



Item: Resolution 9890 to Levy and Assess Street Maintenance District
From: Martha Capps, Operations Supervisor
Initiated By: Annual Assessment Process
Presented By: Coleen Balzarini, Fiscal Services Director
Action Requested: City Commission conduct public hearing and adopt Resolution 9890

Public Hearing:

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

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt /deny) Resolution 9890.”

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

Staff Recommendation: Staff recommends the City Commission adopt Resolution 9890.

Background: The Street Department maintains approximately 372 miles of streets and alleys within the city limits. Maintenance consists of pavement rehabilitation and restoration, street cleaning, snow and ice removal, alley maintenance, nuisance weed program and the Traffic Division which is responsible for the maintenance of all roadway signs and signals. The budget development process begins in January of each year when the Street Department receives their midyear financial reports. The midyear report is used to determine the current financial position of the Street Fund which is the basis for projecting future earnings and expenditures. Information is gathered regarding the actual and anticipated expenses, future projects, goals and objectives of the department. Street Maintenance contracts with other local governmental agencies are reviewed and/or updated. After determining financial factors pertinent to the operation of the Street Department, an assessment amount for the next fiscal year is calculated, budgeted and presented to the City Commissioners for approval.

The annual assessment resolution provides for the authorization of assessments, authorization to contract for maintenance of sections of City streets adjacent to land owned by other governments

or their agencies, assessment option specification, total assessment amount and listing of assessed property.

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 ANTICIPATED

The anticipated assessment amount for Street Maintenance funds for the next fiscal year is the amount projected through the Budget Development Process. For Fiscal Year 10/11 the assessment will increase by 5%, which is being recommended to finance increased costs related to street maintenance activities; anticipated collections will total \$3,657,556 This will result in an assessment of \$89.51 for an average size lot of 7,500 square feet, an increase of \$4.27 OR 5% from Fiscal Year 09/10. (7,500 sq ft x 0.011934 factor = \$89.51.)

ASSESSMENT OPTION

Section 7-12-4425, MCA 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..." Section 7-12-4422, MCA provides for "assessable area" to be one of the options.

The Assessable Area method, defining assessable area by square footage caps, has proven to be the most equitable method of assessment. Assessment parameters are:

- a. 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.
- b. 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 commercially developed. Those properties shall be assessed 50% commercial and 50% at capped residential. This year, 54 properties were reviewed based on the size. Two of these properties do not qualify as they are more than 50% developed, and ten will see no benefit from the mixed use classification versus regular commercial.
- c. 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 operation expenses of the Street Department. Fiscal Services Staff are responsible for assessing and collecting the Revenues necessary to carry out the operations. The City Commissioners have received information regarding the condition of the streets and the Street Fund operations during the annual Budget Process.

Alternatives: The City Commission could choose to deny Resolution 9890 to Levy and Assess Street Maintenance; however, the reduction in services to the community could be hazardous to the safety and welfare of the general public.

Attachments/Exhibits: Resolution 9890

Cc: Jim Turnbow, Street Supervisor