

AGENDA REPORT

DATE August 16, 2005

ITEM SET PUBLIC HEARING FOR RESOLUTION 9489 TO LEVY AND ASSESS SPECIAL MAINTENANCE LIGHTING DISTRICTS

INITIATED BY ANNUAL ASSESSMENT PROCESS

ACTION REQUESTED SET PUBLIC HEARING

PREPARED BY JUDY BURG, ACCOUNTING TECHNICIAN

PRESENTED BY COLEEN BALZARINI, FISCAL SERVICES DIRECTOR

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RECOMMENDATION:

Staff recommends the City Commission set a public hearing date for Resolution 9489 to assess Special Maintenance Lighting Districts.

MOTION:

“I move to set the public hearing on Resolution 9489 for September 20, 2005 at 7:00 p.m.”

SYNOPSIS:

As part of the annual budget development and adoption procedures the assessments to Special Maintenance Lighting Districts Resolution must be submitted for public hearing and City Commission action.

The Fiscal Services Department has finalized the Special Lighting District maintenance cost estimate which is reflected in Resolution 9489. Maintenance and an administrative fee equal to 10% of estimated costs for the districts as presented in the annual budget will remain the same. The \$1,151,930 assessment for fiscal year 04/05 projects charges based on actual billings for the district and adjustments for cash balances from prior fiscal years.

In September 2004, the City of Great Falls entered into an energy purchase contract with Southern Montana Electric Generation and Transmission and has been purchasing electrical energy at 6 percent less than what it purchased from NorthWestern Energy. The City is using about half the power it is buying and is selling the rest under contract to: Great Falls Public Schools, Great Falls International Airport and related facilities on Gore Hill, Housing Authority, Veolia Water North

America as of October 2004 and will be adding additional customers on September 1, 2005. On July 19, 2005, the City Commission granted Electric City Power a supply rate increase of \$2.40 bringing the cost to \$40.00 per megawatt hour effective October 1, 2005. As of August 2005, the current default rate with NorthWestern Energy was \$40.37 per megawatt. The new rate increase will continue to provide a significant savings to the consumer.

A comparative table below provides the details of electric supply rate savings.

	NorthWestern Energy Default Rates ELDS-1 Electric Lighing	Electric City Rates	Comparative Difference
Oct-04	\$ 37.24	\$ 37.60	\$.36
Nov-04	\$ 38.99	\$ 37.60	\$ (1.39)
Dec-04	\$ 38.10	\$ 37.60	\$ (0.50)
Jan-05	\$ 37.87	\$ 37.60	\$ (0.27)
Feb-05	\$ 38.18	\$ 37.60	\$ (0.58)
Mar-05	\$ 38.85	\$ 37.60	\$ (1.25)
Apr-05	\$ 42.43	\$ 37.60	\$ (4.83)
May-05	\$ 41.93	\$ 37.60	\$ (4.33)
Jun-05	\$ 40.37	\$ 37.60	\$ (2.77)
Jul-05	\$ 40.37	\$ 37.60	\$ (2.77)
Aug-05	\$ 40.37	\$ 37.60	\$ (2.77)
Average	\$ 39.52	\$ 37.60	\$ (1.92)

BACKGROUND:

Sections 7-12-4301 and 7-12-4333, M.C.A., authorize the City Commission to create lighting districts and to assess the costs of installing and/or maintaining the districts to the owners of the properties embraced within the boundaries of such districts.

Continuation of street lighting in the SLD's requires special assessments for annual costs with resolution adoption by the City Commission. Sections 7-12-4329 and 7-12-4330, M.C.A., require a public notice and hearing prior to passage of a resolution to levy and assess Special Lighting Districts. Such resolution is required before staff may authorize assessment of property owners within the lighting district to defray expenses of the Lighting Districts.

In accordance with Section 7-1-4127, staff is requesting the City Commission order two publications of the Notice of Resolution for Assessment. This publication of the Notice of Resolution for Assessment also complies with Section 7-12-4329, MCA, requires notice must be published twice with at least 6 days separating each publication preceding the assessment hearing.

A comparison of SLD annual assessments since 2002 is provided. It should be noted comparing the current Fiscal Year budgeted assessment amount with that of Fiscal Year 2003/2004, the budgeted assessment amount was considerably higher, when the City was using NorthWestern Energy's default supply rate.

<u>BUDGETED</u> <u>TOTAL ASSESSMENT</u>	<u>FISCAL YEAR</u>
\$ 972,425	01/02 (37 Districts)*
\$1,144,059	02/03 (18 Districts)**
\$1,183,037	03/04 (16 Districts)***
\$1,117,034	04/05 (17 Districts)****
\$1,151,930	05/06 (19 Districts)

- * Seven districts were consolidated into one.
- ** Twenty-four (24) districts were consolidated into three.
- *** Two districts SLD-C and SLD-R are being assessed individually with separate resolutions for FY 03/04, as modifications were completed to both districts. The assessment totals for these districts are indicated in the individual resolutions.
- **** One new district was created – Special Lighting District – Industrial Lighting “SLD-I” No. 1298

The 05/06 assessment per district is indicated on the attached projection sheet.