



Item: Set Public Hearing for Resolution 9769 to Levy and Assess Special Improvement Lighting Districts

From: Judy Burg, Account Technician

Initiated By: Annual Assessment Process

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: City Commission Set Public Hearing Date for Resolution 9769 to Levy and Assess Special Improvement Lighting Districts

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission set a Public Hearing date on Resolution 9769 for September 16, 2008 at 7:00 p.m. to levy and assess Special Improvement Lighting Districts.”

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

Staff Recommendation: Staff recommends the City Commission order publication of the Special Improvement Lighting Districts assessment notice and set a public hearing date for September 16, 2008.

Background: There are currently 24 Special Improvement Lighting Districts (SLD's) with approximately 9,404 roadway lights, lighting over 76% of the city. The Special Improvement Lighting District Funds are administered by the Fiscal Services Department. The purpose of the fund is to maintain and furnish electrical current for the Lighting Districts throughout the year.

The budget development process begins in January of each year when the Fiscal Services Department receives their midyear financial reports. The midyear reports are used to determine the current financial position of the Special Improvement Lighting District Funds, which is the basis for projecting future earnings and expenditures. Each lighting district's assessed cost is based upon existing rates, cash balances and proposed increases provided by Southern Montana Electric Generation & Transmission Cooperative, Inc. and by Northwestern Energy. Information is gathered regarding the actual and anticipated expenses, goals and objectives of the lighting districts. After determining financial factors pertinent to the operation of the Lighting Districts an

assessment amount for the next fiscal year is calculated, proposed and presented to the City Commissioners for approval.

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

Concurrences: Fiscal Services staff is responsible for the operational expenses and for assessing and collecting the revenues necessary to carry out the operations of the Special Improvement Lighting Districts. The City Commissioners have received information regarding the operation of the Lighting Districts and the Lighting District Funds during the annual budget process.

Fiscal Impact: Adoption of Resolution 9769 will allow the City to fund the operational and maintenance costs required to be made each year in the Special Improvement Lighting Districts.

ASSESSMENT ANTICIPATED

The anticipated assessment amount for Special Improvement Lighting District funds for the next fiscal year is the amount projected through the Budget Development Process. The maintenance and administrative fee equal to 10% of the estimated costs for the districts as presented in the annual budget will remain the same. The \$1,277,587 assessment for Fiscal Year 08/09 projects charges based on actual billings for the district and adjustments for cash balances from prior fiscal years.

A comparison of Special Improvement Lighting District annual assessments since 2005 is provided:

<u>BUDGETED</u> <u>TOTAL ASSESSMENT</u>	<u>FISCAL YEAR</u>
\$1,117,034	04/05 (19 Districts) ¹
\$1,151,930	05/06 (19 Districts) ²
\$1,165,547	06/07 (19 Districts)
\$1,180,235	07/08 (22 Districts) ³
\$1,277,587	08/09 (24 Districts) ⁴

- ¹ One new district was created – Special Lighting District – Industrial Lighting “SLD-I” No. 1298. First year using Electric City Power as the City’s default supplier for electric energy.
- ² Modification to Special Improvement Lighting District – Alley Lighting “SLD-A” No. 1294 – four new alley lights were added to the district.
- ³ Three new City-owned Residential Lighting Districts were created in FY 06/07 – Special Improvement Lighting Districts No. 1302, No. 1304 and No. 1306.
- ⁴ Two new City-owned Residential Lighting Districts were created in FY 07/08 – Special Improvement Lighting Districts No. 1308 and No. 1310, and are being assessed under Resolutions No. 9767 and No. 9768, respectively.

The 08/09 assessment per district is indicated on the attached projection sheet.

Alternatives: The City Commission could choose to not set the public hearing and thereby deny the adoption of Resolution 9769 to Levy and Assess Special Improvement Lighting Districts; however, the reduction in services to the community could be hazardous to the safety and welfare of the general public.

Attachments/Exhibits: Resolution 9769
Notice of Public Hearing
Special Lighting Districts Budget Worksheet