

City of Champaign, Illinois
Minutes of Meeting

Stormwater Utility Fee Advisory & Technical Committees Meeting

December 13, 2010

Advisory Committee Members Present: Donald Agin, Charles Allen, Eliana Brown, Clif Carey, Steve Cochran, James Creighton, Karen Foster, Jim Jesso, Vic McIntosh

Advisory Committee Members Absent: Jim Bustard, Chris Hamelburg, Jim Spencer, David Tomlinson, Anna Maria Watkin

Technical Committee Members Present: Shawn Luesse, Leslie Lundy, Lorrie Pearson, Andrew Proctor

Technical Committee Members Absent: Mark Toalson

City Staff Present: Dennis Schmidt, Richard Schnuer, Roland White, Jamie Vermillion

Consultants Present: Greg Kacvinsky – Foth Infrastructure & Environmental

Call to Order

The meeting was called to order at 4:03 p.m.

Minutes

The minutes from November 8, 2010 were approved.

Member Inquiries

None.

Champaign's Existing Stormwater Management Program (Part 2)

Richard Schnuer, Finance Director, made a presentation describing the existing revenue sources for the Stormwater Management Program.

Carey asked if the General Fund Transfer is equal to the costs of the storm sewer sump pump connection program and the storm sewer rehab program. Additionally, he asked if there is a list of projects that need to be completed in the two aforementioned programs. Schnuer explained that there is no longer a one to one relationship between the General Fund Transfer and the cost of the projects to be completed. The General Fund Transfer increases annually based upon the inflation figure used in the annual Capital Improvement Plan update and currently the transfer amount is less than the cost of the projects. Schmidt indicated there is a backlog of projects in the sump pump connection and storm sewer rehab programs.

Foster asked if the Build America Bond program were to end in December 2010, would the City continue to receive the subsidy through the length of the City's 2010 bond issue. Schnuer stated the City would still receive the subsidy.

Creighton asked if the Build America Bond program is extended, would the City continue to apply for the bonds. Schnuer explained that he would recommend using the Build America Bond program to the extent to which the City were to issue more bonds, which is somewhat limited in the near future due to concerns with the City's debt capacity.

Jesso asked how Schnuer determines whether the City can take on additional debt. Schnuer explained that he looks at a variety of factors with the most important being the City's cash flow (how much money the City is generating and how much the City wants to spend). Schnuer explained that the City does not have sufficient revenue to issue another \$10 million in bonds if debt service were to be paid with resources of the Stormwater Management Fund, as all resources of that Fund were depleted when the last bonds were issued.

Cochran asked if the bonds always go to 20-year maturity. Schnuer explained that the City generally issues bonds with a final maturity of 20 years, but not always. Also, the City "called" two bond issues (the 1997 and 1998 bonds) last year because the interest rate being paid was higher than current market rates. The City refinanced those bond issues, similar to refinancing a mortgage note. Cochran followed up by asking if the City considers a call only when it would save a certain percentage. Schnuer indicated that the City does not use a rule of thumb, and that the savings in dollars is more important to him than the savings in percentages when considering a bond call.

Creighton asked if funds will become available when the Lamar Project and Healey Street Detention Basin are paid off. Schnuer indicated that despite the debt reduction, the money was dedicated to other projects funded by the 2010 bond issue, so no additional funding will be available.

Jesso asked if \$700,000 was the amount saved in the 2009 bond calling. Schnuer indicated that \$6-\$7 million of outstanding debt was retired resulting in \$700,000 in savings in the next seven years.

Schmidt asked which projects the 2010 bond issuance financed. Schnuer indicated the bonds financed Boneyard Creek 2nd Street Reach, the John Street Storm Sewer and the Washington Street East Storm Sewer Project. These bonds also freed up money for the engineering study for Washington Street West and for property acquisition.

Stormwater Utility Fee

Schmidt gave a presentation introducing the fundamentals of a stormwater utility fee.

Foster asked if the impervious area on all multi-family residences will be individually measured. Schmidt indicated that the City plans on measuring all multi-family residential properties.

Jesso asked if they will go out and physically measure the impervious area on all properties in the City. Schmidt indicated that aerial photography, GIS and field verification will be utilized to measure impervious area.

Creighton asked if City-owned properties such as the Public Works building will pay a stormwater utility fee. Schmidt indicated that if the City of Champaign follows the practice of other communities, the City will be billed for City-owned properties.

Foster asked if developed properties that have already paid a fee in the price of their lot for drainage will be required to pay the stormwater utility fee (in effect being charged twice). Schmidt indicated that a decision on this situation has not been made and the topic will be discussed further with the Advisory Committee at a future meeting.

Brown asked if any communities that already have a stormwater utility fee have a combined sanitary/storm sewer system. Schmidt will follow up on this question and provide an answer at the January meeting.

Creighton asked if there is a benefit in considering a stormwater utility a tax versus a fee. If the utility is considered a fee, the revenue generated would be allocated only to stormwater. A tax could be dispensed anywhere.

Agin, asked if the dollars currently funding the stormwater program (sales tax, property tax, etc.) could be directed somewhere else if a fee is adopted. Schmidt responded that the current revenue sources could be directed elsewhere.

Survey Form Results – Existing Expenditures

Schmidt reported the results of the Existing (Budgeted) Expenditures Survey completed by committee members.

Public Participation

There were no questions or comments made by the public.

Next Meeting

McIntosh announced the next meeting will be held January 10, 2011 at 4 p.m.

Adjourn

The meeting was adjourned at 5:43 p.m.