

STAFF REPORT

DATE: July 6, 2021

TO: City Council

FROM: Stan Gryczko, Director - Public Works Utilities & Operations
Zoe Mirabile, City Clerk
Adrienne Heinig, Assistant to the Director

SUBJECT: Resolution Accepting the Tabulation Results for the City's Stormwater Fee

Recommendation

Approve the Resolution (Attachment 1) accepting the tabulation results for the City's Stormwater fee balloting.

Fiscal Impact

Current rate revenues for the City's Stormwater Enterprise Funds total approximately \$2 million dollars annually. With the certification of this tabulation and the implementation of the updated rate charges and structure, rate revenue will total approximately \$4 million dollars annually. As identified in prior Council staff reports and Commission reports on this topic, the Stormwater Utility revenue has not been able to support current operations or necessary capital expenditures for the utility. With this adjustment in rate charges, it is anticipated that staff will return to Council over the next few months with budget adjustments and recommended projects to begin work on addressing the backlog of capital improvement projects.

Council Goal(s)

This effort is consistent with the Council Goals to Ensure Fiscal and Economic Stability, Pursue Environmental Sustainability and Fund, Maintain, and Improve Infrastructure.

Commission Input

The City's Utilities Commission reviewed the Stormwater cost of service study with SCI Consulting during a number of meetings in 2020. As part of the Commission's process, they completed a review of the Stormwater utility financial plan, outlining the fund requirements of the utility, rate scenarios, calculations of the rate structure for the stormwater fees, and the final draft of the full cost of service report. Further, the Commission made recommendations to Council on the rates which were ultimately adopted by Council in December 2020.

Background

The ballot process for the Stormwater Fee adjustments was initiated by Council on May 4, 2021. This action was the next-to-last step in the Proposition 218 process for the City

to adjust the Stormwater Utility fees previously approved by Council on December 15, 2020, with the final step being the certification of the ballot tabulation.

Tabulation Process and Results

The ballot tabulation commenced at 7:30 a.m. at the Veterans Memorial Theatre on Monday, June 28, 2021. The tabulation was conducted by representatives from the City’s consultant, SCI Consulting, the City Clerk, and city staff. The tabulation was completed at 2:30 p.m. on Monday. The tabulation was open to the public, however no members of the public attended.

The results of the tabulation are as follows:

Total Number of Valid Votes:	6,905
Total Number of “Yes” Votes:	4,186
Total Percentage of “Yes” Votes:	60.62%
Total Number of “No” Votes:	2,719
Total Percentage of “No” Votes:	39.38%
Total Number of “Invalid” Votes:	104

Upon conclusion of the tabulation process, staff duly certified the results and City Council will accept said results via resolution.

Next Steps

As this adjustment to the Stormwater rates includes changes to the rates and the rate structures, there are a number of tasks within the Public Works Utilities and Operations and Finance Departments that need to be done before these adjustments can be made. It is anticipated that City staff will bring forward the necessary Ordinance revisions to implement the revised fees in late July or August 2021, with the adjustments to appear on utility bills in September or October 2021.

Attachments

1. Resolution Accepting the Tabulation Results for the City’s Stormwater Fee

RESOLUTION NO. 21-__, SERIES 2021

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ACCEPTING THE TABULATION RESULTS FOR THE CITY'S STORMWATER FEE, A PROPERTY-RELATED FEE CONFORMING TO ARTICLE XIII D, SECTION 6 OF THE CALIFORNIA CONSTITUTION

WHEREAS, on December 15, 2020, the City Council of the City of Davis adopted Resolution 20-200 initiating proceedings to obtain approval of the proposed new Stormwater Fee ("fee"), which is a property-related fee conforming to Article XIII D, Section 6 of the California Constitution; approving the Fee Report for the Stormwater Fee ("Fee Report," dated November 2020); and setting a public hearing before the City Council on May 4, 2021 held online via Zoom at 6:30 p.m. to consider all property owner protests to the proposed fee; and

WHEREAS, on December 15, 2020, the City Council of the City of Davis adopted Resolution 20-201 adopting ballot procedures applicable to the proposed fee pursuant to Article XIID, Section 6(c) of the California Constitution; and

WHEREAS, pursuant to the provisions of Article XIII D of the California Constitution, the City provided 45-day written mailed notice to each record owner of parcels of real property subject to the Stormwater Fee of a public hearing, which was held at a regular meeting of the City Council on May 4, 2021 at 6:30 p.m. online via Zoom on the issue of whether the proposed property-related fee should be levied and collected as proposed in the Fee Report for Fiscal Year 2021-22; and

WHEREAS, on May 4, 2021 the City Council adopted Resolution 21-055 finding that a majority protest did not exist and directing a property owner ballot proceeding for the Stormwater Fee; and

WHEREAS, on May 17, 2021 a ballot and information guide were mailed to every owner of property that would be subject to the proposed Stormwater Fee; and

WHEREAS, the balloting period for the proposed Stormwater Fee closed on June 25, 2021 at 5:00 p.m.; and

WHEREAS, the tabulation of the ballots is complete;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis as follows:

SECTION 1. Tabulation of the Ballots. For each valid ballot, each property subject to the proposed fee counted as one vote. Property owners with more than one property could have up to 14 properties listed on a ballot, with each property counting as one vote, resulting in more than one vote for that ballot. Therefore,

since some ballots contained more than one vote, the total number of valid votes (6,905) is larger than the total number of valid ballots (5,933). The canvass of the fee ballots submitted by property owners is complete and certified by the City Clerk, and the votes cast are as follows:

Total Number of Valid Ballots Processed:	5,933
Total Number of Valid <u>Votes</u> :	6,905
Total Number of Valid "Yes" Ballots Processed:	3,587
Total Number of "Yes" <u>Votes</u> Processed:	4,186
Total Percentage of "Yes" <u>Votes</u> Processed:	60.62%
Total Number of Valid "No" Ballots Processed:	2,346
Total Number of "No" <u>Votes</u> Processed:	2,719
Total Percentage of "No" <u>Votes</u> Processed:	39.38%
Total Number of "Invalid" Ballots Processed:	84
Total Number of "Invalid" <u>Votes</u> Processed:	104

SECTION 2. Invalid Ballots. 6,017 ballots were returned and received prior to the close of the balloting period on June 25, 2021. This represents a 41.55% ballot return rate on the 14,481 ballots mailed. Of the fee ballots returned, 84 ballots were declared invalid, in that they were either not marked with a "Yes" or "No", were marked with both a "Yes" and a "No," were not signed, or the property ownership and barcode information was illegible.

SECTION 3. Ballots Results. As determined by ballots cast, 60.62% of the votes cast by property owners were in support of the measure. Since a majority protest, as defined by Article XIII D of the California Constitution, did not exist, this Council thereby acquired jurisdiction to order the levy of the Stormwater Fee.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Davis this 6th day of July by the following vote:

AYES:

NOES:

ABSENT:

Gloria Partida
Mayor

Zoe S. Mirabile, CMC
City Clerk