



**City of Missoula, Montana
City Council Committee Agenda item**

Committee: Budget and Finance

Item: Resolution levying assessments on Pooled Sidewalk Curb Gutter and Alley Approach Improvements

Date: July 31, 2023

Sponsor(s): Marty Rehbein, Legislative Services Director/City Clerk

Prepared by: same

Ward(s) Affected:

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input checked="" type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:
Conduct a public hearing and consider a resolution

Timeline and Recommended Motions:

Committee discussion: August 2, 2023
 Council sets public hearing: August 6, 2023
 Recommended motion: Set a public hearing on August 28, 2023, on a resolution levying a special assessment and tax upon all property situated within Pooled Sidewalk, Curb, Gutter And Alley Approach Bonds of the city of Missoula, Montana to defray the cost of installing sidewalks, curbs, gutters and alley approaches.

Public Hearing: August 28, 2023
 Final Consideration: August 28, 2023
 Recommended motion: Adopt a resolution levying a special assessment and tax upon all property situated within Pooled Sidewalk, Curb, Gutter And Alley Approach Bonds Series ___ of the city of Missoula, Montana, in the total amount of \$_____ (rounded) excluding debt service, to defray the cost of installing sidewalks, curbs, gutters and alley approaches pursuant to resolution number 8284 authorizing the sale of the bond

Deadline: August 28, 2023

Background and Alternatives Explored:

The City Council has ordered the installation of sidewalk, curb, gutter and alley approach improvements on various parcels throughout the city during the past five years. The improvements have been constructed and the city has paid the contractors for the work. Under the City Council’s policy, most property owners receive subsidy from the city’s road district to offset the expenses of installing or repairing these improvements. Some of the property owners whose improvements were not fully covered under the council’s policy have elected to finance the costs of the improvements with the city. If property owners don’t respond to the City’s correspondence, city ordinance provides for a default assessment of 20 years. The city combines all the sidewalk, curb, gutter and alley approach projects together and issues debt to provide financing for the property owners who elect it. Finance will be bringing a resolution authorizing

the sale of the bonds to committee soon. The next step process is to levy the assessments on the properties where the improvements were constructed to repay the bondholders. State law requires the City conduct a public hearing before levying the final assessments and that we mail notices of the public hearing to property owners and publish in the newspaper with the 2nd publication and mail notice to be at least 10 days prior to the public hearing. If Council adopts the resolution to levy the final assessments, property owners will see the first installment on their property tax bills beginning in November.

Financial Implications:

Once Finance has the information from the bond sale, letters will be sent to property owners detailing the final amount. Simple interest established in the bond resolution accrues annually on the outstanding principal balance for each assessment. Some of the properties received curb and sidewalk subsidies from the City Road District #1. The subsidies have been applied to the total cost for each property owner. The total assessment amount reflect the property owner's responsibility.

Once the City issues debt to finance a project like this, the City is obligated to the creditors to repay the debt. Defaulting on that commitment would damage the City's credit rating. State law and city council policy provide for a special assessment on the property where the improvements were installed to repay the debt.

Links to external websites: