

RESOLUTION NUMBER 8168

A resolution of the Missoula City Council amending Resolution 7736 to raise the curb and sidewalk assessment funding assistance program “Stop Loss Amount” threshold for the funding assistance program to curb and sidewalk assessments from \$15,000 to \$20,000 for projects ordered after January 1, 2017.

WHEREAS, The City of Missoula adopted Resolution 7736 establishing a funding assistance program for curb and sidewalk assessments on September 24, 2012; and

WHEREAS, the Missoula City Council has heard concerns from residents that the \$15,000 “Stop Loss Amount” results in undo financial burden for some property owners who have received assessment notices; and

WHEREAS, since 2012, the costs for installing improvements have increased necessitating adjustments to the funding assistance program.

NOW THEREFORE BE IT RESOLVED, in Resolution 7736, the “Stop Loss Amount” is amended to read as follows:

Normal Maximum Out of Pocket is the amount the property owner pays up to the next three thousand five hundred dollars (\$3,500.00) for assessments and any amount over twenty thousand dollars (\$20,000) **Stop Loss Amount** described below to be assessed as a special tax against the property in front of or along which the public right-of-way construction improvements are installed by the City in accordance with the provisions of MMC 12.12,

Stop Loss Amount is the amount that the City pays in excess of the Normal Maximum Out of Pocket of three thousand five hundred dollars (\$3,500.00) up to twenty thousand dollars (\$20,000) assessment amount. All assessed costs above the twenty thousand dollars (\$20,000) **Stop Loss Amount** are to be assessed to the property owner as a special tax against the property in front of or along which the public right-of-way construction improvements are installed by the City in accordance with the provisions of MMC 12.12 ; and

BE IT FURTHER RESOLVED, that this change in the funding assistance program will apply to sidewalk and curb projects ordered after January 1, 2017

BE IT FURTHER RESOLVED, that the City First Equal Share Model in Resolution 7736 is amended to read as shown in Exhibit A.

BE IT FURTHER RESOLVED, that all other provisions in Resolution 7736 that do not conflict with this resolution are in full force and effect.

PASSED AND ADOPTED this 19th day of June 2017.

ATTEST:

APPROVED:

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

/s/ John Engen
John Engen
Mayor

(SEAL)

Exhibit A
City First Equal Share Model

Summary:

1. City pays initial \$1,000 of the cost.
2. City and property owner each pays 50% of the costs above \$1,000 until the property owner's assessment reaches \$3,500.
3. After property owner assessment reach \$3,500, the City pays 100% of the cost until the cost reaches \$20,000.
4. Property owner pays costs over \$20,000.

If a property owner's assessment is less than \$20,000, their maximum assessment under this proposal would be \$3,500.

Example:

Total Assessment:	Owner Pays	City Pays
\$400 Tax doesn't meet deductible	\$0	\$400
\$3,000 Tax is over deductible, but below out of pocket limit	Deductible = \$1,000 $(\$3,000 - \$1,000)0.50 = \$1,000$ Owner Pays \$1,000	$\$3,000 - \$1,000 = \$2,000$
\$12,000 Tax is over deductible and over out of pocket limit	Deductible = \$1,000 $(\$12,000 - \$1,000)0.50 = \$5,500 > \$3,500$ Owner Pays \$3,500	$\$12,000 - \$3,500 = \$8,500$
\$30,000 Tax is over deductible, out of pocket limit and stop loss.	Deductible = \$1,000 $\$30,000 - \$20,000 = \$10,000$ $(\$10,000 - \$1,000)0.50 = \$9,500 > \$3,500$ $\$3,500 + \$10,000 = \$13,500$ Owner Pays \$13,500	$\$30,000 - \$13,500 = \$16,500$

The figure below shows the allocation of project costs between the adjacent owner and the City shared pool as project costs vary. This subsidy formula limits higher than average assessments as well as providing a minimal subsidy to each project but requires owners to pay most project costs on below average and average assessments. While the City will participate in all projects under this formula, the majority of subsidies will be allocated to projects with above-average costs.

City First - Equal Share Model

Assessment Property Owner Cost City Cost

