

**AGENDA
CITY COUNCIL
WORK SESSION
CITY OF EAST GRAND FORKS
MARCH 22, 2011
5:00 PM**

CALL TO ORDER

CALL OF ROLL

DETERMINATION OF A QUORUM

1. State Aid Route/Special Assessment Policy – State Aid Task Force
2. Civic Center Locker Rooms – Greg Boppre
3. 3rd Ave. SE Lot Sale – Jim Richter
4. Wastewater Interconnect Study – John Wachter
5. Budget Transfers – Jerry Lucke

ADJOURN

Upcoming Meetings

Work Session – March 29, 2011 – 5:00 PM – Training Room

Regular Meeting – April 5, 2011 – 5:00 PM – Council Chambers

Work Session – April 12, 2011 – 5:00 PM – Training Room

Regular Meeting – April 19, 2011 – 5:00 PM – Council Chambers

**Final Recommendations
of the
State Aid Task Force**

**Approved to the State Aid Task Force on
February 24, 2011**

Executive Summary

The State Aid Task Force met several times over the course of approximately one year. The task force, which was composed of three City Council members and two city residents, was charged with developing an equitable system for assessing properties on “state aid roads” for street reconstruction. The task force determined that the maintenance of state aid routes was inexorably linked to the maintenance of the overall street system. Therefore, the task force analyzed the city’s entire street maintenance composition to determine the funding gaps and potential inequities in street maintenance.

Street maintenance funding is primarily composed of state aid funding and the General Fund support. These two sources together are less than half of the City’s total maintenance need. The remainder of the maintenance is assumed through the special assessment process. However, special assessments are rife with political and legal challenges.

The task force examined a variety of financing methods for street reconstruction and maintenance. The task force first explored the ideas of flat fees on a parcel basis and as a function of front footage. The task force also reviewed parcel-based options with modifications for zoning classification (residential, commercial, multi-family, industrial). And, the task force analyzed several utility-based fee models using existing data of water, electrical, and storm water use. Finally, the task force reviewed a model based on trip generation.

Each system has advantages and disadvantages, but there is no perfect system. After looking at each of the proposals, the task force opted for the trip generation method developed by the Institute of Traffic Engineers (ITE). The rationale is simply that those who use or generate travel pay should for street maintenance. This use-based model is comparable to rates charged for other services or utilities that the City provides.

The final recommendation of the State Aid Task Force includes four primary tenants.

1. Residents would pay 40 percent of a road reconstruction in the form of special assessments.
2. Special assessments would be based on front benefits only. End benefits would be eliminated.
3. All properties would pay a fee based on projected daily trips generated as devised by the Institute of Traffic Engineers (ITE).
4. The City would not specially assess state aid properties. But, state aid properties would pay the monthly fee as their contribution to the system.

With the information contained herein, the State Aid Task force respectfully submits its recommendation to the City Council for its consideration.

History of the State Aid Task Force

The City Council appointed three City Council members and two residents to the State Aid Task Force in the fall of 2009. The task force met several times over the course of a year on starting on February 10, 2010. The initial charge of the task force was to determine the appropriate level at which the City should assess property owners on “state aid routes” for road reconstruction. The primary impetus for this question was a recently-completed improvements project to 17th Avenue SE that the City did not assess to the property owners in the area. Council Member Craig Buckalew, who became the chairperson of the task force, remarked that “I don’t know if they should pay 100 percent, but they should pay something.”

Current Street Maintenance Financing

The task force first reviewed the current funding options for street maintenance: state aid, the City’s General Fund, and Special Assessments.

The State Aid Road System

The State of Minnesota provides local funding for street construction and street maintenance for cities with populations above 5000. The primary use of the funding is intended for maintenance on local streets that connect to state routes, so that proper maintenance is ensured throughout the state system. The City has considerable flexibility in determining which local roads are designated as “state aid.” For example, the City designated 17th Avenue SE as a state aid route in anticipation of the proposed utility project so that the City could use state funding rather than local sources or special assessments.

There are some limitations to the designation of the state-aid routes, however. The primary restriction is that state aid roads must “terminate” on a state highway. And, the entire route must be connected. In East Grand Forks, the state aid system must terminate on US Highway 2, Business Highway 2, or State Trunk Highway 220. A map of the current East Grand Forks state aid route system is attached. For 2011, the City will receive \$354,501 in state aid construction funding and an additional \$118,167 in state aid maintenance funding.

General Fund

The General Fund provided \$40,000 in annual street maintenance funding prior to 2009. This amount could not even construct one segment of a city block. The City Council increased street maintenance funding in the last three budget cycles to \$250,000. However, this funding amount will be more difficult to sustain as Minnesota state budget deficits continue to imperil the Local Government Aid (LGA) program.

Special Assessments

The City can elect to charge special assessments directly to properties that are adjacent to a designated road construction project. Special assessments are added to residents' property tax statements typically over a 15-20 year period. Interest rates are typically 6.0-6.5 percent. The City designates a specific fund for the completion of special assessment projects, repayments, and the retirement of the associated debt. Special assessment projects are not tied directly to ongoing maintenance budgets.

Funding Options

State aid funding, which can only be used for state aid routes, is approximately \$450,000; and the general fund subsidy is about \$250,000. This amount, while greatly increased from a few years ago, still pales in comparison to an annual maintenance need of approximately \$1.4 million to maintain a 40-50 year street life cycle. The City, like most other governing bodies across the nation, have four primary options: 1) dramatically increase property taxes or reduce other city services to cover the gap; 2) develop street utilities, similar to water, sewer, and refuse utilities, to cover maintenance; 3) rely more heavily upon special assessments; or 4) do nothing.

Property Taxes

Property taxes are the primary mechanism by which cities raise revenue. Therefore, they are the most politically-maligned form of taxation at the local level. In Minnesota, the focus on property taxes is heightened due to the state's severe restrictions on alternative forms of revenue. Sales taxes and income taxes are forbidden in most instances without legislative approval.

Fees

Utility fees generally are allowed under Minnesota law for utilities specifically referenced under state law such as water, sewer, and refuse service. Most cities charge fees for other services, such as insect control, that are not mentioned in state statute. State law is vague regarding the exact limitations or exclusions on the imposition of fees for street maintenance. One of the City's adopted legislative priorities for 2011 is for specific street improvement district legislation to clarify the issue regarding fees for street maintenance. City staff located a couple of similar fee examples in Washington and Montana, which are attached.

Street Assessments

Most cities rely on special assessments (Chapter 429 of Minnesota Statutes) for street reconstruction and maintenance. There are several obstacles, both political and legal in nature, to overcome in special assessment projects. First, special assessments are costly. Most street reconstructions cost individual property owners, \$20,000-\$30,000 or more

without any other utility work. Further, state law mandates that a city must prove that an assessed reconstruction project will increase a property's market value by at least the total of the proposed special assessment. Finally, section 7.01 of the City Charter states, "No assessment shall exceed the benefits to the property." Therefore, the City Council may opt not to approve a reconstruction assessment project without 100-percent support of the neighborhood.

Several arterial roads in East Grand Forks, such as Bygland Road on the Point, and 15th Ave NE on the north end, among several others, do not have enough "front-benefit" properties that the City can assess. In absence of other funding, those roads are left to crumble.

The Path of Least Resistance

All levels of government face infrastructure funding crises as roads and bridges, most of which were built in the 1950's and 1960's, are at or past their useful lives. Nationwide, deferred infrastructure maintenance is in the *trillions* of dollars. And, few have had the political courage to address the issue directly. Unfortunately, most cities have chosen to do nothing as streets are left in disrepair.

Previous Proposals

The task force recognized that state aid funding is inexorably tied to the overall street system. So, the task force expanded its focus to devising a method that ensures ongoing, adequate street maintenance in the city. The task force quickly agreed that state-aid properties should pay *something*. Further, the committee determined that current assessment policy of *front benefits* and *end benefits* was confusing and sometimes inconsistent in neighborhoods that were geometrically complex (i.e. neighborhoods that did not have perfectly square, continuous blocks). Finally, the task force determined that street maintenance should be paid by a combination of reduced special assessments and monthly fees. The combination would make special assessments more palatable while allowing property owners to invest in street improvements on a monthly basis.

Therefore, the most difficult issue was the implementation of a monthly fee. The committee discussed several options based on existing city service fee models including lot size, zoning type, and utility meters. These options were administratively compatible. But, members raised several concerns in terms of fairness (does lot size or property value equate to greater road usage?) or relevance (does water, electricity, or storm water usage relate to street use?).

Current Proposal

The current proposal consists of four primary tenets:

1. Residents would pay 40 percent of a road reconstruction in the form of special assessments.
2. Special assessments would be based on front benefits only. End benefits would be eliminated.
3. All properties would pay a fee based on the projected daily trips generated as devised by the Institute of Traffic Engineers (ITE). The fee schedule for the property category types is attached.
4. The City would not specially assess State aid properties. But, they would pay the monthly fee as their contribution to the system.

The ITE method uses trip generation. It estimates the number of vehicle trips that each property character type creates. The Institute of Transportation Engineers bases this estimate on data from the study of traffic from across the nation. By using this information, it is possible to assign costs more accurately to use.

The 8th edition of the ITE Trip Generation report lists 163 land uses. The report calculates the number of trips each land use generates based on 4,800 traffic studies from across the nation. For example, a single-family home generates 10.336 trips per day per dwelling unit based on the study. By dividing the required funds to maintain our roads by the total number of trips generated in year, the cost per trip can be calculated. The cost per trip in East Grand Forks would be approximately 2.83 cents per trip. For a single family home, this equates to \$0.29 per day, or \$8.89 per month. A restaurant that serves two meals per day and has a physical size of 9,000 square feet generates 501.08 trips per day. That calculates to \$14.18 per day or \$431.79 per month. The figures would change as the make up of the community changes over time, and the needs of the system are adjusted.

Summary

This type of study is just shy of unprecedented. Infrastructure maintenance is an enormous challenge in virtually every area of the country. The task force recognized through several plan iterations that there is no “perfect system.” The recommendation of the task force is that the current proposal offers the best balance fees and assessments. Further, the use of the ITE system is the best system the task force that could uncover that specifically bases the fee amounts on road use and/or wear. Finally, and most importantly, the proposal fully funds the City’s entire street maintenance based on a 50-year useful life cycle.

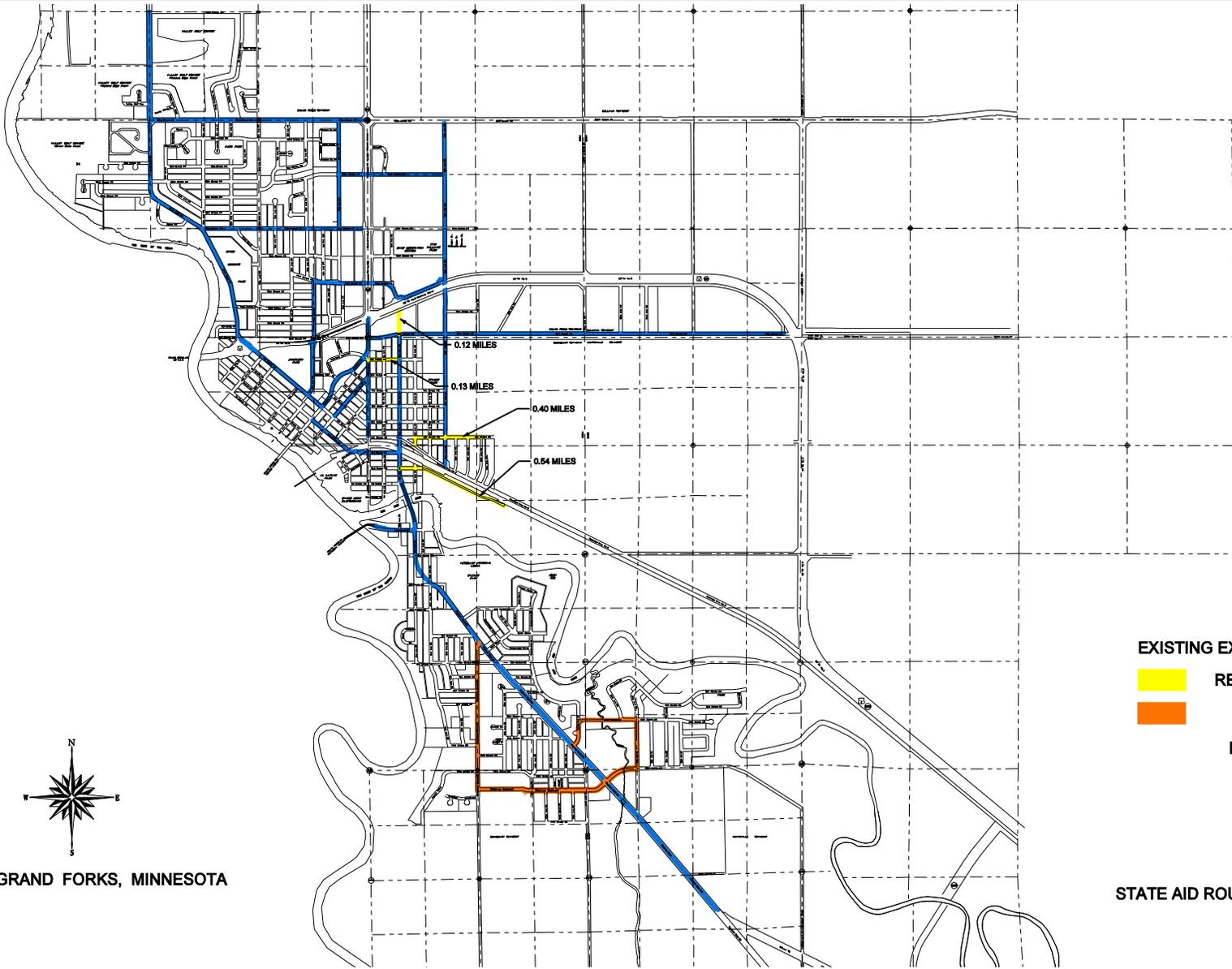
By unanimous vote of the State Aid Task Force, its members respectfully submit this report and its recommendations to the City Council; and consider the mission of the task force to be completed.

Rate based on daily trips

Category	Daily Trips	Unit	Fee per trip	Monthly Fee	Yearly Fee	Number units	TOTAL Trips per Day	TOTAL Trips per year	Yearly Fee Collected
Single Family	10.336	DU	\$0.02833	\$8.91	\$106.89	2,449	25,313	9,239,195	\$261,777.17
Multi Family	7.16	DU	\$0.02833	\$6.17	\$74.05	1,500	10,740	3,920,100	\$111,069.49
Mobile Home	5.195	DU	\$0.02833	\$4.48	\$53.72	75	390	142,213	\$4,029.37
Senior Housing	2.15	DU	\$0.02833	\$1.85	\$22.23	250	538	196,188	\$5,558.65
Church / Institution	6.377	1000 SF	\$0.02833	\$274.79	\$3,297.44	50	319	116,380	\$3,297.44
lodging	5.63	room	\$0.02833	\$145.56	\$1,746.71	30	169	61,649	\$1,746.71
RV Park	0.426	occupied site	\$0.02833	\$0.37	\$4.41		0	0	\$0.00
Industry	6.97	1000 SF	\$0.02833	\$1,201.36	\$14,416.28	200	1,394	508,810	\$14,416.28
Small Warehouse	2.5	1000 SF	\$0.02833	\$107.73	\$1,292.71	50	125	45,625	\$1,292.71
Warehouse	4.96	1000 SF	\$0.02833	\$128.24	\$1,538.84	30	149	54,312	\$1,538.84
Bussiness Park	10.846	1000 SF	\$0.02833	\$467.36	\$5,608.29	50	542	197,940	\$5,608.29
Offices	9.359	1000 SF	\$0.02833	\$685.58	\$8,226.95	85	796	290,363	\$8,226.95
Low volume Commercial									
0-10,000 SF	17.711	1000 SF	\$0.02833	\$457.90	\$5,494.84	30	531	193,935	\$5,494.84
10,001 - 20,000 SF	12	1000 SF	\$0.02833	\$517.08	\$6,205.00	50	600	219,000	\$6,205.00
20,001 + SF	10	1000 SF	\$0.02833	\$0.00	\$0.00		0	0	\$0.00
Medium Volume Commercial	24.662	1000 SF	\$0.02833	\$425.08	\$5,100.92	20	493	180,033	\$5,100.92
High Volume Commercial									
Resturants 1 meal per day	27.838	1000 SF	\$0.02833	\$0.00	\$0.00		0	0	\$0.00
Resturants 2 meals per day	55.676	1000 SF	\$0.02833	\$2,974.88	\$35,698.52	62	3,452	1,259,948	\$35,698.52
Resturants 3 meals per day	83.514	1000 SF	\$0.02833	\$1,079.59	\$12,955.11	15	1,253	457,239	\$12,955.11
Medical	38.684	1000 SF	\$0.02833	\$500.07	\$6,000.85	15	580	211,795	\$6,000.85
Elementary Schools	0.714	Student	\$0.02833	\$246.13	\$2,953.58	400	286	104,244	\$2,953.58
Middle Schools	1.015	Student	\$0.02833	\$262.42	\$3,149.04	300	305	111,143	\$3,149.04
High Schools	1.071	Student	\$0.02833	\$323.05	\$3,876.57	350	375	136,820	\$3,876.57

TOTAL

48,348 17,646,931 \$499,996.32

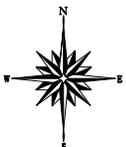


EAST GRAND FORKS, MINNESOTA

EXISTING EXCESS +0.83 MILES
 REVOKE +1.19 MILES
 ADD -2.00 MILES
 EXCESS 0.02 MILES

STATE AID ROUTE █

DATE	BY	REVISION



NO.	DATE	BY	DESCRIPTION OF REVISIONS

DESIGNED BY	DATE	JANUARY, 2008
DRAWN BY	FILE NAME	MUNICIPAL STATE AID SYSTEM MSAS
CHECKED BY	SCALE	EAST GRAND FORKS, MINNESOTA

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the state of Minnesota.
 Signature: _____ Typed or Printed Name: _____
 Date: _____ Lic. No. _____

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DRAWING NUMBER

Street Maintenance Utility

A proposed voter option for cities

Basic questions and answers

What is it?

A street maintenance utility is just that, a utility, like a water, stormwater and sewer utility. By law, utility funds are required to be dedicated for the purposes of maintaining, repairing, and replacing a system that is used by those who benefit from it. Most utilities work the same: if a citizen or business benefits from the use of the utility, then they pay for it. Usually the more they use the utility, the more they pay. For example, customers are charged by the amount of power or water they consume.

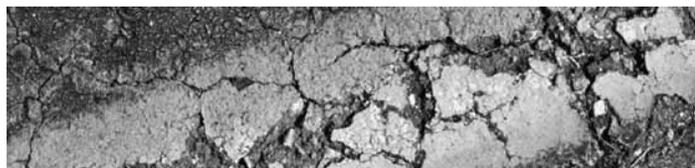
The street utility is being successfully used in other states such as Oregon, and was previously used in Washington. The street maintenance utility option being prepared for the 2011 Legislature is designed to be constitutionally sound and fair – costing only a few dollars a month for homeowners.

Why is a dedicated street maintenance utility funding option necessary?

Cities are seeing more traditional sources of revenue either reduced or eliminated, and the economic downturn has made it difficult if not impossible for cities to use their general funds to keep street maintenance and preservation funding alive.

Consider:

- **City revenues are depleted:** Unlike the state’s constitutionally protected gas tax, nearly three of every four city transportation dollars rely on transfers from the city operating budget -- which means competing against other city services such as police and fire protection. In this economy, many cities simply do not have the resources to fund street maintenance.
- **Initiatives have stripped traditional transportation revenues:** I-695, I-747, and I-776 stripped away revenue that cities used to maintain, operate, replace, and improve their transportation systems.



- **State assistance is declining:** The Transportation Improvement Board’s ability to partner is reduced due to declining gas tax receipts- some of the TIB’s programs have been shelved, to the point that its executive director has predicted “corridor” grant funding will not be available for at least the next four years. Another potential resource, the Public Works Assistance Account, was dried up in 2009 when the legislature redirected \$368 million in local government low-interest loan funds to the state’s general fund. The state is likely to take similar action in the upcoming 2011 session.
- **Funds collected from impact fees must address capacity improvements, not maintenance:** Once capacity improvements are made, they begin to deteriorate. There is no dedicated street funding mechanism to preserve this investment.
- **Maintaining and preserving streets is far more cost-effective than completely rebuilding them:** The transportation system is not unlike your house or your roof – it must be continuously maintained, operated, and replaced as it ages to assure the continued use of the system to the level of service that residents and businesses expect and deserve. And maintenance and repairs are cost effective – transportation engineers estimate it can cost as much as 15 times more to completely rebuild and replace a roadway than it costs to maintain and repair it.
- **The street maintenance utility proposal is premised on fairness:** Those who utilize, benefit from, and impact the street system are the ones who pay for the maintenance and upkeep of that system.

What would a street maintenance utility be used for, and what do you use as the basis for determining rates?

AWC, joined by several individual cities, has designed a street maintenance utility option that would be used for “curb-to-curb,” basic street maintenance and preservation.

continued

With a street maintenance utility, the costs of a street system are more closely matched to how street users benefit from the system. A charge is based on how many trips a customer uses in the system. In most cases, the trips charges are based on a trip generation manual developed by the Institute of Transportation Engineers, and the trips factors are very accurate. In addition, cities can tailor the trip factors for their community and be sure charges are apportioned fairly.

Can you give more specific details about how costs are determined and what is included?

The cost per trip must be equal for all users or customer classifications, and the fees generated must only be used to fund the operation, maintenance, and replacement of the existing transportation system. That would not include trails, new construction, or off street bike lanes. Under this proposal, it would include:

- Pavement management and maintenance;
- Signs and markings;
- On street non-motorized facilities; and
- Traffic control and signalization.

Unlike general taxes and like utility rates from other utilities, street utility charges are proportionate to the benefits or burdens created by identified user classes. Again, unlike general taxes and like utility rates, street maintenance utility charges are dedicated solely to that purpose and cannot be redirected for other city services. In this way, they are similar to the 18th Amendment protections the State of Washington provides to ensure dedicated funding of the state transportation system.

Who would be allowed to implement the street utility?

The street maintenance utility would be a voter approved option for cities and would operate similarly to a municipal power, water, sewer or solid waste utility service. To initiate this process, a city would need to determine a street maintenance utility is in the interest of public health and safety. A city would also need to find that city streets are failing to meet, or is in danger of no longer meeting, established criteria for pavement ratings and other safety standards. A city would also use an ordinance development process for the street utility, which ensures input and information from community groups and stakeholders.

How are specific rates determined?

Rates apply to residents and businesses within a street utility area or areas. They are based on household unit or type (classification) of business and must be uniform for the same class of person receiving transportation services or imposing burdens on the transportation system. Other factors are:

- The correlation between property uses and the estimated number of automobile trips;
- User location, i.e. proximity to arterial streets and residential streets;
- Incidental trips vs. destination trips;
- Reductions or credits on residential properties to the extent of their occupancy by low-income senior citizens; and
- Reductions to businesses entities, governmental entities, or users served by private streets to the extent they are providing for streets maintenance utility services and based on a showing that the reduction or credit granted is reasonably proportionate to the value contributed/cost avoided by the street maintenance utility.

continued



What if my business uses trip reduction measures such as vanpools or bus passes?

If adopted, the street maintenance utility would encourage commute trip reduction measures. A business that demonstrates vanpooling, carpooling, or bus passes is eligible for credits because they reduce trips and wear and tear on the street system.

Examples of monthly fees

From City of Corvallis, Oregon’s Transportation Maintenance Fee

Type of property	Trips	Monthly fee
Single family	9.6	\$1.36
Multi-family (8 units)	53	\$7.53
Office bldg (21,128 sq ft)	232	\$4.87
Small retail (23,500 sq ft)	532	\$11.17
Grocery store (48,000 sq ft)	2,569	\$53.80
Large retail (132,000 sq ft)	3,962	\$83.20
Hewlett-Packard	6,459	\$135.64

Are rates predictable? Can they be phased in? How much are they?

Yes. This voter-approved option requires rates to be phased in over a four year period. Each city establishes its own rates. For a typical urban city experiencing over 500,000 trips on its system and experiencing a failing transportation system:

- Single family residence could expect \$2 to \$8 a month (Oregon cities are about \$4-\$5 a month)
- Senior housing and multifamily housing ranges from 10% to 70% of a single family residence.
- Industrial buildings could expect \$10 - \$15 a month for every 10,000 square feet.
- Restaurants, office buildings, and other commercial building categories could expect rates of \$15 to \$35 per month for every 10,000 square feet
- Shopping centers in Corvallis, Oregon, pay about \$6 per month for every 10,000 square feet (which are apportioned among the many businesses within the shopping center).

What about citizen and business accountability?

- Street utility charge funds are required to be used for transportation purposes only- they cannot be redirected to a city’s operating budget.
- Appeals of rates or rate classifications are heard by an independent examiner.
- An annual report indicating program status is required.
- A street utility advisory board representing the user classifications must be included as part of the ordinance.
- The street utility charge will be identified as a line item as part of a residential or business overall utility bill.

When could this be implemented?

If adopted, the law would go into effect July 2011. Cities would then be required to go through the public involvement and rate setting process, seeking input from stakeholders from the various user groups, and gathering the necessary data to determine appropriate rates as part of the process of going before the voters.

For questions or more information

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typically collected as part of a unified municipal utility bill rather than as an add-on to the local property tax bill.

A locality can create the legal presumption that a TUF is a fee by collecting it with fees for other public services such as water and sewer service, trash collection fees and stormwater management. A well-reasoned TUF established as part of the monthly utility bill generates far less public opposition than a general tax.

What are the keys to success and potential pitfalls?

Clearly Defined Purpose and Structure: The object in structuring a TUF is to emphasize its identity as a user fee rather than a tax. To qualify as user fees, government charges must be reasonably related to the use of public facilities or services. For TUFs, the most reasonable basis for fee setting is the "cost occasioned" by a class of roadway users - in other words, the cost incurred by government in meeting the needs of that class. Along with a fee schedule, operating policies and procedures must be established. In addition, the community will need to establish a process for planning and implementing transportation improvements to be supported by the fee.

Public Education: Educating citizens and business community members about the deteriorating condition of local streets, the cost benefits of preventative maintenance, and various street funding options will help garner support for creating funding tools. Education is especially important if a locality chooses to implement a trip-generation based TUF. The business community could be strongly opposed to such an action, and negotiation may be necessary. Some cities have compromised to cap fees for large businesses.

Sound Technical Methodology: A community will need to expend some staff resources up-front in order to properly classify land uses according to their transportation purposes and, in some cases, establish accounts for developed properties not already receiving municipal services. To determine the appropriate fees, it is first necessary to decide which roadway costs are occasioned by fee payers. Then the community must decide which classes of fee payers occasion specific costs, and how to divide the costs among individual fee payers within the classes occasioning them. Once the methodology has been established and the fee is put into place, the ongoing cost to administer the fee is relatively low, in part because it is processed along with other utility fees.

For example, TUF customers in Oregon City, OR are designated as residential and non-residential. Residential customers are charged for maintaining local streets, while non-residential customers are charged for maintaining arterials. Maintenance of collector streets is equally shared. In addition, the fee is based on the average number of trips by land use, based on trip generation rates established by the Institute of Traffic Engineers.

Maintaining Community Support: Once a locality has passed a TUF to collect revenue, that revenue must be used efficiently and for the purpose for which it was raised. Also, making an effort to show the positive results of the fee revenue to the public, such as posting signs at TUF-funded project sites, will preserve public support.

Where has this strategy been applied?

Examples in Montana

Many Montana communities are making use of Street Maintenance Fees including:

- [Bozeman](#)
- [Billings](#) (Article 22-500)
- [Helena](#) (Section 7-1-8)
- [Hamilton](#)
- [Lewistown](#) (Title 9 Chapter 12)
- Livingston
- Butte-Silver Bow

Examples outside of Montana

- [Oregon Pavement Maintenance Facility Fee Programs](#): To date, 12 Oregon communities have adopted transportation utility fee (TUF) programs to augment shrinking roadway maintenance revenues from gas taxes and other sources. The cities of Ashland, Canby, Bay City, Corvallis, Eagle Point, Grants Pass, Hubbard, La Grande, Lake Oswego, Medford, Milwaukie, North Plains, Philomath, Phoenix, Talent, Tigard, Tualatin, West Linn, and Wilsonville all have a Transportation Utility Maintenance Fee. Other cities actively pursuing a fee include Hillsboro, Eugene, and

Silverton. The TUF allocates a portion of the recurring roadway maintenance costs to all development located within the jurisdiction on a monthly basis.

- **Port Orange, Florida:** In June 1992, Port Orange, Florida, became the tenth U.S. city (and the first east of the Mississippi River) to adopt a TUF. Initially, TUF funds were established to replace a 0.287-mill subsidy from the city's general fund and to eliminate a shortfall in the city's road maintenance budget. Over time, funds have been used to pave dirt roads, construct bike paths, and reconstruct and widen deficient city streets.
- **Corvallis, Oregon:** In response to declining street fund revenues, Corvallis formed a task force to assess the funding need and look at current transportation funding resources. After deciding to move forward with a transportation maintenance fee, the city conducted over 20 presentations to business and community groups about the state of city streets and the need for additional investment. To alleviate some concerns, the fee was structured so that 75% of the revenue comes from residential users, and the ordinance will sunset in 2011. The transportation maintenance fee was passed in 2005 and generates over \$400,000 per year dedicated to specific pavement maintenance projects, almost half of Corvallis' locally raised street fund revenue.

Case studies

- [City of Bozeman Transportation Impact Fee Program, MT](#)

How can I get started?

The first step in determining a transportation funding solution is to first analyze the existing street conditions, conduct an inventory and analyze major streets, and identify the overall maintenance need. Once the severity of the transportation funding problem is determined, localities must explore various revenue options. A transportation utility fee may not be the best solution for every community. Localities should assess whether a TUF is the best mechanism for achieving their desired transportation funding goals, and consider the political environment and the attitudes of the citizens regarding fees and taxes.

In establishing a structure for a transportation utility fee, it is first necessary to decide which roadway costs are occasioned by fee payers. Then the community must decide which classes of fee payers occasion specific costs, and how to divide the costs among individual fee payers within the classes occasioning them. Along with a fee schedule, operating policies and procedures must be established.

Where can I get more information?

- [TUF Solutions for Local Street Funding: A Survey on Transportation Utility Fees \(TUFs\)](#). January 2008. League of Oregon Cities,
- [Reid Ewing "Transportation utility fees" Government Finance Review](#). FindArticles.com. June 1994.
- Ed Murphy and Raymond Bartlett "[Have You Considered a Transportation Utility Fee?](#)" Local Focus Newsletter. June 2001.

Request for Council Action

Date: March 16, 2011

To: East Grand Forks City Council, Mayor Lynn Stauss, President Dick Grassel, Council Vice President Craig Buckalew, Council Members: Marc Demers, Henry Tweten, Wayne Gregoire, Greg Leigh, and Mike Pokrzywinski.

Cc: File

From: Greg Boppre, P.E.

RE: Civic Center plans

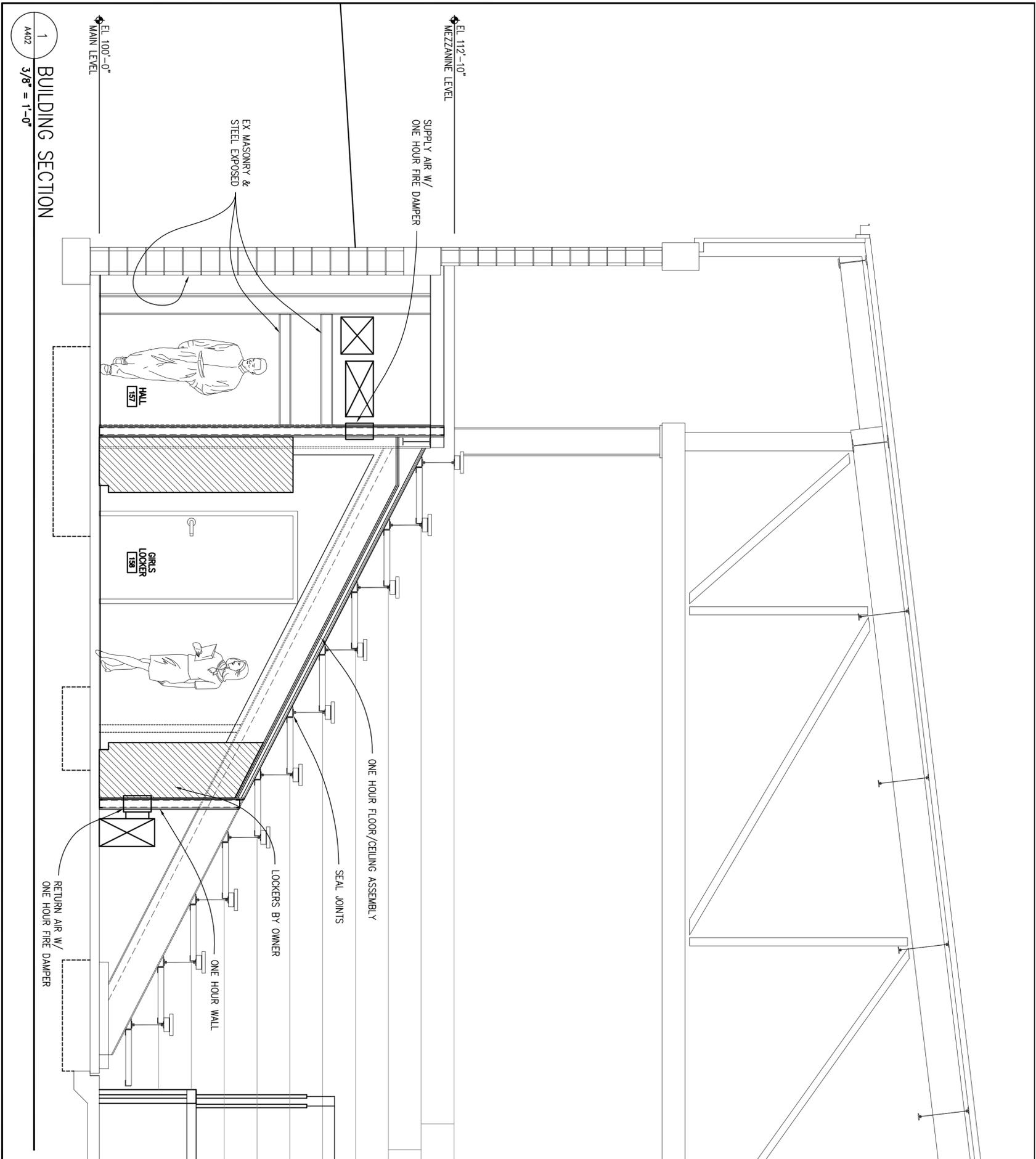
Attached is the final floor plan for the Civic Center girls locker rooms. You will note the hall will provide circulation between the locker rooms and exterior wall the entire length of the locker rooms.

We will have final plans/specifications and an estimate completed for the March 29th meeting.

Recommendation:

Approve the review copy and move to the next Council meeting for approval.

Enclosures:



Request for Council Action

Date: March 11, 2011

To: East Grand Forks City Council, Mayor Lynn Stauss, and Council Vice President Craig Buckalew, Council Members: Marc Demers, Henry Tweten, Wayne Gregoire, Greg Leigh, and Mike Pokrzywinski.

Cc: File

From: Economic Development Housing Authority

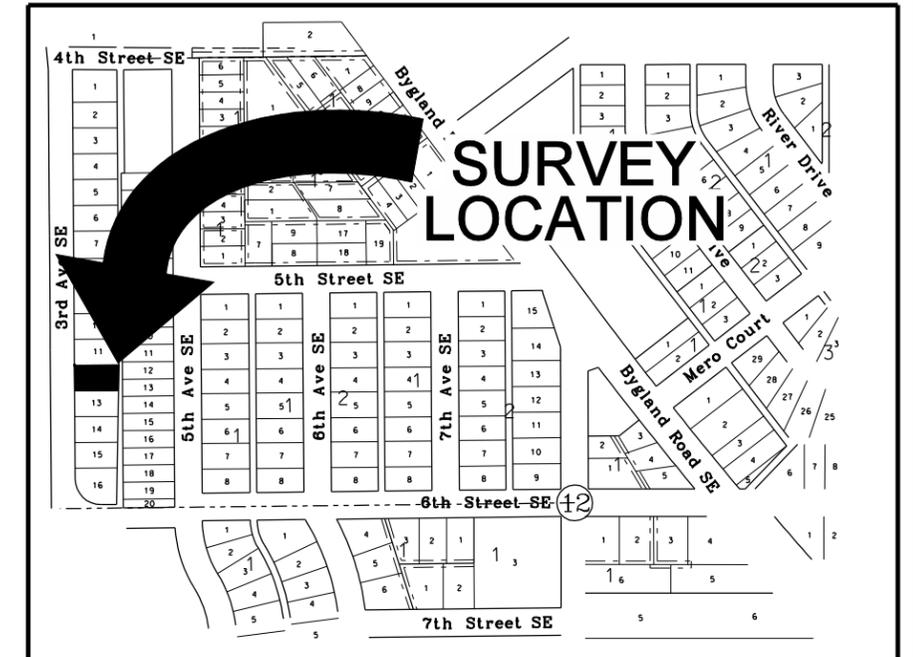
RE: Consider sale of buildable lot on 3 rd Ave SE.

This is another of the lots that was purchased for dike alignment and recently determined to be buildable. It is located at the end of 3rd Ave SE on the cul-de-sac. The legal description is lot 12 blk 1 Timberline Addition. The lot is 75 by 130 feet with alley access as well. The plat is included in this RCA. We would suggest a \$25,000 sale price. This is consistent with other lots in other developed neighborhoods.

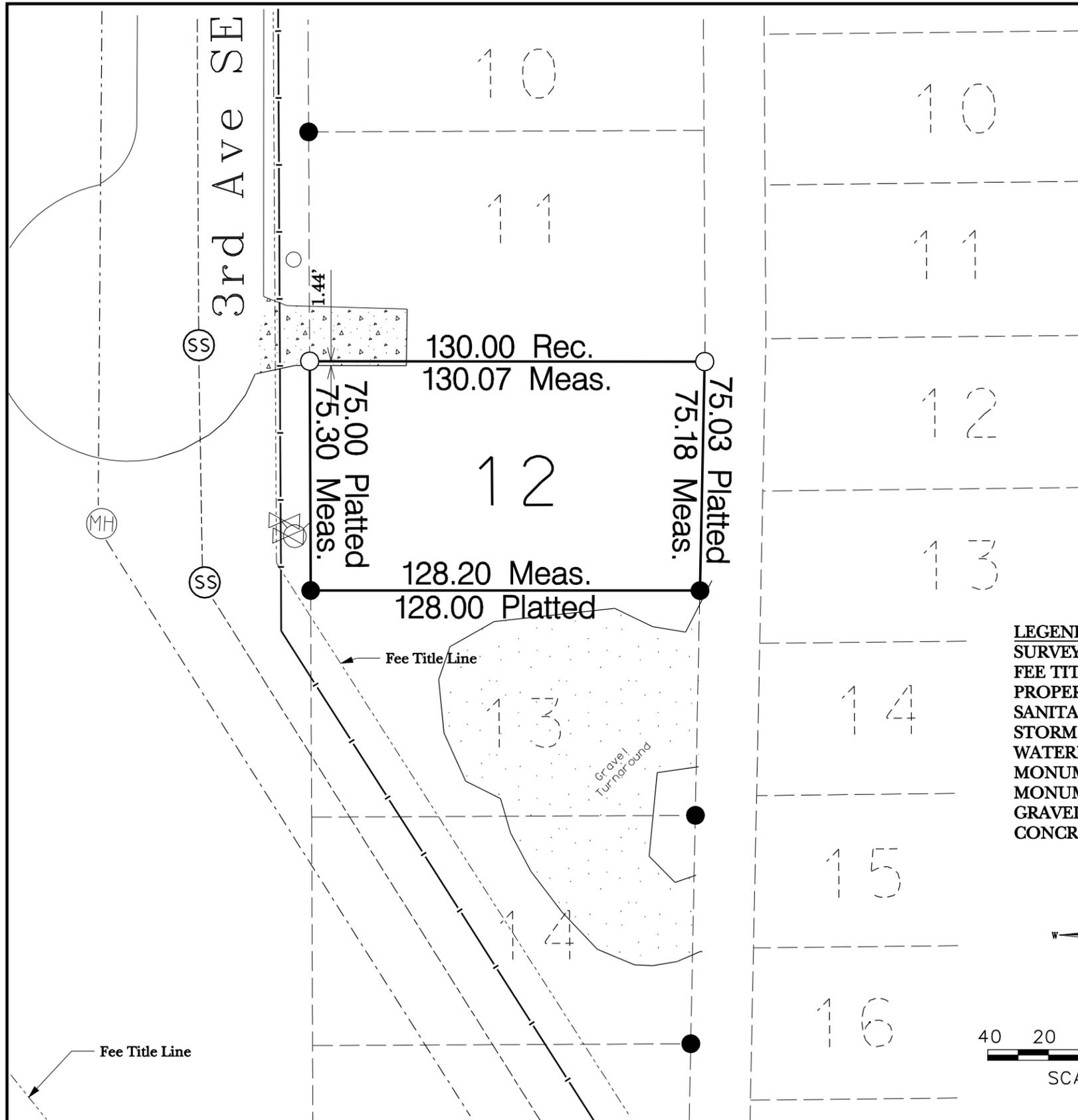
Any question prior to the meeting please call me at 773-2371.

CERTIFICATE OF SURVEY

Lot 12, Block 1, Timberline Addition
to the City of East Grand Forks,
POLK COUNTY, MINNESOTA

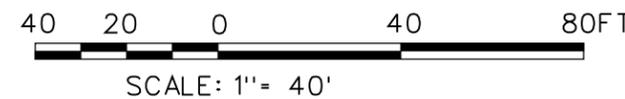
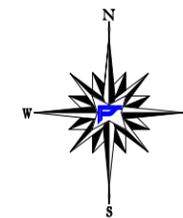


VICINITY MAP
no scale



LEGEND

SURVEY BOUNDARY LINE	—————
FEE TITLE LINE	-----
PROPERTY LINE	-----
SANITARY SEWER LINE	-----
STORM SEWER LINE	-----
WATERLINE	-----
MONUMENTS FOUND	●
MONUMENTS SET	○
GRAVEL TURNAROUND	▨
CONCRETE PAVEMENT	▤



Legal Description - Taken from Warranty Deed Document Number 554674, dated October 28, 1997, recorded in Book 600 of Deeds, Pages 95-98, in the Office of the County Recorder, Polk County, Minnesota.

Lot 12, Block 1, Timberline Addition to the City of East Grand Forks, Polk County, Minnesota.

I HEREBY CERTIFY THAT THIS PLAN, SURVEY OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

PATRICK M. KRUG DATE: 1/12/2011 LICENSE NO. 47922

DATE: 3/9/2011	DRAWN BY:
DGN: Timberline_Add_lot12block1.dgn	CHECKED BY:
MODEL NAME: survey	REVISION:
PATH: N:\EGF\CertificateofSurvey\Timberline_Add_lot12block1.dgn	

PROJECT

Lot 12, Block 1, Timberline Addition, to the City of East Grand Forks, Minnesota

Page 20

PREPARED BY:



(218) 773-1185
FAX (218) 773-3348
1600 Central Ave. NE
East Grand Forks, Minnesota
www.fs-mn.com
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SHEET:

Request for Council Action

Date: 3/16/11

To: East Grand Forks City Council, Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Wayne Gregoire, Council Members: Marc Demers, Greg Leigh, Mike Pokrzywinski, and Henry Tweten.

Cc: File

From: John Wachter

RE: Wastewater

Background and supporting documentation of request:

Provide information to council on the proposed wastewater interconnect and rehabilitation of the wastewater stabilization ponds.

We have started to investigate the Wastewater Improvements Facility Plan draft by analyzing potential future costs of treatment in the event that MPCA issues further treatment mandates such as phosphorus levels, total suspended solids, etc.

The costs are variable at this state until such a time that the City must conduct more detailed analyses of the composition of the stabilization ponds. However, based on the size and depth of the current facility, we estimate that the approximate future treatment charge would range between \$250,000-\$500,000 per year subject to potential, unknown, regulatory climates.

Recommendation: None

Set-Up and Maintenance for Wastewater Stabilization Ponds - Phosphorus

Jar testing is the best way to get an accurate dose for aluminum sulfate to remove phosphorous. Based on a dosage of 150 PPM, average depth of 5 ft, and a 98 acre secondary for the lagoons. Alum has a pH of 2.3 and acidic alum has a pH of 1.5 so this should take care of your high pH as well. $159.656 \text{ million gallons of water} \times 150 \text{ PPM} \times 8.34 \text{ lbs per gallon of water} = 200,000 \text{ lbs of dry alum or } 37,000 \text{ gallons of liquid alum.}$ $37,000 \text{ gals of liquid alum} \times \$1.12 / \text{gallon} = \$41,440.00.$ This rate could be as low as \$21,000 to over \$85,000 depending on demand in your lagoons for other things than phosphorous. (Todd VanEnk, Hawkins Inc.)

In theory it takes 1 gallon of alum to remove 1 pound of phosphorus

It takes about 2 to 3 gallons per pound of removal because of other demand such as algae and tss. This will be determined by the jar test. (Ron Kleinsmidt, City of Osakis)

A phosphorus test is done to determine the ppm of phosphorus in the water. The pounds per day formula is used to calculate how many pounds are in the pond. ($\text{mg} \times 8.34 \times \text{ppm} = \text{lbs.}$)

Acre	Height	Acre FT	Million Gal	PPM	Alum Sulfate	Gallon of liquid
98	5	490	160	150	200,160	37,066.67
		Gallons	Price	PPM	Cost	
		Liquid Alum	37,000	\$1.12	150	\$41,440.00
			74,000	\$1.12	300	\$82,880.00

During normal discharge the pond will be treated with the operator transferring chemical and disbursing throughout ponds. On some occasion chemical may be dosed through transfer structures, depending on the detention time between events. Solar bee mixers will be used to help mix chemical.

Because the rate of dosage has so many varibales (Wind, temp, etc...) We will need to look at the scenerio that we may have to dose at a higher rate

		Estimates
1- Operator	40-80hrs per event	\$ 1,600.00
Lab testing	/event	\$ 350.00
Chemical cost estimate	LOW	\$41,440.00
Chemical cost estimate	HIGH	\$82,880.00
Cost per event (est.)	LOW	\$ 43,390.00
Average 5 discharges/yr	LOW	\$ 216,950.00
Cost per event (est.)	HIGH	\$84,830.00
Average 5 discharges/yr	HIGH	\$ 424,150.00

Set Up	Estimate
5-10,000 Gallon poly chemical tanks	\$ 34,449.75
1 -Pontoon boat	\$ 15,000.00
1- Distro tank (500-1000 gal)	\$ 225.00
2 - Distro Pump (Ele 2")	\$ 750.00
1 - Set of distro arms	\$ 500.00
3- Solar Bee Mixers for ponds	\$ 37,500.00
1- Block Bldg w/containment, explosion proof, ventilation	\$ 212,500.00
1- Boat dock	\$ 5,000.00
1-Boat ramp	\$ 10,000.00
1-Pontoon trailer	\$ 2,000.00
Various hose, pipe, and fittings	\$ 5,000.00
4- Tank Mixers	\$ 2,000.00
Permits	??
Administrative Costs ?????	??
ESTIMATED SET UP TOTAL	\$ 324,924.75

Chemical treatment may not work correctly due to the size of the ponds with the acreage.

Mechanical treatment would be the next step at the effluent/ discharge site.

Sand Filtration Units \$\$??

Request for Council Action

Date: 3-15-11

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Wayne Gregoire, Henry Tweten, Council Members: Marc Demers, Henry Tweten, Greg Leigh, and Mike Pokrzywinski.

Cc: File

From: Jerry Lucke

RE: Budget Transfers

Consider approving the request to fund the normal recurring construction project transfers and other fund overdraft requests.

The flood cost transfer is a little higher than last year partially due to the 1st & 3rd street improvement local share and other non reimbursable items.

The cemetery fund needs a transfer this year to cover capital outlay and higher receivables.

RESOLUTION NO. 11 - 04 – XX

Council Member ____, supported by Council Member ____, introduced the following resolution and moved its adoption:

WHEREAS, the City Council has passed budget resolution 09-12-93 authorizing other transfers occurring in 2010; and

BE IT RESOLVED, By the City Council of the City of East Grand Forks, Minnesota, that the Clerk-Treasurer is authorized to make the following transfers for budget year 2010 as set out hereafter:

<u>Reason</u>	<u>Amount</u>	<u>Transfer To</u>	<u>Transfer From</u>
Local Share City Projects	\$120,000	415- City Projects	410-2005 City Projects
Local Share City Projects	\$40,000	415- City Projects	401-Rvlvg Infrastr
Cemetery	\$15,800	214-Cemetery	101-General
Local Share Assmnt Projects	\$120,000	414- Assmnt Projects	401-Rvlvg Infrastr
Local Share Flood Fights	\$104,000	609-Storm Water	280-Lot Sales

Voting Aye:
 Voting Nay: None.
 Abstain: None.

The President declared the resolution passed.

Passed: April 5, 2011

Attest:

 City Administrator/Clerk-Treasurer

 President of the Council

I hereby approve the foregoing resolution this 5th day of April, 2011.

 Mayor