



Special Assessment Task Force

5/23/2022 - 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, and Kevin Strege.

Committee member Mike Schmitz was absent.

2. Approval of Minutes

Kevin Strege made a motion to approve the minutes as presented, and Commissioner Splonskowski seconded. All members present voted aye

3. Rate Calculations – Stress test 5-year projections

Dmitriy Chernyak, Finance Director, provided an overview of the street utility fee projections. The group discussed 3%, 5%, and 8% inflation rates and how they may impact the monthly street utility fee. The subcommittee discussed a scenario where arterial road projects would be funded without the current half-cent sales tax collection. The group noted the half-cent sales tax collection for arterial roadway improvements is set to expire in 2028. If the desire is to extend the tax beyond 2028, the community would likely need to vote on that topic. The general consensus would be to engage in additional discussions seeking clarification of the North Dakota Century Code because the recurrent language does not allow the use of special assessments and street maintenance fee collections simultaneously. The group has concerns with future funding options for arterial roadway projects. The general consensus of the subcommittee members is that the street utility fund would remain solvent with an annual 1%-1.5% increase to the monthly fee.

4. Review revised Memorandum of recommended direction to be presented to the Bismarck City Commission

The subcommittee reviewed the revised Memorandum of Recommended Direction and Proposed Home Rule Charter Amendment language. The group discussed 17-B from the Home Rule Charter Amendment draft language.

Kevin Strege made a motion to modify the following sentence from 17-B to read as: Upon implementation, the city commission shall remove street maintenance and arterial road reconstruction special assessment balances from the accounts of property owners. Commissioner Splonskowski seconded.

All members present voted aye.

5. Discuss City Commission meeting agenda item- "Update from the Special Assessment Task Force Subcommittee"

The general consensus of the group was to have Dustin Gawrylow present an update from the subcommittee to the City Commission at the May 24, 2022 meeting.

6. Public Comment

Members of the public expressed concerns with the proposed rate tiers. The public asked why the committee is considering a rate structure that places a higher burden on residents in the lowest tier when residents in the top tier likely have more financial capacity to absorb a higher rate. One member of the public questioned why the per square foot rate was dismissed as an option for computing the monthly rate; it was noted that larger lots typically require more street frontage to access the property. The subcommittee members present discussed offering multiple recommendations, including a per-lot square footage price and a tiered approach. The tiered method would have less variation in the fees, and the per-lot square-foot approach would provide unique values for each lot in city limits.

7. Adjourn

The next meeting of the Special Assessment Task Force will be Monday, June 6, 2022.

There being no further business to discuss, the meeting was adjourned at 5:03 PM.

*Phone: 701-355-1300 | 221 North 5th Street | P.O. Box 5503 | Bismarck, ND 58501
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