



Special Assessment Task Force

5/9/2022 - Minutes

1. Welcome And Introductions

The subcommittee of the Special Assessment Task Force is composed of Dustin Gawrylow, Kate Herzog, Mike Schmitz, Mark Splonskowski, and Kevin Strege. Committee members present included Dustin Gawrylow, Kate Herzog, Mike Schmitz, and Kevin Strege.

2. Approval Of Minutes

Kate Herzog made a motion to approve the minutes as presented, and Mike Schmitz seconded. All members present voted aye.

3. Discussion With City Engineer Schell

City Engineer Schell provided an overview of the components of funding for street maintenance projects which includes a combination of sales tax, special assessments, and special deficiency funds from the general fund account. The subcommittee discussed the annual \$20 million projection for street maintenance projects. It was noted that an additional \$7 million would be part of the annual projected budget. The \$7 million is the debt service payment for existing special assessment balances. The subcommittee discussed using the current sales tax subsidy to pay for the existing special assessments balance. The sales tax collections would need to be re-labeled to "assume the existing debt payment." No new fees would be used to pay for the existing debt. City Administrator Keith Hunke stated that current special assessments could be paid for as street maintenance according to the current Home Rule Charter. Mr. Hunke noted that of the 1 1/2% sales tax collected by the City of Bismarck, the original 1% was designated to buydown special assessments. The remaining 1/2% is designated for future arterial road projects.

4. Discussion With City Attorney Combs

City Attorney Combs did not attend the meeting as Engineer Schell provided the information to the subcommittee. Engineer Schell stated that State Law does not allow the simultaneous use of special assessments and a street maintenance fee.

The subcommittee briefly discussed the concept of eliminating greenfield special assessments. Mr. Hunke noted that he has been in communication with many of the local developers and the Bismarck-Mandan Homebuilders Association. The feedback Mr. Hunke has received indicates a two-to-three-year notice to developers before eliminating greenfield special assessments would be sufficient.

5. Review Revised Memorandum Of Recommended Direction To The Bismarck City Commission

The subcommittee continued to review the supporting materials that will compile the recommendation to the City Commission. Within the "Footnotes of Intent" document, Mr. Hunke noted that paragraph e. would need to be revised to include the language as follows: Burleigh County indicated the general fund currently absorbs the impact of special assessments.

The subcommittee also addressed the Memorandum of Recommended Direction to the Bismarck City Commission. The committee discussed the following amendments to the document.

Paragraph 1. No Changes

Paragraph 2. There has been some ambiguity as to whether property owners could see special assessments for Arterial/Collector Roadways in addition to the Monthly Street Utility Infrastructure Fee. It is our strong preference that city policies be modified to eliminate the need for any future special assessments for street projects that would be considered "maintenance." Those projects that involve widening or other work that may create a different designation. If Greenfield Specials are eliminated and Street Maintenance Specials are replaced, it makes no sense to leave the possibility for specials for "Area Wide" Arterial/Collector Roads. If this is not possible, the city must develop a way to explain why this is ahead of time to avoid "bait and switch" complaints.

Paragraph 3. No Changes

Paragraph 4. Kate Herzog will draft a revision including 2-year language, which would be the earliest the street maintenance fee could begin and could correlate with the elimination of greenfield special assessments.

Paragraph 5. No Changes

Paragraph 6. The subcommittee agreed to discuss the citizen inquiry process at a future meeting.

Paragraph 7. Dustin Gawrylow said he would revise paragraph 7 before the next meeting.

6. Public Comment

The public in attendance did not offer comment.

7. Adjourn

The subcommittee discussed the next steps. The general consensus is to update the City Commission at the May 24, 2022 meeting. On June 15, 2022, the subcommittee intends to provide a report to the full Special Assessment Task Force.

There being no further business to discuss, the meeting adjourned at 4:57 PM.

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