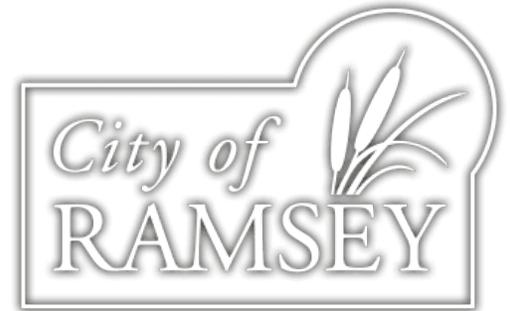


SEEKING A SUSTAINABLE MODEL TO FUND THE MAINTENANCE & RECONSTRUCTION OF LOCAL ROADS

RESILIENT COMMUNITIES PROJECT

Ramsey is located 22 miles northwest of the Twin Cities on 28 square miles bordered by the Rum and Mississippi Rivers. Its population is approximately 27,000 people.



Project description

Over the last five years, the City of Ramsey has been seeking to develop a sustainable funding method to fund local road maintenance and reconstruction. The City has nearly 180 miles of local roads and in recent years has been using a program that directly assesses property owners for up to 25% of the cost of the street project. The remaining 75% cost of the project is picked-up by the general tax levy in the form of debt service payments to capital improvement bonds, or by other road funding sources such as state aid payments. The high level of accumulating debt for road maintenance and reconstruction has proven not to be sustainable as a long-term solution to this problem.

This issue is critical for the City at this point because most of the city's oldest streets were constructed from 1974 to 1985. During that period, about 45% or 81 miles of city streets were constructed, making these streets 34 to 43 years old. The life expectancy of streets constructed with bituminous pavement in this area that receive routine, regularly scheduled maintenance treatments, is 60 years. Routine maintenance treatments typically include pothole patching, crack sealing, sealcoating, and pavement overlays. If routine maintenance treatments are not applied, the life expectancy of a bituminous pavement section is about 30 years. Historically, most streets in Ramsey have not received routine maintenance treatments so the anticipated life expectancy of city streets is somewhere between 30 and 60 years.

The project is important at this time because the City will need to decide between the options of issuing another 5-year capital debt program, an increase to the property tax, a franchise fee on local utilities, a combination of all of the above, or another method that additional research might reveal.

Key issues, questions, and ideas to explore

1. How do comparable Minnesota cities fund local road maintenance and reconstruction?
2. How do cold climate cities in other states fund local road maintenance and reconstruction?
3. What is the impact of road maintenance and reconstruction on the local property tax levy?
4. What level of special assessments are imposed?
5. What other fees or charges (other than taxes and assessments) are used to fund local road maintenance and reconstruction? What are the specifics of this fee, if any, and how is it regulated and controlled?
 - a. What is the fee dollar amount for single family residential, commercial?
 - b. How long has a fee been in place? Does the fee have a dedicated use (e.g., road maintenance, parks, etc.)
 - c. When was the last time the fee was raised?
 - d. How often is the fee revised?
 - e. Does the fee have a sunset provision? (i.e., does the fee automatically expire if the Council does not renew it)
 - f. Does the fee have a cap on how much is collected (either individually or aggregate)?
6. What are the equity considerations of the different types of funding? E.g., what is the relative impact of the funding source to the property valuation? Is there an adverse impact to lower valued properties?

How will students' work be used to build community resiliency?

- To inform the process about the best alternatives to providing a stable and sustainable funding source for local roads.
- To develop or modify a program for the community to fund local roads.

Potential community partners or stakeholders

- Ramsey City Council and staff
- Ramsey Charter Commission
- Residents
- Businesses
- Utility Companies

Existing Plans & Reports

- 2013 City Study on Franchise Fees and Local Funding
- 2019 City Outreach and Public Forums Regarding Local Road Funding

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