

Storm Water Program Funding: *Overcoming the Challenge of Proposition 218*



Joe Teresi – City of Palo Alto (retired)

April 5, 2017

Background

In 1987, a “Perfect Storm” brought storm drain funding to the forefront in Palo Alto:

- Unfinished 1965 Storm Drain Master Plan
- Severe winters of the early 1980’s
- NPDES storm water permit looming on the horizon

Background

- Creation of a Storm Drainage Enterprise Fund
 - Approved by City Council
 - Baseline funding for maintenance and engineering staff, urban runoff program, programmatic studies, and high-priority capital projects
 - Initial fee set at \$3.25 per month for single-family residential properties
 - Capital projects funded through revenue bonds

Proposition 218

- Passed by California voters in 1996
- Requires new or increased property-related fees/assessments to be approved by the local electorate or property owners
- Storm Drainage Fee deemed to be covered by Proposition 218

Election Attempt #1 (what not to do)

Proposed Year 2000 Funding Plan

- \$48 million capital improvement program to be implemented over 30 years
- Pay-as-you-go funding
- Initial fee increase to \$9.00 per month
- Allowance for annual increases for inflation

2000 Election Results

Ballots mailed to 20,000 property owners

- 53% response rate

- Measure failed by a ratio of 63% to 37%

Factors leading to failure

- Lack of “sunset” clause
- Potential for uncontrolled inflationary fee increases
- Lack of provision for independent public oversight
- Tepid City Council support
- Negative press coverage
- Organized opposition & no effective means to counter opposition arguments

Election Attempt # 2 (sweet success)

Use of advisory Blue Ribbon Storm Drain Committee

- 15 members appointed by City Manager
- Mixture of business, neighborhood, and environmental interests
- Develop community-based proposal
- Held 15 meetings totaling 37 hours
- Achieved goal of committee “ownership” of funding plan

Proposed Year 2005 Plan Recommendations

- \$17 million capital improvement program to be implemented over 12 years on pay-as-you-go basis
- Detailed project descriptions
- Fee to sunset after 12 years
- Cap on potential inflation increases (6%)
- Independent oversight committee
- Reduced rates for low income ratepayers
- Initial fee increase to \$10.00 per month

2005 Election Strategy

Campaigning performed by Storm Drains for Palo Alto committee

- Privately fundraised \$20,000
- Gathered endorsements from community leaders
- Made presentations to newspaper editorial staff
- Mailed campaign brochures concurrent with ballot mailing
- Committee web site
- Volunteers phoned likely voters
- Made presentation to community & business groups
- League of Women Voters debate

2005 Election Strategy

Staff provided information to supplement campaign committee's efforts

- Extensive web site
- Dedicated e-mail box and telephone line for public inquiries
- Information provided in utility bill insert and community newsletter
- Detailed information provided with storm drain ballots

2005 Election Results

20,000 ballots mailed to property owners

- 52% of ballots returned
- Measure approved by a ratio of 58% to 42%

Keys to Successful Election

- Community-based funding proposal
- Effective campaign by Storm Drains for Palo Alto committee
- Sunset provision
- Cap on annual increases
- Establishment of independent oversight committee
- Detailed list of projects to be funded
- Vocal support by City Council members
- Clear, informative ballot materials
- Positive press coverage (measure endorsed by all three local newspapers)

Election Attempt # 3 (continue the legacy)

Proposed Year 2017 Plan Recommendations

- 11-member Storm Water Blue Ribbon Committee
- 15-year capital improvement plan
- Partial sunset clause, inflationary cap, oversight committee
- New emphasis on green storm water infrastructure & storm water as a resource
- Initial fee increase to \$13.65 per month
- Ballots due back by April 12

Questions?

Joe Teresi

jtnia@comcast.net