



MAYOR AND COUNCIL COMMUNICATION

DATE: May 3, 2016

REGULAR

ITEM #: 12

AGENDA ITEM: 2016 Street Improvements – Adopt Resolution 2016-31 Approving 2016 Street and Utility Improvements and Rescinding Resolution 2015-82 – Resolution 2016-31

SUBMITTED BY: Kristina Handt, City Administrator

REVIEWED BY:

BACKGROUND:

As was discussed at the last meeting, Resolution 2015-82 Ordering the 2016 Street, Drainage and Utility Improvements and the Preparation of Plans and Specifications as amended did not pass with a 4/5th vote which is required under statute in order to special assess for a project not initiated by a petition. Since it wasn't approved with a 4/5th vote, bond counsel will not allow these projects to be included in the 2016A Bond Series.

ISSUE BEFORE COUNCIL:

Should the Council vote to rescind the previous resolution and adopt a new one with a 4/5th vote?

PROPOSAL DETAILS/ANALYSIS:

As mentioned, staff is asking Council to consider rescinding the previous resolution and approving a new one by a 4/5th vote. Regardless of whether or not a new resolution passes by a 4/5th vote, the projects will happen as the Council has already awarded a contract and work has begun.

In addition to impacting the 2016 bonding, if the resolution is not passed by a 4/5th vote, the city will not be able to special assess for these projects.

Lastly, if the Council does not pass the resolution by a 4/5th vote at this meeting, they would need to start the entire process over from the beginning with notification, public hearing, etc for those properties proposed to be special assessed. The 6 month period from the hearing date expires on May 4, 2016.

FISCAL IMPACT:

The 2016A Bond Series proposes that \$1,175,000.00 be bonded for to cover the 2016 Improvements for the Kirkwood, Stonegate and Kelvin street projects. If this resolution is not passed, alternative funds would need to be identified.

If the resolution is amended to remove just the Kelvin Ave portions, up to \$430k (\$285k streets and \$145k water) would be removed from the 2016A Bond Series. Again, the City would not be able to special assess to recover any of the costs without a 4/5th vote. (Kelvin special assessments of \$92k streets and \$145k water). Alternative funds would need to be identified.

Likely alternative funds would be reducing the City's fund balance by said amount.

OPTIONS:

- 1) Approve Resolution 2016-31 Approving 2016 Street and Utility Improvements and Rescinding Resolution 2015-82

- 2) Amend Resolution 2016-31 to remove the Kelvin Ave street project, then approve
- 3) Take no action (will result in Council needing to amend Resolution 2016-28 to remove 2016 street projects-next agenda item)

RECOMMENDATION:

Option 1.