



Special Assessment Task Force

The Special Assessment Task Force is scheduled to meet Monday, April 18, 2022, at 3:30 PM in the Mayor's Conference Room on the 4th Floor of the City/County Building, 221 N 5th St, Bismarck, ND 58501.

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.

2. Approval Of Minutes

Documents:

[Special Assessment Task Force Subcommittee 4.11.2022.pdf](#)

3. Review The Updated Draft Ballot Language.

Documents:

[Draft Home Rule Charter Language_Gawrylow.pdf](#)

[Draft Home Rule Charter Language_Herzog 4.12.2022.pdf](#)

4. Review The Proposed Fee Schedule And Tier Structure.

Documents:

[Arterial Improvement Special Assessments.pdf](#)

5. Discuss The Impacts To Other Political Subdivisions Such As Bismarck Public Schools And Bismarck Parks And Recreation District.

Documents:

[Current and Proposed NDCC.pdf](#)

6. Discuss The Next Meeting Date Of The Subcommittee.

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Special Assessment Task Force

4/11/2022 - 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 Mark Splonskowski. Committee member Kevin Strege was absent.

2. Approval Of Minutes

Mike Schmitz made a motion to approve the minutes as presented, Dustin Gawrylow seconded. All members present voted aye,

M/C.

3. Review The Updated Draft Ballot Language Provided By Dustin Gawrylow And Other Subcommittee Members.

Paragraph A - The general consensus was for the language to be as follows:

- For the purposes of this fee, "street maintenance" shall be defined as any maintenance activity not financed by the City's general fund prior to enactment of this amendment or prior to January 1, 2022. Necessary street maintenance is defined by City Engineering using the basis of a pavement management system. The city commission shall enact ordinances defining and itemizing this scope and may only expand this scope definition with a unanimous roll call vote renewed during the annual budget process.

Paragraph B - The general consensus was for the language to be as follows:

- Upon passage, the City Commission shall assume existing street maintenance balances as part of the Street Infrastructure Fee.

Paragraph C - The general consensus was to task City Engineer Gabe Schell to draft language addressing a five-year street maintenance capital improvement plan.

Paragraph D - The general consensus was to accept the language as drafted with the understanding that it is a five-year capital improvement plan and not a three-year maintenance schedule as previously drafted. The subcommittee members will reconsider this at a later meeting.

Paragraph E - The general consensus was to remove paragraph E from the draft home rule charter language and to develop a recommendation on implementation that will be delivered to the City Commission at a future meeting.

Paragraph F - The general consensus was to move forward with option one and remove the language "to protect the taxpaying citizens of Bismarck," leaving option one to read, the commission shall establish a policy addressing minimum fund balances and maximum ending fund balances. Option two will be included with other elements in the recommendations provided to the commission by the subcommittee at a future meeting date.

Paragraph G - Prior to implementation City Commission shall not exceed 110% of the annual average of the prior three years' expenditures, as a result, the annual fee assessed to account holders will be calculated based upon the caps to the fund balance.

Paragraph H - The group decided to remove paragraph H and include it with paragraphs E and F as part of the recommendation to the commission.

4. Review The Proposed Fee Schedule And Tier Structure.

Time did not allow for discussion of item 4.

5. Discuss The Impacts To Other Political Subdivisions Such As Bismarck Public Schools And Bismarck Parks And Recreation District.

Time did not allow for discussion of item 5.

6. Next Meeting Of The Subcommittee Is April 18, 2022.

The meeting adjourned at 5:10 PM.

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Post April 4th Meeting Additions and Corrections to the Mike Schmitz and Kate Herzog Combined Edits of --- D.G. Draft Home Rule Charter Language

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

a. For the purposes of this fee, "street maintenance" shall be defined as any maintenance activity not financed by the city's general fund prior to enactment of this amendment or prior to January 1st, 2022. The city commission shall enact ordinance defining and itemizing this scope and procedures and may expand this scope only with unanimous roll call vote, renewed annually, during the budget process.

b. Upon passage, the city commission may develop a plan for the city to assume the annual debt maintenance of existing maintenance special assessments. If the city commission does assume the debt maintenance costs as part of the new infrastructure fee, the city shall remove such balances from the accounts of property owners.

c. During the annual budget process, the city commission shall task staff to develop and submit needed street maintenance projects defined by city engineering using the basis of a pavement management system and maintenance schedules for maintenance expectations for the next three (3) years. Any changes made to said plan should be explained. Any changes made to current year project priorities must be justified by a process defined by the city commission.

d. The city commission shall develop and enact into ordinance a process to allow for residents to request an evaluation of their street if they believe the street should be included in the three-year maintenance schedule

e. After an affirmative vote of the residents of the City of Bismarck on this amendment, and no less than one-hundred-and-twenty (120) days prior to the introduction of any ordinance related to a street maintenance fee, the city commission shall develop a comprehensive policy detailing how the new infrastructure fee will work. The city shall hold no fewer than two (2) public input meetings subsequent to drafting and prior to final approval of by the full commission.

f Option 1: To protect the taxpaying citizens of Bismarck, the commission shall establish a policy in ordinance addressing minimum fund balances and maximum ending fund balances.

f. Option 2: To insure adequate funding and limit excess funding, the street utility fee shall be adjusted annually within the defined rate framework. A three year projection of income and outflow will be calculated, and fees adjusted so the projected balance at the end of year three does not exceed 100% of the projected average annual outflow.

g. Prior to full implementation, the Bismarck City Commission shall work with the Bismarck School Board, the Bismarck Park Board, and the Burleigh County Commission to ensure that legislation has been passed that will prevent this infrastructure fee from creating an undue burden on said political subdivisions and their taxpayers.

h. Optional Based on City Commission Action Prior to Public Vote If at the time of implementation of the new infrastructure fee the city commission has not yet ended the practice of financing greenfield specials, the practice of city financing for greenfield development shall be prohibited in calendar years years beginning after December 31st, 2025.

Unaddressed:

Arterial specials – is this fee going to cover those, and are those existing balances to be assumed?

Fee Ranges or Tier Structures – in Home Rule or Ordinance?

D.G. Draft Home Rule Charter Language V.4 & 5

Red: Needs work or clarification

Yellow: Suggested changes

Blue: Move from HRC to Commission Recommendations

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

a. For the purposes of this fee. "street maintenance" shall be needed street maintenance projects defined by city engineering using the basis of a pavement management system The city commission may only expand this definition with unanimous roll call vote. during the annual budget process.

b. Upon passage, the city commission shall develop a plan for the city to assume the annual debt maintenance of existing maintenance special assessments. If the city commission does assume the debt maintenance costs as part of the street infrastructure fee, the city shall remove such balances from the accounts of property owners.

c. During the annual budget process, the city commission shall develop and submit needed street maintenance projects defined by city engineering using the basis of a pavement management system and maintenance plans for the next five (5) years. (Gabe Schell may reword to reflect current system)

d. The city commission shall develop and enact into ordinance a process to allow for residents to request an evaluation of their street if they believe the street should be included in the five-year three-year maintenance plan (CIP) (Gabe Schell may reword to reflect current system)

e. After an affirmative vote and no less than one-hundred-and-twenty (120) days prior to the transition away from street maintenance special assessments and to a new infrastructure fee, the city commission shall develop a comprehensive policy detailing how the new infrastructure fee will be administered. The city shall hold no fewer than two (2) public input meetings subsequent to drafting and prior to final approval by the full commission. (move into recommendations)

f. The city commission shall direct city staff to develop a user-friendly internet based interface for residents to estimate the financial impact of the street infrastructure fee.

f Option 1: The commission shall establish a policy in ordinance addressing minimum fund balances and maximum ending fund balances.

f. Option 2: To insure adequate funding and limit excess funding, the street utility fee shall be adjusted annually within the defined rate framework. A three year projection of

income and outflow will be calculated, and fees adjusted so the projected balance at the end of year three does not exceed 100% of the projected average annual outflow. (move agreed upon version into recommendations)

h. Prior to implementation, the Bismarck City Commission shall work with the Bismarck School Board, the Bismarck Park Board, and the Burleigh County Commission to ensure that **amended legislation or a settled upon infrastructure fee will address any undue financial burden on said political subdivisions**

I. If at the time of implementation of the new infrastructure fee the city commission has not yet ended the practice of financing greenfield specials, the practice of city financing for greenfield development shall be prohibited in calendar years beginning after December 31 st , 2025. (commission efforts are already underway on this effort. May be out of scope or moved to recommendations to pursue)

Arterial specials – is this fee going to cover those, and are those existing balances to be assumed? This needs to be addressed further. Currently the fee would only cover existing maintenance activities in existing curb to curb areas and would not cover expanded capacity situations.

Dustin suggested an inclusion and exclusion list from Gabe for voter clarity.

Fee Ranges or Tier Structures – in Home Rule or Ordinance?

Arterial Improvement Special Assessments

Improvement District	Project	2022			2023			2024		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SI398	Century Ave – Arizona to Hamilton	6,207.26	245.02	6,452.28	6,207.26	80.05	6,287.31			
SI432	Century Avenue/Centennial Road	80,183.02	6,622.36	86,805.38	75,132.12	5,457.49	80,589.61	74,500.76	4,316.62	78,817.38
SI438	Washington St – Divide to Boulevard	64,045.44	5,289.54	69,334.98	60,011.08	4,359.12	64,370.20	59,506.78	3,447.86	62,954.64
SI476	Divide Ave – 26th St to Commerce	84,505.90	23,230.56	107,736.46	94,221.97	19,355.57	113,577.54	94,221.97	17,027.76	111,249.73
SI504	N Washington St – Calgary to 57th	152,334.78	77,327.13	229,661.91	158,968.01	68,813.22	227,781.23	161,810.83	59,567.33	221,378.16
Total		387,276.40	112,714.61	499,991.01	394,540.44	98,065.45	492,605.89	390,040.34	84,359.57	474,399.91

	Balance Due on Special Assessments		
	Principal	Interest	Total
Arterial Improvements	3,559,097.54	558,810.25	4,117,907.79

Arterial Improvement Special Assessments

Improvement District	Project	2025			2026			2027		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SI398	Century Ave – Arizona to Hamilton									
SI432	Century Avenue/Centennial Road	72,606.67	3,140.24	75,746.91	72,606.67	1,924.08	74,530.75	72,606.67	653.46	73,260.13
SI438	Washington St – Divide to Boulevard	57,993.90	2,508.23	60,502.13	57,993.90	1,536.84	59,530.74	57,993.90	521.95	58,515.85
SI476	Divide Ave – 26th St to Commerce	88,190.25	14,538.53	102,728.78	91,983.76	12,061.18	104,044.94	91,983.76	9,531.63	101,515.39
SI504	N Washington St – Calgary to 57th	166,086.57	51,350.60	217,437.17	170,824.60	43,715.93	214,540.53	174,615.02	34,927.69	209,542.71
Total		384,877.39	71,537.60	456,414.99	393,408.93	59,238.03	452,646.96	397,199.35	45,634.73	442,834.08

	Balance Due on Special Assessments		
	Principal	Interest	Total
Arterial Improvements	3,559,097.54	558,810.25	4,117,907.79

Arterial Improvement Special Assessments

Improvement District	Project	2028			2029			2030		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SI398	Century Ave – Arizona to Hamilton									
SI432	Century Avenue/Centennial Road									
SI438	Washington St – Divide to Boulevard									
SI476	Divide Ave – 26th St to Commerce	90,777.41	6,790.21	97,567.62	90,475.83	4,071.41	94,547.24	90,475.83	1,357.15	91,832.98
SI504	N Washington St – Calgary to 57th	178,150.01	26,910.84	205,060.85	181,940.44	20,618.73	202,559.17	186,678.47	15,089.45	201,767.92
Total		268,927.42	33,701.05	302,628.47	272,416.27	24,690.14	297,106.41	277,154.30	16,446.60	293,600.90

	Balance Due on Special Assessments		
	Principal	Interest	Total
Arterial Improvements	3,559,097.54	558,810.25	4,117,907.79

Arterial Improvement Special Assessments

Improvement District	Project	2031			2032			2033		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SI398	Century Ave – Arizona to Hamilton									
SI432	Century Avenue/Centennial Road									
SI438	Washington St – Divide to Boulevard									
SI476	Divide Ave – 26th St to Commerce									
SI504	N Washington St – Calgary to 57th	192,364.11	9,283.56	201,647.67	200,892.59	3,138.91	204,031.50			
Total		192,364.11	9,283.56	201,647.67	200,892.59	3,138.91	204,031.50			

	Balance Due on Special Assessments		
	Principal	Interest	Total
Arterial Improvements	3,559,097.54	558,810.25	4,117,907.79

Arterial Improvement Special Assessments

Improvement District	Project	2034			2035			2036		
		Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
SI398	Century Ave – Arizona to Hamilton									12,739.59
SI432	Century Avenue/Centennial Road									469,750.16
SI438	Washington St – Divide to Boulevard									375,208.54
SI476	Divide Ave – 26th St to Commerce									924,800.68
SI504	N Washington St – Calgary to 57th									2,335,408.82
Total										

	Balance Due on Special Assessments		
	Principal	Interest	Total
Arterial Improvements	3,559,097.54	558,810.25	4,117,907.79

Current NDCC

57-15-41. Political subdivision tax levies for payment of special assessments exempt from levy limitations.

No tax levy limitations provided by any statute of this state apply to tax levies by any county, city, school district, park district, or township for the purpose of paying any special assessments or paying debt service on bonds issued to prepay special assessments made in accordance with the provisions of title 40, against property owned by such county, city, school district, park district, or township. Any surplus in the special assessment fund after all of the special assessments for which the fund was created have been paid shall be placed in the general fund of the political subdivision.

Proposed changes to NDCC

57-15-41. Political subdivision tax levies for payment of special assessments and infrastructure fee exempt from levy limitations.

No tax levy limitations provided by any statute of this state apply to tax levies by any county, city, school district, park district, or township for the purpose of paying any special assessments and paying the infrastructure fee as set by 11-09.1-05, 11-11-55.1, 40-05.1-06, and 40-23-21 of the North Dakota Century Code or paying debt service on bonds issued to prepay special assessments made in accordance with the provisions of title 40, against property owned by such county, city, school district, park district, or township. Any surplus in the special assessment fund after all of the special assessments for which the fund was created have been paid shall be placed in the general fund of the political subdivision.