

STAFF REPORT

Date: January 17, 2024

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution directing the Deputy City Treasurer (Finance Director) to give Notice of the Sale of Properties subject to the Lien of a Delinquent Assessment, ratifying all actions previously taken, together with other matters properly relating thereto.

From: Crystal Dean, Accounting Manager

Department: Finance

Summary:

Per City policy, property owners who are four months or more delinquent on the payment of an annual or semiannual installment associated with a special assessment for improvements may, at the option of the City, have the total amount of the assessment become immediately due and payable. Exercising this option entails the initiation of a foreclosure procedure, which begins with a notice of sale to the property owner. Assessment Management Group (AMG), which bills the City's assessment district installments initiated after March 2003, had requested to give notice of sale to delinquent property owners representing 20 parcels with a total delinquency of \$282,623.38 that were not paid by the September 1, 2023, due date.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?	X	
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total City budget does this item represent?	0%	

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

March 26, 2003 - Council passed Resolution No. 6146 appointing the Finance Director as a Deputy City Treasurer.

March 12, 2003 - Council established a formal policy for the collection of delinquent special assessments and consented to the appointment of the Finance Director as a Deputy City Treasurer for certain billing and collection activities associated with special assessment districts (SADs). A copy of the policy can be provided.

Discussion:

The purpose of an SAD is to provide a funding mechanism for certain improvement projects that specifically benefit property owners within the district boundaries. The property owners who receive the special benefit are assessed the cost of improvements in annual increments as a special assessment on their parcels. This mechanism provides equity by ensuring general taxpayers do not pay for improvements that only benefit a specific area.

The City's SAD collection policy was developed to ensure this equity by providing the ability to declare all outstanding assessments immediately due and payable if the annual installment is delinquent by four months or more, if desired by Council. Prior to this, property owners are provided numerous monthly notices of delinquency and demand for payment on the annual installment. At the end of the second month of delinquency, after Council has given authorization to proceed with the sale, property owners are notified that the parcel will be sold at auction if the account is not brought current within 60 days.

Billing and collection functions of SADs initiated subsequent to March 2003 are processed by AMG. Per the City's collection policy, a resolution is required directing the Deputy City Treasurer (Finance Director) to provide a notice of sale to delinquent property owners which initiates the foreclosure process to make the City whole. The process has been followed annually since the adoption of the policy. AMG has provided an updated list of delinquent parcels for various SADs (Exhibit A) and is requesting authorization to initiate the foreclosure process as required by City Policy. The amount of delinquencies totals \$282,623.38 and represents 20 parcels for which payment was due on or before September 1, 2023.

Financial Implications:

Collection of these City advanced funds for bond debt service requirements ensures that general City taxpayers remain whole for improvements in various SADs.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council adopt the Resolution.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Reno Delinquent Parcel List as of 12/12/23 (Exhibit A)

Resolution for SAD sale
Delinquent Parcel Maps
Staff Presentation