



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 10/15/2024
Agenda Section: Consent Agenda

Department Origination: Finance

Agenda Item: Approve 2025 Delayed Payment of Tax on Special Assessments for Applicants with Eligible Hardships

Approval Required: Simple Majority Vote

BACKGROUND

The City Council adopted Ordinance 46 which is now City Code 1-8 allowing application for hardship deferments for senior citizens, disabled persons, or active military members. The ordinance and policy were amended to update the eligibility criteria. Applications from residents have been received for 2025 with the required information documenting the applicants qualify for the deferments. Conditional approval is requested for applicants whose applications are currently incomplete. The applicants are shown below.

Parcel Number and Homeowner

- 40120836 Diane Johansen
- 40310581 Edward & Beverly Meyer
- 40180532 Robert Plemel
- 40020592 Charlene Stardig
- 40060750 Phillip Strzelecki
- 40140711 Susanne Whirley

Pending Council approval and final review of the required documentation, the 2025 assessment installment payments for the listed homeowners will be deferred with annual interest of 1.25%. If an applicant wishes to continue to defer the 2025 assessment payments and future payments beyond 2025, the applicant must apply for and be eligible for the deferment each year by August 31st of the preceding year. Otherwise, the prior deferred payments will be due and payable in full. If they are not paid, the outstanding amount will be assessed for the remaining duration of the original assessment.

The applicants have paid the \$50 assessment deferral application fee, as identified on the City's adopted fee schedule, associated with the deferral requests. The fee covers the City's cost with recording the deferred payments at Crow Wing County.

FINANCIAL IMPLICATIONS

The annual assessment payments to be deferred for 2025 if approved total \$8,571. Deferment of the above assessments normally would require a 2025 property tax levy of the same amount to cover the annual assessment payment shortfall. While an additional levy is not anticipated for 2025, Finance will continue to monitor the debt service funds to ensure adequate cash flow for future bond payments. Future adjustments in debt service levies will be made, if necessary.

STAFF RECOMMENDATIONS

Finance Director Vacinek recommends approval of the deferred assessment installments for taxes payable 2025.

COUNCIL ACTION REQUESTED

Motion to approve the 2025 delayed payment of tax on special assessments for senior citizens, disabled persons, or active military members for parcels 40120836, 40310581, 40180532, 40020592, 40060750, and 40140711 all at 1.25% interest annually.