



Prineville City Council Meeting Febaurary 24, 2009

Issue Summary

Topic: Collection of LID Payments

Department: Finance

Staff: Liz Schuette

Overview: The Local Improvement District (LID) debt service fund accounts for the repayment of debt issued to finance property owner requested infrastructure projects. The primary revenue source of this fund is payment of assessments by benefited property owners.

Currently, the fund balance is within allowable fiscal policy. Over the years, some property owners have chosen to pay off their assessments early, while others have made payment arrangements to pay the assessment off over a prolonged period of time. Staff has recently implemented software for the tracking and calculation of special assessments and has become more efficient with correspondence and collection of payments.

Issue: With improved visibility of account status, and troubled economic times, staff has observed an increasing trend of property owners failing to meet their payment requirements and becoming delinquent on their payment plans. Ordinance, state law, and LID Property Owner Agreements provide the City with several methods for collection of delinquent LID balances, up to and including, professional collections services, property liens, and ultimately foreclosure.

Staff seeks council input and guidance as to the level of aggressiveness it wishes the City to take when exercising collections activities on these delinquent accounts.

Budgetary Impact: Should trends of delinquency continue to increase in large proportions, without appropriate collections action occurring, the City could face financial hardship in repayment of debt service obligations within this fund. This could require transfers from the General Fund to meet LID debt service obligations in a worst case scenario.

Projected Revenue								
Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Beyond	
Estimated beg fund bal	357,409	305,907	256,904	170,908	92,399	81,590	111,060	
Spruce Lane 10th Street/Madras Hwy Northridge Ochoco Hwy Ironhorse Intergovernmental								
	2,380	2,380	2,380	2,380		1,192		
	9,701	9,701	9,463	14,532				
	12,092	11,346	11,346	11,346	11,346	34,201		
	162,437	162,437	162,437	162,437	162,437	162,437	1,864,451	
Total revenue by year	221,610	220,864	185,626	190,695	174,975	196,638	1,864,451	
Expenditures								
Lid Debt Fund								
Debt Payment (P&I)		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Beyond
Spruce Lane 10th Street/Madras Hwy Northridge Ochoco Hwy Ironhorse		10,408	9,925	9,442				
		9,831	9,831	9,832	9,831	9,811		
		76,900	74,138	76,375	83,400			
		26,060	26,060	26,060	26,060	26,060	17,255	
		149,913	149,913	149,913	149,913	149,913	149,913	1,702,978
Total debt service by year	273,112	269,867	271,622	269,204	185,784	167,168	1,702,978	
Projected								
Ending Fund Balance	305,907	256,904	170,908	92,399	81,590	111,060	272,533	