

REQUEST FOR COUNCIL ACTION

Date: 07/12/10
Item No.: 13.c

Department Approval



City Manager Approval



Item Description: Discuss draft Streetlight Utility Ordinance

BACKGROUND

In previous budget discussions the council was introduced to alternative revenue options. Creating a streetlight utility as many other cities have done was an area the Council requested further information on. We have drafted an ordinance for establishing a streetlight utility to reduce the reliance on the property tax levy for this service for the Council's discussion and review.

The request for the 2011 budget is \$210,000 for streetlight operations including repairs and energy costs. We also have additional capital improvement needs for replacement of aging lighting systems. The city owns or is responsible for approximately 1300 street lights. We have estimated possible rates for various property types to generate \$300,000 per year for operating, replacement, and administering the street light program. This can be achieved with various rate structures that the Council could consider if desiring to implement this ordinance. Staff will have additional information on rate structures for your discussion at the council meeting. The fees would be collected on existing utility billing cycles to minimize administrative costs. Attached is a draft ordinance for this discussion. (Attachment A)

POLICY OBJECTIVE

The City has street lighting policy to ensure public safety on public ways. Currently there are approximately 1300 street lights in the city.

FINANCIAL IMPACTS

Initially we would propose to generate approximately \$300,000 per year in utility fees to cover the operating and capital replacement needs for street lighting. Initially we are estimating a quarterly fee of \$4 per single family residential lot. The Council may want to consider a per unit multi-family rate as well. All other property classes would be billed at a rate of 4-5 units per acre. This is a similar structure to our storm water fee and proposed rates would be in line or below with what other communities are billing for street lighting. We have approximately 9800 single family residential properties and approximately 2400 acres of non residential property.

STAFF RECOMMENDATION

Discuss a draft streetlight utility ordinance.

REQUESTED COUNCIL ACTION

Discuss draft ordinance and provide direction to staff.

Prepared by: Duane Schwartz, Public Works Director

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.

46
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.

50
51 **C. Collection of Fees.** The service charges for street lighting shall be placed directly on the
52 utility bill for each property.

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

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

- 59
60 1. City-owned, except that which is leased to persons or nongovernmental entities;
61 2. Public right-of-way;
62 3. Vacant (without improvements);
63 4. Cemeteries;
64 5. Railroad right-of-way.
65 6. Properties that own and maintain public street lighting systems on public right of
66 way

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68 **804.04: CERTIFICATION OF DELINQUENT ACCOUNTS**

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

74
75 **804.05: STREET LIGHT UTILITY FUND**

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77 All fees and assessments received pursuant to this Chapter shall be placed in a dedicated fund for
78 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__.

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

(SEAL)

CITY OF ROSEVILLE

BY: _____
Craig D. Klausing, Mayor

ATTEST:

William J. Malinen, City Manager