the country showed 82% used impervious cover or a combination of impervious cover and gross area. There was a cost efficiency in utilizing the State's GIS data. The tiered residential structure would reduce costs and efforts required to process appeals and gave the homeowner a level of awareness of where their property fits in with the rest of the City. A portion of the stormwater fees collected would be set aside to offer grants and other services to home owners. It was anticipated the CAC would be asked to be involved in offering judgments and reviews of grant requests and project requests. There were not many cons – the cost of managing the appeals and the grants and services and the cost of adjusting the impervious cover between State GIS studies.

Mr. Vitola reported on the next steps – the ordinance was able to be reviewed and passed by Council concurrent with the budget process but neither was contingent on the other. Staff wanted it set up so 2015 could come and go without relying on this action to pass immediately and one would not be affected by the other. A number of stormwater operating expenditures were in the budget draft already and the projects were standing alone. It was anticipated these fees could start as early as midway through 2015 but staff would not depend on the generation of the fees until 2016 to allow Council as much time as possible to continue thinking about this before enacting. Likewise the City and the State action on the Charter debt was not tied to the budget and that could happen in early 2015. Mr. Vitola said the ordinance would include everything from the first draft of the ordinance and more but would be silent on the fee. The actual fee schedule would not be known until the updated GIS data was received from the State in November. There would probably be several months between the circulation of the draft and the first reading and then two weeks later at the second reading, staff would request the ordinance be adopted

at that time and then immediately afterward the resolution establishing the fee would be on the agenda. Going forward fees would be changed by resolution of Council.

Mr. Coleman said based on the rate study 98.5% had a residential customer class. Of that, 55% use a uniform flat fee, 30% use tier grades and only 18% individually calculate a fee for every lot. Of the ones that use tiered rates, 58% tier it based off impervious area only and 26% off gross area only. Using the tier grade structure that is proposed the City would be more equitable than 55% of residential fees that use the uniform rate and would be in the majority by basing the fee off impervious area specifically. 81.5% use a non-residential customer class which is essentially what the City is doing, with residential, non-residential and UD as its own entity. After that it drops off pretty quickly and 61% have multi-family, 30% have condominiums so it tails off after the two main classes of residential and non-residential. He felt comfortable this plan was standard or on the upper end of offerings for the cities studied under this rate study.

Mr. Vitola noted the original plan had apartments and condo space lumped into residential. This plan deviated from that and had just single family attached and single family detached zoned residential as the residential rate class. Everything else was commercial with the owner of the commercial property responsible for the stormwater fee. Mr. Coleman clarified that commercial property could also be a condo complex or apartment complex and did not have to be retail. In a condo complex the bill would go to the homeowner's association and those bills would be based specifically off the impervious cover for that parcel, not tiered like the residential.

Mr. Vitola pointed out the stormwater fee would be billed on the utility bills (not on the tax bills). He referred to the enabling legislation in State of Delaware Code that says municipalities have the ability to implement a stormwater utility and establish fees. A fee was to support one activity and offset the expenses of that activity.

Mr. Coleman said one other item that has come up often was the ability to give residential credits for items like rain barrels and rain gardens. Based on the City's history with residential stormwater management areas in neighborhoods where 10-15 houses are responsible for maintaining a stormwater basin has not worked well historically. The City has had to take over a significant number of stormwater facilities because they were not being properly maintained. These facilities have to be inspected at least annually and there would be a direct cost on the individual homeowner to maintain that facility in perpetuity. This was all to save what would be a small amount of the residential fee. In regard to rain barrels a quick calculation was done based on a two inch rainfall and in order to capture the rain coming off the roof, it would take 25 rain barrels and they would have to be emptied before the next storm.

4. Ms. Sierer opened the floor to questions from members of Council.

Mr. Morehead asked if the University was exempt or not exempt since this was a fee – Mr. Vitola said they were not exempt. Mr. Morehead noted recent developments were operating under different stormwater regulations than prior developments as far as containing some percentage of the water. He asked if there would be a difference going forward. Mr. Coleman explained the way they would like that to be addressed was when the plans come through the development process, the plan can be analyzed for a net, effective impervious increase or decrease. If the impervious was being increased but the net was zero, the bill would be held at the previous number for existing conditions. Credits could be discussed at that point. Mr. Morehead asked about the communal portion and the liability for the impervious surfaces such as the streets. Mr. Coleman said that was the reason the bottom tier was not made zero or individually calculate everyone because at a certain point there is shared responsibility for the public areas. Mr. Morehead pointed out that UD had a large portion of the communal responsibility. Mr. Coleman said as written UD's bill would be calculated like every other non-residential customer – unit price times impervious area and due to their status as a voluntary co-permittee of the MS 4 permit but also a legal signer of an inter-jurisdictional agreement with the City to share responsibility for stormwater, they do significant work above and beyond what anyone else would be required to do. The value of what they are doing above and beyond (not stormwater for new construction) and that would be deducted from their bill down to a

floor. All their residential units would be billed like all others. Mr. Morehead asked about the quality of water being involved in stormwater. Mr. Coleman said that was in the GIS program and one of the aspects was once the system was mapped, it would generate watersheds for each drainage area based on topography. The impervious cover data can be overlaid and the impervious percentage for each watershed can be obtained to target the location of stormwater retrofits and make water quality improvements.

Mr. Chapman referred to slide 10 showing residential tiers all being less than \$7.50 per month and asked the basis for those numbers since GIS data was not yet available. Mr. Vitola said if the target was going down from \$1.5 million to \$1 million it was likely that all tiers, including residential, would go down. He based it partially on the best of both worlds review with the maximum allowable impervious and since one of the inputs of that calculation was total lot size he thought there could be a relationship between lot size and impervious cover if the fees were all proportionate. In his best of both worlds model the fees were in the \$4 - \$7.50 range, he felt comfortable saying the fees would be in the \$4 - \$7.50 range in the new model. This was to provide some idea of what the tiers might be.

Mr. Markham asked the flat rate for residential in the last proposal. Mr. Vitola said it was \$7.50 and \$30 for commercial. Mr. Markham asked how often the State updated its data – was it seven years? Mr. Coleman thought their goal was to do it more often but there will not be a need to get updated data again because the City has its baseline now. Whenever someone comes in for a building permit through the plan review process, their property will be updated with real data. If someone wanted to appeal their impervious cover they would need to provide a more accurate calculation than the GIS data which would probably mean getting a survey done. Their number would be compared against the tiers and the values would have to change enough to knock it from one tier to the next to get a difference in the bill. Mr. Markham asked for further explanation about why rain gardens and rain barrels would not be a plus since it was a water quality issue the City was trying to encourage. Mr. Coleman said that was the reason for the grant process to provide engineering support and potentially funding as well. Quantifying that and using it to adjust the bill long term, the problems with that were the maintenance and annual inspections by the City. If grant money could be used to help people build them and then not have to inspect them, the City would get the benefit without the administrative costs.

Ms. Hadden referred to slide 8 stating UD would pay almost triple the amount proposed in 2013 roughly equal to the 2009 proposal. She asked the figure from the 2009 proposal. Mr. Vitola cited \$59,000/year and \$60,000 was the target for UD. Based on the considerable construction by the University since 2009 Ms. Hadden was not sure that should be the targeted figure. Mr. Vitola reported the target at the time was \$360,000 in stormwater fee collections and UD had 17% impervious at the time and would pay that percentage of the total revenue share. In the 2013 example all their commercial properties and all of their residential properties were scaled at \$7.50 and \$30.00 each and came up with about \$26,000 in recognition of their stormwater staff and projects to mitigate their stormwater. Ms. Houck clarified the University had a primary amount they would be responsible for and then after the money they spent (which they would have to confirm and certify the projects and the amount spent) and then they get down to the \$60,000 baseline. Their approximately 150 residential properties would be treated like everyone else and amounted to about \$8,500.

Mr. Chapman referred to UD's 17% impervious – this amounted to about \$170,000, so they were being given a significant discount (100% plus) on their floor and Ms. Houck talked about a dollar for dollar reduction in fees based on costs they applied toward other stormwater projects. This was completely unique to what was being done for anyone else, for example, a commercial developer that was getting a reduction in their fee based on the difference in net impervious coverage. He was uncomfortable with that arrangement. Mr. Vitola said it was because they were a completely different animal and could not be treated like any other commercial or residential property. Mr. Coleman noted when the University brings a development plan through it would be treated exactly the same as anybody else's plan. Mr. Chapman said the thought was UD was so large they would be able to work their number down to a net zero for them in fee costs because of the amount of infrastructure work they are doing outside the projects related to any development. He would be interested in the details of how that would work and how it was classified and

managed as the process moved further along. Mr. Coleman said the thought process was UD would provide a notarized document each year detailing what they spent or did in the previous year above and beyond their requirements and that would be the basis for reduction toward that floor.

Mr. Morehead pointed out the City made a mistake with the subvention in that the amount of money was fixed and never increased and asked if that would be the same here with the \$60,000 fee not changing or whether it would be indexed to the costs of the program going forward. Mr. Vitola confirmed the \$60,000 fee would be in the resolution, not the ordinance. Mr. Morehead wanted an equitable arrangement where the University's fee would increase with the others.

Mr. Gifford felt it was necessary to deal with the water issues. However, it was troubling to him that this was stated as a fee but it was mandatory. He referred to the financial policy workshop where the mandatory core functions of the City were discussed (stormwater, electric, water). For those things he thought priorities were mixed up – this should be first – and there should be other things in the budget that were optional where people could choose to pay a fee or choose not to do it. Here there was no opting out. His thought was a reprioritization. There had to be other things in the budget that were less a priority, so before going ahead and saying the City needed \$1 million. Mr. Vitola interjected that the \$1.5 million target was based on the projects identified - \$6.9 million – plus roughly some contingency amount rounded up to an even \$7.5 million divided by the five year plan pursuant to the 2014 – 2018 CIP which was \$1.5 million a year leveled and match the fees collected with the debt service on the total cost of all those projects. The \$1 million target was there, yes the reduction from \$1.5 million to \$1 million was arbitrary (a one-third reduction), but there was still \$6.9 million in the long-term CIP for those projects. Mr. Gifford asked if the City was assuming more debt or more tax revenue funding the projects. Mr. Vitola responded more money committed out of the General Fund pursuant to comments like these. Mr. Gifford restated – if it was mandatory and it was a core function of the City, why was it being done this way? To be fair and equitable it could be this separate charge that is equitably divided but then the tax rate could be proportionately lowered.

Mr. Gifford remarked that the business rate was not discussed and asked how, for example, a car dealer with a huge lot would be impacted and whether fewer businesses would want to locate in Newark. Mr. Vitola said that was an area of sensitivity and the fee would be much higher than \$30. Mr. Coleman said the rainfall was natural, the runoff was not and by having impervious surfaces on a property residents were opting into utilizing the stormwater system.

Mr. Gifford asked how the success would be measured. Mr. Coleman said it depended how much money was spent on analysis. As far as he was aware there was no baseline data for the sub-watersheds for water quality. There was baseline data in some of the larger streams. While data could be collected during storm events, the problem with analyzing it based on flow rates in a storm was that no two storms were the same. The rate in the smaller watersheds affects the runoff more than the total amount of rainfall as evidenced by some of these storms. Mr. Gifford asked if the City measured water quality. Mr. Coleman responded the City did not have baseline water quality data.

Ms. Houck added that in 2009 the former City Manager presented to Council a listing of all different activities, programs and services offered by the City. At the time Council considered what could be cut from services – it was a difficult conversation with the community, and nothing was cut. She felt it was time to address stormwater issues in a way that was equitable. Mr. Coleman reported the fee structure was currently being reviewed on the Public Works side for fees that affect the users of that service specifically. He believed current fees were set at what they were in 1991.

Ms. Hadden commented there was nothing discussed about sunseting this if it were to go through and asked if that was explored. Mr. Vitola said it was in the same place where it was last time. The key was this first cut of most critical projects and he did not know if that list would change with more review but the initial goal was to secure the funding required to get through the most important projects and then revisit. If Council

preferred, the sunset could be written into the resolution. Mr. Coleman felt as the database was built out of what is in the ground, this has to be funded at a sustainable level. His example on the water side – the cost to replace water main is about \$1 million a mile. To replace the City's 150 miles the expenditure would be about \$1.5 million a year assuming the main lasts 100 years.

Mr. Markham would not leave sunsetting to a future Council to pass a resolution but would make it part of the ordinance for renewal purposes. He was on Council when different fees were reviewed to find money and said it was not an easy task. Regarding money available from the State and Federal government he asked how much was available and the cost associated with it. In Mr. Vitola's experience it was at or below market and could go further below market if there was a portion that was forgiveness or rolled into the principal with the same debt service which basically means a grant. State funding was not always the most advantageous avenue since banks today could be competitive. Mr. Coleman said almost annually representatives from the revolving loan fund asked the City to take money because it was not getting used. They used the interest income to fund grants. Mr. Vitola said it was important that the funding be utilized so their allocations be maintained year to year.

**4. Ms. Sierer opened the floor to public comment.**

Christine Dodge, Swarthmore Drive, thought this proposal was better than the flat fee previously discussed. During heavy rain the area experiences problems where some residents cannot access their homes and cars have been flooded over the wheel wells. She agreed with Mr. Gifford this was a necessity and an obligation of the City.

Catherine Ciferni, Newark resident, was disturbed the ordinance was not available this evening. Staff was waiting for the feedback from the workshop in case there was something to add to the ordinance and it then needed final review by the City Solicitor.

Luc Clausen, Watershed Hydrologist with UD, observed the current fee was based on impervious surfaces and what should be researched were what storms would be used to generate the runoff. If the fee will be used to improve infrastructure to carry a ten year storm, the fee should be based on a ten year storm. Lawns also produce runoff but of the fee was based on impervious surfaces those most affected by the fee will be commercial properties. He assumed the funds would be used to improve the infrastructure, but there were questions about water quality. He recommended reducing runoff going into the system because otherwise a water quality problem will be created further downstream. He suggested looking at this differently with a study looking at runoff production and looked at it more spatially – where is the runoff coming from and what type of investment needs to be made to also improve water quality.

Helga Huntley, Timberline Drive, agreed with Mr. Chapman and was disappointed the broader goals of this fund were not talked about and focused too much on how to generate the funding. She wanted the City to find creative new solutions to minimize the stormwater runoff in the first place and to make sure the runoff that does exist is cleaner. She remembered the 2009 proposal being detailed and equitable in terms of assessing fees based on the amount of impervious cover and that the maximum fee proposed for residential properties was on the order of \$2.60. She did not understand how the numbers have reduced the total fund by a third and yet tripled the rate. Mr. Vitola explained the 2013 target was considerably higher than the 2009 target. He compared the 2014-15 target with the 2013 target which shot for \$1.5 million and \$7.50. The 2009 fees were generating less than \$500,000 so they were much less per residential household. Ms. Houck added it was also funding what the City was already doing, not new projects to fix the problems in the ground.

Amy Roe, District 4, thought the use of impervious cover was an improvement over the flat fee. She encouraged having a watershed approach stormwater plan in place. In her opinion Council recently made some bad decisions that have made flooding and stormwater problems worse so guidance and targets were needed in the future. She found it problematic that the idea will be established by ordinance but the fees will be set

by resolution meaning the fees will not need a first and second reading. It would only require seven days' notice to become an agenda item.

Bob Stozak, Briar Lane, congratulated this being a much better proposal than the previous one. He was concerned about the vagueness of the University's contribution and how their credits would be calculated. He asked if there would be negotiations with the University on the modified fee structure prior to it being brought to Council or if it would be brought to the public before negotiations with the University. Mr. Houck said it was already discussed with the University and they already signaled support for the baseline level and the charges for their residential properties. Ms. Houck clarified the credits would be for new projects and for each calendar year they would have to certify the amount of money and the improvement made.

Tom St. Angelo, UD student, asked if there was a way to incentivize private companies to have other alternatives. Mr. Coleman said yes, if they came in through the Planning & Development process with a plan that reduced their net imperviousness by some measure that would be accounted for in the development process. Some sort of floor would need to be discussed for commercial properties as well for that shared use of public property runoff. Any plan that came through and removed impervious would get a benefit as well.

Leslie Purcell was in favor of a watershed-wide approach. In terms of water quality she reference a California river keeper program which utilized citizen volunteer groups with labs where they take water samples and monitor water quality. A program called ocean friendly gardens encouraged people to take up their lawns and use drought tolerant native plants. There were still problems with runoffs from storms so there were bio swales and different ways to landscape that capture water on the property. This could be implemented on City property and encourage homeowners to do as well. She supported getting the University to work more closely with the community in a lot of ways. She also suggested thinking about having less pavement which increased the heat factor and the runoff in the global climate.

Lorraine Brady manages a property on Main Street of some 58 households. Flooding around Academy Street occurs every time there is a good rain. Her first floor residents flood on a regular basis and maintain a lot of damage. She asked how the residents would know in what order the projects would be done. She questioned how the University would decide the stormwater projects they would work on.

Brett Zingarelli, District 4, was concerned the University had 6% of the burden. He felt the plan presented was not the only option. Rather than cutting services, all that was done this year was spend money. He said the parking meters alone with the clearing function would earn almost \$800,000 a year more money than the City was making per year which was almost enough to cover the problem. He asked if this was a utility and he had no choice but to pay it and the City was in charge of the stormwater in the City, did that mean if his house flooded it was the City's responsibility to fix it? He stated a fee has to be voluntary and directly tied to the amount of money necessary for the service it provides, so a sunset was not in order. When the money was raised and the problems were fixed the fee had to go away by law.

Martin Nicholson, greater Newark, said if the funds were raised to have the project done, the numbers were about seven years old and have not taken into consideration the 2.5% inflation rate over that seven year period. (Mr. Coleman noted the \$7.50 was last year's number). If he read it correctly there were 10,000 metered residential customers in the City. Mr. Coleman said City-only customers were somewhere between 7,500 and 8,000. Mr. Nicholson said with residential and commercial there could be about \$75,000 - \$100,000 per month in fees. He asked if there was any talk of a public oversight committee for these funds. Mr. Vitola stated Council could pass the ordinance and then approve the budget with so many stormwater projects in it and then still Council would have to approve each individual project on the floor. The Conservation Advisory Commission could be discussed as a sounding board for the projects as well.

Jeff Lawrence said this was absolutely a tax. He hoped it would be hard to tell the residents more money would be taken from them and hoped it would be hard to go to the commercial accounts as well.

Glenn Schmalhofer, District 2 and Newark landlord, wished this was fair and equitable. He paid for trash pickups and a rental permit and a \$30 charge for electric accounts to default back to the landlord. He paid almost \$12,000 a year and would now spend more for stormwater management.

Opal Palmer, District 2, was concerned with the manner in which the Council was deciding on the stormwater fees and how they do not think about the burden on the residents.

Jen Wallace, District 3, thought this was a better plan than before. She appreciated the comments about the watershed approach and not having a detailed plan about what would be done and the concerns about the noticing of changing the fees. There were flooding issues in Barksdale Estates, so she understood the need. She opposed establishing a fee and said this was part of the regular budget. She did not want new parking meters or a garage on Main Street and she wanted Council to consider this when deciding the budget. She opposed the fee.

Dave Athey, Kells Avenue, thought in general this was on the right track and a big improvement from the February workshop. He was bothered this was more of a project-based fee than a program. He had not heard about public education which he felt should be part of it. He guessed 90-95% of the \$1 million was projects. He thought about one third of the utility budgets were normally projects and the rest was a program. He would like to see a more proactive approach and some sort of document people could look at to better understand what was being proposed. If this turned out to be a project-based fee he thought it would have to be sunsetted. Regarding non-profits that typically have big parking lots (such as churches), before something is introduced he thought even with old data even if it is inflated by 10% or something just so people who have not had any sort of a fee along these lines can get this into their budget for the coming year. Mr. Coleman spoke to the mandatory sunset project based a fee directly attached to a service – the State legislative action that allowed the fee's creation allowed for funding for infrastructure and went back to his discussion earlier on proactive replacement of infrastructure there would be recurring costs such as pipes in the ground, catch basins and stormwater ponds to maintain. There would always be a requirement to maintain them. There would need to be some fee put aside every year to proactively repair and replace infrastructure.

Mr. Gifford asked Mr. Coleman to elaborate if he looked at a runoff based model or watershed model that differed from the impervious surface cover. Mr. Coleman was provided with information about runoff based on different storms. As the storm is increased there needs to be the floor in the price for everybody, not only for the shared properties but the fact that even a grass lawn generates runoff which rises as a storm gets more intense. That could be looked into but makes it more complicated because each lot has to be modeled. It could be done one of two ways – impervious and grass – but if the lot is fully wooded that is much better than a house surrounded by grass. Mr. Gifford said that is how that would affect the calculation piece but a lot was not discussed about reducing runoff. Mr. Coleman said in the initial plan they planned to have 5% set aside for grants and education and our ratio of projects to program would be a lot higher than most because people were not being charged against the utility. That was out of other funding sources. These projects could be tackled any number of ways and that was why he did not want to get into the solution. Unlike a number of larger cities, since Newark had a separate sanitary system, the financial motivator was not quite the same.

Mr. Morehead asked if we would ever switch from talking about a two-year storm or a ten-year storm to inches per minute or inches per hour. Mr. Coleman said the City was based mostly off the regulations imposed by the State. Their numbers changed recently – they used to do the water quality storm, the two year storm, the ten year storm and the hundred year storm. Now they look at it more on a volume-based approach to dealing with the entire volume of runoff leaving the site so there is a shift in terminology happening right now. Since all storms are so different it is hard to talk on a rate.

Regarding Mr. Athey's comments about education, Mr. Morehead said he would like to learn how not to have mow his lawn with ground cover that would retain water. He suggested a good education program and thought it would make sense to re-evaluate some of the City's laws, the building codes and the fee structure previously discussed to help minimize runoff. Regarding the vent stacks in homes that go to the sanitary sewers, Mr. Morehead asked if anybody did the math on how much water went into the sewer when it rained.

**5. Meeting adjourned at 8:47 p.m.**

Renee K. Bensley  
Director of Legislative Services  
City Secretary

DRAFT