



STREET MAINTENANCE FUNDING

DS-18-091

November 6, 2018

Background

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- At the last workshop we discussed funding alternatives for street maintenance.
- We discussed in detail a street maintenance fee.

Alternatives

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1. Do nothing.
2. Reallocate funding from a different department/program within the General Fund.
3. Increase property taxes.
4. Establish a Street Maintenance Fee

Questions

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- Will this fee be placed in a separate fund?
 - ▣ This is a City Council decision; however, best practice is to place the fee in either a special revenue fund, or enterprise fund.
- Are there any entities exempt from this fund?
 - ▣ Under the current structure, the only exempt entity is the City of Killeen.
- What would the fee be for the additional \$1.6M?
 - ▣ In order to recover the \$1.6M system cost, the fee would be \$1.71 per SFE per month.

Questions cont'd

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- How will the fee be affected by the construction of a new road?
 - ▣ When a new road is built the system cost will increase by +/- \$900 per lane mile per year. This cost increase should be partially or entirely offset by the new rate payers that inhabit the new road.
- How will impact fees affect street maintenance fees?
 - ▣ Impact fees will not offset the need for street maintenance fees. Impact fees are for new construction only and cannot legally be used on street maintenance.

Next Steps

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- Review and discuss the decision matrix.
 - ▣ Be prepared at the next workshop to make decisions on the items contained in the decision matrix.
- Discuss any additional questions or comments regarding street maintenance funding.
- After a single alternative has been selected, City staff will provide the necessary details for the selected alternative.