

Town of Rosetown Paving Pros / Cons List

Local Improvement Pros:

- You pay for it when you get it
- Get to see the end of the payment (7 years if put on your taxes)
- Pay for what you get (sidewalk, curb, full construction vs mill and cap, etc.)
- You pay for your lot only – frontage calculation
- You have the say to vote it out or in and options on type of work

Local Improvement Cons:

- Projects may get voted out (Town has done work to get it to this stage and risk it getting voted out)
- Higher cost when it happens as opposed to a lower yearly fee (full construction cost estimate for pavement, curb and gutter \$401.09/meter. Pavement, curb, gutter and sidewalk \$499.97/m. Mill and cap, no curb and gutter \$197.94/meter. An average lot is 15.24 meters, full construction \$6112.61 - \$7,619.54, mill and cap \$3,016)
- Must be engineered and tendered for contractor

Taxation Pros:

- Everyone pays the same amount regardless of lot size (Largest residential frontage is approximately 50.29 m and the smallest is 13.71 m)
- Lower yearly costs
- Town decides what gets paved each year
- Cannot be voted out
- Certain projects may not require an engineer or tender for contractor

Taxation Cons:

- Everyone pays the same regardless of what the project is (full construction with new sidewalk curb and gutter vs a street that only gets mill and cap, no concrete)
- Town decides what street is done each year (no voting out or in; priority would be based on type of job and traffic usage; low traffic streets= low priority)
- All lot sizes pay the same amount Largest 50.29 m pays the same as 13.71 m
- Significant increase to all taxes (residential and commercial even though some properties will never see pavement ex. hwy commercial or industrial)
- Council must commit a set amount of budget dollars each year to guarantee pavement every year (other large projects like water treatment plant or rec projects will not have access to funds to complete large projects)
- Tax payers will pay for flankage through this levy but won't under Local Improvement

- Any owners that have received paving in the last 7 years will be paying twice
- Owned condo units that have individual tax notices (if applied to all tax notices a 12-unit condo would pay 12 times on one property)

Paving Plan

The Town of Rosetown has approximately \$20,000,000.00 worth of pavement at various stages. Every year the condition of the streets change determining the type of work required (mill and cap vs full construction). Drainage has been a large focus for the Town. When doing a full construction project as everyone knows Rosetown is flat, some streets are less than 1% grade. This is why on a full construction you will see added catch basins if possible, and concrete curb and gutter to give the water a seamless path to storm drains. Drainage will always be difficult as we still need to match up to existing infrastructure ex: other streets, driveways, landscape.

When a paving project is looked at, we look at doing it correctly to get as many years of life out of each street as possible. We could just do a leveling course on each street as a cheap option but it would only stay smooth for a very short time frame. We also camera sewer mains and try to set up appointments to camera every sewer service on that street and do any repairs that would be considered an immediate issue. Replacing every water and sewer line on each street would add yet another large cost.

The driving surface for pavement has an estimated life span of 20 years, but there are many factors that can change that ex: drainage, traffic volume and type, base material used under pavement, use of geotextile fabric, environmental impacts, utility excavations, maintenance such as sealing and pothole repair.

Currently we are using a hybrid paving plan where on even years we do flankage streets (side street, no houses face it) costs are covered from existing taxes. Odd years are local improvement (frontage for properties also shortest side of a yard for corner lots) and split 50/50 between taxes and property owners. If there is any flankage lots on the street the property owners do not cover any of that cost. 100% of that distance is covered by taxes. Property owners pay 50% of the frontage of their property only. Each year changes in cost but previous paving projects were:

- Flankage \$565,696.10 covered by taxes only
- Local improvement \$913,277.52
- Taxes covered \$528,524.04 and property owners covered \$384,753.48
- the cost of frontage was split 50/50 but this project included large amounts of flankage, intersections and municipal property causing the split to be more on taxes.

What is an acceptable time to see Rosetown completely repaved - 10 years, 15 years, 20 years? Long term plans can be difficult as every 4 years there is an election and focus on projects may change.

So let's break down some costs that everyone wants to know:

\$20,000,000.00 10 years = \$2,000,000.00/year
 15 years = \$1,333,333.33/year
 20 years = \$1,000,000.00/year

Tax titles in town:

Residential 1024

Commercial 183

Total 1,207

Local improvement is currently at 50/50 cost share between taxes and property owner. If we apply the same split to taxes the increase would be:

\$20,000,000.00 10 years = \$2,000,000.00/year - \$1,000,000 current tax/\$1,000,000 tax levy
 15 years = \$1,333,333.33/year-\$666,666.67 current tax/\$666,666.67 tax levy
 20 years = \$1,000,000/year - \$500,000 current tax / \$500,000 tax levy

In the example a previous project over 2 years the taxes covered on average \$547,110.07/year.

With a 50/50 tax and levy model the breakdown would be:

	Taxes	levy added to every property
10 years	\$1,000,000.00	\$828.50 per year
15 years	\$666,666.67	\$552.33 per year
20 years	\$500,000.00	\$414.25 per year

For this to work we also need to figure out how the taxes guarantee the other 50% as paving is only one part of infrastructure the Town has. In this scenario, anything above the 20-year option would also require an increase in taxes or less money going to other infrastructure of services provided. As in the example we averaged \$547,110.07 per year which was a large increase from previous years and would not be sustainable every year.

If we looked at a levy covering 100%, as that would be the only way to guarantee a long-term project stays moving forward, it would be:

	Cost per year	Levy per year
10 years	\$2,000,000.00	\$1,657.00
15 years	\$1,333,333.33	\$1,104.66
20 years	\$1,000,000.00	\$828.50

If we use a 15-year plan levy vs local improvement at 50/50 split:

Levy is a cost per year and would likely never go away on a 15-year plan, but may be adjusted once the town is completed. Local improvement would be a one-time cost in a 15-20 year period providing you don't move to another street that has not yet been paved.

Levy cost over 15 years	Local Improvement over 15-20 years
\$7,456.40	\$3,016 - \$7,619.54 depending on project
	Option to be put on taxes over 7 years

The cost is close if you are getting full reconstruction with pavement, curb, gutter and sidewalk. But if your street is only getting a mill and cap, it will cost more than double.

Items to discuss

What is the timeline?

What is the tax vs levy split?

How do we deal with properties that have already paid or are still paying?

The levy will never disappear on a 15-year plan as it will be a revolving plan

Which street is last?

Who pays for concrete as it was not calculated into the levy?

Can the current taxes maintain the 50% or would it also require a separate tax increase to maintain existing infrastructure and services or what can we do to lower current infrastructure or operating costs?

The map included is what has been paved since 2005.