

Dustin's Questions:

Subsequent to finalizing Kevin's questions/concerns, a discussion of specific features in both the home rule charter language, and the proposed ordinance language needs to be determined.

1. Do we need a declared requirement for a maintenance schedule to give the public an idea of the 3-5 years plans for maintenance?

If yes, should that be in the home rule charter or assigned to the city commission to develop?

2. Do we need to declare a "baseline rate" or range in the home rule charter or ordinance?

If home rule charter, how much leeway should we grant the commission if that range does not work in order to maintain honest communication with the public?

If ordinance, what process should we hold the commission to for changes (i.e. 4/5th majority or unanimous?)

3. How do we tackle inflation?

Should we have a floating cap (i.e. CPI+1%, CPI+2%, etc)?

At what point should we require the commission to come back to the voters for increases?

4. If there is an ending fund balance, should it be limited? Home rule or ordinance?

5. Do we need to prepare for a transition period financing challenge? How?

6. What itemized purposes should we strictly limit spending to? Put in Home rule charter or ordinance?

Bismarck Street Utility Fee Home Rule Charter Amendment Fill-In-The-Blank Template

Beginning in fiscal year 2023, the practice of special assessments for the purposes of local street maintenance shall cease.

Itemized Purposes: The Street Maintenance Utility Fee shall be operated as an Enterprise Fund, and utilized for the specific enumerated purposes listed here:

Maintenance Schedule Commitment: Each year, the Street Department and City Engineer shall issue a comprehensive Street Health Report to the city commission. This report shall itemize the projects that will be undertaken in each of the next 3 budget years, projects expected to be done no later than the next 5 budget years, and projects that will likely be done in the next 5-10 years. This report shall grade all street quality on an easy to understand scale. This report shall also document any engineering justifications taken to either move up or delay a project. The city commission shall create a process for rate payers to petition to have their street re-examined for accelerated maintenance, and any street given the equivalent of a failing grade may be moved up in the schedule prior to any street that does not have local rate payers asking for repairs to occur sooner, budget allowing.

Baseline Rate: For single family homes, a formula is created where as parcels between ____ (75)% and ____ (125)% of the median lot size of 9,000 square feet shall be assessed a monthly fee of between \$_____ (35) and \$_____ (40), to be determined by city administration based on market conditions.

(Other lot sizes and parcel types to be stratified here.)

Natural Inflation Escalator: These rates shall escalate annually by the _____ (The greater of CPI+1% or PPI+1%).

Method for Exceeding Natural Inflation Escalator: This annual rate increase may only be exceeded with a unanimous vote of the city commission, and for no more than 18 months or until a regular city election can occur; at which time, the city commission may ask voters to re-set the baseline rate range.

All rates must increase by the same percentage rate. The city commission may devise a reduced rate increase policy for property owners who already qualify for the state' Homestead Tax Credit program, contingent on approval by the state legislature to extend such benefit.

Ending Fund Balance: Subsequent to the repayment of existing street maintenance bonds, the fund shall seek to maintain an ending fund balance of at least ____ (20)% the actual costs accrued in the previous year, but shall not exceed ____ (40)% of the actual costs from the previous year. The city commission may use this fund to offset the natural inflation escalator in years that require rate increases exceeding 5% over the previous years. Excess revenue beyond a 40% ending fund balance must be applied to each rate payer's account proportional to their property's assigned rate.

Transition Period Financing Authority: The city commission shall be granted bonding or borrowing authority to allow for an initial transitional financing mechanism – to be secured by a surcharge added to the base rate not to exceed \$5/month extra for single family residential (add limits for other parcel classes). This surcharge may not be used for more than 5 years.

Rate Payer Protection: This financing formula shall be re-examined 5 and 10 years after implementation. If in any 10 year period, rates increase by more than ____ (100)% on a compounded basis, the city commission shall re-evaluate this system and determine whether it is working as intended.