

CITY COUNCIL CONFERENCE MINUTES

October 23, 2018

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:00 p.m. in the Municipal Building Conference Room on the 23rd day of October, 2018, 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 48 hours prior to the beginning of the meeting.

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

ABSENT: None

Item 1, being:

DISCUSSION REGARDING STORMWATER CITIZEN COMMITTEE PUBLIC INPUT REPORT.

Mr. Andy Sherrer, Co-Chair of the Stormwater Citizens Committee, said the Stormwater Citizens Committee (Committee) was established by Council on April 25, 2017, and includes sixteen (16) members representing every Ward and four (4) Council liaisons. He said the Committee met every two weeks from May 15, 2017, to January 22, 2018.

Ms. Amanda Nairn, Co-Chair of the Stormwater Citizens Committee, said the Committee defines stormwater as including both water quality and flooding related issues. She said one of the Committee's recommendations was a \$59 million General Obligation (GO) Bond package proposed for 33 of the 60 projects identified as city-wide infrastructure projects for flood mitigation. She said there is an estimated budget need of \$7.4 million for a water quality related stormwater program with revenues proposed to come through a Stormwater Utility (SWU). The Committee also recommended the creation of implementation policies and practices.

Mr. Sherrer said the \$7.4 million will not solve all of the stormwater problems within the community, but the Committee felt this would be a reasonable level of SWU that would allow the City to accomplish much of what was needed. Ms. Nairn said that applies to the \$59 million bond as well because there are twice as many projects identified than what is being proposed for the bond.

Ms. Nairn said proposed recommendations for the utility fee will generate \$4.5 million to add to the \$3.1 million currently provided by the General Fund (GF). She said the Committee is recommending a \$6.25 flat fee for residential property owners with a 30% credit for low income customers and a tiered fee based on parcel size for non-residential. She said residential properties are defined as a developed parcel with four or less dwelling units. Non-residential properties are defined as four or more dwelling units and other property types, such as commercial or industrial. She said parcel size data was obtained from the Cleveland County Assessor and City of Norman Geographic Information System (GIS).

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Other Committee recommendations discussed include an appeals process; a Neighborhood Assistance Program; an expert communications firm to assist with communications and public education; placing both the bond package and the stormwater utility fee on the same ballot which has a strong consensus; a Citizens Oversight Committee; consideration of future additional credits or incentives; and further research by Council into a potential per unit fee for multi-family properties.

Mr. Sherrer said Alternative A proposed a \$5.00 flat fee for residential and a 4-tier rate structure for non-residential. He said Alternative A will generate \$4 million in total revenue for the utility fee to be combined with \$3.1 million provided by the GF with a 4 tier structure. He said the 30% credit for low income customers is still provided. Alternative B will generate \$4.2 million total revenue from the utility fee combined with the \$3.1 million provided by the GF with a 3-tier rate structure. The 3-tier and 4-tier rate structures are based on living area, which does not include garages, back porches, outbuildings, etc. He said the Committee supports these numbers, but rates could change.

Ms. Nairn said public activities included providing information to the community by working with a communications consultant to formulate a plan to build public engagement, outreach, and public meetings. The public was engaged in the process through six open houses, focus groups, two surveys, and a Microsite developed by Hahn Public Communications to identify and address community concerns and possible election dates.

Mr. Sherrer highlighted the first survey questions and results (prior to open houses) as follows:

- Do you think flooding in Norman is a critical safety issue or a minor safety issue? 52% said it was a minor issue, 38% said it was a critical issue, and 10% were unsure;
- The City of Norman is considering new funding proposals to pay for flood mitigation and water quality infrastructure improvements. Have you heard anything about this proposal? 76% said no; 20% said yes, and 4% were unsure;
- A citizens' committee has been formed to propose a potential bond issue and fee structure for flood mitigation and water quality projects. Does knowing that a proposal was developed by a citizens' committee make you more likely or less likely to support a potential proposal? 55% said more likely, 17% said less likely, and 28% were unsure;
- The citizens' committee has identified approximately \$59 million in potential bond projects to fund infrastructure for flood mitigation. Does knowing this make you more or less likely to support a potential bond issue? 45% said more likely, 31% said less likely, and 28% were unsure;
- The City of Norman may put a proposition on the ballot asking voters to consider a fee structure for water quality projects and ongoing maintenance across Norman. One proposal would be based on the size of a home. Residents in smaller homes would pay around \$3 per month and residents in larger homes would pay around \$9 per month. The other proposal would be a flat fee that would be about \$5 to \$6 a month for every home regardless of size. Which one of these proposals, if any, would you prefer? 44% preferred size of home, 26% preferred a flat fee, 13% preferred other, 14% preferred no fee, and 2% were unsure.

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Mr. Sherrer said on May 23rd, Hahn Public held focus groups representing the urban, rural, and business communities. The objectives were to better understand perceptions of water quality and flooding in Norman, determine perceptions of the Stormwater Citizen Committee recommendations, and gather information to be used in communication and public education efforts.

Ms. Nairn said during the focus group discussions macro themes were identified that included small town, big city dichotomy; understanding stormwater issues and the need for a solution; anxiety about the past proposal; government distrust; and the need for more information. Most groups recognized that stormwater was an issue that needed a solution and transparency and increased information regarding the details of any future proposal appeared to be the key to helping gain support for any proposal.

Ms. Nairn said messaging recommendations from Hahn Public include the following:

- Flooding
 - “Our stormwater infrastructure is over capacity and can’t sustain the demands, investing in critical stormwater projects will reduce the impact of flooding.”
- Water quality
 - “Our main source of drinking water, Lake Thunderbird, is in danger of exceeding state and federal water quality standards for pollution.”
 - “Pollutants from stormwater runoff end up in our creeks, streams, the Canadian River and Lake Thunderbird, threatening our drinking water and environment.”
- Funding
 - “Investing in critical stormwater projects will fund local infrastructure to improve our quality of life.”

Hahn Public’s communication recommendations include communicating ways stormwater improvements will help preserve Norman quality of life as it grows; distinguishing between previous and current proposals; transparency and accountability are key; flooding, drinking water and quality of life messages resonate with the community; continue seeking public preference on rate structure options and GO Bonds; and introduce Committee to residents.

In order to gather additional public input on the Committees’ funding recommendations, six open houses were held across the community from east to west. More than 186 people attended one or more of the open houses and 108 comment cards and/or post cards were submitted. Overall, open house participants were in favor of both the GO Bonds and the SWU once they had additional details on the types of projects and activities to be funded with both. A flat fee was generally preferred by a majority of participants, whether at the Committees’ preferred rate of \$6.25 per residence or at some other amount. When discussing the GF contribution to the overall stormwater funding, many participants were aware the GF may not be able to continue to fund \$3.1 million, but also wanted to make sure the SWU fee was kept as low as possible. Citizens felt transparency and education are key for both options. Some open house comments were that the Stormwater Citizen Committee was greatly appreciated; let’s get this going; good start/on the right track on this one; make sure that it is equitable and affordable; revise/enhance/change construction and development regulations to address water quality and flooding issues though the use of green infrastructure and low impact development

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techniques; incentivize the use of best practices by encouraging low impact development or providing a credit for those with a low percentage of impervious surface; consider credits for seniors and/or the disabled; and the University of Oklahoma (OU) should pay its fair share.

In the open house meetings when people were asked how likely they would be to support a GO Bond to pay for stormwater infrastructure, 54% said they were highly likely, 16% were likely, 9% were somewhat likely, 7 % said not likely, and 14% were unsure. When asked how likely they would be to support both a GO Bond and a SWU fee to reduce flooding and improve water quality, 50% said highly likely, 15% said likely, 9% said somewhat likely, 8% said not likely, and 17% were unsure. When asked which proposed utility rate seems the most reasonable 35% said the Committee's option (\$6.25 flat fee), 12% said Alternative A (\$5 flat fee), 24% said Alternative B (tiered fees), 15% said other, and 14% had no response. When asked if the proposed SWU fee should provide enough funding to cover the entire \$7.4 million of identified program needs with no funding provided by the GF 36% said yes, 36% were unsure, 20% had no response, and 8% were unsure.

Councilmember Clark said she would love to hold Ward meetings specifically about these options to get feedback from residents before Council decides what option to put on a ballot. She said the meetings will be more effective when run by the Committee because they are well versed in the proposals.

Councilmember Wilson said there are Ward 5 projects in the proposal and she appreciates how many times that was said in the open houses, how many times that was considered, and how hard it was to identify projects in all of the Wards for this proposal. She said east of 48th Avenue will not receive a lot of tangible things that core Norman will be getting and asked if there is a way to exclude east of 48th Avenue from the utility portion. Could more focus be put on the public/private partnership portion of the bond for road issues on private roads and have a dedicated piece that is road work for private roads? Ms. Nairn said private stormwater infrastructure is the idea behind the Neighborhood Assistance Program whether that is through a Homeowners Association (HOA) or one person, anyone is eligible to apply. Councilmember Wilson said roads being washed out, whether they are private or not, do cause problems in other areas and she would really like to see a component to help the older neighborhoods be brought up to standards.

Councilmember Scott said one comment was that OU should pay their fair share and asked how that would work with OU and Ms. Nairn said OU has their own MS4 Permit, which is a stormwater management permit, and must meet Oklahoma Department of Environmental Quality (ODEQ) requirements. They already maintain a significant stormwater system on their property as well as putting infrastructure in place when they build new buildings, but no one on the Committee was of the mind that OU would pay nothing; however, they want to be able to negotiate if a SWU is put into place. She said OU does pay SWU fees in Oklahoma City and Tulsa for their campuses in those cities.

Councilmember Holman attended the open house in Little Axe and there were a lot of questions about how they would benefit from a SWU fee as well as the bond. There had been suggestions that

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a maintenance crew be dedicated to the area to ensure culverts, bridges, and roads are being maintained. Ms. Carrie Evenson, Stormwater Program Manager, said the Committee talked about the limited City Staff for stormwater needs and the SWU would help fund two additional maintenance crews. She said the entire City would be divided into sections and crews are proposed to be assigned to be responsible for specific sections. She said this is the direct type of benefit Ward Five would see as well as public education, outreach, workshops, and stormwater related activities.

Councilmember Castleberry asked how realistic is it to think the GF can continue to pay \$3.1 million for stormwater and Mr. Anthony Francisco, Director of Finance, said the question would be needs relative to other things in the GF. The GF revenues are exceeded by expenditures for all things so if the City continued to spend \$3.1 million for stormwater needs and revenues continue to be exceeded by expenditures then in approximately two to three years from now, expenditures in other areas will need to be reduced to pay for stormwater needs. Councilmember Castleberry said it is not realistic to think the GF can continue to contribute \$3.1 million to stormwater without cutting expenditures in other areas. Ms. Nairn felt it was important to deliver whatever program is approved by the voters.

Councilmember Holman said the City's four existing utilities pay for themselves and are not subsidized by the GF and while he understands the SWU is needed, Council needs to consider reasons this utility should be subsidized while the other utilities are not. He said the purpose of a utility is to provide dedicated services to the customers.

Councilmember Bierman does not know if Council has a historical perspective of how well these other utilities maintained themselves when they were first established. It is not fair to compare brand new utilities with ones that have been operational with rate increases for decades. She has a feeling the GF was paying for sanitation, water, sewer, etc., before the City implemented a dedicated fee for these services. Is there historical data on how the sanitation service became a monthly fee and if those services were being subsidized? Mr. Francisco said it is unusual to have a utility that is not self-funding because the goal of a utility is identifying the full cost of providing that utility service and have the users of that utility pay the full cost of that utility. He said there are certainly cases where there are subsidies to public utilities and where the utilities are in the GF in smaller cities; however, in Norman's case, full enterprise accounting was established in 1988 and before that time all the utilities were in the GF and he would submit that the water fee was paying for more than the cost of providing the water service. He said in 1975, the citizens passed a Charter restricting utility rates being raised without a vote of the people because water utility revenues were being used to pay for police services. That is why Norman, has historically placed a very high value on identifying the cost of utilities that have been separated from the GF.

Ms. Nairn said a public opinion survey was conducted regarding transportation and stormwater possibly being on the same ballot. Mr. Sherrer highlighted survey results and said when asked if the City should address stormwater and transportation infrastructure projects separately or together as part of a greater vision, 60% said separately, 29% said together, and 10% were unsure. When asked how the City should prioritize these infrastructure needs, 34% said focus on stormwater infrastructure, 21% said focus on transportation infrastructure, 29% said focus on stormwater and transportation infrastructure together, and 16% were unsure. When asked if flooding in Norman is a

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critical safety issue, a minor safety issue, or is not a safety issue, 40% it is a critical safety issue, 50% said it is a minor safety issue, 9% said it is not a safety issue, and 1% were unsure.

Citizens were told a citizens' committee identified approximately \$59 million in suggested bond projects to fund stormwater infrastructure needs and the bond may raise property taxes by \$5.66 per month for the average Norman homeowner. When asked if this were on the ballot next year, would you vote to pass the bond, 42% said yes, 42% said no, and 17% were unsure.

Citizens were told that in addition to the suggested bond projects, the City may ask voters to consider a stormwater utility fee for water quality projects and improved maintenance across Norman. They were told that one proposal would be based on the size of a home; residents in smaller homes would pay around \$3 more a month and residents in larger homes would pay around \$9 more per month and another proposal would be a flat fee that would be about \$5 to \$6 a month for every home regardless of size. When asked which one of the proposals, if any, would they prefer, 40% said size of home, 24% said flat fee, 14% said other, 18% said no fee, and 4% were unsure. When asked if they think improving our transportation infrastructure, like roads and highways, is a critical safety issue, a minor safety issue, or not a safety issue, 50% said it is a critical safety issue, 36% said it is a minor safety issue, 12% said it was not a safety issue, and 2% were unsure.

Citizens were told the City of Norman is also considering a \$70 million bond package to fund transportation infrastructure to fund transportation infrastructure projects across the City and these projects will include roadway and intersection improvements and would keep the current property tax rate level. When asked if this were on the ballot next year, would they vote to pass this bond package, 67% said yes, 17% said no, and 17% were unsure. When asked if the stormwater and transportation propositions were on the same ballot next year to help improve the quality of life in Norman, which ones they would pass, 10% said stormwater bond and utility fee only, 2% said transportation bond only, 40% said both together, 13% said neither, and 11% were unsure.

Key takeaways from the survey were that respondents recognize flooding in Norman is an issue and something the City should focus on (63% felt the need to focus on stormwater either by itself or with transportation), more stormwater education and information is needed, and there is support for placing the stormwater and transportation initiatives on the same ballot.

Mr. Sherrer said the proposal the Committee brought forward with the original recommendations as well as the alternatives seem to be in-line with what was heard from the public. He said the Committee will move forward with whatever decision Council makes. Is the \$59.6 million GO Bond package that includes a minimum of three projects in each Ward acceptable to Council?

Councilmember Hickman has concerns about this bond package and appreciates the desire to have three projects in every Ward, but the data tells Council that citizens want critical flooding issues addressed. He thinks Council needs to be prepared to explain why the City is not going to resolve the Lahoma Avenue a/k/a "Lake Lahoma" issue when there has been repeated flooding that creates safety issues on Main Street, Gray Street, Daws Street, and Symmes Street as well as Lahoma Avenue. He said the City needs to reconsider addressing infrastructure problems that are the true needs in the community based on criteria developed in the SWMP and public safety is one of those

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critical needs. He said the Main Street Bridge Project is being repaired now because flooding caused substantial damage, which is a critical public safety issue. His main concern about the bond is that it is nice to spread things around for politics, but if data tells the City citizens want critical flooding issues addressed then Council should focus on the critical projects.

Mayor Miller said she sympathizes with Councilmember Hickman because most of the larger projects are in Ward Two and Ward Four, but if Council is going to do a citywide bond issue, Council has to consider the fact they want people from all over Norman to vote, not just a couple of Wards. She asked Mr. Shawn O'Leary, Director of Public Works, what it would cost to address flooding on Lahoma Avenue, Gray Street, Main Street, and Imhoff Road and if it could be part of the transportation bond. Mr. O'Leary said the projects in the bond proposal are the top ranked projects in each Ward, but the issue in the core area of Norman was not ranked high enough to make that final cut; however, that does not mean it is not important. The need for a solution is included in the SWMP and the real solution to this issue would be to buy several homes and remove them from the floodplain as well as create a detention basin in Andrews Park and while that seems to be a good solution, it has been poorly received by Council, citizens, and the Parks Director. His best guess cost estimate for that area would be \$5 million to \$10 million.

Councilmember Wilson said the top three projects in Ward Five east of 48th Avenue do not gain political ground for the rural community. She is concerned the City may drop really critical projects down the list and put a project in Ward Five that is not as critical at the top of the list just for the sake of saying the City is doing projects in Ward Five. Mayor Miller said the pieces important to Ward Five are the culverts and streets being damaged by flooding that stem from the many tributaries that run through that ward. She said there is flooding all along 72nd Avenue, 84th Avenue, and all around Lake Thunderbird. If citizens understood this program would help clean out those culverts and stop some of flooding then that might help get their vote.

Mr. Sherrer said nothing is firm and this is an open dialogue so the Committee is open to other options. He said the \$59.6 million is based on millage and is the maximum amount because that requires a 50% vote versus a 60% vote. Councilmember Carter said he is in favor of a bond, but would like a dollar amount to be determined along with the projects.

Councilmember Holman supports a bond in the maximum allowed to require a simple majority vote. He does agree about coming up with some other way to address Lahoma Avenue flooding. He does have some heartburn about the flat fee and even a tiered fee because under the flat fee, a majority of Ward Seven residents will pay significantly more than they would have paid under the proposal that previously failed. He will have to explain to them why they have to pay more and why someone with a home that is ten times larger than theirs is going to pay nothing more under the flat fee or even less under a tiered fee. He felt Ward Seven residents are overall willing to support the greater good of the City if that is what it takes to get it done, but they will really need to be given a good explanation.

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Councilmember Hickman would like to have time to meet with constituents for specific feedback. He does not feel there is enough time to flesh out details for an April election on stormwater and would like to move forward with the transportation bond election in February. He said in earlier meetings it was suggested the transportation bond election be held in February and stormwater in April so he would like to stay with that timetable. He feels this timeline would give Council more time to meet with constituents to see what option they prefer.

Councilmember Bierman does not want to rush stormwater. Not only does she want to obtain feedback regarding the fee structure from a Ward meeting, the City also has to come up with an education plan before a vote. She does not know if this can all be done in 60 days and it is unfortunate to realize the transportation bond needs to happen before it falls off the tax tolls, but that is what Council is dealing with. She wants to keep moving forward on stormwater, but wants to scrap any artificial timeline to give Council time to educate the public well enough to obtain a positive vote.

Councilmember Scott supports the bonds and feels there is enough information that people would support transportation and stormwater on the same ballot so there is no reason to wait and Council should move forward with a decision.

Councilmember Castleberry said Council has discussed this for two years so it is not being rushed. He supports an April election with the transportation and stormwater bonds on the same ballot and the SWU election later because it seems to be the sticking point.

Councilmember Clark supports moving forward with an April election. She said the City has been discussing stormwater solutions for a long time and it is getting ridiculous to not do something. She said the Committee has done an amazing job of putting together options and it cannot be that difficult to hold a Ward meeting to get feedback. She said the City's motto seems to be "kick the can down the road" and it is time to take action on this.

Mayor Miller supports Ward meetings being held to provide feedback to the Committee to make adjustments based on that feedback. She truly believes if transportation is voted on in February, the City cannot turn around and ask for a stormwater bond issue in April. She said these bond items should be on the April ballot together or Council has basically opted to push stormwater off to August or September of 2019.

Councilmember Holman said the stormwater bond and SWU should go together.

Items submitted for the record

1. PowerPoint presentation entitled, "City of Norman Stormwater Citizen Committee Public Input Report," dated October 23, 2018
2. City of Norman Stormwater Citizen Committee Public Input Summary Report dated October 23, 2018
3. Hahn Public Community Survey Overview dated October 23, 2018

Item 2, being:

CONTINUED DISCUSSION REGARDING POSSIBLE ELECTION DATES FOR THE
TRANSPORTATION BOND PROGRAM AND/OR STORMWATER PROJECTS.

Due to time constraints, Item 2 was not discussed in its entirety; although some dates were discussed
in the prior discussion.

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The meeting was adjourned at 6:27 p.m.

ATTEST:

City Clerk

Mayor