RESOLUTION APPROVING RURAL ROAD IMPROVEMENT POLICY

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6)(Reissue 2012), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103(Reissue 2012), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, Neb. Rev. Stat. §39-1637 to $39-1655 authorizes the creation of and the operational procedures for Rural Road Improvement Districts (RRID’s); and,

WHEREAS, the issuance of bonds for RRID’s can be problematic for the following reasons: 1. Any RRID bonds become the general obligation of Sarpy County. 2. The issuance of RRID bonds could cause the County to exceed the limit for bank qualified status, which would result in higher interest rates. 3. RRID bonds are subject to SEC, IRS and GASB rules and regulations. 4. RRID bonds require the involvement of bond counsel, bond underwriter and usually a bond trustee; and,

WHEREAS, the Sarpy County Attorney’s Office has determined that RRID projects may be financed with funds available in the Public Works fund rather than through the issuance of bonds if such project has been included in the capital allocated budget; and,

WHEREAS, if the expenditures for an RRID project and the special assessment revenues are realized in the same year, the financial impact is minimized.

NOW, THEREFORE, BE IT RESOLVED, by the Sarpy County Board of Commissioners that the Chairman is hereby authorized to approve that, it is the policy of Sarpy County that RRID projects approved by the Sarpy County Board of Commissioners will be funded through funds available in the Public Works fund if the projects have been included in the capital allocated budget. Any RRID projects shall not exceed 5% of the capital allocated budget in any given fiscal year. Special assessments collected from residents or businesses within the RRID will be deposited in the Public Works fund; and,

BE IT FURTHER RESOLVED, that the interest rates on special assessments that are due but not delinquent will be 10% per annum to encourage the special assessments to be paid in the same year they are levied; and,

BE IT FURTHER RESOLVED, that RRID projects must be designed and constructed to meet current Sarpy County applicable subdivision regulations and design standards, and that all designs will be reviewed by Sarpy County for compliance with roadway and drainage standards; and,
BE IT FURTHER RESOLVED, that plans and specifications for the project must be designed, signed and sealed by a licensed professional engineer of the State of Nebraska. Sarpy County staff may produce design plans if available; and,

BE IT FURTHER RESOLVED, that within the right-of-way of the improvement, all landscaping materials (plants, bushes, ground cover, edging, etc) shall be removed by the current property owner. The materials shall be removed in such a manner as to allow for grading of drainage ditches, culverts, and drainage structures; and,

BE IT FURTHER RESOLVED, that once the design is complete and sufficient funds available, the improvement will be advertised using the Sarpy County Public Works roadway bidding process.

The above Resolution was approved by a vote of the Sarpy County Board of Commissioners at a public meeting duly held in accordance with applicable law on the 21st day of September, 2016.

Sarpy County Board Chairman

Attest:

SEAL

County Clerk
To: Sarpy County Board

From: Brian Hanson

Re: Rural Road Improvement Districts

There has been increasing interest in the creation of Rural Road Improvement Districts (RRID’s) in Sarpy County. RRID’s can pose a challenge in several areas:

1. Any RRID bonds become the general obligation of Sarpy County.

2. The issuance of RRID bonds could cause the County to exceed the limit for bank qualified status which would result in higher interest rates.

3. RRID bonds are subject to SEC, IRS and GASB rules and regulations.

4. RRID bonds require the involvement of bond counsel, bond underwriter and usually a bond trustee.

The County Attorney’s office has determined that RRIDs may be financed with funds available in the Public Works fund. This option is preferable to issuing bonds, however, it can create a situation where RRID projects can move ahead of other road projects that have been in the planning stages for a number of years. If the expenditures for a RRID project and the special assessments are realized in the same year, the financial impact is minimized. This can be accomplished by setting the interest rate on assessments due but not delinquent at a higher rate. The County is just not in a position to act as a bank for road construction projects.

The proposed resolution also clarified that all RRID projects must be designed and constructed to County standards.

One other option would be to place a moratorium on the approval of any new RRID’s.

Please let me know if you have any questions. Thanks!

September 07, 2016

Brian E. Hanson, Fiscal Administrator
cc:  Mark Wayne  
   Scott Bovick  
   Debra Houghtaling  
   Denny Wilson  
   Pat Dowse  
   Michael Kosa  
   John Reisz  
   Mike Smith