1. **Members present:** Alex Ghiselin, Chris Hellman, Robert Reckman, Ruth McGrath, Dan Felten, Rick Clark, James Dostal, Megan Murphy Wolf, David Teece, John Shennette  
   **Members absent:** Emory Ford  
   **City Staff Attendees:** James R. Laurila, P.E., City Engineer  
   **Other Attendees:** Terry Culhane, Board of Public Works, Chair.

The meeting was called to order at 5:00 pm by Dan Felten, Vice-Chair. Mr. Felten stated that the meeting would end by 6:45 p.m. to allow task force members to attend a presentation by the Army Corps of Engineers about the City’s flood control system, which was scheduled to start at 7 p.m. at the Bridge Street School.

2. **Announcement of Audio/Video Recording of Meeting**

   The meeting was video recorded by North Street Association, Ruth McGrath. Videos of these meetings will be posted on youtube and a link will be placed on the DPW website.

3. **Public Comment**

   There was no public comment.

4. **Discussion and Approval of Minutes from May 23, 2013**

   The minutes were approved for the May 23rd meeting.

5. **Presentation of any new fee algorithms from committee members**

   Prior to the start of the meeting 2 spreadsheets were distributed by staff as follows:
   - Sample Annual Stormwater Bill Comparisons – updated 5/29/13
   - Percentages of Areas, Property Tax, and Proposed Stormwater Fees by Property Types

   Mr. Felten handed out a spreadsheet that showed a new fee algorithm he had developed (Felten 3). Mr. Felten described the new model which is based on 3 factors for buildings, impervious land, and pervious land. He selected different runoff coefficients for each factor. He said he limited pervious contribution to a maximum of one acre – or about $100 in the model. He said that for this new model small residential property would pay 52%, large residential 10%, commercial/industrial 22% and non-profits would pay 9%. He said that he felt that model was better approaching equity and would be the least likely to be legally challenged. Mr. Reckman said he was concerned that this model might be complicated to explain. Mr. Shennette asked Mr. Laurila about the feasibility of implementing this fee structure and whether it would be costly. Mr. Laurila said that based on the current understanding of the proposal that there were no issues that would prevent it from being implemented. Mr. Felten said that accessing assessor’s information for a specific property only took in the range of 10-40 seconds. Mr. Laurila stated that all the
numbers would need to be checked before any of the fee models are implemented. Mr. Ghiselin asked why the Smith College fee was not shown in the spreadsheet. Mr. Laurila said that the building data needed to calculate the fee is not available in the assessors database and that GIS could be used to get the data needed to calculate the Smith College fee. Mr. Clark asked how building impervious area was determined and Mr. Felten replied that assessor data could be used for this purpose. Ms. McGrath asked were large apartments and town houses fit it? Mr. Felten said those would be under large residential. Ms. McGrath asked if single family was just a flat fee and if a shed or deck would be counted. Mr. Felten said the average single family fee would be $138 and that a histogram could be used to refine the fee calculations. Mr. Clark asked if this model was an effort to keep the funding burden on the commercial and industrial sectors? Mr. Felten indicated that if the method chosen is close to the tax burden percentage it is a benefit. Residential property accounts for 83% of the total property tax burden. Mr. Clark stated he had no problem with a shift that the ERU method would result in – where the commercial/industrial sector would pay more of a percentage of the total revenue and that the formula is to determine how to divide up the $2 million revenue need. Mr. Ghiselin said they should focus on equity and comparison of property classes and that the revenue budgeted could be less than $2 million. Mr. Felten said it could a lot more like $6 million. Mr. Dostal said $1.5 million may not be enough money. Mr. Reckman said that the new model puts more value on residential property and that makes sense since human life and safety are the most valuable.

Mr. Clark said the ERU method appears to be the best approach. The ERU philosophy works with common ownership and shared responsibility to fix flood control and stormwater systems before problems arise. This is a long term issue that needs to be dealt with now and that using overrides would be a tough sell. The City Council will need to do more public outreach and he thought a $2 million budget is the minimum that should be considered. Mr. Dostal agreed with these statements. Mr. Felten said the ERU simplifies residential bills and others are based on the impervious surface and rate. It reflects impervious surface exactly and does not account for cost burdens of large impervious area owners, such as sweeping, catch basin cleaning and other costly maintenance activities not encountered by residential property owners. He said he is a homeowner and a business owner in the City and this fee will be tacked as a financial burden like a tax. Mr. Shennette referenced an email sent by Mr. Clark which said that the majority of cities have used an ERU system. He asked if there was a way to do a hybrid fee with an ERU for residential and some other fee structure for other properties. Maybe consider the Felten3 model for commercial/industrial property. He said it might be easier to sell the ERU fee since it is used across the country. He added that Smith College expends a significant amount of money of sweeping, catch basin cleaning, green roofs etc to manage stormwater on their property. Mr. Felten said that Terry Culhane had considered a model with land use factors and that intensity of use factors could be used but that gets more subjective. Mr. Reckman suggested that a 3rd factor could be added to the Culhane/Reckman model. Mr. Culhane said that the fee philosophy and framework being determined by the Task Force could last for decades and by the City for a very long time. Mr. Clark said this is a good point and property values may benefit since the City is investing in infrastructure. He added it would be a good way to improve behavior and responsibility for managing stormwater.

Mr. Reckman suggested that a more elaborate version of the Culhane/Reckman model could be developed that used an ERU for residential. Mr. Felten said that might not be much different that his new model. Mr. Hellman said the acceptability of a fee value goes beyond the ability to calculate it. Homeowner will be looking to see if they are paying what their neighbors are paying and that one-family fee is not equal to a 3-family house fee and those types of comparisons. He said that the report writing will be important and that a frequently asked questions fact-sheet on major issues is needed and that it would help the City Council and others.

Mr. Dostal said it was most important to have a cap on the fund at a reasonable amount. He said he had some questions into the state about the use of a revolving fund, special revolving fund and enterprise fund for this purpose. He said a five year sunset clause is needed and after that time the DPW or City Council would need to determine how well the cap is working. Mr. Culhane asked if the intent of Felten3 to nudge fee results so that property value breakdown mirrors the tax rate breakdown by property class? For example, using the Clark method and other methods commercial property on King Street pays a higher cost and commercial/industrial would be a higher percentage than the property tax breakdown. Is this what the Task Force intends? Mr. Dostal said he would not support a higher burden on commercial/industrial sectors because the City Council works hard to get businesses to

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come into the City. Mr. Felten said it’s not higher by design and that it just came out that way. Mr. Clark said the operation and maintenance cost is variable and not always done and that he gets behind the revenue percentage split in the Culhane/Reckman model. Mr. Teece asked if Mr. Ghiselin question about the salability of dollar amount had been answered. Mr. Ghiselin added that they should be focused on the bill but the relationship between commercial/industrial, no-profits etc is a factor. Mr. Teece expressed concern about the public perception of a fee since a lot of infrastructure is below ground and the fee may be called a rain tax, or fear tax, and that it should be thought of as a reality tax. He said the education piece will be very important. He added that if the fee calculation gets too complex people can’t understand it. Mr. Felten discussed how an ERU system worked as a simplified method for residential fees and that the ERU factor is applied to commercial/industrial property. He said that several of the models have math involved to calculate the fee.

Mr. Clark said that he wanted to hear more about credits and that maybe an ERU system with a better set of credits for commercial and industrial would be something to consider. Mr. Hellman said he was against using credits to get around higher fees for commercial and industrial property. He wanted a fee system to be determined absent of credits first, and then a credit system could be determined. He said the City Council could decide on no credits and the fee structure would need to stand on its own. Mr. Teece said that the Task Force should be on record as having strongly recommended the use of credits. Mr. Clark said the commercial/industrial sector will be very interested in credits. Mr. Shennette said that Smith College would also be interested in credits and the educational components for credits. Mr. Ghiselin asked how the runoff factors in Felten3 were determined and if they were in the mid-range of published values. Mr. Felten said they were not and described how he selected them.

Mr. Ghiselin asked if the factors could be defended as realistic. Mr. Felten replied he would. Ms. Murphy said that she could agree with the Felten3 model and that it could be explained to the public. She agreed with Felten3 which puts more burden on the residents and that some previous models resulted in insane bills for businesses that would have been impossible to budget.

Mr. Felten said that during the previous meeting the Task Force had suggested possibly recommending 2-3 models. He reviewed the different approaches and asked if the Task Force wanted to continue with 2-3 models in the recommendation or a list of all the models with a pros and cons list. There was general discussion about how to proceed. Mr. Teece said that if a 3rd model was included it might be considered junk. Mr. Dostal and Ms. McGrath agreed 2 are plenty to recommend. Mr. Clark said one recommended model would be nice. By vote the Felten3 model (renamed “hydraulic acreage”) was preferred on a vote with Chris Hellman, Megan Murphy Wolf, Alex Ghiselin, Ruth McGrath, Dan Felten, and John Shennette in favor. Favoring other models were Robert Reckman, Rick Clark, James Dostal, and David Teece. Based on another vote the Clark2 method using an ERU was preferred as an alternate fee setting method.

6. Response from Paul Spector on Time Extension

This item was not discussed at this meeting.

7. Any Report from DPW – Jim Laurila

No specific report had been requested and none was provided.

8. Review of Principles Matrix
9. Individual Member Comments on the Matrix

The principles matrix was not discussed at this meeting.

10. Committee Recommendations to Joint Committee – Principles, Fee Formula’s, Concerns, Minority Report
Mr. Felten distributed an outline for “Final Recommendations of the Ad Hoc Stormwater Task Force”. The outline was used to determine writing assignments for the final document. The Task Force discussed having draft section distributed for member review prior to the next meeting. At the next meeting comments would be discussed.

12. Path Forward

No new business was discussed.

13. New Business – Reserved for topics the Chair did not reasonably anticipate would be discussed

The next meeting was scheduled for June 13th at 5:00 p.m. at the Public Works Conference Room.

14. Setting Next Meeting Date – Public Comments

There were no additional public comments.

15. Adjourn

The meeting adjourned at 6:30 p.m.