

SPECIAL MEETING CITY COUNCIL

January 27, 2022

The City Council of the City of Albemarle met in a special session focusing on stormwater management plan development on Thursday, January 27th at 4:00 p.m. at EE Waddell Community Center at 612 Wall Street in Albemarle. Mayor Ronnie Michael and the following Councilmembers were present, to-wit: Mayor Pro Tem Martha Sue Hall and Councilmembers Martha E. Hughes, Dexter Townsend, Christopher Whitley, and Benton Dry. Absent: Councilmembers Bill Aldridge and Shirley D. Lowder.

Also present were the following City of Albemarle staff:

- Michael J. Ferris – City Manager
- Britt A. Burch – City Attorney
- Cindy Stone – Clerk/Assistant to the City Manager
- David Fath – Public Information Officer
- Ross Holshouser – Public Works Department Director
- Chief T. Pierre Brewton – Fire Department
- Jacob Weavil – Finance Department Director
- Kimber Hurlocker – Assistant Finance Department Director
- Dana Chaney – Human Resources Department Director
- Owen Squires – Information Systems Department Director
- Lisa Kiser – Parks and Recreation Department Director
- Kevin Robinson – Planning and Development Services Director
- Chief Jason Bollhorst – Police Department
- Dan Worl – Public Utilities Department Director

Facilitating the session or presenting were:

- Tom Murray – WK Dickson
- Inga Kennedy – WK Dickson
- Keith Readling – Raftelis
- Katie Cromwell - Raftelis

The Mayor called the meeting to order.

Introduction and Meeting Overview

Public Works Director Ross Holshouser welcomed everyone and introduced the consultant team.

Mr. Murray facilitated a presentation of the overall stormwater management plan concept. He began by outlining what would be covered at the meeting: the stormwater management plan project timeline; an update of the public outreach efforts completed so far and the feedback the consultants have collected; program recommendations; the cost of stormwater management services; the proposed rate base and customer impacts; and next steps.

The consultant team is expecting, contingent on Council action tonight approving the plan to allow it to be configured as part of the FY 2022-23 budget, to be able to roll out potential stormwater collection fee for the program as early as summer 2022 after the budget is approved. They are also expecting to have the Melchor Branch Watershed Plan completed by the end of 2022.

Update: Public Outreach

Ms. Kennedy presented an overview of public outreach efforts in the community from last summer to present. She noted that from the stormwater survey distributed in 2021, over 50% of respondents experienced flooding on their properties, and more than 70% experience flooding more than once a year. The distribution of flooding issues was throughout the City, and mainly was caused from drainage issues and streams. The survey response rate was clustered primarily in the eastern portion of the City. Digitizing floodprone areas of the City is ongoing. Next steps in the public outreach process are: public forums and Q&A sessions; production and release of an educational video; Frequently Asked Questions development; an updated fact sheet; updates to the City designated stormwater webpage; social media posts; and event participation.

Ms. Kennedy took questions from Council. How many total surveys were completed? A total of 150 surveys were completed either online or a paper. Over 1,000 fact sheets were distributed at a variety of City-sponsored events since summer 2021.

Program Recommendations

Mr. Murray noted that the following areas would be the different segments of the proposed stormwater management plan for the City: program management/programmatic; operation and maintenance; reserves and overhead allocation; contracted services; and capital improvement. He then described each program segment by defining what program elements fell under that area, the revenue allocation per the overall proposed stormwater management program budget, any personnel needs (existing and additional), and revenue requirements.

Program Management/Programmatic:

- Revenue Allocation: 16% of overall budget
- Program elements: administration; new development plan review, inspection, and enforcement; water quality compliance (federal and state); floodplain regulation; and citizen complaint/information request response
- Personnel: 3.5 additional FTE (full-time employees) and .65 existing FTEs
- Estimated annual revenue requirement: \$350,000

Mr. Murray took questions from Council and City staff. For the FTEs recommended here how many are for Finance? That personnel requirement would be part of the Reserves segment of the program. Will there be a utility specialist job? Yes there will be to address 2 things related to billing: billing and explaining billing as well as correcting fees assigned to properties. Raftelis shadowed the Public Utilities collection team for a month and found that they are short-staffed and therefore not capable of taking on stormwater fee collection/customer service. A dedicated FTE would be needed to handle the billing portion of the program.

Operations and Maintenance:

- Revenue Allocation: 33% of overall budget
- Program elements: open system (streams and ditches for street or utility right of way access), closed systems (clean catch basins and flush pipes), minor repairs to catch basins and pipes, street sweeping, and private drainage system assistance (when runoff is sourced through public property)
- Personnel: 5 new FTEs and 1 existing FTE
- Estimated annual revenue requirement: (cost of materials added in) \$710,000

Reserves/Overhead Allocation:

- Revenue Allocation: 7% of overall budget
- Program elements: overhead allocation to support City services required for implementation and operation of an enterprise fund; reserves for emergencies associated with infrastructure failures
- Personnel: None
- Estimated annual revenue requirement: \$160,000

Mr. Murray took questions from Council and City staff. City Manager Michael J. Ferris asked whether reserves would be a “bulk” allocation or dispersed among departments. It would be an overhead allocation to in part build up reserves.

Contracted Services:

- Revenue Allocation: 19% of overall budget
- Program elements: infrastructure mapping; watershed planning; capital planning; design; permitting; funding assistance bidding; construction administration support
- Personnel: None
- Estimated annual revenue requirement: \$400,000

Mr. Murray took questions from Council and City staff. Why was Melchor Branch chosen for the first watershed to map? The consultant team chose that watershed because it was appropriate for a pilot study and was almost completely contained within City limits so it can be controlled more. It

will be completed early enough in the program to point to it as an output when residents ask where their stormwater fees are being allocated.

Is there a benefit for “up front” time and effort rather than 4-5 years out if there is funding available to go after? There are different ways to prioritize projects, but if the City shows how they are planning moving forward to project implementation phase, it would be better to go after funding up front because it is easier to access funding streams. Also it takes time to build up reserves.

The group had a side discussion about changing flooding flashpoints through the Melchor Branch system rather than using other efforts. The rationale to stormwater management is to address the downstream impact when correcting flooding.

Capital Improvements:

- Revenue Allocation: 25% of overall budget
- Program elements: culvert/bridge replacement; closed system upgrades; stream restoration; detention; floodplain improvements
- Personnel: None
- Estimated annual revenue requirement: \$540,000

Cost of Service

Mr. Murray summarized the total cost of the program to be \$2.16 million.

Rate Base and Customer Impacts

Mr. Readling presented this segment of the program to the group. He first explained how the base unit to calculate stormwater fees, called an Equivalent Residential Unit (ERU) is defined and calculated. Based on a random sample of 400 properties in the City, the contractor team came up with a median impervious surface measurement of 3,270 square feet which would equal 1 ERU as the base rate. The team is recommending a simplified rate structure, with single family residences receiving a single flat rate. The team computed a 5-year average rate of \$10 assuming a 95% collection rate.

The consultants and Mr. Holshouser co-presented a discussion with the group about whether the loose leaf collection service (currently a service which is rolled into the monthly fee collected by the City for the WM contract) should be kept as a solid waste disposal fee collected by Public Utilities or should be moved under the stormwater management fund. There would be a calculated reduction of \$3.25 per residence on the utility bill if it was put under the stormwater management program. Overall the difference in rate charged to an average customer would be an \$8.50 increase versus a \$10 increase. There was discussion over how residents and businesses might view charges on their bill.

Mr. Readling then showed the group comparisons in the base rate for a residence, government, local business, large retail store, and medical facility, and multi-family unit. There were questions and discussion around how a multi-family unit would be charged depending on the electric and water meter hook up. The contractors noted that the charge would either go to a master water

heater, or to separate electric meters. There could be alternate electric and water meter readings to set a bill, but in this type of structure they recommend that the City get input from renter/s. It is a requirement to obtain feedback in order to develop a flex rate.

The Mayor asked if stormwater taxes/fees could be set up in a fee-in-lieu like curb and gutter. Yes it could be set up as part of reserves or capital improvement budgets.

There was discussion about how fees would be charged if there was no utilities in a structure, or there was no utility account. That would need to be addressed ahead of time.

A discussion about the City's public housing communities would be impacted by this program and fees occurred. The City typically requires master water meters in both complexes. Would Public Housing residents have higher rent as a result? That would be something to address in the future.

There was a side discussion about updating surface area maps. The consultants recommended how the updates should occur and a timeframe of annual updates.

Next Steps

Mr. Murray noted that currently the consultant team is:

- Finalizing the billing data, matching utility accounts to parcel owners to help guide the budgeting process; and
- Working through the Melchor Branch watershed study.

He opened the floor for any other questions Council might have. Will Public Works start hiring personnel for the program, and if so when? Mr. Holshouser replied that the budget is starting to be built now, and so it depends on if Council approves the plan and structure first. His strategy would be to work with HR to hire the additional personnel in late summer/fall of this year. He noted though that not all full-time employees would need to be hired in Year 1 of the program.

What is going to be done in the first year of the program implementation? Show the results of the Melchor Branch watershed study as an output of the program.

Mayor Pro Tem Hall received clarification that Council was being expected to make a decision tonight on whether they approve of the stormwater management plan in order for City staff and the consultant team to move forward with including the program into the budget process.

Mayor Pro Tem Hall made a motion to approve the stormwater management plan as presented by the consultant team, and authorize City staff to include the plan, along with the anticipated rates and fees, in the FY 2022-23 budget. Councilmember Dry seconded the motion. The Mayor asked if there were any further comments from Council before the vote.

Councilmember Townsend noted that Council might need more time for discussion because he didn't want to tie the program elements into the fee structure tonight. Mr. Murray replied

that that calculation would not be needed tonight, in that of the components needed to be set aside the programmatic one would take precedence.

Councilmember Townsend also was concerned about the potential effect this program would have on Public Housing residents. The consultants agreed the City would need to be able to answer their questions.

There also was discussion of whether to add in the loose leaf collection service as part of the stormwater management plan, as there is an overall budget difference of \$2.1 million without that component, and \$2.4 million with it.

There was discussion about when large ratepayers would be notified. The consultants and Mr. Holshouser noted that they have already started conversations and mailed out fact sheets to the County and churches.

Council also inquired whether the consultants would consider holding an earlier public hearing before the FY 22-23 budget public hearing. Ms. Kennedy replied that the team can schedule out large venues and educational events ahead of the budget public hearing. Then Council asked if a public hearing was required to initiate a new utility. Mr. Holshouser replied that he has sent an inquiry to UNC School of Government about this question. Upon further discussion among Council and the consultants, it was thought to be a good practice to hold 2 separate public hearings for the stormwater management plan program and the budget.

The Mayor noted the motion on the floor. Mayor Pro Tem Hall amended her motion to include the loose leaf collection service as being part of the stormwater management plan and program. Councilmember Dry seconded the motion. Upon a unanimous vote the motion was carried, and Council approved the stormwater management plan including the loose collection service as presented by the consultant team, and authorized City staff to include the plan, along with the anticipated rates and fees, in the FY 2022-23 budget.

Upon a motion by Councilmember Dry, seconded by Councilmember Hughes, unanimously carried, the meeting was adjourned to February 7, 2022 at 6:30 pm in in Council Chambers at City Hall.