



**Item:** Set Public Hearing for Resolution 10084 to Levy and Assess the Street Maintenance District

**From:** Judy Burg, Taxes and Assessments

**Initiated By:** Annual Assessment Process

**Presented By:** Melissa Kinzler, Fiscal Services Director

**Action Requested:** City Commission Set Public Hearing Date for Resolution 10084 to Levy and Assess the Street Maintenance District

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission set a Public Hearing date on Resolution 10084 for August 5, 2014 at 7:00 p.m. to levy and assess the Street Maintenance District.”

2. Mayor calls for a second, discussion, public comment, and calls for the vote.

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**Staff Recommendation:** Staff recommends the City Commission set a public hearing date for August 5, 2014.

**Background:** The Street Division maintains approximately 383 miles of streets and alleys within the city limits. Maintenance consists of pavement rehabilitation and restoration, street cleaning, snow and ice removal, alley maintenance, and the nuisance weed program. In addition, Traffic Operations are funded through the Street Division and are responsible for the maintenance of all roadway signs, signals and pavement markings.

During the budget process information is gathered regarding the actual and anticipated expenses of the Street Fund, future capital projects are reviewed and the street maintenance assessment for the next fiscal year is discussed.

Over the last two calendar years, more than \$2.7 million of street capital projects have been completed (attached). The prior year’s unreserved balance was depleted due to the completion of these projects, which was caused by an increase in pavement preservation efforts and an increase in operating expenses. A review of the Equipment Revolving Schedule was also completed and the equipment expenses were reduced by \$200,000, in an effort to help stabilize the Street Fund. All of these factors were used in determining the street maintenance assessment amount for the next fiscal year.

An increase of approximately 12% for the street maintenance assessment has been recommended for Fiscal Year 2015 to provide for the continuing increase in operational costs and needed future capital projects. The last street maintenance increase of 5% was approved in FY 2011.

As part of the annual budget development and adoption procedures the Street Maintenance Assessment Resolution must be submitted for City Commission action. A public notice and hearing is required prior to final passage of the assessment resolution.

#### ASSESSMENT OPTION

Section 7-12-4425 M.C.A. states: "...The council shall pass and finally adopt a resolution specifying the district assessment option and levying and assessing all the property within the several districts ...". The City uses the "assessable area" option under Section 7-12-4422, M.C.A. to assess its street maintenance. The assessable area option, defines assessable area by square footage caps. Three options for assessments exist:

Residential: Square footage caps per parcel of 12,000 square feet for residential property and properties categorized as non-profit/cemetery organizations 501(c)(13) as defined by the Internal Revenue Code.

Mixed-Use: A 'mixed use' category which consists of property equal to or greater than 112,000 square feet but less than 50% commercially developed. For the 'mixed use' category, the Planning Department shall annually identify all property equal to or greater than 112,000 square feet which are 50% or less commercial developed. Those properties shall be assessed 50% commercial and 50% at capped residential.

Commercial: 1 million square foot cap for all other property. The 1 million square foot cap for all other property encourages large green areas on some private properties within the City.

**Concurrences:** Public Works staff is responsible for the operational expenses of the Street Department. Fiscal Services staff is responsible for assessing and collecting the revenues necessary to carry out the operations.

**Fiscal Impact:** Adoption of Resolution 10084 will allow the City to fund the cost of work, improvements, and maintenance in the street maintenance district. With the recommended increase in the proposed budget, it will allow the City to be more in line with its current maintenance and replacement activities.

For Fiscal Year 14/15 the street maintenance assessment is requested to be increased by 12%. This equates to an assessment factor of \$0.013366 per square foot, for a total of \$4,123,265, and will result in an annual assessment of \$100.25 for an average size lot of 7,500 square feet (7,500 sq ft x 0.03366 factor = \$100.25.) This is a yearly increase of \$10.74 for a lot size of 7,500 square feet.

**Alternatives:** The City Commission could choose to not set the public hearing and thereby deny the adoption of Resolution 10084 to Levy and Assess Street Maintenance; or the Commission could set the public hearing and not approve the increase. If the assessment hearing is not

completed the Street Fund will lose 72% of its total revenue. If the increase is not passed, \$492,486 of additional revenue will not be available for street operations.

**Attachments/Exhibits:**      Resolution 10084  
   Legal Notice  
   Projects List

## **RESOLUTION 10084**

A RESOLUTION LEVYING AND ASSESSING THE COST OF STREET MAINTENANCE FOR STREETS AND ALLEYS IN THE CITY OF GREAT FALLS, MONTANA FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015

WHEREAS, the Commission of the City of Great Falls did provide for street maintenance by Ordinance 1687 (12.16.010, et seq., OCCGF) on September 7, 1971 in accordance with Sections 11-2263 through 11-2268, RCM, 1947 (now Section 7-12-4401 through 7-12-4427, MCA, 1989); and,

WHEREAS, the Commission of the City of Great Falls did amend and expand the scope of Street Maintenance services authorized by final passage and adoption of Ordinance 2584 on February 5, 1991, in accordance with Sections 7-12-4401 through 7-12-4427, MCA, 1989; and,

WHEREAS, the Commission of the City of Great Falls hereby finds, fixes and determines that each and every lot or parcel within said district has been or will be specially benefited by said maintenance; and,

WHEREAS, on July 15, 2014, the Commission of the City of Great Falls adopted its annual budget resolution in which the estimated costs of maintenance not offset by other revenues, in the Street Maintenance District at a total of FOUR MILLION ONE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED SIXTY-FIVE DOLLARS (\$4,123,265.)

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

### Section 1 – Continuance

The City of Great Falls continues to maintain streets in the Street Maintenance Districts.

### Section 2 – Assessment Authorization

Section 7-12-4428, M.C.A., authorizes the City Commission to assess the cost of the work, improvements, and maintenance authorized by 7-12-4405 against the property in maintenance districts in the manner and as provided in 7-12-4421 and 7-12-4422 to meet the payments required to be made each year.

### Section 3 – Assessment Option

In accordance with Sections 7-12-4422 and 7-12-4425, M.C.A., each lot or parcel of land within the Street Maintenance District shall be assessed according to its assessable area. Assessable area shall be set with a square footage cap of 12,000 square feet for residential property and properties categorized as non-profit/cemetery organizations 501(c)(13) as defined by the Internal Revenue Code, and a 1 million square feet cap for all other property. The Planning Department shall annually identify all mixed-use property equal to or greater than 112,000 square feet which are 50% or less commercially developed. Those mixed-use properties shall be assessed 50% commercial and 50% at capped residential.

Section 4 – Costs Assessed

The costs of said maintenance, not offset by other revenues, in the street maintenance district, totaling FOUR MILLION ONE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED SIXTY-FIVE DOLLARS (\$4, 123,265) are hereby levied and assessed upon the property in said district for the fiscal year ending June 30, 2015. The description of each lot or parcel of land within the street maintenance district and the respective assessments are set forth in the records of the Fiscal Services Department of the City of Great Falls, Montana and by this reference incorporated herein as if set forth in full.

Section 5 – Assessment Method

The Street Maintenance District shall be assessed according to factors based on the property classification and square footage with caps. No proration of the street maintenance assessment shall be made for any reason, including the fact that a particular property did not have paved streets for the entire taxable year.

Section 6 – Assessments Due Date

These assessments are payable in two payments and will become delinquent at 5:00 o'clock p.m. on November 30, 2014 and May 31, 2015.

Section 7 – Assessment Hearing

On August 5, 2014 at 7:00 p.m., in the Commission Chambers of the Civic Center Building, Great Falls, Montana, the Commission did meet and hear all objections to the final adoption of this resolution.

Section 8 – Notice of Hearing

In accordance with Section 7-1-4127, the City Clerk is hereby authorized and directed to provide for two publications of the Notice of Resolution for Assessment with at least six days separating each publication. This publication of the Notice of Resolution for Assessment also complies with Section 7-12-4426, MCA, which requires last publication of notice to be at least 5 days preceding the assessment hearing.

PASSED AND ADOPTED by the Commission of the City of Great Falls, Montana, August 5, 2014.

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Michael J. Winters, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney

PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that Resolution 10084 – A Resolution Levying and Assessing the Cost of Street Maintenance for Streets and Alleys in the City of Great Falls, Montana for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015 – will be brought before the Great Falls City Commission for public hearing in the Commission Chambers, Civic Center Building, 2 Park Drive South, Great Falls, Montana on Tuesday, August 5, 2014, at 7:00 o'clock p.m. Any interested person may appear and speak for or against said Resolution 10084 or submit in writing any comments to the City Clerk prior to or during the Commission Meeting.

/s/ Lisa Kunz  
City Clerk

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DO NOT PUBLISH BELOW THIS LINE:

Publication Dates: July 11 & 18, 2014

**STREET CAPITAL PROJECTS CY 2013**

<b>STREET COST</b>	<b>OFFICE FILE</b>	<b>PROJECT</b>
\$ 23,420.50	1405.9	2013 Miscellaneous Curb Construction
\$170,744.64	1611.7	Sunnyside Ave Drainage Improvements
\$195,766.38	1640	9 <sup>th</sup> Street North Curb & Gutter Replacement
\$140,854.04	1653.1	Delmar Drive Street Improvements
\$331,696.12	1653.2	7 <sup>th</sup> Avenue South (10 <sup>th</sup> – 12 <sup>th</sup> Streets) Reconstruction
\$246,629.59	1653.3	2013 Street Drainage Improvements (Valley Gutters)
\$357,135.90	1653.4	9 <sup>th</sup> Street NW Improvements
\$122,946.42	1653.5	6 <sup>th</sup> Street NE Curb & Gutter Extension
\$ 20,610.01	1653.7	29 <sup>th</sup> Street North & 7 <sup>th</sup> Avenue North Valley Gutter/Curb
\$ 17,500.00 (est)	1666	Centennial Drive Drainage Improvements
<b>\$1,627,303.60</b>	<b>TOTAL</b>	

**STREET CAPITAL PROJECTS CY 2012**

\$301,297.60	1319	9 <sup>th</sup> Street South (10 <sup>th</sup> – 17 <sup>th</sup> Streets) Reconstruction & Utilities
\$ 49,939.22	1405.8	2012 Miscellaneous Curb Construction
\$ 3,310.90	1579.7	Ana Drive Settlement Repairs
\$ 11,240.98	1579.8	9 <sup>th</sup> Street NE / 32 <sup>nd</sup> Avenue Concrete Replacement
\$135,756.30	1611.2	2011 Street Drainage Improvements
\$515,571.90	1611.3	2012 Miscellaneous Mill & Overlay
\$ 26,450.00	1611.8	3 <sup>rd</sup> Avenue South & 34 <sup>th</sup> St. - Street Repairs
\$ 18,624.00	1611.9	7 <sup>th</sup> Avenue North & 41 <sup>st</sup> St – Street Repairs
\$ 21,300.85	1612.3	15 <sup>th</sup> Avenue South Pavement Repairs (Cascade Ridge)
\$ 20,765.13	1653	6 <sup>th</sup> Avenue NW Street Improvements
<b>\$1,104,256.88</b>	<b>TOTAL</b>	