CALL TO ORDER

Mayor Hogan called the meeting to order at 7:00 PM.

ROLL CALL

Present: Mayor Jeffery Hogan, Deputy Mayor Mike Kelley, Jr., Councilmember Dave Olson, Councilmember Paul Crowley, Councilmember Daryl Eidinger, Councilmember Donna J. O'Ravez, Councilmember Steve Cope (Councilmember ORavez recused herself from the discussion of item a)

Staff Present: City Manager Mark Bauer, Assistant City Manager/Municipal Services Eric Phillips, Assistant City Manager/Administrative Services Debbie Zabell, Police Chief Ed Knutson

COUNCIL BUSINESS

1. Local Improvement District No. 1 Update

a. Penalties for LID Late Payments:

City Manager Bauer noted the current penalty established by ordinance is 12%, he further noted the State Law requires late penalties are to be a minimum of 5%. Councilmembers discussed the current penalty rate and the possibility of lowering the penalty to the minimum amount of 5%. Councilmembers directed staff to look into the possibility of reducing the rate and if the reduction can be retroactive.

Councilmembers requested the item to be brought back for further discussion.

b. City costs associated with LID:

City Manager Bauer noted there are no outstanding LID expenditures owed to the General Fund, all expenses owed to the General Fund were paid during the LID process, this includes the $750,000 loan from the General Fund that had been paid using the Bond Anticipation Note (BAN) loan. He further noted the Rural Development Loan would not pay for some of the expenses, such as labor costs. This represents approximately $500,000 in labor costs for the life of the project, which will be covered through the assessment payments.
City Manager Bauer noted the loan from the General Fund for the sewer project was to cover the expenses in the beginning of the process such as design, right-of-way purchases, legal costs, and staffing. He further noted the General Fund incurred approximately $2,000,000 in expenses, which was paid back through the BAN loan.

City Manager Bauer noted when the LID began, it came about at the request of the property owners, and that the LID is a tax-exempt funding mechanism that allows the citizens to take advantage of a long-term loan process to pay for infrastructure. He further noted that in the beginning, the Council at the time, made the decision that the LID participants would pay 100% of the costs of the project, which includes labor and benefits. City Manager noted that as a matter of policy, any future Council can change the policy decision by a previous Council and State Law does allow the use of reserves to towards the project.

Councilmembers discussed the costs associated with the project and noted any cost reduction that could help the LID members should be looked at and requested the item to be brought back for further discussion.

c.Latecomers Fees for LID:
City Manager Bauer explained the process for latecomers Agreements and Developer Extensions.

Councilmembers discussed system development charges going back to the members of the LID and the establishment of a latecomers fee and allocation structure.

Councilmembers requested the item be brought back for further discussion.

Councilmember Cope moved to suspend the Council Rules of procedure to allow for public comment at the end of the Study Session.

Councilmember Olson offered a friendly amendment to limit the discussion to the agenda items.
Motion: Temporary suspend Council Rules to allow for citizen input, with the limit of 3 minutes, towards the items on the Agenda Action: Approve, Moved by Councilmember Cope, Seconded by Councilmember Olson.

Councilmembers discussed allowing citizen input at the Study Session Meeting.

Vote: Motion carried by roll call vote (summary: Yes = 4 No = 3).
Yes: Councilmember Eidinger, Councilmember O'Ravez, Councilmember Olson, Councilmember Cope. No: Deputy Mayor Kelley, Mayor Hogan, Councilmember Crowley.

d. Properties exempt from LID Assessment:
City Manager Bauer noted there were no properties exempt from the LID assessment, there were properties that had no special benefit and did not have an assessment established. He further noted there are eight properties and the majority are storm water ponds.

Councilmembers discussed the potential of properties use changing and establishing a policy that would require the property to be re-assessed, and determine how the assessments are established.

City Manager Bauer noted there is an established process under current LID law that allows for re-assessment during the 20-year assessment period.

Councilmembers discussed the preliminary and final assessment.

Councilmembers requested the item to be brought back for further discussion.

Councilmember Eidinger motioned to recess for five-minute and extend the meeting 30 minutes.

Motion: Recess for five-minutes and extend the meeting 30 minutes Action: Approve, Moved by Councilmember Eidinger, Seconded by Councilmember Cope.

Vote: Motion carried by unanimous roll call vote (summary: Yes = 7).
Yes: Councilmember Eidinger, Councilmember O'Ravez, Councilmember Olson, Councilmember Cope, Deputy Mayor Kelley, Mayor Hogan, Councilmember Crowley.
RECESS
Mayor Hogan adjourned the meeting to Recess for five minutes at 9:04 PM, the Regular Council meeting reconvened at 9:09 PM.

AUDIENCE COMMENT

Erick Docken, 1106 Karshner Road, Edgewood, thanked Council and staff for addressing the issues. Mr. Docken stated the participants in the LID paid for and own the investment and they want a return on their investment and they want to be paid back when someone uses it. He further stated that the LID should be operated by a separate organization or a separate department in the City so all the money goes back to the participants of the LID.

Bill ORavez, 11911 21st Street E, Edgewood, thanked Council for spending time on the issues. Mr. ORavez noted the research Councilmember Cope has performed. He further noted the costs were charged improperly to the LID and should go back to reduce the assessments. Mr. ORavez stated what the purpose of the City is and that the City has the rule that development pays for development and this rule should be changed. Mr. ORavez inquired as to who owns the sewer system since the loan is outstanding.

Dexter Meacham, 37026 45th Ave South, Auburn, owns two properties in the LID and expressed concern with the LID.

Jeff Stokes, 909 Meridian Ave, Edgewood, thanked Council for looking into the issues and supports the reduction of the Citys costs and the ability for latecomer agreements.

Ed Duncan, 113 Meridian East, Edgewood, thanked Council and noted we need to come up with a solution, everyone needs to come together to help the LID members.

ADJOURN
Mayor Hogan adjourned the meeting at 9:20 PM.

Debbie Zabell, City Clerk Jeff Hogan, Mayor