



Legislation Text

File #: 15-0345, **Version:** 1

Consider and take action on Ordinance No. 2015-13 abolishing South Shore Harbour Municipal Utility District No. 6 - Second Reading (Director of Finance)

Council approved first reading 8-0-0 on May 12, 2015.

Approval of this action will authorize the dissolution of South Shore Harbour Municipal Utility District No. 6 (the "District") and upon final close out of the District, the City will see a net increase of revenue of \$444,000 per year beginning with FY2015.

In 1989, the City approved a Utility Agreement with the District which provided that the City would rebate 35% of the City taxes received each year on real property and improvements in the District. The City also retained 3% of the rebated amount for administrative expenses. The agreement provided that the rebated property tax funds could only be used to pay debt service on bonds issued by the District.

The District's last bond payment was due September 1, 2014. Due to a small cash shortfall, the District sought out a Tax Anticipation Note in the amount of \$300,000 to make the final debt service payment. After the District collected the majority of the 2014 taxes, they were able to pay off the note and close down the business of the District. The board of directors met for the last time on March 27, 2015 to finalize any outstanding issues.

Upon passage of this ordinance, the District will be formally dissolved, and the City will assume the District's assets and liabilities. The outstanding cash balance of the District is expected to be \$140,000 and will be transferred to the City's General Fund upon the effective date of the District's dissolution or soon thereafter.

For FY2015, the City's rebate to the District was anticipated to be \$444,000. With approval of the dissolution, this annual amount will be retained by the City beginning this fiscal year.

Attachments

1. Data Sheet
2. Ordinance 2015-13

FUNDING

{X } NOT APPLICABLE

{ } Funds are available from Account # _____

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____