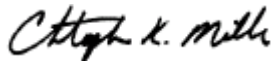



REQUEST FOR COUNCIL ACTION

Date: 8/23/2010
Item No.:

Department Approval

City Manager Approval



Item Description: Public Hearing on Establishing a Street Light Utility Ordinance

BACKGROUND

At the July 12, 2010 City Council meeting, the Council discussed the merits of establishing a street light utility consistent with the Council's desire to review alternative funding mechanisms. At the conclusion of the discussion, the Council established a hearing to consider additional information on possible rates, and to solicit public comment.

Attachment A contains a draft ordinance as prepared by the City Attorney. The ordinance is consistent with those enacted in other area cities. *Attachment B* contains a summary of potential street light utility rates for various property classifications. City Staff will present an overview of these potential rates at the Council meeting. A brief description is included here:

Example #1: Represents the rate structure that was proposed for the initial discussion back on July 12th. The amount is slightly higher than originally depicted in the original Staff RCA due to a revised acreage count.

Example #2: Includes a rate for multi-family units that is two-thirds the amount of single-family residential properties. This is consistent with how the City applies its solid waste recycling rate.

Example #3: Includes the same rate structure as Example #2 but lowers the rates to achieve a funding amount of only \$300,000 – the amount originally called for.

Example #4: Preserves the same rate general rate structure as Example #3; however the single-family rate is now set at an amount that is equivalent to what a typical single-family home would pay for street lighting via their property tax bill.

Example #5: This example distributes the rates based on the same proportion of taxes collected by each property category. In this example, a significant shift is observed from multi-family to single-family residences.

The preliminary 2011 Budget establishes a need of \$210,000 for streetlight operations including repairs and energy costs. In addition, the 2011-2020 Capital Improvement Plan identifies a \$64,000 need to replace a portion of the City's aging lighting systems. The City owns, or is responsible for, approximately 1,300 street lights.

35 Once established, the separate utility fund will be expected to pay its proportionate share of
36 property/liability insurance and administrative service charges. This is expected to be approximately
37 \$15,000 annually. It is anticipated that Street Light Utility Fees would be collected on existing utility
38 billing cycles to minimize administrative costs.

39

40 Staff has received a number of comments from residents on the proposed ordinance. They are attached
41 as well. (*Attachments*)

42 **POLICY OBJECTIVE**

43 The City has a street lighting policy to ensure public safety on public ways. Currently there are
44 approximately 1,300 street lights in the city. The City is also responsible for energy costs and lighting
45 maintenance on most signalized intersections throughout the city.

46 **FINANCIAL IMPACTS**

47 See *Attachment B*.

48 **STAFF RECOMMENDATION**

49 Continue discussing a streetlight utility ordinance.

50 **REQUESTED COUNCIL ACTION**

51 Discuss draft ordinance and provide direction to staff.

52

Prepared by: Chris Miller, Finance Director & Duane Schwartz, Public Works Director
Attachments: A: Draft Ordinance as prepared by the City Attorney
B: Summary of Potential Street Light Utility Rates
C: Public Comments

53

54 **City of Roseville**
55 **ORDINANCE NO. _____**

56
57 **AN ORDINANCE ADDING CHAPTER 804 ESTABLISHING A STREET LIGHT UTILITY IN**
58 **ACCORDANCE WITH MINNESOTA STATUTES SECTION 429.021**

59
60 THE CITY OF ROSEVILLE ORDAINS:

61
62 SECTION 1: Chapter 804 is hereby added to the Roseville City Code:

63
64 SECTION:

- 65
66 804.01: Authority and Purpose
67 804.02: Street Light Utility Established
68 804.03: Rates and Collection of Fees
69 804.04: Certification of Delinquent Accounts
70 804.05: Street Light Utility Fund

71
72 **804.01: AUTHORITY AND PURPOSE**

73
74 Minnesota Statutes Section 429.021 authorizes cities to install, replace, extend, and maintain street
75 lights and street lighting systems and special lighting systems. The City Council has determined that in
76 order to promote the general health, safety, and welfare of the citizens of the City, it is in the best
77 interest of the citizens that the City operate and maintain a city-wide street lighting system utility and
78 has further determined that the operation and maintenance of such utility benefits each and every
79 property within the City. The City Council has therefore determined that it is fair, appropriate, and
80 reasonable that the costs of such operation and maintenance be paid on a fair and reasonable basis by all
81 of the property in the City so benefited and the cost should be charged and collected from all such
82 benefited property, except for those exempted in Section 804.03E.

83
84 **804.02: STREET LIGHT UTILITY ESTABLISHED**

85
86 The City of Roseville hereby establishes a street light utility. The City's street light utility consists of
87 all street lighting and traffic control lighting systems whether owned by the City or otherwise for what
88 the City purchases and supplies electrical energy from a public utility, and any additional facilities
89 owned or operated by the City in the future. The operation of such utility shall be under the supervision
90 of the Public Works Director.

91
92 **804.03: RATES AND COLLECTION OF FEES**

93
94 **A. Rates.** The rates for street lighting are based on land use. The City Council shall establish rates
95 for all property categories within the City. The rates shall be established annually by the City Council
96 pursuant to Chapter 314 and are set forth in the City's Fee Schedule in Section 314.05.

97
98 **B. Collection of Rates.** The City Council shall establish the rate of the service charge of each
99 property annually pursuant to Chapter 314. Charges shall be apportioned similarly to similar uses of
100 property.

102 **C. Collection of Fees.** The service charges for street lighting shall be placed directly on the utility
103 bill for each property, which shall be due within thirty (30) days after the date of mailing such bill.
104

105 **D. Penalty for Late Payment.** A penalty in the amount of 10% of the amount past due shall be
106 added to all utility accounts not paid in full by the due date. The penalty shall be added to the balance
107 for which the accounts remain unpaid.
108

109 **E. Exemptions.** A charge shall not be made against land that is:

- 110 1. City-owned, except that which is leased to persons or nongovernmental entities;
- 111 2. Public right-of-way;
- 112 3. Vacant (without improvements);
- 113 4. Cemeteries;
- 114 5. Railroad right-of-way.
- 115 6. Properties that own and maintain public street lighting systems on public right of way

116
117
118 **804.04: CERTIFICATION OF DELINQUENT ACCOUNTS**
119

120 Any street light utility charges in excess of ninety (90) days past due shall be certified to the County
121 Records office as a charge against the property benefited as a special assessment pursuant to Minnesota
122 Statute Section 429.101 and other pertinent statutes for certification to the County and collection the
123 following year with real estate taxes.
124

125 **804.05: STREET LIGHT UTILITY FUND**
126

127 All fees and assessments received pursuant to this Chapter shall be placed in a dedicated fund for the
128 purpose of paying the costs of the street lighting utility.
129

130 SECTION 2: Effective date. This ordinance shall take effect upon its passage and publication.
131

132 Passed by the City Council of the City of Roseville this ____ day of _____, 20__.
133

134 *Ordinance Adding Chapter 804 Establishing a Street Light Utility in Accordance With Minnesota*
135 *Statutes Section 429.021*

136

137

138 (SEAL)

139

140

141

142

CITY OF ROSEVILLE

143

144

145

BY: _____
Craig D. Klausung, Mayor

146

147

148 ATTEST:

149

150

151

152 _____
William J. Malinen, City Manager

City of Roseville
Street Light Utility Analysis

revised 8/5/10

Example #1

<u>Category</u>	<u>Total Units</u>	<u>Rate Per Unit</u>	<u>Total Acres</u>	<u>Units Per Acre</u>	<u>Rate Per Unit</u>	<u>Quarterly Projected Revenue</u>	<u>Annual Projected Revenue</u>
Single Family	9,414	4.00	-	-	-	37,656	\$ 150,624
Multi-Family	-	-	302	1,207.71	4.00	4,831	19,323
Other (Less exemptions)	-	-	2,390	9,560.03	4.00	38,240	152,960
							<u>\$ 322,908</u>

Example #2

<u>Category</u>	<u>Total Units</u>	<u>Rate Per Unit</u>	<u>Total Acres</u>	<u>Units Per Acre</u>	<u>Rate Per Unit</u>	<u>Quarterly Projected Revenue</u>	<u>Annual Projected Revenue</u>
Single Family	9,414	3.50	-	-	-	32,949	\$ 131,796
Multi-Family	6,235	2.35	-	-	-	14,621	58,484
Other (Less exemptions)	-	-	2,390	9,560.03	3.50	33,460	133,840
							<u>\$ 324,121</u>

* multi-family is 2/3 single-family consistent with Recycling charges.

Example #3

<u>Category</u>	<u>Total Units</u>	<u>Rate Per Unit</u>	<u>Total Acres</u>	<u>Units Per Acre</u>	<u>Rate Per Unit</u>	<u>Quarterly Projected Revenue</u>	<u>Annual Projected Revenue</u>
Single Family	9,414	3.25	-	-	-	30,596	\$ 122,382
Multi-Family	6,235	2.18	-	-	-	13,577	54,307
Other (Less exemptions)	-	-	2,390	9,560.03	3.25	31,070	124,280
							<u>\$ 300,969</u>

* multi-family is 2/3 single-family consistent with Recycling charges.

Example #4

<u>Category</u>	<u>Total Units</u>	<u>Rate Per Unit</u>	<u>Total Acres</u>	<u>Units Per Acre</u>	<u>Rate Per Unit</u>	<u>Quarterly Projected Revenue</u>	<u>Annual Projected Revenue</u>
Single Family	9,414	3.20	-	-	-	30,125	\$ 120,499
Multi-Family	6,235	2.14	-	-	-	13,368	53,471
Other (Less exemptions)	-	-	2,390	9,560.03	3.30	31,548	126,192
							<u>\$ 300,163</u>

* multi-family is 2/3 single-family consistent with Recycling charges.

** single-family rate is equivalent to what they pay currently via property taxes

Amount paid by residential 173,971
% paid by residential 58.0%

Example #5

<u>Category</u>	<u>Total Units</u>	<u>Rate Per Unit</u>	<u>Total Acres</u>	<u>Units Per Acre</u>	<u>Rate Per Unit</u>	<u>Quarterly Projected Revenue</u>	<u>Annual Projected Revenue</u>
Single Family	9,414	4.15	-	-	-	39,068	\$ 156,272
Multi-Family	6,235	0.80	-	-	-	4,988	19,952
Other (Less exemptions)	-	-	2,390	9,560.03	3.20	30,592	122,368
							<u>\$ 298,593</u>

* Revenue generated approximates the same percentage as city taxes paid

Single Family 52.6%
Multi-Family 6.7%
Other 40.7%

From: Meyer, Timothy J. [REDACTED]
Sent: Thursday, August 19, 2010 7:17 AM
To: Duane Schwartz
Subject: Streetlight hearing input

Dear Mr. Schwartz;

Regarding the proposed streetlight fee, please give residents the option of giving up the streetlights in their neighborhood instead of forcing them to pay for something they don't want or need. If having lighted streets is really a city safety issue then the burden falls to the City. Funding must be reduced elsewhere or reduce the current level of city services.

I strongly oppose the proposal of a utility fee for the city lighting system. The wording in the article made it sound like the fee would be increasing every year which I also strongly oppose.

Rather than charging another fee I would rather you propose disabling a percentage of the streetlights starting with the one that shines into my bedroom window
at 944 Millwood Ave.

Respectfully,
Timothy J. Meyer

[REDACTED]

PRIVACY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain business confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If this e-mail was not intended for you, please notify the sender by reply e-mail that you received this in error. Destroy all copies of the original message and attachments.

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Thursday, August 12, 2010 2:39 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Linda Neilson

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| Based on the current limited information available on the City's website about this matter, I am not in favor of a utility fee to pay for street lights. If you could somehow prove adding this fee will lead to an equivalent or higher annual reduction in property taxes, perhaps it would be palatable.

I am confident my property taxes will not decrease by the same amount I would be assessed on my utility bill, so therefore the net effect on me and all other property taxpayers would be increased cost. As a retiree and 32+ year resident and property taxpayer in the City, I am not in favor of the city assessing costs in addition to property taxes and disguising them as utility "fees".

I understand the city is looking for ways to increase revenues to cover costs, but you are overburdening Roseville residents. I suggest you curtail the holiday lighting at city hall and around the oval during the holiday season and use those funds for streetlights.

Additional Information:

Form submitted on: 8/12/2010 2:39:11 PM

Submitted from IP Address: [REDACTED]

Referrer Page: No referrer- Direct link

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Saturday, August 14, 2010 11:29 AM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Sue Van Zanden

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| Dear Duane and City Council Members,

I am unable to attend the meeting on August 23rd.

I am Block Captain for our long (31 households) block. We have no lighting in the middle of the block so it is very dark. When we inquired, we were told we should have to finance it as it did not meet the requirement for placement from the city.

With regard to the current proposal, I am skeptical of a fee that has no limits or parameters for lighting needs in the city...especially since the block here west of Hamline are not well lit...and no plans to improve the situation exist.

I fully understand the need to retain financing for this utility, and am willing to include this in my property taxes. As I said, I am far more skeptical of a fee being imposed unless residents pay for what they have-- or get-- in a fair manner.

Additional Information:

Form submitted on: 8/14/2010 11:28:31 AM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Wednesday, August 11, 2010 4:26 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Jeff Beech-Garwood

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~| [REDACTED]

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| Hi Duane,
On the subject of a 'Street Light Utility Fee' can you please take into
consideration folks such as myself who don't have a streetlight anywhere
near us. (Don't have a sewer in this part of Dale St for that matter
either).
Thanks, Jeff

Additional Information:

Form submitted on: 8/11/2010 4:25:40 PM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Thursday, August 12, 2010 7:55 AM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Sue Evanoff

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~| [REDACTED]

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~|
I do not like this idea Property taxes and utilites bills are high enough.
Instead of always increasing taxes or utility fees look for cuts in
unnecessary spending.

Additional Information:

Form submitted on: 8/12/2010 7:55:20 AM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Wednesday, August 11, 2010 4:45 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Marceil Luedtke

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| RE: utility Street Light Fee - NO - Give us a break. One person in my house has lost half her work works, I have college tuition for my son and I haven't received a raise in 4 years at the non-profit I work at. I dont' have any more to give. We pay state taxes. We pay property taxes. We pay for water and waste. I don't have any more to give. Everything goes up but my wages. Turn off half the lights on the street.

Additional Information:

Form submitted on: 8/11/2010 4:44:33 PM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Thursday, August 12, 2010 3:05 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Tim Ivory

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| The City of Roseville wants to hear your thoughts on a street light utility fee to fund the operations and replacement of city owned and leased lighting systems. Currently streetlights are paid through property taxes. This ordinance would allow Roseville to collect a utility fee for these purposes with rates established on an annual basis.

Duane, Since there are no streetlights on my street, i assume there would be know fee for me, correct? If a portion of my property tax is allocated to streetlights that i don't have, i would be in favor of the change.
Thanks,
Tim Ivory

Additional Information:

Form submitted on: 8/12/2010 3:04:46 PM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Wednesday, August 11, 2010 8:45 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Fredrik M. Christiansen

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~ [REDACTED]

Please Share Your Comment, Question or Concern~| Taxes are good! Fees paid to [ourselves=government] are not!

Taxes should be in proportion to our ABILITY to pay...Not what "services are rendered" by our "government"!

There should be no conflict of interest by "government" or its employees. Fees usually cause conflict of interest.

Additional Information:

Form submitted on: 8/11/2010 8:44:59 PM

Submitted from IP Address: [REDACTED]

Referrer Page: No referrer- Direct link

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Wednesday, August 11, 2010 4:01 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Cynthia White

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~|

Email Address:~| [REDACTED]

Please Share Your Comment, Question or Concern~| This happens to be a fee that I am not in favor of. My experience with this in another state doesn't lead me to think it provides consistency across a municipality in the long run, particularly when carried to extremes. I see street lights as a public safety issue for which the entire city must bear responsibility, rightly paid through property taxes. I'd be happy to be educated about why I'm wrong and/or my concerns are ill-founded. Of course, I understand the need to increase revenues and thus why I think we must increase Roseville property tax.

Additional Information:

Form submitted on: 8/11/2010 4:01:25 PM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>

From: support@civicplus.com [mailto:support@civicplus.com]
Sent: Wednesday, August 11, 2010 4:11 PM
To: Duane Schwartz
Subject: Online Form Submittal: Contact Duane Schwartz

The following form was submitted via your website: Contact Duane Schwartz

Name:~| Tom Dougherty

Address:~| [REDACTED]

City:~| Roseville

State: ~| MN

Zip:~| 55113

Home Phone Number:~| [REDACTED]

Daytime Phone Number:~| [REDACTED]

Email Address:~ [REDACTED]

Please Share Your Comment, Question or Concern~| I need more information to make an informed decision on this matter. I would assume the current method collects these costs from those who pay property taxes. Those that do not would not share in the cost of the City providing these services. If the net impact to me is a cost reduction by shifting more to those not currently paying for this benefit, I would support the change. If it merely keeps my cost the same but shifts it from an income tax deductible cost to non-deductible, I would oppose the shift.

Additional Information:

Form submitted on: 8/11/2010 4:10:34 PM

Submitted from IP Address: [REDACTED]

Referrer Page: <http://www.cityofroseville.com/index.aspx?NID=1986>

Form Address: <http://www.cityofroseville.com/forms.aspx?FID=77>