



Special Assessment Task Force

The Special Assessment Task Force is scheduled to meet Monday, March 7, 2022, at 3:30 PM in the Large Conference Room at Bismarck Public Works, 601 S. 26th St, Bismarck, ND 58504.

1. Welcome And Introductions
2. Approval Of Minutes

Documents:

[Special Assessment Task Force_Meeting_2.23.2022.pdf](#)

3. Finish Ballot Discussion

Documents:

[Dustin G Questions.pdf](#)
[Home Ballot Information.pdf](#)

4. Review Residential Fee Framework With 3 Tiers Instead Of 6 Tiers
5. Discuss Recommendation To Commission
 - A. Elect Representative To Present The Background And Process Used To Arrive At Our Recommendation
 - B. Gabe Schell, City Engineer, To Present Rate Framework To Commission
 - C. Janelle Combs, City Attorney, To Present The Ballot Question To Commission

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Special Assessment Task Force

2/23/2022 - Minutes

1. Welcome And Introductions

2. Approval Of Minutes

Mike Schmitz made a motion to approve the minutes as presented, Kate Herzog seconded. All voted aye, M/C.

3. Other Political Subdivision Responses

Dmitriy Chernyak, City Finance Director reported that he has been in communications with Bismarck Parks and Recreation District (BPRD) staff and Bismarck Public Schools (BPS) staff. Mr. Chernyak indicated that BPRD is generally supportive of the proposed fee structure. However, BPS expressed concerns with the fee concept due to a potential impact on their tax collections. Mr. Chernyak closed by stating BPS would prefer the current model to continue as is and encourage the City to work with the legislature to adjust the language to support BPS's needs.

4. Consider Feedback From Task Force Constituents

There was discussion that the Bismarck Mandan Chamber EDC desires to see a business plan composed to help support the monthly fee structure. It was noted that without a business plan, the Chamber's support is unlikely. Discussion continued on the advantages and disadvantages of buying and selling residential real estate, eliminating street maintenance special assessments. There are mixed reviews from the homebuilders' perspective because of the misconception that all special assessments would be eliminated. The general consensus of the group was supportive of working towards the elimination of green-field/new development special assessments. Commissioner Guy directed staff to add this topic to the March 8, 2022, City Commission Agenda.

A discussion was held on the proposed rate structure and the number of tiers within the proposed model. Concerned was noted by some, along with the desire to see no more than three tiers.

Kevin Strege made a motion to request a model that shows the square footage of a house with the weighting factor of 3, 5, and 7 to see how it compares to the current model. Dustin Gawrylow seconded the motion. The motion failed 4-8.

Commissioner Splonskowski made a motion to review a model with three tiers instead of the proposed six. Dustin Gawrylow seconded the motion. The motion passed 9-2 (Kevin Strege left the meeting and did not vote).

5. Discussion And Consensus On Draft Ballot Question

Janelle Combs, City Attorney, provided the following information relating to the Home Rule Charter or an Ordinance/Advisory vote of the public. Home Rule Charter requires 60% voter support to approve and subsequently amend. An advisory vote of the public could be conducted to gauge the support of the street

utility fee concept but would be non-binding. The City Commission could implement an ordinance establishing the street utility fee; amendments could also be done through ordinance procedures.

It was requested that anyone bringing a motion to the next meeting should have them written out for all to review.

For the next meeting, the following topics will be discussed:

1. Three-tier model review.
2. Continued ballot discussion.
3. Dustin Gawrylow's questions and concerns.
4. Suggested framework for the recommendation to City Commission.

The next regularly scheduled meetings will be held on March 7, 2022, and March 21, 2022.

6. Suggested Framework For Recommendation To The Commission

The meeting was concluded before the item 6 discussion.

- A. Elect A Representative To Present The Background And Process Used To Arrive At Our Recommendation
- B. Gabe To Present The Rate Framework To The Commission
- C. Janelle To Present The Ballot Question Options And Draft Ordinance To The Commission

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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.

Infrastructure Fee

Enacting legislation options

Home Rule Charter

- Article 3 are the powers granted to the City and where any addition like this should be placed.
 - Requires 60% approval to grant, and if then approved, then 60% to change.
 - We must publish the entirety of changes in the Bismarck Tribune but the ballot language must be approved by the City Attorney per law as a fair representation of the language being changed.
 - Would require ordinance and policies to be enacted by the City Commission.
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PUBLICATION OF PROPOSED AMENDMENTS TO HOME RULE CHARTER FOR THE CITY OF BISMARCK.

A municipal election will be held on November 8, 2022, and included in that election will be the question of amending Article 3 of the Home Rule Charter For the City of Bismarck. The amendments, as proposed, are as follows (underlines are additions, strikeouts are deletions):

Ballot Question I (provide authority to impose a street infrastructure fee)

16. To impose registration fees on motor vehicles, or sales and use taxes in addition to any other taxes imposed by law.

17. To levy and collect an infrastructure fee for street maintenance purposes.

18. Sales, Use and Gross Receipts Tax.

NOTICE OF MUNICIPAL ELECTION
CITY OF BISMARCK

NOTICE IS HEREBY GIVEN that a municipal election will be held on November __, 2022, between the hours of seven (7) a.m. to seven (7) p.m. for the purpose of voting on the following:

CITY MEASURE I

Shall Article 3 of the Home Rule Charter for the City of Bismarck be amended:

To amend Article 3, section 17 to allow the City to impose an infrastructure fee for street maintenance purposes to replace street maintenance special assessments.

A "yes" vote means that you approve this proposed amendment to the Home Rule Charter for the City of Bismarck as published in the Bismarck Tribune.

A "no" vote means that you reject this proposed amendment to the Home Rule Charter for the City of Bismarck as published in the Bismarck Tribune.

Yes _____ No _____

Advisory Vote

- Before adopting ordinances, the City Commission may on its own motion submit questions to the city electorate for an advisory vote.
 - If it's a proposed ordinance and approved by the majority of voters and the Commission adopts that ordinance within 6 months, the ordinance will not be subject to referral for 5 years after the effective date.
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[..\street utility fee ordinance.docx](#)

NOTICE OF MUNICIPAL ELECTION
CITY OF BISMARCK

NOTICE IS HEREBY GIVEN that a municipal election will be held on November __, 2022,
between the hours of seven (7) a.m. to seven (7) p.m. for the purpose of voting on
the following:

City Measure Vote I

Shall ordinance 64XX regarding the implementation of an infrastructure street fee be
adopted to replace street maintenance special assessments and to pay off all
existing street maintenance special assessments.

A "yes" vote means that you approve this proposed ordinance for the City of Bismarck
as published in the Bismarck Tribune.

A "no" vote means that you reject this proposed ordinance for the City of Bismarck
as published in the Bismarck Tribune.

Yes _____ No _____