



City of Killeen

Legislation Details (With Text)

File #: OR-18-017 **Version:** 1 **Name:** Street Maintenance Fee Ordinance
Type: Ordinance **Status:** Passed
File created: 11/27/2018 **In control:** City Council
On agenda: 12/11/2018 **Final action:** 12/11/2018
Title: Consider an ordinance amending Chapter 25, Streets, Sidewalks, and Miscellaneous Public Places by establishing a Street Maintenance Fund and providing for collection of street maintenance fees.
Sponsors: Public Works Department
Indexes:
Code sections:
Attachments: 1. Staff Report, 2. Ordinance, 3. Presentation

| Date | Ver. | Action By | Action | Result |
|------------|------|-----------------------|---------------------|--------|
| 12/11/2018 | 1 | City Council | Approved as Amended | Pass |
| 12/4/2018 | 1 | City Council Workshop | | |

Consider an ordinance amending Chapter 25, Streets, Sidewalks, and Miscellaneous Public Places by establishing a Street Maintenance Fund and providing for collection of street maintenance fees.

DATE: **December 4, 2018**

TO: **Ronald L. Olson, City Manager**

FROM: **David A. Olson, Executive Director of Public Works**

SUBJECT: Ordinance establishing a Street Maintenance Fund and providing for the collection of street maintenance fees

BACKGROUND AND FINDINGS:

On October 23, 2018 the City Council re-engaged in a discussion surrounding the funding of street maintenance. City staff through the basis of both third party and in house studies developed the following departmental needs:

| Category | FY 2019 Budget | Cost per Lane Mil | Recommend Adjustmen | Cost per Lane Mil |
|---------------------------|--------------------|-------------------|---------------------|-------------------|
| Personnel Services | \$2,500,566 | \$1,141 | \$0 | \$1,141 |
| Materials & Supplies | 629,727 | 287 | 0 | 287 |
| Street Light Electricity | 750,000 | 342 | 0 | 342 |
| Pavement Treatments | 330,000 | 151 | 1,639,402 | 899 |
| Pavement Markings | 92,311 | 42 | 0 | 42 |
| Signals & Traffic Control | 86,650 | 40 | 0 | 40 |
| Total | \$4,389,254 | \$2,003 | \$1,639,402 | \$2,75 |

After thorough discussion and consideration by City Council, staff was directed to provide an ordinance establishing a street maintenance fee to increase revenues as necessary to provide the recommended adjustment to the pavement treatment budget. This ordinance also establishes a special revenue fund, Street Maintenance Fund, to ensure the funds collected are used for street maintenance activities. Furthermore, it sets the recovery rate of the street maintenance fee at 26.35% of the current system cost or \$1.70 per month per single family equivalent.

While the ordinance will become effective immediately, the implementation phase will take approximately 6 months to properly integrate the new fee into the billing system. The collection of this fee will start in the July 2019 billing cycle.

THE ALTERNATIVES CONSIDERED:

The alternatives considered are as follows:

1. Reconsider the previous motion of direction regarding street maintenance funding and continue discussion on the topic.
2. Adopt the ordinance establishing a Street Maintenance Fund and Street Maintenance Fee.

Which alternative is recommended? Why?

Alternative 2 is recommended because this alternative was selected by a motion of direction during a City Council workshop on November 13, 2018.

CONFORMITY TO CITY POLICY:

This conforms to all state, federal, and local policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

This item is estimated to generate a revenue of \$1,639,402 annually.

Is this a one-time or recurring expenditure?

This is a recurring revenue.

Is this expenditure budgeted?

This revenue is not contained in the adopted budget.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City staff recommends that the City Council approve the ordinance amending Chapter 25, Streets, Sidewalks, and Miscellaneous Public Places by establishing a Street Maintenance Fund and providing for collection of street maintenance fees.

DEPARTMENTAL CLEARANCES:

Public Works

Finance

City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Ordinance