

March 22, 2018 Special Council Meeting (Bond Council)

Council members in attendance were Annette McLean and Matt Greemore. Also in attendance were Mayor Tom Hyndman, Clerk/Treasurer Kristi Millhouse, and Maintenance Supervisor Sam Novich.

Guests: Dan McCauley and Craig Erickson of Great West Engineering and Bob Murdo of Jackson Murdo & Grant PC.

Dan McCauley introduced Bob Murdo who is an attorney and does bond counseling. Bob discussed with the Town how to go about creating districts in Twin Bridges. When a district is created the Town is talking about improving someone inside the districts property. They have to pay through fees or taxes assessed by the district for that improvement. You can do the whole Town or a part of the Town. The theory is that you can levy a special assessment against the property by just having the Town Council pass a resolution of intent to do something. Public notice must be given so people can look at the resolution to see what the basis of the proposal is and what it is going to cost everyone. When the council is looking at a district they can assess fees based on anything such as the square footage, assessed value of the property, etc. The Town Council makes the decision. They work with the engineers and bond council to figure out what they want to do.

Bob gave an example of a project and its costs. \$1,000 project with 100 pieces of property would be \$10.00 per property to pay back. This would be an equal share project. The Town will need a pretty good idea of the cost of the project from the engineer to figure out the fee to be assessed to the property. The fee charged for the district will include the engineers and bond council's cost, origination fees, and anything else that may need to be included.

Notice must be published to individuals inside the district that they have 15 to 20 days to protest the district and the levy. If the Town has fewer than 500 people they don't have to publish in the paper, we only have to post in three places. We also need to send letters to all property owners.

Matt asked if notice goes to entire Town or just the district that is being affected. Bob stated that it only has to go to those that are part of the district. They can file a written protest with the Town Council. If more than 50% of the district files written protest you can't do it or you have to figure out a different way to do the funding. The 50% would depend on the assessment to the property so if it is square footage then 50% of the square footage could be against the project. The only vote is during the protest period. If 15% protest then the Town Council has the ability to create the district. You have the power to create the district. A road maintenance, road improvement, storm water, lighting, and sidewalk districts would all work this way.

A general obligation bond can also be done for a project and that takes the vote of the people. This would be more for maintenance. With general obligation bonds you would be taxing the whole Town. We are going to raise the taxes to pay off the bond. You are getting the authority to levy taxes because it is good for the Town. The shop building would be a good example of what a general obligation bond would be used for.

There must be a 40% voter turnout and 50% have to vote in favor of it. A general bond obligation has to be something that benefits everyone.

General Obligation Bonds and SID's can be sold to the local bank or Rural Development. Someone with lower interest rates. You want to make sure it is a tax exempt rate which will be 2 to 2.5% lower than a regular loan. Saves money for the tax payers.

If you assess the fee on the tax bill they have to pay it. They can't pay a portion of the tax bill just because they don't like it. If they don't pay then the Town or the County gets the property.

Matt said our biggest project is the stormdrain project along 6th avenue. There is the school district and 10 to 12 others that would benefit from the district. Because it is a special assessment and not a tax you can assess the school. If someone owns 4 lots they have to pay for all 4 lots.

Discussion occurred regarding different options and what type of Maintenance Districts/Improvement Districts the Town might look at doing. Maintenance Districts are put together to provide maintenance for the current roads whereas an improvement district is for something new.

2019 would be the earliest that the Improvement District would be ready. Because the fee goes with the tax bill, the Department of Revenue is involved. The County accessor needs to know about it in the year that you are going to levy the assessment.

First step of creating a stormdrain district is the Town needs to figure out the district and how much everything is going to cost such as reserves, bond council, funding of the project. What is it going to cost to borrow the money? What is each property owner's total and annual basis? You can involve everyone in Town. Then the Town needs to create a resolution with intent to create and ordinance for the district. The Town does not want to create the ordinance until the district is figured out. The ordinance will also have to be shown to DNRC before they will loan money. This will be a least a 60 day process with a 30 day protest period.

If the costs are 7% off you have to start over on the district based on a case from 1912 determined by the Supreme Court. The Town cannot pass something that you said would cost \$100 and then it ends up \$150.

Dan says we need to have a meeting to figure out what the Town wants to do. Dan will pow-wow with Jeremiah to pinpoint what options there are for in front of the school. Dan asked the Council if they would be willing to meet again before the next council meeting. April 9th is suggested for a next meeting at 5:00 or 5:30 pm.

Would impervious area be a better way to go for accessing the stormdrain district? Dan thought that the impervious area is the fairest way to go on a stormdrain district. Each district would probably be different because they are different projects.

First step of the SRF loan is a questionnaire for the intended use plan. Craig asked Dan if we should get the Town on their list. We should have enough info from the TAP application.

Meeting adjourned at 5:00 pm.

ATTEST:

Mayor Thomas Hyndman

Clerk, Kristi Millhouse