

City of Dillingham Action Memorandum

Agenda of: July 13, 2015

Action Memorandum No. 2015-13

**Subject:**

Authorize City Manager to enter into a contract with Aurora SMC, Inc. for Real Estate Tax Sale

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City Manager: Recommend Approval

Signature:



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Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- Proposal Memorandum from Steve Cropsey d/b/a Aurora SMC Inc., dated July 12, 2015

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**Summary Statement:**

The purpose of this action memorandum is to provide a contract to Aurora SMC for the disposition of foreclosed properties by way of public auction. There are approximately 14 individual properties which will be the inventory of an auction sale to be conducted on site in Dillingham

The consultant fee proposal is a lump sum amount of \$19,750 plus expenses. There will also be an additional \$2,500 Auctioneer fees. The funds will come from the sale of the foreclosed properties.

Action Memorandum No. 2015-13

Summary Statement continued:

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PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council  
on 7/13/15.



Mayor

ATTEST:

[SEAL]

Jamie Williams  
City Clerk

Route to	Department Head	Date
X	Finance Director	7/14/15
X	City Clerk	7/14/15

City of Dillingham  
Fiscal Note

Agenda Date: July 13, 2015

Request: Contract for a consultant to assist in the disposition of foreclosed properties.

ORIGINATOR: Rose Loera

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
AMOUNT REQUESTED: <span style="float: right;">\$22,250</span>		FUNDING SOURCE <b>Sale of Foreclosed Properties</b>	
FROM ACCOUNT 1000 7199 10 19 <span style="float: right;">\$22,250</span>		Project <b>Contract with Aurora SMC Inc. for the Disposition of Foreclosed Properties</b>	
TO ACCOUNT:	VERIFIED BY: <u>Carmen Jackson</u>	Date: <u>7/13/2015</u>	

EXPENDITURES

OPERATING	FY16			
Personnel				
Fringe Benefits				
Gravel				
Road Maintenance Products				
Land/Buildings				
Miscellaneous	22,250.00			
<b>TOTAL OPERATING</b>	<b>\$ 22,250.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CAPITAL				
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REVENUE				
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FUNDING

General Fund				
State/Federal Funds				
Other	22,250.00			
<b>TOTAL FUNDING</b>	<b>\$ 22,250.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

POSITIONS

Full-Time				
Part-Time				
Temporary				

ANALYSIS: (Attach a separate page if necessary) See Attached Action Memorandum 2015-13

PREPARED BY: Rose Loera July 13, 2015

DEPARTMENT: Administration

APPROVED BY:  13-Jul-15

## Memorandum

To: Rose Loera, City Manager

From: AURORA SMC Inc.  
Steve Cropsey

Subject: Real Estate Tax Sale

Date: July 12, 2015

The City of Dillingham has acquired certain improved and unimproved parcels of real estate for non-payment of real estate and sales taxes plus penalties. Aurora SMC Inc. is an Alaska Corp. (Hereinafter referred to as the consultant) has experience in providing all administrative services and direction associated with the legal disposition of the properties by way of public auction. There are approximately 14 individual properties, which will be the inventory of an auction sale to be conducted on site in Dillingham.

- The consultant will coordinate all steps in bringing the property to legal public sale by "Out cry" auction with the City's Attorney and City Manager.
- The consultant will prepare and place the required notices and advertisements required by law.
- The consultant will prepare all auction conditions and disclosures to ensure the sales are consummated to buyers by delivery of title to the real property by Clerk's Deed conditioned only "As is where is".
- The consultant's administrative responsibility will be consummated upon delivery of a recordable Clerk's Deed to the winning buyers of all of the subject property and the transmittal of all sales proceeds to the City Manager or designee.
- The consultant will contract for the services of a qualified experienced auctioneer who will conduct the "Cry out" auction not later than October 2, 2015.
- The consultant will prepare and deliver to the City of Dillingham all records created as a result of the sale, organized to serve as the City's permanent record of the sale.

Consultant fee proposal is a lump sum amount of \$19,750 plus expenses.

The Auctioneer fees are an additional \$2500 plus expenses.

The City is to include Aurora SMC as additionally insured by the City's Liability Insurance carrier. Or agree to hold Aurora SMC and its officers harmless in the event of any litigation associated with this contractual agreement.

NOTE: Due to the large number of parcels involved we understand an Alaska licensed Real Estate Agent is required to be present at the sale. While this person has very limited duties or responsibilities a brokerage fee will have to be paid. The consultant will negotiate a reasonable fee, which will be presented to the City Manager for approval.