



Special Assessment Task Force

5/16/2022 - 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, Mike Schmitz, and Kevin Strege.

Committee member Kate Herzog 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. Discussion with City Engineer Schell

City Engineer Gabe Schell provided the committee with a special assessment revenue requirement overview. Engineer Schell noted that there are three sources of revenue that fund street maintenance projects; sales tax, City Special Deficiency Fund, and Special Assessments. The subcommittee discussed the desire to demonstrate three sources of revenue to reach the \$27 million annual threshold for street maintenance projects. The general consensus would be to develop a chart or graph that indicates the percentages of revenue sources for street maintenance projects over the next five years.

The subcommittee discussed the proposed rate structure and the number of rate tiers. Commissioner Splonskowski noted that he prefers four tiers and he does not like the lowest tier so low, nor does he like the highest tier at its proposed highest rate. Mr. Strege indicated his preference be that the top tiers be higher and the lowest tier rate be reduced. Mr. Strege stated that it is his belief that the higher rate is less of a burden on those individuals in the upper tier. The higher rate for the lower tier has a greater impact on the smaller parcels and those owners may not be able to absorb the larger fee amounts. Mr. Gawrylow noted that his preference is for three or four tiers. Mr. Schmitz stated he believes six tiers is too many and three tiers would be easier to understand. He noted that under a three tier model the monthly street utility fee rate would be doubled at each tier; noting the lowest tier is at \$14, the second tier is proposed to be \$27.99, and the third tier is proposed to be \$55.98.

The general consensus of the group would be to recommend a three tier model with the rate structure at follows: \$14 for tier one, \$27.50 for tier two, and \$47 for tier three. The subcommittee agreed that the proposed model needs to be tested to determine if it works and if the rate of inflation is appropriate. The group prefers the model be tested with a 2%, 6%, and 8% inflation rate.

4. Discussion with City Attorney Combs

City Attorney Jannelle Combs stated that based on her interpretation of North Dakota Century Code, special assessments and a street maintenance fee cannot be used simultaneously by municipalities.

5. Review revised Memorandum of Recommended Direction to the Bismarck City Commission

Time did not allow for discussion.

6. Public Comment

There was no comment from the public in attendance.

7. Adjourn

There being no further business the meeting adjourned at 5:10 PM.

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