



Item: Resolution 10084 to Levy and Assess 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 conduct public hearing and adopt Resolution 10084

Public Hearing:

1. Mayor conducts public hearing, calling three times each for proponents and opponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (adopt/deny) Resolution 10084.”
 2. Mayor calls for a second, discussion, and calls for the vote.
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Staff Recommendation: Staff recommends the City Commission adopt Resolution 10084.

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 method, 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 street maintenance 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 deny the adoption of Resolution 10084 to Levy and Assess Street Maintenance; or the Commission could deny the assessment increase of

12%. 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 NO. 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, creation and alteration of Street Maintenance Districts is authorized pursuant to Title 7, Chapter 12, Part 44, MCA; and

WHEREAS, the City Commission did provide for street maintenance pursuant to Ordinance 1687 adopted September 7, 1971; and

WHEREAS, the City Commission did amend and expand the scope of street maintenance services pursuant to Ordinance 2584 adopted February 5, 1991; and

WHEREAS, the City Commission finds and has determined that each and every lot or parcel within said district has been or will be specially benefited by said maintenance; and

WHEREAS, the City intends to continue maintaining streets and alleys within the corporate limits of the City of Great Falls; and

WHEREAS, on July 15, 2014, the City Commission adopted Resolution 10080, Annual Budget Resolution, in which the estimated costs of such maintenance not offset by other revenues within the Street Maintenance District was reflected as FOUR MILLION ONE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED SIXTY-FIVE DOLLARS (\$4,123,265); and

WHEREAS, in accordance with § 7-12-4426, MCA, notice was published setting forth that Resolution No. 10084 Levying and Assessing the Cost of Street Maintenance for Streets and Alleys in the City of Great Falls, Montana, would be brought before the Great Falls City Commission for public hearing on August 5, 2014.

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

Section 1 – Maintenance Costs Assessed

The costs of 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) be 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 fully set forth.

Section 2 – Maintenance Assessment Method

The percentage of the cost of maintenance for the assessable areas benefitted by the maintenance district as established in § 7-12-4425, MCA, shall be made as set forth in § 7-12-4422, MCA.

The Street Maintenance District shall be assessed according to factors based on the property classification and square footage with caps. Assessable areas within the Street Maintenance District 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)(3) as defined by the Internal Revenue Code, and a one million square feet cap for all other property. The Planning and Community Development 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% capped residential.

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 3 – Assessments Due Date

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.

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

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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

DO NOT PUBLISH BELOW THIS LINE:

Publication Dates: July 11 & 18, 2014

STREET CAPITAL PROJECTS CY 2013

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

STREET CAPITAL PROJECTS CY 2012

\$301,297.60	1319	9 th Street South (10 th – 17 th 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 th Street NE / 32 nd 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 rd Avenue South & 34 th St. - Street Repairs
\$ 18,624.00	1611.9	7 th Avenue North & 41 st St – Street Repairs
\$ 21,300.85	1612.3	15 th Avenue South Pavement Repairs (Cascade Ridge)
\$ 20,765.13	1653	6 th Avenue NW Street Improvements
\$1,104,256.88	TOTAL	