

JOINT CITY COUNCIL/STORMWATER CITIZENS COMMITTEE
STUDY SESSION MINUTES

January 17, 2019

The City Council of the City of Norman, Cleveland County, State of Oklahoma, and the Stormwater Citizens Committee met in a Study Session at 5:30 p.m. in the Municipal Building Conference Room on the 17th day of January, 2019, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 24 hours prior to the beginning of the meeting.

CITY COUNCIL PRESENT:

Councilmembers Bierman, Carter, Clark, Castleberry, Hickman, Holman, Scott, Wilson, and Mayor Miller

CITY COUNCIL ABSENT:

None

STORMWATER COMMITTEE PRESENT:

Members Butler, Cabiness, Moxley, Ridgeway, Scanlon, Thompson, and Co-Chairs Nairn and Sherrer

STORMWATER COMMITTEE ABSENT:

Members Davis, Ellis, Heiple, McCaleb, McCarty, Robinson, Wilkins, and Zink

Item 1, being:

DISCUSSION REGARDING THE STORMWATER BOND PROGRAM AND A STORMWATER UTILITY.

Ms. Carrie Evenson, Stormwater Program Manager, presented two stormwater educational videos developed by Mr. Bryce Holland, Multimedia Specialist, that have been placed on YouTube. She said education begins with the questions “What is stormwater and how is it managed in the City?” She said the videos explain stormwater is water that falls from the sky whether that is in the form of rain, snow, or ice and water not absorbed into the soil goes into stormwater drains that carry the water to Lake Thunderbird, which is the City’s drinking water source. The water going into the stormwater drains also carries pollutants that include fertilizer, trash, leaf/grass debris, animal feces, automobile oil/grease, etc. The water citizens drink is cleaned through the Water Treatment Plant (WTP), but the concern is that if something is not done now, that pollution in Lake Thunderbird can become so severe the City would not have the ability to treat or clean it at the WTP. She said the current stormwater system cannot handle three to six inches of rain in 30 minutes and that cause flooding issues in homes, businesses, and schools and can wash out roads and strand motorists. Many Norman residents know first-hand just how devastating stormwater can be when it gets out of control and torrents of water are running through their yards to the extent that it acts more like a raging river. If not properly managed, stormwater can have far reaching consequences and effects to property, environment, economy, and safety.

Ms. Evenson said both videos give a great idea of how stormwater affects Norman and why a Stormwater Utility (SWU) is needed. She said two more videos are being made that deal directly with infrastructure maintenance and how the SWU would help with that.

Ms. Evenson introduced Ms. Amanda Nairn, Stormwater Citizens Committee Co-Chair, and said the Stormwater Citizens Committee has worked very hard on putting together urgent stormwater needs and SWU rate structures. Ms. Nairn said the Stormwater Citizens Committee (Committee) began meeting in May 2017 and most of the members thought it would be a two or three month process, but it is now January 2019 and the Committee is still here. She said last spring after several meetings the Committee brought forward two recommendations 1) a bond for infrastructure projects and 2) three options for SWU rate structures. The Committee felt it crucial that this be a two prong funding source with a bond for large infrastructure projects and a SWU for infrastructure maintenance/operations to address water quality issues and State mandates. The Committee realized they needed education to fully understand the situation before making recommendations on how stormwater projects should be funded and the best options to do that.

Ms. Nairn said the Committee discussed numerous ideas that included credits, fairness, equity, flat fees, tiered fees, etc. She said there have been multiple public meetings, focus group meetings, and four surveys to determine public sentiment on a flat fee versus tiered fee and whether or not the public would support a SWU. She said Norman has never undertaken such an in depth education initiative on something that would move forward to a ballot, but has not been finalized. She said the public will need a lot of education.

Mr. Anthony Francisco, Director of Finance, said there have been questions about why the City needs a SWU instead of paying for stormwater projects from the General Fund (GF), especially since the City will have more money coming into the GF if the University North Park Tax Increment Finance District (UNPTIF) is ended. He said the proposal from the Committee would raise an additional \$4 million towards stormwater expenses separate and apart from the capital projects that will be addressed through the stormwater bond proposal. In order to meet State mandates from the Environmental Protection Agency (EPA), the City needs to be spending around \$7 million annually for stormwater related issues. Currently, the GF is providing \$3 million annually on stormwater related issues so the Committee's proposal is for the GF to continue providing the \$3 million and the \$4 million gap would be provided through a SWU. He has been asked, "What if the City has \$4 million annually going into the GF from ending the UNPTIF, why not use that money for stormwater issues?" He said in 2020, revenues will exceed expenditures by \$2.5 million; however, expenditures continue to grow faster than revenues so that positive picture declines over time.

Mr. Francisco said the Public Safety Sales Tax (PSST) was approved by voters several years ago that mandated the addition of personnel, i.e. police officers, fire fighters, dispatchers, etc. The problem is that expenditures are growing faster than revenues so the PSST currently has a negative balance to the extent that under the current circumstances the PSST will go into a negative fund balance next fiscal year. Under the PSST ordinance, once all mandated capital expenditures have been completed, those operations move into the GF and while the City can continue to meet those expenditures, in five years there will be a negative fund balance. He said the problem that confronts stormwater is there is no money available in the GF to address additional stormwater concerns. He said the Committee has made the assumption the GF will continue to contribute \$3 million towards stormwater concerns, but those costs will only increase in the future. He said the GF is not going to be in a position to be a substitute for a SWU or cover the rising costs of meeting mandated stormwater capital expenditures.

Ms. Nairn introduced Mr. Ryan Orendorf, representative from Hahn Public, and said Hahn Public is a communication firm the City contracted with to help with an education and communication plan for a SWU. Mr. Orendorf commended the Committee, City Council, and Staff on all the work they have done

to date on this initiative, but said there is still more work to be done for this visionary bond package. He said one of Hahn's first recommendations for the process was for the City to follow the Bleiker Model, which is a communication model for public outreach and their area of expertise is getting difficult public projects implemented. The Bleiker Model follows patterns that succeed and the pattern being used for the City consists of four steps when talking to the public:

- There really is a serious problem that must be addressed;
- It is the City's duty to tackle it. It would be irresponsible for the City to ignore it;
- The City of Norman's approach is sensible, reasonable, and responsible; and
- The City listens and the City cares.

Mr. Orendorf said the next step needed to make this effort as successful as possible is a united show of support and community outreach and education. He said City Council, Staff, and the Committee must unite around the proposed initiatives by developing a joint statement of support, writing an open editorial in the Norman Transcript, and ensure message consistency and alignment. The City must continue efforts to inform the public about issues and the proposed solutions that include hosting open houses and ward meetings; attending existing community events and meetings; utilizing Facebook and other mediums for education; conducting local media outreach; organizing an external group of community leaders to advocate for the proposed initiatives; collecting letters of support from local opinion leaders, business leaders, environmental groups, neighborhoods, neighborhood associations, etc.; fundraising for advertising and campaign collateral; develop yard signs, mailers, ads, handouts, etc.; and leverage volunteer street teams/block walkers/callers, etc.

Hahn Public presented a sample outreach and education concept, "Vision for Norman, Our Roads, Our Water, Our Future." Mr. Orendorf said the Council needs to unite and show the citizens of Norman their community will be much improved after the bond initiatives are implemented. He said the words "for Norman" really jump out to remind citizens why the City is asking for this and the tag line "Our Roads, Our Water, Our Future" reminds citizens we are all in this together, these are all resources we share, and the City is ultimately doing this for Norman's future.

Councilmember Bierman asked Mr. Orendorf his thoughts on the City's survey results, would the City be able to win over any of the 46% that responded no they would not support a SWU? Mr. Orendorf said the most recent survey highlights the fact that the SWU will be the toughest initiative to sell. He cannot say what the ultimate outcome will be, but if the City commits to following the steps outlined earlier and really comes together as a group, public opinion could be swayed.

Councilmember Bierman asked if it is easier or more likely to convert no votes to yes votes or to simply try to convert some of the undecided and Mr. Orendorf said undecided are easier to convert.

Mr. Bill Scanlon, Stormwater Citizens Committee Member, said there are external projects the City is doing, i.e., Senior Center, NORMAN FORWARD, etc. that the public wants to see happen before addressing stormwater issues. He questioned how much of the public's focus on these projects interferes with the stormwater message and Mr. Orendorf said if Council makes a decision within the next few days about the final ballot initiatives, these initiatives get pushed to the forefront because that is what is being talked about.

Councilmember Hickman asked if Hahn Public has changed their recommendation on the SWU and Mr. Orendorf said if Council follows the steps outlined earlier and amends the utility structure to make the fees more favorable then it is worth pursuing.

Councilmember Carter said when talking about an external advocacy group, is that something beyond the scope of the City Council and Mr. Orendorf said yes. Councilmember Carter said the Council needs to have a feel for whether or not the City will have advocacy groups to reach out and raise money versus hiring a professional firm to advocate for the City. He asked what the best solution would be and Mr. Orendorf said the best case scenario is to have someone onboard who has experience doing a campaign like this; someone who is very organized and can move quickly to put this together and get it out to the community. He said ideally the City would have internal support from Staff, Council, and the Committee and have external support from an advocacy group.

Mayor Miller said with every utility election, there has been a citizen group enlisted to help promote the proposal. Councilmember Carter asked if there is a citizen group in Norman ready to conduct a campaign and Mayor Miller said she has spoken to environmental groups, church groups, the Chamber of Commerce, etc., but Council has to say which initiative they are willing to support. She said how is Council going to get complete buy-in from an external group until Council decides what rate structure they support and stand behind?

Mayor Miller said Councilmember Wilson has been advocating for Ward Five, which has a lot of rural properties with owners who are wondering why they need to be a part of this initiative. She said Ms. Evenson prepared a SWU proposal for agriculturally zoned land and will be presenting that to Council tonight.

Ms. Evenson said Councilmember Wilson requested Staff review a potential agricultural tier rate structure for A-1, General Agriculture District, and A-2, Rural Agriculture District, residential properties. She said there are 2,853 residential properties in A-1 and A-2 citywide, and after discussion with the Legal Department it was determined that a "green space" credit would more defensible than a new tier because all residential properties are assessed a base rate using the same criteria. She said all residential properties will fall under the proposed tier structure of \$3, \$6, \$9 based on their living area, but only those properties that meet credit criteria would receive a reduced rate.

Ms. Evenson said A-1 and A-2 represent 7% of the total parcels in Norman, which are approximately 40,000 parcels. When you break that down into tiers, there are 534 parcels in Tier 1, 1,284 parcels in Tier 2, and 1,035 parcels in Tier 3. If all these parcels pay the current proposed rate without the credit the total annual revenue generated is projected to be \$224,000. If a 50% credit is calculated for the parcels, the revenue generated would be reduced by \$112,000 or 1.5% of the \$7.3 million proposed SWU revenue. The proposal is to establish a green space credit at 50%, which would be an average monthly fee of \$1.50 to \$2.

Ms. Evenson said in order to receive a credit, the property must be zoned A-1 or A-2 and have a determined percentage of green space: 90 to 99% based on a ratio of first floor living areas to parcel area. She said if 90% or less is selected, 2,840 of 2,853 would qualify, if 95% or less is selected, 2,802 of 2,853 would qualify, and if 99% or more is selected, 2,582 of 2,853 would qualify. She said the application process would be similar to that of low income credits.

Councilmember Holman asked if there will be a way people can check which tier they fall under before the election and Ms. Evenson said citizens can call her and she will help them with that information.

Councilmember Hickman asked what the smallest parcel size in any of the A-1 and A-2 zones are and Ms. Evenson said one-half acre is the smallest. Councilmember Hickman said there are other properties not zoned A-1 or A-2, such as RE, Residential Estates District, that have a lot of green space so why would the City limit the credit to A-1 and A-2? Ms. Evenson said that is a good question and is something for Council to consider. Councilmember Wilson said A-1 and A-2 does not have a lot of manmade infrastructure like the smaller RE parcels.

Councilmember Carter said his fear is this credit would become complicated when citizens start trying to figure out how much green space they have. Ms. Evenson said should Council decide to implement a credit, letters would be sent to the property owners informing them they qualify for the credit and give them their green space percentage along with the application.

Councilmember Castleberry said if letters are going to be sent to property owner should they be sent out prior to the election because unless these property owners know they could qualify for a credit and how much that credit will be, they will vote no. He said if there is going to be a credit for green space, zoning should not matter.

Mr. Chris Moxley, Stormwater Citizens Committee Member, said the Committee discussed credits in their earlier meetings, but decided against that because they felt it could become too complicated and they wanted to keep it simple. He said there are multiple stormwater items citizens might believe merit a credit that includes detention ponds, rain barrels, etc. He said to start throwing in credits at this point of the discussion creates a recipe for failure.

Mayor Miller said right now the City's very best chance to address the SWU issue and ongoing stormwater costs are only going to double and triple over the next few years so while Council is not looking at a utility that will fully fund stormwater, Council has to make a decision and start somewhere. She said Council will be financially and fiscally irresponsible to not place the SWU on the ballot plus the City will lose all the hard work that has been done over that past two years.

Councilmember Castleberry said Council cannot put a band-aid on the problem and a utility needs to fully fund maintenance costs because the GF will not be able to supplement stormwater in future years so Council will be looking at asking citizens for a rate increase. Why not ask for a utility that will fully fund what is needed annually?

Councilmember Bierman left the meeting at 6:57 p.m.

Mayor Miller said Council has reviewed hundreds of rate structures over the years, but Council could never agree on a rate structure. She said there was always a group of citizens or business owners that was upset about how unfair the rate structure was for them. She fears changing the rate structure at this point would upset some of the community, especially after all the open houses where the proposed rate structure was advocated.

Councilmembers discussed various rate structures that included an agriculture credit and recognition of the proposed fee structure of \$3, \$9, and \$18 suggested by Councilmember Castleberry. Councilmember Scott

suggested a residential tiered rate structure of \$3, \$6, and \$12 and leaving the commercial rate structure as is.

Councilmember Clark left the meeting at 7:07 p.m.

Mr. Scott Martin, Chamber of Commerce Director, said in preparation of this meeting he researched records from the last stormwater election and found a resolution from the Chamber of Commerce in opposition of the last election. He said the Chamber of Commerce rarely opposes any proposal for bonds, sales tax, or utility increases from the City. He also found a letter written after the last election to Chamber of Commerce members asking for solutions they might be in favor of, but he did not find any documents that stated what those solutions might be. The only synopsis he could find was a simple rate for residential and a commercial rate that capped at \$100. He said not knowing what rate structure Council is moving towards, the Chamber of Commerce has not taken a position on the SWU. He said, personally, simpler is always easier to sell and Council formed the Stormwater Citizens Committee to come up with solutions and multiple Committee members have expressed that simpler is easier. He believes the tiered rate convolutes things and understands the City has a stormwater problem that needs a solution, but he is concerned that a tiered structure will not pass and the City will be back to square one. He said a flat rate would be easy to sell and simple to understand. He said smaller businesses have stated they believe the commercial tier rate of \$12, \$45, \$80, and \$160 is too high and suggested a commercial tiered rate of \$12, \$30, \$60, and \$90 instead. He cannot say if the Chamber of Commerce will support or oppose the proposal until Council has made a decision on an official rate structure, but the Chamber of Commerce does support a solution to stormwater.

Councilmember Hickman left the meeting at 7:27 p.m.

Ms. Mary Frances, concerned citizen, said a person with a 7,000 square foot home will not notice an \$18 fee. She said the bottom line is the City is under State mandates for Total Maximum Daily Load (TMDL) and stormwater is a big part of that so Norman needs a SWU. She said there are cities in Oklahoma that are paying the \$10,000 daily fine from the Oklahoma Department of Environmental Quality (ODEQ) because they have not met the mandates.

Councilmember Castleberry said he was told by a Ward Five resident that the City will not be fined \$10,000 per day because the City has an adopted Plan, is that true? Ms. Evenson said the \$10,000 per day per violation is the statutory maximum so that is something consider, but over and above whether or not the City is fined, ODEQ is still going to put Norman under a Consent Order that requires the City put certain things into place by a certain date. She said the ability for the City to do that at its own pace goes away and additional penalties can be applied for not meeting the Consent Order.

Councilmember Holman said commercial properties have more intense use than residential properties and cause more of the stormwater issues than residential properties so it is appropriate for commercial to pay more than residential. He is not convinced the proposed commercial tier rate structure is fairest way to charge commercial properties.

Councilmember Castleberry would like Council to take a serious look at the City's parking requirements because many times businesses do not want the number of parking spaces required and should be able to ask for a variance to reduce their parking.

Councilmember Wilson said she would not approve any SWU without an agriculture credit and Mr. Moxley asked if that credit could be 30% instead of 50% and Councilmember Wilson said she would be willing to negotiate that.

Councilmember Castleberry said he would like to release Homeowner Associations (HOAs) from liability of stormwater infrastructure maintenance and the City take ownership of that. Mayor Miller suggested Councilmember Castleberry talk to the City Attorney's Office regarding that issue.

Mayor Miller said there seems to be consensus to consider an amendment to the ordinance for an agriculture credit of 30%.

Items submitted for the record

1. Stormwater Considerations
2. Vision for Norman Strategy Recommendations presented by Hahn Public dated January 17, 2019
3. PowerPoint presentation entitled, "Discussion of Potential Green Space Credit," City of Norman City Council and Stormwater Citizen Committee Joint Meeting, Thursday, January 17, 2019

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The meeting adjourned at 8:39 p.m.

ATTEST:

City Clerk

Mayor