

REQUEST FOR COUNCIL ACTION

Date: 11/15/10

Item No.: 9.b

Department Approval



City Manager Approval

Item Description: Consider Adoption of Streetlight Utility Ordinance

BACKGROUND

The Council received public input on a proposed Streetlight Utility Ordinance at the August 23, 2010 council meeting. The Council stated a number of concerns about the proposed rate structures presented in their subsequent discussion. The Council asked staff to develop a recommended rate structure with a rate for all residential properties and another rate for all other property classes. This rate structure should reflect similar proportion as the current tax supported funding between residential and commercial property.

Staff has developed a rate structure that it believes meets the Council's directive. The proposed rate structure treats all residents equally and all property generates the same rate per acre. The request for the 2011 budget is \$210,000 for streetlight operations including repairs and energy costs. We also have an additional capital improvement request for replacement of aging lighting systems.

Attached is the draft ordinance for this discussion. (Attachment A)

POLICY OBJECTIVE

The City provides for street lighting to ensure public safety on public streets and ways. Currently there are approximately 1300 street lights and signal lights in the city.

FINANCIAL IMPACTS

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.

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

It is suggested that the rates be set on an equivalency basis where all property types are treated similarly. This is based on the premise that street lights benefit the entire community and each household, or vehicle on the road receives the same benefit. As such, City Staff recommends that each residential household unit pay \$2.82 per quarter. Each non-residential property will pay the same charge per unit, however each property will have varying number of units depending on their size.

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37 A charge per unit of \$2.82 per quarter is expected to generate approximately \$300,000.
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39 The proposed rate structure is as follows:

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41 All residential properties: \$ 2.82 per quarter

42 All other property classes: \$12.95 per acre per quarter (4.6 units per acre)
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45 **STAFF RECOMMENDATION**

46 Consider adoption of the attached Streetlight Utility Ordinance.

47 **REQUESTED COUNCIL ACTION**

48 Motion adopting Chapter 804 Establishing a Street Light Utility in Accordance with
49 Minnesota Statutes Section 429.021.

50 Motion approving the publication of the Summary of Ordinance No. Chapter 804
51 Establishing a Street Light Utility.

52
53 **Prepared by:**

Duane Schwartz, Public Works Director
Chris Miller, Finance Director

Attachments: A. Ordinance
B. Ordinance Summary

City of Roseville
ORDINANCE NO.

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

THE CITY OF ROSEVILLE ORDAINS:

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

SECTION:

- | | |
|---------|--------------------------------------|
| 804.01: | Authority and Purpose |
| 804.02: | Street Light Utility Established |
| 804.03: | Rates and Collection of Fees |
| 804.04: | Certification of Delinquent Accounts |
| 804.05: | Street Light Utility Fund |

804.01: AUTHORITY AND PURPOSE

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

804.02: STREET LIGHT UTILITY ESTABLISHED

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

804.03: RATES AND COLLECTION OF FEES

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

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

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

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

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

- 60
61 1. City-owned, except that which is leased to persons or nongovernmental entities;
62 2. Public right-of-way;
63 3. Vacant (without improvements);
64 4. Cemeteries;
65 5. Railroad right-of-way.
66 6. Properties that own and maintain public street lighting systems on public right of
67 way

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69 **804.04: CERTIFICATION OF DELINQUENT ACCOUNTS**

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

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76 **804.05: STREET LIGHT UTILITY FUND**

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78 All fees and assessments received pursuant to this Chapter shall be placed in a dedicated fund for
79 the purpose of paying the costs of the street lighting utility.
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SECTION 2: Effective date. This ordinance shall take effect upon its passage and publication.

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

87
88 *Ordinance Adding Chapter 804 Establishing a Street Light Utility in Accordance With*
89 *Minnesota Statutes Section 429.021*
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91
92 (SEAL)
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95

96 CITY OF ROSEVILLE
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99 BY: _____
100 Craig D. Klausing, Mayor
101

102 ATTEST:
103
104

105 _____
106 William J. Malinen, City Manager

**CITY OF ROSEVILLE
ORDINANCE SUMMARY NO. ____**

**A SUMMARY OF AN ORDINANCE AMENDING TITLE 8, ADDING CHAPTER 804
ESTABLISHING A STREETLIGHT UTILITY**

The following is the official summary of Ordinance No. _____ approved by the City Council of Roseville on November 15, 2010:

The Roseville City Code is amended by creating a new section, Section 804, regarding establishing a Street Light Utility in accordance with Minnesota Statutes Section 429.021. This is a new ordinance created to; operate and maintain a city wide street lighting system utility to the benefit of each and every property in the City of Roseville. The City Council has deemed it fair, appropriate, and reasonable that the costs of such operation and maintenance be paid on a fair and reasonable basis by all of the property so benefited, except those exempted in Section 804.03E. The ordinance takes effect upon this publication.

A printed copy of the ordinance is available for inspection by any person during regular office hours in the office of the City Manager at the Roseville City Hall, 2660 Civic Center Drive, Roseville, Minnesota 55113. A copy of the ordinance and summary is also be posted at the Reference Desk of the Roseville Branch of the Ramsey County Library, 2160 Hamline Avenue, Roseville, Mn. 55113, and on the internet web page of the City of Roseville (www.ci.roseville.mn.us).

Attest: _____
William J. Malinen, City Manager