

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager ^{MEM}
SESSION DATE: July 19, 2010
TIME: 4:30 p.m.
PLACE: Second Floor Conference Room

We will meet in the second floor conference room of City Hall. We will need to adjourn the Study Session to attend the City Council meeting at 6:00 pm.

AGENDA:

- Stormwater Update
- Newsletter

STORMWATER UPDATE

We continue to make progress toward the completion of a stormwater management plan and eventual stormwater projects. The City closed on the stormwater bonds on July 1. These funds have been placed in an account giving the City the ability to begin spending the \$2.274 million authorized by the voters in April.

Stormwater Utility Charge

Now that we have these funds, there is an expectation that the City will begin making payments to repay the bonds with the first payment on the bonds is due in January 2011. Prior to the election, it was stated that the stormwater fee would not be implemented until an expense was incurred. With the acceptance of the bonds, we now have a debt obligation to repay. On Monday evening's agenda there is an ordinance that establishes the stormwater charge. The approval of this ordinance will give us the time we need to implement the fee starting with the August utility bill. This deadline is also important to allow for the collection of sufficient funds to pay the first debt service payment.

The original estimate provided a fee of \$2.25. We have worked on the calculations and believe that the fee can be reduced by .05 cents to \$2.20 per month per city water or sewer connection.

The presented ordinance includes definitions, fees for the utility, billing practices, stormwater development fees for all new construction, and exclusions for dedicated public rights-of-way. The development fee again is for new construction. The current permit fee only covers the cost of the inspection process. The development fee is a simple calculation. A person who wishes to build a new home with 2,000 square feet of covered ground would pay an additional \$120 for their permit. The fee is based upon

how much service area the development is eliminating from the lands available drainage way. The single family – duplex fee would not include driveways, while the square footage for commercial and other residential would include the driveways and parking lots due to the greater impact on drainage.

Because we are creating a stormwater utility there will be additional language presented at a future City Council meeting for Council consideration. That is why the ordinance includes several named sections with no additional information.

Evaluation Criteria

Early on we identified 8 problem areas within the city limits. Using the available funds if we divided it up, we estimated that we could spend about \$275,000 in each area. Bartlett & West has been working for the city since mid-June. They have walked the areas, visited in backyards with residents and hosted one open house. They are receiving a lot of comments and feedback.

Because we have limited funds with through the bonds, we need to determine the criteria that will be used to place one project above another. Bartlett & West developed 10 categories and percentages for each that they believe to be acceptable criteria. Before using this criteria and weighting, we wanted to visit with the City Council to determine if the City Council was in agreement or if you had other factors you wanted considered. Since the stormwater plan is taking us into uncharted waters, addressing storm drainage on private property, one comment was whether the property owner's ability to pay should be a factor.

At the open house, one resident asked how the City was going to fund all of the projects, since we only had \$2.274 million. At this point, the answer is by establishing priorities and utilizing the \$50,000 set aside each year from the capital improvement sales tax for storm drainage, the use of the transportation sales tax to address storm drainage issues within the city streets and roadways, working with the Missouri Department of Transportation and possible grants.

Included with this Study Session cover is a staff report from Public Works Director John Buckwalter that outlines the criteria established by Bartlett & West.

Recommended Action: It is recommended that the City Council review the proposed stormwater utility charge, and review the priority criteria presented by Bartlett & West and determine if these categories are acceptable or if there should be other factors for consideration.

Attachments

- Staff Report Stormwater Utility Financing
- Staff Report Stormwater Project Evaluation Criteria

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Stormwater Utility Financing

STUDY SESSION MEETING DATE: July 19, 2010

CITY DEPARTMENT: Finance

PREPARED BY: Laura Guy, Finance Director

Missouri enacted the omnibus economic development bill that included programs funded under the federal American Recovery and Reinvestment Act of 2009 (ARRA). ARRA created new bond program opportunities available for cities and counties. The County of Adair was an allocation designee for these bonds. City staff made a presentation to the County requesting their share of the allocation be designated to the City for stormwater drainage improvements. The County of Adair reallocated their \$2.274 million of Recovery Zone Economic Development Bonds to the City of Kirksville for implementation of such a project. Issuance of this debt was approved by voters in April 2010 with repayment from stormwater utility charges.

These bonds were sold in June 2010 with the City having already incurred project costs to date. Imposition of the stormwater utility charge is recommended to commence with the August 2010 regular billing cycle to enable the City to pay the first debt service payment in January 2011.

It was originally estimated that a monthly charge of \$2.25 per household would be necessary to initially cover debt service. After the sale of the bonds, it has been calculated that \$2.20 per month per City water or sewer service connection will be sufficient to cover debt service. If the number of customers connected to City water or sewer decreases to the extent that debt service will not be adequately covered, then this initial rate will be revisited. The City is under the requirement that net revenues from the stormwater utility charge be 110% of debt service requirements for each fiscal year.

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Stormwater Management Plan Project Evaluation Criteria

STUDY SESSION MEETING DATE: July 19, 2010

CITY DEPARTMENT: Public Works

PREPARED BY: John R. Buckwalter, PE, Public Works Director

The City's consultant for development of our Stormwater Management Plan, Bartlett and West, has prepared a project evaluation matrix to assist staff and council in prioritizing projects for construction using the stormwater bond proceeds. This matrix can be expanded to address stormwater projects funded from all sources. Bartlett and West has proposed ten evaluation criteria, weighted to total 100%. They and staff would like Council's feedback on the proposed criteria, weighting, and other criteria Council may wish to be considered. Bartlett and West will use the input from the two open house presentations and Council's input from the Study Session to refine the matrix, and will present results and recommendations to Council on August 2.

The 10 proposed criteria and weight are:

PROPERTIES FLOODING-10%: Evaluated on a ranking of 5-1, with 5 the most advantageous or "highest" rank based on how many properties are flooding.

FREQUENCY OF OCCURRENCE-10%: Ranked 5-1, with the most frequent flooding ranked 5. This is evaluated largely on the return period of the storm which results in flooding, whether that is the 1-year or annual storm, 10 year storm, 25 year storm, 100 year storm, and so on.

SEVERITY OF IMPACTS-25%: Ranked 5-1 with 5 scored for the areas most severely impacted. This factor considers the extent of damage, loss of use, etc.

PROJECT'S BENEFIT-10%: What is the benefit of the improvement, in terms of dollars, safety, and quality of life? 5 is scored for the most beneficial projects

CONCEPTUAL COST-15%: Ranked 5-1 with the least expensive projects ranked 5. Ranking is based on the estimated cost of the conceptual solution prepared by Bartlett and West.

CONSTRUCTABILITY-10%: Ranked 5-1 with the most easily constructed projects ranked 5. Less technically challenging projects rank higher, and typically cost less to construct.

EASEMENTS-RIGHTS OF WAY-3%: Ranked 5-1 with projects for which no additional right of way or easement required ranked 5. The more property required for the project and the higher the potential cost of obtaining those property rights, the lower the rank.

LAND OWNER SUPPORT-8%: Ranked 5-1 based on support by affected property owners/tenants. Feedback at open houses as well as field visits will influence this evaluation.

UTILITY IMPACTS-3%: Ranked 5-1 with those projects having no impact on other public utilities ranked 5. This criterion considers the impact of proposed improvements on other public utilities in the project area, including water, sanitary sewer, electric, natural gas, and telecommunications.

ROAD CONDITION-6%: Ranked 5-1 with those projects involving a street in poor condition ranked highest. This criterion weights streets which have been damaged by storm water deficiencies as well as those streets which are in poor condition and will have to be repaired in the near future for any reason.

Council may wish to propose other criteria, and to recommend adjustment of the weights assigned to any of the ranking factors.