



Allentown

435 Hamilton Street
Allentown, Pa. 18101

Minutes - Final

City Council

Wednesday, September 13, 2017

6:00 PM

Council Chambers

Call to Order: Council Vice President Hendricks

Roll Call

Present: 5 - Daryl Hendricks, Roger MacLean, David McGuire, Julio Guridy, and Cynthia Mota

Excused: 2 - Ray O'Connell, and Candida Affa

Discussion: Stormwater Management Program

Mr. Daryl Hendricks stated that tonight we are here for a Committee of the Whole meeting to discuss stormwater management.

Mr. Craig Messinger stated that they are discussing an ongoing process of what we are doing with the stormwater. At our last budget, we discussed a consultant to assist of with our storm water permit. It will be changing drastically from what we had. Right now, we are currently negotiating our Phase I Permit from back in 2004. We are a Phase I MS Permit. We have a separate stormwater system. We have a stormwater system \$480 million worth of structure. We have about \$70 million worth of backlog projects. That needs to be done throughout the city. We have federal and state goals that we need to meet.

Mr. Daryl Hendricks stated that this is an unfunded mandate and left with little choice to find a way to fund it.

Ms. Elizabeth Treadway, Amec Foster Wheeler, thanked Council for allowing her to come out and share the information on the work they have been doing. Their charge was based on principles ensuring that the revenues that are needed in order to address the problems that equity was a key principle. We don't deal with stormwater today as we used to. With federal regulations and programs such as Allentown you are required to deal with the quality of the stormwater as it is discharged. You have an extensive collection of assets that need to be maintained, protected and the quality of life in Allentown. The AO in place for collection system. We are concerned tonight with the drainage that is a separate permit and separate issue. This is the kind of thing we are trying to avoid of why the EPA and stormwater is protected. You must manage and protect the

system. You have management issues for this system. This is Allentown, and you have heavy rain events. This is every day and every month that you are challenged to deal with. The system needs care and attention. She talked about the assets from a replacement cost and estimated it in a conservative way that it is about \$480 million worth of assets. It requires maintenance and water quality standards. You have a very old system. You are susceptible to a pipe collapse. This list of improved are growing all the time. You want to ensure you have appropriate engineering and analysis done. Two types of property we don't suggest you charge. They are transportation related - public roadway network and tracks for roadway bales. She stated that they are projecting that they bond in year four or five. The residential impact is \$20 per billing unit. Fifty percent of all your single family residential properties will pay \$60 or less yearly. Seventy-five percent will pay \$100 or less. There are properties that are going to pay a significant fee. She showed a high school that has a significant amount of imperious areas. That bill for that property is \$13,360. The arena downtown is composed of three separate parcels. It's annual bill would be about \$8,400 a year. You have about 12,000 - 26,000 parcels that are paying \$500 or less annually. Fifty-three parcels that would be paying more than \$10,000 a year. She gave samples around the state that are currently implementing or have in place fees for stormwater. She is recommending two additional positions that are focused on mandates and appropriate reserves for bonding projects. The incentive and credits, they were able to work with representatives in your community. The value they said back to us that promoting voluntary engagement in protecting quality and quantity controls. Tackle worst case fist. No undue burden to Mr. Messinger and his staff. The cost of administrative will not be a return on investment. Who would be eligible is any stormwater facility that is quantity or quality, built voluntarily or a condition of development. This is not a giveaway program. The incentives are where the credits are a reduction of a user fee. They work with community engagement that would allow implementation. She stated that Amec Foster Wheeler completed an assessment of the city's services and the associated costs. They looked at gaps and performance needs and developed a future program for a 10 year implementation cycle. We have the financial forecast that we are discussing with Mr. Messinger and the next steps is to get our study findings out.

Mr. Daryl Hendricks thanked Ms. Treadway and stated that it was very interesting. You met with significant stakeholders in the city and talked about what they will be able to do to bypass or get those credits.

Mr. Roger MacLean stated that we settled on the \$20 billing unit and it will be a separate fee or account. How will it correspond to any decrease from the general fund?

Mr. Craig Messinger stated he is not aware. It would have to be a question for Finance.

Mr. Julio Guridy stated that he thinks that if anything because it will be a separate fund what may have to happen is that we float a bond and borrow money if we need it and repay it and do a transfer.

Mr. Craig Messinger stated that it is an Enterprise Fund in itself. There is no borrowing requested for it. Borrowing will not be until Year 4 or 5. There will be no borrowing in the beginning.

Mr. Daryl Hendricks stated that some of the rules and regulations won't be immediately implemented. Is that correct?

Mr. Craig Messinger stated that we are still negotiating the permit.

Mr. Julio Guridy stated that we really haven't set anything yet. Your proposal for \$20 is up in the air. A lot of the properties that have the more impervious units are usually nonprofits like the hospitals, counties and schools.

Ms. Elizabeth Treadway stated that in this case we are recommending to you that everyone pays, including the City of Allentown.

Ms. Cynthia Mota asked if this goes through would it be in 2018. The bigger the property, the more they have to pay.

Ms. Elizabeth Treadway stated yes, we recommend it will be implemented in January 2018. The more the impervious area, the more they have to pay. You have large parcels that have a lot of green open space. It is not the bigger the parcels. It is the more impervious parcel the more you pay.

Mr. Daryl Hendricks stated that the plan is to bill this the same time the 2018 city property tax goes out.

Ms. Elizabeth Treadway stated that is correct.

Mr. Roger MacLean stated that this fee per billing unit is based on all the properties that are being built as well as the amount of money to comply with this mandate.

Ms. Elizabeth Treadway stated that it is taking the amount of the impervious area, divided by 500 square feet, divided in to the amount of revenue needed to address your program of services.

Ms. Cynthia Mota asked if they can pay by increments. Do they have to pay it right a way?

Ms. Elizabeth Treadway stated that working with Revenue, it will follow the same procedures for any other collected revenue.

Dr. David McGuire stated that there will be a lot more information coming out. This is a fee, not a tax. The money goes in to an Enterprise Fund. The beauty of that is that we are building a better place. That money cannot be borrow from any other branch in the city government to use for its purposes. We are building up a large fund and that fund could meet larger expenses for a bond. The problem is the rainfall and where does it go. He commended the city staff and its consultant for the previous good work that they have done to meet with City Council and various committees.

Mr. Craig Messinger stated stormwater utility fund costs only. We can show that the actual fund is capable of supplying the repayment of the bond. We need to show that it is a stable fund prior to doing any borrowing. He stated that the staff behind him was very intimately involved with all of this. It took a whole community.

Mr. Daryl Hendricks thanked Dr. McGuire and stated that he had some points himself. He stated that he remembers when we had to start paying for water. Those other municipalities that do have use fees also. How do they compare to the ones we are proposing. Where do we rank amongst the list?

Ms. Elizabeth Treadway stated that it is a value to put all their rates up there, but unfortunately, everyone is calculating differently and we would spend a lot of time explaining why one number is X and one number is Y. They are working on the same principals on user fees. She stated that she would like to supply the information. She would like to provide more detail on how it is established because it is unique to the communities needs.

Mr. Daryl Hendricks asked if any of his colleagues had a follow up question. He asked if there were any questions from the public.

Mr. Lou Hershman, 405 N. Gilmore Street, stated that Mr. MacLean mentioned a mandate to meet all the requirements of stormwater in Allentown. Who told us? Is this a requirement of the federal government or the state government? He stated that he did not see the cities of Easton or Bethlehem.

Mr. Daryl Hendricks stated that we were told by the consultants and Mr. Messinger. He stated that it is only cities of 100,000 or more that has a

separate stormwater versus sanitary sewer system. Ms. Elizabeth Treadway stated that it was established by the federal government in 1990, under the Clean Water Act.

Mr. Craig Messinger stated that Easton was on that list. We are Phase I. Everyone else is Phase II. There are going to be new permit requirements and you will see everyone popping up with this. They have a defined permit and a negotiated one with a lot more stringent responsibilities with it. We are trying to be more proactive with it. You are going to see every municipalities and townships.

Ms. Elizabeth Treadway stated that the city has a permit now and it is being renewed. The new permit is so much more complexed. You have over 1100 permittees in the state of Pennsylvania that have to comply.

Mr. Glenn Hunsicker, 844 S. 11th Street, asked what projects they are going to do that's different from what our taxes pay for now. This is just a conversion to a new Enterprise Fund to pay for stormwater. How much money the city spend on their storm services on a yearly basis? Did you put liners in the storm sewer.

Mr. Craig Messinger stated that it is not necessary a conversion. It is an enhancement that we are going to be providing to follow our federal permit. He stated about \$2 - \$2.5 million. He stated no.

Ms. Elizabeth Treadway stated one example is your responsibility of inspecting and overseeing all privately operated stormwater facilities. They have to be inspected, enforced, and additional inspectors and costs. An underground retention, green roof, bioswale, and dry retention facility.

Mr. Tom Hahn, 2016 E. Highland Street, stated that because one of the streets is in our neighborhoods and we have one of the highest water tables in the city and we are required to put sump pumps in so the basements won't flood. The green patches were protecting us and the city made developments for industries. We don't want the highways to come in. We are defeating this program for another program that makes it worse. How are you going to handle that?

Mr. Daryl Hendricks stated that if you did not have American Parkway you would not be here tonight.

Mr. Tom Hahn asked how do we go about protecting.

Mr. Daryl Hendricks stated that a good comparison is the area of Houston and what happened with all the subdivisions they built.

Mr. Roger MacLean stated that if you ripped out your driveway, you would probably save \$20 per year. If it is not impervious, then it is less.

Mr. Tom Hahn stated that he cannot park his car on the grass. The city has an ordinance.

Mr. Roger MacLean stated that you can park your car on the street.

Ms. Barbara Redmond - Allentown NAACP, asked if the city was paying the \$2.5 million, and the \$5.3 million is the new budget. This is all for enhancement of the water.

Mr. Craig Messinger stated that currently that was being funded by the General Fund. He stated that would be the amount the fund actually supports for the first year. That doesn't necessarily mean that will be the final budget. To be able to bond money out within four to five years we have to show it is a stable fund. We have to have a fund balance. Part of that money will be for 2018, 2019, and 2020 at least would be part of it. He stated yes.

Mr. Roger MacLean stated that it is enhancement that is required by the government. They are telling us we have to do it, but they are not giving us any money to do it.

Mr. Daryl Hendricks asked if there were any other questions from the public. As was mentioned earlier there will be several other community meetings. They will be meeting privately with some of the larger stakeholders and those most affected by this fee.

[15-1854](#)

Stormwater Utility Fee Implementation Project

Attachments: [09_13_2017_Committee as a Whole](#)
[Council Briefing_09_13_2017](#)

ADJOURNED: 7:09 PM