



# PAVEMENT MANAGEMENT PROGRAM (PMP)

City Council Public Hearing October 3, 2016

# Property Owner Contact

10/16/15	Estimated Assessment Notices mailed (includes notification of informational meeting and public hearing)
10/26/15 11/2/15	Property Owner Informational Meetings
11/16/15 12/21/15	City Council Public Hearings to order project
Before & During construction	Notice that construction will begin soon. Various handouts (sod, curb & gutter) related to construction.
9/14/16	Final Assessment Notices mailed (includes notification of information meeting and public hearing)
9/26/16	Property Owner Informational Meeting
<b>10/3/16</b>	<b>Assessment Hearing</b>

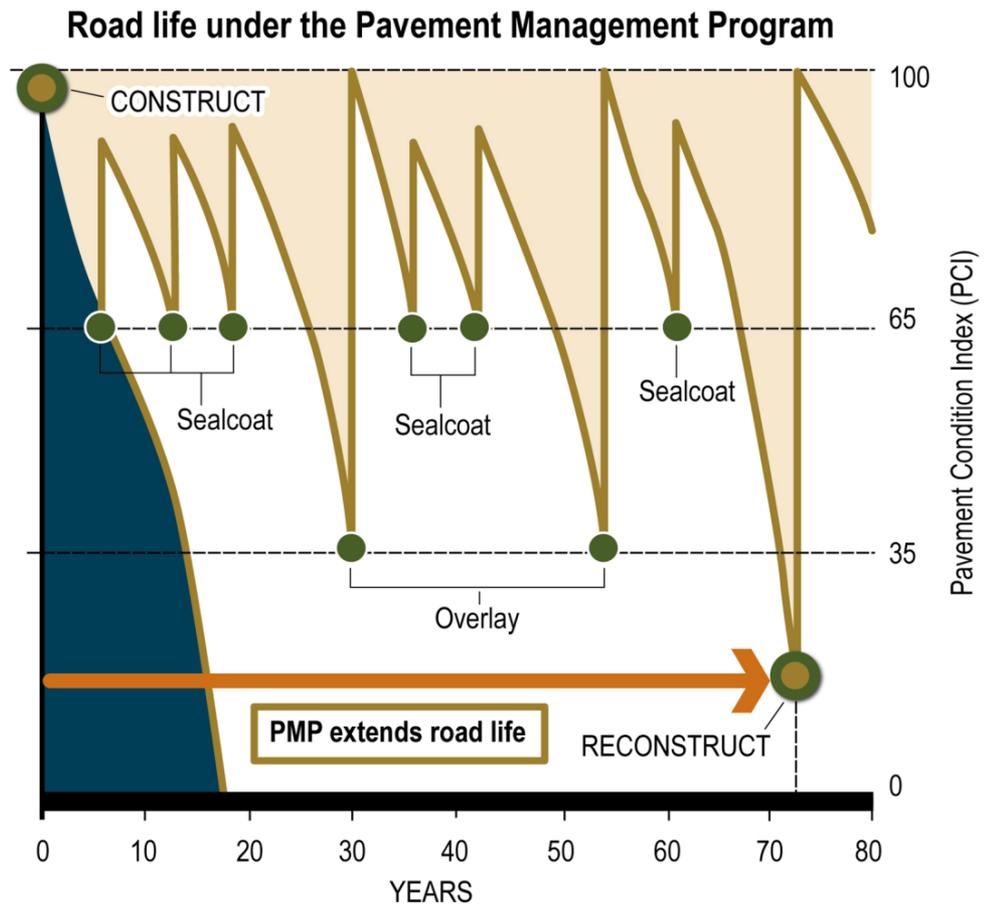
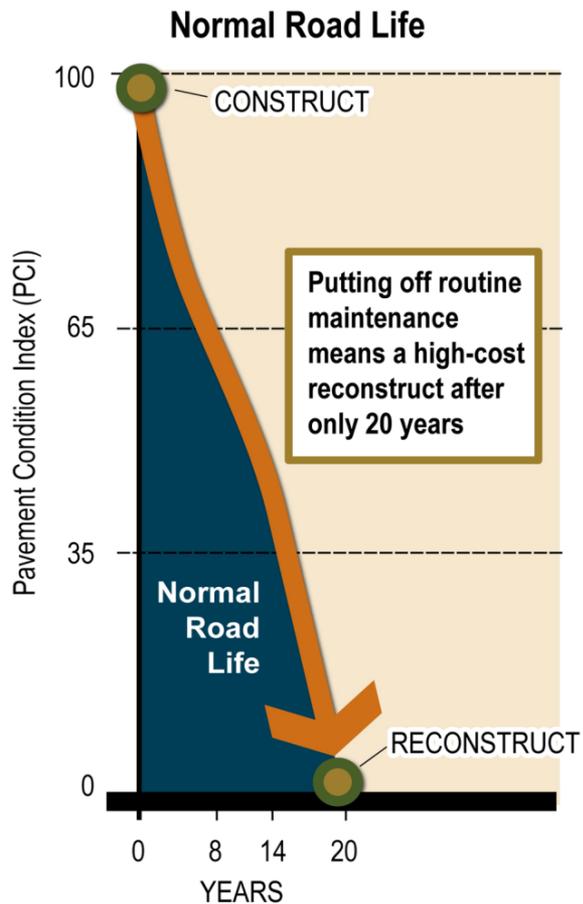
# Pavement Management Program (PMP)

- Established in 1991
- Reduces overall street repair costs  
**“right action at the right time”**
  - Pavement Condition Index (PCI)
  - Prepare forecast for future years
- Street segments bid together into one big project  
**“economy of scale”**
  - Lower assessments
  - Lower City portion for all taxpayers

# PMP Construction Techniques

- Reconstruct
  - Remove/replace pavement; install curb and gutter
  - Done by a contractor hired by the City
- Overlay
  - Grind portion of pavement; pave new top layer
  - Done by a contractor hired by the City
- Sealcoat
  - Apply bituminous adhesive, aggregate; sweep excess
  - Done by City's Maintenance Department

# Pavement Life Cycle



# Special Assessments

- Minnesota State Statute 429
- Policy in place since 1962
  - “Adjusted Front Footage”, equates all lots to a rectangular lot
  - Corner lots, Odd-shaped lots, Shallow lots
  - Lots without frontage added to policy 8/18/14
- Other cities use special assessments

# Cost Breakdown

- Total Project = \$6,679,846
  - Includes Surfacing, Curb & Gutter, Utilities, Traffic improvements
  - Only assess Surfacing and Curb & Gutter with PMP
- Surfacing = \$4,081,783
  - 100% Rate =  $\$4,081,783 / 31,108 = \$131.21 / \text{aff}$
  - **50% Rate** (non-single/two family) = **\$65.61/aff**
  - **25% Rate** (single/two family) = **\$32.80/aff**
- Curb & Gutter = \$1,197,267
  - 100% Rate =  $\$1,197,267 / 16,032 = \$74.68 / \text{aff}$
  - **50% Rate** (non-single/two family) = **\$37.34/aff**
  - **25% Rate** (single/two family) = **\$18.67/aff**

# Payment Options

- Payment due by November 29, 2016
  - ▣ To avoid interest, pay whole amount
  - ▣ To reduce interest and payment, pay any amount over \$100
  
- Spread over 10 years with 5% interest
  - ▣ Appears on property tax statements (May & October each year)
  - ▣ First payment May 2017; last payment October 2026
  - ▣ May pay off balance by calling Assessing Division
  
- Senior Hardship Deferral
  - ▣ Defers assessment until house is sold, or owner no longer qualifies
  - ▣ Interest still accrues on the unpaid balance
  - ▣ Must meet low income and house value requirements to apply
  
- Appeal Process

# The right action at the right time...

- Prolongs pavement life
- Keeps City's infrastructure in good condition
- Maintains or increases property values
- Reduces the overall cost