

***MINUTES***  
***SPECIAL CITY COMMISSION MEETING***  
***TUESDAY, NOVEMBER 24, 2009***  
***5:00 P.M.***

The Special City Commission Meeting of the City Commission was held at 5:00 p.m. in the City Commission Room. Mayor Bob Strawn and Commissioners Bruce Snead, James E. Sherow, Loren J. Pepperd, and Jayme Morris-Hardeman were present. Also present were the City Manager Ron R. Fehr, Assistant City Manager Jason Hilgers, Assistant City Manager Lauren Palmer, City Attorney Bill Frost, City Clerk Gary S. Fees, 5 staff, and approximately 22 interested citizens.

**PLEDGE OF ALLEGIANCE**

Mayor Strawn led the Commission in the Pledge of Allegiance.

**WORK SESSION**

The City Commission held a Work Session on the Benefit District Policy.

Bernie Hayen, Director of Finance, presented background information on the item, performance history of Benefit Districts, estimated homeowner revenue, delinquency history, and direct and indirect City debt. He then responded to questions from the Commission regarding estimated homeowner revenue, City debt, special assessments, and the City's bond ratings.

Ron Fehr, City Manager, provided additional information on special assessment debt.

Rina Neal, Operations Officer, and Bernie Hayen, Director of Finance, provided additional information on special benefit districts and responded to questions from the Commission.

Ron Fehr, City Manager, provided clarification on the growth demands of the City and responded to questions from the Commission regarding City project participation.

Dale Houdeshell, Director of Public Works, presented the current cost share policy proportions, local street benefit costs share, collector street benefit costs share, and proposed cost share proportions. He then responded to questions from the Commission related to subdivision and commercial district infrastructure costs and the proposed benefit district model.

## WORK SESSION (CONTINUED)

Rob Ott, City Engineer, provided clarification on the construction of sidewalk projects and the responsibilities of the developer or homeowner.

Rich Seidler, Director of Development, McCullough Development, stated that the use of special assessments has long been an economic development tool for the City of Manhattan. He informed the Commission that to change the rules now will cause many projects to come undone and that growth in the community has been experienced because of past infrastructure projects. He provided an example of the McCall Road project and proposed benefit district to make much needed improvements. He requested that the Commission allow more time to allow developers the opportunity to better understand the scope of the changes being proposed.

Luther Pennell, 4420 Blue Run Road, local builder, asked the Commission if these proposed changes are being prompted because the City is trying to tighten the budget. He voiced concern with the rationale to do this and requested more information on the impetus to change from the existing benefit district policy.

Tim Schultz, Schultz Construction, asked if the Commission were considering eliminating benefit districts entirely or considering modifications made to the existing benefit district policy. He informed the Commission that specials vary in developments and that those additional costs would be passed onto the homeowner.

Ron Fehr, City Manager, provided examples and applications of benefit districts that have enabled City projects. He appreciated the feedback provided by the Commission and stated that City Staff will continue to examine the benefit district policy and seek input from developers as well.

After further discussion of the Commission, Mayor Strawn informed the community that the City Commission would not have a work session on Tuesday, December 8, 2009; however, would plan to have a work session on Thursday, December 10, 2009, to discuss the Disorderly House Ordinance and Standard Traffic Ordinance.

## EXECUTIVE SESSION

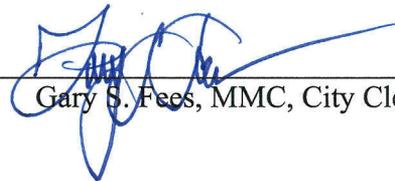
At 7:09 p.m., Mayor Strawn moved to recess into Executive Session until 7:30 p.m. for the purpose of discussions with the City Attorney regarding pending legal matters that need to be confidential and that are deemed privileged in the attorney-client relationship. Commissioner Snead seconded the motion. On vote, motion carried 5-0.

**EXECUTIVE SESSION (CONTINUED)**

At 7:30 p.m., the Commission reconvened with Mayor Strawn and Commissioners Snead, Sherow, Pepperd, and Morris-Hardeman in attendance. Commissioner Sherow moved to come out of Executive Session and adjourn the meeting. Commissioner Snead seconded the motion. On vote, motion carried 5-0.

**ADJOURNMENT**

At 7:31 p.m. the Commission adjourned.

A handwritten signature in blue ink, appearing to read "Gary S. Fees", is written over a horizontal line. The signature is stylized and cursive.

Gary S. Fees, MMC, City Clerk