

DRAINAGE MEETING
DISTRICT MARSHALL-STORY #1
MAY 31, 2016

The Story and Marshall County Drainage District Trustees met in a telephone conference call in Conference Room A at the Story County Administration Building in Nevada, IA to consider a levy against Joint Drainage District Marshall-Story #1, Story County controlling, to cover the cost of a recently completed improvement project. Members present were Rick Sanders, chair, and Wayne Clinton of Story County and Denny Grabenbauer, Bill Patten, and Dave Thompson of Marshall County. Also present were Story County Engineer Darren Moon and Drainage Clerk Scott Wall and Marshall County Treasurer Jarret Heil and Drainage Clerk Whitney Hunt.

Sanders called the meeting to order at 8:15 a.m. and asked Wall about the proposed levy.

Wall said the current Marshall-Story #1 fund balance was a negative \$837,723.95. The Story County Bookkeeping Department estimates interest and finance charges through September 30, 2016 at \$43,906.74. Their figures were reviewed by Kent Rode at ISG who believes this to be a reasonable estimate. Wall rounded the number up to \$45,000.00 as there are additional charges this month that Bookkeeping did not include in their estimate – ISG’s final billing, appraiser’s and commissioner’s fees, and some publication costs. That brings the projected debt to \$882,723.95. Wall recommends a 104% levy which would generate \$884,000.00 and leave a fund balance of \$1,276.05. Wall said the smaller the ending balance the better as all future work will be done under 17 new assessment schedules and any balance from this project would have to be divided up among the 17 new sub-districts without a good mechanism to see that division is done equitably. Also, the trustees are responsible for setting the interest rate (Story County is currently using 6%) and the term for repayment (10-20 years by Code) for anyone wanting to waiver their payments on parcels with assessments of over \$500.00.

Grabenbauer asked what Story County had done in other drainage districts.

Wall said Story County has not had many projects on this scale but there was a \$500,000 repair done 5 years ago and 9 landowners are in their 5th year 10 years of waived payments on that project.

Sanders said on the project Wall mentioned the county had offered a competitive interest rate and there had been some grumbling that the county was in competition with the banks. Sanders thought a 10 year term was one Story County is comfortable with.

Wall said with plenty of old tile still in Marshall-Story #1 the last thing he wanted was to have to levy for more repairs while landowners are making payments on the improvement. The longer the term over which payments are spread the more likely it is that landowners will get additional assessments before they have paid for this one.

Grabenbauer asked how much time landowners would have to request a waiver. How do they know what their options are?

Wall said landowners must request, in writing, that their assessments be waived within 30 days of the assessment notices being mailed. In Story County that is July 1 whereas Marshall County may send the drainage notice as part of the regular property tax mailing in mid-August. Wall does not see this as an issue as long as owners in both counties have the 30 days to respond. Wall will include a letter to landowners with their assessments explaining their options and he will provide Hunt with a copy of the letter for Marshall County’s use.

Grabenbauer moved, seconded by Clinton, to accept Wall's recommendation to levy Joint Drainage District Marshall-Story #1 at 104% of its original assessed value with landowners of any parcel with an assessment of more than \$500 being able to request that payments on their assessment be spread over a period of 10 years at 6% interest, said levy to be dated May 31, 2016 with assessments due and payable on or before September 30, 2016. Motion carried unanimously (MCU).

Clinton moved, seconded by Patten, to adjourn. MCU. Meeting adjourned at 8:25 a.m.

Respectfully submitted,

Scott T. Wall